

**CITY OF CENTRAL, COLORADO**  
NOTICE OF A REGULAR MEETING of the CITY COUNCIL to be held on  
**Tuesday, July 1, 2014 @ 7:00 p.m.**  
141 Nevada Street, Central City, Colorado  
**AGENDA**

The City Council meeting packets are prepared several days prior to the meetings and available for public inspection at City Hall during normal business hours the Monday prior to the meeting. This information is reviewed and studied by the City Council members, eliminating lengthy discussions to gain basic understanding. Timely action and short discussion on agenda items does not reflect lack of thought or analysis. Agendas are posted on the City's website, the City Hall bulletin board and at the Post Office the Friday prior to the Council meeting.

**7:00pm Council Meeting**

1. Call to Order.
2. Roll Call.

Mayor	Ron Engels
Mayor Pro-Tem	Bob Spain
Council members	Shirley Voorhies
	Glo Gaines
	Kathy Heider
3. Pledge of Allegiance
4. Additions and/or Amendments to the Agenda.
5. Conflict of Interest.
6. Consent Agenda: The Consent Agenda contains items that can be decided without discussion. Any Council member may request removal of any item they do not want to consider without discussion or wish to vote no on, without jeopardizing the approval of other items on the consent agenda. Items removed will be placed under Action items in the order they appear on the agenda (this should be done prior to the motion to approve the consent agenda).

Regular Bill lists of May 22, 29 and June 5, 12, 19, 26; and  
City Council minutes: May 30 & June 3 and 9, 2014.

**PUBLIC FORUM/AUDIENCE PARTICIPATION** – *(public comment on items on the agenda not including Public Hearing items):* the City Council welcomes you here and thanks you for your time and concerns. If you wish to address the City Council, this is the time set on the agenda for you to do so. When you are recognized, please step to the podium, state your name and address then address the City Council. Your comments should be limited to **three (3) minutes per speaker**. The City Council may not respond to your comments this evening, rather they may take your comments and suggestions under advisement and your questions may be directed to the City Manager for follow-up. Thank you.

**SECOND READING AND PUBLIC HEARING** –

7. Ordinance No. 14-03: An ordinance extending the period of vested property rights for a Site Specific Development Plan known as the Final Plat for Eureka Heights Village Filing No. 2 and establishing an expiration date of such vested property rights of December 31, 2021. (Griffith)

**ACTION ITEMS: NEW BUSINESS** –

8. Ordinance No. 14-04: An ordinance of the City Council of the City of Central, Colorado amending certain provisions of Article I of Chapter 16 of the Central City Municipal Code. (McAskin)
9. Ordinance No. 14-05: An ordinance authorizing the City of Central to enter into a Promissory Note and related documents for a short term loan from Evergreen National Bank repayable within the same fiscal year for a principal amount not to exceed \$233,724.00 and an interest rate not to exceed 5.75% secured by a Deed of Trust on certain City owned property. (Flowers)

10. Ordinance No. 14-06: An ordinance authorizing the City of Central to enter into a Municipal Lease Purchase Agreement and related documentation with Deere Credit Inc. for the lease and purchase of a 4WD loader. (Flowers)
11. Resolution No. 14-12: A resolution appropriating additional sums of money to defray expenses in excess of amounts originally appropriated in the 2013 Budget for the City of Central. (Flowers)

**REPORTS** –

12. Staff updates –

**COUNCIL COMMENTS** - limited to 5 minutes each member.

**PUBLIC FORUM/AUDIENCE PARTICIPATION** – for non-action items not Action or Public Hearing items on this agenda (same rules apply as outlined in the earlier Public Forum section).

**ADJOURN.** Next Council meeting July 15, 2014.

Posted 6/27/14

Please call Reba Bechtel, City Clerk at 303-582-5251 at least 48 hours prior to the Council meeting if you believe you will need special assistance or any reasonable accommodation in order to be in attendance at or participate in any such meeting.

**CITY OF CENTRAL  
CASH ON HAND  
6/24/2014**

<b>Total Beginning ENB Cash on Hand 5/28/14</b>	<b>387.95</b>
Deposits to ENB	-
Wires Out ENB	-
Cleared Checks	-
<u>6/24/2014</u>	<u>387.95</u>
<less previously approved & outstanding>	(59.00)
<b>Total ENB Cash on Hand 6/18/14</b>	<b>328.95</b>

<b>Total Beginning CO Biz Cash on Hand 06-18-14</b>	<b>145,550.51</b>
Deposits to COB	336,943.27
Wires Out COB	(50,150.09)
Cleared Checks	170,481.15
<u>6/24/2014</u>	<u>602,824.84</u>
<less previously approved & outstanding>	(192,017.12)
Device Fees Received	-
<b>Total COB Cash on Hand 6/24/2014</b>	<b>410,807.72</b>

<b>Total Beginning Colotrust Cash on Hand 5/28/14</b>	<b>669,929.76</b>
Wires into Account	
Wires out of Account	(50,000.00)
<b>Total Colotrust Cash on Hand 6/18/2014</b>	<b>619,929.76</b>

\*\*\*The City is currently in the process of switching the operating account from Evergreen National Bank to Colorado Business Bank. As such, you will see less and less activity out of Evergreen National and on the next cash flow report both of the operating accounts will be reflected. Once all transactions have cleared Evergreen National Bank, it will be removed from this sheet.

<b>TOTAL CASH ON HAND 6/24/2014</b>	<b>1,031,066.43</b>
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CASH FLOW  
CHECK LISTING

6/24/2014

Inv Date	Inv #	Ck. Date	CK#	Vendor	Description	Amount	Mail Date
5/23/14	52314	6/5/14	128287	Gilpin County Arts Assoc.	Payroll for Wash Hall	940.00	
6/4/14	Jun-14	6/5/14	128305	Barbara Thielemann	Palming Commission Attendance	50.00	
6/12/14	51714	6/5/14	128307	Gilpin County Arts Assoc.	Artists Sales	107.00	
6/10/14	Aug-50	6/5/14	128308	Gilpin County Sheriff's Office	Postage for Emergency Notification	200.00	
5/29/14	52914	6/5/14	128309	Home Depot	PW and Water Supplies	1,492.16	
6/3/14	98763	6/5/14	128310	Office Stuff Inc	Check Stock	114.42	
6/2/14	60214	6/5/14	128311	Xcel	Electricity	11,876.42	
1/31/14	21401199	6/5/14	128312	Utility Notification Center	Line Locates	64.26	
3/13/14	CC031314	6/5/14	128313	Weekly Register Call	Publications	170.00	
6/4/14	49660	6/5/14	128314	J&S Contractors Supply	PW Supplies	1,438.20	
6/2/14	2014066096	6/5/14	128315	Anthem Blue Cross	Health Insurance	12,702.38	
6/4/14	Jun-14	6/5/14	128316	Janet Spain	Planning Commission Attendance	50.00	
6/10/14	9380	6/5/14	128317	Deere & Ault	Water Accounting and Diligence Application	3,362.00	
5/31/14	9767	6/5/14	128318	Allen Technology	Finance Clerk Computer	780.00	
6/1/14	44371	6/5/14	128319	One Way Inc.	Residential Trash	4,746.15	
6/4/14	60314	6/5/14	128320	Sprint	Long Distance Fax Service	8.19	
5/19/14	708415	6/5/14	128321	Raquel Ferszt	Translator for Court	75.00	
6/5/14	4696	6/5/14	128322	Ausmus Law Firm	Prosecution for June	600.00	
5/28/14	9726035832	6/5/14	128323	Verizon Wireless	Cell Phone Services	1,117.20	
6/2/14	60214	6/5/14	128324	T&D Carwash	PD Car Washes	126.00	
6/5/14	3060	6/5/14	128325	Finish Line Systems	Seal Pin for Meter	4.25	
5/31/14	36496	6/5/14	128326	ProCom	Pre Employment Test	34.00	
5/27/14	71898	6/5/14	128327	D&R Sales	Boots for PW	259.70	
5/26/14	50343	6/5/14	128328	JVA Inc.	Stormwater, Nevada Street, FEMA	5,248.00	
6/4/14	Jun-14	6/5/14	128329	Margaret Grant	Planning Commission Attendance	50.00	
6/4/14	Jun-14	6/5/14	128330	Herman Gaines	Planning Commission Attendance	50.00	
5/30/14	77237	6/5/14	128331	Gard Specialists	PW Supplies for guardrail repairs	574.93	
6/1/14	1824344937	6/5/14	128332	Waste Management of Denver	Dumpster Pickups, Add'l for clean up day	4,107.86	
6/4/14	May-65	6/5/14	128333	Cardmember Services	See Detail	2,331.58	
6/19/14	1821446	6/5/14	128334	Western Paper Distributors	Kitchen Towels, Trash Bags	136.28	
5/19/14	11870	6/5/14	128335	Chema Tox	Drug Screening for PD	450.00	
6/4/14	Jun-14	6/5/14	128336	Judy Laratta	Planning Commission Attendance	50.00	
6/1/14	700047	6/5/14	128337	Wimactel Inc	Pay Phone Service	70.00	
6/4/14	Jun-14	6/5/14	128338	Lisa Leben	Planning Commission Attendance	50.00	
6/4/14	CC0001	6/5/14	128340	W2 Engineers	Chase Gulch Dam Toe Drain	2,436.32	
6/9/14	60914	6/5/14	128341	Reserve Casino	Restitution	400.00	
6/9/14	60914	6/5/14	128342	Craig Van Langen	Restitution	225.00	
6/9/14	60914	6/5/14	128343	Jose De Jesus	Restitution	100.00	
6/10/14	20141	6/5/14	128345	Miller Municipal Consultants	City Manager Recruitment	15,003.44	
6/11/14	ISP0701140	6/20/14	128348	Payroll	Employee Payroll Checks	167.35	
5/31/14	7300037114	6/20/14	128353	ETS Development	Court and PD System Support	5,178.06	
		6/20/14	128354	DPC Industries	Chlorine	24.00	

CASH FLOW  
CHECK LISTING

6/24/2014

6/2/14	11847	6/20/14	128355	Canyon Systems	Tubing Connectors	56.93
6/17/14	5751169808	6/20/14	128356	Clear Creek Supply	Gloves, PW Parts	34.17
6/20/14	2NDQTR2014	6/20/14	128357	Colorado State Treasurer	SUTA	862.91
6/20/14	62014	6/20/14	128358	Gilpin Arts Assoc	Payroll 5-31 thru 6-14	2,030.00
6/12/14	287569	6/20/14	128359	Mountain States Employers	3rd Qtr Membership	479.34
6/12/14	291501	6/20/14	128360	Napa Auto Parts	Glow Plugs, Oil Filter	145.53
6/16/14	989861	6/20/14	128361	Office Stuff Inc	Creamer, Folders, Toners	222.45
6/16/14	61614	6/20/14	128362	Stephen Williamson	Legal for Water	4,461.62
6/2/14	5513252	6/20/14	128363	Public Safety Center	Batteries	70.70
5/31/14	21367	6/20/14	128364	Widner Michow	General Counsel, Iron Horse, Reffel	5,282.23
6/19/14	140601	6/20/14	128365	GCHS	Payroll for Wash Hall, Books for VC	2,504.34
		6/20/14	128366	Void		-
6/17/14	16338	6/20/14	128367	Front Range Carpet	Cleaning Carpet at Townhouse	420.00
6/17/14	61614	6/20/14	128368	Black Hawk Publishing	Books for VC	203.70
6/17/14	61614	6/20/14	128369	Sprint	Long Distance Fax Service	13.66
6/8/14	386027	6/20/14	128370	Golder & Assoc	Computer Support	480.00
6/7/14	3781	6/20/14	128371	Teryx	Computer for FD	1,631.30
5/31/14	991883729	6/20/14	128372	Airgas USA	Oxygen and Nitrogen	47.87
6/20/14	124040	6/20/14	128373	Air-O-Pure	Restrooms at City Shop and Reservoir	190.00
6/10/14	214426	6/20/14	128374	Symbol Arts	Badges	821.00
5/28/14	052814C	6/20/14	128375	USA Communications	Internet for FD	50.95
6/1/14	11886/11950	6/20/14	128376	Roi Fire	Signs, Gear Bag for Headrick	635.00
6/5/14	93926	6/20/14	128377	Intermountain Sweeper	Blast Office	34.98
6/13/14	20004	6/20/14	128378	CCBID	Marketing Service	44,375.24
6/20/14	62014	6/20/14	128379	JKQ BBQ and Smokehouse	Final Payment for Opera Picnic	750.00
6/7/14	41619041	6/20/14	128380	De Lage Landen	Copier Leases	535.51
6/10/14	201400203	6/20/14	128381	Fentress Architects	Iron Horse	5,380.45
6/20/14	62014	6/20/14	128382	David Harris	Expense Reimbursement	988.28
6/16/14	11877	6/24/14	128383	Canyon Systems	Tubing Connectors	48.91
6/18/14	8884349	6/24/14	128384	Hach Company	Water Supplies	5,758.99
6/23/14	62314	6/24/14	128385	Shirley Voorhies	CML Dinner	30.00
6/16/14	61614	6/24/14	128386	MCI	Toll Free Phone Service	28.53
6/11/14	D707991407	6/24/14	128387	YESCO	Sign Maintenance	80.00
6/23/14	62314	6/24/14	128388	Gloria Gaines	CML Dinner	55.41
6/13/14	D650351	6/24/14	128389	Accutest Mountain States	Water Testing	140.00
6/19/14	500751264	6/24/14	128390	Modular Space Corp	PW Office	136.60
6/16/14	61614	6/24/14	128391	Jewelry by Marks	VC Inventory	189.75
6/22/14	2377	6/24/14	128392	Colorado Coach	Shuttle Service For July	35,929.62
<b>Total Issued:</b>						<b>217,856.16</b>
Outstanding through ENB						59.00
Outstanding through COB						192,017.12
Approved & Sent Checks:						25,780.04
Cld & Pending Approval:						192,076.12
Voided Checks:						
<b>Total Pending Approval 7/1/14</b>						<b>192,076.12</b>

CITY OF CENTRAL  
DEBIT CREDIT CARD PURCHASES

<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
5/14/2014	CML	Conference Registration	1,303.00
<b>TOTAL for Debit Cards</b>			<b>1,303.00</b>

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**Total for Credit Cards** -

**Total for All Cards** 1,303.00

**CITY OF CENTRAL  
CITY COUNCIL MEETING  
June 9, 2014**

**CALL TO ORDER**

A special meeting of the City Council for the City of Central was called to order by Mayor Engels at 6:09 p.m., in City Hall on June 9, 2014.

**ROLL CALL**

Present: Mayor Engels  
Alderman Spain  
Alderman Voorhies  
Alderman Gaines  
Alderman Heider

Absent: None

Staff Present: City Clerk Bechtel  
Attorney McAskin  
Utilities Superintendent Griffith

The Pledge of Allegiance was recited by all present.

**ADDITIONS AND/OR AMENDMENTS TO THE AGENDA**

The agenda was approved as presented.

**CONFLICTS OF INTEREST**

No Council Member disclosed a conflict regarding any item on the agenda.

**PUBLIC FORUM/AUDIENCE PARTICIPATION**

No one requested time to address the Council.

**ACTION ITEMS: NEW BUSINESS**

Ordinance No. 14-03: *An ordinance extending the period of vested property rights for a Site Specific Development Plan known as the Final Plat for Eureka Heights Village Filing No. 2 and establishing an expiration date of such vested property rights of December 31, 2021.*

Utilities Superintendent Griffith explained that this proposed ordinance would extend Prospectors Run LLC existing vested property rights as granted in Ordinance No.08-06 associated with the Final Plat ending May 26, 2013 and which were extended again in Ordinance No. 10-06 to December 31, 2016 and per this proposed request to December 31, 2021.

Economic conditions have slowed the build out rate, and they expect to move towards full build out in about 7 years. The lenders are requiring additional time on the vested rights extension due to increased construction costs and lending requirements as stated in the attached letter.

Attorney McAskin added that this extension protects Prospectors Run and their lenders to allow

them to complete their build out as set forth in the original agreement and prevents the City from changing the gaming before they reach completion.

Alderman Gaines added that Prospectors Run have proven to be responsible builders by only adding units as they are presold rather than having spec homes sitting unoccupied.

Alderman Gaines moved adopt Ordinance No. 14-03: An ordinance extending the period of vested property rights for a Site Specific Development Plan known as the Final Plat for Eureka Heights Village Filing No. 2 and establishing an expiration date of such vested property rights of December 31, 2021 and set the Public Hearing for July 1, 2014 at 7:00p.m. Alderman Voorhies seconded, and without discussion, the motion carried unanimously.

Resolution No. 14-11: *A resolution of the City Council of the City of Central, Colorado approving a City Manager Employment Agreement.*

Attorney McAskin explained that a formal offer was made to Mr. Miera on Friday and following some negotiations, he executed the Employment Agreement today. The agreement includes the townhome with a lease agreement if he so chooses to reside here. His start date is on or before August 1, 2014 but may be available by middle to late July. Mr. Miera looks forward to this opportunity and being a part of “our team”.

Alderman Spain stated that this hiring process has been much more extensive than any previous process due to the Skype interviews which allowed Council to see more candidates.

Alderman Gaines moved to approve Resolution No. 14-11: A resolution of the City Council of the City of Central, Colorado approving a City Manager Employment Agreement. Alderman Spain seconded, and without discussion, the motion carried unanimously.

#### **COUNCIL COMMENTS**

Alderman Gaines thanked staff for all their hard work through this process and Attorney McAskin for his additional work this weekend to wrap up the contract negotiation.

Alderman Heider thanked the Mayor for all he has contributed to bring this to a close.

#### **PUBLIC FORUM/AUDIENCE PARTICIPATION**

No one requested time to address the Council.

At 6:39 p.m., Mayor Engels adjourned the meeting.

The next Council meeting is scheduled for July 1, 2014 at 7:00 p.m.

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Ronald E. Engels, Mayor

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Reba Bechtel, City Clerk

**CITY OF CENTRAL  
CITY COUNCIL MEETING  
June 3, 2014**

**CALL TO ORDER**

A regular meeting of the City Council for the City of Central was called to order by Mayor Engels at 5:59 p.m., in City Hall on June 3, 2014.

**ROLL CALL**

Present: Mayor Engels  
Alderman Spain  
Alderman Gaines  
Alderman Heider

Absent: Alderman Voorhies

Staff Present: City Clerk Bechtel  
Attorney McAskin  
Finance Director Flowers  
Utilities Superintendent Griffith  
Police Chief Krelle  
Fire Chief Allen

**EXECUTIVE SESSION**

Alderman Spain moved to go into Executive Session pursuant to C.R.S. 24-6-402(3.5) and 24-6-402(4)(f)(I) to convene executive session of the City Manager Search Committee, established by City Council on February 18, 2014, to review applicants for City Manager position with Mr. Ron Miller of Miller Municipal Consultants and to review the finalist candidates for City Manager and to invite Ron Miller, Marcus McAskin, Shannon Flowers, Reba Bechtel, Terry Krelle, Gary Allen, and Shawn Griffith. Alderman Heider seconded, and without discussion, the motion carried unanimously.

Mayor Engels reconvened regular session at 7:02 p.m.

The Pledge of Allegiance was recited by all present.

**ADDITIONS AND/OR AMENDMENTS TO THE AGENDA**

The agenda was approved as presented.

**CONFLICTS OF INTEREST**

No Council Member disclosed a conflict regarding any item on the agenda.

**CONSENT AGENDA**

Alderman Spain moved to approve the consent agenda containing the regular bill lists for May 22 and 29, 2014; and the City Council minutes for the meeting on May 20 and 22, 2014. Alderman Gaines seconded, and without discussion, the motion carried unanimously.

## **PUBLIC FORUM/AUDIENCE PARTICIPATION**

No one requested time to address the Council.

### **ACTION ITEMS: NEW BUSINESS**

Resolution No. 14-10: *A resolution of the City Council of the City of Central establishing certain financial procedures specific to authorized check signatories.*

Finance Director Flowers explained that due to changes in personnel as well as the Finance Director being out of the office for a period, this update is necessary to authorize elected officials and employees to sign checks issued by the City. Specifically to add the Finance Clerk and remove the former City Manager.

As it is sometimes necessary for City employees to use credit or debit cards in order to make some purchases or reservations, this resolution also recognizes that in these cases, only one authorized signature will be required and lists the City employees who are authorized to have and use a City credit or debit card.

Alderman Spain moved to approve Resolution No. 14-10: A resolution of the City Council of the City of Central establishing certain financial procedures specific to authorized check signatories. Alderman Heider seconded, and without discussion, the motion carried unanimously.

### IGA with Gilpin County Sheriff and Central City Police and Fire

Chief Krelle explained that the Police and Fire Departments are asking council to approve an IGA with Gilpin County which allows the Police and Fire Departments to utilize the Sheriff's Public Information Officer. Currently the City does not have a Public Information Officer on staff for either the Police or Fire Departments. When major events happen we are swamped with calls from both local and Denver media. This creates undue hardships on both Departments when trying to deal with the situation and press at the same time. Both Departments have unofficially used the Sheriff's Office Public Information Officer in the past. It has been requested that the assistance that they provide us, be formalized in the form of an IGA. There is no cost for the use of the PIO.

Alderman Heider stated that she understands the need and service of a PIO and thanks the County for providing this service.

Alderman Gaines moved to approve and Intergovernmental agreement between the Central City Police and Fire Departments and the County of Gilpin regarding the use of the County's Public Information Officer. Alderman Spain seconded, and without discussion, the motion carried unanimously.

### **STAFF UPDATES**

Finance Director Flowers stated that this will be her last meeting before leaving for her 2 month fellowship abroad. She will provide a draft audit to Council and prep the 2015 budget documents for staff.

Attorney McAskin reviewed the bills passed in the legislature and will provide a summary at the July 1<sup>st</sup> meeting.

Alderman Gaines congratulated the Water Department staff and Utilities Superintendent Griffith for the excellent results of the Tri-Annual Water Quality/Facility Evaluation.

Mayor Engels noted that the flowers and flags are up and the downtown looks very nice.

Fire Chief Allen noted that Black Hawk has planned two locations for fireworks on July 4<sup>th</sup>; the Casey and Miners Mesa.

**COUNCIL COMMENTS**

Council had no comments.

**PUBLIC FORUM/AUDIENCE PARTICIPATION**

Kathleen Ashbaugh, 440 Spring Street, stated that Ordinance 13-05 changed the ownership of the water service line to the property owner and that no other homeowner knows they own all the way to the main including their tap. As she has recently experienced, repair cost can be thousands of dollars. The City needs to get this information out to the residents.

Joe Behm, CCBID Director, noted that the data collection for the speed study on the Parkway has occurred and a summary will be available in July.

Mayor Engels thanked staff and the community for their valuable input on the manager candidates.

At 7:26 p.m., Mayor Engels adjourned the meeting.  
The next Council meeting is scheduled for July 1, 2014 at 7:00 p.m.

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Ronald E. Engels, Mayor

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Reba Bechtel, City Clerk



**CITY OF CENTRAL  
CITY COUNCIL MEETING  
May 30, 2014**

**CALL TO ORDER**

A special meeting of the City Council for the City of Central was called to order by Mayor Engels at 12:55 p.m., in City Hall on May 30, 2014.

**ROLL CALL**

Present: Mayor Engels  
Alderman Gaines  
Alderman Heider  
Alderman Spain

Absent: Alderman Voorhies

Staff Present: City Clerk Bechtel  
Ron Miller, Miller Municipal Consultants

**ADDITIONS AND/OR AMENDMENTS TO THE AGENDA**

The agenda was approved as presented.

**CONFLICTS OF INTEREST**

No Council Member disclosed a conflict regarding any item on the agenda.

**EXECUTIVE SESSION**

Alderman Heider moved to go into Executive Session pursuant to C.R.S. 24-6-402(3.5) and 24-6-402(4)(f)(I) to convene executive session of the City Manager Search Committee, established by City Council on February 18, 2014, to conduct interviews of three (3) finalist candidates for City Manager position with Ron Miller. Alderman Gaines seconded, and without discussion, the motion carried unanimously.

At 4:20 p.m., Mayor Engels continued the Executive Session to 8:00 p.m. following the Community Meet & Greet with the candidates.

At 8:00 p.m., May 30, 2014, Mayor Engels reconvened the Executive Session with all Council and Ron Miller present.

The next regular Council meeting is scheduled for June 3, 2014 at 7:00 p.m.

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Ronald E. Engels, Mayor

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Reba Bechtel, City Clerk





## AGENDA ITEM # 7

### CITY COUNCIL COMMUNICATION FORM

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FROM: Shawn Griffith

DATE: 7/1/2014

ITEM: ORDINANCE NO. 14-03: AN ORDINANCE EXTENDING THE PERIOD OF VESTED PROPERTY RIGHTS FOR A SITE SPECIFIC DEVELOPMENT PLAN KNOWN AS THE FINAL PLAT FOR EUREKA HEIGHTS VILLAGE FILING NO. 2 AND ESTABLISHING AN EXPIRATION DATE OF SUCH VESTED PROPERTY RIGHTS TO DECEMBER 31, 2021

NEXT STEP: Council Motion

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ORDINANCE  
 MOTION  
 INFORMATION

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- I. **REQUEST OR ISSUE:** The proposed ordinance would extend Prospectors Run LLC Vested property rights as granted in Ordinance 08-06 from December 31, 2016 to December 31, 2021.
- II. **RECOMMENDED ACTION / NEXT STEP:** Approve Ordinance 14-03.
- III. **FISCAL IMPACTS:** Water taps will be sold as needed through the expansion.
- IV. **BACKGROUND INFORMATION:** PR has had Vested Rights under the existing ordinance of 08-06. Economic conditions have slowed their build out rate, and they expect to move towards full build out in about 7 years. The lenders are requiring additional time on the vested rights extension.
- V. **LEGAL ISSUES:** None
- VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** None

**VII. SUMMARY AND ALTERNATIVES:**

Council may take one of the following actions:

1. Move to approve.
2. Amend the Ordinance
3. Move to deny.

**CITY OF CENTRAL, COLORADO  
ORDINANCE NO. 14-03**

**AN ORDINANCE EXTENDING THE PERIOD OF VESTED PROPERTY RIGHTS  
FOR A SITE SPECIFIC DEVELOPMENT PLAN KNOWN AS THE FINAL PLAT FOR  
EUREKA HEIGHTS VILLAGE FILING NO. 2 AND ESTABLISHING AN  
EXPIRATION DATE OF SUCH VESTED PROPERTY RIGHTS  
OF DECEMBER 31, 2021**

**WHEREAS**, Prospectors Run LLC (“Applicant”) previously submitted to the City of Central for approval a final plat designated as Eureka Heights Village Filing No. 2 (“Final Plat”) for property legally described as Eureka Heights Village Filing No. 2 Final Plat, City of Central, County of Gilpin, State of Colorado, Reception No. 133771 (the “Property”); and

**WHEREAS**, the City Council considered and approved the Final Plat on November 28, 2006; said Final Plat was recorded on February 15, 2007 in the real property records of Gilpin County, Colorado at Reception No. 133771; and

**WHEREAS**, by City of Central Ordinance No. 07-10, the City Council approved the Final Plat as a “Site Specific Development Plan” and thereby approved vested property rights for the Final Plat for a period of three (3) years; and

**WHEREAS**, the period of vested rights has been subsequently extended by Ordinance Nos. 08-06 and 10-06, and such period is currently scheduled to expire on December 31, 2016; and

**WHEREAS**, in accordance with Article V of Chapter 17 of the Municipal Code, the Applicant desires to further extend the vested rights associated with the Site Specific Development Plan by five (5) additional years, through and including December 31, 2021; and

**WHEREAS**, public notice has been properly given of the Applicant’s request, and notice of a public hearing regarding the request for extension of vested property rights for the Final Plan was published in the *Weekly Register Call* on June 12, 2014, a newspaper of general circulation within the City; and

**WHEREAS**, a public hearing was held before the City Council on the July 1, 2014, at 7:00 p.m., at which time evidence and testimony were presented to the City Council concerning the Site Specific Development Plan and the Applicant’s request to extend the vested property rights associated with the same for an additional five (5) years through and including December 31, 2021; and

**WHEREAS**, pursuant to the authority vested in City Council by Article 68 of Title 24, C.R.S., as amended, and Article V of Chapter 17 of the Municipal Code, the Council hereby determines that the extension of vested property rights for the Final Plat/Site Specific Development Plan is in conformance with Article V of Chapter 17 of the Municipal Code.

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CENTRAL,  
COLORADO, THAT:**

**Section 1.** The recitals contained above are incorporated herein by reference and are adopted as findings and determinations of the City Council.

**Section 2.** The City Council hereby approves the extension of the vested property rights associated with the Final Plat/Site Specific Development. The vested property rights associated with the Final Plan shall be extended for a period of five (5) years, commencing on January 1, 2017 and terminating on December 31, 2021.

**Section 3.** The City Council hereby directs City Staff to complete all necessary post-approval procedures required by the Municipal Code related to the extension of the vested rights associated with the Final Plat including publishing the post-approval notice required by Section 17-5-50 of the Municipal Code within fourteen (14) days following the final adoption of this Ordinance No. 14-03.

**Section 4.** Approval of the Final Plat as a Site Specific Development Plan shall be subject to all rights of referendum and judicial review; except that the period of time permitted by law for the exercise of such rights shall not begin to run until the date of publication provided for in Section 17-5-60 of the Municipal Code.

**Section 5.** Zoning of the Property is not part of this Site Specific Development Plan and therefore no approvals hereunder shall result in the creation of a vested property right with respect to the zoning of the Property.

**Section 6.** Nothing in this Ordinance shall exempt the Site Specific Development Plan from subsequent reviews and approvals required by this approval or by the general rules, regulations and ordinances of the City, provided that such reviews and approvals are not inconsistent with this approval.

**Section 7.** The establishment of this vested property right shall not preclude the application of ordinances or regulations which are general in nature and are applicable to all property subject to land use regulations by the City including, but not limited to, building, fire, plumbing, electrical and mechanical codes. In this regard, as a condition of the extension of the vested property rights associated with the Final Plat, the Applicant shall abide by any and all such building, fire, plumbing, electrical and mechanical codes in effect and as may be amended from time to time, unless an exemption is granted by the City in writing.

**Section 8.** This Ordinance shall become effective immediately following publication, public hearing and the approval of City Council following second reading in accordance with Sections 5.9 and 5.10 of the City Charter.

**INTRODUCED AND READ** by title only on first reading at the special meeting of the City Council of the City of Central on the 9<sup>th</sup> day of June, 2014, at Central City, Colorado.

**CITY OF CENTRAL, COLORADO**

\_\_\_\_\_  
Ronald E. Engels, Mayor

Approved as to form:

\_\_\_\_\_  
Marcus McAskin, City Attorney

ATTEST:

\_\_\_\_\_  
Reba Bechtel, City Clerk

**PASSED AND ADOPTED** on second reading, at the regular meeting of the City Council of the City of Central on the 1<sup>st</sup> day of July, 2014.

**CITY OF CENTRAL, COLORADO**

\_\_\_\_\_  
Ronald E. Engels, Mayor

ATTEST:

\_\_\_\_\_  
Reba Bechtel, City Clerk

POSTED IN FULL AND PUBLISHED BY TITLE AND SUMMARY in the Weekly Register Call newspaper on June 12, 2014.

POSTED AND PUBLISHED BY TITLE AND SUMMARY AS AMENDED ON SECOND READING in the Weekly Register Call newspaper on July 3, 2014.

**CITY OF CENTRAL, COLORADO**

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Ronald E. Engels, Mayor

**ATTEST:**

---

Reba Bechtel, City Clerk



## AGENDA ITEM #8

### CITY COUNCIL COMMUNICATION FORM

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**FROM:** Marcus McAskin, City Attorney

**DATE:** June 26, 2014

**ITEM:** Ordinance 14-04 Amending Certain Provisions of Article I of Chapter 16 of the Municipal Code

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ORDINANCE  
 MOTION  
 INFORMATION

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- I. **REQUEST OR ISSUE:** Ordinance No. 14-04 proposes minor revisions to Chapter 16 of the Municipal Code (the "Zoning Ordinance").

Section 16-10-20 of the Municipal Code requires that any proposed amendments to Chapter 16 of the Code (the Zoning Ordinance) be referred to the Planning Commission for study and recommendation.

Planning Commission is scheduled to hold a public hearing on Wednesday, July 2, 2014 in order to consider the proposed revision to the Zoning Ordinance. Notice of the public hearing was published on June 12, 2014.

Following the conclusion of the public hearing, Planning Commission will make a recommendation to City Council regarding the proposed ordinance.

- II. **RECOMMENDED ACTION / NEXT STEP:** Approve Ordinance No. 14-04 on first reading and set a public hearing and second reading of the Ordinance to a time and date certain. Currently, it is anticipated that second reading of the Ordinance will occur on Tuesday, July 15, 2014.
- III. **FISCAL IMPACTS:** None.
- IV. **BACKGROUND INFORMATION:** The City Council is being asked to consider Ordinance 14-04 on first reading on July 1, 2014. City Staff desires to clarify that the location and

extent process, as the same exists under state law, is not applicable to the development of any public facilities within the boundaries of the City.

The proposed ordinance clarifies: (1) the non-applicability of the location and extent process for public facilities within the City; and (2) that any public entity applicant proposing a public facility (including the City of Central) will be required to submit and adhere to the same requirements as applicants for private development.

A copy of Ordinance 14-04 is attached to this Council Communication Form.

V. **LEGAL ISSUES:** None.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** N/A

VII. **SUMMARY AND ALTERNATIVES:** City Council has the following options:

- (1) Adopt Ordinance No. 14-04 on first reading, as may or may not be amended;
- (2) Direct staff to make revisions to the Ordinance and schedule consideration of the Ordinance on a future City Council agenda for first reading; or
- (3) Reject or deny the Ordinance.

**CITY OF CENTRAL, COLORADO  
ORDINANCE 14-04**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTRAL,  
COLORADO AMENDING CERTAIN PROVISIONS OF ARTICLE I OF  
CHAPTER 16 OF THE CENTRAL CITY MUNICIPAL CODE**

**WHEREAS**, the City of Central is a home rule municipality that is authorized, pursuant to its Home Rule Charter, the Colorado Constitution and state law, to adopt ordinances in furtherance of the health, safety and welfare of the City's inhabitants; and

**WHEREAS**, zoning and zoning regulations is a matter of local and municipal concern; and

**WHEREAS**, City staff has proposed amendments to the City's zoning regulations, specifically to Sec. 16-1-50 of the Municipal Code; and

**WHEREAS**, pursuant to the home rule powers of the City, the City Council has authority over zoning and land development matters within the City; and

**WHEREAS**, the City Council has adopted comprehensive zoning and subdivision regulations codified in Chapters 16 and 17 of the Central City Municipal Code, referred to as the Zoning Ordinance and the Subdivision Regulations, respectively; and

**WHEREAS**, § 31-23-209, C.R.S. titled "legal status of official plan" which governs statutory cities and towns, is a state law which establishes the location and extent review process; and

**WHEREAS**, the location and extent review process is currently not available to governmental entities proposing development within the City; and

**WHEREAS**, the City Council desire to clarify that the location and extent process is not applicable and is not intended to be applicable to any development of public facilities within the City; and

**WHEREAS**, as a home rule municipality, the City desires to clarify the non-applicability of the location and extent process for public facilities within the City, and desires to further clarify that any public entity applicant proposing a public facility (including the City of Central) will be required to submit and adhere to the same requirements as applicants for private development; and

**WHEREAS**, the City Council finds that clarifying the non-applicability and non-availability of the location and extent process and further requiring that all public and private development applications comply with the City's standards and regulations (to the extent allowed by law) will provide uniformity in development patterns, enhances public confidence in

the land development process, ensures compliance with the City's Historic Preservation Design Guidelines, and ensures compliance with other health and safety provisions of the Zoning Ordinance and Subdivision Regulations; and

**WHEREAS**, the Planning and Zoning Commission, having considered this Ordinance at a duly noticed public meeting, has made a favorable recommendation to City Council; and

**WHEREAS**, through passage of this Ordinance, the City will be able to preserve the health, peace, and safety of the residents through carefully considered and developed land use regulations; and

**WHEREAS**, through passage of this Ordinance, the City will best be able to ensure compliance with the City's Zoning Ordinance, which include the City's Historic Preservation Design Guidelines, regardless of whether a land use applicant is a private or public entity; and

**WHEREAS**, City Council conducted a public hearing, with proper notice provided, to consider adoption of this Ordinance as required by law.

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO THAT:**

**Section 1.** Section 16-1-50 of Article I of Chapter 16, titled "Applicability" is hereby amended to read as follows in its entirety:

**Sec. 16-1-50. Applicability.**

- (a) No land or structure shall be used or developed except in accordance with these regulations. The provisions of this Zoning Ordinance shall be applicable to:
- (1) all private persons, entities, agencies and corporations; and
  - (2) the City or its agencies or departments, Gilpin County or its agencies or departments, the City of Black Hawk or its agencies or departments, public utilities, school districts, intergovernmental authorities, special or metropolitan districts, and all similar governmental or quasi-governmental entities.
- (b) The location and extent review process set forth in § 31-23-209, C.R.S. does not apply within the boundaries of the City.

**Section 2. Codification Amendments.** The codifier of Central City's Municipal Code is hereby authorized to make such numerical and formatting changes as may be necessary to incorporate the provisions of this Ordinance within the Central City Municipal Code.

**Section 3. Severability.** Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance, the intention being that the various sections and provisions are severable.

**Section 4. Repeal.** Any and all ordinances or codes or parts thereof in conflict or inconsistent herewith are, to the extent of such conflict or inconsistency, hereby repealed; provided, however, that the repeal of any such ordinance or code or part thereof shall not revive any other section or part of any ordinance or code heretofore repealed or superseded and this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the effective date of this Ordinance.

**Section 5. Effective Date.** This Ordinance shall become effective immediately following publication, public hearing and the approval of City Council following second reading in accordance with Sections 5.9 and 5.10 of the City Charter.

**INTRODUCED AND READ** by title only on first reading at the regular meeting of the City Council of the City of Central on the 1<sup>st</sup> day of July, 2014, at Central City, Colorado.

**CITY OF CENTRAL, COLORADO**

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Ronald E. Engels, Mayor

Approved as to form:

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Marcus McAskin, City Attorney

ATTEST:

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Reba Bechtel, City Clerk

**PASSED AND ADOPTED** on second reading, at the regular meeting of the City Council of the City of Central on the 15<sup>th</sup> day of July, 2014.

**CITY OF CENTRAL, COLORADO**

\_\_\_\_\_  
Ronald E. Engels, Mayor

**ATTEST:**

\_\_\_\_\_  
Reba Bechtel, City Clerk

**POSTED IN FULL AND PUBLISHED BY TITLE AND SUMMARY in the Weekly Register Call newspaper on \_\_\_\_\_, 2014.**

**POSTED AND PUBLISHED BY TITLE [AND SUMMARY IF AMENDED ON SECOND READING] in the Weekly Register Call newspaper on \_\_\_\_\_, 2014.**

**CITY OF CENTRAL, COLORADO**

\_\_\_\_\_  
Ronald E. Engels, Mayor

**ATTEST:**

\_\_\_\_\_  
Reba Bechtel City Clerk

**ATTEST:**

\_\_\_\_\_  
Reba Bechtel City Clerk



## AGENDA ITEM # 9

### CITY COUNCIL COMMUNICATION FORM

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**FROM:** Shannon Flowers, Finance Director (amended by Maureen Juran 6/26/14)

**DATE:** March 9, 2011

**ITEM:** Ordinance 14-05 An Ordinance Authorizing the City of Central to Enter into a Promissory Note and Related Documentation with Evergreen National Bank for Cash Flow Purposes in the amount of \$223,724.00

**NEXT STEP:** Make a motion approving Ordinance 14-05 An Ordinance Authorizing the City of Central to Enter Into a Promissory Note and Related Documentation with Evergreen National Bank for a Short term Loan for Cash Flow Purposes; and setting a public hearing for July 15, 2014.

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ORDINANCE  
 MOTION  
 INFORMATION

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- I. **REQUEST OR ISSUE:** As has been previously discussed with Council, a number of unanticipated activities over the course of the first two quarters of 2014 have severely restricted the City's overall cash flow. The receipt of FEMA grants, work on the Nevada Street rock wall and required lease purchase of a new front end all prior to receiving the City's annual gaming revenue distribution in late August all have the possibility of contributing to a restriction in cash flow. Once the annual gaming distribution is received the cash flow issue will be significantly improved. However, in the interim, in order to guarantee that the City's cash flow remains healthy, Council and staff determined that a short term loan is prudent. The cash gained from the short term loan will enable the City to continue all operations and programs and still complete work on the above projects or other unanticipated events. Once the annual gaming distribution is received, the City can repay the loan in full at that time. The loan matures on December 31, 2014. Therefore, the City must pay the loan back in this fiscal year, as is required under TABOR in the absence of advance voter approval. to decrease interest charges or continue making monthly payments of \$6,788.69 until maturity on January 1, 2018.

Ordinance 14-05 authorizes the City to execute the short term loan and all related documents in the amount of \$223,724 with a maturity date of December 31, 2014.. The City owned townhome as well as the City's Visitor Center have been used as the collateral for this loan. In addition, the City has assigned to the bank its right to receive rent from the townhome as further collateral.

As stated above, while the City is not currently experiencing a cash flow issue, the projects that will be going on during the 3<sup>rd</sup> quarter in conjunction with the amount of this unbudgeted expenditure have the potential for one to exist. Rather than waiting to see when and if additional cash flow is needed and facing the possibility of having to hold checks while the loan is obtained and the documents approved, staff is recommending obtaining the short term loan at this time. In doing so, the City will be assured that the planned expenditures will not cause any cash flow issues during the second half of the year. .

- II. **RECOMMENDED ACTION / NEXT STEP:** Make a motion to adopt Ordinance 14-05 and set a public hearing for July 15, 2012.
- III. **FISCAL IMPACTS:** Receipt of \$223,724 in cash flow. \$3,724 in title fees and loan origination fees are included in the total amount of the loan.
- IV. **BACKGROUND INFORMATION:** Please see the attached documents.
- V. **LEGAL ISSUES:** The City Attorney has reviewed all documents and made revisions with the bank as necessary.
- VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** None
- VII. **SUMMARY AND ALTERNATIVES:**
  - 1. Make a motion adopting Ordinance 14-05 and setting a public hearing for July 15, 2014
  - 2. Make a motion adopting Ordinance 14-05 with amendments and setting a public hearing.
  - 3. Deny the request.

**STATE OF COLORADO  
CITY OF CENTRAL  
ORDINANCE NO. 14-05**

**AN ORDINANCE AUTHORIZING THE CITY OF CENTRAL TO  
ENTER INTO A PROMISSORY NOTE AND RELATED DOCUMENTS  
FOR A SHORT TERM LOAN FROM EVERGREEN NATIONAL BANK  
REPAYABLE WITHIN THE SAME FISCAL YEAR FOR A PRINCIPAL  
AMOUNT NOT TO EXCEED \$ 223,724.00 AND AN INTEREST RATE  
NOT TO EXCEED 5.75% SECURED BY A DEED OF TRUST ON  
CERTAIN CITY OWNED PROPERTY**

**WHEREAS**, the City Council, as the governing body of the City of Central (the “City”) has determined that a need exists for a short term loan to ensure adequate cash flow for current projects while the City awaits its projected regular disbursement of gaming revenues from the State of Colorado Treasurer; and

**WHEREAS**, in accordance with Section 5.8 of the Home Rule Charter of the City, every act creating an indebtedness requires approval by ordinance; and

**WHEREAS**, Evergreen National Bank and the City have agreed to the terms and conditions of a short term loan payable within the current fiscal year for a principal amount of \$223,724.00 at a rate of interest of 5.75% and secured by certain City owned real property and assignment of rents, all as more fully detailed in the attached loan documents, including the Promissory Note and Deed of Trust (collectively the “Loan Documents”); and

**WHEREAS**, the City Council has reviewed the form of the Loan Documents and has found the terms and conditions thereof acceptable.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, THAT:**

**Section 1.** The City Council of the City of Central finds that the meeting at which this ordinance was considered and the City Council took action to adopt was properly noticed and conducted as open meetings in accordance with Colorado law.

**Section 2.** The terms of said Loan Documents are in the best interests of the City for the acquisition of the short term loan described therein.

**Section 3.** The City Council, designates and confirms the Mayor has the authority to execute and deliver the Loan Documents and any related documents necessary to the consummation of the transactions contemplated by the Loan Documents in substantially the form attached hereto as Exhibit A and any related documents and certificates necessary to the consummation of the transactions contemplated by the Loan Documents for and on behalf of the City. The Mayor, in consultation with the City Attorney, may make such non-material changes

to the Loan Documents as such officers and officials deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4. Severability.** If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

**Section 5. Effective Date.** This Ordinance shall become effective immediately following public hearing, the approval of City Council, and publication following second reading in accordance with the City Charter.

**INTRODUCED AND READ** by title only on first reading at the regular meeting of the City Council of the City of Central on the 1<sup>st</sup> day of July, 2014, at Central City, Colorado.

**CITY OF CENTRAL, COLORADO**

\_\_\_\_\_  
Ronald E. Engels, Mayor

Approved as to form:

\_\_\_\_\_  
Marcus McAskin, City Attorney

ATTEST:

\_\_\_\_\_  
Reba Bechtel, City Clerk

**PASSED AND ADOPTED** on second reading, at the regular meeting of the City Council of the City of Central on the 15th day of July, 2014.

**CITY OF CENTRAL, COLORADO**

\_\_\_\_\_  
Ronald E. Engels, Mayor

ATTEST:

\_\_\_\_\_  
Reba Bechtel, City Clerk

POSTED IN FULL AND PUBLISHED BY TITLE AND SUMMARY in the Weekly Register Call newspaper on July 3, 2014.

POSTED AND PUBLISHED BY TITLE AND SUMMARY AS AMENDED ON SECOND READING in the Weekly Register Call newspaper on July 17, 2014.

**CITY OF CENTRAL, COLORADO**

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Ronald E. Engels, Mayor

**ATTEST:**

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Reba Bechtel, City Clerk

**Exhibit A**  
**Loan Documents**

## GOVERNMENTAL CERTIFICATE

Principal \$223,724.00	Loan Date 07-02-2014	Maturity 12-31-2014	Loan No 22093502	Call / Coll 120 / 34, 42	Account 201884	Officer 004	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Entity:** City of Central City  
PO Box 249  
Central City, CO 80427-0249

**Lender:** Evergreen National Bank  
Evergreen Office  
28145 Colorado Highway 74  
P O Box 2020  
Evergreen, CO 80437  
(303) 674-2700

**WE, THE UNDERSIGNED, DO HEREBY CERTIFY AND STATE UNDER PENALTY OF PERJURY THAT:**

**THE ENTITY'S EXISTENCE.** The complete and correct name of the governmental entity is City of Central City ("Entity"). The Entity is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws and regulations of the State of Colorado. The Entity has the full power and authority to own its properties and to transact the business and activities in which it is presently engaged or presently proposes to engage. The Entity maintains an office at PO Box 249, Central City, CO 80427-0249. The Entity shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of the Entity and any other governmental or quasi-governmental authority or court applicable to the Entity and the Entity's business activities.

**CERTIFICATES ADOPTED.** At a meeting of the appropriate governing body of the Entity, duly called and held on \_\_\_\_\_, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Certificate were adopted.

**OFFICIALS.** The following named persons is an Officials of City of Central City:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Ronald Engel	Mayor	Y    X	_____
Reba L Bechtel	City Clerk	Y    X	_____

**ACTIONS AUTHORIZED.** Any two (2) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Entity. Specifically, but without limitation, any two (2) of such authorized persons is authorized, empowered, and directed to do the following for and on behalf of the Entity:

**Borrow Money.** To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Entity and Lender, such sum or sums of money as in their judgment should be borrowed; however, not exceeding at any one time the amount of Two Hundred Twenty-three Thousand Seven Hundred Twenty-four & 00/100 Dollars (\$223,724.00), in addition to such sum or sums of money as may be currently borrowed by the Entity from Lender.

**Execute Notes.** To execute and deliver to Lender the promissory note or notes, or other evidence of the Entity's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Entity's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

**Grant Security.** To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Entity or in which the Entity now or hereafter may have an interest, including without limitation all of the Entity's real property and all of the Entity's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Entity to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

**Execute Security Documents.** To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

**Negotiate Items.** To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Entity or in which the Entity may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Entity's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

**Further Acts.** In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, including agreements waiving the right to a trial by jury, as the Officials may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Certificate. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from the Entity, at Lender's address shown above, written notice of revocation of such authority: Ronald Engel, Mayor of City of Central City; and Reba L Bechtel, City Clerk of City of Central City.

**ASSUMED BUSINESS NAMES.** The Entity has filed or recorded all documents or filings required by law relating to all assumed business names used by the Entity. Excluding the name of the Entity, the following is a complete list of all assumed business names under which the Entity does business: None.

**NOTICES TO LENDER.** The Entity will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Entity's name; (B) change in the Entity's assumed business name(s); (C)

GOVERNMENTAL CERTIFICATE  
(Continued)

Loan No: 22093502

Page 2

change in the structure of the Entity; (D) change in the authorized signer(s); (E) change in the Entity's principal office address; (F) change in the Entity's principal residence; or (G) change in any other aspect of the Entity that directly or indirectly relates to any agreements between the Entity and Lender.

**CERTIFICATION CONCERNING OFFICIALS AND CERTIFICATES.** The Officials named above is duly elected, appointed, or employed by or for the Entity, as the case may be, and occupy the positions set opposite their respective names. This Certificate now stands of record on the books of the Entity, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

**CONTINUING VALIDITY.** Any and all acts authorized pursuant to this Certificate and performed prior to the passage of this Certificate are hereby ratified and approved. This Certificate shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Entity's agreements or commitments in effect at the time notice is given.

**IN TESTIMONY WHEREOF,** we have hereunto set our hand and attest that the signatures set opposite the names listed above is their genuine signatures.

We each have read all the provisions of this Certificate, and we each personally and on behalf of the Entity certify that all statements and representations made in this Certificate are true and correct. This Governmental Certificate is dated July 2, 2014.

CERTIFIED TO AND ATTESTED BY:

By: \_\_\_\_\_  
Authorized Signer for City of Central City

By: \_\_\_\_\_  
Authorized Signer for City of Central City

STATE OF COLORADO )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

Subscribed and sworn to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

NOTE: If the Officials signing this Certificate is designated by the foregoing document as one of the officials authorized to act on the Entity's behalf, it is advisable to have this Certificate signed by at least one non-authorized official of the Entity.



**Evergreen  
National Bank**

**PROMISSORY NOTE**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$223,724.00	07-02-2014	12-31-2014	22093502	120 / 34, 42	201884	004	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** City of Central City  
PO Box 249  
Central City, CO 80427-0249

**Lender:** Evergreen National Bank  
Evergreen Office  
28145 Colorado Highway 74  
P O Box 2020  
Evergreen, CO 80437  
(303) 674-2700

**Principal Amount: \$223,724.00      Interest Rate: 5.750%      Date of Note: July 2, 2014**

**PROMISE TO PAY.** City of Central City ("Borrower") promises to pay to Evergreen National Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Hundred Twenty-three Thousand Seven Hundred Twenty-four & 00/100 Dollars (\$223,724.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 5.750% per annum. Interest shall be calculated from the date of each advance until repayment of each advance. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on December 31, 2014. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning August 31, 2014, with all subsequent interest payments to be due on the last day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT; MINIMUM INTEREST CHARGE.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$25.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Evergreen National Bank, Evergreen Office, 28145 Colorado Highway 74, P O Box 2020, Evergreen, CO 80437.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$15.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 21.000% per annum. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the reasonable costs of such collection. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Colorado.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Jefferson County, State of Colorado.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether

PROMISSORY NOTE  
(Continued)

Loan No: 22093502

Page 2

checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**LINE OF CREDIT.** This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note may be requested either orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: Ronald Engel, Mayor of City of Central City; and Reba L Bechtel, City Clerk of City of Central City. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (A) Borrower or any guarantor is in default under the terms of this Note or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Note; (B) Borrower or any guarantor ceases doing business or is insolvent; (C) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender; (D) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender; or (E) Lender in good faith believes itself insecure.

**ANNUAL FINANCIAL INFORMATION.** Annual financial reporting is a requirement of this loan agreement. Please provide the bank with personal and business financial statements annually from the date of this note. Please provide the bank with personal and business tax returns annually as soon as they are available. Failure to provide the required documents does and will constitute an event of default.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: Evergreen National Bank P O BOX 2020 Evergreen, CO 80437.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

CITY OF CENTRAL CITY

By: \_\_\_\_\_  
Ronald Engel, Mayor of City of Central City

By: \_\_\_\_\_  
Reba L Bechtel, City Clerk of City of Central City

**RECORDATION REQUESTED BY:**

Evergreen National Bank  
Evergreen Office  
28145 Colorado Highway 74  
P O Box 2020  
Evergreen, CO 80437

**WHEN RECORDED MAIL TO:**

Evergreen National Bank  
Evergreen Office  
28145 Colorado Highway 74  
P O Box 2020  
Evergreen, CO 80437

**SEND TAX NOTICES TO:**

City of Central City  
PO Box 249  
Central City, CO 80427-0249

FOR RECORDER'S USE ONLY



**Evergreen  
National Bank**

**DEED OF TRUST**

**MAXIMUM PRINCIPAL AMOUNT SECURED.** The Lien of this Deed of Trust shall not exceed at any one time \$223,724.00 except as allowed under applicable Colorado law.

**THIS DEED OF TRUST** is dated July 2, 2014, among City of Central City, whose address is PO Box 249, Central City, CO 80427-0249 ("Grantor"); Evergreen National Bank, whose address is Evergreen Office, 28145 Colorado Highway 74, P O Box 2020, Evergreen, CO 80437 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and the Public Trustee of Gilpin County, Colorado (referred to below as "Trustee").

**CONVEYANCE AND GRANT.** For valuable consideration, Grantor hereby irrevocably grants, transfers and assigns to Trustee for the benefit of Lender as Beneficiary all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Gilpin County, State of Colorado:

**Parcel 1:**

Lot 20, Block 1, Eureka Heights Village, County of Gilpin, State of Colorado

**Parcel 2:**

Lot 4 and that part of Lot 5, described as follows:

Beginning at a point on the West sideline of said Lot 5, which point is also the North corner of Lot 4 in said Block 4; thence in a Northeasterly direction along said Northwest sideline of said Lot 5, 29.40 feet to the Northwest corner of said Lot; thence South 59° 17' East, 2.10 feet; thence in a Southeasterly direction parallel to and 2 feet distance from the said Northwest sideline of said Lot 5, 34.40 feet to intersect the West sideline of said Lot 5 at a point 72/60 feet distant from Eureka Street; thence in a Northeasterly direction along said West sideline 5.40 feet the Place of Beginning, Situate in Block 4, City of Central, County of Gilpin, State of Colorado.

The Real Property or its address is commonly known as Parcel 1: 740 Louis Drive; Parcel 2: 103 Eureka Street, Central City, CO 80427.

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

**THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

**Duty to Maintain.** Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Compliance With Environmental Laws.** Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened

**DEED OF TRUST  
(Continued)**

Loan No: 22093502

Page 2

release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

**Nuisance, Waste.** Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

**Removal of Improvements.** Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

**Lender's Right to Enter.** Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

**Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Duty to Protect.** Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

**Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

**Right to Contest.** Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

**Evidence of Payment.** Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

**Notice of Construction.** Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

**PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Deed of Trust.

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

**Application of Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$1,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any

**DEED OF TRUST  
(Continued)**

Loan No: 22093502

Page 3

insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

**Grantor's Report on Insurance.** Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Deed of Trust:

**Title.** Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

**Defense of Title.** Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

**Compliance With Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**Survival of Representations and Warranties.** All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

**CONDEMNATION.** The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

**Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

**Application of Net Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

**IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES.** The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

**Current Taxes, Fees and Charges.** Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

**Taxes.** The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

**Subsequent Taxes.** If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

**Security Agreement.** This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

**Security Interest.** Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a

**DEED OF TRUST  
(Continued)**

Loan No: 22093502

Page 4

place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

**Addresses.** The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

**FURTHER ASSURANCES; ATTORNEY-IN-FACT.** The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

**Further Assurances.** At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Attorney-in-Fact.** If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

**FULL PERFORMANCE.** Upon the full performance of all the obligations under the Note and this Deed of Trust, Trustee may, upon production of documents and fees as required under applicable law, release this Deed of Trust, and such release shall constitute a release of the lien for all such additional sums and expenditures made pursuant to this Deed of Trust. Lender agrees to cooperate with Grantor in obtaining such release and releasing the other collateral securing the Indebtedness. Any release fees required by law shall be paid by Grantor, if permitted by applicable law.

**EVENTS OF DEFAULT.** Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

**Payment Default.** Grantor fails to make any payment when due under the Indebtedness.

**Other Defaults.** Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

**Compliance Default.** Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

**Default on Other Payments.** Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Death or Insolvency.** The death of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Breach of Other Agreement.** Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Right to Cure.** If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

**Election of Remedies.** Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

**Accelerate Indebtedness.** Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

**Foreclosure.** Lender shall have the right to cause all or any part of the Real Property, and Personal Property, if Lender decides to proceed against it as if it were real property, to be sold by the Trustee according to the laws of the State of Colorado as respects foreclosures against real property. The Trustee shall give notice in accordance with the laws of Colorado. The Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including but not limited to Trustee's fees, attorneys' fees, and the cost of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess,

**DEED OF TRUST  
(Continued)**

Loan No: 22093502

Page 5

If any, to the person or persons legally entitled to the excess.

**UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

**Collect Rents.** Lender shall have the right, without notice to Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver. Receiver may be appointed by a court of competent jurisdiction upon ex parte application and without notice, notice being expressly waived.

**Tenancy at Sufferance.** If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

**Other Remedies.** Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

**Sale of the Property.** In exercising its rights and remedies, Lender shall be free to designate on or before it files a notice of election and demand with the Trustee, that the Trustee sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property. Upon any sale of the Property, whether made under a power of sale granted in this Deed of Trust or pursuant to judicial proceedings, if the holder of the Note is a purchaser at such sale, it shall be entitled to use and apply all, or any portion of, the Indebtedness for or in settlement or payment of all, or any portion of, the purchase price of the Property purchased, and, in such case, this Deed of Trust, the Note, and any documents evidencing expenditures secured by this Deed of Trust shall be presented to the person conducting the sale in order that the amount of Indebtedness so used or applied may be credited thereon as having been paid.

**Attorneys' Fees; Expenses.** If Lender forecloses or institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**Rights of Trustee.** To the extent permitted by applicable law, Trustee shall have all of the rights and duties of Lender as set forth in this section.

**NOTICES.** Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Deed of Trust:

**Amendments.** This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Annual Reports.** If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

**Caption Headings.** Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

**Merger.** There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Governing Law.** This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Colorado.

**Choice of Venue.** If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Jefferson County, State of Colorado.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent

**DEED OF TRUST  
(Continued)**

Loan No: 22093502

Page 6

instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

**Successors and Assigns.** Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the Indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Deed of Trust.

**Waive Jury.** All parties to this Deed of Trust hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Colorado as to all Indebtedness secured by this Deed of Trust.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Beneficiary.** The word "Beneficiary" means Evergreen National Bank, and its successors and assigns.

**Borrower.** The word "Borrower" means City of Central City and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Deed of Trust.** The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

**Default.** The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

**Grantor.** The word "Grantor" means City of Central City.

**Guaranty.** The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Improvements.** The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

**Lender.** The word "Lender" means Evergreen National Bank, its successors and assigns.

**Note.** The word "Note" means the promissory note dated July 2, 2014, in the original principal amount of \$223,724.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

**Property.** The word "Property" means collectively the Real Property and the Personal Property.

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**Rents.** The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

DEED OF TRUST  
(Continued)

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

CITY OF CENTRAL CITY

By: \_\_\_\_\_  
Ronald Engel, Mayor of City of Central City

By: \_\_\_\_\_  
Reba L Bechtel, City Clerk of City of Central City

GOVERNMENT ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned Notary Public, personally appeared Ronald Engel, Mayor of City of Central City and Reba L Bechtel, City Clerk of City of Central City, and known to me to be authorized agents of the governmental entity that executed the Deed of Trust and acknowledged the Deed of Trust to be the free and voluntary act and deed of the governmental entity, by authority of its enabling laws or by resolution of its governing body, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Deed of Trust and in fact executed the Deed of Trust on behalf of the governmental entity.

By \_\_\_\_\_ Residing at \_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_ My commission expires \_\_\_\_\_



**RECORDATION REQUESTED BY:**

Evergreen National Bank  
Evergreen Office  
28145 Colorado Highway 74  
P O Box 2020  
Evergreen, CO 80437

**WHEN RECORDED MAIL TO:**

Evergreen National Bank  
Evergreen Office  
28145 Colorado Highway 74  
P O Box 2020  
Evergreen, CO 80437

**SEND TAX NOTICES TO:**

City of Central City  
PO Box 249  
Central City, CO 80427-0249

FOR RECORDER'S USE ONLY



**Evergreen  
National Bank**

**ASSIGNMENT OF RENTS**

**MAXIMUM PRINCIPAL AMOUNT SECURED.** The Lien of this Assignment shall not exceed at any one time \$223,724.00 except as allowed under applicable Colorado law.

**THIS ASSIGNMENT OF RENTS** dated July 2, 2014, is made and executed between City of Central City, whose address is PO Box 249, Central City, CO 80427-0249 (referred to below as "Grantor") and Evergreen National Bank, whose address is 28145 Colorado Highway 74, P O Box 2020, Evergreen, CO 80437 (referred to below as "Lender").

**ASSIGNMENT.** For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in Gilpin County, State of Colorado:

**Parcel 1:**

Lot 20, Block 1, Eureka Heights Village, County of Gilpin, State of Colorado

**Parcel 2:**

Lot 4 and that part of Lot 5, described as follows:

Beginning at a point on the West sideline of said Lot 5, which point is also the North corner of Lot 4 in said Block 4; thence in a Northeasterly direction along said Northwest sideline of said Lot 5, 29.40 feet to the Northwest corner of said Lot; thence South 59°17' East, 2.10 feet; thence in a Southeasterly direction parallel to and 2 feet distance from the said Northwest sideline of said Lot 5, 34.40 feet to intersect the West sideline of said Lot 5 at a point 72/60 feet distant from Eureka Street; thence in a Northeasterly direction along said West sideline 5.40 feet the Place of Beginning, Situate in Block 4, City of Central, County of Gilpin, State of Colorado.

The Property or its address is commonly known as Parcel 1: 740 Louis Drive; Parcel 2: 103 Eureka Street, Central City, CO 80427.

**THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

**GRANTOR'S REPRESENTATIONS AND WARRANTIES.** Grantor warrants that:

**Ownership.** Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

**Right to Assign.** Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.

**No Prior Assignment.** Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

**No Further Transfer.** Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

**LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS.** Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

**ASSIGNMENT OF RENTS  
(Continued)**

Loan No: 22093502

Page 2

**Notice to Tenants.** Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

**Enter the Property.** Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

**Maintain the Property.** Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.

**Compliance with Laws.** Lender may do any and all things to execute and comply with the laws of the State of Colorado and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

**Lease the Property.** Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

**Employ Agents.** Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.

**Other Acts.** Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

**No Requirement to Act.** Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

**APPLICATION OF RENTS.** All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

**FULL PERFORMANCE.** If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Assignment or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Assignment or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Rents or the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Assignment also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**DEFAULT.** Each of the following, at Lender's option, shall constitute an Event of Default under this Assignment:

**Payment Default.** Grantor fails to make any payment when due under the Indebtedness.

**Other Defaults.** Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

**Default on Other Payments.** Failure of Grantor within the time required by this Assignment to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Assignment or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Death or Insolvency.** The death of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against the Rents or any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Property Damage or Loss.** The Property is lost, stolen, substantially damaged, sold, or borrowed against.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Assignment within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance

**ASSIGNMENT OF RENTS  
(Continued)**

Loan No: 22093502

Page 3

as soon as reasonably practical.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

**Accelerate Indebtedness.** Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Grantor would be required to pay.

**Collect Rents.** Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver. Receiver may be appointed by a court of competent jurisdiction upon ex parte application and without notice, notice being expressly waived.

**Other Remedies.** Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

**Election of Remedies.** Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

**Attorneys' Fees; Expenses.** If Lender forecloses or institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Assignment:

**Amendments.** This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Caption Headings.** Caption headings in this Assignment are for convenience purposes only and are not to be used to interpret or define the provisions of this Assignment.

**Governing Law.** This Assignment will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Assignment has been accepted by Lender in the State of Colorado.

**Choice of Venue.** If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Jefferson County, State of Colorado.

**Merger.** There shall be no merger of the interest or estate created by this assignment with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Interpretation.** (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Assignment shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Assignment. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

**Powers of Attorney.** The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Assignment to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

**ASSIGNMENT OF RENTS  
(Continued)**

Loan No: 22093502

Page 4

**Successors and Assigns.** Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the Indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Assignment.

**Waive Jury.** All parties to this Assignment hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Colorado as to all indebtedness secured by this Assignment.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Assignment. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Assignment.** The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

**Borrower.** The word "Borrower" means City of Central City.

**Default.** The word "Default" means the Default set forth in this Assignment in the section titled "Default".

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Assignment in the default section of this Assignment.

**Grantor.** The word "Grantor" means City of Central City.

**Guaranty.** The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Assignment, together with interest on such amounts as provided in this Assignment.

**Lender.** The word "Lender" means Evergreen National Bank, its successors and assigns.

**Note.** The word "Note" means the promissory note dated July 2, 2014, in the original principal amount of \$223,724.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

**Property.** The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**Rents.** The word "Rents" means all of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT, AND NOT PERSONALLY BUT AS AN AUTHORIZED SIGNER, HAS CAUSED THIS ASSIGNMENT TO BE SIGNED AND EXECUTED ON BEHALF OF GRANTOR ON JULY 2, 2014.

GRANTOR:

CITY OF CENTRAL CITY

By: \_\_\_\_\_  
Ronald Engel, Mayor of City of Central City

By: \_\_\_\_\_  
Reba L. Bechtel, City Clerk of City of Central City





## AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$223,724.00	07-02-2014	12-31-2014	22093502	120 / 34, 42	201884	004	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Grantor:** City of Central City  
 PO Box 249  
 Central City, CO 80427-0249

**Lender:** Evergreen National Bank  
 Evergreen Office  
 28145 Colorado Highway 74  
 P O Box 2020  
 Evergreen, CO 80437  
 (303) 674-2700

**INSURANCE REQUIREMENTS.** Grantor, City of Central City ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

**Collateral:** Parcel 1: 740 Louis Drive; Parcel 2: 103 Eureka Street, Central City, CO 80427.  
**Type:** Fire and extended coverage.  
**Amount:** Full Insurable Value.  
**Basis:** Replacement value.  
**Endorsements:** Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 10 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.  
**Latest Delivery Date:** By the loan closing date.

**INSURANCE COMPANY.** Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

**FLOOD INSURANCE.** Flood Insurance for the Collateral securing this loan is described as follows:

Real Estate at Parcel 1: 740 Louis Drive; Parcel 2: 103 Eureka Street, Central City, CO 80427.  
 Should the Collateral at any time be deemed to be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan. Flood insurance may be purchased under the National Flood Insurance Program or from private insurers.

**FAILURE TO PROVIDE INSURANCE.** Grantor agrees to deliver to Lender, on the latest delivery date stated above, evidence of the required insurance as provided above, with an effective date of July 2, 2014, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. **GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.**

**AUTHORIZATION.** For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

**GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JULY 2, 2014.**

**GRANTOR:**

**CITY OF CENTRAL CITY**

By: \_\_\_\_\_  
 Ronald Engel, Mayor of City of Central City

By: \_\_\_\_\_  
 Heba L. Bechtel, City Clerk of City of Central City

FOR LENDER USE ONLY		
INSURANCE VERIFICATION	PHONE	
DATE: _____	_____	_____
AGENT'S NAME: _____		
AGENCY: _____		
ADDRESS: _____		
INSURANCE COMPANY: _____		
POLICY NUMBER: _____		
EFFECTIVE DATES: _____		
COMMENTS: _____		
_____		

## NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	07-02-2014		22093502	120 / 34, 42	201884	004	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Grantor:** City of Central City  
PO Box 249  
Central City, CO 80427-0249

**Lender:** Evergreen National Bank  
Evergreen Office  
28145 Colorado Highway 74  
P O Box 2020  
Evergreen, CO 80437  
(303) 674-2700

**TO:** ATTN: Insurance Agent

**DATE:** July 2, 2014

**RE:** Policy Number(s):  
Insurance Companies/Company:

Dear Insurance Agent:

Grantor, City of Central City ("Grantor") is obtaining a loan from Evergreen National Bank. Please send appropriate evidence of insurance to Evergreen National Bank, together with the requested endorsements, on the following property, which Grantor is giving as security for the loan.

**Collateral:** Parcel 1: 740 Louis Drive; Parcel 2: 103 Eureka Street, Central City, CO 80427.

Type: Fire and extended coverage.

Amount: Full Insurable Value.

Basis: Replacement value.

Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 10 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.

Latest Delivery Date: By the loan closing date.

**GRANTOR:**

**CITY OF CENTRAL CITY**

**By:** \_\_\_\_\_  
Ronald Engel, Mayor of City of Central City

**By:** \_\_\_\_\_  
Reba L. Bechtel, City Clerk of City of Central City

**RETURN TO:**

Evergreen National Bank  
Evergreen Office  
28145 Colorado Highway 74  
P O Box 2020  
Evergreen, CO 80437



**Evergreen  
National Bank**

**DISBURSEMENT REQUEST AND AUTHORIZATION**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$223,724.00	07-02-2014	12-31-2014	22093502	120 / 34, 42	201884	004	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** City of Central City  
PO Box 249  
Central City, CO 80427-0249

**Lender:** Evergreen National Bank  
Evergreen Office  
28145 Colorado Highway 74  
P O Box 2020  
Evergreen, CO 80437  
(303) 674-2700

**LOAN TYPE.** This is a Fixed Rate (5.750%) Nondisclosable Draw Down Line of Credit Loan to a Government Entity for \$223,724.00 due on December 31, 2014.

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.  
 Business (Including Real Estate Investment).

**SPECIFIC PURPOSE.** The specific purpose of this loan is: Repair Nevada Street retaining wall.

**DISBURSEMENT INSTRUCTIONS.** Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$223,724.00 as follows:

Undisbursed Funds:	\$220,000.00
Other Charges Financed:	\$1,522.00
\$880.00 Title Policy - to Chicago Title of Colorado	
\$94.00 Release Fees (2) - to Gilpin County	
\$174.00 Recording Fees (2) - to Gilpin County	
\$24.00 Flood Certification (2) - to Continental Lender Services	
\$350.00 Appraisal Evaluations (2)	
Total Financed Prepaid Finance Charges:	\$2,202.00
\$2,200.00 Loan Origination Fee (%)	
\$2.00 Flood Life of Loan (2) - to Continental Lender Services	
<b>Note Principal:</b>	<b>\$223,724.00</b>

**FINANCIAL CONDITION.** BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JULY 2, 2014.

**BORROWER:**

CITY OF CENTRAL CITY

By: \_\_\_\_\_  
Ronald Engel, Mayor of City of Central City

By: \_\_\_\_\_  
Reba L Bechtel, City Clerk of City of Central City





## AGENDA ITEM #10

### CITY COUNCIL COMMUNICATION FORM

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**FROM:** Shannon Flowers, Finance Director  
Shawn Griffith, Water/PW Superintendent

**DATE:** June 11, 2014

**ITEM:** Ordinance 14-06, An Ordinance Authorizing the City of Central to Enter into a Municipal Lease Purchase Agreement and Related Documentation with Deere Credit Inc. for the Lease and Purchase of a 4WD Loader

**NEXT STEP:** Make a motion to approve Ordinance 14-06 and set a public hearing on the same for July 15, 2014 at 7:00 p.m.

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ORDINANCE  
 MOTION  
 INFORMATION

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- I. **REQUEST OR ISSUE:** Over the course of the year it has become apparent that the City's existing front end loader was in need of major repairs and was not operating properly. The Public Works Department received quotes for making the necessary repairs and determined that it was likely to cost approximately \$40,000 just for the known repairs. Considering that the loader was on 20 years old and would only require more costly repairs in the future, and that the equipment is essential to many of the Public Works projects, staff and Council determined that the lease purchase of a new loader was appropriate. Although this capital expenditure was budgeted for in the 2014 Budget, the down payment for this lease purchase will be funded in two ways: the sale of the existing loader (City received \$22,256.50 on the sale) and the reallocation of \$20,000 from the Water Department's capital improvement line item. As the new loader is currently available and ready to be delivered, it is appropriate to adopt the lease purchase agreement to complete the financing aspect of this purchase.

The City has secured financing with Deere Credit Inc. for the purchase of the new front end loader. The total cost of the snowplow is \$135,614.45. Total financed principal amount is \$92,614.45 (total cost reduced by a \$43,000 down payment). The annual interest rate is 3.00 % with and the term of the financing is three (3)

years. Total interest paid over the lease/purchase period is \$6,992.51. Payments will be made on a monthly basis in the amount of \$2,766.86.

II. **RECOMMENDED ACTION / NEXT STEP:** Make a motion to approve Ordinance 14-06 and set a public hearing on the same for July 15, 2014 at 7:00 p.m.

III. **FISCAL IMPACTS:** The total amount being financed for these vehicles is \$92,614.45. The total amount of interest to be paid over the term of the lease purchase is \$6,992.51 at an interest rate of 3.00%. Funding for this lease purchase will come out of the General Fund, Public Work Department under line item 01-431-7420 Lease Purchase Payments and the Water Fund, Capital Improvements line item 50-433-7421.

Based on annual appropriation in the budget each payments will be made monthly in the amount of \$2,766.86.

IV. **BACKGROUND INFORMATION:** Please see the attached Ordinance and Exhibit A, Equipment Lease Purchase Agreement for additional information.

V. **LEGAL ISSUES:** The City Attorney has reviewed the Lease Purchase Agreement and drafted Ordinance 14-06. There are no legal issues.

As TABOR does not allow the City to enter into any multiple year debt or financings, this lease purchase agreement is based upon an annual budget appropriation and annual renewal.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** None

VII. **SUMMARY AND ALTERNATIVES:**

1. Make a motion approving Ordinance 14-06 and set a public hearing on the same for July 15, 2014.
2. Make a motion approving Ordinance 14-06 with revisions
3. Table this item

**STATE OF COLORADO  
CITY OF CENTRAL  
ORDINANCE NO. 14-06**

**AN ORDINANCE AUTHORIZING THE CITY OF CENTRAL TO  
ENTER INTO A MASTER LEASE-PURCHASE AGREEMENT, AMENDMENT TO  
MASTER LEASE-PURCHASE AGREEMENT AND RELATED DOCUMENTATION  
WITH DEERE CREDIT, INC. FOR THE ACQUISITION OF ONE JOHN DEERE  
MODEL 624 4-WHEEL DRIVE LOADER**

**WHEREAS**, the City Council, as the governing body of the City of Central (the “City” or “Lessee”) has determined that a true and very real need exists for the acquisition of the Equipment as defined and described in the Master Lease Purchase Agreement (the “Agreement”) and Amendment to Master Lease-Purchase Agreement (“Amendment”), both attached hereto as Exhibit A and presented at this meeting; and

**WHEREAS**, the City Council has taken the necessary steps under applicable law to arrange for the acquisition and financing of such Equipment; and

**WHEREAS**, the City Council has reviewed the form of the Agreement and Amendment and has found the terms and conditions thereof acceptable.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, THAT:**

**Section 1.** The City Council of the City of Central makes the following findings and representations:

- (a) The complete and correct name of the Lessee is the City of Central, a body corporate and politic and a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws and regulations of the State of Colorado with the full power and authority to own its properties and to transact the business and activities in which it is presently engaged or presently proposes to engage. This governmental entity does not do business under any other assumed business names.
- (b) Lessee maintains an office at 141 Nevada Street, P.O. Box 249, Central City, CO 80427-0249.
- (c) The acquisition of the Equipment, under the terms and conditions provided for in the Agreement and Amendment, including the grant of any security interest in such Equipment as required by such Agreement and Amendment, is necessary, convenient, in the furtherance of, and will at all times be used in connection with, Lessee’s governmental and proprietary purposes and functions and is in the best interests of Lessee, and no portion of the Equipment will be used directly or indirectly in any

trade or business carried on by any person other than a governmental unit of the state on a basis different from the general public.

- (d) The meetings at which this ordinance was considered and the City Council took action to adopt were properly noticed and conducted as open meetings in accordance with Colorado law.
- (e) Either there are no legal bidding requirements related to the acquisition of the Equipment to be acquired under the Agreement and Amendment, or the City Council has taken the steps necessary to comply with the same with respect to the Equipment
- (f) There are no legal or governmental proceedings or litigation pending or threatened against the Lessee which might adversely affect the transactions contemplated in or the validity of the Agreement and Amendment.

**Section 2.** The terms of said Agreement and Amendment are in the best interests of the Lessee for the acquisition of the Equipment described therein.

**Section 3.** The City Council, as governing body of Lessee, designates and confirms the Mayor has the authority to execute and deliver the Agreement and Amendment and any related documents necessary to the consummation of the transactions contemplated by the Agreement and Amendment in substantially the form attached hereto as Exhibit A and any related documents and certificates necessary to the consummation of the transactions contemplated by the Agreement and Amendment for and on behalf of the Lessee. The Mayor, in consultation with the City Attorney, may make such non-material changes to the Agreement and Amendment and related documents and certificates as such officers and officials deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4. Severability.** If any section, paragraph, clause, or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

**Section 5. Effective Date.** This Ordinance shall become effective immediately following public hearing, the approval of City Council, and publication following second reading in accordance with the City Charter.

**INTRODUCED AND READ** by title only on first reading at the regular meeting of the City Council of the City of Central on the \_\_\_ day of \_\_\_\_, 2014, at Central City, Colorado.

**CITY OF CENTRAL, COLORADO**

\_\_\_\_\_  
Ronald E. Engels, Mayor

Approved as to form:

\_\_\_\_\_  
Marcus McAskin, City Attorney

ATTEST:

\_\_\_\_\_  
Reba Bechtel, City Clerk

**PASSED AND ADOPTED** on second reading, at the regular meeting of the City Council of the City of Central on the \_\_\_ day of \_\_\_\_, 2014.

**CITY OF CENTRAL, COLORADO**

\_\_\_\_\_  
Ronald E. Engels, Mayor

ATTEST:

\_\_\_\_\_  
Reba Bechtel, City Clerk

**Exhibit A**  
**Agreement and Amendment**



# JOHN DEERE FINANCIAL

## AMENDMENT TO MASTER LEASE-PURCHASE AGREEMENT

This amendment (this "Amendment") amends and supplements that certain Master Lease-Purchase Agreement entered into as of the \_\_\_ day of July, 2014 (the "Master Agreement") by and between **Deere Credit, Inc.** ("Lessor") and **Central City** ("Lessee").

### RECITALS

**WHEREAS**, Lessee wishes to amend the certain provisions set forth in the Master Agreement and Lessor is willing to amend said provisions as set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants contained in this Amendment and for other good and valuable consideration, the receipt and sufficiency of which is expressly acknowledged, the parties agree as follows:

1. Capitalized terms not defined in this Amendment shall have the meaning given to them in the Master Agreement.
2. Section 2 of the Master Agreement is deleted in its entirety and the following replacement Section 2 is inserted in its place:

**"2. Non-Appropriation of Funds.** You intend to remit to us all Lease Payments and other payments for the full Lease Term if funds are legally available. As a Colorado governmental entity subject to the taxpayer's bill of rights, Article 10, Section 20 of the Colorado Constitution, in the event you are not granted an appropriation of funds at any time during the Lease Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to remit Lease Payments and other payments due and to become due under the Lease, and there is no other legal procedure or available funds by or with which payment can be made to us, you shall have the right to return the Equipment in accordance with Section 8 of this Master Agreement and terminate the Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of the Lease Payments for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of your fiscal period, your chief executive officer shall certify in writing that (a) funds have not been appropriated for the fiscal period and (b) you have exhausted all funds legally available to pay Lease Payments. If you terminate the Lease because of a non-appropriation of funds, you may not, to the extent permitted by applicable law, purchase, lease, or rent, during the subsequent fiscal period, equipment performing the same functions as, or functions taking the place of, those performed by the Equipment. This Section 2 shall not permit you to terminate the Lease in order to acquire any other equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.

3. Section 10 of the Master Agreement is deleted in its entirety and the following replacement Section 10 is inserted in its place:

**"10. Remedies.** If a default occurs, we may, to the extent permitted by applicable law, which may or may not be precluded by the taxpayer's bill of rights, Article 10, Section 20 of the Colorado Constitution, do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF

BARGAIN AND NOT AS A PENALTY, the Principal Balance as of the date of such default; (b) declare any other agreements between you and us (or any of our affiliates) in default; (c) terminate any of your rights (but none of your obligations) under any Lease and any other agreement between you and us (or any of our affiliates); (d) require you to return the Equipment in the manner outlined in Section 8, or take possession of the Equipment; (e) lease or sell the Equipment or any portion thereof at a public or private sale; (f) apply the net proceeds we receive from any sale, lease or other disposition of the Equipment (after deducting all of our costs and expenses) to your obligations under the Lease, with you remaining liable for any deficiency; (g) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorneys' fees and court costs; (h) exercise any other remedy available at law or in equity; and (i) take on your behalf (at your expense) any action required by the Lease which you fail to take. These remedies are cumulative, are in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

4. The Opinion of Lessee's Counsel attached to the Master Agreement is deleted in its entirety and the following replacement Opinion of Counsel is inserted in its place:

“(LETTERHEAD OF LESSEE'S COUNSEL)”

(Date) \_\_\_\_\_

Deere Credit, Inc.  
PO Box 6600  
Johnston, IA 50131-6600

RE: Master Lease-Purchase Agreement No. \_\_\_\_\_ dated \_\_\_\_\_, 2014 (the "Master Lease") and Lease Schedule No. \_\_\_\_\_ dated \_\_\_\_\_, 2014 (the "Lease Schedule"), and entered into between Central City ("Lessee") and Deere Credit, Inc., its successors and assigns ("Lessor") (The Master Lease and the Lease Schedule are hereinafter collectively referred to as the "Lease").

Gentlemen and Ladies:

We have acted as counsel to Lessee in connection with the execution and delivery of the Lease by Lessee and, in this capacity, we have reviewed a duplicate original or certified copy of the Lease and such other documents and instruments as we have deemed necessary or appropriate. As counsel for Lessee, we have made such factual inquiries, and have examined or caused to be examined such questions of law as we have considered necessary or appropriate for the purposes of this opinion. The opinions stated herein are given in our limited capacity as legal counsel to the lessee for general matters. Whenever our opinion with respect to the existence or absence of facts is indicated to be based on our knowledge, it shall mean that during the course of our representation as described above no information has come to our attention which has given us actual knowledge of the existence or absence of such facts. We have not undertaken any independent investigation to determine the existence or absence of such facts, nor have we undertaken any such investigation with respect to facts certified by anyone, and no inference as to our knowledge of the existence or absence of such facts may be drawn from our

representation of the lessee. In rendering this opinion, we have assumed without inquiry:

- (1) The authenticity of all documents submitted to us as copies of the originals, and the conformity of such copies to the originals as they are finally executed and delivered by lessee and lessor;
- (2) That the lease has been or will be duly authorized, executed and delivered by lessor;
- (3) That the lease constitutes valid, legal and binding obligations of lessor enforceable against lessor in accordance with its terms; and
- (4) That the lease accurately describes and contains the mutual understandings of the parties, and that there are not oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms thereof.

Based upon the foregoing inquiries, examination and review, we are of the opinion that:

- (a) Lessee is a political subdivision of the state of Colorado. Lessee is duly organized and existing under the Constitution and laws of said state, and is authorized to enter into and to carry out its obligations under the Lease.
- (b) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations (as to the current fiscal year) required in connection with the Lease and the acquisition of the Equipment.
- (c) The Lease has been duly authorized, executed and delivered by Lessee in accordance with all applicable laws, rules and regulations. The Lease is a valid, legal, binding agreement, enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights.
- (d) The person signing the Lease (1) has the authority to do so, (2) is acting with the full authorization of Lessee's governing body, and (3) holds the office indicated below their signature. The signature of the person signing the Lease is genuine.
- (e) The execution of the Lease and the appropriation of funds to meet its obligations thereunder do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
- (f) The Lease does not constitute a debt of Lessee under applicable state law or a pledge of the tax or general revenues of Lessee.

All of the opinions set forth above are also subject to the following qualifications, limitations and exceptions:

- (1) The opinions expressed herein are limited to matters governed by the laws of the State of Colorado. No opinion is expressed regarding the laws of any other jurisdiction.
- (2) The opinions expressed herein are based upon the law in effect on the date hereof, and we assume no obligation to revise or supplement them if the law is changed by legislative action, judicial decision or otherwise.

All capitalized terms herein shall have the same meanings as in the lease unless otherwise provided herein. Only the lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the lease payments, are entitled to rely on this opinion. This opinion is not to be quoted in whole or in part or otherwise referred to (except in a list of closing documents), nor is it to be delivered to any other person (except as

a part of a closing book memorializing the closing on the agreement) without our prior written consent. We express no opinion as to any matter not set forth in the lettered paragraphs herein.

Our firm represents only the lessee; delivery of this letter does not establish an attorney-client relationship with any other party. We expressly undertake no responsibility or duty to inform any party, whether addressees hereof or not, as to any change in fact, circumstance or law occurring after the date hereof which may affect or alter any of the opinions, statements or information set forth above.

[LESSEE COUNSEL]

By: \_\_\_\_\_”

5. The provisions of this Amendment shall be effective as to all Schedules entered into on or after the date set forth below. Except as expressly modified by this Amendment, the terms and conditions of the Master Agreement remain in full force and effect. If there are any conflicts between the provisions of this Amendment and the Master Agreement, the terms of this Amendment shall be controlling. This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together shall constitute one and the same document.

**IN WITNESS WHEREOF**, the parties have caused this Amendment to be executed by their duly authorized representatives as of this \_\_\_\_ day of June, 2014.

**DEERE CREDIT, INC.**

**CENTRAL CITY**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



# JOHN DEERE FINANCIAL

## Master Lease-Purchase Agreement

Agreement No. 0063124

<b>Lessee:</b>	CENTRAL CITY 141 NEVADA ST., CENTRAL CITY, CO 80427
<b>Lessor:</b>	DEERE CREDIT, INC. 6400 NW 86 <sup>TH</sup> ST, PO BOX 6600, JOHNSTON, IA 50131-6600

This Master Lease-Purchase Agreement ("Master Agreement") is entered into between Deere Credit, Inc., as Lessor ("we", "us" or "our"), and the Lessee identified above ("you" or "your"). "Schedule" shall mean any Lease Schedule signed by you and us, which incorporates the terms of this Master Agreement. "Lease" shall mean this Master Agreement and any Schedule.

### TERMS AND CONDITIONS

- Lease Term; Payments.** You agree to lease from us the property ("Equipment") described in each Schedule for the Lease Term. The Lease Term will begin on the Lease Term Start Date and end on the Lease Term End Date. All attachments and accessories itemized on the Schedule and all replacements, parts and repairs to the Equipment shall form part of the Equipment. A Schedule is not accepted by us until we sign it, even if you have made a payment to us. You agree to remit to us the Lease Payments indicated in the Schedule and all other amounts when due and payable each Billing Period, even if we do not send you a bill or an invoice. Except as otherwise provided in Section 2 of this Master Agreement, **YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL, AND ARE NOT SUBJECT TO CANCELLATION, REDUCTION OR SETOFF FOR ANY REASON WHATSOEVER.** For any payment which is not received by its due date, you agree to pay a late charge equal to 5% of the past due amount (not to exceed the maximum amount permitted by law) as reasonable collection costs, plus interest from the due date until paid at a rate of 1.5% per month, but in no event more than the maximum lawful rate.
- Non-Appropriation of Funds.** You intend to remit to us all Lease Payments and other payments for the full Lease Term if funds are legally available. In the event you are not granted an appropriation of funds at any time during the Lease Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to remit Lease Payments and other payments due and to become due under the Lease, and there is no other legal procedure or available funds by or with which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment in accordance with Section 8 of this Master Agreement and terminate the Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of the Lease Payments for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of your fiscal period, your chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the fiscal period, (b) such non-appropriation did not result from any act or failure to act by you, and (c) you have exhausted all funds legally available to pay Lease Payments. If you terminate the Lease because of a non-appropriation of funds, you may not, to the extent permitted by applicable law, purchase, lease, or rent, during the subsequent fiscal period, equipment performing the same functions as, or functions taking the place of, those performed by the Equipment. This Section 2 shall not permit you to terminate the Lease in order to acquire any other equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.
- Taxes.** Although you may be exempt from the payment of certain taxes, you agree to pay us when invoiced (a) all sales, use, rental, gross receipts and all other taxes which may be imposed on the Equipment or its use, and (b) all taxes and governmental charges associated with the ownership, use, or possession of the Equipment including, but not limited to, personal property and ad valorem taxes ("Taxes"). Taxes do not include those measured by our net income. If applicable law requires tax returns or reports to be filed by you, you agree to promptly file such tax returns and reports and deliver copies to us. You agree to keep and make available to us all tax returns and reports for Taxes paid by you.
- Security Interest Missing Information.** You shall have title to the Equipment immediately upon delivery and shall be the owner of the Equipment. You (a) grant us and our affiliates a security interest in the Equipment (and all proceeds) to secure all of your obligations under the Lease and any other obligations, which you may have, to us or any of our affiliates, and (b) authorize us to file financing statements naming you as debtor. You agree to keep the Equipment free and clear of liens and encumbrances, except those in our favor, and promptly notify us if a lien or encumbrance is placed or threatened against the Equipment. You irrevocably authorize us, at any time, to (a) insert or correct information on the Lease, including your correct legal name, serial numbers and Equipment descriptions; (b) submit notices and proofs of loss for any required insurance; and (c) endorse your name on remittances for insurance and Equipment sale or lease proceeds. Notwithstanding any other election you make, you agree that (1) we can access any information regarding the location, maintenance, operation and condition of the Equipment; (2) you irrevocably authorize anyone in possession of that information to provide all of that information to us upon our request; (3) you will not disable or otherwise interfere with any information gathering or transmission device within or attached to the Equipment; and (4) we may reactivate any such device.
- Equipment Maintenance, Operation and Use.** You agree to (a) not move the Equipment to another county or state without notifying us within 30 days; (b) operate and maintain the Equipment in accordance with all (1) laws, ordinances and regulations, (2) manuals and other instructions issued by the manufacturer(s) and supplier(s), and (3) insurance policy terms and requirements; (c) perform (at your expense) all maintenance and repairs necessary to keep the Equipment in as good a condition as when delivered to you, reasonable wear excepted; (d) not install any accessory or device on the Equipment which affects the value, useful life or the originally intended function or use of the Equipment in any way, unless it can be removed without damaging the Equipment; (e) allow us and our agent(s) to inspect the Equipment and all of your records related to its use, maintenance and repair, at any reasonable time; (f) keep any metering device installed on the Equipment connected and in good working condition at all times; (g) affix, and maintain, in a prominent place on the Equipment, any labels, plates or other markings we may provide to you; and (h) not permit the Equipment to be used by, or to be in the possession of, anyone other than you or your employees.
- Insurance.** You agree, at your cost, to (a) keep the Equipment insured against all risks of physical damage for no less than the Principal Balance (as indicated in the Amortization Schedule attached to and made a part of the Schedule), naming us as sole loss payee; and (b) maintain public liability insurance, covering personal injury and property damage for not less than \$1,000,000 per occurrence, naming us as additional insured. All insurance must be with companies and policies acceptable to us. Your obligation to insure the Equipment continues until you return the Equipment to us and we accept it. Each insurance policy must provide that (a) our interest in the policy will not be invalidated by any act, omission, breach or neglect of anyone other than us; and (b) the insurer will give us at least 30 days' prior written notice before any cancellation of, or material change to, the policy.  
Unless you provide us with evidence of the required insurance coverages, we may purchase insurance, at your expense, to protect our interests in the Equipment. This insurance may not (1) protect your interests; or (2) pay any claim that you make or any claim that is made against you in connection with the Equipment. You may later cancel any insurance purchased by us, but only after providing us with evidence that you have obtained the insurance required by the Lease. The cost of the insurance may be more than the cost of insurance you may be able to obtain on your own.
- Loss or Damage.** Until the Equipment is returned to us in satisfactory condition, you are responsible for all risk of loss, damage, theft, destruction or seizure of the Equipment (an "Event of Loss"). You must promptly notify us of any Event of Loss. If the Equipment can be repaired or replaced, you agree to promptly repair or replace the Equipment, at your cost, and the terms of the Lease will continue to apply.

### ADDITIONAL TERMS AND CONDITIONS OF MASTER LEASE AGREEMENT

If the Equipment cannot be repaired or replaced, you agree to immediately pay us the Principal Balance, as determined by us as of the day before such Event of Loss occurred. Upon receipt of the Principal Balance, we will transfer to you (or the insurance company) all of our right, title and interest in such item(s) of Equipment (each, an "Item") AS-IS, WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE. All insurance proceeds must be paid directly to us, and we may apply any excess insurance proceeds to any other amounts you owe us.

**8. Return of Equipment.** If a Schedule is terminated for any reason including, but not limited to, a non-appropriation of funds pursuant to Section 2 of this Master Agreement, you agree to return all Equipment to the nearest John Deere dealer that sells equipment substantially similar to the Equipment, at your expense and in satisfactory condition, along with all use, maintenance and repair records. Equipment is in satisfactory condition if it is in as good a condition as when the Equipment was delivered to you, reasonable wear expected.

**9. Default.** You will be in default if: (a) you fail to remit to us any Lease Payment or other payment when due; (b) you breach any other provision of the Lease and fail to cure such breach within 10 days; (c) a default occurs under any other agreement between you and us (or any of our affiliates); or (d) you fail to maintain the insurance required by Section 6. Time is of the essence under the Lease.

**10. Remedies.** If a default occurs, we may, to extent permitted by applicable law, do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the Principal Balance as of the date of such default; (b) declare any other agreements between you and us (or any of our affiliates) in default; (c) terminate any of your rights (but none of your obligations) under any Lease and any other agreement between you and us (or any of our affiliates); (d) require you to return the Equipment in the manner outlined in Section 8, or take possession of the Equipment; (e) lease or sell the Equipment or any portion thereof at a public or private sale; (f) apply the net proceeds we receive from any sale, lease or other disposition of the Equipment (after deducting all of our costs and expenses) to your obligations under the Lease, with you remaining liable for any deficiency; (g) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorneys' fees and court costs; (h) exercise any other remedy available at law or in equity; and (i) take on your behalf (at your expense) any action required by the Lease which you fail to take. These remedies are cumulative, are in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

**11. Assignment.** You will not assign, pledge or otherwise transfer any of your rights or interests in the Lease or any Equipment without our prior written consent. Any assignment without our consent will be void. We may assign the Lease or our interest in the Equipment at any time without notice to you and without your consent. We may provide information about you to any prospective assignee or participant. You agree not to assert against our assignee any claims, offsets or defenses which you may have against us.

**12. Representations and Warranties.** You represent and warrant to us, as of the date of this Master Agreement and of each Schedule, and covenant to us so long as the Lease is in effect, that: (a) you are a State, or a political subdivision thereof, for purposes of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); (b) any documents required to be delivered in connection with the Lease (collectively, the "Documents") have been duly authorized by you in accordance with all applicable laws, rules, ordinances, and regulations; (c) the Documents are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the offices indicated below their signatures; (d) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Lease Term only by you and only to perform such function; (e) you intend to use the Equipment for the entire Lease Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations each fiscal period during the Lease Term; (f) you have complied fully with all applicable law governing open meetings, public bidding and appropriations, required in connection with the Lease and the debt under applicable state law; (g) your obligations to remit Lease Payments and other amounts due and to become due under the Lease constitute a current expense and not a debt under applicable state law; (h) all financial information you have provided is true and a reasonable representation of your financial condition; (i) you shall not do or cause to be done any act which shall cause, or by omission of any act allow the interest portion of any Lease Payment to become includable in our gross income for Federal income taxation purposes under the Code; (j) you shall maintain a complete and accurate account of all assignments of the Lease in the form sufficient to comply with book entry requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; and (k) you shall comply with the information reporting requirements of Section 149(e) of the Code. Such compliance shall include, but not be limited to, the execution of 8038-G or 8038-GC Information Returns.

**13. Indemnity.** You are responsible for all losses, damage, claims, injuries to or the death of an individual, and attorneys' fees and costs ("Claims"), incurred or asserted by any person, in any manner related to the Equipment or the lease thereof, including its use, condition or possession. To the extent permitted under applicable law, you agree to defend and indemnify us, and hold us harmless, against all Claims, although we reserve the right to control the defense and to select or approve defense counsel. You agree to not bring any action for Claims against us. You will promptly notify us of all Claims made. Your liability under this Section is not limited to the amounts of insurance required under the Lease. This indemnity continues beyond the termination of a Schedule, for acts or omissions, which occurred during the Lease Term.

**14. Time Price.** You understand that the Equipment may be purchased for cash or it may be purchased pursuant to the terms of the Lease for a Time Price equal to the sum of (1) all Lease Payments due and to become due thereunder, and (2) the Origination Fee. By executing the Lease, you have chosen to purchase the Equipment for that Time Price. You and we intend to comply with all applicable laws. In no event will we charge or collect any amounts in excess of those allowed by applicable law. In the event any amount in excess of that allowed by law is charged or recovered, any such charge will be deemed limited by the amount legally allowed and any amount received by us in excess of that legally allowed will be applied by us to the payment of amounts legally allowed under the Lease, or refunded to you.

**15. Miscellaneous. WE HAVE NOT MADE, AND DO NOT MAKE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, OR OTHERWISE. WE ARE NOT LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES.** You acknowledge that no supplier or dealer of the Equipment is an agent of ours, or authorized to act for or bind us. You agree not to withhold any amount you owe us if you believe you have a claim against us, or any Equipment supplier(s) or manufacturer(s), but to pursue that claim independently. Any claim you have against us must be made within two years after the event that caused it. All notices must be in writing and will be deemed given 5 days after mailing to the intended recipient at its address indicated above, unless changed by a notice given in accordance with this Section. Each Lease supersedes and replaces all prior understandings and communications (oral or written) concerning the subject matter thereof. Except as otherwise provided in Section 10(c), no part of any Lease can be amended, waived or terminated except by a writing signed by both you and us. Any part of this Master Agreement may be signed in separate counterparts that, together, will constitute one document. If a court finds any part of this Master Agreement to be invalid or unenforceable, the remainder of this Master Agreement will remain in effect. You permit us to monitor and record telephone conversations between you and us. By providing any telephone number, including a mobile phone number, to us, any of our affiliates or any debt collectors we retain, we, such affiliates and such retained debt collectors can contact you using that number, including calls using an automatic dialing and announcing device and prerecorded calls, and that such calls are not "unsolicited" under state or federal law. All of our rights under each Lease shall remain in effect after the expiration of the Lease Term or termination of the Schedule.

ADDITIONAL TERMS AND CONDITIONS OF MASTER LEASE AGREEMENT

THE TERMS OF THIS MASTER AGREEMENT SHOULD BE READ CAREFULLY BEFORE SIGNING BECAUSE ONLY THESE WRITTEN TERMS ARE ENFORCEABLE. NO OTHER TERMS OR ORAL PROMISES MAY BE LEGALLY ENFORCED. BY SIGNING THIS MASTER AGREEMENT, YOU AGREE TO THE TERMS ON BOTH PAGES 1 AND 2. THIS MASTER AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN YOU AND US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

<b>LESSEE</b>	<b>CENTRAL CITY</b> 141 NEVADA ST CENTRAL CITY, CO 80427	<b>LESSOR</b>	<b>DEERE CREDIT, INC.</b> 6400 NW 86 <sup>th</sup> ST, PO BOX 6600 JOHNSTON, IA 50131-6600
By: 	_____	By: _____	_____
	SHANNON FLOWERS, FINANCE DIRECTOR		
Date: 	_____	Date: _____	_____



# JOHN DEERE FINANCIAL

## Lease Schedule

Lease Schedule No.	030-0063124-000
Master Lease Agreement No.	0063124

<b>Lessee:</b> (Name & Address)	<b>CENTRAL CITY</b> 141 NEVADA ST., CENTRAL CITY, CO 80427
<b>Lessor:</b>	<b>DEERE CREDIT, INC.</b> 6400 NW 86 <sup>th</sup> ST, PO BOX 6600, JOHNSTON, IA 50131-6600

### EQUIPMENT INFORMATION

Year	Make	Model	Equipment Description	Serial Number	Hour Meter	Cash Price
2013	JD	624K	4WD LOADER	1DW624KZADE653232	726	\$135,614.45
<b>Equipment Location</b>			141 NEVADA ST, CENTRAL CITY, CO, 80427	OUTSIDE city limits: <input checked="" type="checkbox"/>	GILPIN COUNTY	

### LEASE TERM

Lease Term Start Date	Lease Term End Date	# Of Payments	Lease Payment	*Sales/Use Tax	Total Lease Payment
05/27/2014	05/27/2017	1	\$43,000.00	\$0.00	\$43,000.00
		35	\$2,766.86	\$0.00	\$2,766.86

\*If part of the regular scheduled lease payment

### PAYMENT TERMS

### PAYMENT DUE AT SIGNING

Due Date	1 <sup>st</sup> Payment Due Date	Billing Period	Advance Lease** Payment	\$43,000.00
27	05/27/2014	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual	**Advance Lease Payment includes the first 1 and last 0 Lease Payment(s)	

"Master Agreement" shall mean the above referenced Master Lease-Purchase Agreement. "Schedule" shall mean this Lease Schedule. "Lease" shall mean this Schedule and the Master Agreement. All of the terms and conditions set forth in the Master Agreement and any amendment, addendum, schedule or attachment thereto or hereto are hereby incorporated into and made a part of this Schedule.

**Lease Payments.** Remit the Lease Payments (and applicable sales, use and property taxes) on the dates noted above and all other amounts when due to: DEERE CREDIT, INC., P.O. Box 4450, Carol Stream, IL 60197-4450.

**Purchase Option.** You may purchase the Equipment at the end of the Lease Term for \$1, provided (1) you are not in default, and (2) we receive all amounts you owe us on or before the Lease Term End Date (the "Purchase Option"). Upon exercise of the Purchase Option, we will (a) transfer to you all of our right, title and interest in such item(s) of Equipment AS-IS, WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE, and (b) release our security interest in the Equipment.

**Representations and Warranties.** You represent and warrant to us, as of the date you signed this Schedule, that (1) the Equipment was selected by you; (2) the Equipment (including all manufacturer manuals and instructions) has been delivered to, and examined by, you; (3) the safe operation and the proper servicing of the Equipment were explained to you; (4) you received the written warranty applicable to the Equipment and understand that your rights under the written warranty may be limited; (5) the Equipment is unconditionally and irrevocably accepted by you as being suitable for its intended use; (6) the Equipment is in good condition and repair (operating and otherwise); (7) the Equipment shall be used only for the purpose indicated herein; (8) all information provided to us by you is true and correct.

You acknowledge and agree that: (1) we did not select, manufacture or supply any of the Equipment; (2) we acquired the Equipment at your direction; (3) you selected the supplier of the Equipment; (4) you are entitled to all manufacturer warranties ("Warranty Rights") and we assign all Warranty Rights to you, to the extent assignable; (5) you may request an accurate and complete statement of the Warranty Rights, including any disclaimers and limitations, directly from the manufacturer; and (6) you assign to us all your rights (but none of your obligations) under all purchase orders, purchase agreements or similar documents relating to the Equipment. You waive all rights and remedies conferred upon a lessee under Sections 508 – 522 of Article 2A of the Uniform Commercial Code.

**Miscellaneous.** You agree that we can access any information regarding the location, maintenance, operation and condition of the Equipment, and you irrevocably authorize anyone in possession of such information to provide all of that information to us upon our request. You also agree to not disable or otherwise interfere with any information-gathering or transmission device within or attached to the Equipment. You permit us to monitor and record telephone conversations between you and us. By providing any telephone number, including a mobile phone number, to us, any of our affiliates or any debt collectors we retain, we, such affiliates and such retained debt collectors can contact you using that number, including calls using an automatic dialing and announcing device and prerecorded calls, and that such calls are not "unsolicited" under state or federal law. All of our rights under each Lease shall remain in effect after the expiration of the Lease Term or termination of the Schedule.

# Lease Schedule

Lease Schedule No.	030-0063124-000
Master Lease Agreement No.	0063124

BY SIGNING THIS SCHEDULE, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS OF THIS SCHEDULE AND THE MASTER AGREEMENT.

<b>LESSEE</b> CENTRAL CITY 141 NEVADA ST CENTRAL CITY, CO 80427	<b>LESSOR</b> DEERE CREDIT, INC. 6400 NW 86 <sup>th</sup> ST, PO BOX 6600 JOHNSTON, IA 50131-6600
By:  _____ SHANNON FLOWERS, FINANCE DIRECTOR	By: _____
Date:  _____	Date: _____



# JOHN DEERE FINANCIAL

## Amortization Schedule

Lease Schedule No.	030-0063124-000
Master Lease-Purchase Agreement No.	0063124

<b>Lessee:</b> (Name & Address)	<b>CENTRAL CITY</b> 141 NEVADA ST, CENTRAL CITY, CO 80427				
<b>Lessor:</b>	DEERE CREDIT, INC. 6400 NW 86 <sup>th</sup> ST, PO BOX 6600, JOHNSTON, IA 50131-6600				
<b>Nominal Annual Rate:</b>	3.00%				
<b>Payment Number:</b>	<b>Date:</b>	<b>Lease Payment:</b>	<b>Interest:</b>	<b>Principal:</b>	<b>Principal Balance:</b>
LEASE	05/27/2014				135,614.45
1	05/27/2014	43,000.00	0.00	43,000.00	92,614.45
2	06/27/2014	2,766.86	231.54	2,535.32	90,079.13
3	07/27/2014	2,766.86	225.20	2,541.66	87,537.47
4	08/27/2014	2,766.86	218.84	2,548.02	84,989.45
5	09/27/2014	2,766.86	212.47	2,554.39	82,435.06
6	10/27/2014	2,766.86	206.09	2,560.77	79,874.29
7	11/27/2014	2,766.86	199.69	2,567.17	77,307.12
8	12/27/2014	2,766.86	193.27	2,573.59	74,733.53
9	01/27/2015	2,766.86	186.83	2,580.03	72,153.50
10	02/27/2015	2,766.86	180.38	2,586.48	69,567.02
11	03/27/2015	2,766.86	173.92	2,592.94	66,974.08
12	04/27/2015	2,766.86	167.44	2,599.42	64,374.66
13	05/27/2015	2,766.86	160.94	2,605.92	61,768.74
14	06/27/2015	2,766.86	154.42	2,612.44	59,156.30
15	07/27/2015	2,766.86	147.89	2,618.97	56,537.33
16	08/27/2015	2,766.86	141.34	2,625.52	53,911.81
17	09/27/2015	2,766.86	134.78	2,632.08	51,279.73
18	10/27/2015	2,766.86	128.20	2,638.66	48,641.07
19	11/27/2015	2,766.86	121.60	2,645.26	45,995.81
20	12/27/2015	2,766.86	114.99	2,651.87	43,343.94
21	01/27/2016	2,766.86	108.36	2,658.50	40,685.44
22	02/27/2016	2,766.86	101.71	2,665.15	38,020.29
23	03/27/2016	2,766.86	95.05	2,671.81	35,348.48
24	04/27/2016	2,766.86	88.37	2,678.49	32,669.99
25	05/27/2016	2,766.86	81.67	2,685.19	29,984.80
26	06/27/2016	2,766.86	74.96	2,691.90	27,292.90
27	07/27/2016	2,766.86	68.23	2,698.63	24,594.27
28	08/27/2016	2,766.86	61.49	2,705.37	21,888.90
29	09/27/2016	2,766.86	54.72	2,712.14	19,176.76
30	10/27/2016	2,766.86	47.94	2,718.92	16,457.84
31	11/27/2016	2,766.86	41.14	2,725.72	13,732.12
32	12/27/2016	2,766.86	34.33	2,732.53	10,999.59
33	01/27/2017	2,766.86	27.50	2,739.36	8,260.23
34	02/27/2017	2,766.86	20.65	2,746.21	5,514.02
35	03/27/2017	2,766.86	13.79	2,753.07	2,760.95
36	04/27/2017	2,766.86	6.90	2,759.96	0.99
37	05/27/2017	1.00	0.01	0.99	0.00

Grand Totals	139,841.10	4,226.65	135,614.45
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**JOHN DEERE**  
FINANCIAL

### Amortization Schedule

Lease Schedule No.	030-0063124-000
Master Lease-Purchase Agreement No.	0063124

<b>Lessee:</b> <small>(Name &amp; Address)</small>	<b>CENTRAL CITY</b> 141 NEVADA ST, CENTRAL CITY, CO 80427
<b>Lessor:</b>	<b>DEERE CREDIT, INC.</b> 6400 NW 86 <sup>th</sup> ST, PO BOX 6600, JOHNSTON, IA 50131-6600
<b>Nominal Annual Rate:</b>	3.00%

<b>LESSEE</b>	<b>CENTRAL CITY</b> 141 NEVADA ST, CENTRAL CITY, CO 80427	<b>LESSOR</b>	<b>DEERE CREDIT, INC.</b> 6400 N.W. 86 <sup>th</sup> STREET, PO BOX 6600 JOHNSTON, IA 50131-6600
By: 	_____	By: _____	
	SHANNON FLOWERS, FINANCE DIRECTOR		
Date: 		Date: _____	

(LETTERHEAD OF LESSEE'S COUNSEL)

(Date) \_\_\_\_\_

Deere Credit, Inc.  
PO Box 6600  
Johnston, IA 50131-6600

RE: Master Lease-Purchase Agreement No. \_\_\_\_\_ dated 05/27/2014 (the "Master Lease") and Lease Schedule No. \_\_\_\_\_ dated 05/27/2014 (the "Lease Schedule"), and entered into between CENTRAL CITY ("Lessee") and Deere Credit, Inc., its successors and assigns ("Lessor") (The Master Lease and the Lease Schedule are hereinafter collectively referred to as the "Lease").

Gentlemen and Ladies:

I have acted as counsel to Lessee in connection with the execution and delivery of the Lease by Lessee and, in this capacity, I have reviewed a duplicate original or certified copy of the Lease and such other documents and instruments as I have deemed necessary or appropriate. As counsel for Lessee, I have made such factual inquiries, and have examined or caused to be examined such questions of law as I have considered necessary or appropriate for the purposes of this opinion. Based upon such inquiries, examination and review, I am of the opinion that:

(a) Lessee is the entity indicated on the face of the Lease and is a political subdivision of the state in which it is located. Lessee is duly organized and existing under the Constitution and laws of said state, and is authorized to enter into and to carry out its obligations under the Lease.

(b) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with the Lease and the acquisition of the Equipment.

(c) The Lease has been duly authorized, executed and delivered by Lessee in accordance with all applicable laws, rules and regulations. The Lease is a valid, legal, binding agreement, enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights.

(d) The person signing the Lease (1) has the authority to do so, (2) is acting with the full authorization of Lessee's governing body, and (3) holds the office indicated below their signature. The signature of the person signing the Lease is genuine.

(e) The execution of the Lease and the appropriation of funds to meet its obligations thereunder do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

(f) The Lease does not constitute a debt of Lessee under applicable state law or a pledge of the tax or general revenues of Lessee.

[LESSEE COUNSEL]

By: \_\_\_\_\_



# JOHN DEERE FINANCIAL

## Physical Damage/Liability Insurance

Lease Schedule No.	030-0063124-000
Master Lease Agreement No.	0063124

<b>Lessee:</b> (Name & Address)	<b>CENTRAL CITY</b> 141 NEVADA ST, , CENTRAL CITY, CO 80427
<b>Lessor:</b>	<b>DEERE CREDIT, INC.</b> 6400 NW 86 <sup>th</sup> ST, PO BOX 6600, JOHNSTON, IA 50131-6600

**LIABILITY INSURANCE** on the above referenced Lease Schedule (the "Schedule") to the above referenced Master Lease Agreement will be provided by the following insurance agency:

Name of Agency:	Phone Number of Agency:
Mailing Address of Agency	Fax Number of Agency

**PHYSICAL DAMAGE INSURANCE** on the Schedule will be provided by the following agency:

Name of Agency:	Phone Number of Agency:
Mailing Address of Agency	Fax Number of Agency

If an insurance certificate is available, it should be provided in place of the above information

**ADDITIONAL INSURED and LOSS PAYEE:**

Deere Credit, Inc.  
Its Successors &/or Assigns  
6400 NW 86<sup>th</sup> St  
Johnston, IA 50131

The undersigned agrees and understands that, pursuant to the provisions of Section 6 of the Master Lease Agreement, the undersigned must at all times (1) maintain public liability insurance, covering personal injury and property damage for not less than \$1,000,000 per occurrence, naming us (and our successors and assigns) as additional insured; and (2) keep the Equipment insured against all risks of physical damage for no less than its Principal Balance (as such term is defined in Section 7 of the Master Lease Agreement), naming us (and our successors and assigns) as sole loss payee.

<b>LESSEE</b>	<b>CENTRAL CITY</b> 141 NEVADA ST CENTRAL CITY, CO 80427	
By:	 SHANNON FLOWERS, FINANCE DIRECTOR	
Date:		

**Office Use Only**

Contact Date(s):	Contact Name:
Liability Insurance Company Policy #:	Liability Insurance Expiration Date
Liability Limits:	Notes:
Physical Damage Insurance Company and Policy #	Physical Damage Insurance Expiration Date
Insured Value:	Notes:
Loss Payee Deere Credit, Inc.? <input type="checkbox"/> Yes <input type="checkbox"/> Will Be Added	Verified By:



**JOHN DEERE  
FINANCIAL**

**Advance Lease Payment Invoice**

Due Date:	05/27/2014
Total Due:	\$43,000.00

<b>Billing Address:</b>	<b>Updated Billing Information:</b>
CENTRAL CITY PO BOX 249 CENTRAL CITY, CO 80427	

Please Note: All future invoices will be sent to the billing address shown unless you update your billing information above.

<b>Master Lease Agreement Number:</b>		0063124						
App #	Mfg.	Model #	Serial Number	Due Date	Rental/Tax Amount	Security Deposit	Origination Fee	Advance Lease Payment
11735171	JD	624K	1DW624KZADE6 53232	05/27/2014	\$43,000.00	\$0.00	\$0.00	\$43,000.00

<b>Correspondence Only:</b>	<b>Remit Checks Payable To:</b>
Deere Credit, Inc. Attn: Lease Administration PO Box 6600 Johnston, IA 50131-6600  Phone: (800) 771-0681 – select "lease" prompt Fax: (800) 254-0020 Lease issues only	Deere Credit, Inc. Attn: Acct. Dept. – ALP Processing PO Box 6600 Johnston, IA 50131-6600

**TO ENSURE PROPER CREDIT, STAPLE CHECK AND RETURN THIS INVOICE WITH THE LEASE DOCUMENTS.**

**STAPLE ADVANCE LEASE PAYMENT CHECK HERE**

**Every Dishonored Check will result in a fee of \$20.00 or an amount not to exceed the highest amount permitted by law.**

# John Deere Financial Direct Pay-Recurring Enrollment

**For Credit Card accounts and Installment Loans**

**Fax 800-826-9527**

Or Mail: John Deere Financial, Attn: Payment Specialist, PO Box 5327, Madison, WI 53705

**Lease**

**Fax to 800-254-0020**

Or Mail: John Deere Financial, Attn: Lease Dept, PO Box 6600, Johnston, IA 50131-6600

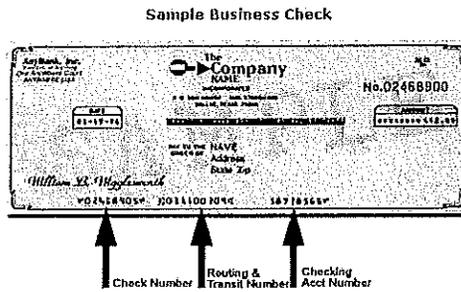
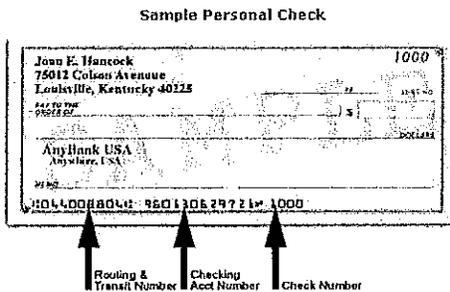
**Eligibility**

Your account with John Deere Financial must be current in order to enroll for the Direct-Pay Recurring payment option. Your account with your financial institution must allow automatic withdrawals.

**How to Enroll**

Complete and sign the authorization form below. Please be sure to provide all information requested.

Bank & account information, whether it is a saving or checking account. For the typical checking accounts, the account information is located similar to the sample business or personal checks below:



**JOHN DEERE FINANCIAL DIRECT PAY-RECURRING AUTHORIZATION FORM**

My signature below authorizes Deere Credit Services, Inc. and its affiliates, (the Company), to initiate debit entries to the checking/savings account below for the regularly scheduled payments or other amounts that I may owe the Company. This authorization is to remain in full force and effect until canceled by the Company, or by written notification from me, given in such time and manner as to allow the Company a reasonable opportunity to act upon it.

If your account is closed due to an Add-On transaction, consolidation or corrected loan agreement and you have Direct Pay-Recurring, your enrollment and banking information will be transferred to your new account.

\_\_\_\_\_  
Bank Name

\_\_\_\_\_  
John Deere Financial Account Number

\_\_\_\_\_  
Bank City & State

\_\_\_\_\_  
Name on John Deere Financial Account

\_\_\_\_\_  
Name on Bank Account

\_\_\_\_\_  
Social Security Number/Federal Tax ID

\_\_\_\_\_  
9 digit Bank Routing and Transit #

Type of Account:  Checking  Savings

\_\_\_\_\_  
Bank Account Number

**I request Direct Pay Recurring to begin with my payment due** \_\_\_\_/\_\_\_\_/\_\_\_\_

**I understand any payment due prior to the month I requested above, must be made in order to be eligible for Direct Pay Recurring.**

\_\_\_\_\_  
Bank Account Owner Signature      Date

\_\_\_\_\_  
Bank Account Owner Phone Number

**Federal/State Agency  
and Indian Tribe  
Claim for Exemption of  
State and Local Sales/Use Tax**

**Purchaser**

Name: CENTRAL CITY

Address: 114 NEVEDA ST CENTRAL CITY, CO 80427

ID Number (If Applicable): \_\_\_\_\_

**Seller**

Name: Deere Credit Inc.

Address: 6400 NW 86<sup>th</sup> St. Johnston, IA 50131

Exemption Number (if applicable): \_\_\_\_\_

**Reason for Exemption: MUNICIPALITY**

Description of Item Being Purchased:

2013	JD	624K	4WD LOADER	1DW624KZADE653232
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By signing below, purchaser certifies that the items being purchased are exempt from state and local sales tax.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone Number: \_\_\_\_\_



WIDNER MICHOW & COX,  
ATTORNEYS AT LAW

\_\_\_\_\_, 2014

Deere Credit, Inc.  
PO Box 6600  
Johnston, IA 50131-6600

RE: Master Lease-Purchase Agreement No. \_\_\_\_\_ dated \_\_\_\_\_, 2014 (the "Master Lease"), Amendment to the Master Lease dated \_\_\_\_\_, 2014 ("Amendment") and Lease Schedule No. \_\_\_\_\_ dated \_\_\_\_\_, 2014 (the "Lease Schedule"), and entered into between Central City ("Lessee") and Deere Credit, Inc., its successors and assigns ("Lessor") (The Master Lease, Amendment and the Lease Schedule are hereinafter collectively referred to as the "Lease").

Gentlemen and Ladies:

We have acted as counsel to Lessee in connection with the execution and delivery of the Lease by Lessee and, in this capacity, we have reviewed a duplicate original or certified copy of the Lease and such other documents and instruments as we have deemed necessary or appropriate. As counsel for Lessee, we have made such factual inquiries, and have examined or caused to be examined such questions of law as we have considered necessary or appropriate for the purposes of this opinion. The opinions stated herein are given in our limited capacity as legal counsel to the lessee for general matters. Whenever our opinion with respect to the existence or absence of facts is indicated to be based on our knowledge, it shall mean that during the course of our representation as described above no information has come to our attention which has given us actual knowledge of the existence or absence of such facts. We have not undertaken any independent investigation to determine the existence or absence of such facts, nor have we undertaken any such investigation with respect to facts certified by anyone, and no inference as to our knowledge of the existence or absence of such facts may be drawn from our representation of the lessee. In rendering this opinion, we have assumed without inquiry:

- (1) The authenticity of all documents submitted to us as copies of the originals, and the conformity of such copies to the originals as they are finally executed and delivered by lessee and lessor;
- (2) That the lease has been or will be duly authorized, executed and delivered by lessor;
- (3) That the lease constitutes valid, legal and binding obligations of lessor enforceable against lessor in accordance with its terms; and
- (4) That the lease accurately describes and contains the mutual understandings of the parties, and that there are not oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms thereof.

Based upon the foregoing inquiries, examination and review, we are of the opinion that:

- (a) Lessee is a political subdivision of the state of Colorado. Lessee is duly organized and existing under the Constitution and laws of said state, and is authorized to enter into and to carry out its obligations under the Lease.
- (b) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations (as to the current fiscal year) required in connection with the Lease and the acquisition of the Equipment.
- (c) The Lease has been duly authorized, executed and delivered by Lessee in accordance with all applicable laws, rules and regulations. The Lease is a valid, legal, binding agreement, enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights.
- (d) The person signing the Lease (1) has the authority to do so, (2) is acting with the full authorization of Lessee's governing body, and (3) holds the office indicated below their signature. The signature of the person signing the Lease is genuine.
- (e) The execution of the Lease and the appropriation of funds to meet its obligations thereunder do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
- (f) The Lease does not constitute a debt of Lessee under applicable state law or a pledge of the tax or general revenues of Lessee.

All of the opinions set forth above are also subject to the following qualifications, limitations and exceptions:

- (1) The opinions expressed herein are limited to matters governed by the laws of the State of Colorado. No opinion is expressed regarding the laws of any other jurisdiction.
- (2) The opinions expressed herein are based upon the law in effect on the date hereof, and we assume no obligation to revise or supplement them if the law is changed by legislative action, judicial decision or otherwise.

All capitalized terms herein shall have the same meanings as in the lease unless otherwise provided herein. Only the lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the lease payments, are entitled to rely on this opinion. This opinion is not to be quoted in whole or in part or otherwise referred to (except in a list of closing documents), nor is it to be delivered to any other person (except as a part of a closing book memorializing the closing on the agreement) without our prior written consent. We express no opinion as to any matter not set forth in the lettered paragraphs herein.

Our firm represents only the lessee; delivery of this letter does not establish an attorney-client relationship with any other party. We expressly undertake no responsibility or duty to inform any party, whether addressees hereof or not, as to any change in fact, circumstance or law occurring after the date hereof which may affect or alter any of the opinions, statements or information set forth above.

Very truly yours,

DRAFT ONLY

Widner Michow & Cox LLP

cc: Ronald E. Engels, Mayor  
Shannon Flowers, Finance Director





## AGENDA ITEM #11

### CITY COUNCIL COMMUNICATION FORM

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**FROM:** Shannon Flowers, Finance Director

**DATE:** June 11, 2014

**ITEM:** Resolution 14-12 A Resolution Appropriating Additional Sums of Money to Defray Expenses in Excess of Amounts Originally Appropriated in the 2013 Budget for the City of Central

**NEXT STEP:** Make a motion to adopt Resolution 14-12, A Resolution Appropriating Additional Sums of Money to Defray Expenses in Excess of Amounts Originally Appropriated in the 2013 Budget for the City of Central

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ORDINANCE  
 MOTION  
 INFORMATION

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- I. **REQUEST OR ISSUE:** The City's 2013 Budget was adopted under Ordinance 12-14 on November 20, 2012. City Council subsequently adopted Resolution 13-24 appropriating additional funds for the General, Historic and Impact Fees funds. Although Resolution 13-24 was expected to cover all unanticipated expenses that would be incurred throughout the remainder of 2013, there were minimal expenses that were unanticipated. Therefore, an additional supplemental appropriation is necessary in order to remain in compliance with statutory budget law.
- II. **RECOMMENDED ACTION / NEXT STEP:** Make a motion to adopt Resolution 14-12
- III. **FISCAL IMPACTS:** Two (2) of the City's funds require supplemental budget appropriations due to unanticipated expenses throughout the year. The funds and amounts of additional appropriations needed are shown below.

	<u>Original</u>	<u>1<sup>st</sup> Supplemental</u>	<u>Revised</u>	<u>Increase</u>
General Fund	\$4,197,332	\$4,535,332	\$4,615,085	\$79,753
Water Fund	\$ 736,041	None	\$ 738,141	\$ 2,100
<b>Total Increase in Appropriations</b>				<b>\$81,853</b>

The requested increases in allocations for all funds are reflective of the 2013 year-end actuals as reflected in the audited financial statements. A brief description of each fund's requested increase is shown below.

General Fund	Repairs to Heavy Equipment	50,483
	Special Legal Counsel for Litigations	7,552
	Device Fee Rebate to Century	4,331
	Reflect Original Amt of Debt Transfer	17,387
	Total	\$ 79,753
Water Fund	Additional Professional Services for for Litigation and Court Cases	2,100
	Total	\$ 2,100
TOTAL REQUESTED INCREASE IN ALLOCATIONS		\$ 81,853

#### IV. BACKGROUND INFORMATION:

- The expenditures for repairs to heavy equipment are repairs that were necessary in relation to accidents and/or insurance claims. The expenditures were reimbursed by either the City's insurance carrier or the at-fault party and these reimbursed amounts have been recognized as revenues. In prior years the expenditures and the revenues were netted against each other and nothing was recognized. In order to better track both the expenditures and reimbursements, both have been recognized for 2013.
- The City needed to retain the services of special legal counsel related to a couple of law suits that were filed against the City.
- The device fee rebate issued to the Century casino was slightly higher based on the projected number of devices for the fourth quarter of the year. As with the insurance payments above, the rebate is recognized as an expenditure and the device fees are fully recognized as revenues.
- The Water Fund had additional expenses related to water court cases and legal representation necessary for those trials during the fourth quarter of the year. While the actual amount of those unanticipated legal expenses was approximately \$80,000, savings in others line items and programs within the Water Fund made up the difference. Therefore, a supplemental appropriation of only \$2,100 is necessary for the difference between the savings realized and the additional expenses.

V. LEGAL ISSUES: Adoption of Resolution 14-12 is necessary to ensure that the City remains in compliance with state budget laws. Not formally appropriating additional funding could put the City in violation of TABOR as well as other state laws.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES: None

#### VII. SUMMARY AND ALTERNATIVES:

1. Adopt Resolution 14-12 as presented.
2. Adopt Resolution 14-12 with amendments.

**CITY OF CENTRAL, COLORADO  
RESOLUTION NO. 14-12**

**A RESOLUTION APPROPRIATING ADDITIONAL SUMS OF MONEY TO  
DEFRAY EXPENSES IN EXCESS OF AMOUNTS ORIGINALLY APPROPRIATED  
IN THE 2013 BUDGET FOR THE CITY OF CENTRAL**

**WHEREAS**, the City Council of the City of Central, Colorado adopted the 2013 budget via Ordinance 12-14; and

**WHEREAS**, the City Council subsequently adopted a supplemental appropriation for the 2013 budget via Resolution 13-24

**WHEREAS**, the City Council is authorized pursuant to Section 10.10 of the Home Rule Charter to amend the budget after it is adopted; and

**WHEREAS**, there have been certain increases to expenditures that were not anticipated when the 2013 Budget or the supplemental appropriations were adopted; and

**WHEREAS**, the City Council desires to amend the 2013 Budget and to appropriate additional funds for such increased expenditures.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO;**

**Section 1.** The City Council hereby amends the 2013 Budget for the following funds as follows:

	<u>Original</u>	<u>1<sup>st</sup> Supplemental</u>	<u>Amended</u>
• General Fund	\$4,197,332	\$4,535,332	<b>\$4,615,085</b>
• Water Fund	\$ 736,041	None	<b>\$ 738,141</b>

**Section 2.** The City Council hereby approves the following Supplemental Appropriations:

• General Fund	\$ 79,753
• <u>Water Fund</u>	<u>\$ 2,100</u>
TOTAL Supplemental Appropriations	\$ 81,853

**Section 3.** This Resolution is effective upon adoption by City Council.

**ADOPTED THIS 1<sup>st</sup> DAY OF JULY, 2014.**

**CITY OF CENTRAL, COLORADO**

\_\_\_\_\_  
Ronald E. Engels, Mayor

ATTEST:

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Reba Bechtel, City Clerk



DATE: June 26, 2014  
TO: Mayor & Council  
FROM: Whitney Blake, Finance Clerk

- Completed Fire Award Letter for 2013
- Processed misc. invoicing
- Updated check listing and cash flow report for Council packet
- Processed insurance paperwork and follow up on CIRSA claims
- Processed bi-weekly payroll and all associated tax and retirement filings
- Processed Accounts Payable
- Processed Accounts Receivable and prepared weekly deposits
- Administered Court
- Worked with ADG to correct billing of compound meters and reports



**To:** Mayor Engels, and City Council

**From:** Reba Bechtel, City Clerk

**Date:** July 1, 2014

**Re:** Bi-weekly Report

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- Council minutes and packet prep.
- Planning Commission packet prep.
- Worked with Shawn and Fentress on Comp Plan process.
- Meeting with Shawn and Survey Coordinator for the Center of Preservation that will be completing the historic survey project.
- Attended a retail marijuana class hosted by City of Englewood with the Director of the Marijuana Division. Very informative as we are getting calls weekly since July 1 is the opening date for new applications on retail marijuana businesses. The first step by any interested marijuana business is a letter of interest to the state and so far there are not any letters of interest for new locations here in Central City (likely due to prohibiting growing, manufacturing and testing) though there is one party in the preliminary stages looking at specific building location.
- Misc building permit, code questions, HP, and zoning information.



**To:** Mayor Engels, and City Council  
**From:** Shawn Griffith, Utilities Superintendent  
**Date:** July 1, 2014  
**Re:** Bi-weekly Report

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- The City GIS program is back on track. Patrick from PW spent time training with a representative from Golder and Associates on importing data and updating our layers. PW and Water will continue to collect data throughout the summer.
- The Big Lot remediation is proceeding very slowly. Pinnacle has been put on notice that they will need to provide proper barricades, as the City needs their barricades for upcoming special events.
- The Quartz Hill project has resumed. A two week hiatus, caused by an order backlog, has come to an end. They will continue to work barring any other problems to meet the mid July completion date.
- The Water department replaced the Fire Hydrant on Main St caused by a vehicle accident. PW will replace all the bricks that were damaged. The new light pole was ordered 6 weeks ago and may still have another 2 weeks to go before delivery.
- The Water Department is scheduled to start work on one its remote intakes (Pecks) the first or second week in July. Experimentation will begin to see if we can increase flow to our adjudicated level.
- Nevada St repair and patching (the dip in the road by the wall) should begin also in the next weeks. It will be performed by our own CC crews. Traffic may be unidirectional at times, but we will have flaggers to keep traffic moving.

