



IGNACIO TOWN BOARD MEETING
TUESDAY, March 18, 2015 - 7:00 PM
570 Goddard—Ignacio Town Hall

- I. **CALL REGULAR MEETING TO ORDER: PLEDGE OF ALLEGIANCE AND ROLL CALL**
- II. **PRESENTATION: Durango-La-Plata County Airport Improvements Proposal: Kip Turner, Aviation Director (arriving at 7:30 P.M.)**
- III. **PUBLIC COMMENTS: (Comments may be limited to five (5) minutes per person. Please do not comment on items during this time that are listed as an agenda item or as a public hearing. The public will be given the opportunity to speak on agenda items.)**
- IV. **APPROVAL OF MINUTES: February 18, 2015**
- V. **UNFINISHED BUSINESS:**
 - A. **Human Resource Payroll Cost Savings Recommendation requested by Board**
 - B. **Public Comment Statement: *It is the commitment of this Board to address the concerns of its citizens. In order to be a productive, proactive Board, we ask the Public to adhere to the following guidelines: Limit comments to 5 minutes; No comments out of order or on items listed on the agenda; Be courteous, (No personal attacks) and comments are to be addressed to the entire Board; OR The Speaker will be courteous and address their comments to the entire Board and speakers will not engage in personal attacks.***
 - C. **RHA Appointment Terms (Requested by RHA)**
 - D. **Action following Town Manager Evaluation (Executive Session 2/18/15)**
- VI. **NEW BUSINESS**
 - A. **Resolution 03-2015 – Authorizing Town Treasurer to sign New Truck Lease Documents**
 - B. **Ordinance 316 – Vacating a Portion of Ignacio Street to Ignacio School District**
 - C. **Bike Rally Discussion: Vendor Fees and Rent Space for Vendors**
- VII. **STAFF REPORTS**
 - A. **Police Department**
 - B. **Public Works**
 - C. **Treasurer**

- D. Planning**
- E. IT**
- F. Town Attorney**
- G. Town Manager**

VIII. TRUSTEE REPORTS

IX. MISCELLANEOUS

X. EXECUTIVE SESSIONS:

- A. Legal Advice under C.R.S. Section 24-6-402-(4)(b)**
- B. Personnel Action under C.R.S. Section 24-6-402(4)(f)**

XI. ADJOURNMENT

**Regular Meeting
of the Town Of Ignacio Board of Trustees
Wednesday, February 18, 2015**

I. CALL REGULAR MEETING TO ORDER: PLEDGE OF ALLEGIANCE AND ROLL CALL

Mayor Stella Cox called the Regular Meeting to order at 7:40 p.m. **Trustees Present:** Mayor Protem Alison deKay, Lawrence Bartley, Edward Box, III and Dixie Melton. Thomas Atencio (arrived at 7:42).. **Staff:** Lee San Miguel, Town Manager; Georgann Valdez, Town Clerk; Lisa Rea, Town Treasurer; Dan Naiman, Community Development Coordinator; David Liberman, Town Attorney. **Audience:** Carol McWilliams from Pine River Times, Lana Jo Chapin and Lillian Mestas.

II. PUBLIC COMMENT: NONE

III. APPROVAL OF MINUTES: Mayor Protem deKay moved to approve the minutes of January 21, 2015, January 26, 2015 and February 5, 2015 in block. Trustee Box seconded. The motion passed by unanimous voice vote.

IV. UNFINISHED BUSINESS:

A. Budget Review – Lisa explained that overall, of the overtime budgeted for 2014, 96% was used. She said that she takes the previous years' overtime that actually occurred, takes an average per employee, and plugs that into the budget. The Board can change that procedure if they prefer. Mr. San Miguel stated with the additional projects in the works, more overtime is anticipated. Mayor Protem deKay wondered if there is something staff can do to alleviate some of this overtime. Mr. San Miguel stated comp time is used whenever possible; we keep a close eye on the overtime and suggest an employee take comp time to avoid overtime. He has a plan to reduce overtime but could not discuss it because it would be a personnel issue, which could only be discussed in an executive session if it relates to an individual employee. Mayor Cox asked if the overtime is being properly managed. Mr. San Miguel stated there is no way to predict the call-outs Public Works may have in a pay period. Mayor Cox said but it can be decided who will respond to them based on the number of hours an employee has worked. Trustee Atencio asked how it is determined who takes the call out. Mr. San Miguel stated it depends on the call, a regular call will be handled by the on-call employee but an inspection requires the supervisor to respond.

Mayor Cox gave a directive to Mr. San Miguel to work with Lisa Rea, the Human Resource Officer to review the overtime, comp time and call-outs, where she can make suggestions and give you a heads up when an employee's work hours are in question. Trustee Box stated it sounds like it's reached a point that this issue needs to be monitored and possibly enforcing a policy. Mr. San Miguel repeated that this year more overtime hours may be required with the several projects the Town is working on. Ms.

Rea explained that comp time also turns into overtime, although it's not money but time. In a perfect world, if an employee worked 85 hours in a pay period, he would comp 5 hours (7.5) for the next pay period, and then take that time off in the next pay period. Trustee Melton suggested the comp time must be used within a certain time frame. Ms. Rea stated currently the policy does not set a time for the comp time hours to be used. Mr. San Miguel suggested paying out the employee's comp time hours and starting with a new policy. The on-call was explained that an employee should work 6 hours and take 2 hours off because they are on call to get eight hours in a day instead of 10. Mayor Cox asked Ms. Rea to come up with recommendations on the use of on-call, overtime and comp time and how it will be determined who is going to respond to the call-outs. The recommendations will be presented at the March 18, 2015 Board meeting. Trustee Atencio would like to see in those recommendations that if an employee worked 15 hours on Monday, that by Friday his extra hours should be taken, resulting in no overtime or comp time so his total hours at the end of the week will be 40. This should be what the department should be striving for.

- B. Guardrail Contract Approval.** Mr. San Miguel explained Gonzales Construction normally does not provide a Bond for small projects. The extra cost to Bond the Project will be an additional \$138.90 for a total of \$7083.90. **Mayor Protem deKay moved to approve the guardrail project from the Streets repair line item. Trustee Melton seconded. The motion passed by unanimous voice vote.**

V. NEW BUSINESS:

- A. Resolution 04- 2015 GOCO Grant Application –** Staff has applied for a Great Outdoors Colorado Trust Grant for \$27,000, with a \$6,000 match from the Town to replace the Shoshone Park Playground structure and plant trees at Ben Nighthorse Campbell Park. In Resolution 04-2015, the Board supports the application. **Mayor Protem deKay moved to approve Resolution 04-2015 supporting the application for a GOCO Grant for Park improvements. Trustee Bartley seconded. The motion passed by unanimous voice vote.**
- B. Appointment of Gina Schultz to Planning Commission –** Trustee Melton moved to approve the appointment of Gina Schultz to the Planning Commission. Trustee Box seconded. **The motion passed by unanimous voice vote.**
- C. Traffic Issues on Romero and Becker Streets –** Trustee Bartley was approached by Mrs. Valdez, a citizen on Romero about traffic safety and speeding on Romero and Becker Streets. He spoke about the speed limits in residential and school zones differing, and wanted to see the public adjusting behavior patterns by placing flashing school zone lights vs. issuing tickets for speeding. The flashing lights can operate during school hours and revert to a constant speed outside of that period. The cost of this unit can be shared with the school district. This needs to be addressed soon before a serious injury occurs. Other Board members shared comments regarding witnessing speeding, requesting stop signs, and the increased traffic with two new schools in that same vicinity. This will be

addressed with Kirk Phillips, the Chief of Police. Trustee Bartley would like staff to research the cost of placing flashing lights in the school zone on Becker and Romero. The crosswalk across Highway 172 at the Becker intersection was briefly addressed. Mr. San Miguel stated the Town needs to budget \$15,000 for the cost of the crosswalk. Trustee Atencio asked staff to research funds to get this project complete. Further conversation from Board members included speaking with the County, the School District, the Tribe and CDOT about the traffic safety issues on the County Road 320 and school zones and researching grants. Trustee Atencio asked the Becker Crosswalk be placed on next month's agenda and asked staff to research funding. Mr. San Miguel stated he has a meeting with the County on the 24th and a meeting with the Tribal Chairman on Friday and will address the issue with both.

- D. Public Comment Statement:** Edit to address Speaker's decorum, the need to be courteous and respectfully, how one can respectfully disagree with other's views and those speakers will not engage in personal attacks. Trustee Melton shared the School District's policy on public speaking and recommended a few changes to the Town's Public Comment Statement. After a brief discussion, it was recommended to add, to remind the public as well as the Board and staff that comments need to be addressed to the entire Board, that there should be no personal attacks to individual Board Members, staff or each other, and that to be courteous. Trustee Melton state the Board has a code of conduct to follow. Mayor Cox stated she did not believe it needed to be cited at every meeting and that she would bring it up, to stop personal attacks, and if she does not, the Town Manager should step in. Trustee Bartley stated this happens after the fact, and Trustee Melton agreed that this is what happened at the last Board Meeting. Trustee Bartley stated that if the reminder is read at the beginning of the meeting, it puts the public on notice of the expectations. Mayor Protem deKay agreed. Ms. Rea stated an addition to the statement to include: the speaker will be courteous and address their comments to the entire Board and speakers will not engage in personal attacks. It was suggested to present three statements and at the next Board meeting select the statement that meets the Boards expectations.

VI. TRUSTEE REPORTS:

- A. Police Report:** The Police have been notified to be available for funeral processions. They have been available when notified. A brief conversation followed.
- B. Public Works:** Mayor Protem deKay asked what the test results showed on the sewer leak. Mr. San Miguel stated the last test results came in under the required limits of contamination from the State Health Department. A citizen approached Trustee Atencio regarding the sewer odor. Mr. San Miguel stated he never got a call but a statement should be placed in the newsletter notifying the citizens as a public information notice.
- C. Treasurer:** Legal costs are ate 22% in the first month. Changes to the Revenue over expense report were explained.
- D. Planning:** Still seeking input for revisions to the sign code and the Downtown Design Guidelines; the Draft will be presented at the March 18th Board Meeting. Subway is open and the Farmer's Fresh Market is progressing. Conversations are taking place

regarding the Dollar Store development. They are offering the Town an opportunity to do some improvements to the Town's infrastructure at a savings while the contractor is doing the development with a reciprocal advantage for both. Mayor Protem deKay warned that the Town does not favor one business over another. Inspections of other businesses are taking place.

E. **Town Attorney:** Legal issues include the sales tax, raw water rights, Sewer District and the IPD law suit.

F. **Town Manager:** Meeting with CDOT regarding the light at the SH 152/172 intersection. A timeline of the project was clarified for staff, with the project start date anticipated after Labor Day with a 75-day project ending mid-November. A buried tank on the south side of Hwy 151 in front of Dubs will need to be removed; conversations will take place with the Tribe to remove the contaminants in the tank. The Airport Director would like to present the options for the upgrades to the Durango Airport at the March 18 meeting.

VII. **TRUSTEE REPORT:** Tablets will be ordered by Jackie next month once all the Google kinks have been worked out; the Mapping Grant is awaiting the DOLA Contract and the Agreement with SUUD; the new maintenance truck has been ordered, documents will be authorized in a Resolution at the March 18 meeting.

VIII. **EXECUTIVE SESSION:**

A. **Seek Legal Advice to discuss sales tax issues.** Mayor Protem moved to go into Executive Session for the purpose of seeking legal advice under C.R.S. Section 24-6-402(4)(b). Trustee Box seconded. The motion passed by unanimous voice vote. The Regular meeting was closed at 9:20 p.m. The Executive Session was held for the purpose previously stated. No action followed the Executive Session. The Executive Session concluded at 10:17 p.m.

B. **Discussion of Personnel Matters to discuss Town Manager Review.** Mayor Protem deKay moved to go into Executive Session to discuss a Personnel matter under C.R.S. Section 24-6-402(4)(f). Seconded by Trustee Melton. The motion passed by unanimous voice vote. The Regular meeting was closed at 10:26 p.m. The Executive Session was held for the purpose previously stated. No action followed the Executive Session. The Executive Session concluded at 11:25 p.m.

IX. **ADJOURNMENT:** Being no further business before the Board, Mayor Cox adjourned the meeting at 11:25 p.m. The next regular meeting will be March 4, 2015, at 7:00 p.m. at the Abel F. Atencio Community Center at 570 Goddard Avenue.

Stella Cox, Mayor

Date

Attest: Georgann Valdez, Town Clerk

RESOLUTION NO. 03-2015

A RESOLUTION OF THE TOWN OF IGNACIO, COLORADO AUTHORIZING THE SIGNING OF LEASE DOCUMENTS, HELD BY ALPINE BANK OF DURANGO COLORADO, FOR THE 2015 PURCHASE OF A NEW VEHICLE FOR THE PUBLIC WORKS DEPARTMENT. PURCHASE NOT TO EXCEED \$46,700 AND LEASE PAYMENTS NOT TO EXCEED \$10,600 PER YEAR FOR FIVE YEARS.

WHEREAS, the Town of Ignacio Board of Trustees desires to have Alpine Bank hold a five year lease-purchase agreement note to finance the purchase of a 2015 Chevrolet Truck for the Public Works Department for the Town of Ignacio; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF IGNACIO, COLORADO, TO AUTHORIZE THE TOWN TREASURER TO SIGN DOCUMENTS FOR THIS TRANSACTION WITH ALPINE BANK OF DURANGO, COLORADO AND TO EXECUTE ANY DOCUMENTS WITH THE BANK TO CARRY OUT SAID TRANSACTION.

APPROVED BY THE BOARD OF TRUSTEES on this ____ day of _____, 2013.

THE TOWN OF IGNACIO, COLORADO

Stella Cox, Mayor

ATTEST

Town Clerk

Fleet # (440798) for Town of Ignacio

1-5-15

RETAIL ORDER FOR A MOTOR VEHICLE



Morehart Murphy Regional Auto Center
 ph: (970) 247-2121 • fax: (970) 259-0217
 31 Parker Ave/PO Box 2448, Durango, CO 81302

AUTO CENTER

CHEVROLET BUICK GMC CHRYSLER DODGE JEEP RAM

Town of Ignacio
 540 Goddard - POB 459
 Ignacio CO 81137
 970-426-2393

Ron Risner

PLEASE ENTER MY ORDER FOR THE FOLLOWING

DEMO USED NEW YEAR 2015 MAKE Chevrolet

MODEL CK25943 BODY TYPE crew cab COLOR white TRIM H2R Blackcloth

TO BE DELIVERED ON OR ABOUT STOCK # VIN MILES

CASH PRICE OF VEHICLE	41,342.60	USED VEHICLE TRADE-IN	
Including - Quote #41374		YEAR	
Service body, receiver		MODEL	
hitch, mini light bar		VIN	
w/amber led lights all		MILES	
(4) corners, spray in bed		BALANCE OWED TO	
liner, fender		ADDRESS	
w/ plug at rear of		YEAR	
Service body		MAKE	
		MODEL	
		VIN	
		MILES	
		BALANCE OWED TO	
		ADDRESS	
TRADE IN ALLOWANCE	-		
TAXABLE SELL PRICE	=		
DELIVERY AND HANDLING See Definition**	+ 299.00		
SALES TAX	+		
TITLE, FILING FEE	+		
SERVICE CONTRACT	+		
GAP	+		
TRADE IN BALANCE	+		
TOTAL CASH PRICE	= 41,641.60		
REBATES			
CASH WITH ORDER			
TOTAL DOWN PAYMENT	-		
UNPAID CASH BALANCE	=		

PO # 2850
 Fac # 440798

Purchaser agrees that this Order includes all of the terms and conditions on both the face and reverse side hereof, that this Order cancels and supersedes any prior agreement and as of the date hereof comprises the complete and exclusive statement of the terms of the agreement relating to the subject matters covered hereby. THIS ORDER IS NOT A BINDING CONTRACT. DEALER SHALL NOT BE OBLIGATED TO SELL UNTIL APPROVAL OF THE TERMS HEREOF IS GIVEN BY A BANK OR FINANCE COMPANY WILLING TO PURCHASE A RETAIL INSTALLMENT CONTRACT BETWEEN THE PARTIES HERETO BASED ON SUCH TERMS. ALL WARRANTIES, IF ANY, BY A MANUFACTURER OR SUPPLIER OTHER THAN DEALER ARE THEIRS, NOT DEALER'S, AND ONLY SUCH MANUFACTURER OR OTHER SUPPLIER SHALL BE LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES. UNLESS DEALER FURNISHES BUYER WITH A SEPARATE WRITTEN WARRANTY OR SERVICE CONTRACT MADE BY DEALER ON ITS OWN BEHALF, DEALER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE: (A) ON ALL GOODS AND SERVICES SOLD BY DEALER; AND (B) ON ALL USED VEHICLES WHICH ARE HEREBY SOLD "AS IS - NOT EXPRESSLY WARRANTED OR GUARANTEED".

Purchaser by his execution of this Order certifies that he is of legal age or older and acknowledges that he has read its terms and conditions and has received a true copy of this Order.

PURCHASER'S SIGNATURE _____ DATE 1-5-15
 For Town of Ignacio _____ DATE

ACCEPTED BY: Ron Risner
 DEALER OR AUTHORIZED REPRESENTATIVE

The Reynolds and Reynolds Company FL633073 Q (08/14)

EQUIPMENT LEASE AND OPTION AGREEMENT

by and between

ALPINE BANK,
as Lessor

and

TOWN OF IGNACIO, COLORADO,
as Lessee

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EQUIPMENT LEASE AND OPTION AGREEMENT

THIS EQUIPMENT LEASE AND OPTION AGREEMENT (this "Lease"), entered into as of _____, 2015 by and between **ALPINE BANK**, a Colorado Banking Corporation (together with any assignee thereof collectively referred to herein as "Lessor") and **TOWN OF IGNACIO, COLORADO** ("Lessee"), a statutory municipality and political subdivision of the State of Colorado (the "State");

WITNESSETH:

WHEREAS, Lessee desires to lease/purchase the Equipment pursuant to the terms of this Lease; and

WHEREAS, Lessor desires to lease certain Equipment (the "Equipment") to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Lease; and

WHEREAS, Lessor, simultaneously with the execution and delivery of this Lease, is entering into an Escrow Agreement (the "Escrow Agreement") with an escrow agent designated by Lessor (the "Escrow Agent") whereby Lessor, or its assignee, if any, shall deposit moneys sufficient to purchase the Equipment to be leased hereunder; and

WHEREAS, Lessee is authorized under the Constitution and laws of the State to enter into this Lease for the purposes set forth herein;

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

COVENANTS OF LESSEE

Lessee represents, covenants and warrants, for the benefit of Lessor and its assignees, as follows:

- (a) Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State.
- (b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.
- (c) Lessee is authorized under the Constitution and laws of the State to enter into this Lease, and the transaction contemplated hereby, and to perform all of its obligations hereunder.
- (d) Lessee has been duly authorized to execute and deliver this Lease and the payment schedule attached hereto as Exhibit A, and by other appropriate official

approval, and further represents and warrants that all requirements have been met, and procedures have occurred in order to insure the enforceability of this Lease, and Lessee has complied with such public bidding requirements as may be applicable to this Lease and the acquisition by Lessee of the Equipment hereunder.

(e) During the term of this Lease, the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee.

(f) During the period this Lease is in force, Lessee will annually provide, if requested by Lessor, current financial statements, budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Lease as may be reasonably requested by Lessor or its assignee.

(g) The Equipment acquired under this Lease will have a useful life in the hands of Lessee that is substantially in excess of the Original Term and all Renewal Terms specifically relating to it.

(h) The Equipment is, and during the period this Lease is in force shall remain, personal property.

ARTICLE II

DEFINITIONS

The following terms will have meanings indicated below unless the context clearly requires otherwise:

"Acceptance Certificate" means a certificate of Lessee accepting all or a portion of the Equipment.

"Acquisition Cost(s)" means the total cost of acquiring, including any delivery charges, and preparing the Equipment for Lessee's use.

"Base Interest Rate" means 4.50%.

"Lease Term" means, collectively, the Original Term and all Renewal Terms provided for in this Lease.

"Purchase Price" means the amount which Lessee may, in its discretion, pay to Lessor in order to purchase the Equipment.

"Rental Payments" means the rental payments payable by Lessee for each Unit of Equipment pursuant to the provisions of this Lease and any applicable Individual Payment Schedule during the Lease Term, payable in consideration of the right of Lessee to use the Equipment during the Lease Term. Rental Payments shall be payable by Lessee to Lessor or its assignee in the amounts and at the times during the Lease Term, as set forth in Exhibit A hereto.

“Vendor” means (a) the manufacturer/contractor of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment; or (b) Lessor, if so designated as herein above.

ARTICLE III

DEPOSIT OF MONEYS; ACQUISITION AND LEASE OF EQUIPMENT

Section 3.01. Deposit of Moneys, Transfers Upon Acceptance. Pursuant to the Escrow Agreement, Lessor shall cause to be deposited in the Acquisition Fund created under such Escrow Agreement and held by Escrow Agent, the principal amount of \$46,700.

In the event the terms of the Escrow Agreement do not specify the expiration date of said Escrow Agreement, upon the expiration of five years from the Accrual Date, unless notified earlier by Lessor and Lessee, Escrow Agent shall apply any moneys in the Acquisition Fund representing the contract price to have been paid to the Vendor(s) for any portion of the Equipment and related equipment which Lessee has not executed an Acceptance Certificate to the reduction of the unpaid principal balance by paying such moneys directly to Lessor. The remaining Rental Payments shall be amended to reflect such prepayment of principal. Lessee shall execute a revised Exhibit A to acknowledge such change.

Section 3.02. Lessee Is Agent - Acquisition of the Equipment. Lessor hereby appoints Lessee as its agent solely for the purpose of acquiring the Equipment and Lessee hereby accepts such appointment. Lessee and Lessor will do all things necessary to effect the acquisition of the Equipment free and clear of any encumbrances and subject the same to the security interests contemplated hereunder. Lessor shall not be responsible for the obligations of Vendor, and a failure by the Vendor to perform shall not affect Lessee’s obligation to make Rental Payments under this Lease. Lessee agrees that the Equipment will be acquired in accordance with the terms, conditions and specifications therefor and on file with Lessor.

Upon completion of acquisition of the Equipment satisfactory to Lessee and after authorization by Lessor, but in any event not later than 30 days following completion of such acquisition, Lessee shall deliver to Lessor the required documentation to effect disbursement from the Escrow Account. Lessor shall have no obligation to consent to a disbursement by the Escrow Agent until five business days after it has received all of the following in form and substance satisfactory to Lessor: (a) evidence of insurance with respect to the Equipment in compliance with Section 8.03 of this Lease; (b) Vendor invoice(s) relating to the Equipment and, if such invoice(s) has been paid by Lessee, evidence of payment thereof and evidence of official intent to reimburse such payment as required by the Code; (c) financing statements naming Lessee as debtor and/or the manufacturer’s Certificate of Origin/Certificate of Title and Title Application Form for Equipment subject to Certificate of Title laws; and (d) any other documents or items reasonably required by Lessor.

Upon completion of acquisition of the Equipment satisfactory to Lessee and after authorization by Lessor, but in any event not later than 30 days following completion of such acquisition, Lessee shall deliver to Escrow Agent an executed Acceptance Certificate.

Section 3.03. Payment of Acquisition Costs. Payment to the Vendor(s) of the Acquisition Cost(s) of acquiring the Equipment shall be made from the moneys deposited with Escrow Agent, as provided in Section 3.01, which shall be disbursed for that purpose in accordance with and upon compliance with the terms of the Escrow Agreement. In the event such moneys are insufficient to pay all Acquisition Costs, Lessee shall pay the remaining Acquisition Costs from its own funds.

ARTICLE IV

LEASE TERM

Section 4.01. Lease of Equipment. Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment in accordance with the provisions of this Lease, to have and to hold for the Lease Term.

Section 4.02. Commencement of Lease Term. The Original Term of this Lease shall commence on _____, 2015 and shall terminate the last day of Lessee's then current fiscal year. The Lease Term will be subject to renewal at the end of the Original Term or any Renewal Term for an additional year, upon the appropriation of funds for the ensuing fiscal year's Rental Payments, unless Lessee gives written notice to Lessor not less than 90 days prior to the end of the Original Term or Renewal Term then in effect, or such other notice as may be provided in Article VI hereof, of Lessee's intention to terminate this Lease at the end of the Original Term or Renewal Term, upon receipt by Lessor of any Rental Payments due for the then current year. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in Exhibit A hereto.

Section 4.03. Termination of Lease Term. The Lease Term will terminate upon the earliest of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term in the event of nonappropriation of funds pursuant to Section 6.06 hereof;
- (b) the exercise by Lessee of the option to purchase the Equipment granted under the provisions of Article IX or XI hereof;
- (c) a default by Lessee and Lessor's election to terminate this Lease under Article XIII; or
- (d) the payment by Lessee of all Rental Payments, late payment charges, past due finance charges, moneys due to release liens of any kind whatsoever, or other taxes and utilities authorized or required to be paid by Lessee hereunder.

This Lease will automatically terminate in whole upon the last day of the last Renewal Term.

ARTICLE V

ENJOYMENT OF EQUIPMENT

Lessor hereby covenants to provide Lessee during the Lease Term with quiet use and enjoyment of the Equipment, and Lessee shall during the Lease Term, peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Lease.

Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

ARTICLE VI

RENTAL PAYMENTS

Section 6.01. Rental Payments Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of Lessee. Rental Payments shall be in consideration of Lessee's use of the Equipment during the year in which such payments are due.

Section 6.02. Payment of Rental Payments. Lessee shall pay Rental Payments, exclusively from legally available moneys appropriated from its general fund and such other legally available funds as maybe designated by Lessee in lawful money of the United States of America to Lessor or, in the event of assignment by Lessor, to its assignee, in the amounts and no later than the dates set forth in Exhibit A. In the event Lessor or its assignee does not receive Rental Payments within such period of time, then and in such event, a \$25 late charge will be assessed plus finance charges based on a percentage of the outstanding principal balance, equal to the lesser of 12% per annum or the highest interest rate legally allowable under the laws of the State. Said charges shall be due and payable as of the date of the invoice for such charges.

Section 6.03. Interest and Principal Components. A portion of each Rental Payment payable hereunder is paid as, and represents payment of, interest, and the balance of the Rental Payment payable hereunder is paid as, and represents payment of, principal. Exhibit A hereto sets forth the interest component and the principal component of each Rental Payment during the Original Term and all Renewal Terms of the Lease.

Section 6.04. Rental Payments To Be Unconditional. The obligations of Lessee to make payment of the Rental Payments required under this Article VI and other sections of this Lease, and to perform and observe the covenants and obligations contained herein, shall be absolute and unconditional in all events, except as expressly provided under this Lease. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other person, Lessee shall make all Rental Payments when due and shall not withhold any Rental Payments, nor shall Lessee assert any right of withholding, setoff or counterclaim against its obligation to

make such payments required under this Lease. Lessee's obligation to make Rental Payments during the Original Term or any Renewal Term shall not be abated through accident or unforeseen circumstances.

Section 6.05. Continuation of Lease Term by Lessee. Lessee intends, subject to the provisions of Section 6.06 below, to continue the lease of the Equipment through the Original Term and all of the Renewal Terms of each Individual Payment Schedule and to make the Rental Payments as the same shall become due hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Original Term and each of the Renewal Terms for the Individual Payment Schedules can be obtained. The officer of the Lessee responsible for preparation of the annual budget shall include in the proposed budget in each year funds for the payment of Rental Payments hereunder, provided that the decision to appropriate such amounts shall remain within the sole discretion of Lessee's governing body.

Section 6.06. Nonappropriation. In the event sufficient funds are not appropriated for the Rental Payments required to be paid in the next occurring Renewal Term (an "Event of Nonappropriation"), then Lessee may terminate this Lease in whole, and Lessee shall not be obligated to make payment of the Rental Payments provided for in this Lease beyond the then current Original or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original or Renewal Term. If this Lease is terminated under the provisions of this Section 6.06, Lessee agrees peaceably to deliver the Equipment to Lessor at the location or locations specified by Lessor. To the extent lawful, Lessee agrees that if funds are appropriated to make Rental Payments for a succeeding fiscal year, it will not terminate this Lease during such fiscal year. In an Event of Nonappropriation, if Lessee shall continue in possession of the Equipment after the termination hereof, Lessor shall have the right to recover the fair rental value thereof for such time as Lessee shall continue in possession. Fair rental value for this purpose shall be calculated by prorating the Rental Payments which would have come due had this Lease not been so terminated.

ARTICLE VII

TITLE TO EQUIPMENT; SECURITY INTEREST

Section 7.01. Title to the Equipment. During the term of this Lease, title to the Equipment and any and all additions, repairs, replacements or modifications shall vest in Lessee, subject to the interest and rights of Lessor hereunder. Following an event of default as set forth in Section 13.01 or nonappropriation as set forth in Section 6.06, or upon other termination of this Lease for any reason other than Lessee's rights under Section 4.03(b), title to the Equipment shall immediately vest in Lessor subject to the rights and interest of Lessee under Section 7.03 hereof, and Lessee will peaceably surrender possession of the Equipment to Lessor.

Section 7.02. Security Interest. To secure the payment of all of Lessee's obligations under this Lease, Lessee grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments, accessions and substitutions thereto, and on any proceeds therefrom. Lessee agrees to execute such additional documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, and to pay

all fees required to establish and maintain Lessor's security interest, and upon assignment, the security interest of any assignees of Lessor, in the Equipment.

Lessor may request that Lessee affix labels to the Equipment showing Lessor's interest in it during the term that the Lease is in effect.

Section 7.03. Protection of Lessee's Interest in the Equipment. In recognition of the Lessee's contribution of a portion of the original acquisition price of the Equipment, and for the purpose of avoiding the creation of an economic compulsion upon Lessee to renew this Lease and protecting Lessee's investment in the Equipment, Lessor and Lessee agree that:

(a) Lessor and Lessee shall, as between them, have separate undivided interests in the Equipment in proportion to their original contributions to the acquisition price of the Equipment;

(b) The proceeds of any disposition of the Equipment by Lessor following an Event of Default or an Event of Nonappropriation shall be allocated between Lessor and Lessee proportionately in such a manner as to fairly compensate Lessee for the then fair market value of its proportionate interest in the Equipment;

(c) Following an Event of Default or an Event of Nonappropriation, the Lessor's exercise of remedies hereunder shall be subject to the following limitations:

(i) If, following an Event of Default or an Event of Nonappropriation, the Equipment is sold by Lessor for an amount greater than the Lease Balance, any excess sale proceeds shall be distributed between Lessor and Lessee proportionately based upon their relative contributions to the original acquisition price of the Equipment;

(ii) If, following an Event of Default or an Event of Nonappropriation, the Equipment is sold by Lessor for an amount less than the Lease Balance, the proceeds of such sale shall be distributed between Lessor and Lessee in the same proportion as their relative contributions to the original acquisition price of the Equipment;

(iii) If, following an Event of Default or an Event of Nonappropriation, Lessor takes possession of the Equipment and leases it to a third party for an amount greater than the scheduled Rental Payments which otherwise would have been payable hereunder, any amounts received in excess of such scheduled Rental Payments shall be allocated between Lessor and Lessee in proportion to their shares of the original acquisition price of the Equipment;

(iv) If, following an Event of Default or an Event of Nonappropriation, Lessor offers the Equipment for sale, nothing herein shall prevent Lessee from bidding in at such sale and receiving a credit for the value of Lessee's proportionate interest in the Equipment, as long as the net amount of cash realized by Lessor is at least equal to the Lease Balance.

ARTICLE VIII

MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

Section 8.01. Maintenance of Equipment by Lessee. Lessee agrees at all times during the Lease Term, at Lessee's own cost and expense, to cause maintenance to be performed in such a way so as to make all necessary and proper repairs, replacements and renewals of such component parts as may from time-to-time be required and to maintain, preserve and keep the Equipment in good repair, working order and condition. To the extent of the provisions of this Lease and except as may otherwise be agreed to, neither Lessor nor any of its assignees shall have responsibility in any of these matters, or for the making of improvements or additions to the Equipment.

Section 8.02. Taxes, Other Governmental Charges and Utility Charges. The parties to this Lease contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), Lessee will pay during the Lease Term, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and any equipment or other property acquired by Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, Lessee may elect to pay only such installments as have accrued during the time this Lease is in effect.

Section 8.03. Provisions Regarding Insurance. At its own expense Lessee shall cause casualty, public liability and property damage insurance to be carried and maintained, or shall demonstrate to the satisfaction of Lessor that adequate self-insurance is provided based upon actuarially sound insurance criteria as are consistent with generally accepted insurance industry standards with respect to the Equipment, sufficient to protect the Full Insurable Value (as that term is hereinafter defined) of the Equipment, and to protect Lessor from liability in all events and which name Lessor and/or its assignee as additional named insured and as a Lender Loss Payee thereunder. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Lease. Lessee shall furnish to Lessor Certificates evidencing such coverage throughout the Lease Term.

Lessee shall notify Lessor within five business days of any event of damage to or destruction of the Equipment.

The term "Full Insurable Value" as used herein shall mean the full replacement value of the Equipment but in no event less than the applicable Purchase Price.

Any insurance policy pursuant to this Section 8.03 shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. The Net Proceeds (as defined in Section 9.01) of the insurance required in this Section 8.03 shall be applied as provided in Article IX hereof. Each insurance policy provided for in this Section 8.03

shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation.

Section 8.04. Advances. In the event Lessee shall fail to maintain the full insurance coverage required by this Lease or shall fail to keep the Equipment in good repair and operating condition, Lessor may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may cause to be made such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by Lessor shall become additional rent for the then current Original Term or Renewal Term for the applicable Individual Payment Schedule or Schedules, which amounts, together with interest thereon at the rate of 12% per annum, Lessee agrees to pay.

Section 8.05. Tax Covenants. Lessee will not make or direct any use of the proceeds of the obligation provided herein or any other funds of Lessee which will cause such obligation to be an "arbitrage bond" within the meaning of Section 148 of the Code, to be "federally guaranteed" within the meaning of Section 149 of the Code, or to be a "private activity bond" within the meaning of Section 141(a) of the Code. To that end, so long as any Rental Payments are unpaid, Lessee, with respect to such proceeds and such other funds, will comply with all requirements of such Code sections and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect. Furthermore, to the extent applicable pursuant to Section 148(f) of the Code, Lessee covenants to complete or cause to be completed all reporting requirements and rebate all required arbitrage income to the United States of America. Lessee covenants that the Equipment will be used only for the purpose of performing one or more governmental or proprietary functions of Lessee, and the Equipment will not be used in a trade or business of any person or entity other than Lessee on a basis different from the general public. Lessee will not use or permit the use of the Equipment by any person for a "private business use" within the meaning of Section 141(b) of the Code in such manner or to such extent as would result in the inclusion of interest received hereunder in gross income for federal income tax purposes under Section 103 of the Code.

Lessor and Lessee shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest component of the Rental Payments will not be included in the gross income of Lessor for federal income tax purposes. If Lessor either (a) receives notice from the Internal Revenue Service; or (b) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any Rental Payment from federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within 30 days after Lessor notifies Lessee of such determination, the amount which, with respect to Rental Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all Rental Payments due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by this Lease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event, it

shall pay additional rent to Lessor on each succeeding Rental Payment due date in such amount as will maintain such after-tax yield to Lessor.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION: USE OF NET PROCEEDS

Section 9.01. Damage, Destruction and Condemnation. Unless Lessee shall have exercised its option to purchase the Equipment by making payment of the Purchase Price as provided herein, if prior to the termination of the Lease Term (a) the Equipment or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (b) title to, or the temporary use of, the Equipment or any Unit or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds (as defined below) of any insurance claim or condemnation awarded to be applied to the prompt repair, restoration, modification or improvement of the Equipment. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

For purposes of Section 8.03 and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

Section 9.02. Insufficiency of Net Proceeds. Subject to Lessee's right to terminate this Lease or any Individual Payment Schedule under Section 6.06 hereof, if the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01 hereof, Lessee shall either (a) complete the repair or replacement of damaged property and pay any costs in excess of the amount of Net Proceeds or (b) pay to Lessor the amount of the applicable Purchase Price, applying Net Proceeds to such payment.

ARTICLE X

DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE EQUIPMENT

Section 10.01. Disclaimer of Warranties. AS BETWEEN LESSOR AND LESSEE, DELIVERY OF EQUIPMENT TO LESSEE AND EXECUTION BY LESSEE OF AN ACCEPTANCE CERTIFICATE WITH RESPECT THERETO SHALL CONSTITUTE LESSEE'S ACKNOWLEDGEMENT THAT THE EQUIPMENT IS IN GOOD ORDER AND CONDITION AND IS OF THE MANUFACTURE, DESIGN AND CAPACITY SELECTED BY LESSEE, THAT LESSEE IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSE, AND THAT FOR PURPOSES OF THIS LEASE LESSOR'S ASSIGNEES MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED WITH RESPECT TO EQUIPMENT, INCLUDING WITHOUT LIMITATION, ITS VALUE, DESIGN, CAPACITY, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS INTENDED FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO AND LESSOR AND ITS ASSIGNEES HEREBY

DISCLAIM ALL SUCH REPRESENTATIONS AND WARRANTIES. THIS SECTION IS INTENDED TO APPLY BETWEEN LESSOR AND LESSEE ONLY TO THE EXTENT OF THE FINANCING CONTEMPLATED HEREIN AND IN NO EVENT IS INTENDED TO AFFECT THE WARRANTIES OR REPRESENTATIONS CONTAINED IN OR INCLUDED WITHIN ANY CONTRACT ENTERED INTO FOR THE ACQUISITION OF THE EQUIPMENT EITHER WITH LESSOR, OR ANY OTHER VENDOR. NOTWITHSTANDING THE FOREGOING, IN THE EVENT LESSOR IS A VENDOR, LESSEE SHALL BE ENTITLED TO ALL APPLICABLE VENDOR WARRANTIES AS TO THE EQUIPMENT; PROVIDED THAT SUCH RIGHTS SHALL PERTAIN SOLELY TO LESSOR AS VENDOR, AND NOT TO ANY SUCCESSORS OR ASSIGNS OF LESSOR UNDER THIS LEASE. In no event shall an assignee, if any, of Lessor be liable for any incidental, direct, indirect, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or Lessee's use of any item or products or services provided for in this Lease.

Section 10.02. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time-to-time whatever claims and rights, including warranties of the Equipment, which Lessor may have against the Vendor of the Equipment. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment, and not against Lessor or an assignee, if any, of Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Lease, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that an assignee, if any, of Lessor makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

Section 10.03. Use of the Equipment. Lessee will not use, operate or maintain the Equipment or cause the Equipment to be used, operated or maintained improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Lease. Lessee shall provide or cause to be provided all permits and licenses, if any, necessary for the operation of the Equipment; provided, however, that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the estate of Lessor in and to any of the items of the Equipment or its interest or rights under this Lease.

Lessee shall notify Lessor within five business days if there are any claims or lawsuits arising in connection with the Equipment or use thereof.

ARTICLE XI

OPTION TO PURCHASE

Lessee is hereby granted the option to prepay all or a portion of its obligations under this Lease (if partial prepayment, Lessee shall have the option to prepay once during the Original Term and each Renewal Term) and purchase the Equipment for the Purchase Price set forth in Exhibit A hereto. If the Lessee chooses to prepay all or a portion of its obligations under this

Lease there will be no prepayment penalty assessed by the Lessor. At the request of Lessee, Lessor's security interest in the Equipment will be terminated and this Lease shall terminate and the Equipment shall be the sole and separate property of Lessee:

(a) at the end of the Lease Term, upon payment in full of Rental Payments due hereunder, plus all past due charges and other amounts hereunder then due and owing, if any;

(b) at any regularly scheduled payment due date by making the Rental Payment plus the corresponding Purchase Price as set forth in the applicable Individual Payment Schedule, plus all past due charges and other amounts hereunder then due and owing, if any;

(c) at any time prior to the end of the Original Term by paying the first Rental Payment due plus the Purchase Price, or, in the event Lessee wishes to exercise its option following the Original Term or any Renewal Term, but prior to the due date of the next Rental Payment, by paying the preceding Lease Balance set forth in Exhibit A plus accrued interest on the outstanding principal balance at the Base Interest Rate thereon to the date of settlement thereof, plus all past due charges and other amounts hereunder then due and owing, if any; or

(d) if the Lease Term is terminated pursuant to Article IX of this Lease, in the event of total damage, destruction or condemnation of the Equipment or any Unit thereof and, if Lessee is not on such date in default under this Lease, upon payment of the then applicable Purchase Price to Lessor plus all past due charges and other amounts hereunder then due and owing, if any, subject to Lessee's right to terminate this Lease under Section 6.06 hereof.

ARTICLE XII

ASSIGNMENT, SUBLEASING, INDEMNIFICATION MORTGAGING AND SELLING

Section 12.01. Assignment by Lessor. This Lease, and Lessor's right to receive payments hereunder, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor at any time subsequent to this execution, without the necessity of obtaining the consent of Lessee; provided, however, that no such assignment or reassignment shall be effective against Lessee unless and until (a) Lessee shall have received notice of the assignment or reassignment disclosing the name and address of the assignee or subassignee; and (b) in the event that such assignment or reassignment is made to a bank or trust company as trustee for holders of certificates or other evidence representing interests in this Lease, or rights to receive amounts hereunder, such bank or trust company agrees to maintain, or cause to be maintained on behalf of and as agent for Lessee, a book-entry system by which a record of the names and addresses of such holders as of any particular time is kept and agrees, upon request of Lessee, to furnish such information to Lessee. Upon receipt of notice of assignment, Lessee agrees to reflect in a book entry the assignee designated in such notice of assignment, and to make all payments to the assignee designated in the notice of assignment,

notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Lease or otherwise) that Lessee may from time-to-time have against Lessor, or the assignee. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements which may be reasonably requested by Lessor or its assignee to protect their interests in the Equipment and in this Lease.

Section 12.02. No Sale, Assignment or Subleasing by Lessee. This Lease and the interest of Lessee in the Equipment may not be sold, assigned or encumbered by Lessee without the prior written consent of Lessor, which consent may be withheld in the total discretion of Lessor taking into account, among other things, the treatment for federal income tax purposes of the interest component of the Rental Payments.

Section 12.03. Release and Indemnification Covenants. Except for the intentional or negligent acts of Lessor or any of its employees or agents thereof arising out of (a) entering into this Lease; and/or (b) any liability, obligation, loss, claim or damage arising out of or in connection with any misstatement of a material fact or failure to make a statement of material fact by Lessor or any assignee thereof (other than a misstatement by Lessee) in connection with any offer, sale or other transfer of this Lease or any interest herein, to the extent permitted by the laws and Constitution of the State, Lessee shall protect, hold harmless and indemnify Lessor from and against any and all liability, obligations, losses, claims and damages, regardless of cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into of this Lease in connection with the ownership or intended ownership, delivery, rejection, storage or return of any item of Equipment or any accident in connection with the operation, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury to or death to any person. Lessee's Lease to protect, hold harmless and indemnify Lessor under this Section 12.03 shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of the Lease Term for any reason.

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES

Section 13.01. Events of Default Defined. The following shall be "events of default" under this Lease and the terms "event of default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

- (a) failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;
- (b) failure by Lessee to observe and perform any covenant, condition or Lease on its part to be observed or performed, other than as referred to in Section 13.01(a) or 13.01(c), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied as given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action

deemed appropriate by Lessor in its sole discretion, is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) failure by Lessee to maintain insurance on the Equipment in accordance with Section 8.03 hereof; and

(d) a determination by Lessor that any representation or warranty of Lessee was materially false or misleading when made.

The foregoing provisions of this Section 13.01 are subject to (a) the provisions of Section 6.06; and (b) if by reason of force majeure Lessee is unable in whole or in part to carry out its Lease on its part herein contained, other than the obligations on the part of Lessee contained in Article VI and Section 8.03 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of the government of the United States of America or of the state wherein Lessee is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

Section 13.02. Remedies on Default. Whenever any event of default referred to in Section 13.01 hereof shall have happened and be continuing, Lessor shall have the right, at its sole option without further demand or notice, to take one or any combination of the following remedial steps:

(a) with or without terminating this Lease, (i) enter upon the location and retake possession of the Equipment and sell, lease or sublease the Equipment for the account of Lessee, holding Lessee liable for the rents and other amounts payable by Lessee hereunder to the end of the Original Term or the then current Renewal Term; or (ii) require Lessee to assemble, pack, return and pay the costs of returning the Equipment, within 10 days, to a location specified by Lessor; and

(b) take whatever action at law or in equity may appear necessary or desirable to enforce its rights as Lessor of the Equipment.

Section 13.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar an action against Lessee for a deficiency, except that Lessee shall not be liable in any event for Rental Payments in excess of the amount appropriated by it and the other amounts expressly permitted by Section 6.06 hereof, and the bringing of any action against or the entry of judgment against Lessee shall not bar Lessor's right to repossess any or all of the Equipment. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time-to-time and as often as may be deemed expedient.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at the following addresses, provided that either party may provide a new address by notice to the other:

If to Lessee: Town of Ignacio, Colorado
 P.O. Box 459
 Ignacio, Colorado 81137

If to Lessor: Alpine Bank
 1099 Main Avenue
 Durango, Colorado 81301

Section 14.02. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 14.03. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, and the invalid or unenforceable provision shall be reformed and revised to be enforceable to the full extent permissible under the laws of the State.

Section 14.04. Amendments. The terms of this Lease shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by Lessor and Lessee, nor shall any such amendment that affects the rights of Lessor's assignee be effective without such assignee's consent.

Section 14.05. Execution in Counterparts. This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.06. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 14.07. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 14.08. Entire Lease. This Lease constitutes the entire Lease between Lessor and Lessee as to the matters herein described. No waiver, consent, modification or change of terms of this Lease shall bind either party unless in writing signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, Leases, representations or warranties, express or implied, not specified herein regarding this Lease or the Equipment leased hereunder.

Any terms and conditions of any purchase order or other document submitted by Lessee in connection with this Lease which are in addition to or inconsistent with the terms and conditions of this Lease will not be binding on Lessor and will not apply to this Lease. Lessee by the signature below of its authorized representative acknowledges that it has read this Lease, understands it, and agrees to be bound by its terms and conditions.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Lessor has executed this Lease in its corporate name and attested by its duly authorized officers, and Lessee has caused this Lease to be executed in its corporate name and attested by its duly authorized officers, all as of the date herein first mentioned.

TOWN OF IGNACIO, COLORADO

By _____
Lisa Rea, Treasurer

ALPINE BANK

By _____
Authorized Officer

EXHIBIT A
AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No.	Calculator	Account	Printer	Title
100,000.00	03-18-2015	03-18-2020					

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: TOWN OF IGNACIO
PO BOX 459
IGNACIO, CO 81137-0459

Lender: Alpine Bank, A Colorado Banking Corporation
Alpine Bank Durango
400 7th Street South
Rifle, CO 81650
(800) 551-8098

Disbursement Date: March 18, 2015
Interest Rate: 4.500

Repayment Schedule: Installment
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	04-18-2015	872.07	180.96	691.11	46,008.89
2	05-18-2015	872.07	172.53	699.54	45,309.35
3	06-18-2015	872.07	175.57	696.50	44,612.85
4	07-18-2015	872.07	167.30	704.77	43,908.08
5	08-18-2015	872.07	170.14	701.93	43,206.15
6	09-18-2015	872.07	167.42	704.65	42,501.50
7	10-18-2015	872.07	159.38	712.69	41,788.81
8	11-18-2015	872.07	161.93	710.14	41,078.67
9	12-18-2015	872.07	154.05	718.02	40,360.65
2015 TOTALS:		7,848.63	1,509.28	6,339.35	
10	01-18-2016	872.07	156.40	715.67	39,644.98
11	02-18-2016	872.07	153.62	718.45	38,926.53
12	03-18-2016	872.07	136.24	735.83	38,190.70
13	04-18-2016	872.07	147.99	724.08	37,466.62
14	05-18-2016	872.07	140.50	731.57	36,735.05
15	06-18-2016	872.07	142.35	729.72	36,005.33
16	07-18-2016	872.07	135.02	737.05	35,268.28
17	08-18-2016	872.07	136.66	735.41	34,532.87
18	09-18-2016	872.07	133.81	738.26	33,794.61
19	10-18-2016	872.07	126.73	745.34	33,049.27
20	11-18-2016	872.07	128.07	744.00	32,305.27
21	12-18-2016	872.07	121.14	750.93	31,554.34
2016 TOTALS:		10,464.84	1,658.53	8,806.31	
22	01-18-2017	872.07	122.27	749.80	30,804.54
23	02-18-2017	872.07	119.37	752.70	30,051.84
24	03-18-2017	872.07	105.18	766.89	29,284.95
25	04-18-2017	872.07	113.48	758.59	28,526.36
26	05-18-2017	872.07	106.97	765.10	27,761.26
27	06-18-2017	872.07	107.57	764.50	26,996.76
28	07-18-2017	872.07	101.24	770.83	26,225.93
29	08-18-2017	872.07	101.63	770.44	25,455.49
30	09-18-2017	872.07	98.64	773.43	24,682.06
31	10-18-2017	872.07	92.56	779.51	23,902.55
32	11-18-2017	872.07	92.62	779.45	23,123.10
33	12-18-2017	872.07	86.71	785.36	22,337.74
2017 TOTALS:		10,464.84	1,248.24	9,216.60	
34	01-18-2018	872.07	86.56	785.51	21,552.23
35	02-18-2018	872.07	83.51	788.56	20,763.67
36	03-18-2018	872.07	72.67	799.40	19,964.27
37	04-18-2018	872.07	77.36	794.71	19,169.56
38	05-18-2018	872.07	71.89	800.18	18,369.38
39	06-18-2018	872.07	71.18	800.89	17,568.49
40	07-18-2018	872.07	65.88	806.19	16,762.30
41	08-18-2018	872.07	64.95	807.12	15,955.18
42	09-18-2018	872.07	61.83	810.24	15,144.94
43	10-18-2018	872.07	56.79	815.28	14,329.66
44	11-18-2018	872.07	55.53	816.54	13,513.12
45	12-18-2018	872.07	50.67	821.40	12,691.72
2018 TOTALS:		10,464.84	818.82	9,646.02	
46	01-18-2019	872.07	49.18	822.89	11,868.83
47	02-18-2019	872.07	45.99	826.08	11,042.75
48	03-18-2019	872.07	38.65	833.42	10,209.33
49	04-18-2019	872.07	39.56	832.51	9,376.82
50	05-18-2019	872.07	35.16	836.91	8,539.91
51	06-18-2019	872.07	33.09	838.98	7,700.93

**AMORTIZATION SCHEDULE
(Continued)**

52	07-18-2019	872.07	28.88	843.19	6,857.74
53	08-18-2019	872.07	26.57	845.50	6,012.24
54	09-18-2019	872.07	23.30	848.77	5,163.47
55	10-18-2019	872.07	19.36	852.71	4,310.76
56	11-18-2019	872.07	16.70	855.37	3,455.39
57	12-18-2019	872.07	12.96	859.11	2,596.28
2019 TOTALS:		10,484.84	369.40	10,095.44	
58	01-18-2020	872.07	10.06	862.01	1,734.27
59	02-18-2020	872.07	6.72	865.35	868.92
60	03-18-2020	872.07	3.15	868.92	0.00
2020 TOTALS:		2,616.21	19.93	2,596.28	
TOTALS:		52,324.20	5,624.20	46,700.00	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

EXHIBIT B

DESCRIPTION OF EQUIPMENT

One 2015 Chevrolet Crew Cab Truck; VIN to be provided by Lessee as soon as available.

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of _____, 2015 by and among Alpine Bank, a Colorado Banking Corporation ("Lessor"), Town of Ignacio, Colorado, a statutory municipality and political subdivision of the State of Colorado (the "Lessee") and Alpine Bank, a Colorado Banking Corporation, acting as escrow agent (the "Escrow Agent");

WITNESSETH:

WHEREAS, Lessee and Lessor have entered into an Equipment Lease and Option Agreement dated as of the date hereof (the "Lease"), and the Lease provides for the lease by Lessor to Lessee of certain property (the "Equipment") described in the Lease (all capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease); and

WHEREAS, pursuant to the Lease, the Lessor is providing, for the acquisition of the Equipment, the sum of \$46,700, to be available for the payment of the costs of such acquisition; and

WHEREAS, Lessor and Lessee now desire to provide for the safekeeping, investment and disbursement of such monies advanced by Lessor;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

Section 1. There is hereby created and established with Escrow Agent an irrevocable escrow fund designated for Lessee (the "Project Fund") to be held in the custody of Escrow Agent separate and apart from other funds of Escrow Agent or Lessee.

The Escrow Agent agrees that the Project Fund shall be held irrevocably in trust for the account and benefit of Lessee and Lessor. To the limited extent required to perfect the security interest granted by Lessee to Lessor in the cash and negotiable instruments from time to time comprising the Project Fund, Lessor hereby appoints the Escrow Agent as its security agent, and the Escrow Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash and negotiable instruments pending their disbursement for costs of the Equipment, for the security of the Lessor. The Project Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).

Section 2. Lessor, as of the date hereof deposits into the Project Fund the sum of \$46,700, representing the aggregate principal component of the obligation of Lessee under the Lease.

Section 3. Monies held in the Project Fund shall be promptly invested and reinvested by the Escrow Agent, subject to Lessee's approval, in any security or deposit account authorized to Lessee by law. No investment shall be made in a security maturing later than the date on which

Lessee reasonably anticipates needing such funds for the payment of the costs of the Equipment. Lessee shall notify the Escrow Agent as to the dates on which funds are needed for disbursement and the estimated amount of each such disbursement and the Escrow Agent may rely upon this information in connection with all investment or reinvestment of funds.

All interest earnings from such investments shall be held in the Project Fund and invested as directed by the Lessee, subject to application as provided herein.

Section 4. Attached hereto as Exhibit B is a copy of the sales contract (the "Sales Contract") between Lessee and Morehart Murphy Auto Center, containing specifications and warranty information concerning the Equipment included in the Project. The Escrow Agent shall disburse funds from the Project Fund upon receipt of a written request and certification from Lessee, filed with the Escrow Agent and the Lessor (who shall notify the Lessee of its disapproval of any such request within three days) in substantially the form attached as Exhibit A hereto, setting forth the following: (1) the amount to be disbursed, (2) the address to which such funds are to be forwarded, (3) a brief description of the purpose of the payment, and (4) a statement that the expenditure for which funds are requested was or will be properly applied in connection with the acquisition, construction or installation of the Equipment pursuant to the Sales Contract or for the costs of preparation, execution and delivery of the Lease, and that the amounts being requested pursuant to the proposed disbursement were not subject to a previous draw; and (5) a statement that no Event of Default or Event of Nonappropriation has occurred and is continuing under the Lease. The request shall contain as attachments copies of any bills, receipts, invoices, or other documents received by Lessee since the last disbursement hereunder. Lessee agrees to submit to the Escrow Agent and Lessor such disbursement request in form and substance satisfactory to the Escrow Agent and Lessor and such other documents and certificates as the Escrow Agent and Lessor may reasonably request to evidence the proper expenditure of the monies in the Project Fund for the purposes of acquiring, constructing and installing the Equipment. The Escrow Agent has no duty to ascertain the correctness of any documents submitted in connection with any direction to disburse funds. The Escrow Agent shall disburse funds within five (5) business days of receipt of a request and certification from the Lessee; provided that such disbursement shall not be required to be made any earlier than the expiration of the three day period during which the Lessor may disapprove a draw request as provided above in this Section 4.

Section 5. The Escrow Agent agrees that (a) the Escrow Agent shall keep and maintain adequate records pertaining to the accounts in the Project Fund; (b) the Escrow Agent shall make all disbursements from the Project Fund as reasonably directed by the Lessee with the consent of the Lessor and (c) after the Equipment has been acquired as provided in the Lease, the Escrow Agent shall file an accounting thereof with the Lessor and the Lessee. Upon making the disbursements as provided in Section 4 of this Agreement and notification by the Lessee to the Escrow Agent that the Equipment has been acquired, the Escrow Agent shall pay any balance remaining on deposit in the Project Fund to the Lessor, who shall apply such amounts as directed by Lessee to payments of Base Rentals under the Lease.

Section 6. In the event that the Escrow Agent receives notice pursuant to the Lease that an Event of Default or an Event of Nonappropriation has occurred under the Lease prior to the final disbursement of funds from the Project Fund, the Escrow Agent shall forthwith disburse all monies on deposit in the Project Fund to Lessor. Lessee agrees that in the event such transfer to Lessor is to be made, it shall pay immediately and directly to the Lessor an amount equal to all expenses, legal fees and other costs incurred by Lessor in connection with the enforcement of this Escrow Agreement, subject to appropriation by the Board of the Lessee.

Section 7. Lessee shall pay, from legally available funds, the excess (if any) of the actual costs of the Equipment (estimated to total \$46,700) over the amount deposited by Lessor in the Project Fund and interest earnings thereon.

Section 8. This Agreement may be modified or amended only with the written consent of all parties hereto.

Section 9. In the event of the Escrow Agent's failure to account for any of the funds received by it, said funds and interest thereon shall be and remain the property of Lessee in trust for the purposes set forth in this Agreement. Such funds shall be impressed with a trust for the amount thereof and Lessee shall be entitled to a preferred claim upon such assets until such identification is made.

Section 10. This Agreement shall terminate when all transfers required to be made with respect to the Project Fund by the Escrow Agent under the provisions hereof shall have been made. In the event that all amounts held by the Escrow Agent hereunder shall have not been expended as provided therein by the date that is three years from the date of this Agreement, this Agreement shall terminate and such unexpended amounts shall be remitted to Lessee. In such event, Lessee shall use such amounts to pay rent payments next owing under the Lease.

Section 11. If any one or more of the covenants or agreements provided in this Agreement on the part of the Escrow Agent, Lessor or Lessee to be performed shall be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

Section 12. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

Section 13. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

Section 14. All notices hereunder, including requisitions of funds from the Escrow Agent, may be given electronically, if to the Lessor at 1099 Main Avenue, Durango, Colorado 81301, if to the Lessee at P.O. Box 459, Ignacio, Colorado 81137, and if to the Escrow Agent at the same address shown above for Lessor, in any case promptly confirmed by mailing a copy to the addresses set forth herein.

Section 15. The Escrow Agent may resign upon 30 days' written notice to the Lessee and the Lessor and the Lessee may remove the Escrow Agent as escrow agent hereunder by notifying the Escrow Agent and in either case may appoint a successor escrow agent provided that no such resignation or removal shall be effective before a successor escrow agent has been appointed and assumed its duties and the resigning or removed Escrow Agent has transferred to the successor escrow agent all property held by it hereunder. Upon any such resignation or removal, the Lessee shall, with the written consent of the Lessor, promptly appoint a successor escrow agent by an instrument in writing, which successor escrow agent shall give notice of such appointment to the Lessor as soon as practicable; provided that in the event the Lessee does not appoint a successor escrow agent within 60 days following the giving of any such notice of resignation or removal, the resigning or removed Escrow Agent may petition any appropriate court having jurisdiction to appoint a successor escrow agent.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first mentioned above.

**TOWN OF IGNACIO, COLORADO, as
Lessee**

By: _____
Lisa Rea, Treasure

ALPINE BANK, as Escrow Agent

By:
Authorized Officer

ALPINE BANK, as Lessor

By:
Authorized Officer

EXHIBIT A
FORM OF REQUISITION

ALPINE BANK,
As Escrow Agent

1099 Main Avenue
Durango, CO 81301

Attention: Mike Burns or Erin Dale

Ladies and Gentlemen:

This requisition is submitted pursuant to Section 4 of the Escrow Agreement dated as of _____, 2015 (the "Escrow Agreement") by and among Town of Ignacio, Colorado (the "Lessee"), Alpine Bank (the "Lessor"), and Alpine Bank acting as escrow agent (the "Escrow Agent"). Capitalized terms used herein and not otherwise defined shall have the same meanings, respectively, as in the Escrow Agreement.

We hereby request payment from the Project Fund held by the Escrow Agent under the Escrow Agreement of the amount of \$ _____, to be paid to _____ at _____ [address].

In support of such request we hereby certify:

1. the purpose of such payment is _____;
2. the expenditure(s) for which such funds are requested was (were) or will be properly applied in connection with the acquisition of the Equipment or for the costs of preparation, execution and delivery of the Lease, and the amounts being requested were not subject to a previous draw;
3. no Event of Default or Event of Nonappropriation has occurred and is continuing under the Lease;
4. after payment of the amount(s) requested hereby, the money remaining in the Project Fund, together with other legally available moneys of Lessee, will be sufficient to pay all remaining construction, acquisition and installation costs relating to the Equipment.

TOWN OF IGNACIO, COLORADO, as Lessee

By:
Authorized Officer

LIST OF CLOSING DOCUMENTS

\$46,700

**Annually Renewable Equipment Lease and Option Agreement
dated as of _____, 2015
between Alpine Bank
and
the Town of Ignacio, Colorado**

1. Equipment Lease and Option Agreement
2. Escrow Agreement, with Equipment Purchase Contract and Confirmation of Initial Investment of Funds
3. Authorizing Resolution
4. Opinion of Town's Attorney (optional)

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated _____, 2015, is made and executed between Town of Ignacio ("Grantor") and Alpine Bank, A Colorado Banking Corporation ("Lessor").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lessor a security interest in the Collateral and agrees that Lessor shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lessor may have by law. This security agreement is in connection to Equipment Lease and Option Agreement in the amount of \$46,700, executed by and between the same parties and dated _____, 2015.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property in which Grantor is giving to Lessor a security interest:

2015 Chevrolet Crew Cab Truck (VIN: _____)
Located at: 540 Goddard Avenue
Ignacio, CO 81137

In addition, the word "Collateral" also includes all of the following:

- (A) All accessions, attachments, accessories, replacements of any additions to any of the collateral described herein, whether added now or later.
- (B) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL.
With respect to the Collateral, Grantor represents and promises to Lessor that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lessor to perfect and continue Lessor's security interest in the Collateral. Upon request of the Lessor, Grantor will deliver to Lessor any and all of the documents evidencing or constituting the Collateral and Grantor will note Lessor's interest upon any and all chattel paper and instruments if not delivered to Lessor for possession by Lessor.

Location of the Collateral. Grantor will keep the Collateral at the above referenced address except for routing travel.

Title. Grantor represents and warrants to Lessor that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which the Lessor has specifically consented. Grantor shall defend Lessor's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrances may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lessor and Lessor's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as the Lessor's interest in the Collateral, in the Lessor's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lessor may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lessor and issued by a company or companies reasonably acceptable to Lessor. Grantor, upon request of Lessor, will deliver to Lessor from time to time the policies or certificates of insurance in form satisfactory to Lessor, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lessor and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lessor will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lessor holds or is offered a security interest, Grantor will provide Lessor with such loss payable or other endorsements as Lessor may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lessor may (but shall not be obligated to) obtain such insurance as Lessor deems appropriate, including if Lessor so chooses "single interest insurance," which will cover only Lessor's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lessor of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lessor may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lessor as part of the Collateral. If Lessor consents to repair or replacement of the damaged or destroyed Collateral, Lessor shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lessor does not consent to repair or replacement of the Collateral, Lessor shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED DECEMBER 29, 2014.

GRANTOR:

TOWN OF IGNACIO

By: _____

LISA REA, Treasurer for the TOWN OF IGNACIO

ORDINANCE NO. 316

AN ORDINANCE OF THE TOWN OF IGNACIO, COLORADO VACATING A PORTION OF IGNACIO STREET AND RESERVING CERTAIN RIGHTS THERETO PURSUANT TO C.R.S. SECTION 43-2-303

WHEREAS, C.R.S. Section 43-2-303, allows the Town of Ignacio to vacate portions of roadways by ordinance, and to reserve certain rights thereto; and

WHEREAS, it is the desire of the Town of Ignacio to vacate a portion of Ignacio Street, as more particularly described on Exhibit A, a plat entitled EXHIBIT A, PROPERTY DESCRIPTION located in the NW1/4 of Section 8, T 33 N, R 7 W, N.M.P.M. La Plata County, Colorado, prepared by Goff Engineering and Surveying Inc., Project No. 12-032, dated 10/7/13, attached hereto and incorporated herein by reference, (hereafter "Exhibit A") which vacated property serves no useful purpose other than as reserved herein, and therefore wishes to reserve unto itself such easements and rights of way for utilities and other purposes as set forth below; and

WHEREAS, an application has been filed by Ignacio School District, the owners of the property abutting the property to be abandoned, seeking the vacation of the property set forth in Exhibit A, subject to reserved easements and rights of way for utilities and other purposes as set forth below:

NOW THEREFORE, BE IT ORDAINED by the Board of Trustees of the Town of Ignacio, Colorado, that:

1. The Town of Ignacio hereby vacates a portion of its Ignacio Street Right Of Way, as more particularly described on Exhibit A, however **reserving for the Town of Ignacio' and other utility providers** the continued existing and/or future use of such vacated property as is necessary or desirable for the installation, use, maintenance, repair, replacement or access to sewerlines, gaslines, waterlines, electrical lines, fiber optics, telephone lines, for all other utilities, for ditches or canals, and for all other similar lines and appurtenances, and for drainage, storage, or emergency access, and for access thereto, as well as the right to grant such rights to other utility providers.
3. This Ordinance, together with its attached Exhibit A will be recorded after it is effective in the La Plata County real estate records.
4. This Ordinance will be effective 30 days after publication, as provided by law.

THIS ORDINANCE PASSED ON FIRST AND FINAL READING THIS ___ DAY OF _____, 2015.

TOWN OF IGNACIO, COLORADO

Stella Cox, Mayor

ATTEST:

Georgann Valdez, Clerk

PUBLISHED THE ___ DAY OF _____, 2015 BY THE AUTHORITY OF THE TOWN CLERK OF IGNACIO, COLORADO.

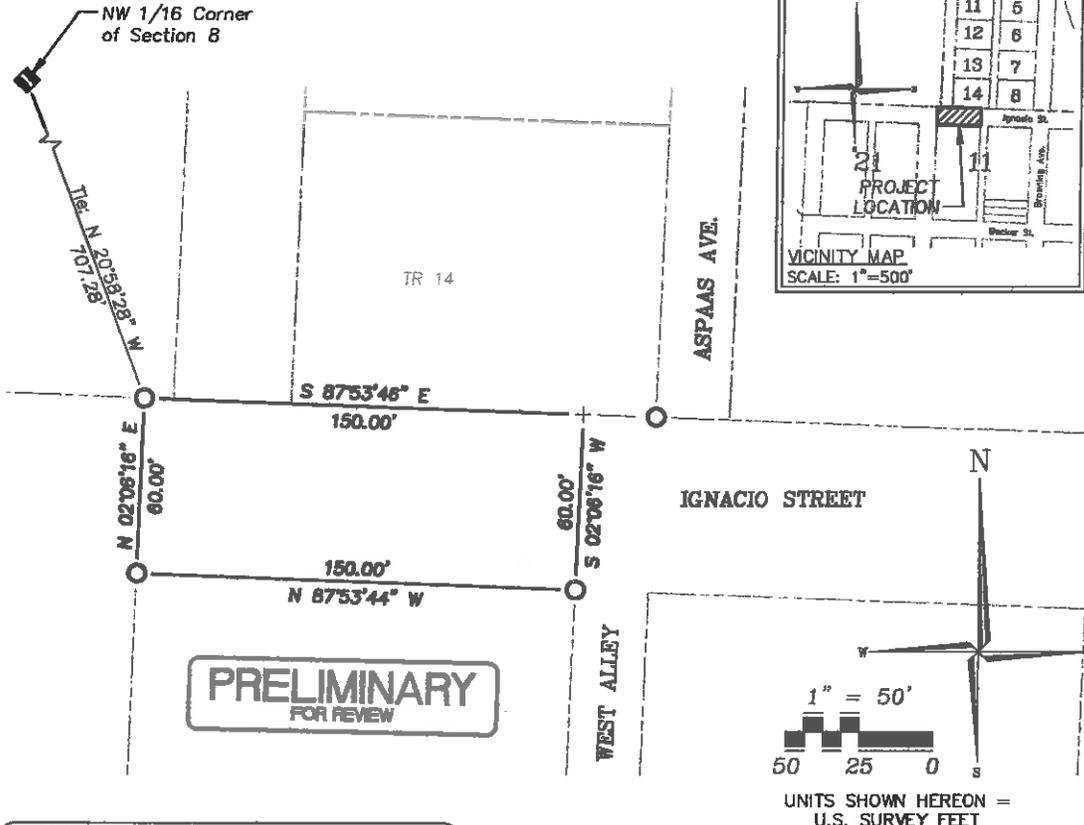
ATTEST:

Georgann Valdez, Clerk

DRAFT

EXHIBIT A PROPERTY DESCRIPTION

LOCATED IN THE NW1/4 OF SECTION 8, T 33 N, R 7 W, N.M.P.M.
LA PLATA COUNTY, COLORADO



**PRELIMINARY
FOR REVIEW**

DESCRIPTION OF MONUMENTS	
◆	FOUND 5/8" REBAR WITH A 1-1/2" ALUMINUM CAP STAMPED PLS 7140
○	FOUND 5/8" REBAR WITH A 1-1/2" ALUMINUM CAP STAMPED PLS 38007
+	POSITION FOR CORNER - MONUMENT NOT FOUND OR SET

BEARINGS ARE BASED ON THE ASSUMPTION THAT THE SOUTH LINE OF THE N1/2NW1/4NW1/4 OF SECTION 8, T 33 N, R 7 W, N.M.P.M. BEARS S 88°36'02" E. THE N-N 1/4 CORNER BEING A FOUND 2" ALUMINUM CAP ON A 5/8" REBAR AND THE C-N-NW 1/4 CORNER BEING A FOUND 3 1/4" ALUMINUM CAP ON A 2-1/2 PIPE.

Property Description:

A tract of land located in NW1/4 Section 8, Township 33 North, Range 9 West, New Mexico Principal Meridian being more particularly described as follows:
Beginning at a point on the north right-of-way of Ignacio Street and the northerly prolongation of the east right-of-way of Burns Avenue from whence the NW 1/16 Corner of Section 8 bears N 20°58'28" W, a distance of 707.28 feet;
Thence S 87°53'46" E, along the north right-of-way of Ignacio Street a distance of 150.00 feet;
Thence S 02°06'16" W, a distance of 60.00 feet to a point on the south right-of-way of Ignacio Street and a point on the east line of Lot 1, Block 11 of the Aspass-Payne Subdivision, Reception Number 198007;
Thence N 87°53'44" W along the south right-of-way of Ignacio Street, a distance of 150.00 feet the northerly prolongation of the east right-of-way of Burns Avenue;
Thence N 02°06'16" E, along the northerly prolongation of the east right-of-way of Burns Avenue a distance of 60.00 feet to the point of beginning.
Containing 0.207 acres or 9,000.10 square feet, more or less.

NOTICE:
According to the laws of the State of Colorado, any legal action based upon any defect in this survey must commence within three years after such defect was first discovered. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon.

 185 ROCK POINT DRIVE PO BOX 87 DURANGO, COLORADO 81302 970.247.1705	EXHIBIT A	SHEET
	PROPERTY DESCRIPTION	1
	SECTION 8, T 33 N, R 7 W, N.M.P.M.	OF
PREPARED BY: C. DELGAD	CHECKED BY: BOB FRECHAM	
PROJECT NO. 12-28	SCALE: AS SHOWN	DATE: 10-27-2013

G:\2013\10-27-13\Durango School District\High School\ES08\12345 Property Description.dwg 10/27/2013 11:43:37 AM

