

MISSION STATEMENT

The City of Sweet Home will work to build an economically strong community with an efficient and effective local government that will provide infrastructure and essential services to the citizens we serve. As efficient stewards of the valuable assets available, we will be responsive to the community while planning and preparing for the future.



**CITY OF SWEET HOME
CITY COUNCIL
AGENDA**

WIFI Passcode:
guestwifi

August 8, 2017, 6:30 p.m.
City Hall Annex, 1140 12th Avenue
Sweet Home, OR 97386

PLEASE silence all cell phones – Anyone who wishes to speak, please sign in.

A. Call to Order and Pledge of Allegiance

B. Roll Call:

Councilor Coleman
Councilor Gerson
Councilor Goble
Councilor Gourley

Mayor Mahler
Councilor Trask
Councilor Underwood

C. Consent Agenda:

- a) Approval of Minutes:
 - i. July 25, 2017 City Council Minutes (pg. 3-8)

D. Recognition of Visitors and Hearing of Petitions

E. Old Business:

- a) City Manager Self Evaluation Distribution

F. New Business:

- a) Request for Council Action – Municipal Lease and Option Agreement (pg. 9-37)

G. Introduction, First and Second Reading of Ordinance Bills

- a) INTRODUCTION
- b) FIRST READING
- c) SECOND READING

H. Third Reading of Ordinance Bills (Roll Call Vote Required)

The location of the meeting is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-367-8969.

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- i. Ordinance No. 8 for 2017 – Ordinance No. 1262 - An Ordinance Granting A Non-Exclusive Gas Utility Franchise to Northwest Natural Gas Company, Fixing Terms, Conditions and Compensation of such Franchise; and Repealing Sweet Home Ordinance No. 1145 (pg. 38-47)

I. Resolutions

J. Reports of Committees:

Administrative & Finance/Property	Goble
Parks Board (Minutes 07-18-17 pg. 48-49)	Trask
Public Safety/Traffic Safety (Minutes 07-25-17 pg. 50)	Coleman
Public Works	Mahler
Tree Commission (Minutes 07-19-17 pg. 51)	Trask
Youth Advisory Council	Gourley
Chamber of Commerce	Coleman
Fire District	Trask
Council of Governments	Gerson
Area Commission on Transportation	Coleman
Solid Waste Advisory Council	Goble
Ad Hoc Committee on Health	Gourley

K. Reports of City Officials:

- a) Mayor’s Report
- b) City Manager’s Report
- c) Department Director’s Reports:
 - i. Finance Director
 - (1) July 2017 Finance Department Report (pg. 52)
 - (2) Check Reconciliation (pg. 53-55)
 - ii. Library Services Director
 - iii. Community and Economic Development Director
 - iv. Police Chief
 - v. Public Works Director
 - vi. City Attorney’s Report

L. Adjournment

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SWEET HOME CITY COUNCIL
MEETING MINUTES

July 25, 2017

Mayor Mahler called the meeting to order at 6:30 p.m. in the City Hall Annex. The Pledge of Allegiance was recited.

Staff Present: City Manager Ray Towry, City Attorney Robert Snyder, Police Chief Jeff Lynn, Finance Director Pat Gray, Library Services Director Rose Peda, Public Works Director Greg Springman and Recording Secretary Julie Fisher

Visitors Registered to Speak: Josh Metcalf, Scott Gagner, Carl Sundberg, Jaime Schwarze, Steve Haney

Media: None

Roll Call:	Councilor Coleman	P	Mayor Mahler	P
	Councilor Gerson	P	Councilor Trask	P
	Councilor Goble	P	Councilor Underwood	AB
	Councilor Gourley	P		

It was noted by the Councilor Underwood was unexcused

Consent Agenda: Motion was made to approve the Consent Agenda. (Goble/Coleman) Motion carried 6 Ayes, 0 Opposed, 1 Absent (Underwood)

Items on the consent agenda are as follows:

Approval of Minutes:

July 6, 2017 City Council Special Meeting Minutes

July 11, 2017 City Council Meeting

Recognition of Visitors & Hearing of Petitions

Carl Sundberg
28041 Fern Ridge Rd
Sweet Home, OR 97386

Mr. Sundberg introduced himself and stated he would like to see Comcast have an office in Sweet Home. He was also unhappy that there was not a local direct number to contact them.

Tim Goodman
Director of Government Affairs
Comcast

Tim Goodman addressed some of the concerns stated by Mr. Sundberg, noting that 5 new call centers have been opened in the western United States. Mr. Goodman stated offices have been strategically placed, one in Lebanon and one in Corvallis. Mr. Goodman talked about programs to help low income families receive internet and a computer. Mr. Goodman presented a check for \$500 to LSD Peda for the Summer Reading Program.

Summer Reading Program
Check Presentation

Old Business:

Affirming Councilor Goble's
Excused Absence at July 6, 2017
City Council Work Session

Mayor Gourley stated for the record Councilor Goble was excused from the work session on July 6, 2017.

Roll Call Vote:

Councilor Gerson	Aye
Council Goble	Abstain
Councilor Coleman	Aye
Councilor Gourley	Aye
Mayor Mahler	Aye
Councilor Trask	Aye
Councilor Underwood	Absent

New Business:

Request for Council Action –
Community Grants Applications

City Manager Towry reviewed the RCA for the Community Grants Program.

Susan Coleman recused herself stating her husband is Pastor for Hillside Fellowship who has applied for a Community Grant, which could result in a financial gain for Councilor Coleman.

Motion to approve \$2500 from the 2017-2018 Community Grants Program to be allocated as follows: \$1,090 to the Sweet Home Pregnancy Care Center, \$320 to the Singing Christmas Tree, \$1,090 to Manna. (Gourley/Gerson)

Roll Call Vote:

Council Goble	Aye
Councilor Coleman	Recused
Councilor Gourley	Aye
Mayor Mahler	Aye
Councilor Trask	Aye
Councilor Underwood	Absent
Councilor Gerson	Aye

The Motion passed with 5 Ayes, 0 opposed, 1 Recused and 1 absent.

Request for Council Action –
CH2M Operations, Maintenance
& Management Services

The RCA was presented for the CH2M Operations Maintenance and Management Service Agreement.

The Council discussed the vehicle the City provides to CH2M.

Mayor Mahler stated a work session is needed to review and discuss further agreement with CH2M – OMI.

Motion to authorize City Council to approve and execute contract Amendment No. 2 with Operations Management International, Inc. (CH2M –OMI) for the

City of Sweet Home, Oregon, for the operation, maintenance and management services for the City’s municipal water and municipal wastewater treatment facilities. (Gourley/Gerson)

Roll Call Vote:

Councilor Gourley	Aye
Mayor Mahler	Aye
Councilor Trask	Nay
Councilor Underwood	Absent
Councilor Gerson	Aye
Councilor Goble	Nay
Councilor Coleman	Aye

The motion passed with 4 Ayes, 2 opposed and 1 Absent (Underwood).

Request for Council Action –
Library Resource
Intergovernmental Agreement

LSD Peda introduced the Request for Council Action regarding the Intergovernmental Agreement Resource Sharing explaining the change in the IGA is the agreement will remain in effect until terminated.

Motion to approve the Intergovernmental Agreement (Trask/Gerson). The motion passed with 6 Ayes, 0 Opposed and 1 Absent (Underwood).

Request for Council Action –
Application for a License for a
Taxicab Service

City Attorney Snyder presented the request for a license for a taxicab in the City of Sweet Home.

Motion to approve a taxicab license for James Hicks dba Priority One Taxi commencing upon payment to the City of the appropriate fees as set forth in SHMC 5.28.020. (Gourley/Coleman). The motion passed with 6 Ayes, 0 Opposed and 1 Absent (Underwood).

Introduction, First and Second Reading of Ordinance Bills:

Introduction:

First Reading:

Second Reading:

**Ordinance No. 8 for 2017-
Ordinance No. ____ - An
Ordinance Granting a Non-**

City Manager Towry read by title only Ordinance Bill No. 8 for 2017. The Ordinance was moved to third and final reading on August 8, 2017.

Exclusive Gas Franchise to Northwest Natural Gas Company, Fixing Terms, Conditions and Compensations of such Franchise; and Repealing Sweet Home Ordinance No. 1145

Third and Final Reading of Ordinance Bills:

Ordinance No. 7 for 2017 – Ordinance No. 1261 - An Ordinance Relating to Rate Increases for Solid Waste Management in the City of Sweet Home, Oregon and Repealing Sweet Home Ordinance 1241.

Josh Metcalf and Scott Gagner representing Sweet Home Sanitation presented the Council with information on the CPI for the last 25 years and explained the regular increases with CPI allows for rate stability and living wages for employees.

There was discussion among the Council regarding a cap.

Motion to adopt Ordinance Bill No. 7 for 2017, Ordinance No. 1261 as written. (Trask/Gerson)

City Attorney Snyder ready by title only Ordinance No. 7 for 2017 – An Ordinance Relating to Rate Increases for Solid Waste Management in the City of Sweet Home, Oregon and Repealing Sweet Home Ordinance 1241.

Roll Call Vote:

Councilor Goble	Aye
Councilor Coleman	Nay
Councilor Gourley	Nay
Mayor Mahler	Aye
Councilor Trask	Aye
Councilor Underwood	Absent
Councilor Gerson	Aye

Motion Passed with 4 Ayes, 2 Opposed and 1 Absent.

Resolutions:

None

Council Reports

Committee Reports:

Administration & Finance/
Property Committee None

Public/Traffic Safety Councilor Coleman stated the Public Nuisance Ordinance

was reviewed and an amendment will be coming before Council.

Public Works

Mayor Mahler stated a Work Session is needed to review the CH2M Contract.

City Boards/Committees:

Chamber of Commerce
Bill Matthews
Chamber of Commerce
Board Chairman

None

Fire District

Councilor Trask reported the new tools were used during a bad crash this weekend and worked very well.

Park Board

Councilor Trask announced he is meeting with Ellen Shepard with Oregon Trust on the 9th to discuss a grant for lighting in the parks.

Tree Commission

Councilor Trask stated the last meeting was cancelled.

Y.A.C.

Councilor Gourley announced the YAC met today and their next meeting will be on the 15th at 1pm.

Ad Hoc Committee
Community Healthcare

Councilor Gourley gave an update on the Health Fair planning.

Regional Boards/Committees:

Area Commission on
Transportation (ACT)

Councilor Coleman announced the ACT meeting is next week.

COG

Councilor Gerson submitted a written report. She announced a Special Regional Project Fund is accepting applications for regional projects. The grant is up to \$15,000. Councilor Gerson suggested establishing a bike path from Cheadle Lake to Foster Lake. Councilor Gerson announced an intern at the COG will be contacting the City regarding solid waste disposal.

Solid Waste Advisory
Council (SWAC)

None

Mayor's Report

Mayor Mahler announced a Work Session August 8th to review the Chamber of Commerce Agreement.

City Manager's Report

City Manager Ray Towry reported that 2 candidates were interviewed for the Community and Economic Development

Director position. Jerry Sorte has accepted the position. City Manager Towry stated the Council laptops are in and there will be a practice and training session soon. The City will be switching web hosting companies and the new website will be more user friendly.

Department Directors Reports:

Finance Director	Finance Director Pat Gray announced on July 15 th the Albany Fitwalkers hosted an event in Sweet Home with 95 participants. FD Gray announced the kiosks are being built that are part of the Healthy Eating Active Living (HEAL) Grant.
Library Director	Library Services Director Peda announced the next Summer Reading Event which will be Creature Teacher at the Sweet Home Boys and Girls Club.
Community and Economic Development Director	None
Police Chief	Chief Lynn submitted a report on statistics for the first 6 months of 2017. The Police Department received the final report from the Agency Review and will present it to Council soon.
Public Works	Public Works Director Greg Springman reported he met with Brown & Caldwell who will help him create an RFP for Phase 1 on the Wastewater Treatment Plant.
City Attorney	None

Adjournment: With no further business the meeting adjourned at 8:15 PM.


The foregoing is a true copy of the proceedings of the City Council at the July 25, 2017 regular City Council Meeting.

Mayor

ATTEST:

City Manager – Ex Officio City Recorder

REQUEST FOR COUNCIL ACTION

PREFERRED AGENDA: Aug. 8, 2017 SUBMITTED BY: Chief Jeff Lynn REVIEWED: City Manager, R. Towry  Admin/Fin/Prop Committee	TITLE: Patrol Vehicle Lease ATTACHMENTS: Lease Agreement	TYPE OF ACTION: — RESOLUTION — MOTION <u>X</u> OTHER
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PURPOSE OF THIS MEMO:

For Council to review the proposed Municipal Lease Agreement with Auto Leasing Specialists, LLC, to acquire a new patrol vehicle – 2017 Ford Interceptor SUV. The lease term is for three years and at the end of the 3rd year, the vehicle is then purchased for \$1. Council authorized a move to the leasing option in January of 2010.

BACKGROUND/CONTEXT:

The Sweet Home Police Department maintains a patrol vehicle fleet that includes seven (7) marked patrol cars (4 – Patrol; 2 – SSgt’s; 1 – SRO). SHPD last replaced a patrol vehicle in 2013 at which time we acquired three. At the end of 2012, two patrol vehicles were rammed and destroyed in a pursuit. Because of this, in 2013 we were forced to replace three vehicles which forced us to change from the yearly replacement methodology. Council authorized a move to the leasing option in January of 2010.

THE CHALLENGE/PROBLEM:

How to maintain a modern, reliable patrol fleet that will meet the needs of our department and citizens?

The Sweet Home Police Department maintains a patrol vehicle fleet that includes seven (7) marked patrol cars. SHPD last replaced a patrol vehicle in 2013 at which time circumstances surrounding a pursuit required we acquire three vehicles. Historically, SHPD had been able to replace a patrol vehicle on a yearly basis, at or around 120,000 miles. Each PATROL below typically puts between 18,000 and 23,000 miles on them per year. However, at the end of 2012, two patrol vehicles were rammed and destroyed in a pursuit. Because of this, in 2013 we were forced to replace three vehicles which required we deviate from the yearly replacement methodology.

Earlier this year, a SHPD patrol vehicle was damaged and determined to be totaled during a pursuit (2013 Interceptor). That vehicle is scheduled to be replaced with funds from CIS (our insurance carrier).

Below is a list of the patrol vehicles that includes the year and mileage associated with them.

<u>ID</u>	<u>YR/Model</u>	<u>Mileage</u>	<u>User</u>
50	2006 Impala	123000	SRO
55	2010 CVP	105184	SGT
56	2010 CVP	82715	SGT
58	2012 Charger	99212	PATROL
59	2013 Charger	85294	PATROL
60	2013 Charger	111080	PATROL
61	2013 Interceptor	98997	PATROL

The vehicle currently assigned to the SRO has the highest mileage and will be replaced. The department will then shuffle vehicles so that the Patrol Officers and Sergeants will have the lower mileage vehicles.

STAKEHOLDERS:

1. Sweet Home Police Department. It is vital officers have reliable fleet vehicles to effectively serve citizens.
2. Citizens. Citizens rely on SHPD to help them in many cases, usually when a vehicle failure could be the difference between life or death.
3. Other Emergency Agencies. SHPD often “backs up” other Emergency Services Personnel such as SHFD.

ISSUES & FINACIAL IMPACTS:

1. The 2017-2018 budget approved \$26,000 for vehicle leases, which was intended to be used for the replacement of two patrol vehicles during this fiscal year.
2. The recently received independent audit from the Oregon Association Chiefs of Police strongly suggested updating the fleet.

ELEMENTS OF A STABLE SOLUTION:

Ideally this lease would allow us to update our fleet to be safer, more dependable and ideally lower maintenance costs.

OPTIONS:

1. Do Nothing.
2. Do not authorize SHPD to enter into the lease agreement.
3. Authorize SHPD to enter into the Lease Agreement with Auto Leasing Specialists, LLC., to acquire the patrol vehicle.
4. Have staff investigate another funding mechanism for the replacement of a patrol vehicle.

RECOMMENDATION:

Staff recommends option #3: Authorize SHPD to enter into the Lease Agreement with Auto Leasing Specialists, LLC., to acquire the patrol vehicle.

ROBERT SNYDER

ATTORNEY AT LAW
1275 Main Street
P.O. Box 486
Sweet Home, Oregon 97386

(541) 367-5191
FAX (541) 367-5192

ROBERT SNYDER

Auto Leasing Specialists, LLC
4785 Portland Road, NE
Salem, Oregon 97305

Dear Sir or Madam:

I have acted as counsel to the City of Sweet Home, OR (the "Lessee") with respect to the Municipal Lease and Option Agreement #2779 dated July 24, 2017 (the "Agreement"), by and between Auto Leasing Specialists, LLC (the "Lessor") and the Lessee for the lease of certain equipment specified therein. After review of the Agreement and appropriate public documents of the Lessee, I am of the opinion that:

1. The Lessee is an existing and validly constituted political subdivision of the State of OR (the "State"), invested with the power to levy taxes, to appropriate tax revenues for payment of lease obligations, and to exercise police powers, or the Lessee is an agency of the State invested by the governing authority of the State with the power to spend tax revenues of the State for the purposes set forth in the Agreement.
2. The Agreement has been duly authorized, executed and delivered by the Lessee in accordance with all substantive and procedural statutes of the State and ordinances of the Lessee.
3. Jeff Lynn, as Chief of the Lessee, has been invested by the governing authority of the Lessee with the authority and approval to execute the Agreement.
4. To the Best of my knowledge, at this time there is no proceeding pending or threatened in any court or before any government authority or arbitration board or tribunal the outcome of which could adversely affect the transactions set forth in the Agreement or the security interest of the Lessor or its assigns, as the case may be, in the Equipment.


Counsel for the Lessee

Please contact (402)-315-3792 with any questions or concerns. All documents should be sent to
Auto Leasing Specialists, LLC, 17526 O Street, Omaha, NE 68135.

MUNICIPAL LEASE AND OPTION AGREEMENT

LESSOR: Auto Leasing Specialists, LLC 4785 Portland Rd NE Salem, Oregon 97305 (877) 227-0876 (503) 485-0990	Send all documents to: Auto Leasing Specialists, LLC 17526 O Street Omaha, NE 68135 (402) 315-3792	Agreement No.: 2779
LESSEE: City of Sweet Home, OR 1140 12th Ave. Sweet Home, OR 97386 Phone: 541-367-5181 Fax: 541-367-5235	VENDOR: See Exhibit B	
NOTE: This is an Interest Income tax-exempt transaction. No TIN/SSN must be provided because none of the payments are IRS reportable (such as Form 1099). (See Sections 103, 149, and 6041 of the Internal Revenue Code of 1986, as amended, and the Instructions for Forms 1099, 8038-G, and 8038-GC.)		
EQUIPMENT DESCRIPTION (make, model, serial no., and attachments – Equipment is new unless noted)		
One (1) 2017 Ford Interceptor SUV as more thoroughly described in Exhibit “A” to the Agreement		
Any additional equipment will be described in any Detailed Equipment Description Amendment that is executed and which refers to this Agreement.		
Lessor assumes and shall have no responsibility for performance or maintenance of Equipment. Equipment is to be insured by Lessee. VENDOR IS NOT AN AGENT OF LESSOR and no representative of Vendor is authorized to waive, supplement or otherwise alter any provision hereof. Maintenance and/or supplies ARE NOT included in this Agreement unless specified in the Equipment Description. Lessor of assignee has a security interest in Equipment and must be notified in writing of any removal or trade-in of Equipment before full payment is made to Lessor or assignee.		
Equipment Location. Complete only if Equipment will not be located at Renter’s address shown above.		
Address	City	State
	City	Zip
EQUIPMENT COST – TERM – PAYMENTS		
LEASE TERM	3 Annual payments (includes interest, see Section 5.02).	
PAYMENTS	\$13,496.00 upon acceptance and \$13,496.00 Annual thereafter as provided in the Payment Schedule.	
TOTAL AMOUNT FINANCED	\$37,726.52 - Includes no sales tax, all additional taxes will be the sole responsibility of Lessee.	
PURCHASE OPTION AMOUNT	Purchase Option is \$1.00 after timely making all payments.	

THIS AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS PRINTED ON THE FOLLOWING PAGES, WHICH TERMS ARE MADE A PART HEREOF.

TERMS AND CONDITIONS

Lessor hereby leases the equipment to Lessee for the following purposes and upon the following terms and conditions:

ARTICLE I: COVENANTS OF LESSEE. Lessee represents, covenants and warrants, for the benefit of Lessor and its assignee(s), as follows:

- A. Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State as set forth above (“State”) and 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.
- B. Lessee has been duly authorized to execute, deliver and perform this Agreement under the Constitution and laws of the State and under the terms and provisions of the resolution of its governing body, or by other appropriate official approval. Lessee further represents, covenants and warrants that all requirements have been met, and procedures have occurred in order to ensure the enforceability of this Agreement, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment hereunder. If requested, Lessee shall deliver to Lessor an opinion of Lessee’s counsel in form acceptable to Lessor certifying that all requirements of state law or municipal code or ordinance have been complied with.
- C. During the term of this Agreement, 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 the Lessee.
- D. During the period this Agreement is in force, Lessee will annually provide Lessor or its assignee(s) with proof of appropriation of funds in the current budget for the lease payments and other obligations of Lessee under this Agreement (or a copy of the complete budget if so requested by Lessor or its assignees), and proof of appropriation for the ensuing fiscal year when such appropriation has been approved by the Lessee’s governing body. Lessee further agrees to make its best effort to budget for and have appropriated for each budget and/or appropriation cycle, sufficient funds to make the Lease Purchase Payments throughout the entire Lease Term. The Equipment will have a useful life in the hands of the Lessee that is substantially in excess of the Original Term plus any Renewal Terms.
- E. The Equipment is, and shall remain during the period this Agreement is in force, personal property and when subject to use by Lessee under this Agreement, will not be or become a fixture under applicable law.
- F. This Agreement, and all of its Amendments and Addendums, including the Detailed Equipment Description, supersedes and replaces any and all representations or warranties made by Lessor or Vendor prior to execution of the Agreement.
- G. The Equipment described above is NOT BEING LEASED ON ANY TYPE OR FORM OF A TRIAL OR RENTAL BASIS.
- H. Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986 (the “Code”), including without limitation Sections 103 and 148 thereof, and the applicable regulations of the U.S. Treasury Department in order to maintain the exclusion of the interest components of Lease Purchase Payments from gross income for the purposes of U.S. federal income taxation.
- I. Lessee will use the proceeds of this Agreement as soon as practicable, and with all reasonable dispatch, for the purpose for which this Agreement has been entered into. No part of the proceeds of this Agreement shall be invested in any securities, obligations or other investments or used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of this Agreement, would have caused any portion of the Agreement to be or become *arbitrage bonds* within the meaning of Section 103(b)(2) or Section 148 of the Code, as amended, and the applicable regulations of the U.S. Treasury Department.
- J. Lessee hereby designates the Agreement as a “qualified tax-exempt obligation” as defined in Section 265(b)(3) (B) of the Code. The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued, or to be issued, by Lessee and all subordinate entities thereof during the calendar year of commencement of this Agreement (the “issuance Year”) is not reasonably expected to exceed \$10,000,000.00 Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000.00 of qualified tax-exempt obligations (including this Agreement, but excluding private activity bonds other than qualified 501(c)(3) during the issuance Year without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt obligations acceptable to Lessor that the designation of this Agreement as a “qualified tax-exempt obligation” will not be adversely affected. (Omit and initial this paragraph if it is not applicable.)
- K. Lessee represents and warrants that it is a governmental unit under the laws of the State with general taxing powers, this Agreement is not a private activity bond as defined in Section 141 of the Code, as amended. 95% or more of the net proceeds of this Agreement will be used for local governmental activities of Lessee and the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued, or to be issued, by the Lessee and all subordinate entities thereof during the Issuance Year is not reasonably expected to exceed \$5,000,000.00 Lessee and all subordinate entities thereof will not issue in excess of \$5,000,000.00 of tax-exempt bonds (including this Agreement, but excluding private activity bonds) during the Issuance Year without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations acceptable to Lessor that the excludability of the interest on the Agreement from gross income for federal tax purposes will not be adversely affected. (Omit and initial this paragraph if it is not applicable.)
- L. Lessee represents and warrants that it will at no time during the Lease Term or thereafter exercise or attempt to exercise the power of eminent domain with respect to the Equipment. The Lessee’s rights to acquire title to the Equipment free of the obligations of this Agreement are defined solely in this Agreement.
- M. Lessee represents and warrants that it will at no time during the Lease Term or thereafter exercise or attempt to exercise the power of eminent domain with respect to the Equipment. The Lessee’s rights to acquire title to the Equipment free of the obligations of this Agreement are defined solely in this Agreement.

ARTICLE II: DEFINITIONS.

The following terms will have the meanings indicated below unless the context clearly requires otherwise:
 “Agreement” means this Municipal Lease and Option Agreement.

“**Lease Term**” means the Original Term defined in Article III hereof and a sufficient number of automatic renewal Term as will equal the Lease Term set forth on the face of this Agreement.
“**Lessor**” means (i) the entity designated on the face of this Agreement as Lessor hereunder, (ii) any surviving, resulting or transferee corporation and (iii) except where the context requires otherwise, any assignee(s) of Lessor.

“**Buy-out After Payment Amount**” means the amount of the payments for the balance of the entire Lease Term (assuming no early termination for non-appropriation or other cause) plus the Purchase Option Amount shown above, if any, discounted to the date of payment at the rate equal to the rate paid on United States Treasury obligations having a similar term as of the date of original acceptance of the Equipment by the Lessee, plus payment of any amounts due hereunder but not yet paid, together with interest on such overdue amounts at ten percent (10%) per annum through the date of payment.

“**Renewal Term(s)**” means the automatic renewal periods of this Agreement, each having a duration of one (1) year co-terminus with Lessee’s fiscal year except that last of such periods which shall end on the anniversary of the Commencement Date. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Lease Purchase Payments shall be as provided in the attached Payment Schedule.

“**Vendor**” means the Vendor identified on page 1 of this Agreement and the manufacturers of any of the Equipment as well as the agents or dealers of the manufacturers from whom Lessor purchased or is purchasing the Equipment.

ARTICLE III: COMMENCEMENT OF LEASE TERM.

The Original Term of this Agreement shall commence on the date the Equipment is accepted by Lessee as indicated on the Certificate of Acceptance (“Commencement Date”) and shall terminate the last day of Lessee’s current fiscal year. For the duration of the Lease Term, this Agreement will be automatically renewed at the end of the Original Term and any Renewal Term unless the Lessee exercises an Early Option to Purchase under Article X or Section 5.05 applies. If Lessee fails to accept the Equipment conforming to Lessee’s purchase order within a reasonable time after its delivery (not to exceed ten (10) days,) then at the option of Lessor, the obligations of Lessor to provide Equipment to Lessee hereunder may be cancelled and in such event Lessee shall assume all of Lessor’s obligations under any purchase order or purchase agreement with the Vendor related to the Equipment in lieu of its obligation to make Lease Purchase Payments. Further, in such case, Lessee agrees to indemnify and hold Lessor harmless from any claims, including demand for payment of the purchase price of the Equipment.

ARTICLE IV: INSPECTION.

Lessor and any assignee of Lessor’s right under this Agreement shall have the right at all reasonable times and upon reasonable notice during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

ARTICLE V: LEASE PURCHASE PAYMENTS.

Section 5.01 Lease Purchase Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Lease Purchase 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 monies of Lessee.

Section 5.02 Payment of Lease Purchase Payments. Lessee shall pay Lease Purchase Payments, exclusively from legally available funds, 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 on the dates set forth in the Payment Schedule attached to this Agreement. A portion of each Lease Purchase Payment is paid as, and represents payment of, interest and principal, respectively. The Payment Schedule sets forth the interest component and principal component of each Payment during the Lease Term.

Section 5.03 Lease Purchase Payments to be Unconditional. Subject to Section 5.05, the obligation of Lessee to make payments of Lease Purchase Payments and other payments required under this Agreement shall be absolute and unconditional in all events and are intended by the parties to be “net” of personal property and sales taxes and insurance. Lessee shall make all such payments when due and shall not withhold any such payments as a result of any disputes arising between or among Lessee and Lessor, any Vendor or any other person, nor shall Lessee have the right to assert any set-off, reduction or deduction, defense, or counterclaim against its obligation to make such payments or be entitled to any abatement of such payments as a result of accident or unforeseen circumstances or any other reason.

Section 5.04 Continuation of Lease Term by Lessee. Lessee intends to renew this Agreement through all of the Renewal Terms and to pay all the Lease Purchase Payments hereunder. Lessee reasonably believes that legally available funds of an amount sufficient to make all Lease Purchase Payments during the Original Term and each Renewal Term can be obtained. Lessee further intends to do all things lawful within its power to obtain and maintain funds from which Lease Purchase Payments may be made, including making provision for such payments to the extent necessary in each bi-annual, annual, or otherwise periodic budget submitted and adopted in accordance with applicable provisions of state and local law, to have such portion of the budget approved and to exhaust all available reviews and appeals in the event such portion of the budget is not approved.

Section 5.05 Non-appropriation. In the event sufficient funds shall not be appropriated for the payment of the Lease Purchase Payments required to be paid in the next occurring Renewal Term, then Lessee may terminate this Agreement at the end of the Original Term or then current Renewal Term, and Lessee shall not be obligated to make payment of the Lease Purchase Payments provided for in this Agreement beyond the Original Term or the then current Renewal Term. Lessee agrees to deliver to Lessee notice of non-appropriation, rejection of reviews, and rejection of appeals within five (5) business days after each such event. If this Agreement is terminated under this Section 5.05, Lessee agrees, at Lessee’s cost and expense, to peaceably deliver the Equipment to Lessor at the location specified by Lessor that is a reasonable distance from the initial location of the leased Equipment.

Section 5.06 Late Payment Charge. If any Lease Purchase Payment is not made when due or within days after its due date, Lessee shall pay an additional late payment charge of 5% Of the amount of the late payment.

ARTICLE VI: TITLE TO EQUIPMENT; SECURITY INTEREST.

Section 6.01 Title to the Equipment. During the term of this Agreement, risk of loss and title to the Equipment and any and all additional, repairs, replacements or modifications shall vest in Lessee, subject to the rights of Lessor under this Agreement. In the event of default as set forth in Section 12.01 or non-appropriation as set forth in Section 5.05, title to the Equipment shall immediately vest in Lessor, and Lessee will, upon Lessor’s request, surrender possession of the Equipment to Lessor.

Section 6.02 Security Interest. To secure the payment of all Lessee’s obligations under this Agreement, Lessee grants Lessor a first priority purchase money security interest in the Equipment and on all additions, attachments, accessions and substitutions thereto, and on any proceeds there from. Lessee agrees to execute and authorize Lessor to execute and file on Lessee’s behalf, such additional documents, including a UCC-1 financing statement in the form required for filing, and such other financing statements, certificates of title, affidavits, notices and similar instruments, satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest, and upon assignment, the security interest of any assignees of Lessor, in the Equipment.

ARTICLE VII: MAINTENANCE; MODIFICATION; TAXES; AND INSURANCE.

Section 7.01 Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term, Lessee will, at Lessee’s own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and will from time to time make or cause to be made all necessary and proper repairs, replacements and modifications. If appropriate, Lessee will enter into a maintenance contract for the Equipment with Vendor or such other firm as Lessee may choose subject to the express written approval of Lessor, which approval shall not be unreasonably withheld.

Section 7.02 Taxes. Other Governmental Charges and Utility Charges. The parties to this Agreement contemplate that the Equipment will be used for governmental or proprietary purpose of Lessee and, therefore, the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event the ownership, use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes payable by Lessor) Lessee will pay, 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. If such tax is imposed directly on Lessor or its assigns, Lessee shall reimburse the person paying such tax on demand. If Lessee causes or allows events to happen that changes the interest income tax-exempt status of this Agreement, as outlined in Sections 103, 149 and 6041 on the Internal Revenue Code of 1986, as amended, or, assuming the Lessee has designated this Agreement as a “qualified tax-exempt obligation”, if the Lessee exceeds ten million dollars (\$10,000,000.00) in “qualified tax-exempt obligations”, as specified in Section 265(b)(3) (B) of the Internal Revenue Code of 1986, as amended, during the calendar year of commencement of this Agreement so that Lessee does not qualify as a “qualified small issuer” thereunder it will pay the “taxable interest rate” on this Agreement retroactive to its Commencement Date. The “taxable interest rate” is hereby defined as that rate that results in the same after tax yield to the Lessor or to its Assigns, as the tax-exempt rate on this Agreement or the highest rate permitted by law, whichever is less. In all events, Lessee shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment.

Section 7.03 Insurance. At its own expense Lessee shall cause casualty, PUBLIC LIABILITY AND PROPERTY DAMAGE insurance to be carried and maintained, or shall demonstrate to Lessor's satisfaction that adequate self-insurance is provided with respect to the Equipment, sufficient to protect the full replacement value (new) of the Equipment or the then applicable Buy-Out After Payment Amount, whichever is greater, and to protect Lessor from any liability related to the Equipment in all events. All insurance proceeds from casualty losses shall be payable as provided in Article VIII hereof. Lessee shall pay all deductibles and shall furnish to Lessor, or to its Assigns, Certificates evidencing such coverage throughout the Lease Term. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies, which cover not only the Equipment but also other properties. If Lessee shall insure similar properties by self-insurance, Lessee will insure the Equipment by means of an adequate insurance fund. All insurance shall name Lessee and Lessor as insured's, and loss payees as their respective interests may appear and shall provide for at least ten (10) days prior written notice by the underwriter or insurance company to the Lessor and its assigns in the event of cancellation or expiration.

ARTICLE VIII: DAMAGE; DESTRUCTION AND CONDEMNATION; PROCEEDS.

Section 8.01 Damage, Destruction and Condemnation. Lessee is responsible for any theft, destruction of, or damage to, the Equipment, whether insured or not ("Loss). The proceeds of any insurance claim applicable to the Equipment, after deducting all expenses (including attorney fees) incurred in the collection of such claim or reward ("Net Proceeds"), shall be applied as set forth in Section 8.02.

Section 8.02 Application of Net Proceeds. In the event of a loss to the Equipment which is not deemed to be a total loss, Lessee shall cause the repair, replacement or restoration of the Equipment and pay the cost thereof, and shall apply the net proceeds of any insurance claims on the Equipment to such cost, provided, however, that if Lessee is then in default on the payments due under this Agreement, the net proceeds shall be applied as if total destruction or damage has occurred. In the event of total destruction or damage to the Equipment, whether or not Lessee is in default, at Lessor's option, Lessee shall pay to Lessor on the Lease Purchase Payment due date next succeeding the date of such loss the amount of the Buy-Out after Payment Amount applicable to such date, plus the Lease Purchase Payment due on such date, plus any other amounts payable by Lessee hereunder, and, upon payment in full of such amounts, the Lease Term shall terminate and Lessor's security interest in the Equipment shall terminate. Lessee shall retain Net Proceeds in excess of the then applicable Buy-Out after Payment Amount, if any. Lessee agrees that if the Net Proceeds are insufficient to pay in full Lessee's obligations hereunder, Lessee shall make such payments to extent of any deficiency.

ARTICLE IX: DISCLAIMER OR WARRANTIES; VENDOR'S WARRANTIES; USE

Section 9.01 Disclaimer of warranties. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR ANY OTHER WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF THE EQUIPMENT OR ANY ITEM THEREOF OR SERVICES PROVIDED FOR IN THIS AGREEMENT, OR ANY SERVICES PROVIDED BY VENDOR. Any transfer of the Equipment to the Lessee shall be made disclaiming all express and implied warranties from Lessor and its assigns.

Section 9.02 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 and/or manufacturer of the Equipment. Lessee's sole remedy for the breach of any such warranty.

Indemnification or representation shall be against the Vendor and/or manufacturer of the Equipment. Lessee expressly acknowledges that Lessor makes, and has made no representation or warranties whatsoever as to the existence or availability or enforceability of such warranties of the Vendor or manufacturer.

Section 9.03 Use of the Equipment. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all laws of the jurisdictions in which its operations involving an item of Equipment may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items 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 Agreement. Lessee agrees that no more than 10% of the use of the Equipment in any month will be by persons or entities other than the Lessee or its employees on matters relating to such employment, and no more than 5% of the use of the Equipment in any month will be unrelated to use by or for the Lessee. Lessee further agrees that no management contracts will be entered into with respect to the use of the Equipment unless: (a) at least half of the compensation is on a periodic, fixed fee basis; (b) no compensation is based on a share of net profits; (c) the Lessee is able to terminate the contract without penalties at the end of any three years; and (d) the total term of such contract, including any renewals does not exceed five years.

ARTICLE X: EARLY OPTION TO PURCHASE.

Provided Lessee is not in default hereunder, Lessee may, upon giving Lessor not less than thirty (30) days prior written notice, elect to purchase all, but not less than all, of the Equipment at the end of each month, or Payment due date as established by the Commencement Date, for the Buy-Out After Payment Amount. Upon exercise of this early option to purchase, Lessee shall pay these amounts to Lessor or its assigns, on demand. As a condition precedent to exercising this early option to purchase, Lessee shall deliver to Lessor and its assigns a termination of any maintenance funding or disbursing obligations related to this Agreement.

ARTICLE XI: ASSIGNMENT; SUBLEASING; AND ADDITIONAL COVENANTS.

Section 11.01 Assignment by Lessor. This Agreement, and the rights to receive the payments to be made hereunder, may be assigned by Lessor and reassigned in whole or in part to one of more assignees at any time subsequent to the execution of this Agreement, without obtaining the consent of Lessee. Lessor agrees to give notice of assignment and upon receipt of such notice Lessee agrees to make all payments to the assignee designated in the notice of assignment, notwithstanding any claim, defense, set-off or counterclaim whatsoever (whether arising from a breach of this Agreement 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 that may be reasonably requested and provided by Lessor or its assignee in order to protect their interests in the Equipment and in this Agreement. The Lessor's interest in this Agreement may not be assigned or reassigned in whole or in part unless (i) the document by which such assignment is made discloses the name and address of the assignee and (ii) the Lessee receives written notification of the name and address of the assignee. The Lessee covenants and agrees with the Lessor and each subsequent assignee of Lessor to maintain for the full term of this Agreement a complete and accurate written record of each such assignment and reassignment in form necessary to comply with Section 149(e) of the Internal Revenue Code of 1986, as amended, and the regulations proposed or existing from time to time promulgated hereunder. Anything in the foregoing apparently to the contrary notwithstanding, the Lessor's interest in this Agreement may be assigned in whole or in part upon terms which provide in effect that the assignee will act as a collection and paying agent for holders of certificates of participation in this Agreement, provided the Lessee receives written notification of the name and address of such collection and paying agent, and such collection and paying agent covenants and agrees to maintain for the full remaining term of this Agreement a written record of each assignment and reassignment of such certificates of participation.

Section 11.02 No Sale, Assignment or Subleasing by Lessee. This Agreement and the interest of Lessee in the Equipment may not be sold, assigned or encumbered by Lessee without the prior written consent of Lessor.

Section 11.03 Additional Covenants. Lessee shall protect and hold harmless Lessor from and against any and all liability, claims, demands, losses and damages arising out of or as a result of the entering into of this Agreement, the ownership or use of the Equipment pursuant to this Agreement, or the obligations of Lessee under this Agreement, except such liability, claims, demands, losses and damages caused by Lessor or its assigns. Such liability, claims, demands, losses and damages shall include, without limitation, counsel fees and expenses, penalties and interest, court costs, witness deposition and investigation costs, and any other expenses incurred in defense of any such liability, claims, demands, losses and damages. This obligation of Lessee shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

ARTICLE XII: EVENTS OF DEFAULT AND REMEDIES.

Section 12.01 Events of Default Defined. The following shall constitute an "event of default" hereunder:

- A. Failure by Lessee to pay any Lease Purchase Payment or other payment required to be paid hereunder at the time specified herein; or
- B. Failure by Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed, other than for a period of thirty (30) days after written notice to Lessee, specifying such failure and requesting that it be remedied 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 is instituted by Lessee within the applicable period and diligently pursued until the default is corrected; or
- C. Breach of any material representation or warranty by Lessee under this Agreement; or

- D. Commencement by Lessee of a case or proceeding under the Federal bankruptcy laws of filing by Lessee of any petition or answer seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any existing or future bankruptcy, insolvency or other similar law or an answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding; or
 - E. A petition against Lessee in a proceeding under any existing or future bankruptcy, insolvency or other similar law shall be filed and not withdrawn or dismissed within thirty (30) days thereafter.
- Section 12.02 Remedies on Default.** Upon the occurrence of an event of default, Lessor shall have the right, at its sole option without any further demand or notice, to exercise any one or more of the following remedies:
- A. By written notice to Lessee, Lessor may declare all payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term to be due;
 - B. With or without terminating this Agreement, retake possession of the Equipment and sell, lease or sublease the Equipment with the net proceeds thereof to be applied as provided herein;
 - C. Require Lessee at Lessee's risk and expense to promptly return the Equipment in the manner and in the condition set forth in Section 13.10 hereof;
 - D. If Lessee refuses to return the Equipment for any reason, the Equipment shall be deemed a total loss and Lessee shall pay to Lessor the Buy-Out after Payment Amount;
 - E. Take whatever other action at law or in equity that may appear necessary or desirable to enforce its rights as the owner of the Equipment; and
 - F. The proceeds of such sale, lease or sublease or the Equipment pursuant to Section 12.02(B) shall be applied in the following order: 1) to all expenses of Lessor in exercising its remedies under this Agreement, including without limitation all expenses of taking possession, storing, reconditions and selling, leasing or subleasing of the Equipment and all brokerage, auctioneer's and attorney's fees 2) the applicable Buy-Out After Payment Amount 3) all unpaid Lease Purchase Payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term and 4) the balance to the Lessee unless Lessee shall so waive such payment. If the proceeds of such sale, lease or sublease shall be insufficient to pay all of items 1), 2), and 3), Lessee shall remain liable for any deficiency as to item 3), but will not remain liable for any deficiency as to items 1) and 2) in this Section F.

Section 12.03 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 Agreement or now or hereafter existing at law or in equity. 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 XIII: MISCELLANEOUS.

Section 13.01 Notices. All notices, certifications 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, or their permitted assignees, at their respective addresses.

Section 13.02 Binding Effect. Subject to the limitations on assignment, this Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03 Severability; Interest Limitations. In the event any court of competent jurisdiction shall hold any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof. Lessee will not be required to pay and Lessor will not be permitted to collect any amount in excess of the maximum amount of interest permitted by law ("Excess Interest"). If any Excess Interest is provided for or determined to have been provided for under this Agreement, then: (A) this subsection shall govern and control; (B) Lessee will not be obligated to pay any Excess Interest; (C) any Excess Interest that Lessor may have received hereunder shall be, at Lessor's option (1) applied as a credit against the outstanding lease payment obligations (not to exceed the maximum amount permitted by law), (2) refunded to Lessee, or (3) any combination of the foregoing; (D) any interest rate(s) provided for herein shall be automatically reduced to the maximum lawful rate allowed under applicable law, and this Agreement shall be deemed to have been, and shall be, reformed and modified to reflect such reduction; and (E) Lessee will not have any action against Lessor for any damages arising out of the payment or collection of any Excess Interest.

Section 13.04 Advances. In the event Lessee fails to pay any amounts due hereunder or to perform any of its obligations under this Agreement, Lessor may at its option pay such amounts or perform such obligation, and Lessee shall reimburse Lessor the amount of such payment or cost of performance upon demand, together with interest at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is less.

Section 13.05 Execution in Counterparts. This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument. The counterpart bearing Lessor's signature shall constitute the sole chattel paper original of this Agreement.

Section 13.06 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of the Lessee.

Section 13.07 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 13.08 Entire Agreement. This Agreement, together with any Amendments or Addendums including (i) the Detailed Equipment Description annexed hereto, (ii) the Acceptance Certificate executed by Lessee, (iii) the Payment Schedule annexed hereto, (iv) the Incumbency Certificate of Lessee, (v) any documents evidencing Lessor's security interest under the Uniform Commercial Code, and (vi) the Opinion of Lessee's legal Counsel, constitute the entire agreement between Lessor and Lessee and may not be amended, altered or modified except by written instrument signed by Lessor and Lessee. The execution of such writing by Lessor's assignee shall be sufficient for such purposes if Lessor has assigned this Agreement. There are no understandings, agreements, representations or warranties, express or implied, not specified herein regarding this Agreement or the Equipment leased hereunder. Any terms and conditions of any purchase order or other document (with the exception of Supplements) submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply.

Section 13.09 Finance Lease. The parties intend that the Lessor shall have all benefits of a lessor under a finance lease under the uniform commercial code. Lessor did not select, manufacture, or supply the leased property and only acquired it (or the right to use such lease property) in connection with this Agreement. Lessee waives any and all rights and remedies Lessee may have under the UCC 2A-508 through 2A-522, including any right to: (a) revoke acceptance of the Equipment; (b) recover damages for any breach of warranty; and (c) make deductions or set-offs, for any reason, from amounts due Lessor or its assigns under this Agreement. If any part of this Agreement is inconsistent with UCC 2A, the terms of this Agreement will govern.

Section 13.10 Return of Equipment. Upon termination of the Agreement for any reason (except purchase by the Lessee), at the option of Lessor, (i) at its sole cost and expense, Lessee will immediately return the Equipment to Lessor in accordance with the provisions of this section, or (ii) Lessor shall transfer ownership of the Equipment to Lessee. If shipped, the Equipment shall be packed in accordance with the Vendor's specifications and returned to Lessor at the location specified by Lessor in the Continental United States reasonably close to where it was originally delivered, in the same condition as when accepted, ordinary wear and tear excepted. Such shipment shall be f.o.b. destination. Lessee shall bear all costs associated with such packing and shipping and the risk of loss shall not pass to Lessor until the Equipment has been received by it.

INSURANCE COVERAGE REQUIREMENTS

In accordance with this Agreement either:

1. We have instructed the following insurance agent: _____ (Insert name, address, and telephone number) to issue to you:
 - a. All risk physical damage insurance on the leased Equipment properly reflected by an Evidence of Insurance and Long Form Loss Putable Clause (Acord Form 27 or its equivalent) naming Lessor designated above and/or its Assigns as an additional insured and loss payee, and
 - b. Public Liability insurance reflected by an Evidence of Insurance (Acord Form 27 or its equivalent) naming Lessor and/or its assigns as an additional insured and loss payee; or
2. We are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form together with a copy of the statute authorizing this form of insurance.

Proof of insurance coverage will be provided to you prior to the time that the Equipment is delivered to us.

CUSTOMER

Date: _____ **By:** Jeff Lynn – Chief (Authorized Official)

ESSENTIAL USE/SOURCE OF FUNDS LETTER

Ladies/Gentleman:

This confirms and affirms that the Equipment described in this Agreement is essential to the function of the undersigned or to the service we provide to our citizens. Further, we have an immediate need for, and expect to make immediate use of, substantially all such Equipment which need is not temporary or expected to diminish in the foreseeable future. Such Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, such Equipment was selected by us to be used as follows: _____ Patrol

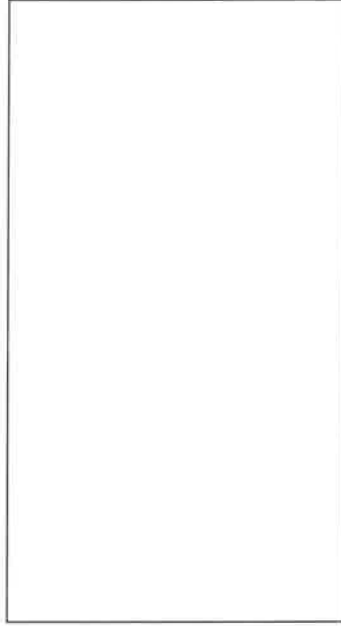
The estimated useful life of such Equipment based upon manufacturer's representations and our projected needs is for at least six years. Our source of funds for payments of the rent due under the Agreement for the current fiscal year is: Current/proposed budget. We expect and anticipate adequate funds to be available for all future Lease Purchase Payments due after the current fiscal year for the following reasons: _____ Budgeted Item

CUSTOMER

Date: _____ **By:** Jeff Lynn – Chief (Authorized Official)

<p>ACCEPTED BY: LESSOR: Auto Leasing Specialist LLC</p> <p>By: _____ Name: Edward L Anderson Title: Owner</p>	<p>Lessee acknowledges reading and receiving a copy of this Agreement. The undersigned affirms that she/he has been duly authorized to execute this Agreement on behalf of the above-named Lessee. Depending on the jurisdiction, this may be the highest elected official. LESSEE: City of Sweet Home, OR</p> <p>Signature: _____ Name: <u>Jeff Lynn</u> Title: <u>Chief</u> Date: _____ Attested By: _____ Name and Title of Attestee: _____</p>
--	---

SEAL/NOTARY



AUTO LEASING SPECIALISTS, LLC
402-315-3792
Municipal Lease Program

Number: 2779
Lessee: City of Sweet Home, OR
Vendor: See Exhibit B
Equipment: One (1) 2017 Ford Interceptor as more thoroughly described in Exhibit A to this Agreement.

* If an early buy-out is desired, please contact Auto Leasing Specialists, LLC at 402-315-3792

Accepted by: _____

Printed Name: Jeff Lynn

Title: Chief

Date Accepted: _____

Payment Schedule

Payment #	Date	Payment	Interest	Principal
1	8/21/2017	\$13,496.00	0.00	\$13,496.00
2	8/21/2018	\$13,496.00	\$1,819.05	\$11,676.95
3	8/21/2019	\$13,496.00	\$942.43	\$12,553.57

ACCEPTANCE CERTIFICATE

Madam/Sir:

In accordance with the terms of the **Municipal Lease and Option Agreement No. 2779 Dated July 24, 2017**, (“Agreement”) between Auto Leasing Specialists, LLC (“Lessor”), and the undersigned (“Lessee”), Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

1. The Equipment, as such term is defined in the Agreement, is new and has been delivered and installed at the Equipment Location specified in the Agreement and accepted on the date indicated below.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. On the date of acceptance Lessee has no reason to believe that Lessor is in default under the Agreement in any material respect as to any term of the Agreement.

***General Equipment Description:**

One (1) 2017 Ford Interceptor SUV, 1FM5K8AR7HGD26548

These vehicles are more thoroughly described in Exhibit A to this Agreement.

***LESSEE: City of Sweet Home, OR**

Signature: _____
(Actual User of Equipment at Equipment location)

Title: _____

Attested by: _____
(Vendor Witness)

Title: _____
(Vendor Witness Title)

ACTUAL EQUIPMENT ACCEPTANCE DATE: _____

**INCUMBENCY CERTIFICATE
MUNICIPAL LEASE AND OPTION AGREEMENT NO. 2779
AUTO LEASING SPECIALISTS, LLC ("LESSOR")
CITY OF SWEET HOME, OR ("LESSEE")
DATED: July 24, 2017**

I, Penny Leland, City Secretary/Clerk

for the City of Sweet Home, OR, hereby certify that:

[Redacted Signature Line]

Signature of Authorized Signer

Jeff Lynn

Chief

of the City of Sweet Home, OR, has been, is, and, until further notice, continues to be duly authorized to execute any and all documents related to the Municipal Lease and Option Agreement No. 2779, for Equipment described therein and that the signature shown is his or her signature.

LESSEE: City of Sweet Home, OR

Signature: [Redacted Signature Line] **Date:** [Redacted Date Line]

Printed: Penny Leland Title: City Secretary/Clerk

MINUTES

Please replace this page with a **certified copy** of the **resolution** or **minutes** of the Lessee approving this transaction and indicate on the minutes where the vehicle was approved by the council.

THIS IS A SAMPLE OF THE INFORMATION REQUIRED ON YOUR PURCHASE ORDER AND IS NOT TO BE USE AS AN ACTUAL DOCUMENT. PLEASE PUT ON YOUR LETTERHEAD.

PURCHASE ORDER

DATE: July 24, 2017 PURCHASE ORDER NO. _____

AGENCY ISSUING PURCHASE ORDER:

CUSTOMER
ADDRESS
CITY STATE ZIP
PHONE

TO: See Exhibit B

SHIP

TO: CUSTOMER
ADDRESS
CITY STATE ZIP
Attn:

QUANTITY RECEIVED	QUANTITY ORDERED	DESCRIPTION	TOTAL PRICE
1	1	Lease No. 2779 Equipment Description: One (1) 2017 Ford Interceptor SUV Serial No.: 1FM5K8AR7HGD26548 Vehicle description more thoroughly described in Exhibit "A" to the Agreement.	Lessee shall make <u>3</u> payments consisting of \$ <u>13,496.00</u> with 1 advance payment due upon acceptance of equipment, and the balance in <u>2</u> Annual payments in the amount of \$ <u>13,496.00</u> each

APPROVING SIGNATURE

 (Director of Purchasing)

 (Authorized Personnel)

NEED SPECIAL BILLING INSTRUCTIONS

Auto Leasing Specialists, LLC
17526 O Street
Omaha, NE 68135
Phone: (402) 315-3792 Fax: (800) 918-5689

TO: Accounts Payable
City of Sweet Home, OR
1140 12th Ave.
Sweet Home, OR 97386

INVOICE FOR PAYMENT

Date of Invoice: July 24, 2017

Lease Number: 2779

Purchase Order Number:

Equipment Description: One (1) 2017 Ford Interceptor SUV as more thoroughly described in Exhibit A to this Agreement.

Amount Due: \$13,846.00 (\$13,496.00 First Payment + \$350.00 Documentation Fee)

Make check for \$13,496.00 payable to Farmers State Bank
Make check for \$350.00 payable to Auto Leasing Specialists, LLC

When Payment is Due: UPON ACCEPTANCE OF EQUIPMENT

Send Original Documents and Checks to:

Auto Leasing Specialists LLC
17526 O Street
Omaha, NE 68135

Should you have any questions regarding this invoice, please call us at (402) 315-3792.

MUNICIPAL CERTIFICATE

Municipal Lease and Options Agreement, Agreement Number 2779
Auto Leasing Specialists, LLC (“OWNER”)
City of Sweet Home, OR (“LESSEE”)
Dated: July 24, 2017

I, the undersigned, the duly appointed, qualifying and acting Clerk or Secretary of the aforementioned Lessee, do hereby certify:

1. Lessee did at a regular or special meeting of the governing body of the Lessee held on _____, 2017 by motion duly made seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Municipal Rental Lease Agreement (the “Agreement”) on its behalf by the following named representative of the Lessee:

(OFFICIAL WHO WILL SIGN THE AGREEMENT)

Jeff Lynn
(Printed Name)

Chief
(Official Title)

(Signature)

2. A true, correct and complete copy of the minutes of the governing body is attached hereto.
3. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.
4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default (as such term is defined in the Agreement) exists at the date hereof.
5. All insurance required by the Agreement is currently maintained by the Lessee.
6. Lessee has in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the Original Term and to meet its other obligations for the Original Term (as such terms are defined in the Agreement) and such funds have not been expended for other purposes.

IN WITNESS WHEREOF, I hereunto set my hand and the seal of the governing body of the Lessee the day and year above written.

(Clerk’s or Secretary’s signature)

Penny Leland-City Secretary/Clerk
(Printed name and title)

Date

SEAL/NOTARY



Note: This letter should be retyped on the letterhead of the Attorney

Opinion of Counsel

Auto Leasing Specialists, LLC
4785 Portland Road, NE
Salem, Oregon 97305

Dear Sir or Madam:

I have acted as counsel to the City of Sweet Home, OR (the "Lessee") with respect to the Municipal Lease and Option Agreement #2779 dated July 24, 2017 (the "Agreement"), by and between Auto Leasing Specialists, LLC (the "Lessor") and the Lessee for the lease of certain equipment specified therein. After review of the Agreement and appropriate public documents of the Lessee, I am of the opinion that:

1. The Lessee is an existing and validly constituted political subdivision of the State of OR (the "State"), invested with the power to levy taxes, to appropriate tax revenues for payment of lease obligations, and to exercise police powers, or the Lessee is an agency of the State invested by the governing authority of the State with the power to spend tax revenues of the State for the purposes set forth in the Agreement.
2. The Agreement has been duly authorized, executed and delivered by the Lessee in accordance with all substantive and procedural statutes of the State and ordinances of the Lessee.
3. Jeff Lynn, as Chief of the Lessee, has been invested by the governing authority of the Lessee with the authority and approval to execute the Agreement.
4. To the Best of my knowledge, at this time there is no proceeding pending or threatened in any court or before any government authority or arbitration board or tribunal the outcome of which could adversely affect the transactions set forth in the Agreement or the security interest of the Lessor or its assigns, as the case may be, in the Equipment.

Counsel for the Lessee

Please contact (402)-315-3792 with any questions or concerns. All documents should be sent to **Auto Leasing Specialists, LLC, 17526 O Street, Omaha, NE 68135.**

CERTIFICATE OF INSURANCE

Please replace this page with the Lessee's Certificate of Insurance concerning the equipment that is the subject of this transaction.

Please list as the Certificate Holder, Loss Payee and Additional Insured on the certificate:

**First State Bank
112 W. Polk Street
Livingston, TX 77351**

The **Loss Payee** and **Additional Insured** should be listed in the description box along with the vehicle description, VIN/s (One (1) 2017 Ford Interceptor SUV, 1FM5K8AR7HGD26548) and deductibles.

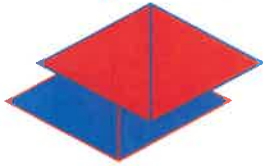
**Please replace this page with the Lessee's
Financial Statements.**

1. 2 Year Audited Financials (2015 + 2016)

Please send both Income and Expenses

If your financials are listed on a website
you can send us the web address in
place of the paperwork.

2. Adopted Budget (2017)



Auto Leasing Specialists, LLC

Cell: 719-439-8907
Office: 503-485-0990
Fax: 800-918-3761

Ed Anderson, President
4785 Portland Road NE
Salem, OR 97305

Email: ed@govleasing.com
Email: ed@autoadditions.com
Email: Shannon@govleasing.com

Ship all documents to: Auto Leasing Specialists, LLC, 17526 O Street, Omaha, NE 68135

Date: July 24, 2017

Lease Number: 2779

Dear Chief Lynn:

NOTICE OF ASSIGNMENT

Re: Tax-Exempt Lease Purchase Agreement dated July 24, 2017 between Auto Leasing Specialists, LLC. and the City of Sweet Home, OR.

Please be advised that Auto Leasing Specialists, LLC. has assigned all of his rights, title and interest in, to and under the above-referenced agreement, the equipment purchased thereunder, and the right to receive payments to **First State Bank**.

All payments due under the Agreement, beginning with the **first** payment, should be made to the Assignee at the following address:

**First State Bank
112 W. Polk Street
Livingston, TX 77351**

Please acknowledge the Assignment and your agreement to make payments due under the Agreement to the Assignee by the signature of a duly authorized officer in the space provided on the bottom of this letter and return it to the address shown above.

Sincerely,

Edward L Anderson
Owner

ACKNOWLEDGED

Signature: _____
Jeff Lynn

Title: Chief _____

Date: _____

“EXHIBIT A”

**DETAILED EQUIPMENT DESCRIPTION AMENDMENT
MUNICIPAL VEHICLE LEASE AND OPTION AGREEMENT NO. 2779
AUTO LEASING SPECIALISTS, LLC (“LESSOR”)
CITY OF SWEET HOME, OR (“LESSEE”)**

The parties to the Agreement identified above have agreed to the following additions, deletions and/or modifications. To the extent that the provisions of this Amendment conflict with, modify, or supplement the terms of the Agreement, the provisions contained in this Amendment shall prevail and control. The other terms and provisions of the Agreement shall continue to be affective. This Amendment shall be a part of the Agreement and is hereby incorporated therein.

The description of the Equipment in the Agreement is amended and restated to include the following specifically described equipment for one (1) 2017 Ford Interceptor, 1FM5K8AR7HGD26548 :

Item	Description	Qty
Misc	2017 FORD EXPLORER	1
Ch27.1.7	2017 Ford SUV PI, Non-Ecco Boost. K&A, UX, 9, W, 500A, 99R, 44C, 422, 43L, 51Y, 66A & 942.	1
MPFISUVGB	POWER DISTRIBUTION: 911 Circuits power distribution panel. 27 circuits, single stage timer, 7 foot. SPECIFY MOUNTING BRACKET 911 Circuits mounting bracket for the Ford Utility SUV. Mounts in glove box.	1
KBLB Liberty 2 #1	FORWARD FACING LIGHTS Whelen Liberty II light bar. 50" or 55" bar with small 3 LED takedown and single color	1
MBFX11JJ	Whelen LED mirror beams for the 2013+ Ford Interceptor Utility. R/B-R/B	1
IONR	REAR FACING LIGHTS	2
IONB	Whelen ION Series Super-LED Light Red	2
IONGROM	Whelen ION Series Super-LED Light Blue Whelen ION series light head flush mount grommet kit.	2
LARNMOKHFU...	ANTENNAS Larsen high frequency coax. RG58/U Dual Shield cable. 25 foot length. No connector.	1
3SC0CDCR	CARGO AREA Whelen 3" white LED dome light.	1

“EXHIBIT A”

**DETAILED EQUIPMENT DESCRIPTION AMENDMENT
MUNICIPAL VEHICLE LEASE AND OPTION AGREEMENT NO. 2779
AUTO LEASING SPECIALISTS, LLC (“LESSOR”)
CITY OF SWEET HOME, OR (“LESEE”)**

Item	Description	Qty
6402	Round rocker switch. Non-lighted.	1
3SC0CDCR	PRISONER AREA	1
FE4502RB	Whelen 3" white LED dome light.	1
475-0304	Laguna rear prisoner seat/partition with the Ready Buckle system Patriot Products Space Creator Partition for the 2013+ Ford Interceptor SUV.	1
475-0789	High Security/ High Visibility window option Patriot lower extension panels for Space Creator cage for the Ford Interceptor SUV.	1
475-0309	Patriot Products window bars for the 2013+ Ford Interceptor SUV .	1
475-0850	WEAPON MOUNT Patriot Products Dual Weapon Vertical Mount with handcuff style locks. New style mount with independently adjustable locks.	1
425-6478	OFFICER AREA Jotto Desk Ford Police Interceptor Utility (2016+) Police Equipment Console - Contour	1
425-3704	Jotto Desk ABS Dual Cup Holder Faceplate Mount	1
425-5071	Jotto Desk 3 outlet cig power box.	1
425-6411	Jotto Desk arm rest. Adjustable from 11" to 14.5". Gusset design for strength.	1
295SLSA6	Whelen full feature siren and lighting controller. Includes 1- 3 position slide switch and 6 programmable push buttons, park kill input, back lighting input, horn ring feature and selectable siren tones.	1
WPKM1	Whelen park kill module.	1

“EXHIBIT A”

**DETAILED EQUIPMENT DESCRIPTION AMENDMENT
MUNICIPAL VEHICLE LEASE AND OPTION AGREEMENT NO. 2779
AUTO LEASING SPECIALISTS, LLC (“LESSOR”)
CITY OF SWEET HOME, OR (“LESSEE”)**

Item	Description	Qty
Shop Supplies Freight out Labor	Shop supplies to complete job. Includes zip ties, connectors, loom, etc. Freight to customer. Labor required to complete the build of a vehicle	1 1 36

LESSOR: Auto Leasing Specialists, LLC

By: _____ Date: _____
Edward L Anderson - Owner

LESSEE: City of Talent, OR

By: _____ Date: _____
Authorized Signature
Printed Name: Jeff Lynn Title: Chief

“EXHIBIT B”

**DETAILED EQUIPMENT DESCRIPTION AMENDMENT
MUNICIPAL VEHICLE RENTAL AGREEMENT NO. 2779
AUTO LEASING SPECIALISTS, LLC (“OWNER”)
CITY OF SWEET HOME, OR (“LESEE”)**

The parties to the Agreement identified above have agreed to the following additions, deletions and/or modifications. To the extent that the provisions of this Amendment conflict with, modify, or supplement the terms of the Agreement, the provisions contained in this Amendment shall prevail and control. The other terms and provisions of the Agreement shall continue to be affective. This Amendment shall be a part of the Agreement and is hereby incorporated therein.

One (1) 2017 Ford Interceptor, 1FM5K8AR7HGD26548 :

1. Gresham Ford (Vehicle)
1999 E. Powell Blvd
Gresham, OR 97060
2. Wire Works, Inc (Equipment)
4775 Portland Rd. NE
Salem, OR 97305

OWNER: Auto Leasing Specialists, LLC

By: _____ Date: _____
Edward L. Anderson, President

**RENTER: City of Sweet Home, OR
(for): Sweet Home Police Department**

By: _____ Date: _____
Authorized Signature

Printed Name: Jeff Lynn Title: Chief of Police

Lease No.: 2779
Lessee: City of Sweet Home, OR

**LESSEE'S INSTRUCTIONS
Required For Municipal Lease and Option Transactions**

In order to complete the Lease transaction described above, the Lessee must complete, sign, and return each of the documents identified (marked or highlighted) and must attach each of the documents identified as documents to be provided by Lessee. Lessee must INITIAL ANY CHANGE, ADDITION, OR DELETION in any of the documents. Documents not marked are not required for this transaction.

DOCUMENTS PROVIDED BY LESSOR (MARKED WITH A X OR THAT HAVE BEEN HIGHLIGHTED) THAT MUST BE COMPLETED, SIGNED, AND RETURNED BY LESSEE:

- o MUNICIPAL LEASE AND OPTION AGREEMENT: Needs to be signed by duly authorized employee of Lessee and MUST be attested to by Lessee's Clerk, Board Secretary or similar function with appropriate seal applied, or may be notarized.
- o PAYMENT SCHEDULE: This is a schedule of payments due dates and amounts. PLEASE SIGN.
- o EXHIBIT "A" and EXHIBIT "B": This shows a detailed list of the equipment being purchased.
- o ACCEPTANCE CERTIFICATE: To be signed by highest ranking official at Equipment location and attested to by the person signing the Agreement for Lessee. Date when Equipment is accepted must be inserted by Lessee.
- o INCUMBENCY CERTIFICATE: Certificate identifying the person signing the Agreement for Lessee and verifying that person's authority to be the signer of Agreement and any other documents to be executed in connection therewith.
- o DEPARTMENT OF TREASURY: IRS Form 8038-GC or IRS Form 8038-G is required to qualify this Agreement as a tax-exempt transaction. Requires Federal ID (9 digit number with NO LETTERS). This is not a Tax Exempt number.
- o UCC-1: Filed with Secretary of State of Lessee's state and perfects Lessor's security interest in the Equipment.

DOCUMENTS THAT MUST BE PROVIDED BY LESSEE:

- o MINUTES: Shows the necessary approval from (City, State, County, Tribal Council, Etc.) of the transaction and to encumber funds.
- o PURCHASE ORDER: Issued by Lessor. (Sample Purchase Order enclosed) MUST be written by Lessee, specifying total term of the Agreement (e.g., such as 36 months at \$126.00).
- o ADVANCE PAYMENT: Invoice enclosed. Please forward, please make payable to Lessor.
- o MUNICIPAL CERTIFICATE WITH INSTRUCTIONS: Verifies the decision and authority to enter into this Agreement. Please be sure that the person signing the Municipal Lease and Option Agreement also signs ONLY in section 1 of the Certificate and NOT at the bottom. (PLEASE ENCLOSE A COPY OF MINUTES APPROVING AGREEMENT.)
- o LEGAL OPINION: Simplified Opinion of Counsel. Retype onto the letterhead stationery of the Lessee's attorney. Have the attorney sign and date.
- o INSURANCE CERTIFICATE: Per Sec. 7.03 of the Agreement, please provide Certificate of Insurance, or letter evidencing self-insurance, naming **BANK HOLDING LOAN** as ADDITIONAL INSURED AND LOSS PAYEE.
- o FINANCIAL STATEMENTS: Per Art. I(D) of Agreement, please provide last two (2) years of Balance Sheets and Profit & Loss Sheets
- o Notice of Assignment

Upon execution of these documents, please make copies for your records and forward all of the ORIGINALS to:
Auto Leasing Specialists, LLC

Attn: Shannon Schomberg, 17526 O Street, Omaha, NE 68135

**Information Return for Small Tax-Exempt
 Governmental Bond Issues, Leases, and Installment Sales**

OMB No. 1545-0720

▶ **Under Internal Revenue Code section 149(e)**

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>
1 Issuer's name	2 Issuer's employer identification number (EIN)	
3 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
4 City, town, or post office, state, and ZIP code	5 Report number (For IRS Use Only)	
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information	7 Telephone number of officer or legal representative	

Part II Description of Obligations Check one: a single issue <input type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	8a
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box <input type="checkbox"/>	
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) <input type="checkbox"/>	
12 Vendor's or bank's name:	
13 Vendor's or bank's employer identification number:	

Signature and Consent Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

▶ Signature of issuer's authorized representative	Date	▶ Type or print name and title
---	------	--------------------------------

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at www.irs.gov/form8038. Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue.

Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues.

For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to

multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is any obligation including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Return" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the

street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Note. The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2010 for a single issue issued on March 15, 2010), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2010, enter 01/01/2010).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Do not complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

Note. If the issuer authorizes in line 6 the IRS to communicate with a person other than an officer or other employee of the issuer, (such authorization shall include contact both in writing regardless of the address entered in lines 3 and 4, and by telephone) by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

- Learning about the law or the form** 4 hr., 46 min.
- Preparing the form** 2 hr., 22 min.
- Copying, assembling, and sending the form to the IRS** . 2 hr., 34 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where To File*.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE OF ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION [if applicable]: LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. See Instruction Debtor(s)

8. OPTIONAL FILER REFERENCE DATA

Instructions for National UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read all Instructions, especially Instruction 1; correct Debtor name is crucial. **Follow Instructions completely.** Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. Filing office cannot give legal advice.

Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use.

When properly completed, send Filing Office Copy, with required \$10.00 fee to Secretary of State Corporation Division/UCC Section 255 Capitol St. NE, Ste. 151 Salem, Oregon 97310. **Rejected filings are subject to the non-refundable processing fee.**

If you need to use attachments, you are encouraged to use either Addendum (Form UCC1 Ad) or Additional Party (Form UCC1AP).

A. To assist filing offices that might wish to communicate with filer, filer may provide information in item A. This item is optional.

B. Complete item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor name:** Enter only one Debtor name in item 1, an organization's name (1a) or an individual's name (1b). Enter Debtor's exact full legal name. Don't abbreviate.
- 1a. **Organization Debtor.** "Organization" means an entity having a legal identity separate from its owner. A partnership is an organization; a sole proprietorship is not an organization, even if it does business under a trade name. If Debtor is a partnership, enter exact full legal name of partnership; you need not enter names of partners as additional Debtors. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed charter documents to determine Debtor's correct name, organization type, and jurisdiction of organization.
- 1b. **Individual Debtor.** "Individual" means a natural person; this includes a sole proprietorship, whether or not operating under a trade name. Don't use prefixes (Mr., Mrs., Ms.). Use suffix box only for titles of lineage (Jr., Sr., III) and not for other suffixes or titles (e.g., M.D.). Use married woman's personal name (Mary Smith, not Mrs. John Smith). Enter individual Debtor's family name (surname) in Last Name box, first given name in First Name box, and all additional given names in Middle Name box.
For both organization and individual Debtors: Don't use Debtor's trade name, DBA, AKA, FKA, Division name, etc. in place of or combined with Debtor's legal name; you may add such other names as additional Debtors if you wish (but this is neither required nor recommended).
- 1c. An address is always required for the Debtor named in 1 a or 1b.
- 1d,2d Reserved for Financing Statements to be filed in North or South Dakota only. If this Financing Statement is to be filed in North Dakota or South Dakota, the Debtor's taxpayer identification number (tax ID#) – social security number or employer identification number must be placed in this box.
- 1e,f,g. Additional information reorganization Debtor' is always required. Type of organization and jurisdiction of organization as well as Debtor's exact legal name can be determined from Debtor's current filed charter document. Organizational ID #, if any, is assigned by the agency where the charter document was filed; this is different from tax ID #; this should be entered preceded by the 2-character U.S. Postal identification of state of organization if one of the United States (e.g., CA12345, for a California corporation whose organizational ID # is 12345); if agency does not assign organizational ID #, check box in item 1g indicating "none."
2. If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. To include further additional Debtors, attach either Addendum (Form UCC1 Ad) or other Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.
3. Enter information for Secured Party or Total Assignee, determined and formatted per Instruction 1. To include further additional Secured Parties, attach either Addendum (Form UCC1 Ad) or other Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names. If there has been a total assignment of the Secured Party's interest prior to filing this form, you may either (1) enter Assignor S/P's name and address in item 3 and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Total Assignee's name and address in item 3 and, if you wish, also attaching Addendum (Form UCC1Ad) giving Assignor S/P's name and address in item 12.
4. Use item 4 to indicate the collateral covered by this Financing Statement. If space in item 4 is insufficient, put the entire collateral description or continuation of the collateral description on either Addendum (Form UCC1 Ad) another attached additional page(s).
5. If filer desires (at filer's option) to use titles of lessee and lessor, or consignee and consignor, or seller and buyer (in the case of accounts or chattel paper), or bailee and bailor instead of Debtor and Secured Party, check the appropriate box in item 5. If this is an agricultural lien (as defined in applicable Commercial Code) filing or is otherwise not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 5, complete items 1-7 as applicable and attach any other items required under other law.
6. If this Financing Statement is filed as a fixture filing or if the collateral consists of timber to be cut or as-extracted collateral, complete items 1-5, check the box in item 6, and complete the required information (items 13,14 and/or 15) on Addendum (Form UCC1Ad).
7. Search request option on this form is not available in Oregon.
8. This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information (e.g., Secured Party's loan number, law firm file number, Debtor's name or other identification, state in which form is being filed, etc.) that filer may find useful.

Note: If Debtor is a trust or a trustee acting with respect to property held in trust, enter Debtor's name in item 1 and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a decedent's estate, enter name of deceased individual in item 1b and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a transmitting utility or this Financing Statement is filed in connection with a Public-Finance Transaction as defined in applicable Commercial Code, attach Addendum (Form UCC1 Ad) and check appropriate box in item 18.

ORDINANCE NO. 8 FOR 2017

ORDINANCE NO. 1262

AN ORDINANCE GRANTING A NON-EXCLUSIVE GAS UTILITY FRANCHISE TO NORTHWEST NATURAL GAS COMPANY, FIXING TERMS, CONDITIONS AND COMPENSATION OF SUCH FRANCHISE; AND REPEALING SWEET HOME ORDINANCE NO.1145.

The City of Sweet Home does ordain as follows:

Section 1: Definitions and Explanations.

- (1) As used in this ordinance.
 - (a) “Bridge” includes a structure erected within the City to facilitate the crossing of a river, stream, ditch, ravine or other place, but does not include a culvert.
 - (b) “City” means the City of Sweet Home and the area within its boundaries, including its boundaries as extended in the future.
 - (c) “Council” means the legislative body of the City.
 - (d) “Day” means calendar day, not working (Monday – Friday) Day.
 - (e) “Grantee” means the corporation referred to in Section 2 of this ordinance.
 - (f) “Gas Mains” includes all gas transmission and distribution facilities and services located on or under any Street, Bridge or Public Place within the City.
 - (g) “Gross Revenue” means revenues received from the use of the gas utility system within the City limits less related net uncollectibles. Gross Revenue shall include revenues from the use, rental or lease of the gas utility system, except when those revenues have been paid to Grantee by another franchisee of the City and the paid revenues are used in the calculation of the franchise fee for the operations of the other franchisee within the City limits. Gross Revenue shall not include proceeds from the sale of bonds, mortgage, or other evidence of indebtedness, securities or stocks, or sales at wholesale by Grantee to any public utility or public agency when the public utility or public agency is not the ultimate customer. Gross Revenues also shall not include public purpose charges, provided that such

charges or surcharges are required or authorized by federal or state statute, administrative rule, or by tariff approved by the OPUC and raised revenue is used solely for a public purpose and not to compensate Grantee for the sale or use of natural gas or for the use, rental, or lease of Grantee's utility system within the City. Gross Revenue also shall not include revenues derived from the sale or transportation of gas supplied under an interruptible tariff schedule or revenues paid directly by the United States of America or any of its agencies.

- (h) "Person" includes an individual, corporation, association, firm, partnership and joint stock company.
 - (i) "Public Place" includes any city-owned park, place or grounds within the City that is open to the public but does not include a Street or Bridge.
 - (j) "Street" includes a street, alley, avenue, road, boulevard, thoroughfare or public highway within the City, but does not include a Bridge.
- (2) As used in this ordinance, the singular number may include the plural and the plural number may include the singular.
 - (3) Unless otherwise specified in this ordinance, any action authorized or required to be taken by the City may be taken by the Council or by an official or agent designated by the Council.

Section 2: Rights Granted.

Subject to the conditions and reservations contained in this ordinance, the City hereby grants to NORTHWEST NATURAL GAS COMPANY, a corporation, the right, privilege and franchise to:

- (1) Construct, maintain and operate a gas utility system within the City.
- (2) Install, maintain and operate on and under the Streets and Bridges and Public Places of the City, facilities for the transmission and distribution of gas to the City and its inhabitants and to other customers and territory beyond the limits of the City; and
- (3) Transmit, distribute and sell gas.

Section 3: Use of Bridges and Public Places by Grantee.

- (1) Before the Grantee may use or occupy any Bridge or Public Place, the Grantee shall first obtain a permit from the City to do so and shall comply with any special conditions the City requires on such use or occupation.
- (2) The compensation paid by the Grantee for this franchise includes compensation for the use of Bridges and Public Places located within the City as authorized.

Section 4: Duration.

This franchise is granted for a period of ten (10) years from and after the effective date of this ordinance.

Section 5: Franchise Not Exclusive.

This franchise is not exclusive, and shall not be construed as a limitation on the City in:

- (1) Granting rights, privileges and authority to other persons similar to or different from those granted by this ordinance.
- (2) Constructing, installing, maintaining or operating any City-owned public utility.

Section 6: Public Works and Improvements Not Affected by Franchise.

The City reserves the right to:

- (1) Construct, install, maintain and operate any public improvement, work or facility.
- (2) Do any work that the City may find desirable on, over or under any Street, Bridge or Public Place.
- (3) Vacate, alter or close any Street, Bridge or Public Place.
- (4) Whenever the City shall excavate or perform any work in any of the present and future Streets, alleys and Public Places of the City, or shall contract, or issue permits, for such excavation or work where such excavation or work may disturb Grantee's Gas Mains, pipes and appurtenances, the City shall, in writing, notify Grantee sufficiently in advance of such contemplated excavation or work to enable Grantee to take such measures as may be deemed necessary to protect such Gas Mains, pipes and appurtenances from damage

and possible inconvenience or injury to the public. In any such case, the Grantee, upon request, shall furnish maps, drawings or field utility locate markings to the City or contractor, as the case may be, showing the approximate location of all its structures in the area involved in such proposed excavation or other work.

- (5) Whenever the City shall vacate any Street or Public Place for the convenience or benefit of any Person or governmental agency and instrumentality other than the City, Grantee's rights shall be preserved as to any of its facilities then existing in such Street or Public Place.

Section 7: Continuous Service.

The Grantee shall maintain and operate an adequate system for the distribution of gas in the City. The Grantee shall use due diligence to maintain continuous and uninterrupted 24-hour a day service which shall at all times conform at least to the standards common in the business and to the standards adopted by state authorities and to standards of the City which are not in conflict with those adopted by the state authorities. Under no circumstances shall the Grantee be liable for an interruption or failure of service caused by act of God, unavoidable accident or other circumstances beyond the control of the Grantee through no fault of its own.

Section 8: Safety Standards and Work Specifications.

- (1) The facilities of the Grantee shall at all times be maintained in a safe, substantial and workmanlike manner.
- (2) For the purpose of carrying out the provisions of this section, the City may provide such specifications relating thereto as may be necessary or convenient for public safety or the orderly development of the City. The City may amend and add to such specification from time to time.

Section 9: Control of Construction.

The Grantee shall file with the City maps showing the location of any existing, new construction, extension or relocation of its Gas Mains in the Streets of the City and shall obtain from the City approval of the location and plans prior to commencement of the work. The City shall require the Grantee to obtain a permit before commencing the construction, extension or relocation of any of its Gas Mains and service lines. Permit applications must be filed ten (10) working days in advance of the commencement of the work.

Section 10: Street Excavation and Restorations.

- (1) Subject to provisions of this ordinance, the Grantee may make necessary excavations for the purpose of constructing, installing, maintaining and operating its facilities. Except in emergencies, prior to making an excavation in the traveled portion of any Street, Bridge, or Public Place, and when required by the City, in any untraveled portion of any Street, Bridge, or Public Place, the Grantee shall obtain from the City approval of the proposed excavation and of its location. Grantee shall give notice to the City by telephone, electronic data transmittal or other appropriate means at least 24 hours prior to the commencement of service or maintenance work and as soon as is practicable after the commencement of work performed under emergency conditions.
- (2) Except as provided in subsection (3) of this section, when any excavation is made by the Grantee, the Grantee shall promptly restore the affected portion of the Street, Bridge or Public Place to the same condition in which it was prior to the excavation within ten (10) working days or specific permit requirements. The restoration shall be in compliance with specifications, requirements and regulations of the City in effect at the time of such restoration. If the Grantee fails to restore promptly the affected portion of a Street, Bridge or Public Place to the same condition in which it was prior to the excavation, the City may make the restoration, and the cost thereof shall be paid by the Grantee.
- (3) At its option and upon written notice to Grantee, provided Grantee has not already started restoration efforts as provided in subsection (2) of this section, the City may restore or resurface the affected portion of any Street, Bridge or Public Place excavated by the Grantee to the same condition in which it was prior to the excavation, and the cost thereof shall be paid by the Grantee.

Section 11: Location and Relocation of Facilities.

- (1) All facilities of the Grantee shall be placed so that they do not interfere unreasonably with the use by the City and the public of the Streets, Bridges and Public Places and in accordance with any specification adopted by the City governing the location of facilities.
- (2) The City may require, in the public interest, the removal or relocation of facilities maintained by the Grantee in the Streets of the City, and the Grantee shall remove and relocate such facilities within a reasonable time after receiving notice to do so from the City. The cost of such removal or relocation of its facilities shall be paid by the Grantee, but when such removal or relocation is required for the convenience or benefit of any Person, governmental agency or instrumentality other than the City, Grantee shall be

entitled to reimbursement for the reasonable cost thereof from such Person, agency or instrumentality.

Section 12: Compensation.

- (1) As compensation for the franchise granted by this ordinance, the Grantee shall pay to the City an amount equal to five percent (5%) of the Gross Revenue collected by the Grantee from its customers for gas consumed within the City. The Grantee may offset against such compensation the amount of any license, permit or other fees paid to the City in connection with the Grantee's use of the Streets, Bridges and Public Places of the City. Grantee may also offset against such compensation the amount of any privilege tax particularly imposed upon energy utilities.
- (2) During the first year of the franchise agreement, the City may, upon thirty (30) days' prior written notice, initiate the renegotiation of the level of compensation. During the nine (9) remaining years of the franchise agreement, the compensation may be subject to annual renegotiation at or before the anniversary date of the term of the franchise hereby granted, and provided the Grantee is notified, in writing, at least thirty (30) days prior to the anniversary date.
- (3) The compensation required by this section shall be due for each quarter ending March 31, June 30, September 30 and December 31, or fraction thereof, within thirty (30) days after the close of each quarter, or fraction thereof. Within thirty (30) days after the termination of this franchise, compensation shall be paid for the period elapsing since the close of the last calendar year for which compensation has been paid.
- (4) The Grantee shall furnish to the City with each annual compensation adjustment required by this section a written statement showing the amount of Gross Revenue of the Grantee within the City for the period covered by the payment computed on the basis set out in subsection (1) of this section. The compensation for the period covered by the statement shall be computed on the basis of the Gross Revenue so reported. If the Grantee fails to pay the entire amount of compensation due the City through error or otherwise, the difference due the City shall be paid by the Grantee within thirty (30) days from discovery of the error or determination of the correct amount. Any overpayment to the City through error or otherwise, shall be offset against the next payment due from the Grantee.
- (5) Acceptance by the City of any payment due under this section shall not be deemed to be a waiver by the City of any breach of this franchise occurring prior thereto, nor shall the

acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City.

Section 13: Books of Account and Reports.

The Grantee shall keep accurate books of account at an office in Oregon for the purpose of determining the amounts due to the City under Section 12 of this ordinance. The City may inspect the books of account at any time during business hours and may audit the books from time to time. The Council may require periodic reports from the Grantee relating to its operations and revenues within the City. All amounts of the Franchise Fee shall be subject to audit or review by the City, provided that only payments that occurred or should have occurred during a period of thirty-six (36) months prior to the date that the City notifies Grantee of its intent to perform an audit shall be subject to such audit. The Grantee will not provide the City with records containing customer information that identifies or can be attributed to a specific customer, without a written legal opinion by or on behalf of the City to the Grantee's reasonable satisfaction that such records will not be subject to public disclosure under state law, and that any requests for such records will be opposed by the City.

Section 14: Supplying Maps Upon Request

The Grantee shall maintain on file, at an office in Oregon, maps and operational data pertaining to its operations in the City. The City may inspect the maps and data at any time during business hours. Upon request of the City, the Grantee shall furnish to the City, without charge and on a current basis, maps showing the location of the Gas Mains of the Grantee in the City. Said maps shall be submitted within thirty (30) days of the request from the City. Maps shall be in electronic (CD) format, readable by AutoCAD© or ArcView© software.

These records are submitted in confidence, and the City will keep those records in confidence and not allow others to view or copy them. The City agrees to keep the documents confidential, subject to the provisions of state law and the Oregon Public Records law, and to take the position that they are exempt from public disclosure. The City shall limit access to the as-built drawings provided by Grantee to City employees or City contractors with a need to know where the Grantee's facilities are located and shall review the as-built drawings only as necessary to plan City projects, coordinate the use of the rights of way, and to protect the public health and safety.

Section 15: Indemnification.

Grantee by accepting the franchise agrees to indemnify, defend and save harmless the City and its officers, agents and employees from and against all claims, actions, causes of action, demands, judgements, costs, expenses and all damages of every kind and nature, incurred by or

on behalf of any person or corporation whatsoever, predicated upon injury to or death of any person or the loss of or damage to property of whatever ownership, including the parties to this franchise, and their employees, and in any manner arising out of or connected with, directly or indirectly, to any wrongful or negligent act or omission of the Grantee, its agents or employees in the exercise of the rights or privileges herein granted.

Section 16: Insurance.

Upon request by the City, Grantee shall at all times during the existence of this franchise, furnish proof of public liability insurance or self-insurance, with minimum coverage of not less than that required by ORS 30.270 (tort claim limits).

Section 17: Permit and Inspection Fees.

Nothing in this ordinance shall be construed to limit the right of the City to require the Grantee to pay reasonable costs incurred by the City in connection with the issuing of a permit, making of an inspection, or performing any other service for or in connection with the Grantee or its facilities, whether pursuant to this ordinance or any other ordinance or resolution now in effect or hereafter adopted by the City.

Section 18: Assignment of Franchise.

This franchise shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the Grantee.

Section 19: Termination of Franchise for Cause and Expiration of Franchise.

Upon the willful failure of the Grantee, after thirty (30) days' notice and demand in writing, to perform promptly and completely each and every term, condition or obligation imposed upon it under or pursuant to this ordinance, the City may terminate this franchise, subject to Grantee's right to a court review of the reasonableness of such action. At the end of the franchise term, if the City and Grantee are negotiating another franchise and have not concluded their negotiations, Grantee's rights and responsibilities shall be controlled by this Franchise until the City grants a new franchise and Grantee accepts it.

Section 20: Remedies Not Exclusive, When Requirement Waived.

All remedies and penalties under this ordinance, including termination of the franchise, are cumulative, and the recovery or enforcement of one is not a bar to the recovery or enforcement of any other such remedy or penalty. The remedies and penalties contained in this ordinance,

including termination of the franchise, are not exclusive and the City reserves the right to enforce the penal provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver or a breach of any term, condition or obligation imposed upon the Grantee by or pursuant to this ordinance. A specific waiver of a particular breach of any term, condition or obligation imposed upon the Grantee by or pursuant to this ordinance shall not be a waiver of any other or subsequent or future breach of the same or of any other term, condition or obligation, or a waiver of the term, condition or obligation itself.

Section 21: Acceptance.

The Grantee shall, within thirty (30) days from the date the Council passes and the Mayor approves this ordinance, file with the City its written unconditional acceptance of this franchise, and if the Grantee fails to do so, this ordinance shall be void.

Section 22: Repeal of Ordinance.

Sweet Home Ordinance No. 1145 is hereby repealed.

PASSED by the Council and approved by the Mayor this 8th day of August, 2017.

Mayor

ATTEST:

City Manager – Ex Officio City Recorder

ACCEPTANCE

City of Sweet Home
City Recorder
1140 12 Ave.
Sweet Home, OR 97386

This is to advise the City of Sweet Home, Oregon (the "City") that Northwest Natural Gas Company (the "Grantee") hereby accepts the terms and provisions of Ordinance No. 1262 passed by the Sweet Home City Council on August 8, 2017 (the "Franchise") granting a Franchise for ten (10) years to Grantee. The Grantee agrees to abide by each and every term of the Franchise, and shall become effective upon acceptance of said agreement by NW Natural Gas Company (the "Grantee").

(Name)
BY _____

TITLE Senior Vice President Regulation & General Counsel

DATE _____

This Acceptance was received by the City of Sweet Home on _____, 2017.

City Recorder



City of Sweet Home
Parks Board
City Hall
Conference Room
1140 12th Ave.,
Sweet Home, OR 97386

Park Board Minutes

July 18, 2017

Call to Order at 8:30am

Attendance: Chairperson Angela Clegg, Nancy Patton, Mariann Biteman, Councilor Dave Trask

Visitors:

Staff: Public Works Director Greg Springman, Planning Assistant Katie Wilcox

Absent:

Approval of the June 19th Minutes

Welcoming and Introductions / Ideas and Proposals

Discussion ensued about Sankey Park Upgrades and Beautification.

Questions Included: Is the Dahlenburg Bridge proposed to be moved, or another bridge? Is there a sprinkler system at Sankey Park?

Ideas included: Fixing the existing sprinklers, reinstalling the playground equipment that has been removed once the new playground area is created, enhancing the green areas with seeding and maintenance. Postpone painting the Dahlenburg Bridge until after it is moved and installed at the New City Hall site and reallocating those funds to the Sankey Park improvements.

Discussion ensued about the 2017-2018 Capital Outlay. Katie Wilcox explained the Capital Outlay and the Detail of 2017-2018 Capital Improvement Plan (CIS) Purchases. She explains how the funds are broken down and itemized for projected improvements based on their recommendations. She explained where the priority projects were in the plan and that they have had funds allocated and are approved to move forward. She explained the difference between the Parks Department Fund and the Parks and Recreation Fund and why one needs to go to Council for approval while the other is already approved, as long as it correlates with the CIP. Dave explained that he had set up a meeting with the Energy Trust of Oregon to discuss funding opportunities. The group discussed the importance of considering the future maintenance needed from proposed improvements and the staffing needs for that maintenance. The group discussed looking into spending the donated funds on the trail enhancement and a bridge to span Ames Creek from Sankey to the Community Center. Questions Included: General questions around how to read the Capital Outlay and the Detail of 2017-2018 Capital Improvement Plan (CIS) Purchases.

Ideas included: The reallocation of funds for painting the Dahlenburg Bridge to the Sankey Park irrigation system. Greg suggested he review Capital Outlay and the Detail of 2017-2018 Capital

Improvement Plan (CIS) Purchases and come back to the Park Board to review the priorities of the board and move forward. Greg, Joe and Katie are to hold a meeting to plan lighting project. Greg suggested moving forward on beautification as well as making improvements one piece at a time. Look into modular pre-fabricated bridges that can be installed on site to span Ames Creek. Work with the South Santiam Watershed council to move forward on the bank erosion and placement of the bridge in the Riparian Area.

Concerns Included: Safety issues, and moving forward on Capital Improvement projects. That the decided priorities for the bathroom and lighting upgrades at Sankey were not addressed in the CIS.

Discussion ensued about the hand rail and steps at Northside Park.

Questions Included: Can railroad ties be used as steps. Why is there a "porta potty" at the park if there are working bathrooms?

Ideas Included: Create footings with compacted soil for steps. Move forward on building railing.

Concerns included: Safety Issues and ADA accessibility. Redo bathrooms to become single use and to accommodate ADA access.

Discussion ensued about the duties of the Park Board. Katie recapped on the completion of the capital development program for the next fiscal year. She continued explaining that they outline the recreation programs to be carried on by the city's Recreation Department for the next fiscal year and have recommended an operating budget to carry out the recreation program as outlined. She asked the board if they wanted to consider passive recreation programs for next year that could increase the use of the parks. They group briefly reviewed the recommendations and goals of the Master Plan.

Questions Included: Are we following our Master Plan and moving forward towards the goals.

Ideas Included: Review the Parks Master Plan.

Concerns included: Is the Park Board and the proposed CIS following the Master Plan

Next Regular Parks Board Meeting – August 21, 2017 @ 8:30AM

SWEET HOME CITY COUNCIL
PUBLIC SAFETY COMMITTEE MEETING MINUTES

July 25, 2017

Councilor Coleman called the meeting to order at 5:30 p.m. in the City Hall Annex.

Staff Present: City Manager Ray Towry, Public Works Director Greg Springman, City Attorney Robert Snyder, Police Chief Jeff Lynn and Recording Secretary Julie Fisher

Registered Visitors: Justin Cherrington, Vince Adams and Linda Iljin

Media: None

Committee Present: Councilor Coleman, Mayor Mahler, and Councilor Goble (5:35pm)

The purpose of the Public Safety Committee meeting was to review the Chronic Nuisance Property Ordinance.

City Attorney Snyder reviewed portions of SHMC Chapter 8.12 and proposed amendments to clarify terms and intent of the compliance agreement.

Justin Cherrington introduced himself and stated he is a landlord in Sweet Home. Mr. Cherrington stated the Chronic Nuisance Ordinance has helped him clean up his property and the crime rate has gone down in his neighborhood. Mr. Cherrington stated he desires a stricter ordinance and a heavy hand on landlords renting to drug dealers.

Mayor Mahler agreed and added he would like to see Code Enforcement efforts strengthened.

The Consensus of the Committee was to move the item to the full Council for review in August. City Attorney Snyder stated he will draft the ordinance amendment.

With no further business the meeting adjourned at 5:40 p.m.

The foregoing is a true copy of the proceedings of the City Council Public Safety Committee Meeting on July 25, 2017.



Sweet Home Tree Commission Minutes

Wednesday, July 19, 2017

Phone: 541-367-8113
Sweet Home City Hall
Conference Room
1140 12th Ave.,
Sweet Home, OR 97386
www.ci.sweet-home.or.us

9:00AM **Note:** No official meeting held due to lack of quorum.

Next Regular Tree Commission Meeting- August 16, 2017 at 9:00 AM

DRAFT



City of Sweet Home Finance Department Monthly Report

July 2017

- Assisted Koopman Consulting with the transfer of the Fire Districts Financial reports and payroll
- Completed Fire District's 2016-2017 audit worksheets
- Assisted Albany Fit-walkers on their 5k/10k walk in Sweet Home on July 15. 95 people participated
- Presented insurance information to Union/Management Insurance Committee during meeting
- Sent budget and required state forms to Linn County to ensure property taxes are assessed for Sweet Home for 2017-2018
- Completed Request for Coverage with City County Insurance Services to ensure med/dent/vision insurance coverage for employees on January 1, 2018
- Completed the annual ODOT Local Road Street Survey for the State to report how state gas tax funds were utilized during the 2016-2017 fiscal year
- Attended a training on the new city website
- Worked on 2016-2017 audit worksheets and reconciliation of city funds with expenditures/revenues
- Worked on preparations for the August 19 eclipse run/walk and health/safety fair
- Assisted City of Lebanon with budget and year-end close out while Finance Director off on leave
- **Accounts Payable:** 133 checks were processed for payments of \$653,588.06 (list is included)
- **Passport Services:** 25 passports were processed and 38 sets of photos were taken in July
- **Lien Searches:** 52 lien searches were requested in July

	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	April 17	May 17	June 17	July 17	12 mos avg
Passport Applications	18	19	30	18	26	39	52	53	45	38	37	25	33
Lien Searches	28	85	45	40	35	40	25	35	24	45	41	52	41

- **Utility Billings:**

3316 Billing statements mailed in July

1239 Past Due Notices were mailed in July

0 Phones calls made to customers by staff prior to turn off

85 Accounts were turned off for non-payment on July 9

Total of 314 Service Requests were processed, 65 new account opened, 55 account closed, 0 accounts were put in or taken out of vacation status, 78 accounts were checked for leaks, 9 accounts had the meter re-read, 27 accounts had water turned back on, 28 meters were changed out, 7 new meters were installed, 8 emergency offs were ordered, 18 accounts had temporary water service and 19 miscellaneous requests were completed by Public Works

	Aug 16	Sept 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	April 17	May 17	June 17	July 17
Billing Statements	3298	3310	3300	3301	3293	3293	3298	3293	3302	3292	3301	3316
Past Due Notices	1157	1265	1447	1158	1236	1343	1383	1220	1205	1263	1098	1239
Phone Calls Made	129	83	142	142	101	120	156	146	0	128	109	0
Turn Offs	28	21	33	46	21	36	46	33	78	29	28	85

Bank Reconciliation

Checks by Date

User: pgray
 Printed: 08/02/2017 - 8:14AM
 Cleared and Not Cleared Checks

City of Sweet Home
1140 12th Avenue
(541) 367-5128
(541) 367-5113 Fax



Check No	Check Date	Name	Comment	Module	Clear Date	Amount
85597	7/5/2017	SAIF CORPORATION		AP		48,226.00
85625	7/11/2017	CHUCK CHEESMAN		AP		250.00
85626	7/11/2017	RED YARN PRODUCTIONS		AP		325.00
85627	7/11/2017	WEST WOODS, LLC, DBA MAD SCI		AP		419.95
85628	7/17/2017	ACCELA, INC. #774375		AP		1,400.00
85629	7/17/2017	ALSCO		AP		291.00
85630	7/17/2017	ALTERNATIVE POWER SYSTEMS, I		AP		350.00
85631	7/17/2017	ARAMARK UNIFORM SERVICES		AP		707.62
85632	7/17/2017	BI-MART CORPORATION		AP		64.12
85633	7/17/2017	BUCK'S SANITARY SERVICE, INC.		AP		348.00
85634	7/17/2017	CENTURYLINK		AP		1,318.25
85635	7/17/2017	CH2M OM SERVICES		AP		6,356.28
85636	7/17/2017	CUSTOM MICRO INTERACTIVE, IN		AP		4,850.00
85637	7/17/2017	DCBS FISCAL SERVICES		AP		5,765.22
85638	7/17/2017	EUGENE & SPRINGFIELD LOCK & I		AP		1,537.00
85639	7/17/2017	FASTENAL COMPANY		AP		212.34
85640	7/17/2017	FEI PORTLAND WATERWORKS #30		AP		329.69
85641	7/17/2017	GATEWAY IMPRINTS, INC.		AP		220.00
85642	7/17/2017	LISA GOURLEY		AP		74.33
85643	7/17/2017	ALICE GROVOM		AP		4,199.14
85644	7/17/2017	HOY'S TRUE VALUE		AP		840.10
85645	7/17/2017	INDUSTRIAL WELDING SUPPLY, IN		AP		22.75
85646	7/17/2017	INGRAM LIBRARY SERVICES		AP		290.70
85647	7/17/2017	ASHLEY JOHNSON-FOSS		AP		54.99
85648	7/17/2017	KENDALL FORD		AP		270.25
85649	7/17/2017	KNIFE RIVER		AP		357.09
85650	7/17/2017	LES SCHWAB WAREHOUSE CENTE		AP		497.42
85651	7/17/2017	LIBERTY ROCK PRODUCTS, INC.		AP		46.06
85652	7/17/2017	LINN BENTON TRACTOR CO.		AP		506.88
85653	7/17/2017	LINN COUNTY TREASURER		AP		96.00
85654	7/17/2017	M.L. HOUCK CONSTRUCTION CO.		AP		133,205.86
85655	7/17/2017	MARK THOMAS MOTORS, INC.		AP		1,722.85
85656	7/17/2017	MID-VALLEY NEWSPAPERS		AP		1,279.92
85657	7/17/2017	MOONLIGHT BPO, INC.		AP		1,972.23
85658	7/17/2017	THE MORGAN CPS GROUP, INC.		AP		3,740.00
85659	7/17/2017	NATIONAL PHOTOCOPY CORPORA		AP		534.34
85660	7/17/2017	NEOFUNDS BY NEOPOST		AP		1,000.00
85661	7/17/2017	NET ASSETS		AP		446.00
85662	7/17/2017	NEW ERA		AP		1,097.00
85663	7/17/2017	NORM'S ELECTRIC, INC.		AP		3,902.60
85664	7/17/2017	NORTHWEST CODE PROFESSIONA		AP		200.00
85665	7/17/2017	NORTHWEST NATURAL		AP		581.70
85666	7/17/2017	OFFICE DEPOT		AP		224.59
85667	7/17/2017	ONE CALL CONCEPTS		AP		74.55
85668	7/17/2017	OREGON DEPT. OF REVENUE		AP		428.98
85669	7/17/2017	O'REILLY AUTOMOTIVE, INC.		AP		16.12

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
85670	7/17/2017	PACIFIC POWER		AP		21,440.39
85671	7/17/2017	PASTEGA COFFEE SERVICE		AP		100.44
85672	7/17/2017	PETROCARD		AP		1,733.73
85673	7/17/2017	PETTY CASH - FINANCE OFFICE		AP		88.01
85674	7/17/2017	PETTY CASH - LIBRARY		AP		92.00
85675	7/17/2017	RAY'S QUALITY SERVICES		AP		275.00
85676	7/17/2017	RELIABLE WELDING, INC.		AP		20.00
85677	7/17/2017	RENEWABLE RESOURCE GROUP, I		AP		160.00
85678	7/17/2017	SHERWIN WILLIAMS CO.		AP		642.99
85679	7/17/2017	SOUTH FORK TRADING CO., INC.		AP		137.39
85680	7/17/2017	STAPLES ADVANTAGE		AP		853.46
85681	7/17/2017	SUNSHINE INDUSTRIES UNLIMITE		AP		1,300.00
85682	7/17/2017	THYSSENKRUPP ELEVATOR CORP.		AP		495.03
85683	7/17/2017	TWGW, INC. NAPA AUTO PARTS		AP		197.24
85684	7/17/2017	UDELL ENGINEERING & LAND SU		AP		141.00
85685	7/17/2017	VALLEY FIRE CONTROL, INC.		AP		351.00
85686	7/17/2017	D. MACK WALLS		AP		730.00
85687	7/17/2017	WEATHERFORD THOMPSON COW		AP		1,745.00
85688	7/17/2017	DEBBIE YEACK		AP		782.10
85689	7/17/2017	ALBERTSONS / SAFEWAY		AP		35.00
85690	7/17/2017	AMBER ATTEBERY		AP		65.77
85691	7/17/2017	AUDIO EDITIONS		AP		8.00
85692	7/17/2017	ROBERT BURFORD		AP		600.00
85693	7/17/2017	CASCADE COMPUTER MAINTENA		AP		3,154.00
85694	7/17/2017	CASELLE, INC.		AP		196.67
85695	7/17/2017	CH2M OM SERVICES		AP		83,362.42
85696	7/17/2017	CIS TRUST		AP		160,658.71
85697	7/17/2017	CLUTCH INDUSTRIES, INC.		AP		5,000.00
85698	7/17/2017	COMCAST		AP		419.89
85699	7/17/2017	COMCAST BUSINESS		AP		1,034.62
85700	7/17/2017	STATE OF OREGON CORPORATION		AP		50.00
85701	7/17/2017	CREATURE TEACHERS		AP		225.00
85702	7/17/2017	EBSCO INFORMATION SERVICES C		AP		33.95
85703	7/17/2017	RANDEE FIELDS		AP		51.00
85704	7/17/2017	LARRY FREEMAN		AP		52.08
85705	7/17/2017	GROVE, MUELLER & SWANK, INC.		AP		8,000.00
85706	7/17/2017	ICMA MEMBERSHIP RENEWALS		AP		788.35
85707	7/17/2017	LEAGUE OF OREGON CITIES		AP		6,554.47
85708	7/17/2017	LGPI		AP		1,375.00
85709	7/17/2017	LINN COUNTY RECORDER		AP		110.00
85710	7/17/2017	METEREADERS, LLC		AP		1,860.60
85711	7/17/2017	MUSEUM OF NATURAL AND CULT		AP		139.00
85712	7/17/2017	OFFICE DEPOT		AP		588.31
85713	7/17/2017	OMFOA		AP		110.00
85714	7/17/2017	OREGON DEPT. OF ENVIRONMEN		AP		360.00
85715	7/17/2017	OVERDRIVE		AP		4,100.72
85716	7/17/2017	PENNY'S PUPPET PRODUCTIONS		AP		300.00
85717	7/17/2017	TAMMI ROBERTSON		AP		49.80
85718	7/17/2017	SCHOLASTIC, INC.		AP		5.12
85719	7/17/2017	CHAD SCHUSTER		AP		50.00
85720	7/17/2017	SELECTEMP CORPORATION		AP		55.06
85721	7/17/2017	SIERRA SPRINGS		AP		47.15
85722	7/17/2017	ROBERT STRATMAN		AP		1,158.46
85723	7/17/2017	TERRY TILLINGHAST		AP		31.55
85724	7/17/2017	WELLS FARGO VENDOR FIN SERV		AP		296.00
85725	7/25/2017	ALSCO		AP		291.00

Check No	Check Date	Name	Comment	Module	Clear Date	Amount
85726	7/25/2017	CENTER POINT LARGE PRINT		AP		175.56
85727	7/25/2017	CH2M OM SERVICES		AP		83,362.42
85728	7/25/2017	COMCAST BUSINESS		AP		1,457.28
85729	7/25/2017	JOHN DEERE FINANCIAL		AP		155.73
85730	7/25/2017	MOONLIGHT BPO, INC.		AP		741.52
85731	7/25/2017	NEU FLO PLUMBING		AP		470.00
85732	7/25/2017	SYNCB/AMAZON		AP		1,155.25
85733	7/28/2017	PANSY AGE		AP		29.95
85734	7/28/2017	ALBERTSONS / SAFEWAY		AP		44.93
85735	7/28/2017	CH2M OM SERVICES		AP		4,689.12
85736	7/28/2017	COMCAST		AP		358.81
85737	7/28/2017	DRIVER AND MOTOR VEHICLE SEI		AP		30.00
85738	7/28/2017	LINN COUNTY RECORDER		AP		55.00
85739	7/28/2017	CAROL MOFFET		AP		72.62
85740	7/28/2017	NORTHWEST NATURAL		AP		524.37
85741	7/28/2017	OREGON CASCADES WEST COG		AP		9,972.86
85742	7/28/2017	OREGON MAYORS ASSOC.		AP		325.00
85743	7/28/2017	ANDERSON AUTO BODY		AP		179.20
85744	7/28/2017	BEAUTY BASE		AP		25.00
85745	7/28/2017	DAN DEE SALES		AP		100.00
85746	7/28/2017	DEMCO		AP		26.50
85747	7/28/2017	DRIVER AND MOTOR VEHICLE SEI		AP		11.50
85748	7/28/2017	HOME DEPOT CREDIT SERVICES		AP		198.59
85749	7/28/2017	LGPI		AP		532.00
85750	7/28/2017	SAMARITAN OCCUPATIONAL MED		AP		56.00
85751	7/28/2017	THRIFTWAY		AP		50.00
85752	7/31/2017	OREGON AFSCME COUNCIL 75		AP		1,123.50
85753	7/31/2017	STEELHEAD STRENGTH & FITNESS		AP		615.60
85754	7/31/2017	SWEET HOME COMMUNITY FOUN		AP		125.00
85755	7/31/2017	UNITED WAY		AP		110.00
85756	7/31/2017	STANDARD INS. CO.		AP		3,659.35
Total Check Count:						133
Total Check Amount:						653,588.06



July 27, 2017

Mr. Craig Martin
City Manager
City of Sweet Home
1140 12th Avenue
Sweet Home, OR 97386

RE: Residential Service Agreement

Dear Mr. Martin,

As part of our ongoing commitment to keep you updated on issues that concern our customers in the City of Sweet Home, we would like to let you know that in the coming days we will be notifying our customers of updates to our Comcast Agreement for Residential Services as well as providing a copy of the updated agreement with their August bill.

The Comcast Agreement for Residential Services provides the terms and conditions for our Xfinity TV, Internet and Voice services and can be viewed at:

www.xfinity.com/Corporate/Customers/Policies/SubscriberAgreement.html. Key updates include the following.

- We've identified additional ways for us to notify customers of changes to our services, including by email and online on our website.
- We've moved some material related to our Internet and Voice services to our website.
- We require customers to notify us of changes to their telephone number and other contact information so we can ensure that we are contacting the correct person in accordance with applicable laws.
- We've updated portions of our arbitration provision to make its terms more clear.

A sample customer notification is attached for your reference.

If I can be of any further assistance, please contact me at (503) 605-6357.

Sincerely,

Tim Goodman
Director, Government Affairs

Attachment: Customer Notice



We've made updates to our Comcast Agreement for Residential Services

We want to let you know that we're updating our customer terms of service. You can view the agreement [here](#), and you also will receive a copy with your upcoming bill. You don't need to take any action.

You should review the agreement, but here are a few of the key updates:

- We've identified additional ways for us to notify you of changes to our services, including by email and online on our website.
- We've moved some material related to our Internet and Voice services to our website. They may be viewed [here](#).
- Under the new agreement we require you to notify us of changes to your telephone number and other contact information so we can ensure that we are contacting the correct person in accordance with applicable laws.
- We've updated portions of our arbitration provision to make its terms more clear.

Thank you for being an XFINITY customer.



All part of our commitment to you



This is a service-related email. Comcast will occasionally send you service-related emails to inform you of service upgrades or new benefits.

Please do not reply to this email, it is not monitored. If you'd like to contact us, please visit our website [here](#).

Comcast respects your privacy. For a complete description of our privacy policy, [click here](#).

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Attn: Email Communications