

**Michael H. Welbourn**

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**Subject:** FW: LOMBARDI ALLEY

**RECEIVED**

APR 22 2020

**BY:** \_\_\_\_\_

**From:** Michael H. Welbourn [mailto:sierralogger@cwo.com]  
**Sent:** Monday, April 20, 2020 8:33 AM  
**To:** SARAH (sarah.cityofloyalton@gmail.com); CITY OF LOYALTON  
**Subject:** LOMBARDI ALLEY

**To:** Mayor City of Loyalton and City Council.

**Subj:** Lombardi Alley

1. If I read this right, now seeing the the sign that was placed on Lombardi Alley restricting traffic having been removed, tells me it was not authorized in the first place but a special interest project.
2. I have seen this alley used by emergency vehicles of all kind from Forest Service, CDF, Sheriff, Ambulances and little standard traffic. I don't believe that alley to be abused at all as a short cut or street.
3. The real alley is behind all the homes with garages (Dirt, unpaved) behind those homes facing Hwy 49 from Smithneck Creek bridge to 4th St. Rhonda's Lil Frosty.
4. We have more traffic in our culti-ti-sac/Patterson Circle everyday than that alley including speeders, more times than we all care to count, tourist/lookie loos/sightseers, people pulling utility trailers getting lost from out of town and on far too many occasions over the years, even commercial vehicles that get screwed up looking for an outlet as does other traffic as there is no sign posted on Patterson Street to Patterson Circle warning of it being a dead end, we don't complain, we help them.
5. Thank God we had a mild winter this year as noted by everyone but this fact remains, there are signs posted on both ends of town and letters having been sent by the city council to all residents with regard to blocking the streets during winter, yet they remain not only in winter but the entire year such as vehicles, campers, trailers, some of this stuff being broken down etc. plus doing street maintenance, WHOOPS about that comment . If you don't have the room in your yard to store your broken down vehicles, RVs, utility trailers etc. then they should be placed in a proper storage facility like the one in Vinton or Chilcoot or may a generous land owner around here could provide an area and charge for a space as there is revenue in storage spaces.
6. Closing Lombardi Alley to traffic appears to be nothing more than another cronyism project or that of special interest of a City Council member for the home owner. Plus

the homeowner is parking a vehicle in the alley blocking what would appear with any common sense to be a fire lane.

7. Last comment, where's the pride in this town and that of the city council to follow their own ordinance's and you want to restrict or close an alley? The hypocrisy continues!

Best regards,



Michael H. Welbourn

**Legal precedence of an Alley.**

**California Laws | Streets and Highways Codes  
DIVISION 7. THE IMPROVEMENT ACT OF 1911**

**Plural alternatives: alley (alleys)**

**Similar words:**

**Alley: Alleys**

**Synonyms:**

**Alley:** access, arterial, artery, avenue, boulevard, bypass, channel, close, communication, conduit, connection, corridor, court, crescent, drive, driveway, exit, expressway, ferry, ford, freeway, highway, inlet, interchange, **intersection**, junction, **lane**, **opening**, overpass, parkway, pass, **passage**, pave, place, **road**, **roadbed**, **roadway**, **street**, **thoroughfare**, tunnel, underpass.

**California Laws | Streets and Highways Code**

**DIVISION 2. COUNTY HIGHWAYS**

**CHAPTER 2. POWERS AND DUTIES OF BOARDS OF SUPERVISORS (940-991)**

**960.5. The term "county highway" as used in Sections 954 and 954.5 shall be deemed to include, but not be limited to, any public highway, road, street, avenue, **alley**, lane, drive, way, place, court, or trail, or any purported county highway, public highway, road, street, avenue, alley, lane, drive, way, place, court, or trail. (3064)**

**22535. "Public places" means one or any combination of the following: (8105)**

**(a) Any public street, highway, road, alley, lane, boulevard, parkway, or other way dedicated to or used for public use. (8106)**

**(b) Any public property, right-of-way, or leasehold interest which is in use in the performance of a public function and which adjoins any of the ways described in subdivision (a). (8107)**

**22536. "Public utility" means any public utility subject to the jurisdiction of and regulated by the Public Utilities Commission. (8108)**

**Article 1. General Provisions (5870-5873)  
(Text) (1-click HTML)**

**(a) "Block" means property facing one side of any street between the next intersecting streets or...  
(Text) (1-click HTML)**

**(g) "Fronting" and "facing," as used in this chapter, means "abutting" in the case of**

**California Laws | Streets and Highways Code  
DIVISION 7. THE IMPROVEMENT ACT OF 1911  
PART 3. PERFORMING THE WORK**

**5853. Whenever any portion of a district is included within a city by reason of incorporation, annexation, or otherwise, such portion shall continue to remain a part of the district for all purposes until a copy of a resolution adopted by the city requesting exclusion of such territory from the district is received by the board of supervisors. Upon the withdrawal of any territory of a district, all property acquired for the district and all unencumbered funds on the date of withdrawal, including all taxes levied and collected by the district in any year in which taxes are levied and collected by the district after the date of withdrawal on property withdrawn from the district, shall be divided between the city and the remaining district in proportion to the assessed value of the real property of the territory so withdrawn and the portion remaining. For the purpose of this article, the unencumbered funds are the sum of money, uncollected taxes, and other uncollected amounts belonging to or due such district, in excess of an amount sufficient to pay all claims and accounts against the district. (5401)**

**5854. The board of supervisors may by resolution change the name of any maintenance district to conform with a change in the street name or other designation which the district bears. The clerk of the board of supervisors shall file in the office of the county assessor and**

with the State Board of Equalization a certified copy of every such resolution, and upon such filing the name of the district shall be changed for all purposes. (5402)

**5855.** Where the board of supervisors or legislative body has so declared in its resolution of intention to order the formation of a maintenance district or any annexation thereto, the board of supervisors or legislative body may, in its resolution ordering the formation of a maintenance district or any annexation thereto, order the district divided into tax assessment zones. Tax assessment zones may be formed at a time other than at the formation of the district or any annexation thereto if pursuant to the same procedure of resolution, notice, and hearing as are applicable under this chapter to the annexation of territory. (5403)

No district shall be divided into zones unless the board of supervisors or legislative body finds that a tax assessment zone requires special services or special facilities in addition to those provided generally by the maintenance district or the replacement of obsolete equipment, and that the tax levy is commensurate with the special benefits to be provided in the zone. The boundaries of tax assessment zones may be changed or a zone may be dissolved in the same manner that a zone may be formed in an existing district. (5404)

When a zone is formed for the purpose of the construction or installation of special facilities in addition to those provided generally by the district or to replace obsolete equipment, the board of supervisors or legislative body may provide at the time of formation for the automatic dissolution of the zone upon payment of all assessments attributable to the special facilities. (5405)

**5856.** If a maintenance district is divided into zones, the board of supervisors or legislative body may determine what portion of the amount of money to be secured from the levy of taxes shall be secured from each zone within the district. (5406)

### Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed reconciled Plumas Bank Accounts

General Account (1956)	4/30/20	Banking Error, need to clear before reconciling	
CDBG Account (0059)	4/30/20	(\$10,595.18)	Reconciled
F.D. Reserve (7243)	4/30/20	(\$143,819.60)	Reconciled
General Savings (0322)	4/30/20	(\$29,393.60)	Reconciled
Enterprise-W&S (0559)	4/30/20	(\$231,463.22)	Reconciled
WWTP Settle. (4387)	4/30/20	(\$354,961.87)	Reconciled
LAIF Account (496)	4/30/20	(\$2,041,938.11)	Reconciled
CalTrust (29130)	4/30/20	(\$100,683.73)	Reconciled

This authorization took place at the council meeting held on 05/19/20 and will be further reflected in the council minutes of this meeting.

\_\_\_\_\_  
Authorized Signature Sarah Jackson, Mayor, Dated 05/19/20

**Acknowledgement of Approval, City of Loyaltan**

The City of Loyaltan acknowledges approval of the below listed Transfer(s) of Funds.

Transfer From	Transfer To	Date	Amount
General Fund	Enterprise Loan MM 0559	06/05/2020	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	06/12/2020	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	06/19/2020	
	Water		1,500.00
	Sewer		4,500.00
General Fund	Enterprise Loan MM 0559	06/26/2020	
	Water		1,500.00
	Sewer		4,500.00

**THIS TOTAL**

**\$24,000.00**

This authorization took place at the council meeting held on 05/19/2020 and will be further reflected in the council minutes of this meeting.

\_\_\_\_\_  
Authorized Signature

Sarah Jackson, Mayor, Dated 05/19/2020



CalTRUST  
 c/o Ultimus Fund Solutions  
 PO Box 541150  
 Omaha, NE 68154-9150  
 www.caltrust.org  
 Email: CalTRUSTSupport@ultimusfundsolutions.com  
 Fax: 402-963-9094  
 Phone: 833-CALTRUST (225-8787)

## Investment Account Summary

04/01/2020 through 04/30/2020

### SUMMARY OF INVESTMENTS

Fund	Account Number	Total Shares Owned	Net Asset Value per Share on Apr 30 (\$)	Value on Apr 30 (\$)	Average Cost Amount (\$)	Cumulative Unrealized Gain/(Loss) (\$)
CITY OF LOYALTON	20100029130					
CalTRUST Short Term Fund	20100029130	9,988.465	10.08	100,683.73	100,384.21	299.52
Portfolios Total value as of 04/30/2020				100,683.73		

### DETAIL OF TRANSACTION ACTIVITY

Activity Description	Activity Date	Amount (\$)	Amount in Shares	Balance in Shares	Price per Share (\$)	Balance (\$)	Average Cost Amt (\$)	Realized Gain/(Loss) (\$)
<b>CalTRUST Short Term Fund</b>		<b>CITY OF LOYALTON</b>		<b>Account Number: 20100029130</b>				
Beginning Balance	04/01/2020			9,976.866	10.02	99,968.20		
Accrual Income Div Reinvestment	04/30/2020	116.92	11.599	9,988.465	10.08	100,683.73	0.00	0.00
Unrealized Gain/(Loss)						598.61		
Closing Balance as of	Apr 30			9,988.465	10.08	100,683.73		

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.

# California State Treasurer *Fiona Ma, CPA*



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

May 12, 2020

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

## CITY OF LOYALTON

CITY CLERK  
P.O. BOX 128  
LOYALTON, CA 96118

### Tran Type Definitions

Account Number: 98-46-496

April 2020 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
4/15/2020	4/14/2020	QRD	1638002	N/A	SYSTEM	10,225.29

### Account Summary

Total Deposit:	10,225.29	Beginning Balance:	2,031,712.82
Total Withdrawal:	0.00	Ending Balance:	2,041,938.11



4:12 PM  
 05/13/20  
 Cash Basis

City of Loyalton  
**Bills Paid**  
 As of April 30, 2020

Type	Date	Num	Name	Memo	Paid Amount
<b>Enterprise Loan MM 0559</b>					
Total Enterprise Loan MM 0559					
<b>General Funds</b>					
<b>General Checking 1956- NEW</b>					
Bill P...	04/10/2020	EFT...	Liberty Utilities		-2,421.40
Bill P...	04/10/2020	EFT...	Liberty Utilities		-200.09
Bill P...	04/10/2020	EFT...	Liberty Utilities		-490.48
Bill P...	04/10/2020	EFT...	Liberty Utilities		-65.41
Bill P...	04/10/2020	EFT...	Liberty Utilities		-27.75
Bill P...	04/10/2020	EFT...	Liberty Utilities		-313.40
Bill P...	04/10/2020	EFT...	Liberty Utilities		-79.61
Bill P...	04/10/2020	EFT...	Liberty Utilities		-1,599.32
Bill P...	04/10/2020	EFT...	Liberty Utilities		-188.21
Bill P...	04/10/2020	EFT...	Liberty Utilities		-92.52
Bill P...	04/15/2020	EFT...	Verizon Wireless	370745244-000...	-101.19
Bill P...	04/15/2020	EFT...	Office Depot	VOID: 6011 56...	0.00
Bill P...	04/22/2020	EFT...	Clark Pest Control...		-145.00
Bill P...	04/22/2020	EFT...	Plumas Sierra Rur...		-59.74
Bill P...	04/22/2020	EFT...	Plumas Sierra Rur...		-5,685.19
Bill P...	04/22/2020	EFT...	Plumas-Sierra Tel...		-109.00
Bill P...	04/22/2020	EFT...	Amerigas*	201913977	-1,776.21
Bill P...	04/22/2020	EFT...	O'Reilly Auto Parts		-118.26
Bill P...	04/22/2020	EFT...	United Healthcare ...	John Cussins 3...	-283.11
Bill P...	04/30/2020	EFT...	Verizon Wireless	370745244-000...	-101.07
Bill P...	04/10/2020	6224	Sierra Valley Hom...	1100	-1,503.93
Bill P...	04/22/2020	6231	Kelly Champion		-1,085.00
Bill P...	04/22/2020	6232	California State C...	CITY272	-1,501.74
Bill P...	04/21/2020	6233	Postmaster	Bulk Mail Rene...	-240.00
Bill P...	04/22/2020	6250	Pape Machinery - ...		-1,995.65
Bill P...	04/22/2020	6251	Sierra Valley Hom...	1100	-41.16
Bill P...	04/30/2020	6252	Whites Sierra Stat...		-343.93
Bill P...	04/15/2020	200...	Silver State Analyt...		-126.00
Bill P...	04/22/2020	200...	Softline Data		-221.00
Bill P...	04/22/2020	200...	S.C.O.R.E.		-5,187.73
Bill P...	04/22/2020	200...	Silver State Analyt...		-1,002.00
Bill P...	04/22/2020	200...	AT&T CALNET 3		-28.75
Bill P...	04/22/2020	200...	AT&T CALNET 3		-40.97
Bill P...	04/22/2020	200...	AT&T CALNET 3		-21.04
Bill P...	04/22/2020	200...	Porter Simon Prof...	92132-13200M	-1,260.00
Bill P...	04/22/2020	200...	Xerox Corporation	951429299	-321.15
Bill P...	04/22/2020	200...	Intermountain Dis...		-148.90
Bill P...	04/22/2020	200...	City of Portola		-112.00
Bill P...	04/22/2020	200...	Current Electric & ...		-360.00
Bill P...	04/21/2020	200...	Sierra County Aud...	Police Contract ...	-1,250.00

4:12 PM  
05/13/20  
Cash Basis

City of Loyalton  
**Bills Paid**  
As of April 30, 2020

Type	Date	Num	Name	Memo	Paid Amount
Bill P...	04/29/2020	200...	S.C.O.R.E.	Installment 10 2...	-1,856.00
Total General Checking 1956- NEW					-32,503.91
Total General Funds					-32,503.91
<b>Designated Funds</b>					
<b>WWTP Settlement MM 4321</b>					
Total WWTP Settlement MM 4321					
<b>WWTP Construction 1990</b>					
Total WWTP Construction 1990					
<b>Community Dev Block Grant 0059</b>					
Total Community Dev Block Grant 0059					
Total Designated Funds					
<b>TOTAL</b>					<b>-32,503.91</b>

WATER

		Actuals July 1, 2019 through March 31, 2020	Budget 2019/2020
<b>Ordinary Income/Expense</b>			
<b>Enterprise Income</b>			
<b>Water Service Income</b>			
	Connect/Disconnect Fee	\$ 150.00	
	Late Fees Water	1,242.75	
	Uncollectible	(5,939.09)	
	Water Service Income - Other	207,231.78	272,400.00
	<b>Total Water Service Income</b>	202,685.44	272,400.00
<b>Revenue Use of Money &amp; Property</b>			
	Interest Income	251.07	
	Revolving Loan		
	<b>Total Revenue Use of Money &amp; Property</b>	251.07	-
<b>Total Income</b>		202,936.51	272,400.00
<b>Expense</b>			
<b>Late Fee</b>			
<b>Finance Charge</b>			
<b>Small Tools &amp; Equipment</b>			
	Small Tools & Equipment - Other	953.18	250.00
	Safety		
	<b>Total Small Tools &amp; Equipment</b>	953.18	250.00
<b>Repairs &amp; Maintenance</b>		4,358.36	1,500.00
<b>Building Repairs</b>			
<b>Utilities</b>			
	Other		
	Security		50.00
	Internet - Broadband	218.00	500.00
	Propane	69.00	600.00
	Electric	31,840.12	38,000.00
	Electric for Discharge		
	Garbage Disposal	46.91	80.00
	<b>Total Utilities</b>	32,174.03	39,230.00
<b>Equipment Repair &amp; Maintenance</b>		618.51	2,000.00
<b>Taxes</b>			
	Solid Waste Benefit Assessment	238.18	165.00
	Taxes - Other	13.28	15.00
	<b>Total Taxes</b>	251.46	180.00
<b>Salaries and Wages</b>			
	Workers Comp.	6,225.27	
	Payroll Tax Expense	2,807.41	19,656.00
	Payroll Expense		
	Part Time Wages	14,199.92	
	Payroll Expense - Other	129.92	56,160.00
	<b>Total Payroll Expense</b>	14,329.84	56,160.00
	Salaries and Wages - Other	24,560.64	25,000.00
	<b>Total Salaries and Wages</b>	47,923.16	100,816.00
<b>Employee Benefits</b>			
	Nationwide City	548.27	1,100.00
	Retirement	15,981.47	
	Health Insurance	832.75	1,600.00
	<b>Total Employee Benefits</b>	17,362.49	2,700.00

WATER

	Actuals July 1, 2019 through March 31, 2020	Budget 2019/2020
<b>Services and Supplies</b>		
Postage	825.94	1,100.00
Advertising		700.00
Automobile Expense		
Fuel	1,582.71	1,800.00
Automobile Expense - Other		2,750.00
<b>Total Automobile Expense</b>	1,582.71	4,550.00
Bank Service Charges	(7.99)	50.00
Chemicals	2,480.18	2,400.00
<b>Contracted Services</b>		
Annual Street Report		
Health/Drug Screening	490.00	
Professional Fees	646.00	
Consulting/accounting&financial		500.00
Legal Fees	196.00	7,500.00
Auditing Expense	5,196.00	5,196.00
Testing	1,382.00	5,500.00
Contracted Services - Other		5,000.00
<b>Total Contracted Services</b>	7,910.00	23,696.00
Dues and Subscriptions	1,205.00	1,000.00
<b>Insurance</b>		
Liability Insurance	10,011.39	8,025.00
Travel for SCORE		
Property Insurance	4,483.60	6,500.00
Insurance - Other		450.00
<b>Total Insurance</b>	14,494.99	14,975.00
Licenses and Permits	4,001.00	1,250.00
<b>Miscellaneous</b>		
Meals	81.36	
<b>Total Miscellaneous</b>	81.36	-
Office Expense	692.82	2,500.00
Operating Supplies	194.03	2,000.00
Telephone	663.20	780.00
Training		600.00
Travel	106.22	
Services and Supplies - Other	4,167.64	100.00
<b>Total Services and Supplies</b>	38,397.10	55,701.00
<b>Total Expense</b>	142,038.29	202,377.00
<b>Other Expense</b>		
Transfers Out		
<b>Debt Service - principal</b>		26,250.00
Interest Expense		
Interest 91-05 Water	41,980.50	43,700.00
<b>Total Interest Expense</b>	41,980.50	
<b>Total Debt Service</b>	41,980.50	69,950.00
<b>Total Other Expense</b>	41,980.50	
<b>Total Expenses</b>	184,018.79	272,327.00
<b>Net Income</b>	\$ 18,917.72	\$ 73.00

## SEWER

		Actuals July 1, 2019 through March 31, 2020	Budget 2019/2020
<b>Sewer</b>			
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
	Transfer In		\$ 250,000.00
<b>Enterprise Income</b>			
	<b>Sewer Service Income</b>		
	Late Fees Sewer	\$ 2,464.10	
	Uncollectible	(11,878.19)	
	Sewer Service Income - Other	274,258.20	360,000.00
	<b>Total Sewer Service Income</b>	<b>264,844.11</b>	<b>360,000.00</b>
<b>Revenue Use of Money &amp; Property</b>			
	Interest Income	33,661.15	
	Revolving Loan		
	<b>Total Revenue Use of Money &amp; Property</b>	<b>33,661.15</b>	<b>-</b>
	<b>Total Income</b>	<b>298,505.26</b>	<b>610,000.00</b>
<b>Expense</b>			
	Late Fee		
	Finance Charge		
	Small Tools & Equipment		
	Safety		
	Small Tools & Equipment - Other	942.92	1,500.00
	<b>Total Small Tools &amp; Equipment</b>	<b>942.92</b>	<b>1,500.00</b>
	Repairs & Maintenance	2,453.36	6,500.00
	Building Repairs		
	Utilities		
	Other -- generator fuel		650.00
	Security		75.00
	Internet - Broadband	218.00	500.00
	Propane	811.79	3,500.00
	Electric	21,016.90	50,000.00
	Electric for Discharge		
	Garbage Disposal	353.15	600.00
	<b>Total Utilities</b>	<b>22,399.84</b>	<b>55,325.00</b>
	Equipment Repair & Maintenance	4,928.89	12,000.00
	Taxes		
	Solid Waste Benefit Assessment	844.16	800.00
	Taxes - Other	41.76	50.00
	<b>Total Taxes</b>	<b>885.92</b>	<b>850.00</b>
	Salaries and Wages		
	Workers Comp.	6,225.27	
	Payroll Tax Expense	4,596.57	19,656.00
	Payroll Expense		
	Part Time Wages	14,519.54	

## SEWER

		<b>Actuals</b>	<b>Budget</b>
		<b>July 1, 2019</b>	<b>2019/2020</b>
		<b>through March</b>	
		<b>31, 2020</b>	
<b>Sewer</b>			
	Payroll Expense - Temp	98.00	56,160.00
	<b>Total Payroll Expense</b>	<b>14,617.54</b>	<b>56,160.00</b>
	Salaries and Wages - Other	43,909.99	25,000.00
	<b>Total Salaries and Wages</b>	<b>69,349.37</b>	<b>100,816.00</b>
	<b>Employee Benefits</b>		
	Nationwide City	548.35	1,400.00
	Retirement	15,412.99	
	Health Insurance	1,369.61	1,600.00
	<b>Total Employee Benefits</b>	<b>17,330.95</b>	<b>3,000.00</b>
	<b>Services and Supplies</b>		
	Postage	639.50	1,500.00
	Advertising		500.00
	Automobile Expense		
	Fuel	1,899.27	2,750.00
	Automobile Expense - Other		400.00
	<b>Total Automobile Expense</b>	<b>1,899.27</b>	<b>3,150.00</b>
	Bank Service Charges	10.50	50.00
	Chemicals	-	2,000.00
	<b>Contracted Services</b>		
	FEMA	335.00	
	Annual Street Report		
	Health/Drug Screening	490.00	250.00
	Professional Fees	113,747.33	1,500.00
	Consulting/accounting&Financial	335.00	1,500.00
	Legal Fees	1,096.00	10,000.00
	Auditing Expense	5,196.00	5,196.00
	Testing	814.72	6,000.00
	Contracted Services - Other	9,872.00	200,000.00
	<b>Total Contracted Services</b>	<b>131,886.05</b>	<b>224,446.00</b>
	Dues and Subscriptions	75.00	500.00
	Equipment Rent	50.00	
	<b>Insurance</b>		
	Liability Insurance	9,268.99	8,025.00
	Travel for SCORE		
	Property Insurance	4,483.60	6,350.00
	Insurance - Other		450.00
	<b>Total Insurance</b>	<b>13,752.59</b>	<b>14,825.00</b>
	Licenses and Permits	18,767.00	20,000.00
	<b>Miscellaneous</b>		
	Meals	81.36	
	<b>Total Miscellaneous</b>	<b>81.36</b>	<b>-</b>
	Office Expense	766.77	3,000.00
	Operating Supplies	937.02	6,000.00

## SEWER

				<b>Actuals</b>	<b>Budget</b>
				<b>July 1, 2019</b>	<b>2019/2020</b>
				<b>through March</b>	
				<b>31, 2020</b>	
<b>Sewer</b>					
			Telephone	870.18	1,500.00
			Training		500.00
			Travel	200.00	500.00
			Services and Supplies - Other	3,928.98	
			<b>Total Services and Supplies</b>	<b>173,864.22</b>	<b>11,500.00</b>
			<b>Total Expense</b>	<b>292,155.47</b>	<b>458,462.00</b>
			Other Expense		
			Transfers Out		
			Debt Service - principal		121,240.26
			Interest Expense		
			Interest 92-01 Sewer		33,000.00
			Interest 92-03 Sewer		4,600.00
			Interest 92-07 Sewer		65,000.00
			<b>Total Interest Expense</b>	<b>-</b>	<b>102,600.00</b>
			<b>Total Debt Service</b>	<b>-</b>	<b>223,840.26</b>
			<b>Total Other Expense</b>	<b>-</b>	<b>223,840.26</b>
			<b>Total Expenses</b>	<b>292,155.47</b>	<b>682,302.26</b>
			<b>Net Income</b>	<b>\$ 6,349.79</b>	<b>\$ (72,302.26)</b>

FIRE Dept

FIRE DEPT		Actuals July 1, 2019 through March 31, 2020	Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
	Transfer In		10,000.00
	Service Area Revenue	24,792.36	50,000.00
	Charges for Current Services - Other		
	<b>Total Charges for Current Services</b>	<b>24,792.36</b>	
<b>Revenue Use of Money &amp; Property</b>			
	Interest Income	305.63	
	Revolving Loan		
	<b>Total Revenue Use of Money &amp; Property</b>	<b>305.63</b>	
	Miscellaneous Revenue		
	Miscellaneous Revenue - SCORE		
	Miscellaneous Other		
	<b>Total Income</b>	<b>25,097.99</b>	<b>60,000.00</b>
<b>Expense</b>			
	Late Fee		
	Finance Charge	3.20	
	Small Tools & Equipment		
	Small Tools & Equipment - Other		
	Safety		10,000.00
	Small Tools & Equipment - Other	5,196.07	6,000.00
	<b>Total Small Tools &amp; Equipment</b>	<b>5,196.07</b>	
	Repairs & Maintenance	185.00	1,250.00
	Building Repairs		10,000.00
	Utilities		
	Other		
	Security		
	Internet - Broadband		
	Propane	253.77	1,800.00
	Electric	1,720.62	4,300.00
	Electric for Discharge		
	Garbage Disposal	187.71	300.00
	<b>Total Utilities</b>	<b>2,162.10</b>	
	Equipment Repair & Maintenance	1,805.06	10,000.00
	Taxes		
	Solid Waste Benefit Assessment	2,438.54	1,200.00
	Taxes - Other		10.00
	<b>Total Taxes</b>	<b>2,438.54</b>	
	Salaries and Wages		
	Workers Comp.	1,245.06	2,100.00
	Payroll Tax Expense		
	Payroll Expense		
	Part Time Wages		
	Payroll Expense - Other		
	<b>Total Payroll Expense</b>	<b>-</b>	
	Salaries and Wages - Other	26,494.83	
	<b>Total Salaries and Wages</b>	<b>27,739.89</b>	
	Employee Benefits		
	Nationwide City		
	Retirement		



FIRE Dept

FIRE DEPT		Actuals July 1, 2019 through March 31, 2020	Budget
	Health Insurance		
	<b>Total Employee Benefits</b>	-	
	<b>Services and Supplies</b>		
	Postage		75.00
	Advertising		
	<b>Automobile Expense</b>		
	Fuel	1,628.04	1,000.00
	Automobile Expense - Other	90.00	1,700.00
	<b>Total Automobile Expense</b>	1,718.04	
	Bank Service Charges	29.00	75.00
	Equipment Rent	166.24	
	Chemicals		
	<b>Contracted Services</b>		
	Annual Street Report		
	Health/Drug Screening		220.00
	Professional Fees		
	Consulting		
	Legal Fees		
	Auditing Expense		
	Testing		
	Contracted Services - Other		
	<b>Total Contracted Services</b>	-	
	<b>Dues and Subscriptions</b>		
	<b>Insurance</b>		
	Liability Insurance	99.90	
	Travel for SCORE		
	Property Insurance		
	Insurance - Other		
	<b>Total Insurance</b>	99.90	
	<b>Licenses and Permits</b>		
	<b>Miscellaneous</b>		
	Meals	462.84	
	<b>Total Miscellaneous</b>	462.84	
	Office Expense	184.03	
	Operating Supplies	462.41	2,500.00
	Telephone	250.18	550.00
	Training		500.00
	Travel	2,441.73	150.00
	Services and Supplies - Other		
	<b>Total Services and Supplies</b>	5,814.37	
	<b>Total Expense</b>	45,344.23	
			53,730.00
	<b>Net Income</b>	(20,246.24)	6,270.00

Streets Highways

		ACTUALS July 1, 2019 through March 31, 2020	2019/2020 BUDGET
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
	Transfer In	125,360.03	\$30,306.00
	<b>Intergovernmental - State</b>		
	Road Maintenance & Rehab	10,839.05	\$9,750.00
	VLF Swap	608.56	\$400.00
	Motor Vehicle		
	Traffic Congestion Relief	864.52	\$850.00
	Highway Users Tax	2,048.13	
	2103 (Gas Tax)	3,413.92	\$2,500.00
	2105	2,433.45	\$3,500.00
	2106	3,559.43	\$6,000.00
	2107	3,409.09	\$4,500.00
	2107.5	1,000.00	\$1,000.00
	<b>Total Highway Users Tax</b>	<b>15,864.02</b>	<b>\$17,500.00</b>
	<b>Total Intergovernmental - State</b>	<b>28,176.15</b>	<b>\$28,500.00</b>
	<b>Total Income</b>	<b>153,536.18</b>	<b>\$58,806.00</b>
<b>Expense</b>			
	Late Fee		
	Finance Charge		
	Small Tools & Equipment		
	Small Tools & Equipment - Other	275.93	\$400.00
	Safety		
	<b>Total Small Tools &amp; Equipment</b>	<b>275.93</b>	<b>\$400.00</b>
	Repairs & Maintenance	4,246.70	\$2,400.00
	Building Repairs		
	Utilities		
	Other		
	Security		
	Internet - Broadband	27.25	\$50.00
	Propane	8.63	\$100.00
	Electric	22,299.42	\$34,000.00
	Electric for Discharge		
	Garbage Disposal		
	<b>Total Utilities</b>	<b>22,335.30</b>	<b>\$34,150.00</b>
	Equipment Repair & Maintenance	2,965.22	\$2,800.00
	Taxes		
	Solid Waste Benefit Assessment	29.22	\$25.00
	Taxes - Other	0.26	
	<b>Total Taxes</b>	<b>29.48 #</b>	<b>25.00</b>
	Salaries and Wages		
	Workers Comp.	933.80	
	Payroll Tax Expense	458.40	\$2,457.00
	Payroll Expense		
	Part Time Wages		
	Payroll Expense - Other	482.72	\$7,020.00
	<b>Total Payroll Expense</b>	<b>482.72 #</b>	<b>7,020.00</b>
	Salaries and Wages - Other	4,458.45	
	<b>Total Salaries and Wages</b>	<b>6,333.37 #</b>	<b>9,477.00</b>
	Employee Benefits		
	Nationwide City		
	Retirement		
	Health Insurance		

Streets Highways

	Actuals July 1, 2019 through March 31, 2020	2019/2020 BUDGET
Total Employee Benefits	0.00	
Services and Supplies		
Postage		
Advertising		
Automobile Expense		
Fuel	607.68	\$1,500.00
Automobile Expense - Other	80.43	\$0.00
Total Automobile Expense	688.11 #	1,500.00
Bank Service Charges		
Chemicals		
Contracted Services		
Annual Street Report		\$1,400.00
Health/Drug Screening	22.40	
Professional Fees		
Consulting/Accounting&Financial		
Legal Fees		
Auditing Expense	1,299.00	\$1,299.00
Testing		
Contracted Services - Other		
Total Contracted Services	1,321.40 #	2,699.00
Dues and Subscriptions		\$50.00
Insurance		
Liability Insurance	2,342.23	\$3,000.00
Travel for SCORE		
Property Insurance	1,120.90	\$1,600.00
Insurance - Other		\$200.00
Total Insurance	3,463.13 #	4,800.00
Licenses and Permits		
Miscellaneous		
Meals		
Total Miscellaneous	0.00	
Office Expense	93.39	\$250.00
Operating Supplies	267.88	\$200.00
Telephone	23.62	\$55.00
Training		
Travel		
Services and Supplies - Other	1,175.80	
Total Services and Supplies	7,033.33 #	9,554.00
Total Expense	43,219.33	\$58,806.00
Other Expense		
Transfers Out		
Capital Outlay		
Construction Costs	125,360.03	
Total Capital Outlay	125,360.03	
Total Other Expense	125,360.03	
Net Income	-\$15,043.18 #	\$0.00

General Fund

General Fund		Actuals July 1, 2019 through March 31, 2020	2019/2021 BUDGET
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
	Transfer In		\$262,602.00
	Building Permits	5,438.90	\$6,000.00
	Donations	240.00	
	Property Taxes	26,134.53	-\$7,000.00
	Supplemental	246.03	\$1,000.00
	Homeowners	401.42	\$350.00
	Clerk Fees	33.55	\$800.00
	Secured	10,621.22	\$27,500.00
	Unsecured	60.39	\$1,250.00
	Prior Year		
	<b>Total Property Taxes</b>	<b>37,497.14</b>	<b>\$23,900.00</b>
	Taxes & License Revenue		
	Sales & Use	61,731.00	\$60,000.00
	Franchise	4,805.00	\$6,500.00
	License & Permits	3,900.00	\$750.00
	<b>Total Taxes &amp; License Revenue</b>	<b>70,436.00</b>	<b>\$67,250.00</b>
	Charges for Current Services		
	Cemetery Plots		\$2,000.00
	Copies & Faxes	260.40	\$500.00
	Rent Income		
	Auditorium Rental	290.00	\$650.00
	Social Hall	520.00	\$500.00
	Rent Income - Other	6,600.00	\$11,350.00
	Service Area Revenue		
	Charges for Current Services - Other		\$700.00
	<b>Total Charges for Current Services</b>	<b>260.40</b>	<b>\$15,700.00</b>
	Revenue Use of Money & Property		
	Interest Income	60.80	\$48,000.00
	Revolving Loan		
	<b>Total Revenue Use of Money &amp; Property</b>	<b>60.80</b>	
	Miscellaneous Revenue		
	Miscellaneous Revenue - SCORE	6,401.14	\$6,500.00
	Miscellaneous Other		
	<b>Total Income</b>	<b>120,334.38</b>	<b>\$429,952.00</b>
	<b>Expense</b>		
	Late Fee /DSA 796 Fees	29.40	
	Finance Charge	13.54	\$100.00
	Small Tools & Equipment		
	Small Tools & Equipment - Other	308.95	\$325.00
	Safety		

General Fund

General Fund		Actuals July 1, 2019 through March 31, 2020	2019/2021 BUDGET
	<b>Total Small Tools &amp; Equipment</b>	308.95	\$325.00
	<b>Repairs &amp; Maintenance</b>	1,659.82	\$1,400.00
	<b>Building Repairs</b>		\$23,250.00
	<b>Utilities</b>		
	<b>Other</b>	980.12	
	<b>Security</b>	240.00	\$50.00
	<b>Internet - Broadband</b>	408.75	\$200.00
	<b>Propane</b>	12,137.95	\$3,300.00
	<b>Electric</b>	42,780.49	\$1,300.00
	<b>Electric for Discharge</b>		
	<b>Garbage Disposal</b>	995.67	\$900.00
	<b>Total Utilities</b>	57,542.98	\$5,750.00
	<b>Equipment Repair &amp; Maintenance</b>	551.76	\$175.00
	<b>NEEDS REVIEW, RECON DISCREP</b>	496.51	
	<b>Taxes</b>		
	<b>Solid Waste Benefit Assessment</b>	6,031.80	\$4,900.00
	<b>Taxes - Other</b>	55.76	\$4,500.00
	<b>Total Taxes</b>	6,087.56	\$9,400.00
	<b>Salaries and Wages</b>		
	<b>Workers Comp.</b>	933.79	
	<b>Payroll Tax Expense</b>	3,133.65	\$7,371.00
	<b>Payroll Expense</b>		
	<b>Part Time Wages</b>	12,332.19	
	<b>Payroll Expense - Other</b>	487.48	\$21,060.00
	<b>Total Payroll Expense</b>	12,819.67	
	<b>Salaries and Wages - Other</b>	4,399.40	
	<b>Total Salaries and Wages</b>	21,286.51	\$28,431.00
	<b>Employee Benefits</b>		
	<b>Nationwide City</b>		
	<b>Retirement</b>	92,486.42	
	<b>Health Insurance</b>	283.11	
	<b>Total Employee Benefits</b>	92,769.53	
	<b>Services and Supplies</b>		
	<b>Postage</b>	462.06	\$150.00
	<b>Advertising</b>	242.40	\$1,200.00
	<b>Automobile Expense</b>		
	<b>Fuel</b>	521.41	\$780.00
	<b>Automobile Expense - Other</b>		\$250.00
	<b>Total Automobile Expense</b>	521.41	\$1,030.00
	<b>Bank Service Charges</b>	59.36	\$25.00
	<b>Chemicals</b>		
	<b>Contracted Services</b>		\$150.00
	<b>Council Expense</b>	853.20	

General Fund

		Actuals July 1, 2019 through March 31, 2020	2019/2021 BUDGET
	General Fund		
	Health/Drug Screening	503.60	
	Professional Fees	14,442.00	\$15,000.00
	Consulting	5,963.00	\$350.00
	Legal Fees	3,206.40	\$10,000.00
	Auditing Expense	2,800.74	\$1,299.00
	Accounting & Financial	945.00	
	Building Permits	671.56	
	<b>Total Contracted Services</b>	<b>29,385.50</b>	<b>\$26,799.00</b>
	Dues and Subscriptions	40.00	\$250.00
	Insurance		
	Liability Insurance	2,442.12	\$2,100.00
	Travel for SCORE	375.30	\$200.00
	Property Insurance	1,120.90	\$1,600.00
	Insurance - Other		\$275.00
	<b>Total Insurance</b>	<b>3,938.32</b>	<b>\$4,175.00</b>
	Licenses and Permits		
	Miscellaneous		
	Meals	30.71	\$25.00
	<b>Total Miscellaneous</b>	<b>30.71</b>	<b>\$25.00</b>
	Office Expense	5,815.91	\$1,275.00
	Operating Supplies	10,299.21	\$720.00
	Telephone	351.76	\$225.00
	Training		
	Travel	200.68	\$250.00
	Services and Supplies - Other	4,534.04	\$100.00
	<b>Total Services and Supplies</b>	<b>55,881.36</b>	<b>\$36,224.00</b>
	<b>Total Expense</b>	<b>236,627.92</b>	<b>\$105,055.00</b>
	Other Expense		
	Transfers Out		\$302,908.00
	Prior Period Adjustment	-1,277.06	
	Capital Outlay		
	Construction Costs	3,133.35	
	<b>Total Construction Costs</b>	<b>3,133.35</b>	
	<b>Total Other Expense</b>	<b>1,856.29</b>	
	<b>Net Income</b>	<b>-\$118,149.83</b>	<b>\$21,989.00</b>

# Incorporated Senior Citizens of Sierra County

P. O. Box 675 302 First Street

Loyalton, CA 96118

(530)993-4770

RECEIVED

MAY 12 2020

BY: \_\_\_\_\_

May 12, 2020

City of Loyalton  
P.O. Box 128  
Loyalton, CA 96118

Dear Council Members;

In early May, Incorporated Senior Citizens of Sierra County, who runs the Loyalton Senior Center and Thrift Store, received eleven pages of invoices from the City for electricity and propane from December, 2019 through April. While volunteers from this organization had requested bills along the way, none were forthcoming. The total of these bills is \$2,548.82.

Since the Thrift Store is dependent upon the City Hall opening before we can once again open and earn money to pay this bill, we are asking for a delay in making this payment. Once the store can safely open, we will be able to earn the money to take care of this bill. We are proposing that once the Thrift Store is up and running, we will make payments to cover these arrears, while keeping the current bills up to date. It is anticipated that this process may take up to six months to repay the arrears.

Thank you for your understanding, as we all attempt to recover from the effects of Covid-19 and the pandemic response.

Sincerely,



Carolyn Widman  
Executive Director

# CITY OF LOYALTON

COUNTY OF SIERRA  
605 SCHOOL STREET  
P.O. BOX 128  
LOYALTON, CALIFORNIA 96118  
(530) 993-6750  
cityofloyalton@digitalpath.net



OFFICE OF THE MAYOR

S.C.O.R.E  
C/O Town of Loomis  
ATTN: Roger Carroll  
P.O. Box 1330  
Loomis, CA 95650

RE: City of Loyalton  
Property Insurance Fiscal Year 20/21  
Liability Insurance Fiscal Year 20/21

May 13, 2020

To Whom It May Concern:

Please accept this letter from the City of Loyalton as a formal request for a payment plan for the fiscal year 2020-2021 for the City's Property Insurance (period 7/1/20-6/30/20) and the Liability Insurance Policy (period 7/1/20 – 6/30/20).

Best Regards,

Mayor Sarah Jackson





## CHAPTER 7. BUDGET SPENDING

- 7.0 Approval of the Finance Committee is required prior to expenditure of non budgeted funds in excess of \$250.00 and budgeted funds in excess of \$1000.00 except for council approved public works projects and expenditures approved by USDA for reimbursement.
- 7.1 Any changes in budget or transfers in or out of funds must be recommended to the Financial Committee, if a dispute arises it will then have to be approved by a majority Council vote.
- 7.2 The budget needs reviewed before every regular meeting by Financial Committee, a quarterly review, a report given to Council and a midyear complete budget review with recommended changes by Financial Committee .

## CHAPTER 8. CITY CLERK

- 8.0 The City Clerk shall be elected to a four (4) year term and shall be subject to removal by self resignation or by Citizens legal recall.
- 8.1 Attend all regular meetings and special meetings, in case of emergency check with the Mayor or Vice Mayor.
- 8.2 Prepare all agendas for all meetings with the Mayor or if established an agenda committee, all items and background must be in by 12:00 noon on Wednesday before the Tuesday meeting, all meetings must be posted according to law including committee meetings.
- 8.3 Record all minutes of meetings, any action items must be recorded by roll call vote and the persons voting for or against included in the minutes.
- 8.4 Email or mail notices of regular and special meetings to the Council, newspapers and other interested parties.
- 8.5 Post all meetings and agendas on City website
- 8.6 Prepare and post ordinances and legal documents as required by law.
- 8.7 Perform duties specifically required by law and any other duties that may be added by direction of the Council.
- 8.8 Make copies of official minutes for office and burn tape of meetings to CDs, make copies and keep originals in office at all times.
- 8.9 It is the City Clerks responsibility to run a clean uncluttered office.

- 8.10 The City Clerk must be trained in all aspects of City business, including financial training. Time above regular work hours will be compensated over and above the Clerks normal monthly salary.
- 8.11 The City Clerk shall be responsible for payroll and payment of the bills in coordination with the finance, personnel. All checks must be signed by two of the three council members that have the authority.
- 8.12 The duties of the City Clerk shall include the management and supervision of deputy clerk(s) and other office staff.

#### CHAPTER 9. CITY FINANCE DEPARTMENT DUTIES AND FINANCE PERSONNEL

- 9.0 A City Accountant will be employed or retained under contract. The City Accountant will work under the direction of the Finance Committee. The Chairman of the Finance Committee will act as the Finance Director for the City.
- 9.1 Duties include prepare all financial records for yearly audits, State grant audits and any other grant or loan audits.
- 9.2 Comply with all laws governing securing of public funds and or trust funds.
- 9.3 Pay out monies only on warrants signed by legally designated persons.
- 9.4 All checks must be signed by two of the three council persons that have the authority to sign.
- 9.5 Regularly at least once a month submit to the City Clerk a written report of accounts and all receipts, disbursements and fund balances with a copy to the Finance Committee.
- 9.6 Perform duties specially compelled by law and duties which may be added by direction of the full Council or Finance Committee.
- 9.7 The City Clerk or someone designated by the Council should be trained by the Finance Person in all aspects of City finance and budgets.
- 9.8 It is not the Finance Personnel's prerogative to discuss City budgets with outside Agencies without the direction of the Financial Committee or the Council majority.
- 9.9 The Council or Finance Committee may add further responsibilities or designate some responsibilities to another department.
- 9.10 The financial department or personnel may never hide money in the budget or any place else. If approached by anyone to do so, your responsibility is to bring it before

personnel and they must take it before the full Council.

#### CHAPTER 10. DEPUTY CLERK

- 10.0 The City may hire one or more Deputy Clerks to work under the management and supervision of the City Clerk. Deputy Clerk(s) will perform any duties delegated by the City Clerk to include those listed in paragraphs 10.1 through 10.9.
- 10.1 Receive and safely keep any monies collected such as water, sewer, license, etc.
- 10.2 Prepare paper work relative to collection of license fees, etc.
- 10.3 Work with City Clerk to keep files up to date and accessible
- 10.4 Work with City Clerk to prepare and post all legal documents such as ordinances, Legal postings, etc.
- 10.5 Be responsible for Petty Cash and reconcile weekly, deposit all deposits weekly.
- 10.6 Help with preparation of agendas if needed
- 10.7 Do all copying of City paperwork as requested.
- 10.8 File all paperwork properly (all originals must stay in office files)
- 10.9 Answer phones and email messages if confidential do not open and notify Mayor or Vice Mayor or if not available another Council member immediately.

#### CHAPTER 11. CITY MAINTENANCE WORKERS

- 11.0 Maintenance Workers Duties
  - 11.0.1 Operate and maintain the City's water and sewer systems.
  - 11.0.2 Maintain taps on City mains for water and sewer hook-ups.
  - 11.0.3 Install new pipes as required and log actions.
  - 11.0.4 Operate and maintain the fluoridation system.
  - 11.0.5 Make repairs on the water and sewer systems as needed and also any buildings housing the systems.
  - 11.0.6 Act as custodian of the water and sewer departments, equipment and supplies.
  - 11.0.7 Bring to the attention of the Council any inadequacies that may be detected.
  - 11.0.8 Perform any cut-offs as provided by City ordinances.
  - 11.0.9 Perform other jobs as directed by Council or Planning Commission.

- 11.0.10 Make complete inventory of heavy equipment and nonexpendable tools yearly.
- 11.0.11 Maintain an ongoing inventory of equipment and tools that are expendable.
- 11.0.12 Report to City Hall daily, as early as his/her schedule permits, to confer with the City Clerk, Mayor or office personnel concerning requests.
- 11.0.13 As time allows, perform any jobs requested by Department Commissioners which are on file with the City Clerk.
- 11.0.14 Take care of all emergencies first, and then do other jobs.
- 11.0.15 Notify the City Hall or the Department head if he/she is unable to fulfill any job request.
- 11.0.16 Fill out work sheets of time spent in various departments.
- 11.0.17 Have current Water and Wastewater Certificates.
- 11.0.18 Submit a weekly schedule of jobs to be done.
- 11.0.19 Make recommendations to the Council concerning employee vacation periods.
- 11.0.20 Advise the Council of proposed changes in work schedules at his/her earliest convenience.

11.1 Maintenance Wastewater Treatment Facility

11.1.0 Description – Under the general supervision of the City Council, this position entails the operation of all processes and equipment of the wastewater treatment plant. This includes responsibility for carrying out stated operational procedures and having a comprehensive knowledge of plant operations. The operator must be able to perform routine duties independently in a safe and workmanship-like manner and recognize and report unusual conditions; perform hard manual tasks for maintenance and operation of facilities in a safe and orderly manner; perform skilled work to operate maintain, inspect, and monitor the wastewater collections system including lift stations; and, must be able to swim. The duties are more specifically set forth below into the categories of general, maintenance, operational, and safety duties.

11.2 General Tasks

- 11.2.0 Operate, maintain, inspect and monitor the wastewater treatment collection system.
- 11.2.1 Operate designated City equipment such as pumps, valves, electrical motors, and generators or operate a designated element of the treatment process in a safe and workmanship-like manner.
- 11.2.2 Perform general cleaning of all sewage treatment equipment and facilities, including preventative maintenance and painting.
- 11.2.3 Perform a variety of manual tasks requiring the handling of equipment exposed to sewage, the collection of sewage samples, and other samples on a prescribed schedule.
- 11.2.4 Work overtime, perform on-call duty, and perform other related operational and maintenance tasks as required.

11.3 Maintenance

- 11.3.0 Clean motorized bar screen daily.

- 11.3.1 Maintain floating aerators.
  - 11.3.2 Maintain the collection equipment and keep it clean and orderly.
  - 11.3.3 Perform cleanup and yard maintenance as required, including but not limited to, maintenance of graded borders and weed control with hand and power tools.
  - 11.3.4 Perform maintenance/rehabilitation on all City sewers. Repair and inspect manholes and sewer lines. Install new sewer appurtenances and connections.
  - 11.3.5 Perform lubrication, painting, cleaning, and routine maintenance of equipment and plant buildings.
  - 11.3.6 Perform corrective maintenance and manual labor tasks when required.
  - 11.3.7 Recommend changes to maintenance programs.
- 11.4 Operation
- 11.4.0 Operate valves at each cell daily.
  - 11.4.1 Inspect entire site daily year round.
  - 11.4.2 Monitor the performance and operate the collection system.
  - 11.4.3 Maintain plant and equipment operating records and submit reports as required. Maintain laboratory and collection records.
  - 11.4.4 Read meters and gauges, records and make reports.
  - 11.4.5 Perform routine and special tests and chemical analysis of collected samples. Perform special and routine laboratory testing for control and environmental monitoring programs. Conduct sampling program, perform or assign non routine analysis
  - 11.4.6 Maintain an inventory of chemicals and supplies.
  - 11.4.7 Report supplies or changes needed for the operation of the City facility.
  - 11.4.8 Understand proper operational procedures. Recognize changes in normal operations and investigate the cause.
  - 11.4.9 Remove stoppages in the collection system using both mechanical and hydraulic equipment.
  - 11.4.10 Answer phone calls and respond to inquiries or direct them to the proper individual.
  - 11.4.11 Perform unskilled tasks assisting skilled tradesman in repair of sewage treatment equipment.
  - 11.4.12 Excavate and backfill trenches with hand or power equipment.
  - 11.4.13 Load and unload materials.
  - 11.4.14 Operate trucks, tractors, shovels, concrete mixers, jackhammers, sand blasting and grouting equipment as well as a variety of hand tools.
- 11.5 Safety
- 11.5.0 Perform all duties in a safety-conscious manner and comply with all safety rules.
  - 11.5.1 Insure the City facilities are kept in a clean, neat and safe manner.
  - 11.5.2 Perform the duties of Hazard Communication officer, and monitoring laboratory quality control program, in a safe and professional manner.
  - 11.5.3 Set up safe traffic control systems for all work in public right-of-ways.
- 11.6 Minimum Qualifications
- Training and experience: Requires State of California operators in training certification.

One year experience in wastewater plant or similar experience. High school diploma or GED equivalent. Maintain a valid Class B California driver's license and an acceptable driving record for insurability.

**11.7 Knowledge and Abilities**

Ability to understand and follow plant operation manuals. Ability to follow oral and written instruction. Ability to establish and maintain a cooperative relationship with other employees.

Knowledge of the equipment and facilities commonly used in sewage treatment and general requirements for their operation and maintenance. Working knowledge of tools and equipment common to the required duties. Must be mechanically inclined and able to make most all mechanical repairs on City Equipment. Working knowledge of the hazards and safety precautions common to his or her duties.

Ability to perform heavy manual labor for extended periods of time. Ability to enter vaults by ladder, remove, replace, or clean equipment. Ability to operate large valves. Ability to operate backhoe and use hand tools. Must be able to swim, lift 100 lbs. and the ability to lift heavy objects above shoulder height.

Working knowledge of chemical and biological methods of analyses related to Wastewater treatment and the interpretation of laboratory data. Ability to read, write, and understand technical and administrative report. Must have ability to obtain high degree of accuracy and neat handwriting to keep clear and accurate records. Able to interpret charts and flow diagrams. Ability to do math problems in decimals and fractions.

It is highly desirable for an operator, in the performance of laboratory duties, to have knowledge of how the lab results relate to facility operations. Must be able to work safely and keep lab in a clean, neat and safe condition continuously.

**11.8 Special Conditions**

This is a trained position and each operator in training is expected to obtain a State Of California Grade I Certification. Employees who do not obtain certification within 24 months of employment will no longer be qualified for the position. However, each employee will be allowed a time extension if needed to allow an opportunity to take the State examination twice at the discretion of the City Council.

**11.9 Supervision**

City Maintenance Workers will work under the direction and supervision of the Public Works Director. The Chairman of the Public Works Committee will be the Public Works Director.

**11.10 Cemetery**

11.10.0 Dig and fill graves when requested by Council, City Clerk or Mayor.

11.10.1 Maintain fence, water system and roads within the cemetery.

11.10.2 Assist when necessary and possible in placing stakes and information markers on plots.

- 11.10.3 Inform Council if extra work or material is necessary.
- 11.10.4 Check with Clerk's office to make sure all plots are recorded and placed properly.

11.11 City Buildings

- 11.11.0 Keep all buildings owned by City in good repair including Senior Thrift Store and building. Excluding agreement in the Senior contract or lease.
- 11.11.1 Repair appliances if owned by City if appropriate and knowledgeable otherwise notify Council.

11.12 Roads

- 11.12.0 Maintain roads when necessary.
- 11.12.1 When able help contractors working on City owned streets.

11.13 Parks and Recreation

- 11.13.0 Water trees and shrubs and trim as needed.
- 11.13.1 Mow and water lawns.
- 11.13.2 Maintain, repair, and install fencing as needed.
- 11.13.3 Maintain and repair as needed all buildings, equipment, and structures, including playground equipment.
- 11.13.4 Maintain exercise track, tables, benches a tennis court if applicable.
- 11.13.5 Maintain Little League Soft Ball fields.
- 11.13.6 Perform all other duties as directed by Council or Park Staff.
- 11.13.7 All Maintenance Workers are required to work in all phases of City Maintenance including but not exclusive to parks, water, sewer, roads, cemetery, buildings and any other maintenance directed by Council.

## Chapter 12. Volunteer Fire Department

- 12.0 Loylton Fire Department is created and shall consist of a Fire Chief, various officers and enough members to provide for effective operation of the Department.
- 12.1 The position of Chief is created and shall be a position appointed by the Council.
- 12.2 The Chief shall appoint any needed officers and at no time shall the Department exceed twenty (20) positions.
- 12.3 Any volunteer putting the City and Department at risk, because of alcohol, drugs, or Sexual harassment is grounds for dismissal per City Personnel Policy Section 7.3.
- 12.4 Selection: Members of the Volunteer Fire Department shall be selected as follows:
  - 12.4.1 Applications for the position of Volunteer Fireperson should be completed on an application form, or by verbal communication to the Fire Chief, and shall be processed by the personnel officer of the department.
  - 12.4.2 Applicants shall be screened by a committee of the Volunteer Fire Department, consisting of the officers, except Chief. A recommendation



Is then made to the Fire Chief, who accepts or denies.

12.4.3 In the event that all twenty (20) positions are filled, the applicant is placed on an honor list and is required to attend all drills and all schools just as one of the regular firepersons, until a position opens. Appointment will be made from the list in numerical order.

12.5 Dismissal

Any member of the Volunteer Fire Department may be dismissed for cause by the Chief, or by a two-thirds (2/3) vote of the members of the department, meeting and voting at a regular meeting. The member of the Volunteer Fire Department against whom the dismissal proceedings are to be brought against shall be given notice, and this verbal notice shall be served upon said member at least thirty (30) days prior to the meeting at which the dismissal action is to be conducted. The cause shall be in writing, and shall be given to the member who has been dismissed and shall be placed in the records of the department.

12.6 Compensation

Membership in the department shall be voluntary, and neither the officers nor the members thereof shall receive compensation for services performed.

12.7 Fire Department Powers and Duties

12.7.0 The Fire Department shall be responsible for all matters relative to fire prevention, fire suppression, and enforcement of fire related codes and regulations.

12.7.1 The Fire Department shall be responsible for preparation of any and all written and/or verbal reports as may be required the law or as requested by the Council.

12.7.2 The Fire Chief and/or his/her designee shall, during the existence of a fire and/or emergency situation, have all powers of a police officer.

12.7.3 The 1979 Uniform Fire Code and Code Standards are hereby adopted and shall be enforced by the Fire Chief.

12.8 Fire Equipment and Hydrants

No person except members of the Fire Department shall ride or be permitted to ride except within special events approved by City Council on a fire truck or moving piece of fire apparatus.

No, person, other than a member of the Fire Department, Police Department, or Water Department of the City, unless written permission is first had and obtained from the City Council, or from such representative as the Council may from time to time designate, shall in any manner use water from any fire hydrant.

CHAPTER 13. City Engineer

The Council may contract for Engineering and surveying Services with a public or private agency

**CHAPTER 14. City Health Services**

The City may contract with the County for Professional Health Services which allow the County Health Officer to serve as the City Health Officer, or look into a contract outside of the County.

**CHAPTER 15. Planning Commission**

The City Council may contract with County for planning or appoint a Planning Commission of five (5) citizens may select a secretary and other officers or the Council may serve as its own Planning Commission with its own Secretarial Staff.

Planning Commission must use the guidelines and laws of the City General Plan as provided by law.

**CHAPTER 16. Chief of Police**

The Council may contract with the County for police protection services which allows the County Sheriff to serve as the City Chief as directed by the Council.

**CHAPTER 17. Janitorial**

Clean out door restrooms, Social Hall restrooms, and City Hall restrooms. Outside clean up and any other duties Council may add.

Kathy LeBlanc

From: shawn heywood [heywoodshawn@gmail.com]  
Sent: Saturday, February 08, 2020 11:34 AM  
To: Kathy LeBlanc; Sarah Jackson  
Subject: Fwd: Loyaltion, CA - finance info from Blake Kaus @ Community Leasing Partners  
Attachments: image001.jpg; Loyaltion, CA 012420 - Midwest Fire.pdf

Here are the most recent financing options. This is a better deal than the previous company we based our numbers off. As far as I know we are on track with the construction of the new apparatus. I am working with Midwest fire on graphics and radios this month.

Let me know if you have any questions.

Thank you  
Shawn Heywood

----- Forwarded message -----  
From: Blake Kaus <blakekaus@clipusa.net>  
Date: Fri, Jan 24, 2020, 12:33 PM

Subject: Loyaltion, CA - finance info from Blake Kaus @ Community Leasing Partners  
To: heywoodshawn@gmail.com <heywoodshawn@gmail.com>

Chief Heywood,

Thank you for your call today! Per your request, I have attached updated figures for the revised amount. Because the amount to finance is reduced to \$70K, I have adjusted the finance terms to show 3, 5 & 7 years.

Let me know if you have any questions, or if I can do anything else for you.

Regards,

Blake J. Kaus  
Vice President & Director of Leasing  
Community Leasing Partners  
215 S. Seth Child Road  
Manhattan, KS 66502



Phone: 888.777.7850  
 Fax: 888.777.7875  
 Cell: 785.313.3154  
 215 S. Seth Child Road  
 Manhattan, KS 66502  
 www.cfpusa.net

January 24, 2020

Customer Name: Loylton Fire Department, CA  
 Chief Heywood

Equipment: One 2000 Gallon Water Tender  
 Sales Representative: Midwest Fire  
 Delivery: TRD

Community Leasing Partners, a Division of Community First National Bank, is pleased to present the following financing options for your review and consideration.

**Option 1**

	2	3	5	7
Total Cost:	\$ 243,000.00			
Down Payment:	\$ 173,000.00			
Prepay Discount:	\$ -			
Amount Financed:	\$ 70,000.00			
Term in Years:	2	3	5	7
Payment:	\$25,015.94	\$15,536.20	\$11,488.31	
Factor:	0.357371	0.221946	0.164119	
Interest Rate:	3.56%	3.57%	3.59%	

**THERE ARE NO DOCUMENTATION OR CLOSING FEES ASSOCIATED WITH THIS PROPOSAL.**

Fixed interest rate for the terms provided unless otherwise stated.

This financing is to be executed and funded within 30 days of the date of the proposal, or Lessor reserves the right to adjust the interest rate. The proposal is subject to credit review and approval of mutually acceptable documentation.

This proposal has been prepared assuming the lessee is bank qualified and that the proposed lease qualifies for Federal Income Tax Exempt Status for the Lessor under Section 103 of the IRS Code.

Thank you for allowing Community Leasing Partners the opportunity to provide this proposal. If you have any questions regarding the options presented, need additional options, or would like to proceed with a financing, please contact me at 1-888-777-7850.

Respectively,

Blake J. Kaus  
 Vice President & Director of Leasing  
 blakekaus@cfpusa.net



215 S. Seth Child Road  
Manhattan, KS 66502  
Phone: 888.777.7850  
Fax: 888.777.7875  
[www.cfpusa.net](http://www.cfpusa.net)

May 5, 2020

Sarah Jackson  
City of Loyaltion  
PO Box 128  
Loyaltion, CA 96118

RE: Financing for One (1) New Midwest FireTender

Dear Sarah,

Thank you for the opportunity to work with City of Loyaltion on your financing project

This package includes the documentation with instructions to complete financing of the equipment.

Community First National Bank is listed as Lessor to this Agreement. Community Leasing Partners is a division of Community First National Bank and is the exclusive marketing, origination and placement agent for the bank.

Please return all documents with original signatures by 5/19/2020 to avoid any potential change in the payments or interest rate.

This Agreement requires three different signers from the City of Loyaltion and an attorney's opinion letter.

Signer 1 - Sarah Jackson, Mayor  
Signer 2 - Joy Markum, Council Member  
Signer 3 - Kathy Labianc, Interim City Clerk

Upon receipt of all listed documents; delivery of the equipment and your approval of the equipment invoice; we will remit payment to the vendor. This transaction is subject to acceptance of the documentation and final review and approval by the Lessor.

If you have any questions regarding the documentation, please feel free to contact me at 888.777.7850.

Respectfully,

*Kristi*

Kristi Kirkman  
Documentation Associate

## Documentation Instructions

- ◇ MASTER EQUIPMENT LEASE PURCHASE AGREEMENT
  - Sarah Jackson - sign where indicated
- ◇ Exhibit A – SCHEDULE OF EQUIPMENT
  - Sarah Jackson - sign where indicated
- ◇ Attachment 1 – EQUIPMENT DESCRIPTION
  - Provide physical location where the equipment will be kept after delivery/installation
- ◇ Attachment 2 – PAYMENT SCHEDULE
  - Sarah Jackson - sign where indicated
- ◇ Exhibit B – LESSEE RESOLUTION
  - Print the date the Resolution is being signed
  - Print the date of the meeting in which the financing was approved
  - Sarah Jackson - sign as "Authorized Signer"
  - Complete the lessee's fiscal year start and end months
  - Joy Markum - attest the Resolution as "Attested By"
  - Kathy LaBlanc - certify the Resolution as "Certified By"
- ◇ Exhibit C - OPINION OF COUNSEL
  - Request your legal counsel provide an Opinion of Counsel using the example provided; retyped on his/her letterhead with their signature (if counsel would like changes, he/she must first contact CLP)
- ◇ Exhibit D - ACCEPTANCE CERTIFICATE
  - Sarah Jackson - sign and date where indicated
- ◇ BANK QUALIFIED CERTIFICATE
  - Sarah Jackson - sign where indicated
- ◇ INSURANCE COVERAGE REQUIREMENTS
  - Provide Agent's contact information
  - Sarah Jackson - sign where indicated
- ◇ INVOICE INSTRUCTIONS
  - Complete contact information for payment billing invoices
- ◇ NOTICE OF ASSIGNMENT
  - Sarah Jackson - sign where indicated
- ◇ ESCROW AGREEMENT
  - Sarah Jackson - sign where indicated
- ◇ Exhibit A- PAYMENT REQUEST FORM/ SIGNATURE CARD
  - Sarah Jackson - sign where indicated
- ◇ TAX COMPLIANCE WITH NO ARBITRAGE
  - Sarah Jackson - sign where indicated
- ◇ 8038 - IRS Form
  - Sarah Jackson - sign and date where indicated
- ◇ Verify employer identification number in Box 2, Complete Boxes 6 & 7
  - Sarah Jackson - sign and date where indicated under "Signature and Consent"
- ◇ ADDITIONAL DOCUMENTATION NEEDED PRIOR TO VENDOR PAYMENT (at delivery):
  - Certificate of insurance from your insurance provider
  - Copies of down payment checks in the total amount of \$191,259.50 made payable to the vendor

### Conditions to Funding

If, for any reason: (i) the required documentation is not returned by 5/19/2020, or has unresolved issues relating thereto, or (ii) on, or prior to the return of the documentation, there is a change of circumstances which adversely affects the expectations, rights or security of the Lessor or its assignees; then Lessor or its assignees reserves the right to adjust the quoted interest rate or withdraw/void its offer to fund this transaction in its entirety.

This contract is being issued based upon review of credit and financial materials provided by lessee that resulted in a credit approval decision. CLP is committed to working with the lessee on this transaction throughout the entire process. Failure to complete the lease in its entirety may result in a \$500 documentation fee being charged. This fee is for credit analysis, drafting of the contract, overnight services and expenses incurred in processing this agreement.

# MASTER EQUIPMENT LEASE PURCHASE AGREEMENT

LESSOR: City of Loyaltown

This Master Equipment Lease Purchase Agreement, including all exhibits and schedules hereto whether currently in existence or hereafter executed (the "Agreement"), dated as of 4/24/2020, and entered into between Community First National Bank 215 S. 5th Child Rd, Manhattan, KS 66502 ("Lessor"), and City of Loyaltown, PO Box 128, Loyaltown, CA 96116 a body corporate and politic duly organized and existing under the laws of the State of California ("Lessee");

**RECITALS**  
WHEREAS, Lessee desires to lease from Lessor certain equipment described in the schedules to this Agreement, substantially in the form of Exhibit A hereto, that are executed from time to time by the parties hereto (such schedules are hereby incorporated herein and are hereinafter collectively referred to as the "Schedules", and the items of equipment leased to Lessee hereunder, together with all substitutions, proceeds, replacement parts, repairs, additions, attachments, accessories and replacements thereto, thereof or hereafter, are hereinafter collectively referred to as the "Equipment") subject to the terms and conditions of and for the purposes set forth in this Agreement.

WHEREAS, the relationship between the parties shall be a continuing one and items of equipment may be added to or deleted from the Equipment from time to time by execution of additional Schedules by the parties hereto and as otherwise provided herein.

WHEREAS, Lessee is authorized under the constitution and laws of the State to enter into this Agreement for the purposes set forth herein.

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

## ARTICLE I. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSEE

Section 1.01. Lessee represents, covenants and warrants, for the benefit of Lessor and its assignees, as follows:

- (a) Lessee is a public body, corporate and politic, duly organized and existing under the Constitution and laws of the State.
- (b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.
- (c) Lessee is a political subdivision of the State within the meaning of Section 103(a) of the Code or a constituted authority authorized to issue obligations on behalf of a state or local governmental unit within the meaning of the regulations promulgated pursuant to said Section of the Code. Lessee has full power and authority under the Constitution and laws of the State to enter into this Agreement and the transactions contemplated hereby, and to perform all of its obligations hereunder.
- (d) Lessee has duly authorized the execution and delivery of this Agreement by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement.
- (e) Lessee has complied or will comply with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment.
- (f) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing one or more essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee.
- (g) During the Lease Term, Lessee will annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor.
- (h) The Equipment will have a useful life in the hands of Lessee that is substantially in excess of the Original Term and all Renewal Terms.
- (i) The Equipment is, and during the Lease Term will remain personal property and when subjected to use by the Lessee, will not be or become fixtures.
- (j) The Equipment is essential to the function of the Lessee and the services provided to its citizens, and will be used throughout the period that this Agreement is in force for the purpose of performing one or more governmental or proprietary functions consistent with the permissible scope of its authority.
- (k) Lessee has not terminated a lease, rental agreement, installment purchase contract, or any other such agreement in the past five (5) years as a result of insufficient funds being appropriated for payments due under such an agreement.
- (l) This Agreement constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.
- (m) 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 exists at the date hereof.
- (n) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the current fiscal year and to meet its other obligations under this Agreement for the current fiscal year, and such funds have not been expended for other purposes.
- (o) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefore, whether an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement or materially adversely affect the financial condition or properties of Lessee.
- (p) All authorizations or approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Agreement or in connection with the carrying out by Lessee of its obligations hereunder have been obtained.
- (q) The entering into and performance of this Agreement or any regulation, order, law or restriction applicable to Lessee or result in any breach of, or result in the creation of any lien, charge, security interest or other encumbrance on any assets of Lessee or the Equipment pursuant to any indenture, mortgage, deed or trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.

## ARTICLE II. DEFINITIONS

Section 2.01. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Master Equipment Lease Purchase Agreement, including the Schedules and any other schedule, exhibit or escrow agreement made a part hereof by the parties hereto, whether currently in existence or hereafter executed, as the same may be supplemented or amended from time to time in accordance with the terms hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations in effect thereunder.

"Commencement Date" means, with respect to any Schedule, the date when the Lease Term of this Agreement with respect to that Schedule and Lessee's

obligation to pay rent under that Schedule commence, which date will be the earlier of (i) the date of the Agreement, or (ii) the date on which sufficient money to purchase the Equipment are deposited for that purpose with an Escrow Agent.

"Equipment" means the property described in the Schedules and all replacements, repairs, restorations, modifications, attachments, accessories, additions and improvements thereof or thereto. Wherever reference is made in this Agreement to Equipment listed in a Schedule, that reference shall be deemed to include all replacements, repairs, restorations, modifications and improvements of or to that Equipment.

"Event of Default" means, with respect to any Lease, an Event of Default described in Section 10.01.

"Lease Agreement" means, with respect to a given Schedule, an escrow agreement in form and substance satisfactory to Lessor, between Lessee, Lessor and an escrow agent relating to the acquisition fund created thereunder.

"Lease" means, at any time, (i) if none of Lessor's interest in, to and under any Schedule has been assigned pursuant to Section 9.01, or if all of Lessor's interest in, to and under this Agreement and all Schedules have been assigned to the same assignee without any reassignment, the Agreement, or (ii) if Lessor's interest in, to and under any Schedule or Schedules has been assigned or reassigned pursuant to Section 9.01, all Schedules that have the same Lessor and this Agreement as it relates to those Schedules and the Equipment listed therein, which shall constitute a separate single lease relating to that Equipment.

"Lease Term" means, with respect to any Lease, the Original Term and all Renewal Terms of that Lease.

"Lessor" means the entity which is described in the first paragraph of this Agreement, its successors and assigns.

"Lessor" means, with respect to each Schedule and the Lease of which that Schedule is a part, (i) if Lessor's interest in, to and under that Schedule has not been assigned pursuant to Section 9.01, the entity described as such in the first paragraph of this Agreement or its successor, or (ii) if Lessor's interest in, to and under that Schedule has been assigned pursuant to Section 9.01, the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

"Original Term" means, with respect to any Lease, the period from the first Commencement Date for any Schedule under that Lease until the end of the fiscal year of Lease in effect at that Commencement Date.

"Purchase Option Price" means, with respect to the Equipment listed on any Schedule, the amount set forth in that Schedule as the Purchase Option Price for that Equipment.

"Renewal Terms" means, with respect to any Lease, the automatic renewal terms of that Lease, as provided for in Article III of this Agreement, each having a duration of one year and a term co-terminative with the Lessee's fiscal year except the last of such automatic renewal terms which shall end on the due date of the last Rental Payment set forth in the Schedule.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to Section 4.02.

"State" means the state in which Lease is located.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment.

### ARTICLE III. LEASE TERM

Section 3.01. **Lease of Equipment.** Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment listed in each Schedule in accordance with this Agreement and that Schedule for the Lease Term for the Lease of which that Schedule is a part. The Lease Term for each Lease may be continued at the end of the Original Term, Lease or any Renewal Term, unless otherwise provided, however, that at the end of the Original Term and at the end of each Renewal Term, Lessee shall be deemed to have continued that Lease for the next Renewal Term unless Lessee shall have terminated that Lease pursuant to Section 4.05 or Section 5.04. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the Schedules. Lessor hereby covenants to provide hold and enjoy the Equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement.

Section 3.02. **Continuation of Lease Term.** Lessee currently intends, subject to Section 4.05, to continue the Lease Term for each Lease through the Original Term and all of the Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Lease Term for each Lease can be obtained. The responsible financial officer of Lessee shall do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for the Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available funds or to extend a Lease for any Renewal Term is solely within the discretion of the then current governing body of Lessee.

Section 3.03. **Renewal of Equipment on Termination.** Upon expiration or earlier termination of any Schedule under any provision of this Agreement at a time when Lessee does not exercise the option to purchase the Equipment described in that Schedule under the provisions of this Agreement, Lessee shall deliver, at Lessee's expense, the Equipment described in that Schedule to Lessor in the same condition as existed at the Commencement Date, ordinary wear and tear excepted, packaged or otherwise prepared in a manner suitable for shipment by truck or rail common carrier at a location specified by Lessor.

Section 3.04. **Conditions to Lessor's Performance under Schedules.** As a prerequisite to the performance by Lessor of any of its obligations pursuant to the execution and delivery of any Schedule, Lessee shall deliver to Lessor the following:

- (a) A Lessee Resolution executed by the Clerk or Secretary or other comparable officer of Lessee, in substantially the form attached hereto as Exhibit B, completed to the satisfaction of Lessor;
- (b) An Opinion of Counsel to Lessee in substantially the form attached hereto as Exhibit C respecting such Schedule and otherwise satisfactory to Lessor;
- (c) All documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate at that time;
- (d) Such other items, if any, as are set forth in each Schedule or are reasonably required by Lessor.

This Agreement is not a commitment by Lessor to enter into any Schedule not currently in existence, and nothing in this Agreement shall be construed to impose any obligation upon Lessor to enter into any proposed Schedule, it being understood that whether Lessor enters into any proposed Schedule shall be a decision solely within Lessor's discretion.

Lessee will cooperate with Lessor in Lessor's review of any proposed Schedule. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Schedule. Such documentation may include, without limitation, documentation, documentation concerning the Equipment and its contemplated use and location and information concerning the financial status of Lessee and other matters related to Lessee.

### ARTICLE IV. RENTAL PAYMENTS

Section 4.01. **Rental Payments to Constitute a Current Expense of Lessee.** Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in connection 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 assets of Lessee, funds or monies of Lessee.

Section 4.02. **Payment of Rental Payments.** Lessee shall pay Rental Payments, from any and all legally available funds, in lawful money of the United States of America, exclusively to Lessor or, in the event of assignment by Lessor, to its assignee, in the amounts and on the dates set forth in each Schedule.

Rental Payments shall be in consideration for Lessee's use of the Equipment during the applicable year in which such payments are due. The Rental Payments will be payable without notice or demand at the office of Lessor (or such other place as Lessor may from time to time designate in writing). If any Rental Payment or other sum payable under any Schedule is not paid when due, Lessee shall pay to Lessor accrued interest on such delinquent amount from the date due thereof until paid at the lesser of 18% or the maximum rate allowed by law. In the event that it is determined that any of the interest



components of Rental Payments may not be excluded from gross income for purposes of federal income taxation. Lessee agrees to pay to Lessor promptly after any such determination and on the date of each Rental Payment thereafter an additional amount determined by Lessor to compensate Lessor for the loss of such exclusibility (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive absent manifest error.

**Section 4.03. Interest and Principal Components.** A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment during the Lease Term.  
**Section 4.04. Rental Payments to be Unconditional.** The obligations of Lessee to make payment of the Rental Payments required under this Article IV and other sections hereof, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional in all events, except as expressly provided under the Agreement. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other dispute between Lessee and Lessor, any Vendor or any other person, Lessee shall make all payments of Rental Payments when due and shall not withhold any Rental Payments pending final resolution of such dispute, nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments required under the Agreement. Lessee's obligation to make Rental Payments during the Original Term or the then-current Renewal Term for each Schedule shall not be abated through accident or unforeseen circumstances.  
**Section 4.05. Non-appropriation.** Lessee is obligated only to pay such Rental Payments under this Agreement (and any additional amounts due hereunder, if applicable) as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under a Lease following the then current Original Term or Renewal Term, that Lessee shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver written notice to Lessor of such termination at least 60 days prior to the end of the then current Original Term or Renewal Term, but failure to give such written notice shall not extend the term beyond such Original Term or Renewal Term.

**ARTICLE V. TITLE TO EQUIPMENT; SECURITY INTEREST; OPTION TO PURCHASE**

**Section 5.01. Title to the Equipment.** Upon acceptance of the Equipment by Lessee, title to the Equipment and all additions, repairs, replacements or modifications shall vest in Lessee, subject to the rights of Lessor under this Agreement, provided that title to the Equipment that is subject to any Lease shall immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of that Equipment to Lessor, upon (a) any termination of that Lease other than termination pursuant to Section 5.04, or (b) the occurrence of an Event of Default with respect to that Lease. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.  
**Section 5.02. Security Interest.** To secure the payment of all Lessee's obligations under the Agreement, Lessee grants to Lessor a security interest constituting a first lien on (i) the Equipment and on all additions, attachments, accessories, that are considered to be an integral part of the equipment, and substitutions thereon, and on any proceeds there from, and (ii) the acquisition fund established under any Escrow Agreement entered into in connection therewith. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment. Lessee hereby authorizes the filing of financing statements under the Uniform Commercial Code in connection with the security interest granted hereunder.  
**Section 5.03. Personal Property.** Lessor and Lessee agree that the Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.  
**Section 5.04. Option to Purchase.** Lessee shall have the option to purchase Lessor's interest in all (but not less than all) of the Equipment described in any Schedule, upon giving written notice to Lessor at least 60 (but not more than 180) days before the date of purchase, at the following times and upon the following terms:  
(a) On the date of the last Rental Payment set forth in that Schedule (assuming the Agreement is renewed at the end of the Original Term and each Renewal Term), if the Agreement is still in effect on such day, upon payment in full to Lessor of the Rental Payments and all other amounts due under that Schedule plus One Dollar;  
(b) On the last day of the Original Term or any Renewal Term then in effect, upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule plus the then applicable Purchase Option Price set forth in that Schedule; or  
(c) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in that Schedule; or in Lessee's written notice to Lessor of its exercise of the purchase option upon payment in full to Lessor of the Rental Payments and all other amounts then due under that Schedule, including, without limitation, interest accrued to the date of payment, plus the then applicable Purchase Option Price set forth in that Schedule.

**Section 6.01. Delivery, Installation and Acceptance of Equipment.** Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the locations specified in the Schedules and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Schedule has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate in the form attached hereto as Exhibit D.  
**Section 6.02. Location, Inspection.** Once installed, no item of the Equipment will be moved from the location specified for it in the Schedule on which that item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.  
**Section 6.03. 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 that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Lessor shall have no responsibility in any of these matters, or for the making of improvements or additions to the Equipment. Lessee shall not make material modifications to the Equipment without the prior consent of Lessor.  
**Section 6.04. Leases, Taxes, Other Governmental Charges and Utility Charges.** Lessee shall keep the Equipment free of all liens, charges and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), Lessee will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and any equipment or other property acquired by Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installment over a period of years, Lessee shall be obligated to pay only such installments as have accrued during the Lease Term. Lessee will take no action that will cause the interest portion of any Rental payment to become includable in gross income of the recipient for purposes of federal income taxation under the Code, and Lessee will take, and will cause its officers, employees and agents to take, all affirmative action legally within its power to prevent such interest from being includable in gross income for purposes of federal income taxation under the Code.  
**Section 6.05. Provisions Regarding Insurance.** At its own expense, Lessee shall maintain (a) casualty insurance having the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required excluded from Lessor's income pursuant to the Code.  
Lessee acknowledges that Lessor's yield with respect to this Agreement is dependent upon the interest component of each Rental Payment being

**ARTICLE VI. DELIVERY, MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES**

Section 6.01. Delivery, Installation and Acceptance of Equipment. Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the locations specified in the Schedules and pay any and all delivery and installation costs in connection therewith. When the Equipment listed in any Schedule has been delivered and installed, Lessee shall immediately accept such Equipment and evidence said acceptance by executing and delivering to Lessor an Acceptance Certificate in the form attached hereto as Exhibit D.  
Section 6.02. Location, Inspection. Once installed, no item of the Equipment will be moved from the location specified for it in the Schedule on which that item is listed without Lessor's consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.  
Section 6.03. 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 that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Lessor shall have no responsibility in any of these matters, or for the making of improvements or additions to the Equipment. Lessee shall not make material modifications to the Equipment without the prior consent of Lessor.  
Section 6.04. Leases, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all liens, charges and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), Lessee will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and any equipment or other property acquired by Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installment over a period of years, Lessee shall be obligated to pay only such installments as have accrued during the Lease Term. Lessee will take no action that will cause the interest portion of any Rental payment to become includable in gross income of the recipient for purposes of federal income taxation under the Code, and Lessee will take, and will cause its officers, employees and agents to take, all affirmative action legally within its power to prevent such interest from being includable in gross income for purposes of federal income taxation under the Code.  
Section 6.05. Provisions Regarding Insurance. At its own expense, Lessee shall maintain (a) casualty insurance having the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required excluded from Lessor's income pursuant to the Code.

by Lessor, in an amount at least equal to the replacement cost of the Equipment, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessor may self-insure against the risks described in clauses (a) and (b); provided further that, if Lessor provides such consent, Lessor shall provide to Lessor information with respect to such self-insurance program as Lessor may request from time to time. All insurance proceeds from casualty losses shall be payable as hereinafter provided. Lessor shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. All such casualty and liability insurance shall be with insurers that are acceptable to Lessor, shall name Lessor as a loss payee and an additional insured, respectively, and shall contain a provision to the effect that such insurance shall not be canceled or modified materially without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation or modification. All such casualty insurance shall contain a provision making any losses payable to Lessor and Lessor as their respective interests may appear.

**Section 8.08, Advances.** In the event Lessor shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Equipment in good repair and operating condition, Lessor may (but shall be under no obligation to) purchase the required insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefore by Lessor shall constitute additional rent for the then-current Original Term or Renewal Term, and Lessor covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date advanced until paid at the rate of 18% per annum or the maximum interest rate permitted by law, whichever is less.

**Section 7.02, Damage, Destruction and Condemnation.** If (a) the Equipment listed on any Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessor and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair, restoration, modification or improvement of the Net Proceeds of the Net Proceeds, unless Lessor shall have exercised its option to purchase that Equipment pursuant to Section 6.04. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessor.

**Section 7.03, Insufficiency of Net Proceeds.** If the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement referred to in Section 7.02, Lessor shall either complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, unless Lessor, pursuant to Section 6.04, purchases Lessor's interest in the Equipment destroyed, damaged or taken or other equipment listed in the same Schedule. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement shall be retained by Lessor. If Lessor shall make any payments pursuant to this Section, Lessor shall not be entitled to any reimbursement therefore from Lessor nor shall Lessor be entitled to any diminution of the amounts payable under Article IV.

**Section 8.01, Disclaimer of Warranties; Use of the Equipment.** Lessor has selected the equipment and the vendors. 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 warranty or representation with respect thereto, in no event shall Lessor be liable for an incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, functioning, performance or use of any item or product or service provided for in this Agreement.

**Section 8.02, Vendor's Warranties.** Lessor hereby irrevocably appoints Lessor its agent and attorney-in-fact during the Lease Term, so long as Lessor shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Equipment, which Lessor may have against the Vendor of the Equipment, and not against Lessor, for the breach of such warranty, indemnification or representation shall be against the Vendor or the Equipment, and not against Lessor, nor shall such matter have any effect, whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessor expressly acknowledges that Lessor makes, and has made no representation or warranties whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

**Section 8.03, Use of the Equipment.** Lessor 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. Lessor shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessor 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 any 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 Lessor 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 title of Lessor in and to any of the items of the Equipment or its interest or rights under this Agreement.

**Section 8.04, Essential Nature of the Equipment.** Lessor confirms and affirms that the Equipment is essential to the function of Lessor and the services provided to its citizens, that there is an immediate need for the Equipment which is not temporary or expected to diminish in the foreseeable future, and that Lessor will use substantially all the Equipment for the purpose of performing one or more governmental or proprietary functions consistent with the permissible scope of its authority.

**Section 8.05, Assignment, Subleasing, Indemnification, Mortgaging and Selling.** Lessor's interest in, to, and under this Agreement may be assigned and reassigned in whole or in part to one or more assignees by Lessor at any time subsequent to its execution. Lessor hereby agrees to maintain a written record of each such assignment in form necessary to comply with Section 149(e) of the Code. No such assignment shall be binding on Lessor until it has received written notice from Lessor of the assignment disclosing the name and address of the assignee. Lessor agrees to execute all documents, including chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Equipment and in this Agreement. Lessor shall not have the right to end or shall not assert against any claim, counterclaim, defense, set-off or other right Lessor may from time to time have against Lessor.

**Section 8.06, Assignment and Subleasing by Lessor.** None of Lessor's interest in, to and under this Agreement and in the Equipment may be sold, assigned, subleased, pledged or otherwise encumbered by Lessor without the prior written consent of Lessor. To the extent permitted by law, Lessor shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liabilities, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, counsel fees and expenses, penalties connected therewith imposed on interest received) arising out of or as a result of the entering into of this Agreement, (b) the ownership of any item of the Equipment, (c) the manufacture, ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment, (d) or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death of any person, and/or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph 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.

**Section 8.07, Risk of Loss.** Lessor is responsible for the entire risk of loss of or damage or destruction to the Equipment. No such loss, damage or destruction shall relieve Lessor of any obligation under this Agreement or any Lease.

**ARTICLE VII. DAMAGE, DESTRUCTION AND CONDEMNATION: USE OF NET PROCEEDS**

**ARTICLE VIII. DISCLAIMER OF WARRANTIES; USE OF THE EQUIPMENT**

**ARTICLE IX. ASSIGNMENT, SUBLEASING, INDEMNIFICATION, MORTGAGING AND SELLING**

ARTICLE X. EVENTS OF DEFAULT AND REMEDIES

Section 10.01, Events of Default Defined. Subject to the provisions of Section 4.05, any of the following events shall constitute an "Event of Default" under any Lease:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid under that Lease at the time specified in that Lease;
  - (b) Failure by Lessee to observe and perform any covenant, condition, agreement or agreement on its part to be observed or performed under that Lease, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, 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;
  - (c) Any statement, representation or warranty made by Lessee in or pursuant to that Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
  - (d) Any provision of that Lease shall at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under that Lease;
  - (e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding;
  - (f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a partition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.
- Section 10.02, Remedies on Default. Whenever any Event of Default under any Lease exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:
- (a) By written notice to Lessee, declare all Rental Payments and other amounts payable by Lessee under that Lease to the end of the then current Original Term or Renewal Term to be due;
  - (b) With or without terminating that Lease, Lessor may, upon 5 days written notice to Lessee, enter the premises where any Equipment that is subject to that Lease is located and retake possession of that Equipment or require Lessee at Lessee's expense to promptly return any or all of the Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease that Equipment or, for the account of Lessee, sublease the Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments and other amounts payable by Lessee under that Lease plus the then-applicable Purchase Option Price for that Equipment and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of taking possession, storing, reconditioning and selling or leasing the Equipment, and attorney's and auctioneer's fees) provided that the amount of Lessee's liability under the subparagraph (b) shall not exceed the Rental Payments and other amounts payable by Lessee under that Lease to the end of the then current Original Term or Renewal Term; and
  - (c) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under that Lease or as the owner of any or all of the Equipment that is subject to that Lease.
- In addition, whenever an Event of Default exists with respect to any Rental Payment required by a particular Schedule or with respect to any other payment, covenant, condition, agreement, representation or warranty set forth in that Schedule or applicable to that Schedule or the Equipment listed therein, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:
- (d) By written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to that Schedule and other amounts payable by Lessee under this Agreement to the end of the then current Original Term or Renewal Term to be due;
  - (e) With or without terminating that Schedule, Lessor may, upon 5 days written notice to Lessee, enter the premises where the Equipment listed in that Schedule is located and retake possession of that Equipment or the Equipment listed therein that are payable by Lessee hereunder account of Lessee, sublease that Equipment, continuing to hold Lessee liable for the difference between (i) the Rental Payments payable by Lessee pursuant to that Schedule and other amounts related to that Equipment listed therein that are payable by Lessee hereunder all expenses of Lessor in exercising its remedies under the Agreement, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees) provided that the amount of Lessee's liability under the subparagraph (e) shall not exceed the Rental Payments and other amounts otherwise due under that Schedule plus the remaining Rental Payments and other amounts payable by Lessee under that Schedule to the end of the then current Original Term or Renewal Term; and
  - (f) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under that Schedule, this Agreement with respect to that Schedule and the Equipment listed therein.
- In addition to the remedies specified above, Lessor may charge interest on all amounts due to it at the rate of 10% per annum or the maximum amount permitted by law, whichever is less. The exercise of any such remedies respecting any such Equipment or the Equipment listed therein shall not relieve Lessee of any other liabilities under any other Schedules, this Agreement or any other Lease or the Equipment listed therein.
- Section 10.03, No Remedy Excluded. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this lease. 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 by Lessor or its assignee.
- Section 10.04, Agreement to Pay Attorneys' Fees and Expenses. If Lessee should default under any of the provisions hereof and Lessor should employ attorneys or incur other expenses for the collection of moneys or for the enforcement of performance or observance of any obligation or agreement on the part of Lessee contained in this Agreement, Lessee agrees, to the extent it is permitted by law to do so, that it will, if assessed by a court of competent jurisdiction, pay to Lessor the reasonable fees of those attorneys and other reasonable expenses so incurred by Lessor.
- Section 10.05, Application of Monies. Any net proceeds from the exercise of any remedy hereunder (after deducting all expenses of Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorney's fees) shall be applied as follows:
- (a) If such remedy is exercised solely with respect to a single Schedule, Equipment listed in that Schedule or rights under the Agreement related to that Schedule, then to amounts due pursuant to that Schedule, Equipment listed in more than one Schedule or rights under the Agreement related to more than one Schedule, then to amounts due pursuant to those Schedules pro rata.
  - (b) If such remedy is exercised with respect to more than one Schedule, Equipment listed in more than one Schedule or rights under the Agreement related to more than one Schedule, then to amounts due pursuant to that Schedule and other amounts related to that Schedule or that Equipment.

ARTICLE XI. MISCELLANEOUS

Section 11.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business.

Section 11.02. Binding Effect. Entire Agreement, Amendments and Modifications. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. The terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; nor shall any such amendment that affects the rights of Lessor's assignee be effective without such assignee's consent. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.03. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.04. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.05. Amendments, Changes and Modifications. This Agreement may be amended, added to, changed or modified by written agreement duly executed by Lessor and Lessee.

Section 11.06. Execution in Counterparts. Chattel Paper. This Agreement, including in writing each Schedule, may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; except (1) to the extent that various Schedules and this Agreement as it relates thereto constitute separate Leases as provided in this Agreement and (2) that Lessor's interest in, to and under any Schedule and the Agreement as it relates thereto constitute separate Leases as provided in that Schedule, and the Equipment listed in that Schedule may be sold or pledged only by delivering possession of the original counterpart of that Schedule marked "Counterpart No. 1," which Counterpart No. 1 shall constitute chattel paper for purposes of the Uniform Commercial Code.

Section 11.07. Waiver. The parties hereto agree that the charges in this Agreement and any Lease shall not be a violation of usury or other law. Any such excess charge shall be applied in such order as to conform this Agreement and such Lease to such applicable law.

Section 11.08. Jury Trial Waiver. To the extent permitted by law, Lessee agrees to waive the right to a trial by jury.

Section 11.09. Facsimile Documentation. Lessee agrees that a facsimile copy of this Agreement or any Lease with facsimile signatures may be treated as an original and will be admissible as evidence of this Agreement or such Lease.

Section 11.10. 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.

Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives listed below.

Lease No. LOYCA2020-05E

LESSEE:  
City of Loyaltan



Sarah Jackson, Mayor

LESSOR:  
Community First National Bank

Signature

Name and Title

**EXHIBIT A**  
**SCHEDULE OF EQUIPMENT NO. 01, Dated 4/24/2020**

Counterpart No. 1.

LESSOR'S INTEREST IN, TO AND UNDER THIS SCHEDULE AND THE AGREEMENT AS IT RELATES TO THIS SCHEDULE MAY BE SOLD OR PLEDGED ONLY BY DELIVERING POSSESSION OF COUNTERPART NO. 1 OF THIS SCHEDULE, WHICH COUNTERPART NO. 1 SHALL CONSTITUTE CHATTEL PAPER FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE.

Re: Master Equipment Lease Purchase Agreement, dated as of 4/24/2020, between Community First National Bank, as Lessor, and City of Loyton, as Lessee.

1. Defined Terms. All terms used herein have the meanings ascribed to them in the above referenced Master Equipment Lease Purchase Agreement (the "Master Equipment Lease").
2. Equipment. The Equipment included under this Schedule of Equipment is comprised of the items described in the Equipment Description attached hereto as Attachment 1, together with all replacements, substitutions, repairs, restorations, modifications, attachments, accessories, additions and improvements thereof or hereto.
3. Payment Schedule. The Rental Payments and Purchase Option Prices under this Schedule of Equipment are set forth in the Payment Schedule attached as Attachment 2 hereto.
4. Representations, Warranties and Covenants. Lessee hereby represents, warrants, and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the date of commencement of Rental Payments on this Schedule. The Master Equipment Lease and Lessor and Lessee hereby ratify and confirm the Master Equipment Lease. The terms and provisions of the Master Equipment Lease (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated by reference and made a part hereof.

Lease Number: LOYCA2020-05E

LESSOR:  
City of Loyton

*Sarah Jackson*  
Sarah Jackson, Mayor

LESSOR:  
Community First National Bank

Signature

Name and Title

LESSOR:  
City of Loyaltan  
Sarah Jackson, Mayor

Physical location where equipment will be stored after delivery: \_\_\_\_\_

With a total acquisition cost of \$261,259.50; together with all additions, accessions and replacements thereto. Lessee hereby certifies the description of the personal property set forth above constitutes an accurate description of the "Equipment", as defined in the attached Master Equipment Lease Purchase Agreement and the Equipment is located on the premise of the Lessee unless otherwise noted by the Lessee.

One (1) New Midwest Fire Tender

Lease Number: LOYCA2020-05E

RE: Schedule of Equipment No. 01, dated 4/24/2020, to Master Equipment Lease Purchase Agreement, dated as of 4/24/2020, between Community First National Bank, as Lessor, and City of Loyaltan, as Lessee.

**ATTACHMENT 1  
EQUIPMENT DESCRIPTION**