

V. Regular Agenda

Agenda Section	Regular Agenda
Section Number	V.A
Subject	Consider, discuss and act upon an Interlocal Agreement between the City of Farmersville and Collin County for Child Abuse, Investigation Services, and Law Enforcement Services.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	Interlocal Agreement
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to another agenda. _____ • No motion, no action

**INTERLOCAL AGREEMENT:
CHILD ABUSE, INVESTIGATION SERVICES, LAW ENFORCEMENT SERVICES**

THIS AGREEMENT is entered into on October 1, 2019, by and between the City of Farmersville (the "City") and the Collin County, a political subdivision of the State of Texas (the "County").

Recitals

WHEREAS, County performs law enforcement functions within Collin County.

WHEREAS, the City desires to obtain certain law enforcement services from the County that the City is authorized to provide.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code authorizes units of local government to contact with one or more units of local government to perform government functions and services; and

NOW, THEREFORE, in consideration of the mutual promises and benefits contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged the Parties agree as follows:

**Article I
Definitions**

1.01 Law Enforcement Services

The term "Law Enforcement Services" means all services necessary for the County to provide the reporting, investigating and filing charges for special crimes.

1.02 Special Crimes

The term "Special Crimes" means criminal offenses, relating directly or indirectly, whereby the victim is less than 17 years of age and the crime is determined to be a State Jail Felony or above. Lower offenses may be worked with the approval of both parties.

**Article II
Term**

2.01 Term

The term of this Agreement shall commence on October 1, 2019, and shall continue in full force and effective thru September 30, 2023.

2.02 Termination

Either party may terminate this Agreement by giving ninety (90) days written notice to the other party.

The parties agree that this Agreement will terminate immediately should the City not have an operating Police Force.

**Article III
Services and Service Fees**

3.01 Services

The County agrees to provide all law enforcement services relating to Special Crimes as described in Paragraph 1.02 of this Agreement. City shall pay for Sexual Assault Exams (Normally, these Fees are reimbursed to the City, by the State of Texas) if required in addition to the Fees annotated in section 5.01: Law Enforcement Service Charge. Additional unusual investigative fees, upon City approval in each case, may be charged if required for prosecution.

3.02 Manner of Providing Services

The Law Enforcement Services shall be provided by the County in the same manner and within the same response times as such services are provided by the County within its jurisdiction.

3.03 Use of Additional Personnel

The County may utilize the services of individuals whose duties and responsibilities are related to detection, investigation and/or prosecution of violations associated with offenses described in paragraph 1.02 of this Agreement.

Article IV Exclusivity of Service

The parties agree that the County may contract to perform services similar or identical to those specified in this Agreement for such additional governmental or public entities as the County, in its sole discretion, sees fit.

Article V Compensation

5.01 Law Enforcement Service Charge

The payment is based upon the population estimates of the City and that population is based on the most recently published figures obtained from the North Central Texas Council of Governments. Law Enforcement Fees may be adjusted within the Five (5) year period as needed, if deemed necessary due to population increase. On an annual basis, the City will pay \$6,000.00 to the County for providing the above mentioned services. The City will continue payment for any and all charges for services not described in this Agreement. County will invoice City each year for total amount due.

Article VI Notices

6.01 Unless otherwise specified, all communications provided for in this Agreement shall be in writing and shall be deemed delivered whether actually received or not forty-eight (48) hours after deposit in the United States mail, first class, registered or certified, return receipt requested, with proper postage prepaid or immediately when delivered in person.

6.02 All communications provided for in this Agreement shall be addressed as follows:

if to the County, Copy to:
County Purchasing Agent
Purchasing Department
2300 Bloomdale Road, Suite 3160
McKinney, TX 75071

if to the City, to:
Mayor, City of Farmersville
205 S. Main St.
Farmersville , TX 75442

Or, to such person at such other address as may from time to time be specified in a notice given as provided in this Section 9.

Article VII Miscellaneous

7.01 Civil Liability

Any civil liability relating to the furnishing of services under this Agreement shall be the responsibility of the City. The parties agree that the County shall be acting as agent for the City in performing the services contemplated by this Agreement.

The City shall hold the County free and harmless from any obligation, costs, claims, judgments, attorneys' fees, attachments, and other such liabilities arising from or growing out of the services rendered to the City pursuant to the terms of this Agreement or in any way connected with the rendering of said services, except when the same shall arise because of the willful misconduct or culpable negligence of the County, and the County is adjudged to be guilty of willful misconduct or culpable negligence by a court of competent jurisdiction.

7.02 Amendment

This Agreement shall not be amended or modified other than in a written agreement signed by the parties.

7.03 Controlling Law

This Agreement shall be deemed to be made under, governed by, and construed in accordance with, the laws of the State of Texas.

7.04 Captions

The headings to the various sections of this Agreement have been inserted for convenient reference only and shall not modify, define, limit, or expand the express provision of this Agreement.

7.05 Counterparts

This Agreement may be executed in counterparts, each of which, when taken separately, shall be deemed an original.

7.06 Exclusive Right to Enforce this Agreement

The County and the City have the exclusive right to bring suit to enforce this Agreement, and no other party may bring suit, as a third-party beneficiary or otherwise, to enforce this Agreement.

7.07 Expenses for Enforcement

In the event either Party hereto is required to employ an attorney to enforce the provisions of this Agreement or is required to commence legal proceedings to enforce the provisions hereof, the prevailing Party shall be entitled to recover from the other, reasonable attorney's fees and court costs incurred in connection with such enforcement, including collection.

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

"COUNTY"
COLLIN COUNTY, TEXAS
By: _____

"CITY"
CITY OF FARMERSVILLE, TEXAS
By: _____

Title: County Judge
Date: _____

Title: _____
Date: _____

Agenda Section	Regular Agenda
Section Number	V.B
Subject	Consider, discuss and act regarding setting public hearings for the tax rate.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	2019 Planning Calendar
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to another agenda. _____ • No motion, no action

CITY OF FARMERSVILLE

2019 PLANNING CALENDAR



<u>April - May</u>	Mailing of "Notices of Appraised Value" by Chief Appraiser.
<u>April 30</u>	The Chief Appraiser prepares and certifies to the Tax Assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value.
<u>May 15</u>	Deadline for submitting Appraisal Records to ARB.
<u>July 20</u>	Deadline for ARB to approve Appraisal Records.
<u>July 25</u>	Deadline for Chief Appraiser to certify Appraisal Rolls to each Taxing Unit.
<u>Aug</u>	Certification of anticipated collection rate by collector.
<u>July 25 - Aug.</u>	Calculation of Effective and Rollback Tax Rates.
<u>July 25 - Aug.</u>	Submission of Effective and Rollback Tax Rates to governing body from the Tax Office.
<u>Aug 9th, 2019</u>	72 Hour Notice for Meeting (Open Meetings Notice).
<u>Aug 13th, 2019</u>	Meeting of Governing Body to Discuss Tax Rates. If proposed tax rate will exceed the Rollback Rate or the Effective Tax Rate (whichever is lower), take record vote and schedule two Public Hearings.
<u>Aug 20th, 2019</u>	Publish the "Notice of 2019 Property Tax Rates" by September 1. Notice must be published at least seven (7) days before first Public Hearing. Notice must also be posted on the municipality's website.
<u>Aug 30th, 2019</u>	72 Hour Notice for First Public Hearing (Open Meetings Notice).
<u>Sept 3rd, 2019</u>	First Public Hearing At least 7 days after publication of "Notice of 2019 Property Tax Rates."
<u>Sept. 6th, 2019</u>	72 Hour Notice for Second Public Hearing (Open Meetings Notice).
<u>Sept. 10th, 2019</u>	Second Public Hearing May not be earlier than 3 days after first Public Hearing. Schedule and announce meeting to adopt tax rate three to fourteen (3 - 14) days from this date.
<u>Sept. 13th, 2019</u>	72 Hour Notice for Meeting at which Governing Body will Adopt Tax Rate (Open Meetings Notice).
<u>Sept, 17th, 2019</u>	Meeting to Adopt 2019 Tax Rate. Meeting to adopt must be <u>no later than September 17, 2019.</u> Schedule meeting three to fourteen (3 to 14) days <u>after</u> second Public Hearing. Taxing Unit must adopt tax rate before September 30 or 60 days after receiving Certified Appraisal Roll, whichever is later.
<u>Noon on September 18</u>	Deadline to submit the Tax Rate Ordinance to the Collin County Tax Office.

Tax Code Section 81.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day.

Advice of taxing unit legal counsel should be sought to determine how to fulfill the requirements of Section 140.010 Local Code (SB 1510).

**Please provide a copy of the Ordinance adopting the 2019 Tax Rate to the Tax Office by
Noon on September 18, 2019.**

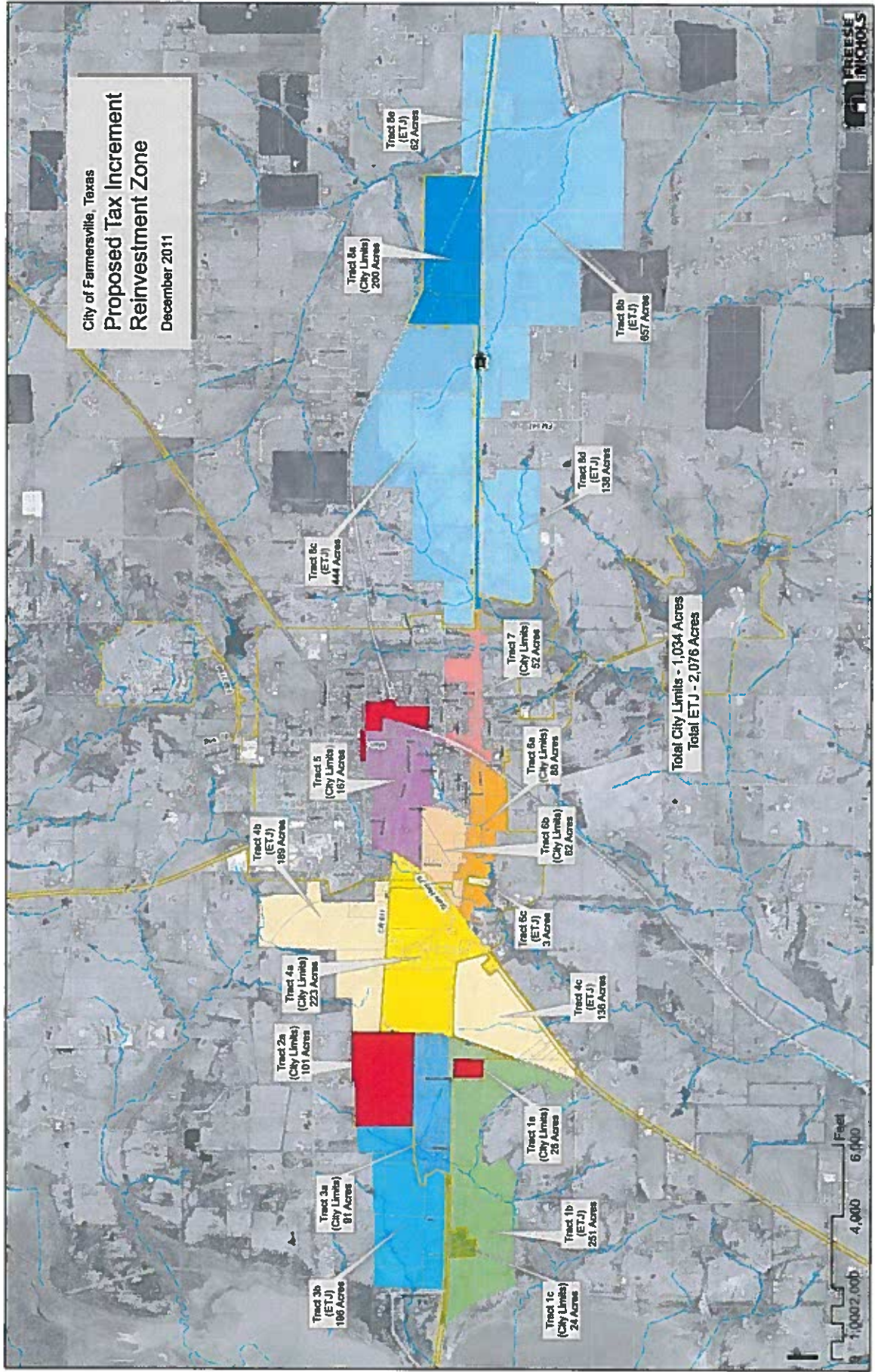
Agenda Section	Regular Agenda
Section Number	V.C
Subject	Discuss the processes and decisions required to become a home rule city.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	None
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to another agenda. _____ • No motion, no action

Agenda Section	Regular Agenda
Section Number	V.D
Subject	Discussion and possible action regarding U.S. Highway 380.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	None
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action

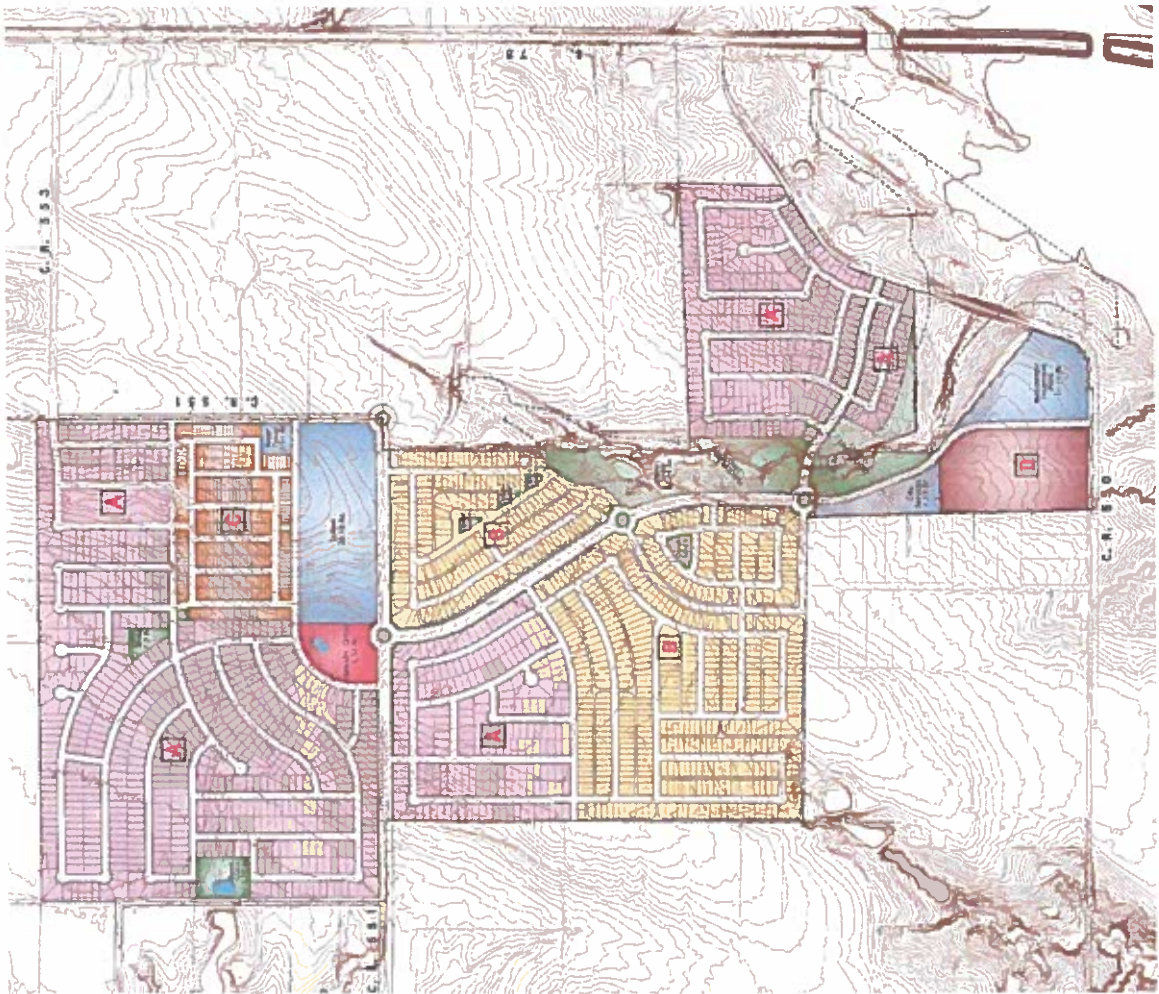
Agenda Section	Regular Agenda
Section Number	V.E
Subject	Discuss the possibility of live streaming city meetings.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	None
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	<ol style="list-style-type: none"> 1. Tony Linton has down-selected to an inexpensive alternative for meeting live streaming and meeting recording archival via a product called "Boxcast". 2. If annual contract: \$99/month 3. If month by month: \$120/month 4. A link will be placed in our website to access the Boxcast website where the service executes. 5. Boxcast only archives recordings for 90 days at the price quoted. 6. The City of Farmersville will continue to store our DVR related recordings as well but accessing them will still require an open records request. <p>City Council discussion as required.</p>
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action

Agenda Section	Regular Agenda
Section Number	V.F
Subject	Consider, discuss and act upon the possibility of reducing the TIRZ area.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	TIRZ Map
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action

City of Farmersville, Texas
**Proposed Tax Increment
 Reinvestment Zone**
 December 2011



Agenda Section	Regular Agenda
Section Number	V.G
Subject	Update on the wastewater treatment plant.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	Lake Haven MUD Concept Plan
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action



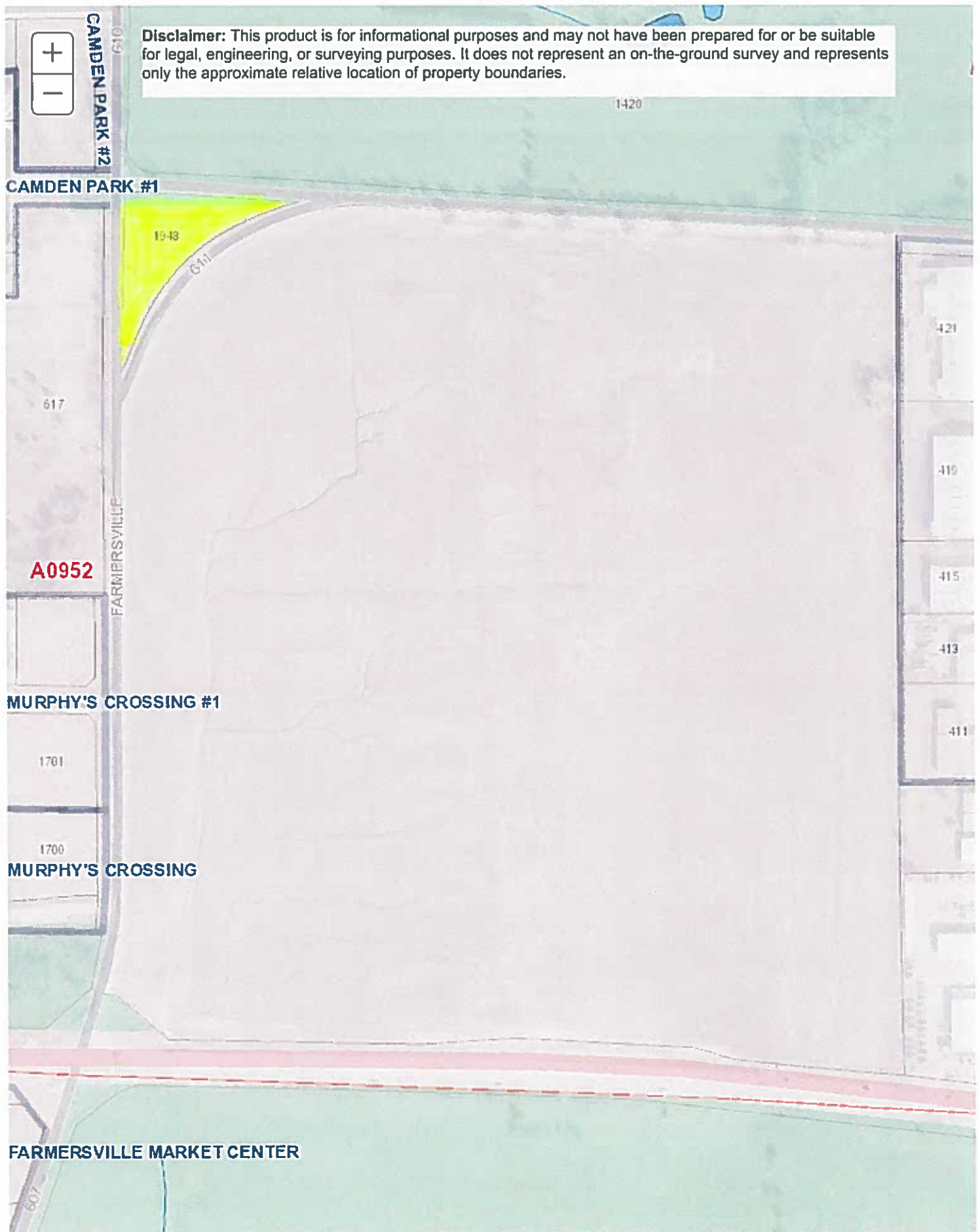
- Single Family
50'x120' Typ.
A 1135 Lots
234.16 AC.
- Single Family
40'x115' Typ.
B 667 Lots
124.03 AC.
- TH - Townhome
25'x90' Typ.
C 304 Units
27.98 AC.
- Multi-Family
5.11 AC.
D 24 D.U./AC.

471.016 AC.
Master Concept Plan
Lake Haven
City of Farmersville, Collin County, Texas

KPA
Consulting, Inc.
10300 Elam Rd. Suite 100, 122
Dallas, Texas 75043
972.388.6311
www.kpac.com
For more information, contact:
Terrence Coady, President
972.388.6311
Date: 8/2/07

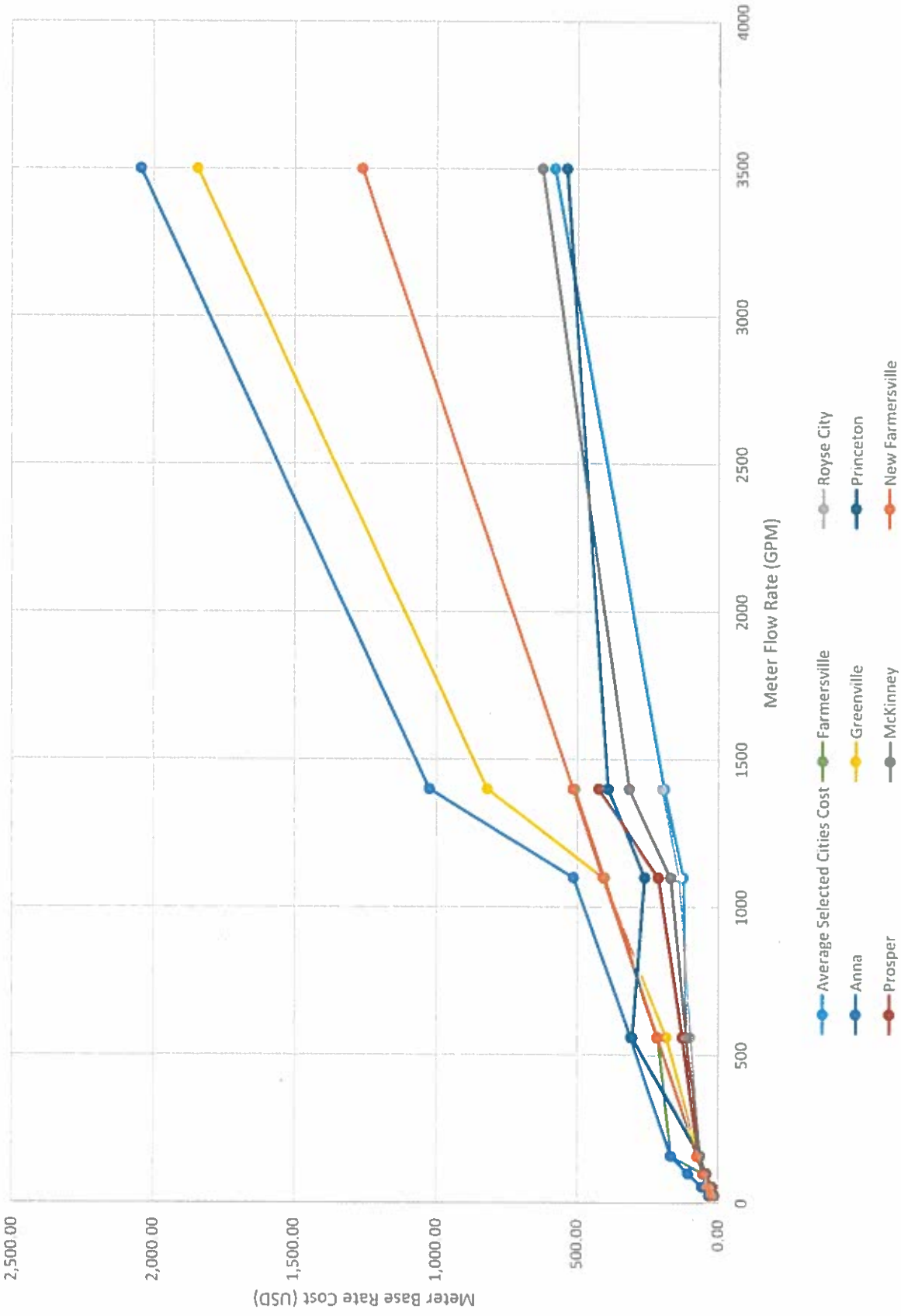
Agenda Section	Regular Agenda
Section Number	V.H
Subject	Discussion and possible action regarding roadway impact fees.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	None
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action

Agenda Section	Regular Agenda
Section Number	V.I
Subject	Consider, discuss and act regarding the dedication of land at the corner of Farmersville Parkway and Collin Parkway to Collin College.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	Map of Collin College Property
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action



Agenda Section	Regular Agenda
Section Number	V.J
Subject	Consider, discuss and act regarding water and wastewater rate study information.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	Rate Comparison Charts
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action

Meter Base Rate Cost Curve



Water Rate Structure Effective Oct 2019

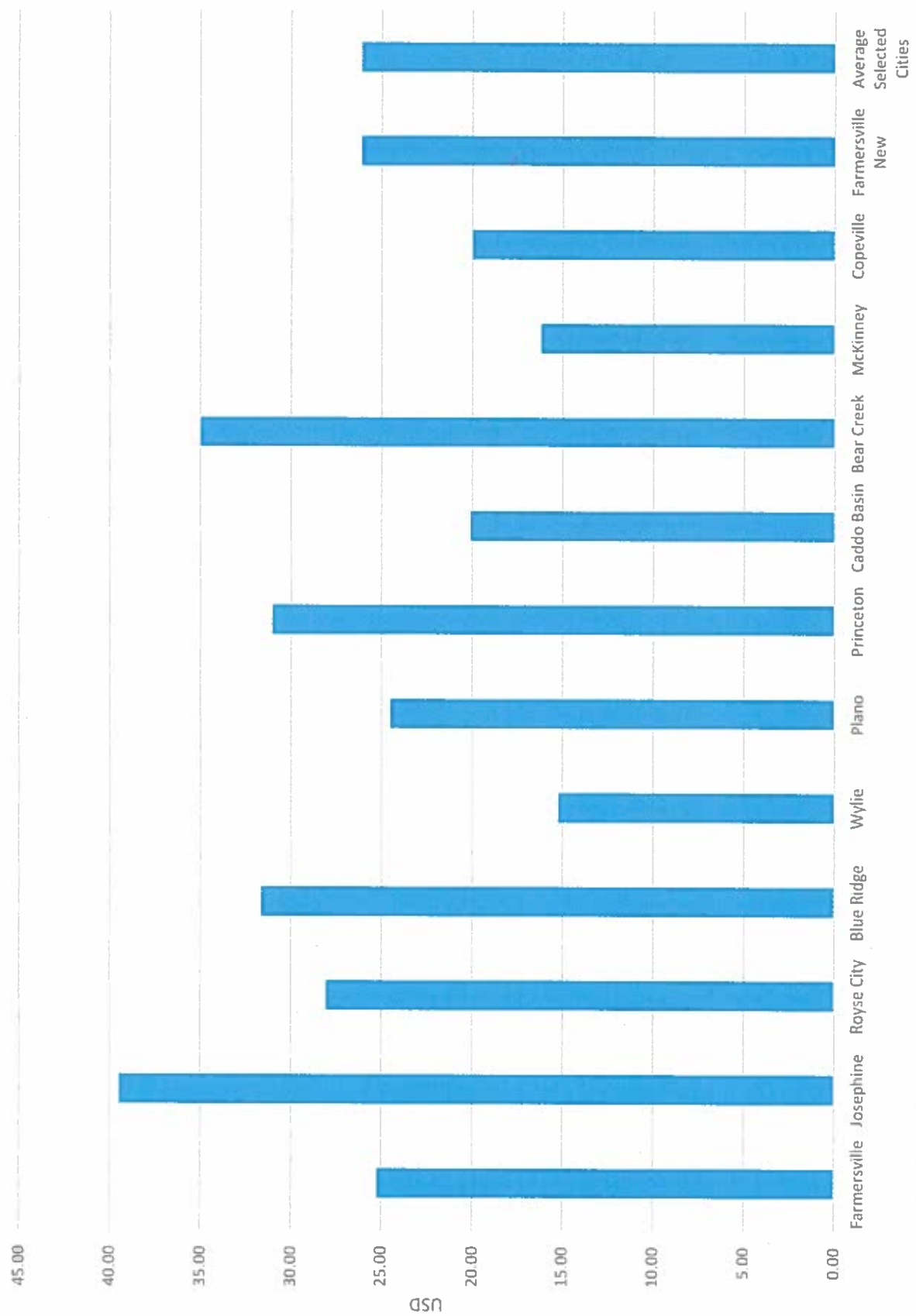
City of Farmersville

Inside City Limits	
Meter Charge (first 1,000 gallons)	Rate
3/4 Inch or Less	26.12
1 Inch	36.81
1 1/2 Inch	52.84
2 Inch	74.22
3 Inch	216.73
4 Inch	409.12
6 Inch	516.00
Volumetric Charge	Rate
1,001 to 10,000 Gallons	6.74
10,001 to 20,000 Gallons	8.59
In Excess of 20,000 Gallons	10.42
Outside City Limits Customers	
Meter Charge (first 1,000 gallons)	Rate
3/4 Inch or Less	33.96
1 Inch	47.85
1 1/2 Inch	68.69
2 Inch	96.49
3 Inch	281.75
4 Inch	531.86
6 Inch	670.80
Volumetric Charge	Rate
1,001 to 10,000 Gallons	8.76
10,001 to 20,000 Gallons	11.17
In Excess of 20,000 Gallons	13.55

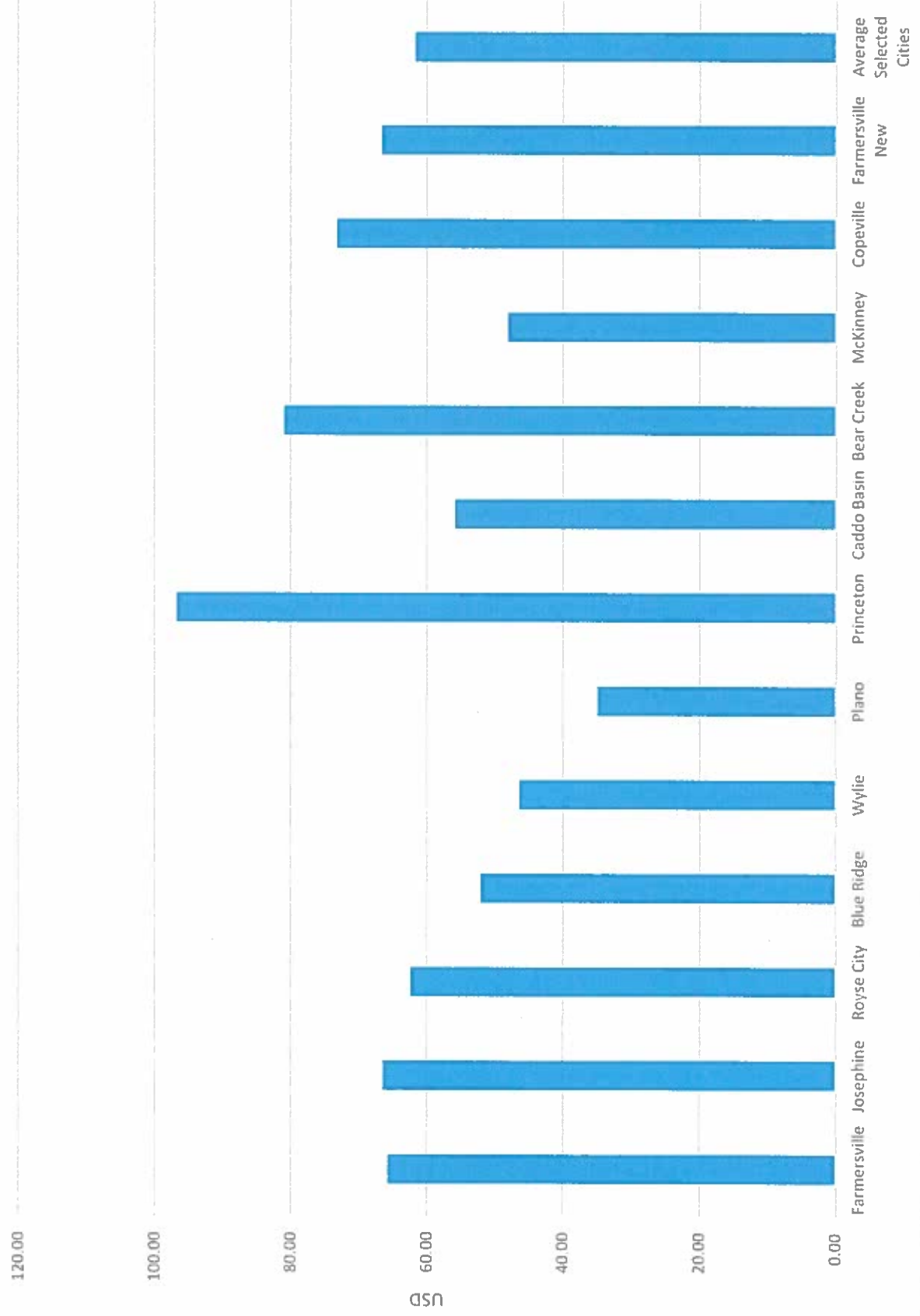
Area Water Rates and Billing Information

Entity	Base	Number of Gallons Included in Base	First Bracket		Second Bracket		Third Bracket		Fourth Bracket		Fifth Bracket	
			Max	Rate	Max	Rate	Max	Rate	Max	Rate	Max	Rate
Farmersville	25.25	1,000	10,000	6.74	20,000	8.59		10.42				
Josephine	39.48	3,000	10,000	6.75		8.84						
Royse City	28.06	1,000	10,000	5.72	15,000	7.15	25,000	8.95		10.28		
Blue Ridge	31.62	2,000	5,000	3.57	20,000	4.85	50,000	5.87		6.89		
Wylie	15.24	1,000	10,000	5.19	20,000	6.74	40,000	8.76		11.38		
Plano	24.51	1,000	5,000	0.75	20,000	3.71	40,000	7.41		8.98		
Princeton	31.01	0	3,000	7.73	6,000	10.05	10,000	12.36		14.68		
Caddo Basin	20.10	0	10,000	5.11		8.32						
Bear Creek	35.00	0	5,000	6.35	10,000	7.05	15,000	8.09	25,000	10.00		11.27
McKinney	16.20	0	20,000	4.55	40,000	5.75		6.90				
Copeville	20.00	0	5,000	6.78	10,000	9.63	20,000	10.20		10.75		
Farmersville New	26.12	1,000	10,000	6.74	20,000	8.59		10.42				
Average Selected Cities	26.12			5.25		7.21		8.57		10.42		11.27

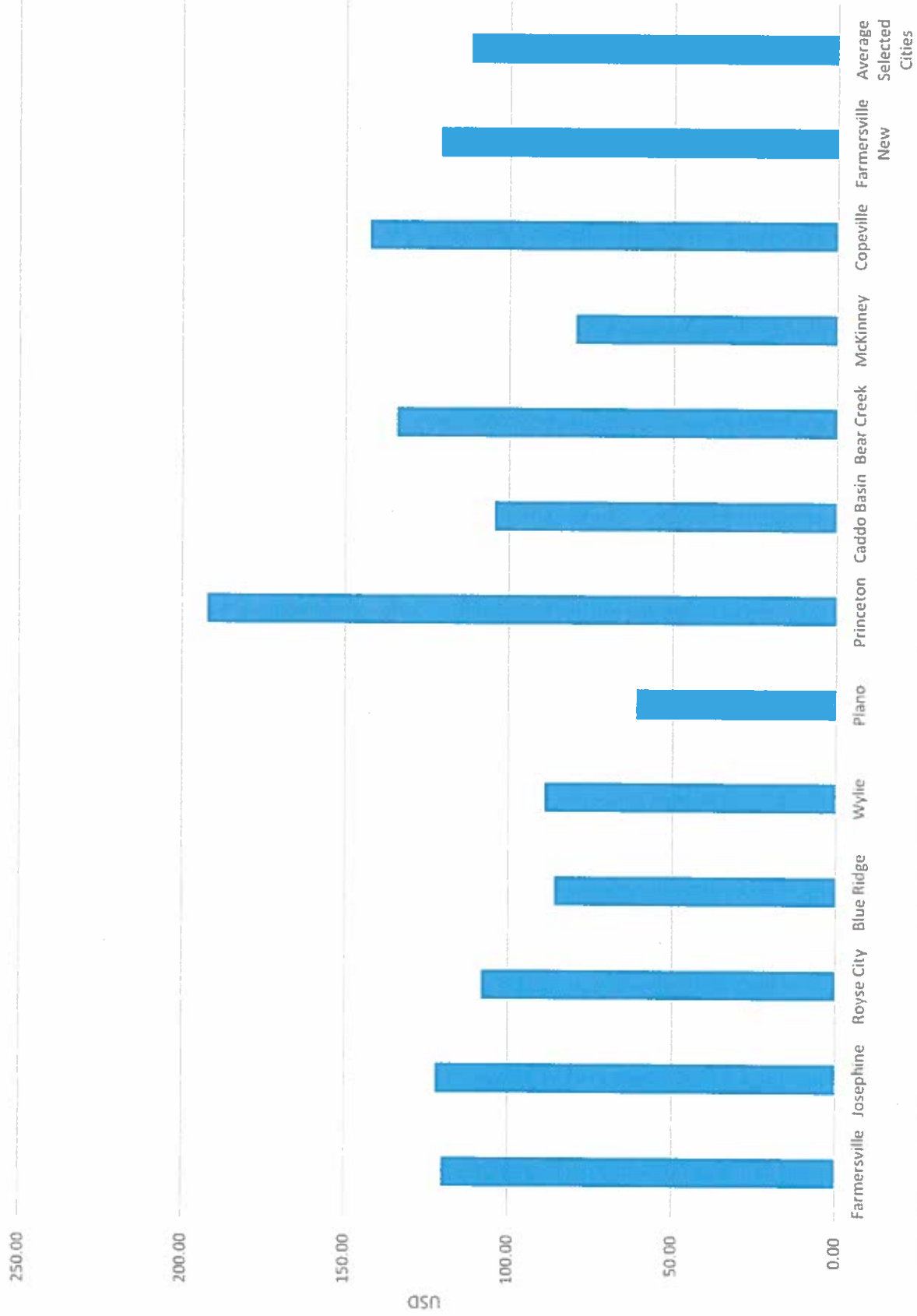
Zero Gallon Water Consumption Cost Comparison for 5/8" X 3/4" Meter



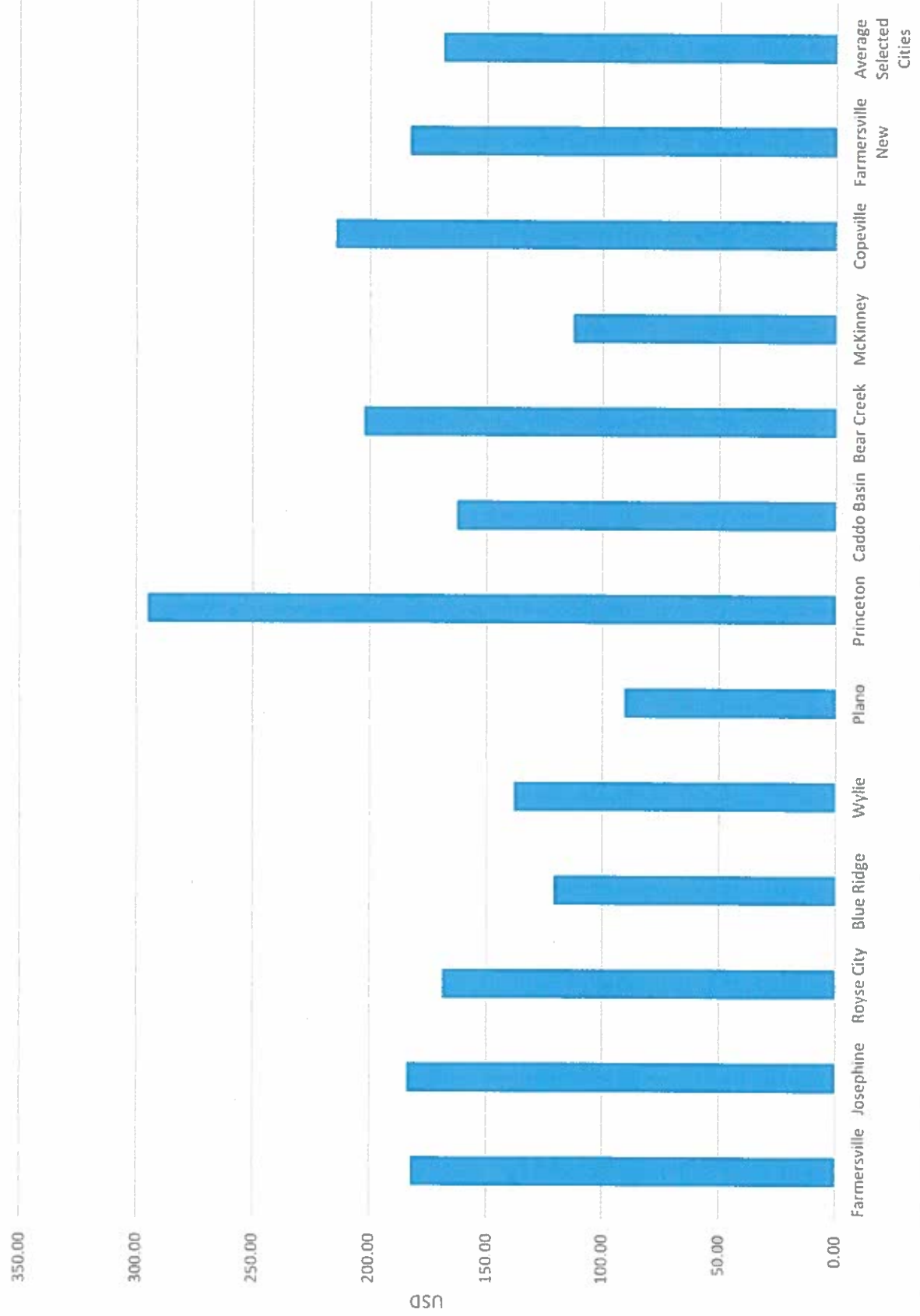
7,000 Gallon Water Consumption Cost Comparison for 5/8" X 3/4" Meter



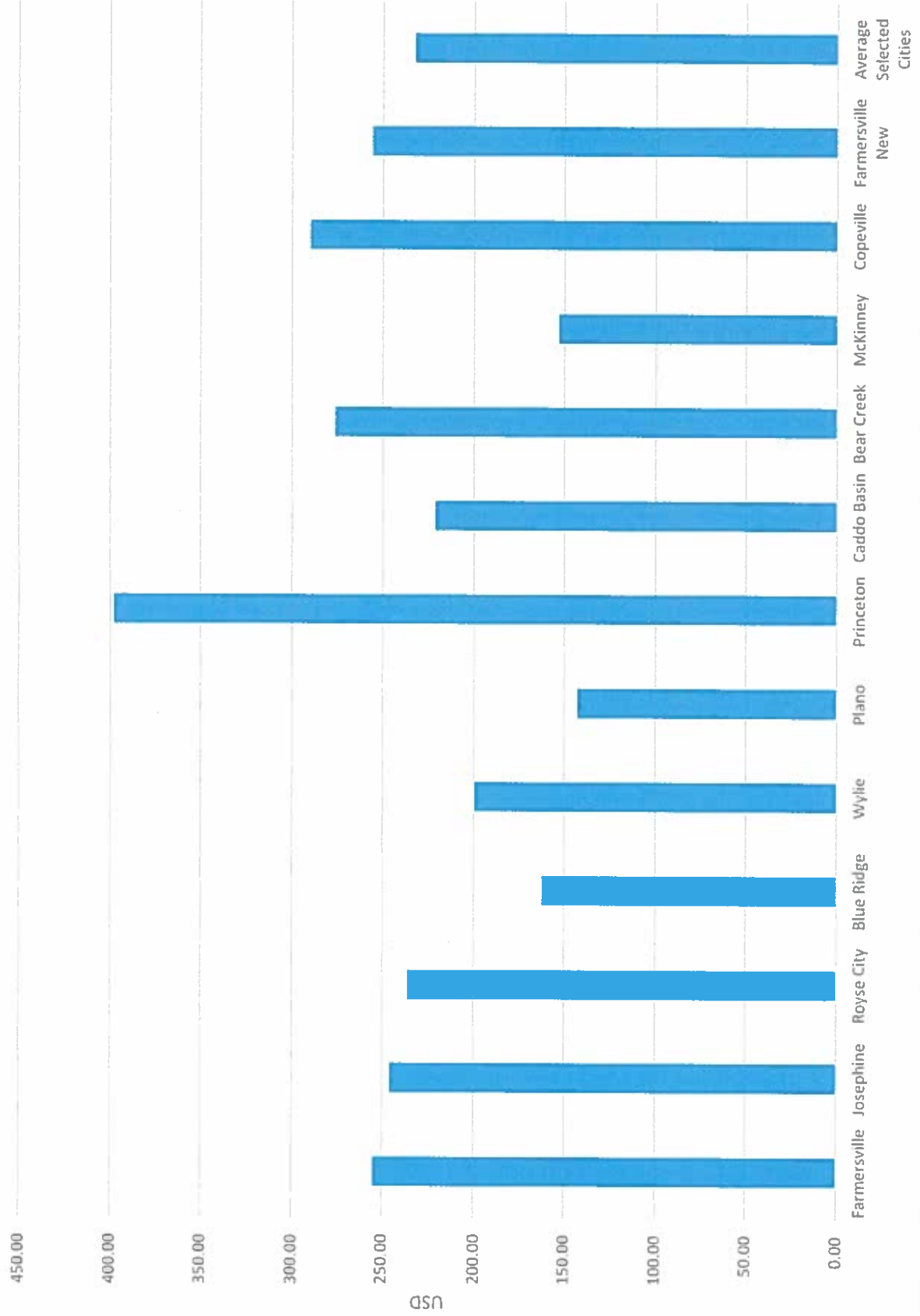
14,000 Gallon Water Consumption Cost Comparison for 5/8" X 3/4" Meter



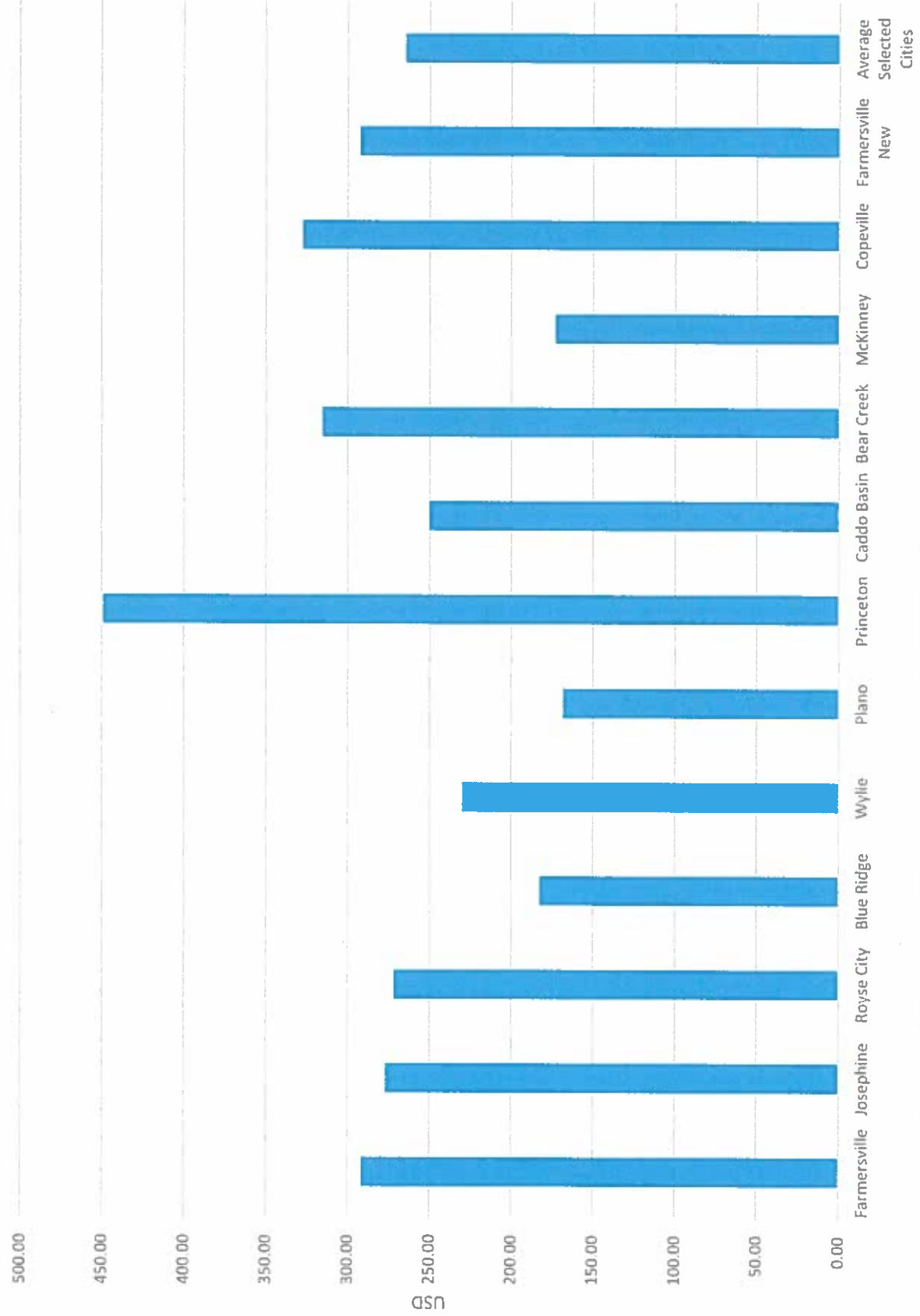
21,000 Gallon Water Consumption Cost Comparison 5/8" X 3/4" Meter



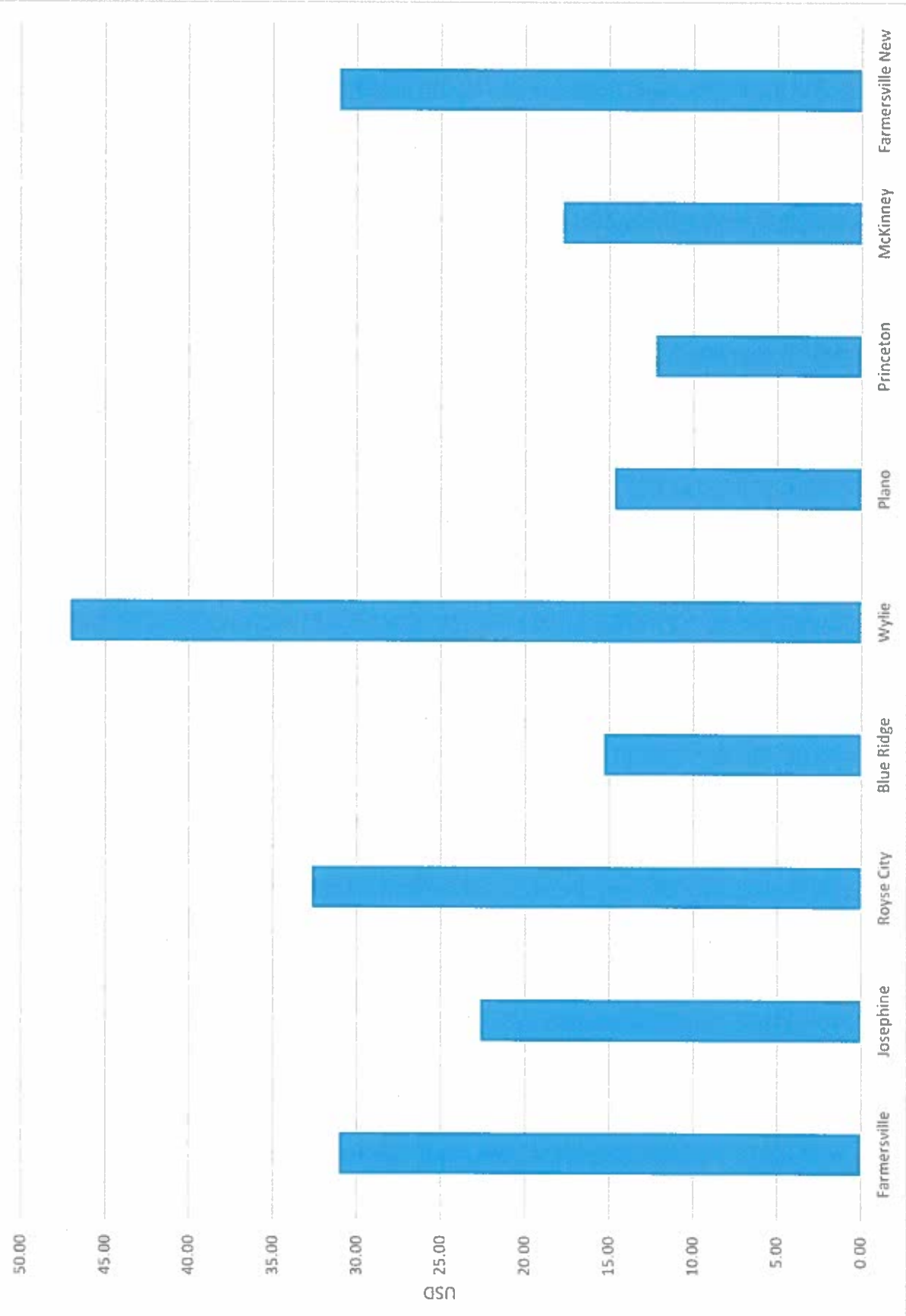
28,000 Gallon Water Consumption Cost Comparison 5/8" X 3/4" Meter



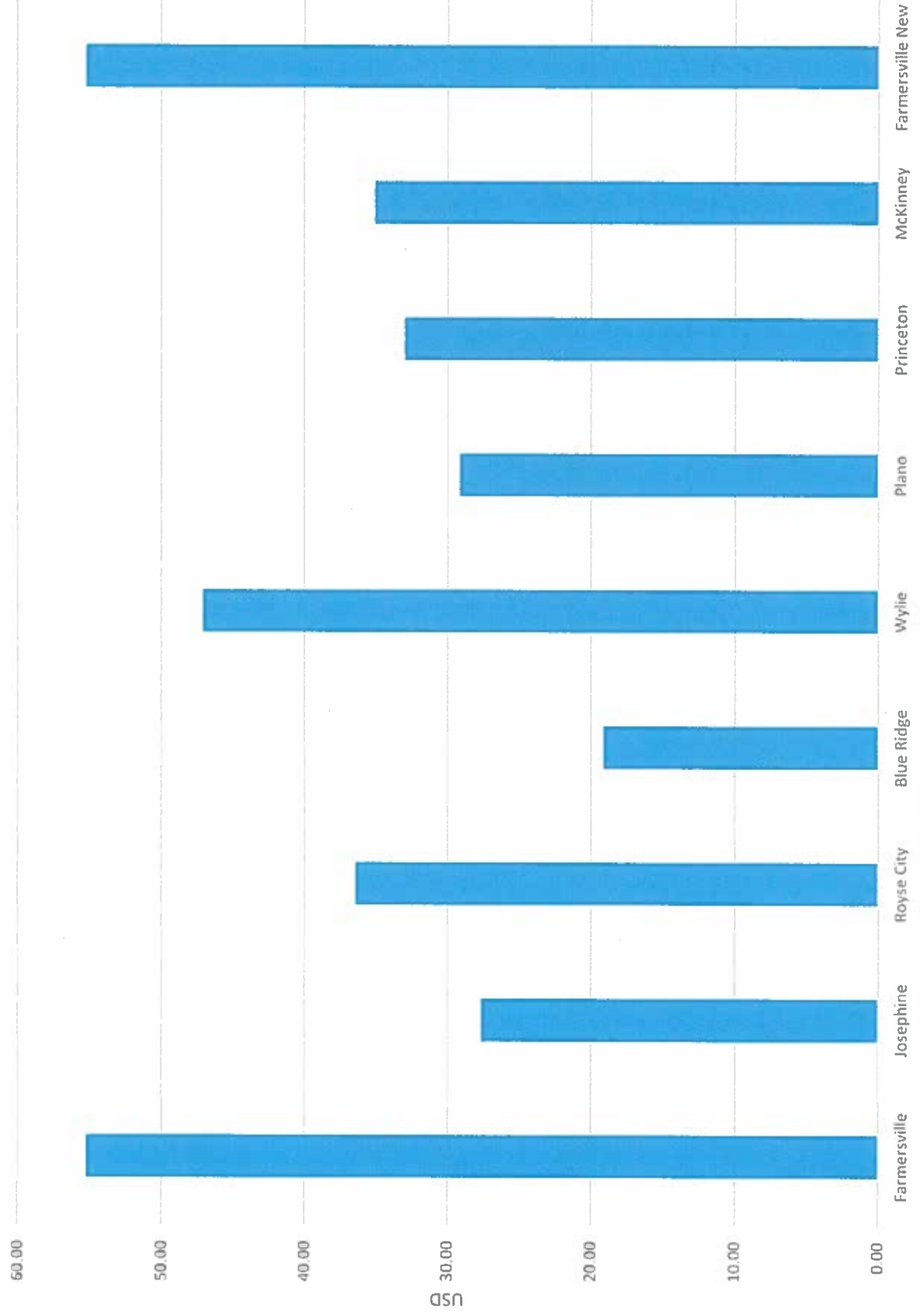
31,500 Gallon Water Consumption Cost Comparison 5/8" X 3/4" Meter



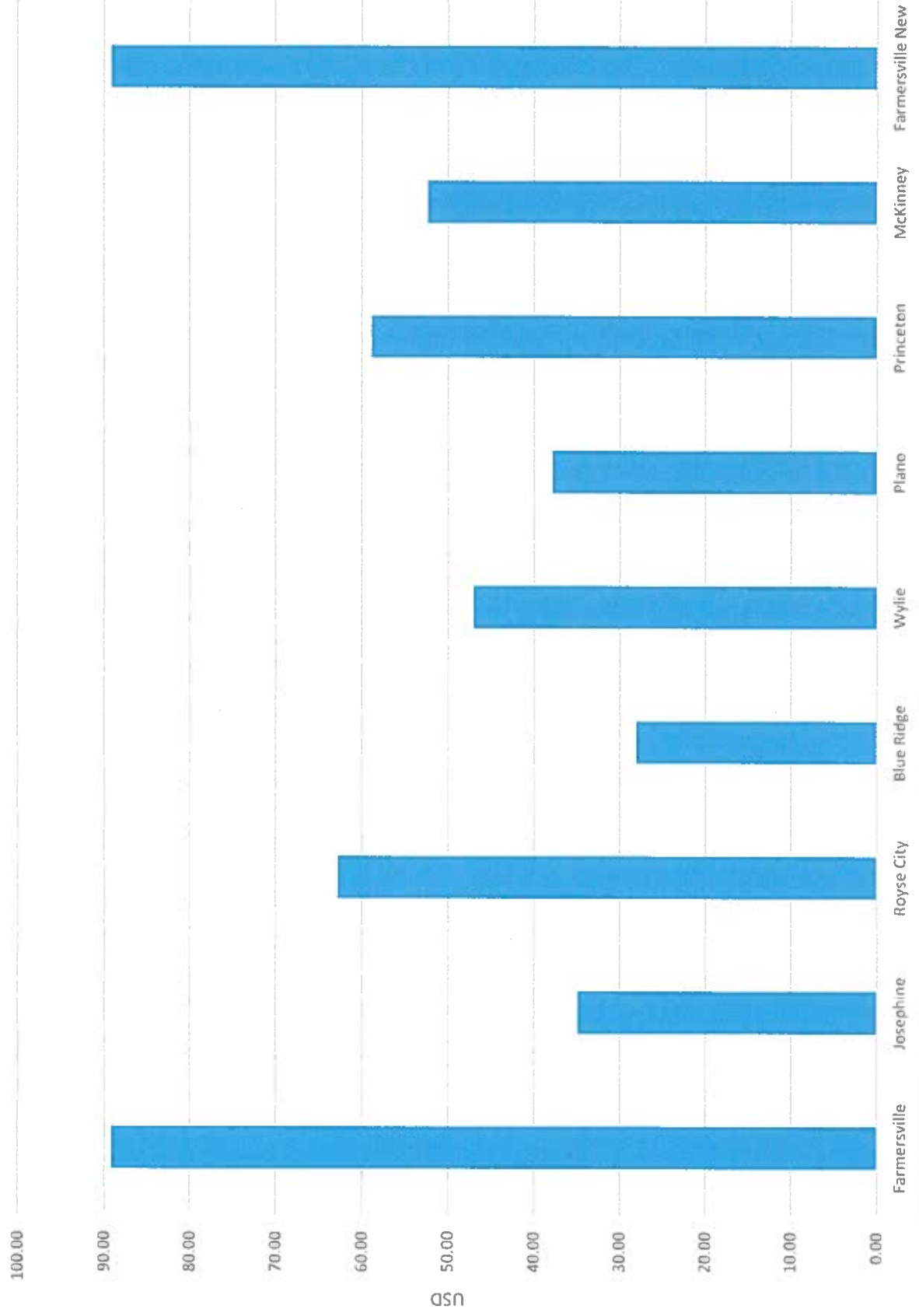
Zero Gallon Waste Water Consumption Cost Comparison



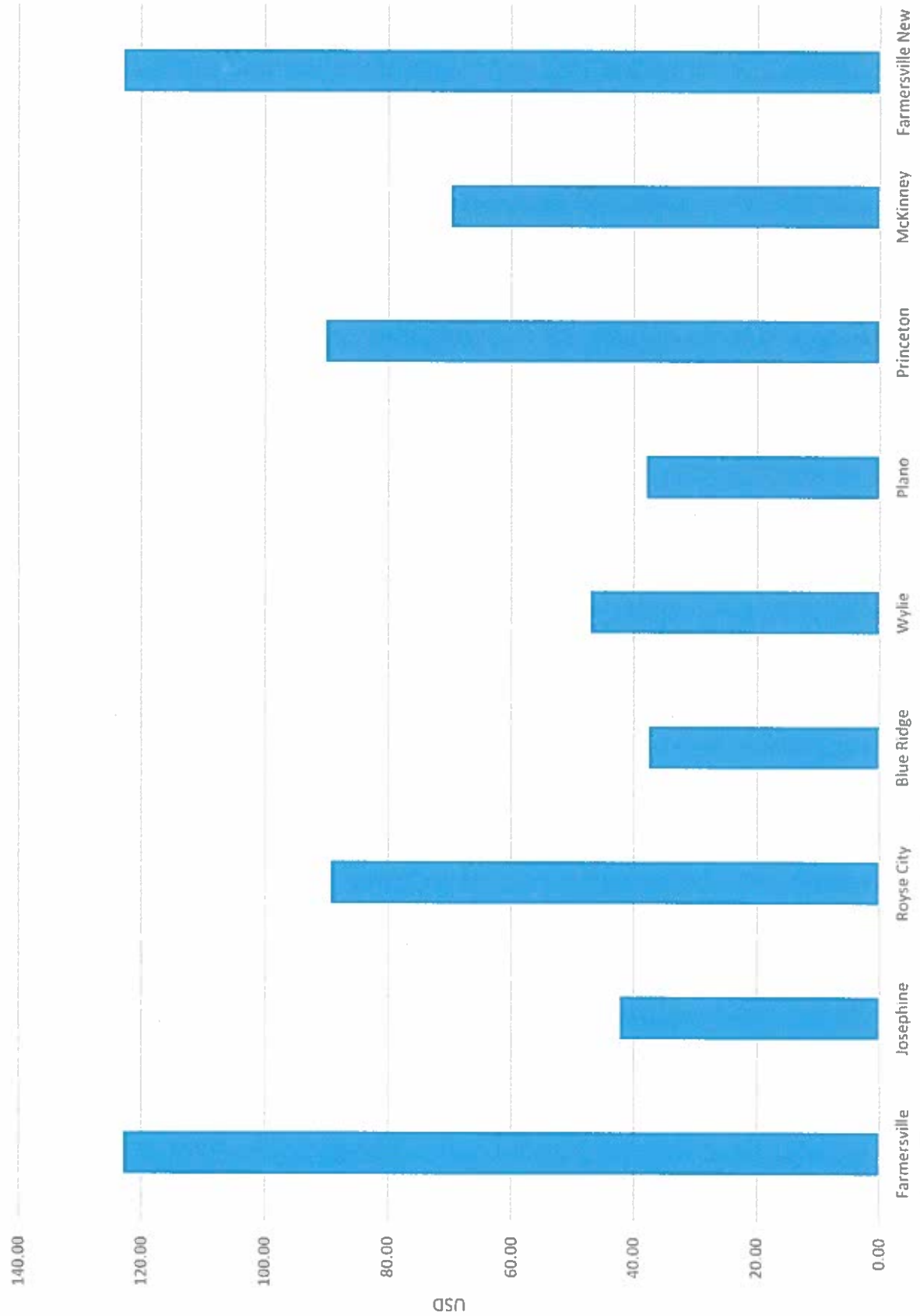
3,500 Gallon Waste Water Consumption Cost Comparison



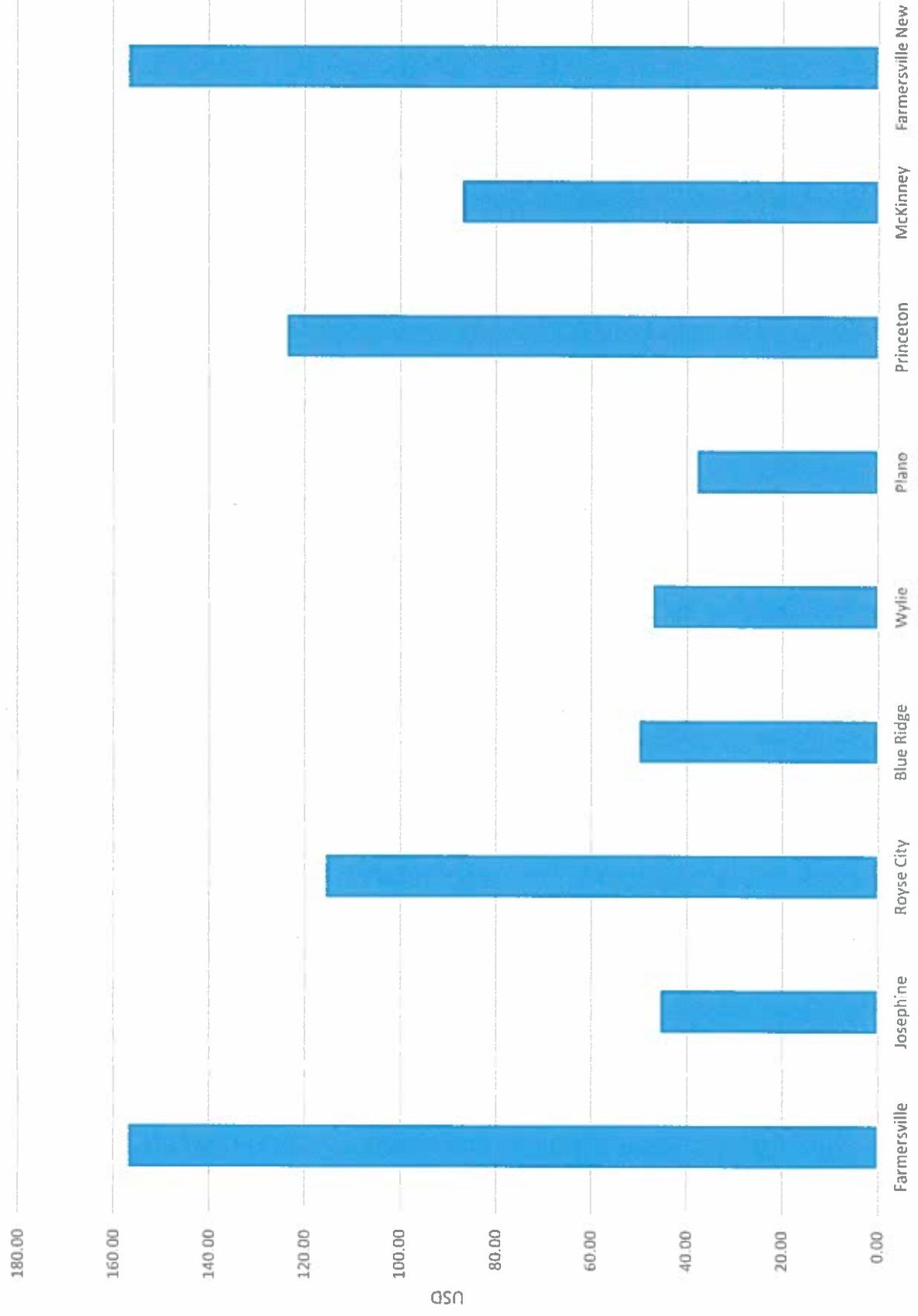
7,000 Gallon Waste Water Consumption Cost Comparison



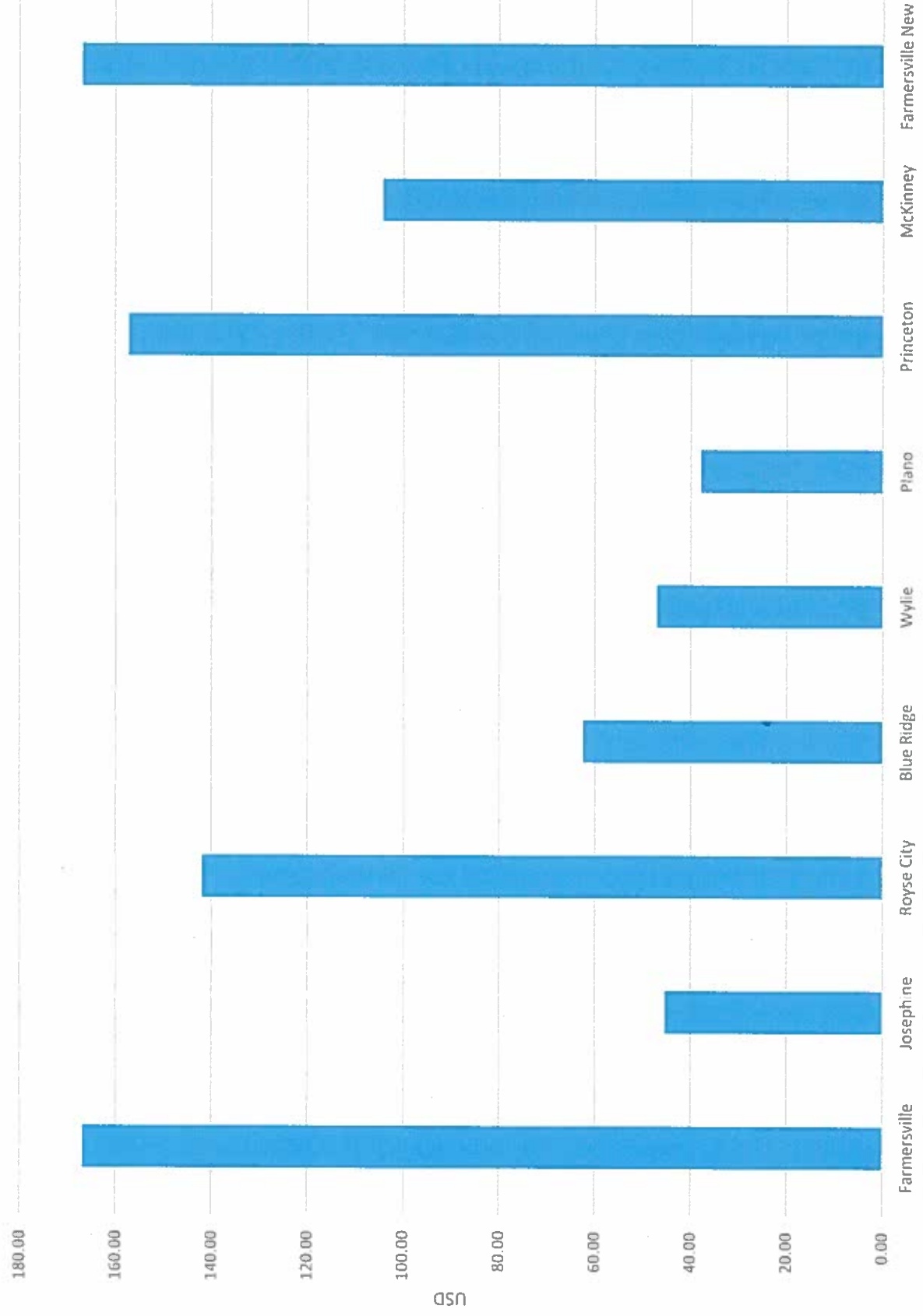
10,500 Gallon Waste Water Consumption Cost Comparison



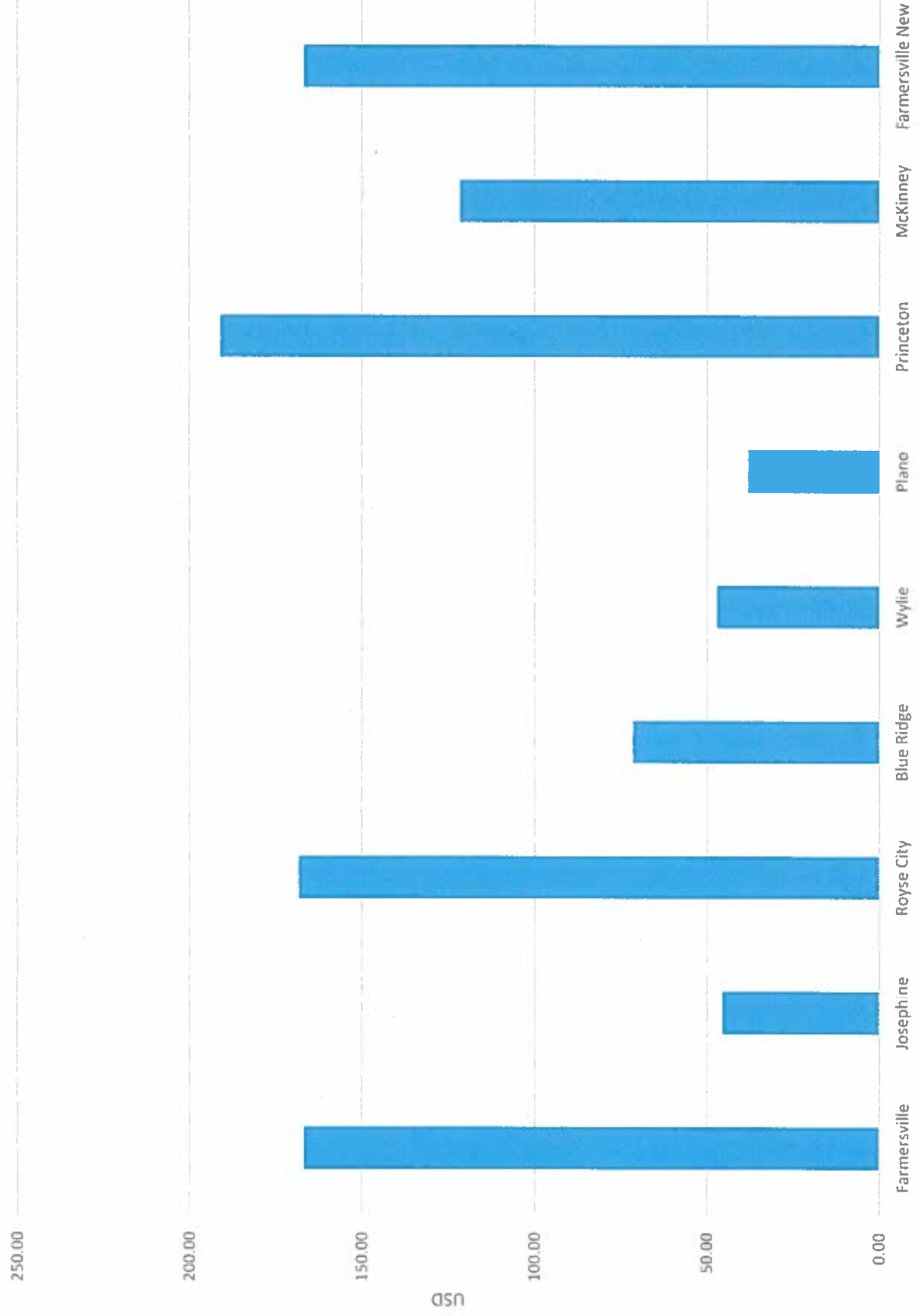
14,000 Gallon Waste Water Consumption Cost Comparison



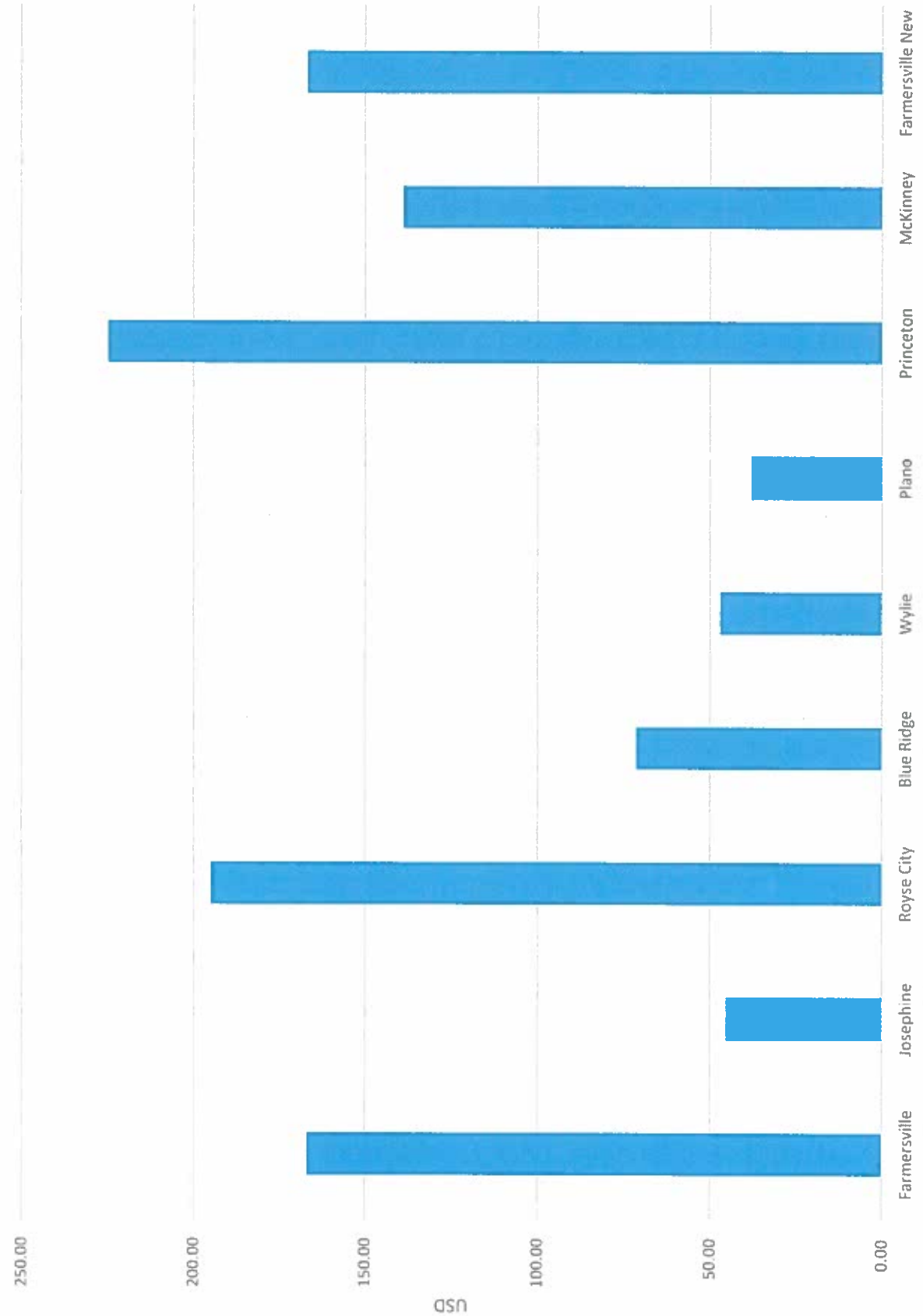
17,500 Gallon Waste Water Consumption Cost Comparison



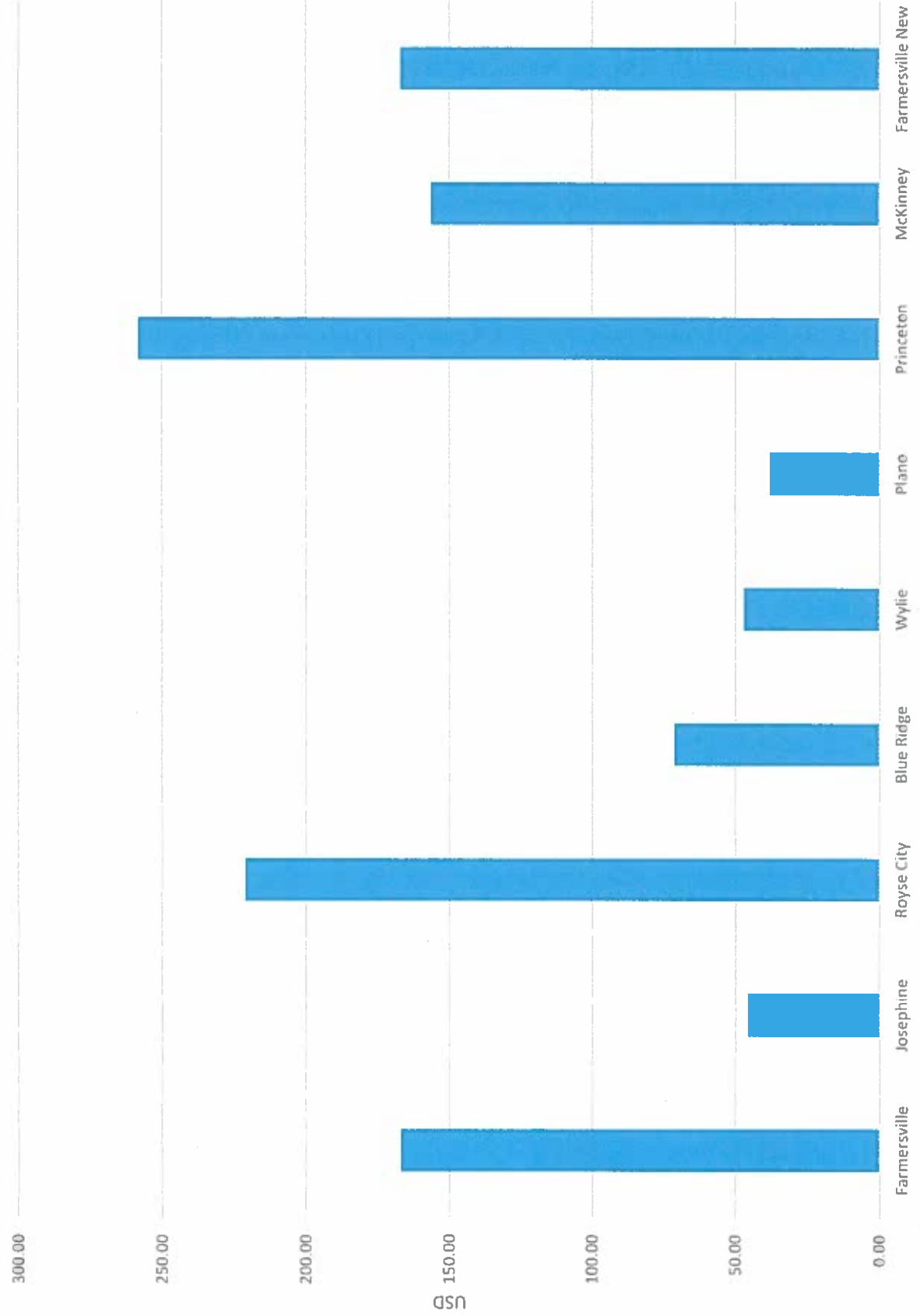
21,000 Gallon Waste Water Consumption Cost Comparison



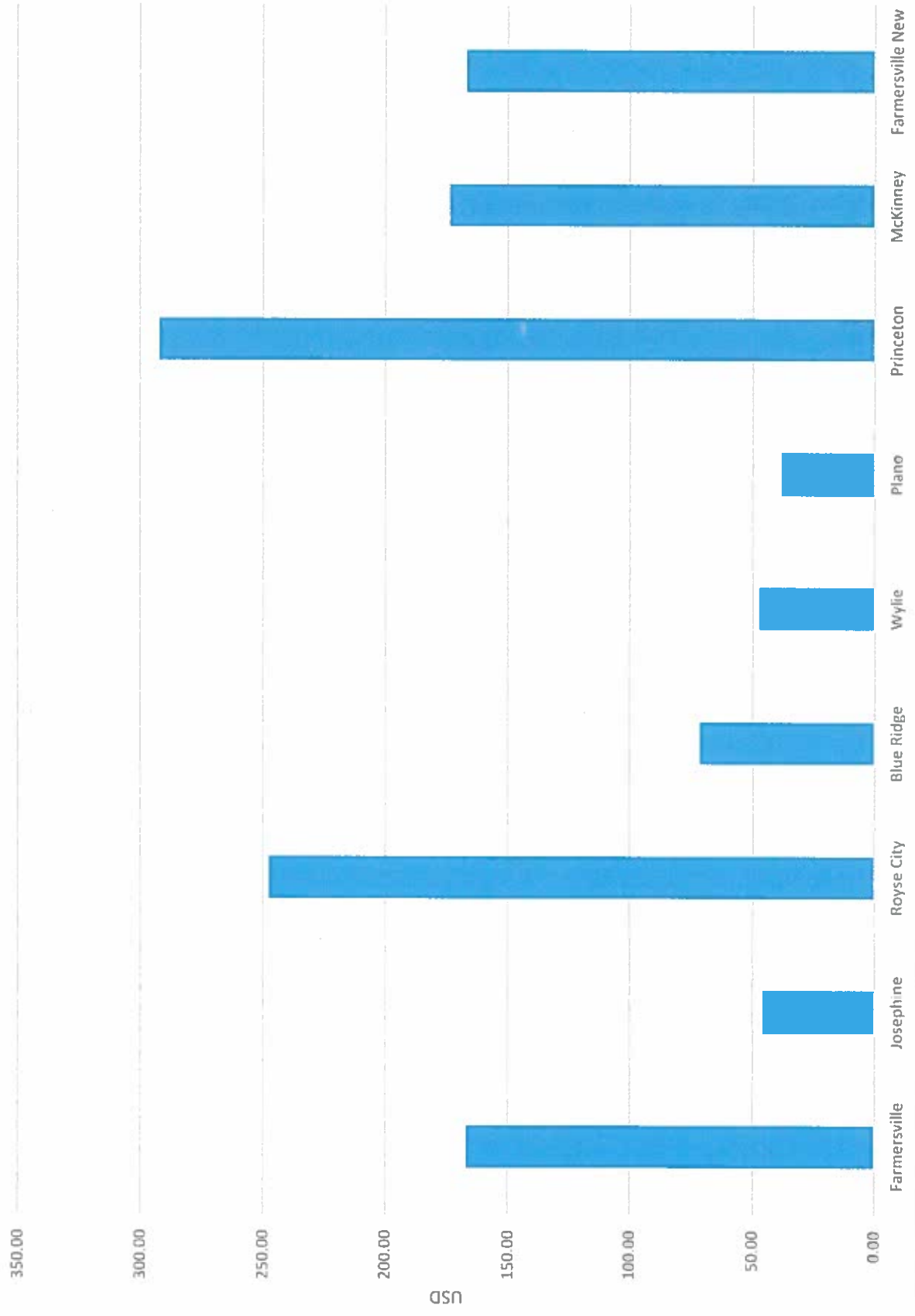
24,500 Gallon Waste Water Consumption Cost Comparison



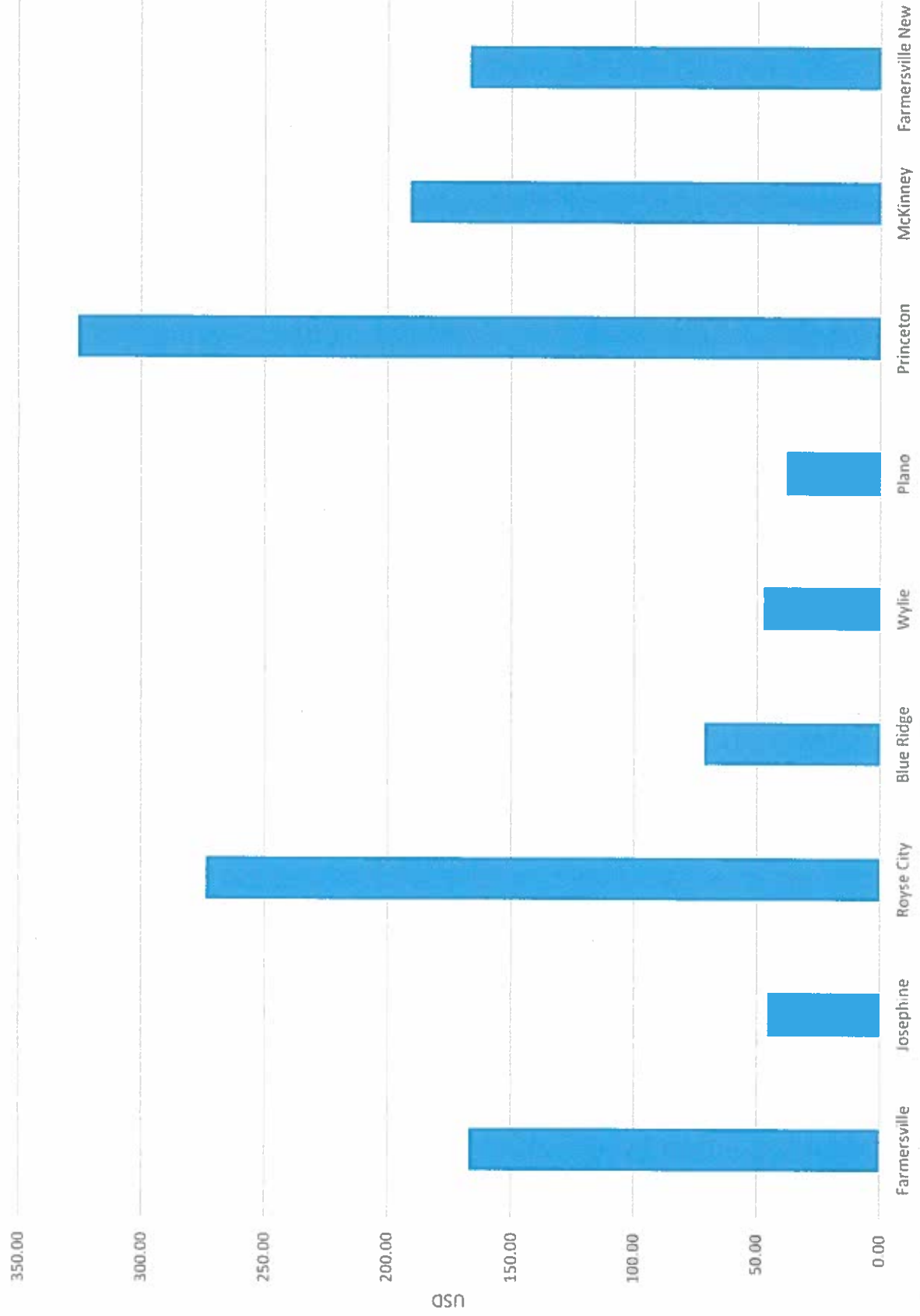
28,000 Gallon Waste Water Consumption Cost Comparison



31,500 Gallon Waste Water Consumption Cost Comparison



35,000 Gallon Waste Water Consumption Cost Comparison



Agenda Section	Regular Agenda
Section Number	V.K
Subject	Discussion and direction regarding the draft Martin Marietta Development Agreement.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	Draft Development Agreement
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action

AFTER RECORDING, RETURN TO:

City Manager
City of Farmersville
205 S. Main Street
Farmersville, Texas 75442

STATE OF TEXAS	§	DEVELOPMENT AGREEMENT
	§	BY AND BETWEEN THE CITY OF
COUNTY OF	§	FARMERSVILLE, RJMJ HOLDINGS, LLC AND
COLLIN		MARTIN MARIETTA REAL ESTATE
		INVESTMENTS, INC.

This Development Agreement ("Agreement") is made and entered into pursuant to Texas Local Government Code § 212.172 as of this ____ day of _____, 2019, by and between the City of Farmersville, Texas, ("City"), RJMJ Holdings, LLC ("Owner"), and Martin Marietta Materials Real Estate Investments, Inc. ("Martin Marietta") on the terms and conditions hereinafter set forth. The City, Owner and Martin Marietta may hereafter be referred to collectively as the "Parties" or individually as a "Party" from time to time.

WHEREAS, Owner owns certain "Property," defined herein-below, that is situated in the extra-territorial jurisdiction ("ETJ") of the City and contiguous to the City limits; and

WHEREAS, Martin Marietta has a contract to purchase the Property from Owner, which purchase Martin Marietta and the Owner anticipate will close after the Effective Date of this Agreement, as defined below;

WHEREAS, Martin Marietta desires to obtain water and sanitary sewer service from the City, and plat the Property with the City; and

WHEREAS, Martin Marietta plans to use the Property for two concrete batch plant operations, asphalt plant operations, aggregate operations, rail yard operations, transloading operations, truck terminal, truck shop, cement terminal and any and all accessory uses related to those specific primary uses as more particularly described in Section 2.01 of this Agreement, below; and

WHEREAS, City desires to annex the Property into its corporate limits; and

WHEREAS, this Agreement is entered into pursuant to Section 212.172 of the Texas Local Government Code in order to address the desires of the Owner, Martin Marietta and the City; and

WHEREAS, the City is authorized to make and enter into this written Agreement with Owner and Martin Marietta in accordance with Section 212.172 of the Texas Local Government Code, to accomplish the following purposes, among others:

- A. Extend the City's planning authority over the Property by providing for a development plan to be prepared by the landowner and approved by the City under which certain general uses and development of the Property are authorized;
- B. Authorize enforcement by the City of certain municipal land use and development regulations in the same manner the regulations are enforced within the City's boundaries;
- C. Authorize enforcement by the City of land use and development regulations other than those that apply within the City's boundaries, as may be agreed to by the Parties;
- D. Provide for the annexation of the land as a whole or in parts and to provide for the terms of annexation, if annexation is agreed to by the parties;
- E. Specify the uses and development of the Property before and after annexation;
- F. Include other lawful terms and considerations the Parties consider appropriate; and

WHEREAS, the Parties acknowledge that this Agreement shall be binding upon the City, the Owner and Martin Marietta and their respective successors and assigns for the Term (as defined in Section 6.01 below) of this Agreement; and

WHEREAS, this Agreement is to be recorded in the Real Property Records of Collin County;

NOW, THEREFORE, in consideration of the mutual benefits and premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, Owner and Martin Marietta agree as follows:

[Remainder of page intentionally left blank.]

ARTICLE I JURISDICTIONAL AUTHORITY AND VESTED RIGHTS

1.01 Land Subject to Agreement. The land that is subject to this Agreement is that approximately 85.381 acre tract of land, more or less, identified as being a part of Tract 20 of Abstract A0448 of the William Hemphill Survey (the "Property"), and is more particularly described in Exhibit A and depicted in Exhibit B attached hereto and incorporated herein by reference for all purposes allowed by law.

1.02 Petition for Annexation. Martin Marietta hereby agrees to submit a voluntary petition for annexation ("Petition") of the Property to the City for consideration by the City Council within one hundred eighty (180) days after the closing of the sale of the Property by Owner to Martin Marietta (the "Closing"), which Closing is intended to be completed by June 30, 2019. The City will consider the Petition and, if approved, negotiate an agreement regarding public services and institute annexation proceedings in accordance with the requirements of Texas law.

1.03 Property Rights. City acknowledges the importance to Owner and Martin Marietta of having certainty and predictability of development regulations while planning a significant project that is more particularly described in Section 2.01 of this Agreement, below, which will be developed over a multi-year period. Likewise, Owner and Martin Marietta recognize City's need over time to modify its existing development regulations in response to the requirements of a growing city. As a result, City recognizes that Owner and Martin Marietta have developed a plan for the use of the Property as set forth herein below in Section 2.01 of this Agreement. Consequently, Owner will have the right to develop the Property pursuant to Section 43.002 of the Texas Local Government Code if Owner and Martin Marietta file a completed application with the City for the issuance of the first permit required by law for the planned land use before the date that annexation proceedings are instituted hereunder.

1.04 No Chapter 245 Permit. Pursuant to Section 43.035(e) of the Texas Local Government Code this Agreement, and any requirement contained in this Agreement, shall not constitute a "permit" as defined in Chapter 245 of the Texas Local Government Code. **THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

1.05 Owner's Right to Continue Development. In consideration of agreements by Owner and Martin Marietta hereunder, City agrees that, during the Term of this Agreement, it will not impose or attempt to impose: (a) any moratorium on building or development within the "Project" as that term is defined in Section 2.01 hereof, or (b) any land use or development regulation that limits the rate or timing of land use approvals, whether affecting preliminary plats, final plats, site plans, building permits, certificates of occupancy, or other necessary approvals within the "Project" without first providing Owner

and Martin Marietta proper notice required by Texas law and an opportunity to be heard in one or more public meetings required for such purpose(s).

1.06 Effective Date. This Agreement shall be effective from and after the date it is approved by the City Council of the City and its signature by the City's authorized signatory.

ARTICLE II. LAND USE AND ZONING

2.01 The Project. The "Project" as that term is used in this Agreement means the development and operation on the Property of a railyard, transloading facility, two concrete batch plants, asphalt plant operations, aggregate operations, a truck terminal, truck shop, cement terminal and any and all accessory uses related to those specific primary uses which are more particularly defined, described, and depicted in detail on Exhibit C attached hereto and incorporated herein by reference for all purposes allowed by law. The Project shall include the construction of all public or private streets internal to the Project, if any, as well as certain driveways, boundary street improvements, sidewalks, lighting, drainage and other public infrastructure improvements within or adjacent to the boundaries of the Property ("Public Infrastructure") as are identified on any approved plat or any site plan submitted to the City for any portion of the Property, which Public Infrastructure shall be designed and constructed and dedicated to the City and/or the public as required by the Farmersville Code and Texas law. The development of the Property, or portions thereof, may be phased into more than one phase as determined by Owner in its sole discretion.

2.02 Permitted Uses. The Parties agree that Owner and Martin Marietta may immediately initiate, and may continue after annexation, the development and use of the Property for the Project as planned by Owner and Martin Marietta to the extent such development and use meets the requirements of Section 43.002 of the Texas Local Government Code.

2.03 Zoning. Concurrently with the initiation of annexation proceedings, City will upon the submission of an application therefor by the Owner and Martin Marietta initiate proceedings to zone the Property to PD -- Planned Development with a base zoning district of the newly adopted HII -- High Impact Industrial District zoning classification set out in Section 77-53(g) of the Farmersville Code in accordance with the requirements of Texas law, and which Planned Development zoning request shall contain the following development standards:

a. Owner and Martin Marietta will construct all permanent high use internal driveways and roads as well as the access drives extending from the public right-

of-way into, on and about the Property of concrete save and except the aggregate yard area which may be composed of street base material(s);

b. Owner and Martin Marietta will plant trees every forty feet (40') on center, which trees shall meet the minimum requirements set out in the Farmersville Code, along the eastern, western and southern perimeters of the Property;

c. Owner and Martin Marietta will construct a screening fence built using wrought iron, masonry or other materials acceptable to the City and constructed in accordance with the minimum requirements set out in the Farmersville Code along the southern boundary of the Property adjacent to U.S. 380;

d. Owner and Martin Marietta will plant and thereafter maintain ground cover in, upon and about all areas of the Property that are not routinely utilized as a part of a permanent working area;

e. Owner and Martin Marietta will construct and install light pollution free light fixtures at all locations within and about the Property as may be needed for 24 hour-per-day operation with a minimum amount of ambient light beyond the perimeter of the Property;

f. Owner and Martin Marietta will be allowed to operate its aggregate facility and related batch plants on a 24 hour per day basis with a reasonable amount of sound levels beyond the perimeter of the Property;

g. Owner and Martin Marietta will provide and maintain a professionally designed and installed landscape screening buffer together with a supporting underground irrigation system between the perimeter fence along the southern boundary of the Property and the U.S. Highway 380 frontage; and

h. Owner and Martin Marietta will install and maintain an upgraded decorative entryway feature at the ingress and egress locations between the Property and the adjacent public roadway.

i. Owner and Martin Marietta will install and maintain façade enclosures acceptable to the City around all concrete and asphalt plant equipment above twenty (20) feet for emergency dust containment and for architectural appearance.

The Parties believe that the uses comprising the Project are expressly permitted in the HII -- High Impact Industrial District or are permitted with a specific use permit or are uses not otherwise classified by the Code but which may be determined appropriate for the HII -- High Impact Industrial District through Section 77-47 of the Farmersville Code, and

which HII -- High Impact Industrial District shall be the base zoning district for the PD -- Planned Development zoning. The operation of a railyard, transloading facility, two concrete batch plants, asphalt plant operations, aggregate operations, a truck terminal, truck shop, cement terminal and any accessory uses related to those specific primary uses are currently permitted by right in the recently adopted High Impact Industrial District zoning classification thereby negating the need for a special use permit, specific use permit, or similar permit or authorization under Section 77-44 of the Farmersville Code. In the event the Property is not zoned as a High Impact Industrial District, the Project will, to the extent the Project is developed pursuant to the requirements of Section 43.002 of the Texas Local Government Code, be deemed a lawful nonconforming use.

ARTICLE III. APPLICABLE DEVELOPMENT STANDARDS AND PERMITTING

3.01 Governing Development and Use Regulations. During the term of this Agreement, development and use of the Property for the Project shall be governed by the Farmersville Code and applicable state and federal law.

3.02 State and Federal Regulations. All development shall comply with the applicable rules and any environmental requirements of the Environmental Protection Agency ("EPA"), Texas Commission on Environmental Quality ("TCEQ") and all other applicable state or federal regulatory agencies having jurisdiction over the construction, use and operation of the Project.

3.03 Expansion, Alteration or Modification of Project. During the Term (as defined below), Owner and/or Martin Marietta shall have the right to expand the Project within the boundaries of the Property to construct and operate additional concrete batch plant operations, asphalt plant operations, aggregate operations, to expand the railyard, to expand its transloading facilities, to construct additional truck terminals, truck shops and cement terminals, and to construct and expand any and all accessory uses related to those specific primary uses in accordance with the Farmersville Code and applicable state and federal law. During the Term, Owner and/or Martin Marietta shall have the right to repair, replace or modify any facilities within the boundaries of the Property in accordance with the Farmersville Code and applicable state and federal law.

3.04 Platting of the Property. It is understood and agreed that the City's Subdivision Ordinance, Ordinance #O-2018-0508-002, adopted May 8, 2018 (the "Subdivision Ordinance"), requires a development plat ("Plat") be submitted and approved for the Property prior to the issuance of any development permits for construction on the Property. It is further understood that Collin County, Texas will not issue any permits required for development of the Property until such time as the Plat of the Property has

been recorded with Collin County or the City provides Collin County with information releasing the Property for permitting.

Owner and Martin Marietta have expressed to City that it is urgent for Owner and Martin Marietta to begin development of the Property immediately and not be delayed until such time as the Plat has been prepared by Owner's and Martin Marietta's consultants, reviewed by City, recommended for approval by City's Planning and Zoning Commission, approved by the City's governing body and recorded with Collin County, Texas. City hereby agrees to work with Owner and Martin Marietta to defer the timing within which the Plat for the Property is required and provide Collin County with information that will allow for the issuance of permits prior to the recording of the Plat with Collin County under the assurances set forth in this Agreement.

Owner and Martin Marietta hereby agree to promptly submit within ninety (90) days of the execution of this Agreement a Plat of the Property to the City for the City's review and approval and ultimately for recording with Collin County, Texas, that conforms to the requirements of the City's Subdivision Ordinance. As a part of said Plat, Owner and Martin Marietta hereby agree to dedicate to the City such on-site easements and rights-of-way as may be necessary and required by the City's Subdivision Ordinance and the Farmersville Code for water, sanitary sewer, storm sewer and roadways to be extended to and across the Property at no cost to City including, but not limited to, sufficient right-of-way to allow that portion of County Road 653 adjacent to the Property to be widened from a two-lane roadway to a three-lane concrete roadway along and across the frontage of the Property and extending to U.S. Highway 380.

As further consideration for the release of the Property for permit issuance prior to the recording of the Plat for the Property, Owner shall provide to City a performance bond (in the form attached hereto as Exhibit D) in the amount of Ten Thousand Dollars (\$10,000) assuring the Owner's performance in causing a Plat of the Property that conforms to the requirements of the City's Subdivision Ordinance and this Agreement to be prepared and timely submitted to the City for approval and ultimately recording with Collin County.

3.05 Commitment for Water and Sewage Service; City Services. City represents that it has sufficient and ready water and sewer capacity to serve the Project, and commits to provide such service to the Property at such time as the plat for the Property is approved by the City and recorded with Collin County. Notwithstanding the foregoing Owner and Martin Marietta agree to pay all applicable tap fees and impact fees related to the development of the Property.

3.06 Drainage. Owner and/or Martin Marietta shall comply with all requirements of the Farmersville Code and all applicable local, state and federal requirements regarding drainage at the Property.

3.07 Fees. Unless otherwise specified by this Agreement, City shall not charge any parkland dedication fees associated with development of the Project within the boundaries of the Property. Owner and/or Martin Marietta shall pay all applicable tap fees and impact fees related to the development of the Property as well as City's standard application, review and development, and permitting/administrative fees associated with the Project in accordance with the Farmersville Code and all applicable local, state and federal requirements.

3.08 Sales Tax. All sales taxes on materials, products and services manufactured, processed, stored, sold or provided in any form or manner by Owner, Martin Marietta and/or all lessees on the Property shall be collected FOB Farmersville, Texas. This provision regarding the payment of sales taxes FOB Farmersville shall survive the termination of this Agreement for so long as the uses identified as a part of the Project are allowed to continue on the Property unabated by the City.

3.9 Improvements to Property. Owner and Martin Marietta shall cause the following improvements to be designed, constructed and installed of high-quality craftsmanship and materials and thereafter maintained in good and workmanlike manner upon and about the Property:

a. All permanent high use internal driveways and roads as well as the access drives extending from the public right-of-way into, on and about the Property shall be constructed of concrete save and except the aggregate yard area which may be composed of street base material(s);

b. Trees that are identified in and meet the minimum requirements set out in the Farmersville Code shall be planted every forty feet (40') on center along the eastern, western and southern perimeters of the Property;

c. A perimeter screening fence composed of wrought iron or masonry or some other fencing material acceptable to the City and which screening fence is constructed of materials and designed in a manner that complies with the minimum requirements set out in the Farmersville Code shall be constructed along the southern boundary of the Property adjacent to U.S. Highway 380;

d. Ground cover shall be planted and maintained in, upon and about all areas of the Property that are not routinely utilized as a part of a permanent working area;

e. Light pollution free light fixtures shall be constructed and installed at all locations within and about the Property as may be needed for 24 hour-per-day operation with a minimum amount of ambient light beyond the perimeter of the Property;

f. A professionally designed and installed landscape screening buffer together with a supporting underground irrigation system shall be constructed between the perimeter fence along the southern boundary of the Property and the U.S. Highway 380 frontage; and

g. An upgraded decorative entryway feature shall be constructed at the ingress and egress locations between the Property and the adjacent public roadway.

h. Façade enclosures acceptable to the City shall be constructed around all concrete and asphalt plant equipment above twenty (20) feet for emergency dust containment and for architectural appearance.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES

4.01 Organization and Good Standing. Owner and Martin Marietta are duly organized and validly existing in good standing under the laws of the State of Texas, and have full power and authority to conduct their business as it is now being conducted, and to own or use the properties and assets that they purport to own or use.

4.02 Authority; No Conflict. This Agreement constitutes the legal, valid and binding obligation of Owner and Martin Marietta, enforceable against Owner and Martin Marietta in accordance with its terms. Owner and Martin Marietta have the authority and capacity to execute and deliver this Agreement and to perform their obligations under this Agreement.

4.03 Organization and Good Standing. City is a duly organized and validly existing municipal corporation in good standing under the laws of the State of Texas, with full power and authority to conduct its business as it is now being conducted, and to own or use the properties and assets that it purports to own or use.

4.04 Authority; No Conflict. This Agreement constitutes the legal, valid and binding obligation of City, enforceable against City in accordance with its terms. City has the right, power, authority, and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement subject to the provisions of the Farmersville Code and applicable state and federal law.

ARTICLE V DEFAULT

5.01 Default. If any party breaches any of the terms of this Agreement, then that party shall be in default ("Defaulting Party") of this Agreement ("Event of Default"). If an Event of Default occurs, the non-defaulting party shall give the Defaulting Party written notice of such Event of Default, and if the Defaulting Party has not cured such Event of Default within thirty (30) days of said written notice, this Agreement is breached. However, if the breach is not reasonably susceptible to cure by the breaching Party within such 30-day period, the non-breaching Party shall not bring any action so long as the breaching Party has commenced to cure the default within such 30-day period and diligently completes the cure within a reasonable time without unreasonable cessation of the work.

ARTICLE VI. MISCELLANEOUS PROVISIONS

6.01 Term. This Agreement is an agreement authorized by Section 212.172 of the Texas Local Government Code. The initial term of this Agreement (the "Initial Term") is fifteen (15) years from the Effective Date. The Initial Term of the Agreement will automatically renew for up to two additional terms of fifteen (15) years each (each an "Extension Term") unless terminated by either party by providing written notice to the other Party(ies) at least one hundred eighty (180) days prior to the end of the Initial Term or the then current Extension Term.

6.02 Termination or Amendment.

(a) Owner and Martin Marietta, severally and at their sole election, may terminate this Agreement if Closing has not been completed by June 30, 2019, by providing written notice to City of Owner's and Martin Marietta's failure to close. Upon City's receipt of such written notice Owner shall be deemed to have withdrawn its petition for annexation and this Agreement shall be of no force and effect, and the Parties shall have no further obligations to one another under this Agreement. The City expressly acknowledges that the anticipated sale to Martin Marietta provides a material inducement to Owner to enter into this Agreement.

(b) Martin Marietta, at its sole election, may terminate this Agreement by providing written notice to City if City has not completed annexation of the Property within one (1) year from Closing, in which event Martin Marietta shall be deemed to have withdrawn its consent to annexation and this Agreement shall be of no force and effect, and the Parties shall have no further obligations to one another under this Agreement.

(c) If City fails to initiate zoning of the Property to High Impact Industrial District and to enact such zoning on the Property within six (6) months after annexation, Martin Marietta, at its sole election, may terminate this Agreement by providing written notice to the City, this Agreement shall be of no force and effect, and the Parties shall have no further obligations to one another under this Agreement. It is specifically understood that the termination of this Agreement does not vacate, void or invalidate the City's annexation of the Property or otherwise release the Property from the City's corporate limits. In the event Martin Marietta terminates the Agreement under this Subsection, Martin Marietta may submit a petition or request for disannexation to the City in accordance with the requirements of Chapter 43 of the Texas Local Government Code and City shall consider the disannexation of the Property in accordance with the provisions of Texas law.

(d) This Agreement may be terminated or amended as to all of the Property at any time by mutual written agreement of City, the Owner and Martin Marietta before Closing, or by mutual written agreement of City and Martin Marietta after Closing, or may be terminated or amended only as to a portion of the Property by the mutual written agreement of the City and the Owner of only the portion of the Property affected by and described in such agreement of amendment or termination.

6.03 Notices. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered, whether or not actually received, when deposited in the United States Mail, postage pre-paid, certified mail, return receipt requested, addressed to either party, as the case may be, at the addresses contained below:

City of Farmersville
205 S. Main Street
Farmersville, Texas 75442
Attn: City Manager

With copy to:

Alan D. Lathrom, City Attorney
Brown & Hofmeister, L.L.P.
740 E. Campbell Road
Suite 800
Richardson, Texas 75081

Owner:

RJMJ Holdings, LLC

Martin Marietta Real Estate Investments, Inc.

Any Party may change the address for notice to it by giving notice of such change in accordance with the provisions of this Section.

6.04 Agreement Runs with the Property. This Agreement shall be recorded in the real property records of Collin County, Texas, shall be a covenant running with the land and shall be binding on and inure to the benefit of the Owner's successors and assigns. The Owner's successors and assigns shall be considered the "Owner" for the purposes of a portion of the Property owned by such successors or assigns.

6.05 Assignment. Owner and Martin Marietta may assign their rights and obligations under this Agreement to any third party(ies) without having first obtained the prior written consent of another Party; provided however that a written copy of said assignment shall be delivered to the other Parties promptly after such assignment. Owner and Martin Marietta shall be permitted without first having obtained the prior written consent of City to sell, lease, grant interests in or rights to or otherwise transfer or encumber portions of the Property that they own, together with the assignment of all development rights and obligations relating to such portions of the Property that they own contained in this Agreement.

6.06 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the mutual written agreement of the parties hereto save and except for the termination right described above in Section 6.02.

6.07 Venue. This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Collin County, Texas. Exclusive venue shall be in a state or federal court with jurisdiction over Collin County, Texas.

6.08 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective, agents, heirs, executors, administrators, legal representatives, successors and assigns.

6.09 Savings/Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.10 Construction. This Agreement shall be construed fairly and simply, and not strictly for or against any party. Headings used throughout this Agreement are for convenience and reference only, and the words contained therein shall in no way be interpreted or held to explain, restrict, modify, amplify or aid in the interpretation or construction of the meaning of the provisions of this Agreement.

6.11 Multiple Counterparts. This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the latest date as reflected by the signatures below.

CITY OF FARMERSVILLE

By: _____
JACK RANDALL RICE
Mayor

Date Signed: _____

ATTEST:

SANDRA GREEN
City Secretary

THE STATE OF TEXAS §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared JACK RANDALL RICE, Mayor of the **CITY OF FARMERSVILLE**, a Texas Municipal Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she has executed the same on City's behalf.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20____.

Notary Public _____ County, Texas
My commission expires _____

RJMJ HOLDINGS, LLC

By: _____

Date Signed: _____

THE STATE OF TEXAS §
COUNTY OF COLLIN §

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she has executed the same.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20____.

Notary Public _____ County, Texas
My commission expires _____

**MARTIN MARIETTA MATERIALS
REAL ESTATE INVESTMENTS, INC.** a
North Carolina Corporation

By: _____
Name: _____
Title: _____

Date Signed: _____

THE STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this day by _____,
known to me to be the person whose name is subscribed to the foregoing instrument, and
acknowledged to me that he is a _____ of **MARTIN MARIETTA
MATERIALS REAL ESTATE INVESTMENTS, INC.**, a North Carolina corporation, and
that he executed the same on behalf of the corporation for the purposes set forth therein.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20_____.

Notary Public _____ County, Texas
My commission expires _____

EXHIBIT A

Description of Property

DRAFT

EXHIBIT B

Depiction of Property

DRAFT

EXHIBIT C

Detailed Definition, Description, and Depiction of the Project Within the Property

DRAFT

EXHIBIT D

Form of Performance Bond

DRAFT

Agenda Section	Regular Agenda
Section Number	V.L
Subject	Update on new legislation regarding public comments at open meetings.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	None
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action

Agenda Section	Regular Agenda
Section Number	V.M
Subject	Update on new legislation regarding platting.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	None
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action

Agenda Section	Regular Agenda
Section Number	V.N
Subject	Consider, discuss and act regarding a Joint Use Agreement with the Pee Wee Football and Cheer Association and the City of Farmersville.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	Agreement
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action

**ATHLETIC COMPLEX JOINT USE AGREEMENT BETWEEN
THE CITY OF FARMERSVILLE,
AND
THE FARMERSVILLE PEE WEE FOOTBALL / CHEER ASSOCIATION**

This Athletic Complex Joint Use Agreement ("Agreement"), is entered into by and between the **CITY OF FARMERSVILLE, TEXAS** ("City") and **FARMERSVILLE PEE WEE FOOTBALL / CHEER ASSOCIATION**, an unincorporated entity (the "Association") (each a "Party" and collectively the "Parties"), acting by and through their authorized representatives.

WHEREAS, the City of Farmersville owns the Spain Athletic Complex located at the intersection of Murchison Street and Merit Street known as the J. W. Spain Athletic Complex; and,

WHEREAS, the City of Farmersville wishes to maximize the use of the Complex for the benefit of Farmersville and area citizens by entering into an agreement with the Farmersville Pee Wee Football / Cheer Association by defining and enumerating the duties and responsibilities of each entity regarding the maintenance and use of the Complex;

NOW THEREFORE, the City of Farmersville (City), and the Farmersville Pee Wee Football / Cheer Association (Association) agree to the following user regulations concerning the J. W. Spain Athletic Complex (Complex):

Section 1. Designation of Fields and Field Use

For purposes of clarity in this agreement, the football (or soccer) field is located in the southeast section of the Complex on Field 6. Fields constructed after the date of this Agreement will be numerically designated at the time of construction. Field 6, and any additional fields that may hereafter be constructed will hereafter be referred to singly and collectively as the "Playing Fields".

The Association's season begins in July and ends in November. The Association will have priority access to Field 6 during all scheduled league games and team practices. The Association must provide the Association's game schedule to the City Manager, or his designee, as soon as the Association's schedule becomes available in each year (or season) of this Agreement. The Association must also provide the Association's practice schedule to the City Manager, or his designee, prior to practices beginning before and during each year (or season) of this Agreement. At all other times the Complex is open for the public's use on a first-come first-use basis. Any scheduling should be brought to the attention of the City Manager as soon as practicable after any such conflict is discovered.

The Association may begin preparation of the playing fields for the Playing Field(s) for the playing season at any time before the beginning of the playing season after notifying the City Manager, or his designee, of the Association's intent to begin such work. The City Manager, or his designee, has the final authority for scheduling of all Complex events.

Section 2. Grounds Maintenance

The Association shall prepare and maintain all playing fields for Association events. All Playing Field(s) must meet high-quality standards and presentable playing condition from the beginning to the end of the playing season.

Trash and litter will be picked up and removed from the Playing Field(s) and bleacher areas at the end of each day on which the Association hosts or holds one or more scheduled games and/or team practices (each such day being a "Playing Day"). In addition, periodic cleaning shall be performed by the Association at intervals between Playing Days, if necessary, to prevent buildup of trash and litter. If the Association does not comply and allows trash and litter to be left on the Playing Field(s) after any use, the City will impose a charge not to exceed \$200 per incident. Association will be responsible to pay said trash and litter removal fees. If the City charges the Association a third time for the same incident or a similar type of incident, the City may at its discretion, terminate the Agreement and not allow the Association to use all or part of the facilities at the Complex.

The City will provide adequate trash receptacles and trash removal for the purpose of keeping the complex clean. Association shall be responsible to have a designated area for trash pickup. Association will be billed for labor and material for any needed follow-up cleaning provided by the City

The City is responsible to provide for mowing, weed control, edging, and watering of the entire complex including Playing Fields and common areas.

The Association shall provide the City Manager a list of organization members with contact information that will be granted keyed lock and combination lock access to the Complex and its facilities. This access list will be posted on the City's website to facilitate access to and the use of the Complex. Association activities shall not be conducted without the presence of a member that is on the access list.

Section 3. Concession Stand Operation and Proceeds

The Association is responsible to provide concession services during all scheduled Association events at the Complex. All expenses associated with the Concession Stand for scheduled Association events will be the responsibility of the Association. The Association shall retain all proceeds, after expenses, from concession stand sales for all scheduled Association events. The concession stand must be cleaned by the Association after each use, specifically including, but not limited to, the grill/stove. The grease must be removed by the Association and disposed of in a proper manner. The grease drip tray must be totally cleaned and free from any remnants of grease after each use of the concession stand by the Association. The Association must remove all trash and garbage from the concession stand and placed in the appropriate trash receptacles provided by the City. The floors must be mopped and cleaned by the Association.

Section 4. Restroom and Concession Maintenance

Restrooms are also under the control and maintenance of the Association during their respective playing seasons. The Association will open the restrooms on Playing Days for games and practice times, but must keep the restrooms locked at all other times. The Association is responsible to the City for safeguarding, supplying, and thoroughly cleaning the restroom facilities.

Winterizing of restrooms and concession stand will be the responsibility of the City as well as normal maintenance, repairs, and replacements.

The concession stand will be kept clean and sanitary **at all times** by the Association when it is under its use and control and all equipment used will meet applicable regulatory standards of the City. If conditions exist in the restroom or concession stand that require work by the City or if the City is required to hire a third-party to repair, maintain or replace any equipment or facilities the associated cost of such repair, maintenance or replacement will be the responsibility of the City.

Section 5. Equipment, Supplies, and Storage Facilities

In recognition of the Association's need to protect and maintain its equipment and supplies, the City grants use of the detached storage facility located next to the south gate and one storage room inside the Concession Building. The City will share the use of the storage room located on the south side of the Concession Building with the Association. The City will have exclusive use of one storage room inside the Concession Building.

Section 6. Modifications or Improvements to Complex

Any suggested modification or improvements to the Complex must be presented to the City Manager, or his designee, for consideration with the City Amenities Board. Following the Board's review, recommendations will be forwarded to the City Council for final approval. Association will share the costs of such modifications or improvements as agreed upon, and approved by the City Council, prior to construction. The City will prepare invoices for Association's portion of the costs of such modifications or improvements. Payment is due within 15 days. Non-payment will result in a 10% surcharge and possible termination of this Contract.

Section 7. City Utilities

Until further notice, the City will continue its practice of providing water, sewer, electricity, and information technology services to the Complex with no charge to Association. The City retains the right to assess future charges for these services after giving notice at the end of the playing season and prior to the next playing season for which such charges will begin to be assessed to and collected from the Association. If the City finds that utilities are being wasted, the City may, at its discretion, terminate the Agreement and not allow the Association to use all or part of the facilities at the Complex.

Section 8. Ancillary Financial Matters

The Association shall provide to City copies of Association's year-end financial statement, ending December 31st, for each year during the term of, and prior to the renewal of, this Agreement and any extension of this Agreement. All financial obligations contracted for by the Association in relation to its use of the Complex must be paid in return for the satisfactory delivery of goods and services, and failure to do so without just cause will be considered reason for the City to cancel the agreement with the Association. In no case will the City be responsible for expenses or obligations contracted by the Association for any reason unless by prior and specific agreement.

The City will not provide the Association with any insurance coverage including, but not limited, to, contents insurance coverage for the concession building. The Association will be obligated to determine and provide the types and levels of insurance coverage that it believes to be necessary for Association's use of the Complex beyond the insurance coverage required hereunder to protect the City.

Section 9. Insurance Required

- A. Without limiting any of the other obligations or liabilities of the Association, the Association shall, at its own expense, procure, pay for and maintain during the term of this agreement the hereinafter stipulated minimum insurance with companies duly licensed to write business in the State of Texas and approved by the City.
 - 1. Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$1,000,000 per-occurrence, \$1,000,000 Products/Completed Operations Aggregate and \$1,000,000 general aggregate. Such insurance shall cover, but not be limited to, the liability assumed under the indemnification provisions of this agreement, fully insuring the Association's liability for injury to or death of owners, employees and third parties, extended to include personal injury liability coverage, and for damage to property of third parties including damage to the Complex. Coverage must be written on an occurrence form.
 - 2. When applicable by law, Workers' Compensation insurance with statutory limits; and Employers' Liability coverage with minimum limits for bodily injury: a) by accident, \$100,000 each accident, b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.
 - 3. Umbrella or Excess Liability insurance with minimum limits of \$1 million each occurrence and annual aggregate for bodily injury and property damage, that follows form and applies in excess of the above indicated primary coverage (1, 2 and 3). The total limits required may be satisfied by any combination of primary, excess or umbrella liability insurance provided all policies comply with all requirements. The Association may maintain reasonable deductibles, subject to approval by the City of

Farmersville.

The Association shall furnish to the City Manager certificates of insurance on an "ACCORD" form executed by the insurer or its authorized agent stating the coverage's, limits, expiration dates and compliance with all applicable required provisions prior to any use of the Complex by the Association. Certificates shall reference this agreement and be addressed as follows:

City of Farmersville, Texas c/o City Manager 205 S. Main Street Farmersville, TX 75442.

- B. With reference to the foregoing required insurance, the Association shall endorse applicable insurance policies as follows:
 - 1. In the event the Association is required by law to obtain, or has otherwise obtained, Workers' Compensation insurance and Employers' Liability coverage the Association and its insurer(s) shall provide a waiver of subrogation regarding such coverage in favor of the City of Farmersville and its officials, employees, and officers for losses arising from the activities under this contract.
 - 2. The City of Farmersville and its officials, employees and officers shall be named as additional insured's on the Commercial General Liability policy and all other required insurance policies, by using endorsement CG2026 or broader.
 - 3. All insurance policies shall be endorsed to the effect that City of Farmersville will receive at least a thirty (30) day notice prior to cancellation, non-renewal, termination, or material change of the policies.
- C. All insurance shall be purchased from an insurance company that meets a financial rating of B+VI or better as assigned by the A.M. BEST Company or equivalent.
- D. Payment of any and all deductibles on each insurance policy shall be the responsibility of the Association.

Section 10. Non-Association Events

City approval is required for all Non-Association Events. Deposits and user fees generated from all non-Association events will be in accordance with assessed and collected in accordance with the Fee Schedule as set out in Appendix A and shall be made payable to the City of Farmersville.

Deposits will be returned to the users, provided the Complex has been cleaned to the satisfaction of the City Manager. If the condition of the Complex requires work by City personnel, a charge of \$200 per hour will be deducted from the deposit until the deposit is exhausted. The non-Association entity (team or private party) renting the Complex, will be billed for any additional costs that may incur due to misuse of the Complex and termination of all or partial use of the Complex may be enforced by the City.

Section 11. Personal Conduct at Athletic Events

The City recognizes that crowd noise is a part of any athletic activity and accepts a

certain level of noise. However, the City requests that the Association make a good faith effort to discourage any undue harassment of neighbors by participants or spectators at any activity for which Association is responsible.

The Association will be responsible for the proper conduct of team members, coaches, fans, and other spectators during any activity sponsored or sanctioned by the Association at the Complex and, if necessary, will ask the City for assistance in maintaining order.

The sale or consumption of alcohol, illegal drugs, or illegal chemical substances at the Complex is a violation of city ordinances, **will not be tolerated**, and will be punishable according to applicable law. The Complex is a non-smoking facility and **smoking shall not be allowed in, on and about the Complex**. Violators will be punished in accordance with the City's ordinances prohibiting smoking at the Complex.

The City retains the right to restrict the times of use and conduct of all activities in and about the Complex. Such right may be exercised without notice in case of substantial violation of the City's regulations but must be authorized by official City Council action after thorough investigation and verification of said violation. A list of Association Board Members must be made available to the City Amenities Board along with the Association's respective contact numbers and email addresses prior to the beginning of this Agreement and at least one time prior to the beginning of each calendar year during the term of this Agreement and any renewal terms. The Association will be provided with the City Manager's contact information should any issue arise with the Complex that needs immediate attention.

Section 12. Hold Harmless and Indemnification

The Association does hereby agree to waive any and all claims, release, indemnify, defend and hold harmless City and all of its officials, officers, agents, and employees, in both their public and private capacities, from any and all liability, claims, suits, demands or causes of action which may arise by reason of injury to property or persons occasioned by willful misconduct, error, omission, or negligent act of the Association, its officers, agents, employees, invitees, or other persons, arising out of or in connection with this agreement or any and all activity or use pursuant to this agreement, or on or about the Complex and the Association will, at its own cost and expense, defend and protect City from any and all such claims and demands. Also, the Association agrees to and shall indemnify, defend and hold harmless City and all of its officials, officers, agents and employees, in both their public and private capacities, from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, including all expenses of litigation, court costs and attorney fees for injury to or death of any person or for damage to any property arising out of or in connection with this agreement or any and all activity or use pursuant to this agreement, or on or about the Complex. Such indemnity shall apply whether the claims, losses, damages, causes of action, suits or liability arise from the negligence of the City, its

officers, officials, agents or employees and whether said negligence is contractual, comparative negligence, concurrent negligence, gross negligence or any other form of negligence. City is responsible only for City's sole negligence.

Section 13. Term

This agreement will be in force for a term of two years from April 1, 2019 until March 31, 2021. Either party may cancel participation in this contract with a thirty day written notice. However, a bona fide effort must be made to resolve any misunderstandings or disagreements leading to the cancellation.

Two (2) months prior to the expiration of this Agreement, and provided no proposal has been offered by the Association, it shall be the responsibility of the administrative staff of the City of Farmersville to initiate action to review the Agreement, taking into consideration any proposals from the Association, and forward proposals to alter or cancel the Agreement to the City Amenities Board for consideration. Following consideration, the City Amenities Board shall make recommendation to the City Council regarding any proposed modification or cancellation of the Agreement. Cancellation or modification to the Agreement must be in writing and approved by the City Council.

Section 14. Notice

For the purposes of Notice, the addresses of the Parties will, until changed as provided below, be as follows:

Developer:

Farmersville Pee Wee Football/
Cheer Association

City of Farmersville:

Ben White
City Manager
205 S. Main Street
Farmersville, Texas 75442

The Parties will have the right from time to time to change their respective addresses upon written notice to the other Party. If any date or notice period described in this Agreement ends on a Saturday, Sunday or legal holiday, the applicable period for calculating the Notice will be extended to the first business day following such Saturday, Sunday or legal holiday.

This Athletic Joint Use Agreement has been approved by the governing bodies of each Party, as follows.

City of Farmersville

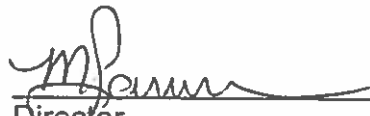
Jack Randall Rice, Mayor

Dated: _____

Attest:

Sandra Green, City Secretary
Date: _____

Farmersville Pee Wee Football/
Cheer Association:



Director
Date: 3-8-19

APPENDIX A

SCHEDULE OF USER FEES

Applicable to all Non-Association Events

Activity Description	Resident	Non
Deposit, any Combination of Fields	\$250	\$350
Use of Field 1, 2, or 3	\$100	\$250
Use of Field 4 or 5	\$50	\$200
Use of Field 6 (Football Field)	\$150	\$200
Lights, Hourly Rate (per field)	\$20	\$40

All fees must be paid at the time the reservation is made or at least two weeks prior to the reserved date.

Deposit is refundable if the fields, restrooms and concession area is clean and in working order.

Agenda Section	Regular Agenda
Section Number	V.O
Subject	Consider, discuss and act regarding a lease/purchase agreement between the City of Farmersville and Altec Capital Services, LLC for an electric department truck.
To	Mayor and Council Members
From	Ben White, City Manager
Date	August 13, 2019
Attachment(s)	Agreement
Related Link(s)	http://www.farmersvilletx.com/government/agendas_and_minutes/city_council_meetings.php
Consideration and Discussion	City Council discussion as required.
Action	<ul style="list-style-type: none"> • Motion/second/vote <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Approve with Updates <input type="checkbox"/> Disapprove • Motion/second/vote to continue to a later date. _____ <ul style="list-style-type: none"> <input type="checkbox"/> Approve <input type="checkbox"/> Disapprove • Move item to a future agenda. _____ • No motion, no action



RE: Documents Enclosed/ Please return package within 48 hours of receipt

Enclosed is your document package for review and execution. The original executed documents are required prior to funding your transaction. To expedite the return of these documents, please overnight them to us using Altec Capital Services, LLC UPS account #V55F20, and send to:

Altec Capital Services, LLC
Attn:
33 Inverness Center Parkway, Suite 200
Birmingham, AL 35242-4842

Only the person with signing authority should execute the documents. For verification of original documents, please execute in blue ink. Please retain a copy of the documents for your files.

Please use the checklist below to ensure all required documents are returned. This will guaranty the timely funding of your transaction.

Bank Qualified:

- o Essential Use Letter
- o Equipment Lease/Purchase Agreement
- o Description of Equipment
- o Schedule of Payments
- o Certificate of Acceptance
- o Incumbency Certificate
- o Resolutions Form – Or copy of the actual Board Minutes
- o Insurance
- o Copy of Customer's Sales/Use Tax Exemption Certificate
- o IRS form 8038G or 8038CG

Please include if applicable:

- o Opinion of Lessee's Counsel (Only required if more than two assets)
- o New York rider (Only required for New York customers)
- o Florida rider (Only required for Florida customers)

Please contact me at (888) 408-8148 with any questions or concerns you may have. Thank you for the opportunity to do business with you.

Sincerely,

Inside Sales Associate

**ACS shall be entitled, after consultation with you, to change the pricing, terms, structure or amount of, or to eliminate, any of the facilities if ACS determines that such changes are necessary to fund the transaction at a rate equal to our cost of funds plus an acceptable spread and/or advisable to ensure a successful syndication of the transaction. The terms herein are subject to the arrangements in this paragraph.

ALTEC CAPITAL SERVICES, L.L.C.
33 Inverness Center Parkway
Suite 200
Birmingham, AL 35242

Re: Equipment Lease/Purchase Agreement dated as of between
ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and
, as Lessee
Lease Number

Essential Use of Equipment.

Gentlemen:

This letter is to confirm and affirm that the personal property (the "Equipment") subject to the above-referenced Agreement is essential to the governmental functions of Lessee.

The Equipment will be used by Lessee for the purpose of performing one or more of Lessee's governmental functions consistent with the permissible scope of Lessee's authority and not in any trade or business carried on by any person other than Lessee.

Very truly yours,

By: _____

Its: _____

Lease Number:

EQUIPMENT LEASE/PURCHASE AGREEMENT

THIS EQUIPMENT LEASE/PURCHASE AGREEMENT ("Agreement") is made as of by and between ALTEC CAPITAL SERVICES, L.L.C. ("Lessor") and ("Lessee").

In consideration of the mutual covenants, terms and conditions hereinafter contained, Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the property (hereinafter, together with all replacements and accessions thereto, referred to as the "Equipment") generally described in the Preliminary Description of Equipment attached hereto and to be more specifically described in the Certificate of Acceptance, in the form attached, to be executed and delivered pursuant hereto, subject to the terms and conditions set forth herein.

This Agreement is made upon the following terms and conditions:

(1) **TERM.** (a) Commencement of Term. This Agreement shall be effective, and the parties' obligations hereunder shall arise, as of the date hereof. The term of lease under this Agreement shall commence on the date on which the Equipment is accepted by Lessee, as indicated on the Certificate of Acceptance (the "Commencement Date"), and shall terminate on the last business day of Lessee's then current fiscal budget period (such period being hereinafter referred to as the "Original Term"). (b) Renewal of Term. Subject to the provisions of Section 10 hereof and sub-part (e) of this Section, the Original Term will be automatically and successively renewed at the end of the Original Term under the same terms and conditions for successive renewal periods ("Renewal Terms"), with the last of such Renewal Terms to end on the last day of the Full Lease Term, as specified on the Schedule of Payments executed by Lessee and attached hereto (the "Schedule"). (c) Termination of Term. The term of lease will terminate upon the earliest to occur of any of the following events: (1) The expiration of the Original Term or any Renewal Term and the nonrenewal thereof in accordance with the terms and conditions of this Agreement; (2) The purchase of the Equipment by Lessee under the provisions of Sections 8(c) or 10 of this Agreement; (3) A default by Lessee and Lessor's election to terminate this Agreement under Section 13; or (4) The payment by Lessee of all rental payments to be paid by Lessee hereunder with respect to the Equipment. (d) Continuation of Lease Term by Lessee. Lessee intends, subject to the provisions of sub-part (e) of this Section, to continue the term of the lease hereunder through the Original Term and all Renewal Terms for the Full Lease Term and to pay the rental payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all rental payments for the Full Lease Term can be obtained and further intends to do all things lawfully within its power to obtain and maintain funds from which the rental payments may be made. (e) Nonappropriation. In the event sufficient funds are not appropriated for the payment of all rental payments required to be paid in the next succeeding Renewal Term, then Lessee may terminate this Agreement at the end of the Original Term or the then current Renewal Term, as the case may be, and Lessee shall not be obligated to make payment of the rental payments provided for in this Agreement beyond the then current term. Lessee agrees to give notice to Lessor of such termination at least sixty (60) days prior to the end of the then current term or, if nonappropriation has not occurred by that date, promptly upon the occurrence of nonappropriation. If this Agreement is terminated under this sub-part, Lessee agrees, at Lessee's sole cost and expense, peaceably to deliver the Equipment to Lessor at such location as is specified by Lessor, in the condition required by Section 5(b) hereof, on or before the effective date of termination.

(2) **RENTAL PAYMENTS.** (a) 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 contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee. (b) Payment of Rental Payments. Lessee shall pay rental payments exclusively from legally available funds, in lawful money of the United States of America, to Lessor in the amounts and on the rental payment due dates set forth in the Schedule without notice. In the event that any rental payment is not received by Lessor on or before the due date therefor, Lessee agrees to pay a late charge determined on the basis of accrued interest on the delinquent amount at the rate of one percent (1%) per month (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law) from the date of delinquency to the date that the rental payment is received by Lessor. (c) Interest and Principal Components. As set forth in the Schedule, a portion of each rental payment is paid as, and represents payment of, interest, and the balance of each rental payment is paid as, and represents payment of, principal. (d) Rental Payments to be Unconditional. The obligation of Lessee to make rental payments hereunder, and to perform and observe the covenants and agreements contained in this Agreement, shall be absolute and unconditional in all events, except as expressly provided in this Agreement. Lessee shall not assert any right of setoff, counterclaim, or abatement against its obligations hereunder, including (without limitation) by reason of equipment failure, disputes with the vendor(s) or manufacturer(s) of the Equipment or Lessor, accident or any unforeseen circumstances.

(3) REPRESENTATIONS AND COVENANTS OF LESSEE. Lessee represents, covenants and warrants to Lessor as follows: (a) Lessee is a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended, (the "Code") and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such. (b) Lessee is authorized under the Constitution and laws of the state of to enter into this Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder. (c) Lessee's name as indicated in the opening paragraph and on the signature page of this Agreement is its true, correct, and complete legal name. (d) As evidenced by an attachment hereto, the execution and delivery of this Agreement by or on behalf of Lessee has been duly authorized by all necessary action of the governing body of Lessee, and Lessee has obtained such other approvals and consents as are necessary to consummate this Agreement. Lessee further represents, covenants and warrants that all requirements have been met, and procedures have occurred, necessary to ensure the enforceability of this Agreement against Lessee, and that Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition of the Equipment by Lessee hereunder. (e) Lessee shall cause to be executed and attached hereto an incumbency certificate and an opinion of its counsel in form and substance satisfactory to Lessor. (f) Lessee has determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future. The Equipment is essential to and will be used by Lessee only for the purpose of performing one or more governmental 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. Lessee shall cause to be executed and attached hereto an Essential Use of Equipment Letter in form and substance satisfactory to Lessor. (g) Within one hundred fifty (150) days of the end of each fiscal year of Lessee during the term hereof, Lessee shall provide Lessor with a copy of its audited financial statements for such fiscal year. Additionally, Lessee shall provide Lessor with 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 reasonably be requested by Lessor. (h) The Equipment is, and shall remain during the period this Agreement is in force, personal property and when subject to use by Lessee under this Agreement will not be or become fixtures. (i) Lessee acknowledges that Lessor is acting only as a financing source with respect to the Equipment, which has been selected by Lessee. (j) Lessee will promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

(4) TITLE TO EQUIPMENT; SECURITY INTEREST. (a) Title to the Equipment. During the term of this Agreement, title to the Equipment shall vest in Lessee, subject to the rights of Lessor under this Agreement. In the event of a default as set forth in Section 13 hereof or nonappropriation as set forth in Section 1(e) hereof, title shall immediately vest in Lessor. (b) Security Interest. To secure the prompt payment and performance as and when due of all of Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a first priority security interest in the Equipment, all replacements, substitutions, accessions and proceeds (cash and non-cash), including the proceeds of all insurance policies, thereof. Lessee agrees that with respect to the Equipment Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as in effect in . Lessee may not dispose of any item of the Equipment without the prior written consent of Lessor, notwithstanding the fact that proceeds constitute a part of the Equipment.

(5) USE AND MAINTENANCE. (a) Use. Lessee shall use the Equipment solely for the purpose of performing one or more governmental functions of Lessee and in a careful, proper and lawful manner consistent with the requirements of all applicable insurance policies relating to the Equipment. Lessee will not change the location of any items of the Equipment as specified in the applicable Certificate of Acceptance without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall not attach or incorporate the Equipment to or in any other item of equipment in such a manner that the Equipment becomes or may be deemed to have become an accession to or a part of such other item of equipment. (b) Maintenance. Lessee, at its own expense, will keep and maintain, or cause to be kept and maintained, the Equipment in as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted, and will provide all maintenance and service and make all repairs reasonably necessary for such purpose. All replacement parts and accessions shall be free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessions replaced. Lessee shall not make any material alterations to the Equipment without the prior written consent of Lessor, which consent shall not be unreasonably withheld. All additions to the Equipment which are essential to its operation, or which cannot be detached without materially interfering with such operation or adversely affecting the Equipment's value and utility, shall immediately be deemed incorporated in the Equipment and subject to the terms of this Agreement as if originally leased hereunder, and subject to the security interest of Lessor. Upon reasonable advance notice, Lessor shall have the right to inspect the Equipment and all maintenance records with respect thereto, if any, at any reasonable time during normal business hours.

Additional Provisions for Vehicles. As to any Equipment leased hereunder that constitutes motor vehicles ("Vehicles"), you further covenant and agree as follows:

(a) You shall, at your own expense, obtain in our name all registration plates and other plates, permits inspections or licenses required to be obtained in connection with the Vehicles, or related to their operation and use except for the initial registration plates which we obtain at your expense. We shall issue to you, for such purpose, appropriate limited powers of attorney or such other authority as may be necessary. You shall not, without our prior written consent, permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would subject such Vehicle to the titling or registration laws of such other state.

YOU AGREE THAT NO VEHICLE SHALL BE USED TO TRANSPORT PERSONS FOR HIRE OR HAZARDOUS SUBSTANCES.

(b) At any time that you are required to return the Vehicle to us, you shall, at your expense, deliver the Vehicle to the nearest Altec facility within the United States which we specify.

(c) Each Vehicle shall not have more than the average miles per year recorded on its odometer than the mileage specified for the selected Lease Term for each vehicle type and specific model as detailed on the Supplement (or, if no mileage is specified in the Supplement, each Vehicle shall not have more than twelve thousand (12,000) miles per year for each year of the applicable Lease Term) and you shall pay us, at the time of Vehicle surrender, an excess mileage charge equal to \$.35 per mile for each mile exceeding specified mileage.

(d) Ensure all Equipment and equipment operations conform to all applicable local, state, and Federal laws, health and safety guidelines. Upon return, the Equipment will be complete and operational with all components as originally supplied and will have passed D.O.T. inspections, or other appropriate agency or association requirements for operation. If applicable, an inspection sticker or certificate will be furnished to Lessor verifying compliance with any regulatory requirements. Lessee shall satisfy all legal and regulatory conditions necessary for Lessor to sell or lease the Equipment to a third party. Lessee will keep all licenses and operating certificates required for operation of the Equipment current during the term of the Lease. Lessee will at all times use the Equipment in compliance with all applicable laws and regulations of any governmental, local and regulatory agency;

(e) Provide safe, secure storage for the Equipment for one-hundred and eighty (180) days after expiration or earlier termination of the Lease at not more than three (3) location (s) selected by Lessor;

(f) Take such action as may be required so that, upon return, each unit of Equipment must meet all of its manufacturer's specifications for performance under full-rated loads and all of the following conditions:

1). Tires: All tires shall be of the same type (original size) and manufacturer (i.e. matched) and have a minimum of fifty (50) percent remaining tread life. All front tires shall be original casing with no crossed lugs, rear tires may be either original casings or first time recapped tires and no tire shall exhibit or have flat or bald spots, dry rot, exposed cord or cuts in sidewall;

2). Any time or life-limited components including, but not limited to, power train assembly, transmissions, converters, generators, axles, wheels, pumps or other parts shall have at least fifty (50%) percent useful life remaining before the manufacturer's next recommended major overhaul, rebuild, calibration or replacement as recommended by the manufacturer and/or published in standard maintenance manuals;

3). Mechanical Power Train: Each unit of Equipment shall have passed a dynamometer test, road test and oil analysis, each conducted not more than sixty- (60) days prior to the return of the equipment, the test results shall have been provided to Lessor not more than two- (2) weeks after each test has been conducted and not less than two- (2) weeks prior to the return of the Equipment and the tests and test results shall have been reasonably acceptable to the Lessor. The engine must have at least 50% remaining mileage until the next manufacturer's scheduled "in-frame" overhaul, there shall be no cracked cylinder heads or engine blocks, the wheel horsepower must be within 80% - 85% of the rated flywheel horsepower without excess blow-by, exhaust system leakage or oil leakage and must meet current smoke emission standards. The transmission and rear axles shall be capable of pulling loads to their full rated capacity, there shall be no transmission, drive axle or wheel hub oil leaks and there shall be no "slipping" or "grabbing" clutch. Cooling and lubrication systems shall not be contaminated and there shall be no leaking between systems, no battery shall have any dead cell, cracked case or be inoperative;

4). Service Body/Digger Derrick: Lessee will ensure that the Equipment will be mechanically and structurally sound, no bowed sections, free of cracks, bends or warping that impacts the Fair Market Value and marketability of the Equipment and is capable of performing the functions for which the Equipment was originally designed. Ensure all safety equipment, covers and guards, parts and components must be in-place and operational. No safety features shall be bypassed or disconnected. All body parts shall be intact with no tears or dents in metal. Service bodies to be free of dents (or cracks on fiberglass components) or damages over \$50.00, normal wear and tear excepted. Sheet metal must be complete. All cooling, heating and lubrication systems shall not be contaminated and there shall be no leaks or leakage between systems. All gauges, indicators and controls will be in good conditions, plastic or glass coverings intact, clear and all will be in good working order. No battery shall have any dead cells, cracked case be inoperative or unable to be charged. All internal fluids, such as lube oil and hydraulic fluids, are to be filled to operating levels and all filler caps are to be secured. Digger/Derrick boom, hydraulic cylinders and all accessories and attachments shall be free of damage and capable of performing to their maximum operational designs. All drive axles and non-drive axles are to be fully functional with no slipping, grinding or grabbing, and the Equipment shall be operational in all gears, forward and reverse. If during such inspection, the authorized inspector finds any of the material or workmanship to be defective or the Equipment not meeting or exceeding the manufacturer's operating requirements, Lessee, at lessee's cost, shall repair or replace the material or defective workmanship utilizing manufacturer approved components and in accordance with the manufacturer's recommendations. After corrective measures are completed, lessee, at Lessee's cost will provide for a follow-up inspection of the Equipment by the authorized inspector as outlined in this paragraph;

5). General Condition: With respect to each unit, there must be no structural or mechanical damage; no glass shall be broken, chipped or cracked; no upholstery shall have any cuts, tears or burn marks. All rust or corrosion must be treated in a manner consistent with standard industry practices. All Equipment must have a good overall appearance and no material damage. The Equipment shall be cleaned (internal and external), free of rust and corrosion with no missing or damaged parts. Upon return, all commercial logos, advertising, graffiti, insignias and lettering shall be removed and repaired in a workmanlike manner so as to not damage the Equipment. Manufacturer's identity plates and markings shall not be removed. With respect to each unit, the total cost of necessary repairs for damage or other related costs necessary to place the Equipment in such condition as to be in complete compliance with this Lease may not exceed \$150.00;

6). Documents and Records: Written records of scheduled and other maintenance and repair work done shall be kept, dated, and signed by the appropriate authority. A service history or log will be maintained during the Lease term and a copy provided to Lessor upon request during the term of the Lease, or at Lease termination. All maintenance records,

maintenance record jackets, repair jackets, repair orders, license plates, registration certificates and all other similar documents, in their entirety, must be returned to Lessor;

7). Brakes: Brake drums, linings and other brake components shall not be cracked and shall not exceed manufacturers' recommended wear limits. Brake linings shall have fifty (50) percent remaining wear;

8). Maintenance: Lessee shall strictly follow the manufacturer's recommended maintenance and service schedule, as required to validate any warranty, at Lessee's sole cost and expense. Any maintenance or repair work shall comply with the guidelines and procedures as specified by the manufacturers of the equipment and in accordance with standards in the industry. Lessee will use only original manufacturer's approved replacement parts and components in the performance or any maintenance and repair of the Equipment. Lessee will at all times maintain the Equipment in good operational condition and appearance;

9). Use: Lessee guarantees that the Equipment will not be or have been operated beyond the rated capacity as certified by the manufacturer at any time during the Lease term. Lessee will not discriminate in the use of the Equipment from any other similar equipment in its fleet;

10). Alterations: Lessee will not modify the Equipment without the prior written approval of Lessor. In any event, Lessee will not make any modifications or alterations that would impair the Equipment's use, value, marketability or manufacturer's warranty and recommendations. Lessee will not make any alterations to the Equipment that would damage or restrict the use of the Equipment from its initial use and design and that cannot be removed without damage to the unit. Changes, modifications or additions to the Equipment mandated by Federal or state authorities will be completed by Lessee and become property of Lessor;

11). Not more than ninety- (90) days prior to return of Equipment, during regular working hours, Lessee must make the Equipment available to allow Lessor or Lessor's agent to conduct an in-depth physical inspection. Any part, component or function found not to be within the manufacturer's tolerances and operational specifications, including but not limited to engines, transmissions, clutches, drive trains, and rear axles, will be replaced or brought within those tolerances and specifications to the satisfaction of Lessor. Testing with necessary reconditioning to meet the return conditions are to be provided to Lessor two (2) weeks prior to the return of the equipment. Lessee shall obtain written certification from the manufacturers or their authorized representative that the Equipment has been returned in accordance with the terms set forth herein;

(6) **FEES; TAXES; OTHER GOVERNMENTAL AND UTILITY CHARGES; LIENS.** (a) Fees. Lessee shall be liable to reimburse Lessor for, and agrees to hold Lessor harmless from, all titling, recordation, documentary stamp and other fees arising at any time prior to or during the Full Lease Term, or upon or relating to the Equipment or this Agreement. (b) Taxes, Other Governmental Charges and Utility Charges. The parties contemplate that the Equipment will be used for a governmental purpose of Lessee and 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 net income taxes of Lessor), Lessee will pay, as the same come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied during the Full Lease Term against or with respect to the Equipment, as well as all utility and other charges incurred in the operation and use of the Equipment. (c) Liens. Lessee shall keep the Equipment free and clear of all liens, levies and encumbrances, except those created under this Agreement.

(7) **INSURANCE.** (a) Casualty Insurance. At its own expense, Lessee shall keep the Equipment insured against loss or damage due to fire and the risks normally included in extended coverage, malicious mischief and vandalism, for not less than the Full Insurable Value of the Equipment. As used herein, "Full Insurable Value" means the full replacement value of the Equipment or the Prepayment Amount applicable to the immediately preceding rental payment due date as designated on the Schedule, whichever is greater. All insurance for loss or damage shall provide that losses, if any, shall be payable to Lessor and Lessee, as their interests may appear, and Lessee shall utilize its best efforts to have all checks relating to any losses delivered promptly to Lessor. If Lessee insures similar properties against casualty loss by self-insurance, with Lessor's prior consent Lessee may satisfy its obligations with respect to casualty insurance hereunder by means of a self-insurance fund reasonably acceptable to Lessor. The Net Proceeds of the insurance required hereby shall be applied as provided in Section 8 hereof. As used herein, "Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deduction of all expenses (including attorneys' fees) incurred in the collection of such claim or award. (b) Liability Insurance. Lessee shall also carry public liability insurance, both personal injury and property damage, covering the Equipment in an amount as Lessor may from time to time reasonably require on notice to Lessee. Lessor shall be named as an additional insured with respect to all such liability insurance. With Lessor's prior consent, Lessee may satisfy its obligations with respect to liability insurance hereunder by maintaining a funded self-insurance plan. (c) Worker's Compensation. Lessee shall carry worker's compensation insurance covering all employees working on, in, near or about the Equipment, or demonstrate to the satisfaction of Lessor that adequate self-insurance is provided, and shall require any other person or entity working on, in, near or about the Equipment to carry such coverage throughout the Full Lease Term. (d) General Requirements. All insurance required under this Section 7 shall be in form and amount and with companies reasonably satisfactory to Lessor except as otherwise expressly provided herein. Lessee shall pay the premiums therefor and deliver to Lessor the policies of insurance or duplicates thereof, or other evidence satisfactory to Lessor of such insurance coverage, annually throughout the Full Lease Term. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that (a) it will give Lessor thirty (30) days' prior written notice of the effective date of any

material alteration or cancellation of such policy; and (b) insurance as to the interest of any named additional insured or loss payee other than Lessee shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee with respect to such policy or policies.

(8) RISK OF LOSS; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS. (a) Risk of Loss. Lessee assumes all risk of loss of or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment, defect therein, or unfitness or obsolescence thereof, shall relieve Lessee of its obligation to make rental payments or perform any other obligations hereunder. (b) Damage, Destruction and Condemnation. If prior to the termination of the Full Lease Term (1) the Equipment or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (2) title to, or the temporary use of, the Equipment or any part thereof or the estate of Lessee or Lessor in 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 under governmental authority; Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to Lessee's obligations pursuant to sub-part (c) of this Section. (c) Use of Net Proceeds. Provided the Equipment is not deemed to be a total loss, Lessee shall, at its expense (subject to application of the Net Proceeds), cause the prompt repair, replacement or restoration of the affected Equipment. In the event that the Equipment is totally destroyed or damaged and Lessee is unable to make arrangements satisfactory to Lessor for the prompt replacement thereof, Lessee shall pay to Lessor, on the rental payment due date next succeeding the date of such loss, the Prepayment Amount applicable to such rental payment due date plus the rental payment due on such date and any other amounts then payable by Lessee hereunder. Upon such payment, the term of the lease and the security interest of Lessor in the Equipment shall terminate, and Lessee will acquire full and unencumbered title to the Equipment as provided in Section 10 hereof. If Lessee is not then in default hereunder, any portion of the Net Proceeds in excess of the amount required to pay in full Lessee's obligations as set forth in this sub-part (c) shall be for the account of Lessee. Lessee agrees that if the Net Proceeds are insufficient to pay in full Lessee's obligations as set forth in this sub-part (c), Lessee shall make such payments to the extent of any deficiency.

(9) DISCLAIMER OF WARRANTIES. LESSOR, NOT BEING A SELLER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE), NOR A SELLER'S AGENT, HEREBY EXPRESSLY DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: THE FITNESS FOR USE, DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTY OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS, it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to or losses resulting from the installation, operation or use of the Equipment or any products manufactured thereby. All assignable warranties made by the vendor(s) or manufacturer(s) to Lessor are hereby assigned to Lessee for and during the Full Lease Term and Lessee agrees to resolve all such claims directly with the vendor(s) or manufacturer(s). Provided that Lessee is not then in default hereunder, Lessor shall cooperate fully with Lessee with respect to the resolution of such claims, in good faith and by appropriate proceedings at Lessee's expense. Any such claim shall not affect in any manner the unconditional obligation of Lessee to make rental payments hereunder.

(10) PURCHASE OF EQUIPMENT BY LESSEE/PREPAYMENT. Provided that Lessee is not then in default under this Agreement, this Agreement will terminate, the security interest of Lessor in the Equipment will be terminated, and Lessee will acquire title to the Equipment free and clear of all liens and encumbrances created by, or arising through or under, Lessor: (a) at the end of the Full Lease Term, upon payment in full of all rental payments and other amounts payable by Lessee hereunder for the Full Lease Term; or (b) on any rental payment due date, upon payment by Lessee of the then applicable Prepayment Amount as set forth on the Schedule plus the rental payment due on such date and all other amounts then due by Lessee hereunder, provided Lessee shall have given Lessor not less than thirty (30) days' prior notice of its intent to make such payment.

(11) QUIET POSSESSION. Lessor represents and covenants to Lessee that Lessor has full authority to enter into this Agreement, and that, conditioned upon Lessee performing all of the covenants and conditions hereof, as to claims of Lessor or persons claiming under Lessor, Lessee shall peaceably and quietly hold, possess and use the Equipment during the term of this Agreement subject to the terms and provisions hereof.

(12) ASSIGNMENT; SUBLEASING; INDEMNIFICATION. (a) Assignment by Lessor. This Agreement, and the rights of Lessor hereunder and in and to the Equipment and the Schedule, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assignees at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Agreement on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in

the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that Lessee may from time to time have against Lessor or Lessor's assignees. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assignees to protect their interests in the Equipment and in this Agreement. (b) No Sale, Assignment or Subleasing by Lessee. This Agreement and the interest of Lessee in the Equipment may not be sold, assigned, sublet or encumbered by Lessee without the prior written consent of Lessor. (c) Release and Indemnification Covenants. To the extent permitted by the laws and Constitution of the state of Lessee hereby assumes and agrees to indemnify, protect, save and keep harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatsoever kind and nature, arising on account of (1) the ordering, acquisition, delivery, installation or rejection of the Equipment; (2) the possession, maintenance, use, condition (including without limitation, latent and other defects whether or not discoverable by Lessor or Lessee, any claim in tort, including actions for strict liability, and any claim for patent, trademark or copyright infringement) or operation of any item of the Equipment (by whomsoever used or operated); or (3) the loss, damage, destruction, removal, return, surrender, sale or other disposition of the Equipment, or any item thereof. It is understood and agreed, however, that Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against and that Lessee shall be entitled to control the defense thereof, so long as Lessee is not in default hereunder.

(13) **EVENTS OF DEFAULT AND REMEDIES.** (a) Events of Default. The following shall be "events of default" under this Agreement and the terms "event of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events: (1) failure by Lessee to pay any rental payment or other payment required to be paid hereunder within five (5) days of the due date therefor; or (2) failure by Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed hereunder and such failure shall continue unremedied for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of such time prior to its expiration; or (3) any certificate, statement, representation, warranty or audit contained herein or heretofore or hereafter furnished with respect hereto by or on behalf of Lessee proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or having omitted any substantial contingent or unliquidated liability or claim against Lessee; or (4) commencement by Lessee of a case or proceeding under the Federal bankruptcy laws or filing by Lessee of any petition or answer seeking relief under any existing or future bankruptcy, insolvency or other similar laws or an answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding; or (5) a petition against Lessee in a proceeding under any existing or future bankruptcy, insolvency or other similar laws shall be filed and not withdrawn or dismissed within sixty (60) days thereafter; or (6) an attachment, levy or execution is levied upon or against the Equipment or any item thereof. (b) Remedies on Default. Whenever any event of default shall have occurred and be continuing, Lessor shall have the right, at its sole option without any further demand or notice, to exercise any one or more of the following remedies: (1) with or without terminating this Agreement, retake possession of the Equipment or items thereof and sell, lease or sublease items of the Equipment for the account of Lessee, with the net amount of all proceeds received by Lessor to be applied to Lessee's obligations hereunder including, but not limited to, all payments due and to become due during the Full Lease Term, holding Lessee liable for the excess (if any) of (i) the rental payments payable by Lessee hereunder to the end of the Original Term or then current Renewal Term (whichever is applicable) and any other amounts then payable by Lessee hereunder (including but not limited to attorneys' fees, expenses and costs of repossession), over (ii) the net purchase price or rent and other amounts paid by a purchaser, lessee or sublessee of the Equipment pursuant to such sale, lease or sublease, provided that the excess (if any) of such amounts over the Prepayment Amount applicable to the last rental payment due date of the Original Term or Renewal Term (whichever is applicable) and the amounts referred to in clause (i) shall be paid to Lessee; (2) require Lessee at Lessee's risk and expense promptly to return the Equipment to Lessor in the manner and in the condition set forth in Section 5(b) hereof at such location as is specified by Lessor; (3) if Lessor is unable to repossess the Equipment for any reason, the Equipment shall be deemed a total loss and Lessee shall pay to Lessor the amount due pursuant to Section 8 hereof; and (4) exercise any other right, remedy or privilege which may be available to it under applicable laws of or any other applicable law or proceed by appropriate court action to enforce the terms of this Agreement, to recover damages for the breach of this Agreement, or to rescind this Agreement as to the Equipment. In addition, Lessee will remain liable for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor. (c) No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. Lessor's remedies hereunder may be exercised separately with respect to items of the Equipment. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

(14) **TAX COVENANTS.** (a) The parties assume that Lessor can exclude the interest component of the rental payments from federal gross income. Lessee covenants and agrees that it will (i) use a book entry system to register the owner of this Agreement so as to meet the applicable requirements of Section 149(a)(3) of the Code; (ii) timely file an IRS Form 8038-G (or, if the invoice price of the Equipment is less than \$100,000, a Form 8038-GC) with the Internal Revenue Service ("IRS") in accordance with Section 149(c) of the Code; (iii) not permit the Equipment to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code including, without limitation, use by private persons or entities pursuant to contractual arrangements which do not satisfy the IRS' guidelines for

permitted management contracts, as the same may be amended from time to time; (iv) comply with all provisions and regulations applicable to excluding the interest component of the rental payments from federal gross income pursuant to Section 103 of the Code; and (v) cause to be completed, executed and delivered to Lessor a Tax Compliance Agreement and No Arbitrage Certificate substantially in the form provided by Lessor.(b)If Lessor either (i) receives notice, in any form, from the Internal Revenue Service; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any rental payment from federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, the amount which, with respect to rental payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all rental payments due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by this Agreement (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay additional rent to Lessor on each succeeding rental payment due date in such amount as will maintain such after-tax yield to Lessor.(c)Lessee has not issued, and reasonably anticipates that it and its subordinate entities will not issue, tax-exempt obligations (including this Agreement) in the amount of more than \$10,000,000 during the current calendar year; hereby designates this Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and agrees that it and its subordinate entities will not designate more than \$10,000,000 of their obligations as "qualified tax-exempt obligations" during the current calendar year.

(15) LESSOR'S RIGHT TO PERFORM FOR LESSEE. If Lessee fails to perform or comply with any of its agreements contained herein, Lessor shall have the right, but shall not be obligated, to effect such performance or compliance, and the amount of any out of pocket expenses and other reasonable expenses of Lessor incurred in connection with the performance of or compliance with such agreement, together with interest thereon at the rate of twelve percent (12%) per annum (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law), shall be payable by Lessee upon demand. Within ten (10) days of receipt, Lessee shall execute, endorse and deliver to Lessor any deed, conveyance, assignment or other instrument in writing as may be required to vest in Lessor any right, title or power which by the terms hereof are expressed to be conveyed or conferred upon Lessor, including, without limitation: (a) Uniform Commercial Code financing statements (including continuation statements), real property waivers; (b) documents and checks or drafts relating to or received in payment for any loss or damage under the policies of insurance required by the provisions of Section 7 hereof to the extent that the same relate to the Equipment; and (c) upon default or nonappropriation or times thereafter as Lessor in its sole and absolute discretion may determine, any bill of sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment in order to vest title in Lessor and transfer possession to Lessor. Further, to the extent permitted by law, Lessee appoints Lessor as its attorney-in-fact for the limited purpose of, and with the full authority to, execute and file Uniform Commercial Code financing statements (including continuation statements) in the name and on behalf of Lessor, and agrees that photocopies of originally executed Uniform Commercial Code financing statements (including continuation statements) may be filed in the appropriate recordation offices as originals. In addition, the Lessee hereby authorizes the Lessor to prepare and file Uniform Commercial Code financing statements (including continuation statements) naming Lessee as debtor and Lessor as secured party without the signature of the Lessee to the extent permitted by law.

(16) MISCELLANEOUS. (a) Notices. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other party if delivered (i) personally, (ii) by United States registered or certified mail, return receipt requested, postage prepaid, (iii) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available; or (iv) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing. (b) Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. (c) Severability; Survival. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. The representations, warranties and covenants of Lessee herein shall be deemed to be continuing and to survive the closing hereunder. Each execution by Lessee of a Certificate of Acceptance shall be deemed a reaffirmation and warranty that there have been no material adverse change in the financial condition of Lessee from the date of execution hereof. The obligations of Lessee under Sections 1(e), 6, 12(c) and 14, which accrue during the term of this Agreement, shall survive the termination of this Agreement. (d) Execution in Counterparts. This Agreement 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. (e) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the state of (f) **TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSOR AND LESSEE EACH WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY TO ANY ACTION, CLAIM OR SUIT ARISING OUT OF,**

RELATING TO, OR BROUGHT IN CONNECTION WITH THIS LEASE. (g) Captions. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. (h) Entire Agreement. This Agreement constitutes the entire agreement between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations or warranties, express or implied, not specified herein regarding this Agreement or the Equipment leased hereunder. Any terms and conditions of any purchase order or other document (with the exception of supplements) submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement. Lessee by the signature below of its authorized representative acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above set forth.

ALTEC CAPITAL SERVICES, L.L.C., Lessor

By: _____

Address: 33 Inverness Center Parkway, Suite 200
Birmingham, AL 35242
Phone: (205) 408-8650
Fax No: (205) 437-0197

, Lessee

By: _____

Address: _____

,

Phone:

Fax No.:

DESCRIPTION OF EQUIPMENT
Attached to and made a part of that certain
Equipment Lease/Purchase Agreement dated as of

by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor,
and , as Lessee

The items of Equipment to become subject to the Agreement can be generally described as follows:

LOCATION OF EQUIPMENT:

,

ANTICIPATED PURCHASE PRICE:

SCHEDULE OF PAYMENTS

Attached to and made a part of that certain Equipment Lease/Purchase Agreement dated as of _____ by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and _____, as Lessee.

Commencement Date: _____ Equipment Delivery Date as confirmed by Signature on Delivery and Acceptance.

Full Lease Term: _____ months beginning with Commencement Date.

Rental payments are payable (check one) _____ in advance _____ in arrears of the period to which they relate. Rental payment due dates will be based on the Commencement Date, and established in Lessor's notification to Lessee of the Commencement Date.

<u>Payment Number</u>	<u>Date</u>	<u>Lease Amount</u>	<u>Payment Amount</u>	<u>Interest Component</u>	<u>Principal Component</u>	<u>Prepayment Amount</u>
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*** (see attached) ***

Lessee

By: _____

Date: _____

CERTIFICATE OF ACCEPTANCE

The undersigned, as Lessee under the Equipment Lease/Purchase Agreement dated as of (the "Agreement") with ALTEC CAPITAL SERVICES, L.L.C. ("Lessor"), hereby certifies:

1. The items of the Equipment, as such term is defined in the Agreement, fully and accurately described on the Equipment List attached hereto have been delivered and installed at the location(s) set forth therein.
2. A present need exists for the Equipment which need is not temporary or expected to diminish in the near future. The Equipment is essential to and will be used by the Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority.
3. The estimated useful life of the Equipment based upon the manufacturer's representations and Lessee's projected needs is not less than the term of lease with respect to the Equipment.
4. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes as of the date of this Certificate.
5. The Equipment is covered by insurance in the types and amounts required by the Agreement.
6. No event of default, as such term is defined in the Agreement, and no event which with the giving of notice or lapse of time, or both, would become an event of default, has occurred and is continuing on the date hereof.
7. Based on the foregoing, Lessor is hereby authorized and directed to fund the acquisition of the Equipment set forth on the Equipment List by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices.
8. The following documents are attached hereto and made a part hereof:
 - (a) Equipment List
 - (b) Original Invoice(s)
 - (c) Copies of Certificate(s) of Origin designating Altec Capital Trust as lienholder if any part of the Equipment consists of motor vehicles, and evidence of filing
 - (d) Copy of Application for Titling

If Lessee paid an invoice prior to the commencement date of the Agreement and is requesting reimbursement for such payment, also attach a copy of evidence of such payment together with a copy of Lessee's Declaration of Official Intent and other evidence that Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. §1.150-2.

Lessee

By: _____
Date: _____

INCUMBENCY CERTIFICATE

I do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of , a body corporate and politic duly organized and existing under the laws of the state of , that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names. I further certify that (i) the signatures set opposite their respective names and titles are their true and authentic signatures, and (ii) such officers have the authority on behalf of such entity to enter into that certain Equipment Lease/Purchase Agreement dated as of (the "Agreement") between such entity and ALTEC CAPITAL SERVICES, L.L.C. and is duly authorized to execute Certificates of Acceptance, Requisition Requests, and other documents relating to the Agreement.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of hereto this ____ day of _____, .

[SEAL]

(Secretary/Clerk)
(OTHER THAN THE PERSON SIGNING THE DOCUMENTS)

**Please provide a copy of your
State issued Sales/Use Tax
Exemption Certificate**

FORM OF - RESOLUTION OF GOVERNING BODY/EXTRACT OF MINUTES

Lessee:

RE: Equipment Lease/Purchase Agreement with ALTEC CAPITAL SERVICES, L.L.C.

At a duly called meeting of the governing body of Lessee held in accordance with all applicable legal requirements, including open meeting laws, on the ____ day of _____, the following resolution was introduced and adopted:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE/PURCHASE AGREEMENT, AND RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the governing body of ("Lessee") has determined that a true and very real need exists for the Equipment (the "Equipment") described in the proposed Equipment Lease/Purchase Agreement (the "Agreement") by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and Lessee, as lessee, presented to this meeting; and

WHEREAS, Lessee has taken the necessary steps, including those relating to any applicable legal bidding requirements, to arrange for the acquisition of the Equipment; and

WHEREAS, Lessee reasonably anticipates that it and its subordinate units will not issue tax-exempt obligations in the face amount of more than \$10,000,000 during the current calendar year; and

WHEREAS, Lessee proposes to enter into the Agreement with ALTEC CAPITAL SERVICES, L.L.C. substantially in the proposed form presented to this meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LESSEE AS FOLLOWS:

Section 1. It is hereby found and determined that the terms of the Agreement in the form presented to this meeting and incorporated in this resolution, are in the best interests of Lessee for the acquisition of the Equipment.

Section 2. The Agreement is hereby approved. The _____ of Lessee and any other officer of Lessee who shall have power to execute contracts on behalf of Lessee be, and each of them hereby is, authorized to execute, acknowledge and deliver the Agreement with any changes, insertions and omissions therein as may be approved by the officers who execute the Agreement, such approval to be conclusively evidenced by such execution and delivery of the Agreement. The _____ of Lessee and any other officer of Lessee who shall have power to do so be, and each of them hereby is, authorized to affix the official seal of Lessee to the Agreement and attest the same.

Section 3. The proper officers of Lessee be, and each of them hereby is, authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this resolution and the Agreement.

Section 4. Lessee hereby designates the Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The project to which the original expenditure(s) relates can be generally described as _____ [general description of the project]. The original expenditure(s) will be made from Lessee's general operating account. The maximum principal amount of the obligations expected to be issued for the project is \$ _____ [dollar amount of project]. This resolution is being entered into on or before, or not later than 60 days after, the date on which the original expenditure(s) to be reimbursed will or have been paid. This resolution is intended to be a declaration of official intent within the meaning of Treasury Regulations Section 1.150-2.1

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the Equipment Lease/Purchase Agreement by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and Lessee, as Lessee, is the same as presented at said meeting of the governing body of Lessee, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same.

[SEAL]

(Secretary/Clerk)

Date: _____

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
Date

PRODUCER
1
Insurance Broker/Agent

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

COMPANIES AFFORDING COVERAGE

COMPANY
A Carrier's AM Best Rating must be B+ VI or higher
COMPANY
B Carrier's AM Best Rating must be B+ VI or higher
COMPANY
C Carrier's AM Best Rating must be B+ VI or higher
COMPANY
D Carrier's AM Best Rating must be B+ VI or higher

INSURED
2
Name of Customer – Lease Number(s) ***
Address
City, State Zip

CD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECT DATE (MM/DD/YY)	POLICY EXPIR DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY				GENERAL AGGREGATE 6 \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	3 Policy # is Required	4 mm/dd/yy	5 mm/dd/yy	PRODUCTS-COMP/OP AGG \$
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$
					MED EXP (Any one person) \$
B	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT 6 \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO <u>OR</u>	3 Policy # is Required Any Auto or Scheduled Auto	4 mm/dd/yy	5 mm/dd/yy	BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
A	<input checked="" type="checkbox"/> OTHER *Contractors Equip. Incl. Leased / Rented	3 Policy # is Required ** See Footer Below	4 mm/dd/yy	5 mm/dd/yy	Required for the value of Leased Equipment.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
8 "ALTEC CAPITAL SERVICES, LLC AND ALTEC CAPITAL TRUST AND/OR ITS ASSIGNS AND SUCCESSORS"
are named as additional insured with respect to General Liability and Auto Liability and as Loss Payee.
9 Please list VIN #'s for all vehicles and equipment, as well as the Original leased value of each item for the specified lease.

CERTIFICATE HOLDER
10
Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors
33 Inverness Center Parkway, Suite 200
Birmingham, AL 35242

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO GIVE 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

Insurance Requirements

General Liability

- The minimum amount of coverage required is \$1,000,000 for each occurrence and \$1,000,000 aggregate
- Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors, must be listed as Additional Insured.

Property Damage

(Contractor's Equipment/Equipment Floater/Inland Marine)

- The minimum amount of coverage required is the cost of the equipment
 - Example – Cost of Excavator is \$52,963, then the amount of coverage must be \$52,963 or greater
- The maximum deductible amount is \$2,500.00
- Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors, must be listed as Loss Payee.

Auto Liability

- The minimum amount of coverage required is \$1,000,000 (\$5,000,000 limit if vehicle capacity of 9 or more).
- Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors, must be listed as Additional Insured.

Automobile Physical Damage Insurance:

- Comprehensive:
 - Deductible: \$250/Minimum \$2,500/Maximum
- Collision:
 - Deductible: \$250/Minimum \$2,500/Maximum
 - Specified Perils or FTCAC Coverage does not meet ACS Insurance requirements
- Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors, must be listed as Loss Payee.

Agreement Type	Equipment Type	General Liability	Auto Liability	Physical Damage	Property Damage
FMV / TRAC	Vehicle/w Attachment	Yes	Yes	Yes	
	Vehicle		Yes	Yes	
	Equipment	Yes			Yes

Examples

Equipment Type	VIN	Serial Number	General Liability	Auto Liability	Physical Damage	Property Damage
Bucket Truck / Altec Crane	Yes	Yes	Yes	Yes	Yes	
Tractor or Trailer	Yes			Yes	Yes	
Dump Truck	Yes			Yes	Yes	
Chipper		Yes	Yes	Yes (If Tagged)	Yes (If Tagged)	Yes
Excavator		Yes	Yes			Yes

Include 8038 or
8038G form to
send with
package

[Required for transactions with more three or more assets]
FORM OF OPINION OF LESSEE'S COUNSEL
(To be prepared on letterhead of Lessee's Counsel)

ALTEC CAPITAL SERVICES, L.L.C.
33 Inverness Center Parkway, Suite 200
Birmingham, AL35242

As counsel for _____ ("Lessee"), we have examined a duly executed original of the Equipment Lease/Purchase Agreement dated as of _____ (the "Agreement"), between Lessee and ALTEC CAPITAL SERVICES, L.L.C. ("Lessor"), and the proceedings taken by Lessee to authorize and execute the Agreement, evidence of which is attached to the Agreement (the "Approval"). Based upon such examination of law and fact as we have deemed necessary or appropriate for purposes of the opinions set forth below, we are of the opinion that:

1. Lessee is a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended.
2. The Agreement has been duly authorized, executed and delivered by Lessee pursuant to Constitutional, statutory and/or home rule provision and the Approval.
3. The Agreement is a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms. In the event Lessor obtains a judgment against Lessee in money damages as a result of an event of default under the Agreement, Lessee will be obligated to pay such judgment.
4. Lessee's name indicated above is its true, correct, and complete legal name.
5. Any applicable public bidding requirements have been met.
6. There are no pending actions or proceedings to which Lessee is a party, and there are no other pending or threatened actions or proceedings of which Lessee has knowledge, before any public body, court, arbitrator or administrative agency, which, either individually or in the aggregate, would materially adversely affect the transaction contemplated by the Agreement or the ability of Lessee to perform its obligations under the Agreement, or question the validity of the Approval. Further, Lessee is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of any rent under any lease agreement which, either individually or in the aggregate, would have the same such effect.
7. The signatures of the officers of Lessee which appear on the Agreement are true and genuine, we know said officers and know them to hold the offices set forth below their names, and they have been duly authorized by the Approval to execute and deliver the Agreement.
8. The Equipment leased pursuant to the Agreement constitutes personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.
9. The Agreement is in full conformity with all laws relating to usury applicable thereto.
10. The Uniform Commercial Code, as adopted in , will govern the method of perfecting Lessor's security interest in the Equipment.

This opinion is for the sole benefit of, and may be relied upon by, you and any permitted assignee or subassignee of Lessor under the Agreement, provided that we understand and agree that this opinion may be relied upon by special tax counsel if one is retained to render an opinion as to the exemption from federal income taxation of the interest component of payments to be made by Lessee pursuant to the Agreement.

Sincerely yours,
Counsel for Lessee

[For New York Customers Only]
State of New York Addendum *
To
EQUIPMENT LEASE/PURCHASE AGREEMENT
NO. DATED:

LESSOR:

ALTEC CAPITAL SERVICES, LLC
33 INVERNESS CENTER DRIVE
BIRMINGHAM, AL 35242

LESSEE:

For and in consideration of the mutual promises and agreements contained in the Equipment Lease/Purchase Agreement to which this Addendum is attached, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Definitions.* Each term used, but not defined, herein shall have the same meaning as when such term is used in the Equipment Lease-Purchase Agreement (the "*Lease*") described above.

2. *Executory Contract.* For purposes of Section 109-b (2)(f) of the General Municipal Law of the State of New York, Lessor and Lessee hereby agree that the Lease executed and delivered shall be deemed executory only to the extent of monies appropriated and available for the purpose of such Lease, and no liability on account thereof shall be incurred by Lessee beyond the amount of such monies. The Lease is not a general obligation of . Neither the full faith and credit nor the taxing power of are pledged to the payment of any amount due or to become due under such Lease. It is understood that neither any Lease nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make monies available for the purpose of such Lease.

3. *Lessee's Additional Representations.* In addition to Lessee's representations, warranties and covenants set forth in the Lease, Lessee hereby further represents to Lessor as follows: (a) the stated full term of the Lease (including all contemplated Renewal Terms) does not exceed the "period of probable usefulness" prescribed by Section 11.00 of the Local Finance Law of the State of New York for the equipment, machinery or apparatus financed under such Lease; (b) the authorization for the issuance of obligations to finance the equipment, machinery or apparatus to be leased, acquired and financed under the Lease is not required by law to be subject to (i) a permissive or mandatory referendum, (ii) a supermajority vote of Lessee's governing board or (iii) a referendum only if the obligations have a maturity not less than a specified minimum period; and (c) the amount of unpaid periodic payments (excluding interest) proposed to be made under all of the Leases to be executed and delivered pursuant to the Lease and those other installment purchase contracts entered into by Lessee pursuant to Section 109-b of the General Municipal Law of the State of New York together with the amount of outstanding indebtedness do not exceed 115% of the limit prescribed by Section 104.00 of the

* For use with New York municipal corporations, school districts, district corporations or boards of cooperative educational services, but not the State of New York or any of its departments, agencies or institutions or the City University of New York.

Local Finance Law of the State of New York and the total amount of such payments (excluding interest) under all such Leases and such other installment purchase contracts do not exceed 40% of such limit.

4. *Deletion of Nonsubstitution Provisions.* To the extent that the Lease includes provisions prohibiting Lessee from purchasing, leasing, renting or otherwise acquiring equipment for the same or similar purpose as the Equipment acquired under the Lease, such provisions are hereby deleted and are of no force or effect with respect to the Lease.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this State of New York Addendum to be duly executed and delivered as of this __ day of _____, .

LESSOR:
Altec Capital Services, LLC

LESSEE:

By: _____
Printed Name: _____
Title: _____

By: _____
Printed Name: _____
Title: _____

[For Florida Customers Only]
(FLORIDA RIDER)

RIDER NO. 01

Attached to and made a part of that certain Equipment Lease/Purchase Agreement No. dated as of (the "Agreement") by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and , as Lessee.

1. Lessor and Lessee confirm their understanding and agreement that (a) all payments due under the Agreement are to be made only from Lessee's legally available and appropriated revenues from sources other than ad valorem or other taxes, (b) that Lessee shall not be obligated to pay any sums due under the Agreement from the proceeds of ad valorem or other taxes, and (c) that Lessee's contractual obligations to request annual appropriations from which payments due under the Agreement may be made does not constitute an indebtedness of Lessee within the meaning of any constitutional or statutory provision or limitation.

2. Section 4(b) of the Agreement and all other provisions referencing Lessor having a security interest in the Equipment are hereby cancelled and shall not have any force or effect. Lessor and Lessee agree that the Agreement does not result in the creation of any lien, charge, security interest or other encumbrance upon the Equipment or any other asset of Lessee.

3. With respect to each provision of the Agreement requiring Lessee to return all or any portion of the Equipment to Lessor or to transfer title to all or any portion of the Equipment to Lessor, Lessee agrees to voluntarily do so. In the event that Lessee fails or refuses to return or transfer the Equipment or title thereto voluntarily as set forth above, Lessor acknowledges that the Agreement does not and shall not create a right in Lessor to involuntarily dispossess Lessee of title to or possession of all or any item of the Equipment. In lieu of such right, Lessor shall be entitled to and Lessee agrees to pay to Lessor immediately, but only from Lessee's legally available and appropriated revenues from sources other than ad valorem or other taxes, the Prepayment Amount applicable to the immediately preceding rental payment due date, as set forth on the Schedule of Payments, plus the interest component of any rental payments accrued and unpaid as of the date of such payment.

4. Section 13(b)(1)-(3) of the Agreement are hereby cancelled and shall not have any force or effect. In the event of default by Lessee under the Agreement, Lessor shall be authorized and entitled to sue Lessee for compensatory damages, which Lessee agrees to pay and which are hereby agreed to be the Prepayment Amount applicable to the immediately preceding rental payment due date, as set forth on the Schedule of Payments, plus the interest component of any rental payments accrued and unpaid as of the date of default and any rental payments due through the end of Lessee's then current fiscal period, provided that in the event that Lessee voluntarily returns the Equipment to Lessor at any location designated by Lessor at Lessee's sole risk, cost and expense and in the condition required by Section 5(b) of the Agreement, Lessor shall not be entitled to the Prepayment Amount applicable to the immediately preceding rental payment due date. Lessor shall also have the right in the event of default to exercise any other right, remedy or privilege which may be available to it, including without limitation proceeding by appropriate court action to require specific performances of any provision of the Agreement other than Lessee's covenant to return possession of and title to the Equipment, which covenant shall not be subject to enforcement by specific performance, and such rights and remedies of a lessor as are provided under Chapter 680, Florida Statutes, as amended from time to time. Lessee shall remain liable for all legal fees and other costs and expenses, including court costs, incurred by Lessor in

the enforcement of its remedies under the Agreement except to the extent prohibited by the Constitution and laws of the State of Florida.

5. Lessor and Lessee hereby acknowledge and agree that the Agreement constitutes a "finance lease" as defined in and governed by Chapter 680, Florida Statutes, as amended from time to time.

6. In the event any conflict between the provisions of this Rider and the Agreement, this Rider shall control.

7. Lessor and Lessee agree that this Rider is an integral part of the Agreement.

Date: ALTEC CAPITAL SERVICES, LLC
Lessor

By: _____

Title: _____

Lessee

By: _____

Title: _____



Quote Number: 544855 - 1
Altec, Inc.

August 2, 2019
Our 90th Year

Ship To:
CITY OF FARMERSVILLE (TX)
302 S JOHNSON
FARMERSVILLE, TX 75442
US

Bill To:
CITY OF FARMERSVILLE (TX)
205 SOUTH MAIN STREET
Farmersville, TX 75442
United States

Attn:
Phone: 972-782-6151
Email:

Altec Quotation Number: 544855 - 1
Account Manager: Michael D Covington
Technical Sales Rep: Jeff Atkins

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	<u>Unit</u>		
1.	Altec DC47 - 47 Foot Hydraulic Derrick, Rear mount, designed for mounting over rear axle, built in accordance with standard specifications and to include the following features	1	
	A. Pedestal, turntable, lower boom, steel intermediate boom and hydraulically extended fiberglass upper boom.		
	B. Continuous rotation, worm drive gearbox, hydraulic rotary joint, and electrical slip ring assembly		
	C. Boom storage protection system		
	D. Operators main control panel with multi-lever controls to operate all derrick functions equipped with HOP and System Pressure Gauges.		
	E. Winch, Turntable - 15,000 pound capacity includes cable guides		
	F. Open center type hydraulic system. Including control valves, shut-off valve in suction line, and plumbing on unit - Excluding Pump and Reservoir		
	G. Five (5) function hydraulic overload protection system		
	H. Two-part load line attachment on intermediate boom		
	I. Hydraulic Side Load Protection		
	J. Tilting pole guide (including double pilot operated check valves) with pole guide interlock, which prevents upper boom extension from fully retracted position until pole guide is articulated to the full-up position		
	K. Engine start/stop switch installed on control panel(s)		
	L. Outrigger/Machine Selector Control: Located near the outrigger controls, allows operator to divert hydraulic oil from machine circuit for outrigger operation. This reduces the potential for inadvertent outrigger movement during machine operation if outrigger controls are bumped.		
	N. Outrigger Motion Alarm: Provides audible alarm when any of the outriggers are in motion.		
	O. Back-up Alarm, installed		
	P. Conformance to ANSI A10.31-2006		
	Q. Insulated, 46 kV and below		
	R. This Derrick is designed and manufactured in facilities that are certified to meet ISO 9001 requirements		

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	<ul style="list-style-type: none"> S. ANSI Z535 Safety and Instructional Signs T. Two (2) Operators and Maintenance/Parts Manuals U. Painted white with the Altec Powder Coat Paint Process V. Boom Flares, Transferable - steel, pole setting, movable from end of intermediate boom to end of upper boom, fiberglass tip furnished on end of upper boom W. Outrigger/Boom Interlock System: helps prevent operator from using unit until all outriggers are lowered 		
2.	Rear mount pedestal	1	
3.	Rear Mount - Traditional Control Seat, installed on curb side of turntable, includes single control station	1	
4.	Foot throttle.	1	
5.	No hard wired upper controls and NO TOOL CIRCUIT at boom tip	1	
6.	Turntable Mounted Winch	1	
7.	Winch: Normal Speed with 15,000 lbs. bare drum capacity.	1	
8.	Digger, Two-Speed Mechanical Shift, 12,000 ft-lbs. Includes a rapid reversing shake feature for quick and convenient cleaning of dirt from the auger and all of the components necessary to operate digger, installed.	1	
9.	Digger Storage: located on the Street Side (Normal) with Nylon auger wind up strap (NOTE: for behind the cab mount derricks, the digger will be located on the curbside)	1	
10.	Derrick is Not Rated for Platform Use: Unit is designed and tested for use only as a digger derrick.	1	
11.	169 - Single handle, multi-function T-style Joystick Controller - A Single three-axis, three function T-style joystick controls boom raise/lower, rotation, and intermediate boom extend/retract. Individual levers located on the same control panel to the left of the joystick operate pole guides and to the right of the joystick operates upper boom extend/retract.	1	
12.	Code 450 Outriggers, A-frame, folding shoe, 153 maximum spread, for use as auxiliary or primary outriggers <ul style="list-style-type: none"> A. Maximum Spread: 153 inches measured from centerline of shoe pins B. Penetration at maximum extension: 6.5 inches (for standard installation on a 40 inch frame height) C. Standard Shoe Dimensions: 14 x 15.25 inches D. Hydraulic Outrigger Control Valves E. Outrigger/Unit Selector Control: Reduces the potential for inadvertent outrigger movement during machine operation if outrigger controls are bumped. F. Outrigger motion alarms G. Outrigger Interlocks: will not allow the unit to be operated until the outriggers have been at least partially deployed. 	1	
13.	450 - Outriggers, A-frame, folding shoe, 153 maximum spread, for use as auxiliary outriggers on all units or primary outriggers on select units, includes: <ul style="list-style-type: none"> A. Maximum Spread: 153 inches measured from centerline of shoe pins B. Penetration at maximum extension: 6.5 inches (for standard installation on a 40 	1	

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UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	inch frame height)		
C.	Standard Shoe Dimensions: 14 x 15.25 inches		
D.	Hydraulic Outrigger Control Valves		
E.	Outrigger/Unit Selector Control: Reduces the potential for inadvertent outrigger movement during machine operation if outrigger controls are bumped.		
F.	Outrigger motion alarms		
G.	Outrigger Interlocks: Will not allow the unit to be operated until the outriggers have been at least partially deployed.		
14.	Powder coat unit Altec White.	1	
<u>Unit & Hydraulic Acc.</u>			
15.	Unit Installation Components.	1	
16.	Dirt Auger, 18" DIA, With 2-1/2" Hex X 104" L (Pro-Dig)	1	
17.	Winch Rope For Turntable Winch	1	
18.	Load Line Swivel Hook, 8-1/2 Ton (Crosby)	1	
19.	Standard Spacer between Subbase and frame for hose routing and ease of maintenance.	1	
20.	DL/DM, DC Series Derrick Subbase (Rigid)	1	
21.	Subbase Storage With Drop Down Door (Paddle Latch) At Rear Notched for Tool Storage	1	
22.	Reservoir, 60 Gallon, (Altec Standard)	1	
23.	HVI-22 Hydraulic Oil (Standard).	65	
24.	Standard Pump For PTO	1	
25.	Hot shift PTO for automatic transmission	1	
26.	Muncie PTO (Altec Standard)	1	
27.	Winch Recovery Option, Winch Operates In Neutral, First And Reverse (Automatic Transmissions Only)PTO is allowed to engage in Neutral, First and Reverse (Winch Recovery). When Park Brake is applied, chassis is forced to Neutral (normal machine operation). PTO will disengage when RPM limits are exceded (chassis speed of approximately 5 mph).	1	
28.	Standard Altec PTO/Machine Functionality with Winch Recovery: Machine functions aren't enabled until parking brake is set.-PTO is able to be activated before parking (holding) brake is engaged.-Once parking (holding) brake is set, machine functions are enabled.-Once parking (holding) brake is disengaged, machine functions are disabled but PTO is still available.	1	
29.	Braden PD18 Hydraulic Front Winch And Bumper Package. 20,000 LB Planetary, Single-Speed Winch With Tool Box And RH Extended Shaft. Includes emergency stop switch mounted near winch, with indicator light in cab.	1	

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UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
30.	200' Of 1/2" Winch Cable	1	
31.	Shackle Screw Pin 12.5 TON	1	
32.	Winch Controls, Dual Location (In-Cab And Remote Mounted), Air, Single Axis Control Levers (Non-Meterable), Altec Preferred Dual Location Air Controllers	1	
33.	Altec recommends any connection made to the tool circuit be done with Non-Conductive hose. If ordering a Hose reel, Altec recommends ordering a hose reel with Non-Conductive hose. The lower tool circuit hoses may be, or become, conductive. Death or serious injury could occur if the unit becomes energized while lower tool circuit is in use.	1	
34.	Spring Loaded Hose Reel, 50 FT Hose Capacity	1	
35.	Install Tool Circuit For Hose Reel Installation, Below Rotation (Male Pressure, Female Return -Installed at Hose Reel)	1	
36.	50' Non-Conductive Hose Kit, Orange, Includes Quick Disconnects and Dust Caps (Male Pressure, Female Return)	1	
<u>Body</u>			
37.	134 inch Flatbed, suitable for installing on any 4x2 chassis with an approximate CA dimension of 120 inches, built to the following specifications:	1	
	A. Basic flatbed fabricated from hot rolled steel.		
	B. Possible contact edges are folded for safety.		
	C. Steel treated for improved primer bond and rust resistance.		
	D. Automotive undercoating applied to entire underside of flatbed.		
	E. Primer applied to complete top side of flatbed.		
	F. Finish paint flatbed Altec White at body manufacturer.		
	G. All steel flatbed, 134 inches long x 96 inches wide.		
	H. Floor made from 10 gauge galvaneal.		
	I. Frame built with 4 inch high structural channel.		
	J. 3 inch high x 3/16 inch thick rail installed on sides and rear of flatbed, notched for drainage.		
	K. Notched outside of rail for tire clearance.		
	L. Gripstrut recessed access steps to cargo area. Includes one (1) U-shaped grab handle.		
	M. 2 inch x 4 inch drop-in wooden cargo retaining board at top of side access steps. Light channels installed at rear of flatbed.		
	N. Light channels and outrigger valve guards installed at rear		
38.	Altec Thru Box tool compartment 42 inches long x 46 inches high x 96 inches wide, with 18 inch deep curbside and streetside compartments, with the following compartmentation:	1	
	A. Basic body fabricated from A40 grade 100% zinc alloy steel.		
	B. All doors are full, double paneled, self-sealed with built-in drainage for maximum weather-tightness. Stainless steel hinge rods extend full length of door.		
	C. All doors are to contain stainless steel flush type, single point, two-stage rotary paddle latches with recessed handles, including keyed locks and strikers. door latches are bolted to the outer door panel.		

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UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
D.	Heavy-gauge welded steel frame construction with structural channel crossmembers and tread plate floor.		
E.	All edges are either rolled or folded for strength and safety.		
F.	Integrated door header drip rail at top for maximum weather protection.		
G.	Steel treated for improved primer bond and rust resistance.		
H.	White primer applied to complete interior and exterior of T-box.		
I.	Automotive type non-porous door seals mechanically fastened to the door facing.		
J.	42 inch overall T-box length.		
K.	96 inch overall T-box width.		
L.	46 inch overall T-box height.		
M.	18 inch T-box compartment depth.		
N.	T-box finish paint color - Altec White.		
O.	Finish paint T-box at body manufacturer.		
P.	Gas shock type rigid door holders for vertical doors.		
Q.	Standard master body locking system.		
R.	1st vertical streetside (LH) - One (1) plain fixed through shelf that extends to the curbside.		
S.	1st vertical streetside (LH) - Four (4) locking swivel hooks on adjustable rails. 2-0-2 configuration.		
T.	2nd vertical streetside (LH) - Compartment open to the curbside.		
U.	2nd vertical streetside (LH) - Four (4) locking swivel hooks on adjustable rails. 2-0-2 configuration.		
V.	1st vertical curbside (RH) - One (1) plain fixed through shelf that extends to the streetside.		
W.	1st vertical curbside (RH) - Four (4) locking swivel hooks on adjustable rails. 2-0-2 configuration.		
X.	2nd vertical curbside (RH) - Compartment open to the streetside.		
Y.	2nd vertical curbside (RH) - Three (3) adjustable shelves with removable dividers on 4 inch centers.		
Z.	4 inch high punched-metal retainer rail installed on front and both sides of T-box compartment top.		
AA.	One (1) sloped grab handle installed at rear vertical on curbside.		

Body and Chassis Accessories

39.	ICC (Underride Protection) Bumper Installed At Rear	1
40.	T-125 Style Pintle Hitch (30,000 LB MGTW with 6,000 LB MVL)	1
41.	Set Of Eye Bolts for Trailer Safety Chain, installed one each side of towing device mount.	1
42.	Glad Hands At Rear, Straight Type	1
43.	Rigid Step Mounted Beneath Side Access Steps (Installed To Extend Approx. 2" Outward)	1
44.	Riding Seat Access Step (For Derricks)	1
45.	Lower Boom Rest Weldment	1
46.	Mounting Brackets for Lights, Located on Lower Boom Rest	1
47.	Wood Outrigger Pad, 24" x 24" x 2.5", with Rope Handle	4

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<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
48.	Outrigger Pad Holder, 25" L x 25" W x 5" H, Fits 24.5" x 24.5" x 4" And Smaller Pads, Bolt-On, Bottom Washout Holes, 3/4" Lip Retainer	4	
49.	Pendulum Retainers For Outrigger Pad Holders	4	
50.	Mud Flaps With Altec Logo (Pair)	1	
51.	Wheel Chocks, Rubber, 9.75" L x 7.75" W x 5.00" H, with 4" L Metal Hairpin Style Handle (Pair)	1	
52.	Wheel Chock Holders (Pair), For Installation Under Flatbed Or Dump Body	1	
53.	Dock Bumpers (Pair), Fixed Mounting (Rectangular Bumper), Installed At Rear	1	
54.	Slope Indicator Assembly For Machine With Outriggers	1	
55.	Pole Rack Two Pole Capacity With Ratchet Tie Binders (Behind The Cab Mount) SS.	1	
56.	Secondary Boom Saddle For Offset Stowing Of Derrick Due To Pole Rack	1	
57.	Pole Rack Provision	1	
58.	5 LB Fire Extinguisher With Light Duty Bracket, Installed (In Cab or Inside Compartment Only)	1	
59.	Triangular reflector and flare kit, Installed. Contains 3 reflectors and 3 fuses (20 Minutes Each).	1	
60.	Vinyl manual pouch for storage of all operator and parts manuals	1	
<u>Electrical Accessories</u>			
61.	Lights and reflectors in accordance with FMVSS #108 lighting package. (Complete LED, including LED reverse lights)	1	
62.	Altec Standard Amber LED Strobe Light with Brush Guard	2	
63.	Dual Tone Back-Up With Outrigger Motion Alarm	1	
64.	Altec Standard Multi-Point Grounding System	6	
65.	Copper U Shaped Grounding Lug (Threaded)	2	
66.	7-Way Trailer Receptacle (Pin Type) Installed At Rear	1	
67.	Relocate Trailer Receptacle Supplied With Chassis	1	
68.	Electric Trailer Brake Controller (Draw-Tite Activator II #5504)	1	
69.	Altec Modular Panel System (AMPS) - Includes Mounting Panel and Accessory Switches	1	
70.	Pre-Wire Power Distribution Module (Includes Operators Manual)	1	

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<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
<u>Finishing Details</u>			
71.	Powder Coat Unit Altec White	1	
72.	Finish Paint Body Accessories Above Body Floor Altec White	1	
73.	Altec Standard; Components mounted below frame rail shall be coated black by Altec. i.e. step bumpers, steps, frame extension, pintle hook mount, dock bumper mounts, D-rings, receiver tubes, accessory mounts, light brackets, under-ride protection, etc. Components mounted to under side of body shall be coated black by Altec. i.e. Wheel chock holders, mud flap brackets, pad carriers, boxes, lighting brackets, steps, and ladders.	1	
74.	Apply Non-Skid Coating to all walking surfaces	1	
75.	English Safety And Instructional Decals	1	
76.	Vehicle Height Placard - Installed In Cab	1	
77.	Placard, HVI-22 Hydraulic Oil	1	
78.	Dielectric test unit according to ANSI requirements.	1	
79.	Stability test unit according to ANSI requirements.	1	
80.	Focus Factory Build	1	
81.	Assembly at Altec in Duluth, MN.	1	
82.	Delivery Of Completed Unit	1	
83.	Inbound Freight	1	
84.	Stock Unit	1	
85.	Stock Unit Sold To Customer	1	
<u>Chassis</u>			
86.	Altec Supplied Chassis	1	
87.	2020 Model Year	1	
88.	Freightliner M2-106	1	
89.	4x2	1	
90.	120 Clear CA (Round To Next Whole Number)	1	
91.	Regular Cab	1	
92.	Chassis Cab	1	
93.	Chassis Color - White	1	

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<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
94.	Chassis Wheelbase Length - 190	1	
95.	Cummins B6.7	1	
96.	250 HP Engine Rating	1	
97.	Allison 3500 RDS Automatic Transmission (Left and Right Side PTO Openings Only)	1	
98.	GVWR 33,000 LBS	1	
99.	13,000 LBS Front GAWR	1	
100.	20,000 LBS Rear GAWR	1	
101.	11R22.5 Front Tire	1	
102.	11R22.5 Rear Tire	1	
103.	Air Brakes	1	
104.	Park Brake In Rear Wheels	1	
105.	016-1C3 - Freightliner Horizontal Exhaust (Right-Horizontal-Under Cab-Horizontal)	1	
106.	Freightliner - Clear Area Around Allison PTO Openings (362-1Y0) and (363-011)	1	
107.	Freightliner - Rear Cab Crossmember Flush With Back Of Cab (561-010)	1	
108.	Freightliner PTO Throttle Wiring for Automatic Transmission (163-004) (148-074) (87L-003)	1	
109.	Freightliner/Allison Body Builder Connection (34C-001)	1	
110.	Freightliner - Pre-Wire Chassis with Cab Backwall Pass-Thru (33U-001)	1	
111.	No Idle Engine Shut-Down Required	1	
112.	204-215 Freightliner 50 Gallon Fuel Tank (Left Hand Under Cab)	1	
113.	Driver Controlled Locking Differential	1	
114.	Glad Hands	1	

Additional Pricing

115.	Standard Altec Warranty: One (1) year parts warranty, one (1) year labor warranty, ninety (90) days warranty for travel charges, limited lifetime structural warranty	1	
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Unit / Body / Chassis Total	204,018.00
FET Total	0.00
Total	204,018.00

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Altec Industries, Inc.

BY

Jeff Atkins

Notes:

Altec Capital Services
33 Inverness Center Parkway
Suite 200
Birmingham, Alabama 35242



Estimated Lease Quote for

City of Farmersville
2020 Freightliner M2-106 DC47

August 8, 2019

****This quote is valid for 14 days. The payments are indexed to Treasury Swaps and are subject to change until receipt of completed signed lease package.****

Altec Capital Services is pleased to offer you financing for all your equipment needs. We are pleased to offer you the following:

Unit Price	Term	Annual Payment
\$204,018	72 months	\$38,711

- Payments do not include sales tax or license fees.
- This quote is subject to satisfactory credit approval (Assuming Oct 1st start date and \$0 down)

Requirements:

1. Insurance: Property damage insurance is required to cover the value of the unit. A Minimum of \$1,000,000 in Auto & General liability insurance must be maintained. Proof of insurance must be provided to Altec Capital.
2. Physical Damage Insurance: Altec Capital offers physical damage insurance for a low competitive rate on any lease structure. Deductibles will apply (\$1,000 per unit). General and auto liability are required. Claims settlement is based on replacement cost value.

-You can obtain an ACS Credit Application by contacting our office at the number listed below or apply online at www.alteccapital.com.

-For transactions that exceed \$150,000, two years' audited and interim financial statements are required in addition to two years tax returns and possible financial statements from the Guarantors / Shareholders.

Municipal Lease

The Municipal Lease is a Capital Lease that allows the lessee to acquire ownership at lease maturity. Payments can be made monthly, quarterly, semi-annually or annually. The equipment will amortize to zero. The lease agreement will be based off bank qualified or non bank qualified specifics and include non appropriation language. This lease is intended to meet all requirements of a Municipal Lease Purchase.

Account Manager: **Brittini Marr**

Phone (303) 519-2143

Fax: (205) 408-8113

Email: brittini.marr@altec.com

Contact your account manager or call (888) 408-8148 for any questions you have regarding this quote.

VI. Budget workshop

VII. Executive Session

VIII. RECONVENE FROM EXECUTIVE SESSION

IX. Requests to be Place on Future Agendas

X. Adjournment