PARK COUNTY BOARD OF COMMISSIONERS
WORK SESSION
VIRTUAL MEETING
WEDNESDAY, APRIL 15, 2020

Video
To join the meeting, click on the link below or copy and paste into your preferred web browser: https://zoom.us/j/632627219?pwd=Q2gvUVEwd0JuQ0R3TE9qWE9LTk9kQT09

Audio
Upon joining the meeting, you will have the option to use either your computer mic and speakers for audio interaction, or participate by phone. If you are not using your computer speakers and mic to interact in the meeting, you may use the dial- option below:

Dial by your location
(669) 900-6833 US (Western US)
(929) 205-6099 US (Eastern US)

Meeting ID: 632 627 219
Password: 04408
* At the start of the meeting enter your name when prompted *

1:00 PM ADMINISTRATIVE SESSION (OPEN)

. DISCUSSION RELATED TO TCF NATIONAL BANK LEASE AGREEMENT
For various computer equipment and software, and related software services

Documents:

BOCC Presentation Report.staff.TCF.pdf
Board of County Commissioners 001.pdf
Board of County Commissioners COI 04.03.2020.pdf
Board of County Commissioners Master.pdf

. DISCUSSION RELATED TO THE SILVERHEELS RANCH OWNERS ASSOCIATION, ROAD IMPROVEMENT PROJECT MOU

Documents:

2020 02 03 Legal Opinion final version.pdf
BOCC Presentation Report.staff.TE.pdf
MOU Final.pdf
Protective.covenants.1.pdf
Protective.Covenants.pdf
SROA 2019 Annual Meeting Minutes_lb (004).pdf

The purpose of a work session is to provide for a free and open dialogue. Discussions are not limited to those items being on the agenda. NOTE: This WORK SESSION agenda may be modified with items either being added or deleted. Please check Website "parkco.us" for most updated agendas. If you need further information, please contact the BOCC (Board of County
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Winthrop by TCF Capital Solutions offers a program specifically for leasing technology and related equipment. This type of lease option offers:

- Use of business-critical assets without owning them
- Stay current and avoid technology obsolescence

This lease agreement provides the County with a line of credit of up to $250,000. This amount was the minimum to enter this program. These funds can be used for hardware and software, such as maintenance agreements. We estimated approximately 60% hardware/40% software.

Once the Master Lease Agreement is in place, the next steps are to determine the items to lease/rent under this agreement and attach a Lease Schedule(s) as the items are finalized. Examples:

- Initial tablet purchase for SO vehicles (5); additional tablets to be considered
- E-911 annual maintenance agreements: Tritech, Motorola, Onsolve, Global
- IT’s annual license agreements
- Other related tablets, laptops, etc.

The Budget/Finance and IT departments need to finalize priorities and expenditures for use of these funds as described above; however, the county must not deviate from the 60/40 split estimated for this agreement.

Financial Terms:
36 months
The effective rate is ______
Monthly Lease Charge is: $7,160
LEASE SCHEDULE NO. 001

This Lease Schedule is issued pursuant to the Lease Agreement Number MA-0010846 dated April 3, 2020 (the "Lease Agreement"). The terms of the Lease Agreement and the terms and conditions of Certificates of Acceptance executed pursuant to Lease Schedule 001, including Installation Dates and descriptions and serial numbers of Equipment contained therein, are a part hereof and are incorporated by reference herein. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Lease Agreement.

LESSOR
TCF National Bank
11100 Wayzata Boulevard
Suite 800
Minnetonka, MN 55305

LEESSEE
Board of County Commissioners for Park County, Co. 
856 Castello Avenue
Fairplay, CO 80440

SUPPLIER OF EQUIPMENT
Various

LOCATION OF INSTALLATION
Various

Term of Lease from Commencement Date: 36 months
Monthly Lease Charge: $7,160.00
Anticipated Delivery and Installation: April - June 2020
Security Deposit: Upon Lessee's execution of this Lease Schedule, Lessee shall deliver a security deposit in the amount of $7,160.00. If there is no event of default, this security deposit may be applied toward the total amounts due pursuant to this Lease Schedule.

EQUIPMENT

<table>
<thead>
<tr>
<th>MANUFACTURER</th>
<th>QTY</th>
<th>MACHINE/MODEL</th>
<th>EQUIPMENT DESCRIPTION (including features)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zebra and Dell</td>
<td></td>
<td>Tablets, Laptops, Hand Held Scanners, 911 Response Equipment, Related Software and Maintenance</td>
<td></td>
</tr>
</tbody>
</table>

Lessee agrees that Lessor's obligations pursuant to Lease Agreement Number MA-0010846 and this Lease Schedule Number 001 are contingent upon Lessor's receipt of a formal legal opinion from Lessee's counsel, in form and substance satisfactory to Lessor in its sole and absolute discretion.

The Monthly Lease Charge will be prorated and charged as interim rent between the date an item of equipment is accepted and the Commencement Date. The lease rate and associated Lease Charges are based on the applicable treasury rate published as of February 25, 2020. Should the treasury rate increase prior to or during the Installation Period, the lease rate will be adjusted. Lessee agrees to lease from Lessor Equipment that has an acquisition value of $250,000.00.

Lessee understands that any related payment by Lessor to Lessee for Sale Leaseback Equipment is contingent upon Lessor's receipt of, among other things, such information, and execution and delivery of such certifications, from Lessee or a representative of Lessee concerning the direct and indirect owners and control persons of Lessee, as Lessor may request to comply with laws, regulations or regulatory guidance applicable to Lessor or Lessee. As used herein, "Sale Leaseback Equipment" shall mean any item of equipment that is sold by Lessee to Lessor and then Lessor leases such item of Equipment back to Lessee.

The parties agree that they may execute this Lease Schedule by fax or PDF, and that certain actions may be taken in reliance on faxed or PDF signatures. The parties therefore agree that a faxed or PDF signature hereon shall be equally valid and binding as an original signature, and the transmission of a faxed or PDF signature will have the same legal effect as physical delivery of an original signature. Any party transmitting a faxed or PDF signature will deliver the original signature to the other party as soon as practicable.

LESSOR IS NOT ACTING AS A MUNICIPAL ADVISOR OR FINANCIAL ADVISOR TO LESSEE, AND LESSOR HAS NO FIDUCIARY DUTY TO LESSEE OR ANY OTHER PERSON PURSUANT TO SECTION 15B OF THE SECURITIES EXCHANGE ACT OF 1934. THE INFORMATION CONTAINED IN THIS LEASE AGREEMENT OR ANY OTHER DOCUMENT PROVIDED BY LESSOR IS NOT INTENDED TO BE AND SHOULD NOT BE CONSTRUED AS "ADVICE" WITHIN THE MEANING OF SECTION 15B OF THE SECURITIES EXCHANGE ACT OF 1934 AND THE MUNICIPAL ADVISOR RULES OF THE SEC. LESSEE HAS DISCUSSED THIS LEASE AGREEMENT WITH ITS OWN FINANCIAL AND/OR MUNICIPAL, LEGAL, ACCOUNTING, TAX AND OTHER ADVISORS AS LESSEE DEEMS APPROPRIATE.

Agreed to and Accepted:

TCF NATIONAL BANK

"LESSOR"

By: ___________________________
Print Name: ___________________________
Title: ___________________________
Date: ___________________________

Agreed to and Accepted:

BOARD OF COUNTY COMMISSIONERS FOR PARK COUNTY, CO.

"LESSEE"

By: ___________________________
Print Name: ___________________________
Title: ___________________________
Date: ___________________________
CERTIFICATE
OF
INCUMBENCY AND AUTHORITY

THE UNDERSIGNED DOES HEREBY CERTIFY THAT: (a) I am the duly elected, qualified and acting officer responsible for maintaining the Organization’s records (whether characterized as Secretary, Secretary of Board, Recorder of Minutes, or otherwise) of Board of County Commissioners for Park County, Co.; (b) the persons whose names, titles, e-mail addresses, and signatures appear below are absolutely, unconditionally and duly elected (or appointed), qualified and authorized for and on behalf of the Organization to execute and deliver any agreement, schedule, statement of work, certificate of acceptance or any other document or instrument relating thereto (the “Documents”); (c) the signature appearing opposite the respective name is the genuine signature; (d) the e-mail address appearing opposite the respective name is the correct company e-mail address for such person; (e) the Organization has the power, authority and legal right under the laws of the State of Colorado to execute, deliver and perform the Documents, the execution, delivery and performance of which have been duly authorized by all necessary statutory and administrative action, and no other legislative or other proceedings on the part of the Organization are necessary to authorize the Documents and the transactions contemplated therein; (f) the Documents will be duly executed by manual or electronic signature and delivered on behalf of the Organization by duly authorized officers of the Organization, and the Documents when executed and delivered will constitute the legal, valid and binding obligations of the Organization, enforceable against it in accordance with their respective terms; (g) that all actions heretofore taken by the officer or officers named herein in executing and delivering the Documents on behalf of the Organization and in the exercise of the authority and powers herein certified are hereby ratified, adopted and confirmed; and (h) the execution and delivery of any Documents for and on behalf of the Organization is not prohibited by or in any manner restricted by the terms of the Organization’s organizational documents and/or any applicable constitutional provision, law or administrative regulation of the State of Colorado or the United States of America or any agency or instrumentality of either.

NAME: ___________________________  NAME: ___________________________

TITLE: ___________________________  TITLE: ___________________________

SIGNATURE: ________________________  SIGNATURE: ________________________

E-MAIL ADDRESS: ____________________  E-MAIL ADDRESS: ____________________

IN WITNESS WHEREOF, the undersigned officer has executed this Certificate on the date set forth below.

Signature: ___________________________

Name: ___________________________

Title: ___________________________

Date: ___________________________
Lease Agreement

This Lease Agreement, dated April 3, 2020, by and between TCF NATIONAL BANK (the “Lessor”) with an office located at 11100 Wayzata Boulevard, Suite 800, Minnetonka, Minnesota 55305 and BOARD OF COUNTY COMMISSIONERS FOR PARK COUNTY, CO. (the “Lessee”) with an office located at 856 Castello Avenue, Fairplay, Colorado 80440.

Lessor hereby leases or grants to the Lessee the right to use and Lessee hereby rents and accepts the right to use the tangible property and equipment whether or not listed by serial number (together with all replacements, substitutions, parts, additions, accessions and accessories at any time incorporated therein or made a part thereof, “Hardware”), and software, general intangibles and related services (“Software”) on the Lease Schedule(s) attached hereto or incorporated herein by reference from time to time (collectively, the Hardware, Software and all related services are the “Equipment”), subject to the terms and conditions hereof, as supplemented with respect to each item of Equipment by the terms and conditions set forth in the appropriate Lease Schedule. The term “Lease Agreement” shall include this Lease Agreement and the various Lease Schedule(s) identifying each item of Equipment or the appropriate Lease Schedule(s) identifying one or more particular items of Equipment.

1. Term

This Lease Agreement is effective from the date it is executed by both parties. The term of this Lease Agreement, as to all Equipment designated on any particular Lease Schedule, shall commence on the Installation Date for all Equipment on such Lease Schedule and shall continue for an initial period ending that number of months from the Commencement Date as set forth in such Lease Schedule (the “Initial Term”) and shall continue from year to year thereafter until terminated. The term of this Lease Agreement as to all Equipment designated on any particular Lease Schedule may be terminated without cause at the end of the Initial Term or any year thereafter by either party mailing written notice of its termination to the other party not less than one-hundred twenty (120) days prior to such termination date.

2. Commencement Date

The Installation Date for each item of Equipment shall be the day said item of Equipment is installed at the Location of Installation, ready for use, and accepted in writing by the Lessee. The Commencement Date for any Lease Schedule is the first of the month following installation of all the Equipment on the Lease Schedule, unless the latest Installation Date for any Equipment on the Lease Schedule falls on the first day of the month, in which case such date shall be the Commencement Date. The Lessee is committed to lease Equipment associated with the Lease Schedule and agrees to complete, execute and deliver to Lessor one or more Certificate(s) of Acceptance listing the specific items of Equipment to be leased upon installation of such Equipment.

3. Lease Charge

The lease charges for the Equipment leased pursuant to this Lease Agreement shall be the aggregate “Monthly Lease Charge(s)” as set forth on each and every Lease Schedule executed pursuant hereto (the aggregate “Monthly Lease Charge(s)” are the “Lease Charges”). Lessor and Lessee agree that the fair market value of the use of the Equipment leased on any Lease Schedule hereunder shall be the Monthly Lease Charge as set forth on such Lease Schedule. Lessee agrees to pay to Lessor the Lease Charges in accordance with the Lease Schedule(s), and the payments shall be made at Lessor’s address indicated thereon. The Lease Charges shall be paid by Lessee monthly in advance with the first full month’s payment due on the Commencement Date. The Lease Charge for the period from the Installation Date to the Commencement Date (the “Installation Period”) shall be an amount equal to the “Monthly Lease Charge” divided by thirty (30) and multiplied by the number of days from and including the Installation Date to the Commencement Date and such amount shall be due and payable upon receipt of an invoice from Lessor. Charges for taxes made in accordance with Section 4 and charges made under any other provision of this Lease Agreement and payable by Lessee shall be paid to Lessor at Lessor’s address specified on the Lease Schedule(s) on the date specified in invoices delivered to Lessee. If payment, as specified above, is not received by Lessor on the due date, Lessee agrees to and shall pay, to the extent permitted by law, on demand, as a late charge, an amount equal to one and one-half percent (1½%), or the maximum percentage allowed by law if less, of the amount past due (“Late Charges”). The parties agree that Late Charges shall be charged and added to any past due amount(s) on the date such payment is due and every thirty (30) days thereafter until all past due amounts are paid in full to Lessor. Late Charges will accrue until billed by Lessor.

4. Taxes

In addition to the Lease Charges set forth in Section 3, the Lessee shall reimburse Lessor for all license or registration fees, assessments, sales and use taxes, rental taxes, recycling, administrative or environmental fees, gross receipts taxes, personal property taxes and other taxes or fees now or hereafter imposed by any government, agency, province or otherwise upon the Equipment, the Lease Charges or upon the ownership, leasing, renting, purchase, possession, use, recycling or disposal of the Equipment, whether the same be assessed to Lessor or Lessee (the “Taxes”). Lessee’s obligation to remit taxes and other non-rent related charges shall be due and payable upon invoice from Lessor in accordance with the terms of such invoice. Lessor shall file all property tax returns and pay all Taxes when due. Lessee, upon notice to Lessor, may, in Lessee’s own name, contest or protest any Taxes, and Lessor shall honor any such notice except when in Lessor’s sole opinion such contest is futile or will cause a levy or lien to arise on the Equipment or cloud Lessor’s title thereto. Lessee shall, in addition, be responsible to Lessor for the payment and discharge of any penalties or interest as a result of Lessee’s actions.
or inactions. Nothing herein shall be construed to require Lessee to be responsible for any federal or state taxes or payments in lieu thereof, imposed upon or measured by the net income of Lessor, or state franchise taxes of Lessor, or except as provided hereinabove, any penalties or interest resulting from Lessor’s failure to timely remit such tax payments.

5. Delivery and Freight Costs
Lessor shall inspect, test, and either accept or reject the Equipment before such time as the applicable vendor requires payment for such Equipment. All transportation charges upon the Equipment for delivery to Lessor’s designated Location of Installation are to be paid by Lessor. All rigging, drayage charges, structural alterations, rental of heavy equipment and/or other expense necessary to place the Equipment at the Location of Installation are to be promptly paid by Lessor.

6. Installation
Lessee agrees to pay for the actual installation of the Equipment at Lessee’s site. Lessee shall make available and agrees to pay for all costs associated with providing a suitable place of installation and necessary electrical power, outlets and air conditioning required for operating the Equipment as defined in the Equipment manufacturer’s installation manual or instructions. All supplies consumed or required by the Equipment shall be furnished and paid for by Lessee.

7. Return to Lessor
On the day following the last day of the lease term associated with a Lease Schedule (the “Return Date”), Lessee shall cause and pay for the Equipment listed on that Lease Schedule to be deinstalled, packed using the manufacturer’s standard packing materials and shipped to a location designated in writing by Lessor (the “Return Location”). If the Equipment listed on the applicable Lease Schedule is not at the Return Location within ten (10) days of the Return Date, or Lessee fails to deinstall and ship the Equipment on the Return Date, then any written notice of termination delivered by Lessee shall automatically become void, and the Lease Schedule shall continue in accordance with this Lease Agreement to the extent permitted by law and subject to the annual appropriation provision of Section 28(i). Irrespective of any other provision hereof, Lessee shall bear the risk of damage from fire, the elements or otherwise until delivery of the Equipment to the Return Location. At such time as the Equipment is delivered to the Lessor at the Return Location, the Equipment shall be at the risk of Lessor.

8. Maintenance
Lessee, at its sole expense, shall maintain the Equipment in good working order and condition. Lessee shall enter into, pay for, and maintain in force during the entire term of any Lease Schedule, a maintenance agreement with the manufacturer of the Equipment providing for continuous uninterrupted maintenance of the Equipment (the “Maintenance Agreement”). Upon Lessor’s request, Lessee shall provide a copy of each such Maintenance Agreement to Lessor. Lessee will cause the manufacturer to keep the Equipment in good working order in accordance with the provisions of the Maintenance Agreement and make all necessary adjustments and repairs to the Equipment. The manufacturer is hereby authorized to accept the directions of Lessee with respect thereto. Lessee agrees to allow the manufacturer full and free access to the Equipment. All maintenance and service charges, whether under the Maintenance Agreement or otherwise, and all expenses, if any, of the manufacturer’s customer engineers incurred in connection with maintenance and repair services, shall be promptly paid by Lessor. Lessee warrants that all of the Equipment shall be in good working order operating according to the manufacturer’s specification and eligible for the manufacturer’s standard maintenance agreement upon delivery to and inspection and testing by Lessor. If the Equipment is not free of physical defect or damage, operating according to manufacturer’s specification, in good working order and/or eligible for the manufacturer’s standard maintenance agreement, then Lessee agrees to reimburse Lessor for all costs, losses, expenses and fees associated with such equipment and the repair or replacement thereof to the extent permitted by law and subject to the annual appropriation provision of Section 28(i).

9. Location, Ownership and Use
The Equipment shall, at all times, be the sole and exclusive property of Lessor. Lessee shall have no right or property interest therein, except for the right to use the Equipment in the normal operation of its business at the Location of Installation, or as otherwise provided herein. Lessee hereby assigns all of its rights (but none of its obligations) to Lessor under any purchase orders, invoices, or other contracts of sale with respect to the Equipment. If a court of competent jurisdiction determines that any Lease Schedule hereto is not a true lease (or a “finance lease”) for purposes of the Uniform Commercial Code, but rather a secured financing, then Lessee shall be deemed to have granted, and hereby grants to Lessor, a first priority security interest in the Equipment leased thereunder together with all substitutions and replacements therefor and all attachments and accessories thereto and all proceeds (including insurance proceeds) thereof. The Equipment is and shall remain personal property even if installed in or attached to real property. Lessor shall be permitted to display notice of its ownership on the Equipment by means of a suitable stencil, label or plaque affixed thereto.

Lessee shall keep the Equipment at all times free and clear from all claims, levies, encumbrances and process. Lessee shall give Lessor immediate notice of any such attachment or other judicial process affecting any of the Equipment. Without Lessor’s written permission, Lessee shall not attempt to or actually: (i) pledge, lend, create a security interest in, sublet, exchange, trade, assign, lease for value or security or credit or otherwise; (ii) allow another to use; (iii) part with possession; (iv) dispose of; or (v) remove from the Location of Installation, any item of Equipment. Lessee shall not cause the Equipment to be located outside of the United States. If any item of Equipment is exchanged, assigned, traded, swapped, used for an allowance or credit or otherwise to acquire new or different equipment (the “New Equipment”) without Lessor’s prior written consent, then all of the New Equipment shall become Equipment owned by Lessor subject to this Lease Agreement and the applicable Lease Schedule.

Any feature(s) installed on the Equipment at the time of delivery which are not specified on the Lease Schedule(s) are and shall remain the sole property of the Lessor.

Lessee shall cause the Equipment to be operated in accordance with the applicable vendor’s or manufacturer’s manual of instructions by competent and qualified personnel.

10. Financing Statement
Lessor is hereby authorized by Lessee to cause this Lease Agreement or other instruments, including Uniform Commercial Code Financing Statements, to be filed or recorded for the purposes of showing Lessor’s interest in the Equipment. Lessee agrees to execute any such instruments as Lessor may request from time to time.

11. Alterations and Attachments
Upon prior written notice to Lessor, Lessee may, at its own expense, make minor alterations in or add attachments to the Equipment, provided such alterations and attachments shall not interfere with the normal operation of the Equipment and do not otherwise involve the pledge, assignment, exchange, trade or substitution of the Equipment or any component or part thereof. All such alterations and attachments to the Equipment shall become part of the Equipment leased to Lessee and owned by Lessor. If, in Lessor’s sole determination, the alteration or attachment reduces the value of the Equipment or interferes with the normal and satisfactory operation of any of the Equipment, or creates a safety hazard, Lessee shall, upon notice from Lessor to that effect, promptly remove the alteration or attachment at Lessee’s expense and restore the Equipment to the condition the Equipment was in just prior to the alteration or attachment.

12. Loss and Damage
Lessee shall assume and bear the risk of loss, theft and damage (including any governmental requisition, condemnation or
confiscation) to the Equipment and all component parts thereof from any and every cause whatsoever, whether or not covered by insurance, the loss or damage of the Equipment or any part thereof shall impair any obligation of Lessee under this Lease Agreement, which shall continue in full force and effect except as hereinafter expressly provided. Lessee shall repair or cause to be repaired all damage to the Equipment. In the event that all or part of the Equipment shall, as a result of any cause whatsoever, become lost, stolen, destroyed or otherwise rendered irreparably unusable or damaged (collectively, the "Loss") then Lessee shall, within ten (10) days after the Loss, fully inform Lessor in writing of such a Loss and shall pay to Lessor, to the extent permitted by law and subject to the annual appropriation provision of Section 28(i), the following amounts: (i) the Monthly Lease Charges (and other amounts) due and owing under this Lease Agreement at the time of the Loss (or Event of Default, as defined hereinafter), plus (ii) the Original Cost of the Equipment subject to the Loss (or Event of Default, as defined hereinafter) multiplied by the "Percent of Original Cost." The Original Cost of a particular item of Equipment shall be Lessee's original purchase price of such item at the time of its purchase or payment to the applicable vendor by Lessor, plus additional or related charges such as taxes, delivery and freight, installation, maintenance, etc. The Percent of Original Cost shall be the Per Payment Factor multiplied by the number of lease payments Lessor has received from Lessee during the Initial Term subtracted from 112 and then divided by 100. The Per Payment Factor is the sum of 112 multiplied by 0.8 divided by the number of Monthly Lease Charges that are due during the initial Term (collectively, the sum of (i) plus (ii) shall be the "Casualty Loss Value"). Upon receipt by Lessor of the Casualty Loss Value: (i) the applicable Equipment insurance shall be collected for the lessee's sole satisfaction; (ii) the Lessor shall have the obligation to pay Lease Charges associated with the applicable Equipment shall cease. Lessor may request, and Lessee shall complete, an affidavit(s) which swears out the facts supporting the Loss of any item of Equipment.

13. Insurance

Until the Equipment is returned to Lessor or as otherwise herein provided, whether or not this Lease Agreement has terminated as to the Equipment, Lessor, at its expense, shall maintain: (i) property and casualty insurance insuring the Equipment for its Casualty Loss Value naming Lessor or its assigns as sole loss payee; and (ii) commercial general liability insurance insuring against liability for bodily injury and property damage naming Lessor and its assigns as additional insureds. The insurance shall cover the interest of both the Lessor and Lessee in the Equipment, or as the case may be, shall protect both the Lessor and Lessee in respect to all risks arising out of the condition, delivery, installation, maintenance, use, or operation of the Equipment. All such insurance shall provide for thirty (30) days prior written notice to Lessor of cancellation, restriction, or reduction of coverage and shall have a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirements hereof. Lessor hereby irrevocably appoints Lessee as Lessor's attorney-in-fact to make claim for, receive payment of and execute and endorse all documents, checks or drafts for loss or damage or return premium under any insurance policy issued on the Equipment. Prior to installation of the Equipment, all policies or certificates of insurance shall be delivered to Lessor by Lessee. Lessee agrees to keep the Equipment insured with an insurance company which is at least "A" rated by A.M. Best and in such form, including a maximum deductible, as may be satisfactory to Lessor. In lieu of the foregoing, Lessee can elect to fulfill its insurance obligations by self-insuring the Equipment and its program of self-insurance or through Lessor's general insurance program, for similar amounts and under similar terms and conditions as Lessee insures its own equipment and liability. The proceeds of any loss or damage insurance shall be held in trust for Lessor until such time as Lessee either (i) provides Lessor satisfactory proof that the damage has been repaired and the Equipment has been restored to good working order and condition or (ii) pays to Lessor the Casualty Loss Value. It is understood and agreed that any payments made by Lessee or its insurance carrier for loss or damage of any kind whatsoever to the Equipment are not made as acceleration of rental payments or adjustments of rental, but are made solely as compensation to Lessor for loss or damage of its Equipment.

14. Enforcement of Warranties

Lessee, in its own name, shall, so long as this Lease Agreement is in force, enforce any manufacturer's Equipment warranty.

15. Warranties, Disclaimers and Indemnity

Lessor warrants that at the time the Equipment is delivered to Lessee, Lessor will have full right, power and authority to lease the Equipment to Lessee. EXCEPT FOR THE WARRANTY IN THE SENTENCE DIRECTLY PRECEDING THIS ONE, THE LESSOR DOES NOT MAKE ANY WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. LESSEE ACKNOWLEDGES THAT IT IS NOT RELYING ON LESSOR'S SKILL OR JUDGMENT TO SELECT OR FURNISH GOODS SUITABLE FOR ANY PARTICULAR PURPOSE, THAT LESSOR HAS NOT SELECTED, MANUFACTURED, SOLD OR SUPPLIED ANY OF THE EQUIPMENT (OR SELECTED THE SUPPLIER THEREOF), AND THAT THERE ARE NO EXPRESS OR IMPLIED WARRANTIES CONTAINED IN THIS LEASE AGREEMENT. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO EACH MUTUALLY AND IRREVOCABLY WAIVE ALL IMPLIED COVENANTS INCLUDING THE IMPLIED COVENANTS OF GOOD FAITH AND FAIR DEALING. LESSOR ACKNOWLEDGES AND AGREES THAT NO VENDOR, SUPPLIER, OR MANUFACTURER OR ANY SALESPERSON OR OTHER AGENT OR EMPLOYEE OF ANY OF THE FOREGOING, OR ANY FINANCIAL INTERMEDIARY, BROKER OR OTHER PARTY, IS AN AGENT FOR OR HAS ANY AUTHORITY TO ACT OR SPEAK FOR, OR BIND, LESSOR IN ANY MANNER; NOR IS LESSOR AN AGENT OR REPRESENTATIVE OF ANY SUCH VENDOR, SUPPLIER, MANUFACTURER, FINANCIAL INTERMEDIARY, BROKER OR OTHER PARTY. LESSOR DISCLAIMS AND DISCLAIMS ANY REPRESENTS AND WARRANTS THAT IT IS NOT A FOREIGN "FINANCIAL INSTITUTION" OR ACTING ON BEHALF OF A FOREIGN "FINANCIAL INSTITUTION" AS THAT TERM IS DEFINED IN THE BANK SECRECY ACT, 31 U.S.C. 5318, AS AMENDED. LESSEE ACKNOWLEDGES THAT LESSOR, IN COMPLIANCE WITH SECTION 326 OF THE USA PATRIOT ACT, WILL BE VERIFYING CERTAIN INFORMATION ABOUT LESSEE. AT ANY TIME AND FROM TIME TO TIME, UPON LESSOR'S REQUEST, LESSEE OR A REPRESENTATIVE OF LESSEE SHALL STAND IN LINE OF CONFIDENTIALITY AND EXECUTE AND DELIVER SUCH CERTIFICATIONS, TO LESSOR CONCERNING THE DIRECT AND INDIRECT OWNERS AND CONTROL PERSONS OF LESSEE, AS LESSOR MAY REQUEST TO COMPLY WITH LAWS, REGULATIONS OR REGULATORY GUIDANCE APPLICABLE TO LESSOR OR LESSEE. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT LESSOR AND ITS REPRESENTATIVES AND EMPLOYEES HAVE NOT MADE ANY STATEMENT, REPRESENTATION OR WARRANTY RELATIVE TO THE ACCOUNTING OR TAX TREATMENT, BENEFIT, USE OR CLASSIFICATION OF THE LEASE AGREEMENT OR ASSOCIATED LEASE SCHEDULES. LESSOR IS NOT ACTING AS A MUNICIPAL ADVISOR OR FINANCIAL ADVISOR TO LESSEE, AND LESSOR HAS NO FIDUCIARY DUTY TO LESSEE OR ANY OTHER PERSON PURSUANT TO SECTION 15B OF THE SECURITIES EXCHANGE ACT OF 1934. THE INFORMATION CONTAINED IN THIS LEASE AGREEMENT OR ANY OTHER DOCUMENT PROVIDED BY LESSOR TO LESSEE, OR ANY STATEMENT MADE BY LESSOR TO LESSEE, WOULD NOT BE CONSTRUED AS "ADVICE" WITHIN THE MEANING OF SECTION 15B OF THE SECURITIES EXCHANGE ACT OF 1934 AND THE MUNICIPAL ADVISOR RULES OF THE SEC. LESSEE HAS DISCUSSED THIS LEASE AGREEMENT WITH ITS OWN FINANCIAL AND/OR MUNICIPAL, LEGAL, ACCOUNTING, TAX AND OTHER ADVISORS AS LESSEE DEEMS APPROPRIATE. LESSEE ACKNOWLEDGES THAT IT AND/OR ITS INDEPENDENT ACCOUNTANTS ARE SOLELY RESPONSIBLE
FOR (i) ANY AND ALL OF LESSEE'S ACCOUNTING AND TAX ENTRIES ASSOCIATED WITH THE LEASE AGREEMENT AND/OR THE LEASE SCHEDULES AND (ii) THE LEASE SCHEDULE, LESSOR SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER FOR ANY INFORMATION, INCLUDING BUT NOT LIMITED TO CONSUMER OR PATIENT INFORMATION, THAT IS AT ANY TIME ENTERED, STORED, TRANSFERRED TO, CONTAINED OR RETAINED ON ANY EQUIPMENT, WHETHER OR NOT SUCH INFORMATION IS SUBJECT TO FEDERAL, STATE OR OTHER LAW, INCLUDING BY WAY OF EXAMPLE ONLY AND NOT OF LIMITATION, THE HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT OF 1996 (HIPAA), FINANCIAL MODERNIZATION ACT (GRAMM- LEACH-BLILEY ACT), ETC. LESSOR SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE RELATIONSHIP BETWEEN THE LESSOR AND LESSEE, THIS LEASE AGREEMENT OR THE PERFORMANCE, POSSESSION, LEASE OR USE OF THE EQUIPMENT. THIS LEASE AGREEMENT IS INTENDED BY THE PARTIES TO BE A LEASE OF EQUIPMENT TO BE OWNED BY LESSOR (OR WHICH LESSOR SHALL HAVE THE RIGHT TO LEASE) AND NOT A LOAN, SALE OR LEASE INTENDED AS A SALE OR LOAN. THIS LEASE AGREEMENT IS A "FINANCE LEASE" AS THAT TERM IS DEFINED AND USED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. NO RIGHTS OR REMEDIES REFERRED TO IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE WILL BE CONFERRED ON LESSEE.

Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall be responsible and liable with respect to, any claim from a third party for any liability, claim, loss, damage or expense of any kind or nature, whether based upon a theory of strict liability or otherwise, caused, directly or indirectly, by: (i) the inadequacy of any item of Equipment, including Software, for any purpose; (ii) any deficiency or any latent or other defects in any Equipment, including Software, whether or not detectable by Lessee; (iii) the selection, manufacture, rejection, ownership, lease, possession, maintenance, operation, use or performance of any item of Equipment, including Software; (iv) any interruption or loss of service, use or performance of any item of Equipment, including Software; (v) patent, trademark or copyright infringement; (vi) any information whatsoever or the loss, release, unauthorized access, transfer, theft, use or misuse thereof, or (vii) any loss of business or other special, incidental or consequential damages whether or not resulting from any of the foregoing. Lessee’s responsibility and liability under this paragraph and any one or more of the following remedies: (i) any default, termination, settlement, cancellation, assignment or resolution of this Lease Agreement or a Lease Schedule and shall be binding upon Lessee’s successors and permitted assigns. Lessee agrees to the provisions of this paragraph to the fullest extent permitted by law.

16. Event of Default

Any occurrence of any of the following events shall constitute an Event of Default under this Lease Agreement and/or any Lease Schedule:

(1) The nonpayment by Lessee of any Lease Charges when due, or the nonpayment by Lessee of any other sum required hereunder to be paid by Lessee which non-payment continues for a period of ten (10) days from the date when due;

(2) the failure of Lessee to perform any other term, covenant or condition of this Lease Agreement, any Lease Schedule or any other document, agreement or instrument executed pursuant hereto or in connection herewith, which is not cured within ten (10) days after written notice thereof from Lessor;

(3) Lessee attempts to or does remove, transfer, sell, swap, assign, sublease, trade, exchange, encumber, receive an allowance or credit for, or part with possession of, any item of Equipment;

(4) Lessee ceases doing business as a going concern, is insolvent, makes an assignment for the benefit of creditors or defaults in any of its obligations, including making the payment of a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or has filed against it a petition seeking any reorganization, arrangement or composition, under any present or future statute, law or regulation;

(5) any of Lessee’s representations or warranties made herein or in any oral or written statement or certificate at any time given in writing pursuant hereto or in connection herewith shall be false or misleading in any material respect;

(6) Lessee defaults under or otherwise has accelerated any material obligation, credit agreement, loan agreement, conditional sales contract, lease, indenture or debenture; or Lessee defaults under any other agreement now existing or hereafter made with Lessor;

(7) Lessee (i) divides, merges or consolidates into or with, or sells or transfers all or any substantial portion of its assets to, or enters into any partnership or joint venture other than in the ordinary course of business with, any entity, (ii) dissolves, liquidates or ceases or suspends the conduct of business, or ceases to maintain its existence, (iii) enters into or suffers any transaction or series of transactions as a result of which Lessee is directly or indirectly controlled by persons or entities not directly or indirectly controlling Lessee as of the date hereof, or (iv) if Lessee is a publicly held entity, there shall be a change in the ownership of Lessee’s stock or other equivalent ownership interest such that Lessee is no longer subject to the reporting requirements of, or no longer has a class of equity securities registered under, the Securities Act of 1933 or the Securities Exchange Act of 1934; or

(8) the breach or repudiation by any party thereto of any guaranty, subordination agreement or other agreement running in favor of Lessor obtained in connection with this Lease Agreement.

17. Remedies

Should any Event of Default occur, Lessor may, with or without notice or demand upon Lessee, retain any and all security deposits and pursue and enforce, alternatively, successively and/or concurrently, any one or more of the following remedies:

(1) recover from Lessee all accrued and unpaid Lease Charges and other amounts due and owing on the date of the default; and

(2) recover from Lessee from time to time all Lease Charges and other amounts as and when becoming due hereunder; and

(3) either (A) accelerate, cause to become immediately due and recover the present value of all Lease Charges, and other amounts due and/or likely to become due hereunder from the date of the default to the end of the lease term using a discount rate of four percent (4%); or (B) cause to become immediately due and payable and recover from Lessee the Casualty Loss Value of the Equipment which Lessee agrees is not a penalty but rather a reasonable forecast of the just compensation for the harm caused by the Event of Default, which harm is incapable or very difficult of accurate estimation; and

(4) either (A) retake (by Lessor, independent contractor, or by requiring Lessee to assemble and surrender the Equipment in accordance with the provisions of Section 7 hereinafore) possession of the Equipment; or (B) require Lessee to deliver the Equipment to a location designated by Lessor; and

(5) upon Lessor’s instructions after an Event of Default, Lessee agrees to cease immediately the use of any or
all Software, to uninstall and delete all copies of such licensed Software from any computer systems owned or controlled by Lessee or its affiliates or used for Lessee’s or Lessee’s affiliate’s benefit, to destroy any and all written documentation, manuals and materials provided with the Software, and to provide Lessor with a certificate signed by a Lessee officer who is responsible for Lessee’s information systems, attesting to such cessation of use, deinstallation, deletion, and/or destruction of the Software; and

(6) proceed by court action to enforce performance by Lessee of its obligations associated with any Lease Schedule and/or this Lease Agreement; and/or

(7) pursue any other remedy Lessor may otherwise have, at law, equity or under any statute, and recover damages and expenses (including attorneys’ fees) incurred by Lessor by reason of the Event of Default.

Lessor’s pursuit and enforcement of any one or more remedies shall not be deemed an election or waiver by Lessor of any other remedy.

If a court of competent jurisdiction determines that any Lease Schedule hereto is not a true lease (or a “finance lease”) for purposes of the Uniform Commercial Code, but rather a secured financing, the following terms shall apply. Upon repossession of the Equipment, Lessor shall have the right to lease, sell or otherwise dispose of such Equipment in a commercially reasonable manner, with or without notice, at a public or private sale. Lessor shall not be obligated to sell or re-lease the Equipment. Any sale or re-lease may be held at such place or places as are selected by Lessor, with or without having the Equipment present. Any such sale or re-lease, may be at wholesale or retail, in bulk or in parcels.

18. Costs and Attorneys’ Fees

In the event of any default, claim, proceeding, including a bankruptcy proceeding, arbitration, mediation, counter-claim, action (whether legal or equitable), appeal or otherwise, whether initiated by Lessor or Lessee (or a debtor-in-possession or bankruptcy trustee), which arises out of, under, or is related in any way to this Lease Agreement, any Lease Schedule, or any other document, agreement or instrument executed pursuant hereto or in connection herewith, or any governmental examination or investigation of Lessee which requires Lessor’s participation (individually and collectively, the “Claim”), Lessor, in addition to all other sums which Lessee may be called upon to pay under the provisions of this Lease Agreement, shall pay to Lessor, on demand, all costs, expenses and fees paid or payable in connection with the Claim, including, but not limited to, attorneys’ fees and out-of-pocket costs, including travel and related expenses incurred by Lessor or its attorneys.

19. Lessor’s Performance Option

Should Lessee fail to make any payment or to do any act as provided by this Lease Agreement, then Lessor shall have the right (but not the obligation), without notice to Lessee of its intention to do so and without releasing Lessee from any obligation hereunder to make or to do the same, to make advances to preserve the Equipment or Lessor’s title thereto, and to pay, purchase, contest or compromise any insurance premium, encumbrance, charge, tax, lien or other sum which in the judgment of Lessor appears to affect the Equipment, and in exercising any such rights, Lessor may incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor. All sums so incurred or expended by Lessor shall be due and payable by Lessee within ten (10) days of notice thereof.

20. Quiet Possession and Inspection

Lessor hereby covenants with Lessee that Lessee shall quietly possess the Equipment subject to and in accordance with the provisions hereof so long as Lessee is not in default hereunder; provided, however, that Lessor or its designated agent may, at any and all reasonable times during business hours, enter Lessee’s premises for the purposes of inspecting the Equipment and the manner in which it is being used.

21. Assignments

This Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Lessee, however, shall not assign this Lease Agreement or sublet any of the Equipment without first obtaining the prior written consent of Lessor and its assigns, if any. Lessee acknowledges that the terms and conditions of this Lease Agreement have been fixed in anticipation of the possible assignment of Lessor’s rights under this Lease Agreement and in and to the Equipment as collateral security to a third party (“Assignee” herein) which will rely upon and be entitled to the benefit of the provisions of this Lease Agreement. Lessee agrees with Lessor and such Assignee to recognize in writing any such assignment within fifteen (15) days after receipt of written notice thereof and to pay thereafter all sums due to Lessor hereunder directly to such Assignee if directed by Lessor, provided, however, that such recognition by Lessee shall not constitute a waiver of any defense, set-off or counterclaim whatsoever (whether arising from a breach of this Lease Agreement or not) that Lessee may from time to time have against Lessor. Upon such assignment, the Lessor shall remain obligated to perform any obligations it may have under this Lease Agreement and the Assignee shall (unless otherwise expressly agreed to in writing by the Assignee) have no obligation to perform such obligations. Any such assignment shall be subject to Lessee’s rights to use and possess the Equipment so long as Lessee is not in default hereunder.

22. Survival of Obligations

All covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, shall be for the benefit of Lessor and Lessee and their successors, any assignee or secured party. Further, all covenants, agreements, representations, and warranties contained in this Lease Agreement, any Lease Schedule, or in any document attached thereto, shall survive the execution and delivery of this Lease Agreement and the expiration or other termination of this Lease Agreement.

23. Authority

The parties hereto covenant and warrant that the persons executing this Lease Agreement and each Lease Schedule on their behalf have been duly authorized to do so, and this Lease Agreement and any Lease Schedule constitute a valid and binding obligation of the parties hereto. Lessee will, at Lessor’s request, provide to Lessor, Certificates of Authority naming the officers of the Lessee who have the authority to execute this Lease Agreement and any Lease Schedules attached thereto. Lessee agrees that it shall advise Lessor of any change in Lessee’s name, address or corporate structure within ten (10) days after such change and execute all documents and instruments requested by Lessor. Lessee’s status as a component unit, political subdivision or other subentity of state, county or local government does not prevent Lessee from entering into binding commercial transactions and, to the fullest extent permitted by law, indemnity agreements. Further, no statute or law prevents or prohibits Lessee from entering into this Agreement or any other agreement or document required hereunder. Any limitation of liability or benefits of sovereign immunity afforded to Lessee under law or statute is specifically waived by Lessee in its own right, to the extent such immunity may relate to enforcement of contracts, and shall not apply to Lessor, this Agreement or any other agreement or document required hereunder.

24. Landlords’ and Mortgagors’ Waiver

If requested, Lessee shall furnish waivers, in form and substance satisfactory to Lessor, from all landlords and mortgagees of any premises upon which any Equipment is located.

25. Miscellaneous

This Lease Agreement, the Lease Schedule(s), attached riders and any documents or instruments issued or executed pursuant hereto will have been made, executed and delivered in, and shall be governed by the internal laws (as opposed to conflicts of law provisions) and decisions of, the State of Colorado. Lessee and Lessor consent to the exclusive jurisdiction of the Park County,
This Lease Agreement was jointly drafted by the parties, and the parties hereby agree that neither should be favored in the construction, interpretation or application of any provision or any ambiguity. There are no unwritten or oral agreements between the parties. This Lease Agreement and associated Lease Schedule(s) constitute the entire understanding and agreement between Lessor and Lessee with respect to the lease of the Equipment superseding all prior agreements, understandings, negotiations, discussions, proposals, representations, promises, commitments and offers between the parties, whether oral or written. This Lease Agreement and associated Lease Schedule(s) constitute a single unitary agreement. No provision of this Lease Agreement or any Lease Schedule shall be deemed waived, amended, discharged or modified orally or by custom, usage or course of conduct unless such waiver, amendment, discharge or modification is in writing and signed by an officer of each of the parties hereto. Time and exactitude of each of the terms and conditions of this Lease Agreement are hereby declared to be of the essence. Lessor may accept past due payments in any amount without modifying the terms of this Lease Agreement and without waiving any rights of Lessor hereunder. If any one or more of the provisions of this Lease Agreement or any Lease Schedule is for any reason held invalid, illegal or unenforceable, the remaining provisions of this Lease Agreement and any such Lease Schedule will be unimpaired, and the invalid, illegal or unenforceable provisions shall be replaced by a mutually acceptable valid, legal and enforceable provision that is closest to the original intention of the parties. TITLES/HEADINGS ARE NOT SUBSTANTIVE. Lessee agrees that neither the manufacturer, nor the supplier, nor any of their salespersons, employees or agents are agents of Lessor. Any notice provided for herein shall be in writing and sent by overnight courier providing a receipt of delivery or by certified or registered mail to the parties at the addresses stated on page 1 of this Lease Agreement. The Monthly Lease Charge is intended to be fixed from the Commencement Date to the end of the term. The three year treasury rate is an integral part of the lease rate. The Lessee and Lessor agree that the lease rate shall also be fixed during the Installation Period but should the three year treasury note increase during such Installation Period, the lease rate will be adjusted on the Commencement Date to give effect to the increase in the treasury rate and the same shall cause an increase in the Monthly Lease Charge. Lessor is entitled to review a complete set of Lessee’s financial statements, including a statement of cash flows, balance sheet and income statement, and any other financial information that Lessor may request. If during the Installation Period the Lessee’s financial condition changes in any material respect (as determined by the Lessor in its sole discretion), then Lessor shall be entitled to stop purchasing equipment to be leased to Lessee and commence the applicable lease schedule(s). This Lease Agreement shall not become effective until delivered to Lessor at its offices at Minnetonka, Minnesota and executed by Lessor. This Lease Agreement is made subject to the terms and conditions included herein and Lessee’s acceptance is effective only to the extent that such terms and conditions are consistent with the terms and conditions herein. Any acceptance which contains terms and conditions which are in addition to or inconsistent with the terms and conditions herein will be a counter-offer and will not be binding unless agreed to in writing by Lessor. The terms used in this Lease Agreement, unless otherwise defined, shall have the meanings ascribed to them in the Lease Schedule(s). No third parties are intended to be beneficiaries of this Agreement. This Agreement is intended to be fully integrated. Lessee does not waive any rights or protections it may have under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 et seq. As required by Article X, Section 20 of the Colorado Constitution, any obligation of the Lessee not performed in the current fiscal year shall be subject to annual appropriation of funds by the Lessee’s governing body. Should sufficient funds not be appropriated for the Lessee’s performance in future fiscal years, this Lease Agreement shall terminate and be of no further force or effect.

26. REPOSESSION
LESSEE ACKNOWLEDGES THAT, PURSUANT TO SECTION 17 HEREOF, LESSOR HAS BEEN GIVEN THE RIGHT TO REPOSESS THE EQUIPMENT SHOULD LESSEE BECOME IN DEFAULT OF ITS OBLIGATIONS HEREUNDER. LESSEE HEREBY WAIVES THE RIGHT, IF ANY, TO REQUIRE LESSOR TO GIVE LESSEE NOTICE AND A JUDICIAL HEARING PRIOR TO EXERCISING SUCH RIGHT OF REPOSESSION.

27. Net Lease
This Lease Agreement is a net lease and Lessee’s obligations to pay all Lease Charges and other amounts payable hereunder shall be absolute and unconditional (in accordance with this Lease Agreement to the extent permitted by law and subject to the express provisions of this Lease Agreement) and, except as expressly provided herein, shall not be subject to any: (i) delay, abatement, reduction, defense, counterclaim, set-off, or recoupment; (ii) discontinuance or termination of any license, maintenance agreement, service contract, or other agreement; (iii) Equipment failure, defect or deficiency; (iv) damage to or destruction of the Equipment; or (v) dissatisfaction with the Equipment or otherwise, including any present or future claim against Lessor or the manufacturer, supplier, reseller or vendor of the Equipment. To the extent that the Equipment includes intangible (or intellectual) property, Lessee understands and agrees that: (i) Lessor is not a party to and does not have any responsibility under any Software license and/or other agreement with respect to any Software; and (ii) Lessee will be responsible to pay all of the Lease Charges and perform all its other obligations under this Lease Agreement despite any defect, deficiency, failure, termination, dissatisfaction, damage or destruction of any Software or Software license. Further, Lessee agrees that it has an unconditional, irrevocable and absolute obligation to pay all Lease Charges and other amounts payable hereunder to the Lessor, although (i) the Lessor does not hold title to any Software (or intellectual or intangible property), (ii) Lessor is a party to any Software license (or intellectual or intangible property license) that is listed among the Equipment on any Lease Schedule and (iii) any license to Software is exclusively between the licensor of the Software (“Licenser”) and the Lessee. Except as expressly provided herein, this Lease Agreement shall not terminate for any reason, including any defect in the Equipment or Lessor’s title thereto or any destruction or loss of use or loss of value of Equipment.

28. Funding Out
Lessee shall have the option to terminate this Lease Agreement at the end of a fiscal period contingent upon the following conditions: (i) Appropriation of monies for this Lease Agreement has been terminated or not continued and such non-appropriation is memorialized in a formal act by the Lessee; (ii) Lessee has given Lessor written notice promptly after having knowledge of any likely non-appropriation; (iii) Lessee pays to Lessor all monies legally appropriated and budgeted for the current fiscal period for all payments due under this Lease Agreement for the fiscal period; and (iv) Lessee’s return, in compliance with this Lease Agreement, of all of the equipment listed on and subject to this Lease Agreement. To the extent permitted by law, Lessee agrees that Lessee will use reasonable efforts to obtain authorization and appropriation of monies or funds in order to fulfill
its obligations associated with this Lease Agreement by including in its budget for each fiscal appropriation period a formal request for monies in an amount no less than Lessee's total monetary obligations for the fiscal appropriations period. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds or to renew the Lease through any Renewal Terms is within the sound discretion of the governing body of Lessee.

29. Headings
Section headings herein are used for convenience only and shall not otherwise affect the provisions of this Lease Agreement.

30. Electronic Signatures
The express intent of the parties is that the Lease Agreement be a valid and legally enforceable lease contract between Lessee and Lessor notwithstanding any means of signature or signing, including PDF, manual or electronic signature. The words “signature,” “sign,” “signed,” “execute,” and words of like import in or relating to the Lease Agreement or any other written or electronic document or record signed in connection with the Lease Agreement, including, but not limited to, any Lease Schedule and any Certificate of Acceptance shall be deemed to include (without limitation) electronic signatures and contract formations on electronic platforms, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature and/or physical delivery thereof to the full extent provided for in the Federal Electronic Signatures in Global and National Commerce Act, the Uniform Electronic Transactions Act as enacted in Minnesota or any other applicable similar state law based on the Uniform Electronic Transactions Act. The Lessee hereby represents and warrants that its electronic signature on any contract, record or other document (including, without limitation, the Lease Agreement including all amendments and supplements thereto) shall be unconditionally valid and legally enforceable, and therefore, agrees to not contest, call into question or otherwise challenge the validity or enforceability of any electronic signature (or the authority of the electronic signer to sign) or raise any of the foregoing as a defense or counterclaim. Further, the parties hereto agree that electronic signature means a symbol or signature, or process attached to, or associated with, a contract (including, without limitation, the Lease Agreement and any amendment or supplement thereto and all Lease Schedules and Certificates of Acceptance) or other document or record and adopted by a contracting party with the intent to sign, authenticate or accept such contract, document or record. Lessor and Lessee unconditionally agree that the physical printed version of the Lease Agreement (including any amendments and supplements hereto) and any Lease Schedule containing a manual, fax, PDF, or electronic signature or signatures with the legend “Original” or “Original Chattel Paper” shall constitute the only original authoritative version and record. Both Lessor and Lessee hereby agree that this Lease Agreement (including any amendment or supplement), any Lease Schedule, any Certificate of Acceptance or any other written or electronic document or record signed in connection with the Lease Agreement may be authenticated by electronic signatures.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be signed by their respective duly authorized representative.

Every Term is Agreed to and Accepted:

TCF NATIONAL BANK

By: ____________________________________________

Print Name: _____________________________________

Title: ____________________________________________

Date: ____________________________________________

Every Term is Agreed to and Accepted:

BOARD OF COUNTY COMMISSIONERS FOR PARK COUNTY, CO.

By: ____________________________________________

Print Name: _____________________________________

Title: ____________________________________________

Date: ____________________________________________
February 3, 2020

Ms. Jackie Burghardt, President
Silverheels Ranch Owners Association, Inc.

Re: Special Assessment for Road Improvements

Dear Jackie:

I am writing at your request to provide our opinion about whether the Silverheels Ranch Owners Association, Inc. (“Association”) has the authority to levy and collect the recently imposed special assessment for the road improvements throughout the Silverheels community.

Silverheels Ranch, and lot owners in Silverheels Ranch, are governed by the Declaration of Protective Covenants (“Declaration”) recorded July 31, 1979 at Reception No. 275711 in the office of the Park County Clerk and Recorder, as amended and re-recorded on October 20, 1999 at Reception No. 515516, as well as the Silverheels Ranch Owners Association, Inc. Bylaws dated September 9, 2017.

The relevant provisions of the Declaration include:

2. TRACT PURCHASERS UNDERSTAND THAT PAYMENT OF DUES TO SROA AND FULL COOPERATION WITH SROA DECISIONS AND POLICIES IS A REQUIREMENT CONCOMITANT WITH TRACT PURCHASE AND OWNERSHIP; THAT PERIODIC DUES AND/OR FEES WILL BE REQUIRED WHICH MUST BE PROMPTLY PAID, AND THAT NON-PAYMENT OF SUCH DUES OR FEES WILL CAUSE A RECORDED LIEN TO BE PLACED AGAINST THE DEFAULTING MEMBER’S TRACT OR TRACTS. Fees will be in accordance with SROA By-Laws.

Based on these provisions, it is clear that the Association has the authority to raise revenues through assessment of dues or fees.

The relevant provisions of the Bylaws include:

7.4 Increase in Assessment: Should the Board determine that extraordinary expenses will be incurred by the Association, the Board may levy assessments in excess of the base annual assessment subject to approval of a majority of the members present or represented by proxy at a general membership meeting at which a quorum is present (see paragraph 3.7). The Board shall fix and determine the estimated budget representing the sums necessary and adequate for the continued
operation of the Association and shall send a copy of the budget and any supplement to the budget to each member thirty days prior to the general membership meeting at which the assessment will be considered by the membership.

We have been provided a copy of the annual meeting notification for the Association’s annual meeting. It indicates that there will be a vote on special assessments for road improvements. We are advised that this notice was mailed to all owners on August 14, 2019 for the meeting scheduled for September 14, 2019, and further, while not required by the Bylaws, that the notice of meeting was sent by email to all owners in the Association on August 15, 2019. The notice of meeting includes a link to the “Roads Committee Special Assessment Information” which, by clicking on the link as instructed, takes the viewer to a webpage that includes a three page discussion about the road project, options for funding, a summary of the costs and a proposed supplemental budget.

The Bylaws provide that one-fifth of the total number of memberships eligible to vote must be represented in person or by proxy to constitute a quorum at any meeting of the owners. There are 201 lots in the community, and each lot is assigned one vote. Therefore, a quorum would exist if the owners entitled to vote at least 41 votes were present in person or by proxy. We are advised that owners entitled to vote at least 94 votes were present in person or by proxy at the meeting, and therefore, a quorum existed that allowed action to be taken at the meeting. While one owner objected to the notice of the meeting on grounds that the notice was to be “received” at least 30 days before the meeting, there were no objections to the meeting based on any other deficiencies in the notice.

The Association’s Bylaws require that notice of the meeting be “be delivered or deposited in the mail at least thirty days prior to the date of the meeting.” There is no requirement that they be “received” at least 30 days before the meeting. Further, the Bylaws provide that attendance at a meeting by a member constitutes a waiver of notice of such meeting, except where attendance is for the express purpose of objecting to the failure to receive such notice or to defects in the notice. Accordingly, objection to the notice of the meeting on grounds that it was not received at least 30 days before the meeting is not a valid objection, and continued attendance at the meeting would waive any defects in the notice.

A majority of the owners present in person or by proxy (49 out of 94) voted in favor of the special assessment for the road improvement project, therefore, satisfying the requirements of Section 7.4 of the Bylaws (cited above).

Please let me know if you have any questions concerning any of the above.

Very truly yours,

WINZENBURG, LEFF, PURVIS & PAYNE, LLP

Mark K. Payne
MKP/
Over last year and the beginning of this year. The association president, reached out to Darrell Evig, Pub Works Director for the county to do road projects within Silverheels subdivision.

It appears that either mid-summer or early fall, 2019. The Silverheels Ranch Owners associated had their annual meeting to discuss this proposal to their membership, with the knowledge that the property owners would be subject to a special assessment for the road improvement project.

I requested from Darrell a MOU that could be used for the project. I asked for a legal opinion from the Associations president from their legal counsel that the owners association had the authority to levy and collect the recently imposed special assessment(s) for a road improvement project.

I offer the following observations and recommendations about the project and related MOU;

1. Both parties recognize that the MOU instrument is a non-binding agreement.
2. A map, depicting the road to be improved should be attached for clarity.
3. A bank account and accounting to valid that funds are available and can be release as request by Park County.
4. Application of any products should vary, as site conditions change. Those conditions will need to be documented accordingly, using current industry standards.
5. Even thought, there is a condition about start date(s). “Acts –of –God”, situations could and may postpone this project. Both parties must be aware of that and capitulate to that condition.
6. Both parties should be aware, that Pub Works 2020 projects will take priority over this project.
Some observations. No one anticipated COVID-19 and the impacts to our global societies, our states and our county. Currently, Pub Works employees are considered essential personal both Federally and State wise by various executive orders by the President of the United States and the Governor of Colorado.

Park County has issued an order declaring a local state emergency.  

WHEREAS, pursuant to C.R.S. § 24-33.5-709(2), the effect of declaring a local disaster “is to activate the response and recovery aspects of any and all applicable local and interjurisdictional disaster emergency plans and to authorize the furnishing of aid and assistance under such plans”; and

The Silverheels Ranch Owners Association, is made aware by reference to this report that the County’s primary obligation, which includes but is not limited to, PUB Works and its staff, The active declaration. Which supersedes this MOU.

Be aware, that the county will be purchasing material necessary for this project out of its reserves.

I would suggest if at any time during this project, if payment to the county is not made within 72 hours of an invoice or billing. This MOU will be suspended or terminated.

As a side note, now or in the future and action of this type would be best served through a local improvement district and an intergovernmental agreement as the instrument for each party.
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is entered into between and among the Silverheels Ranch Owners Association ("SROA") and BOARD OF COUNTY COMMISSIONERS ("Park County"), on --- ----, 2020.

1. This MOU is intended as a non-binding statement of the parties’ understanding to facilitate the improvement of roads in the Silverheels Ranch subdivision, Fairplay, Colorado.

2. Park County will import road base for the 11.15 miles of road in Silverheels Ranch, on a mile by mile basis. Before any work commences SROA will demonstrate that they have the funds for the agreed upon amount available in an expense account sufficient to cover invoices to be submitted by Park County. As Park County completes each mile of capping and road improvements as described below, SROA has agreed to release $17,000 to Park County with any demonstrated price adjustment necessary per local industry pricing.

3. Park County will add Class 5 aggregate base to the road surfaces, beginning at a pre-determined and agreed upon starting point. Park County will mix the road base with existing clay soils inches using a reclaimer and/or grader, in order to provide an approximate 20 percent clay to road base mixture. Park County will monitor the material to assure proper clay content to provide the best surface possible and will then re-compact and shape the surface to maintain proper cross slope to the ditches per County specifications.

4. Depending on acceptability of the performance of the Terrasil additive, as Park County completes each mile of capping and improvements it will then treat the road with Terrasil to seal the surface from moisture intrusion under supervision of the Terrasil representative. If the parties determine that Terrasil is not effective, Park County will use whichever substance the parties determine to be the best at this time.

5. Park County will repair, replace, or add culverts as needed, culvert markers will also be installed to help prevent future damage. Park County will properly align all ditches and bring them up to County specs.

6. Park County will begin this work in the spring of 2020 and will continue, weather permitting, into the fall with all roads in the Silverheels Ranch subdivision projected to be rebuilt in one mile segments beginning in the spring of 2020.

7. As Park County completes the above-described work on a mile of road, it may certify the same to SROA and provide SROA with an itemized invoice. SROA will pay Park County the submitted invoice amount.

By: ___________________________________________
Silverheels Ranch Owners Association

By: ___________________________________________
BOCC
DECLARATION OF PROTECTIVE COVENANTS

SILVERHEELS RANCH

STATE OF COLORADO
COUNTY OF PARK

KNOW ALL MEN BY THESE PRESENTS:

That whereas the Declarant, Silverheels Partnership, a Colorado Partnership, hereinafter sometimes called Subdivider, is the owner of all tracts in Silverheels Ranch subdivision, situate in the County of Park and State of Colorado.

NOW THEREFORE, in consideration of the acceptance hereof by the several purchasers and grantees (his, her, their or its heirs, executors, administrators, personal representatives, successors and assigns, and all persons or concerns claiming by, through or under such grantees) of deeds to tracts in said tract of land, said Subdivider hereby declares to and agrees with every person who shall be or shall become owner of any of said tracts, in addition to the ordinances of the County of Park, Colorado, shall be and are hereby bound by the covenants set forth in these presents and that the property described in these restrictions shall be held and conveyed subject to and with the benefit and advantage of the following restrictions, limitations, conditions and agreements, to wit:

1. INTENT: It is the intent of these covenants to protect and enhance the future desirability and attractiveness of said property. Restrictions are kept to a minimum while keeping in constant focus the right of property owners to enjoy their property in allotropic surroundings free of nuisances, undue noise, and danger. Further, it is intended that the natural environment be disturbed as little as possible.

2. ARCHITECTURAL CONTROL COMMITTEE:

a. Purposes: To assure, through intelligent architectural control of building design, placement and construction, that Silverheels Ranch shall become and remain an attractive community, and to uphold and enhance property values.

b. Membership: The Architectural Control Committee is composed of three (3) persons appointed by Subdivider; provide, however, that after the erection of five (5) complete dwelling units within the subdivision the owners of said units will elect two (2) members of said committee. Term of membership on the committee is three (3) years, after which time re-elections are held. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor except that Subdivider will be represented on the committee until ninety (90) per cent of the tracts in Silverheels Ranch are sold and until five (5) complete dwellings have been erected, after which all three (3) members will be from the homeowners group. Neither the members of the committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.

c. Authority: No structure, including walls and fences, shall be erected, converted, placed, added to or altered on any lot until the construction plans and specifications to include materials and colors to be used and a plan showing the location of the structure on the lot have been approved in writing by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to other structures planned, to topography and to finished grade elevation. Structural color schemes will be compatible with the natural environment of the subdivision. Natural or earth colors (shades of brown or green or natural wood) are required.
3. DWELLINGS AND LOCATION:

A building permit must be obtained from Park County, prior to con-struction of any structure. The minimum size of the main dwelling shall be 600 square feet unless a minor exception due to architectural design is granted by Subdivider and/or Architectural Control Committee, and the width shall not be less than one-third of the length. All structures must be first approved in writing by the Architectural Control Committee.

On all tracts overlapping the Ridge between Beaver Creek and Crooked Creek, hereinafter referred to as The Ridge, dwellings can be constructed on the east side of The Ridge and eastward only. Building sites on said Ridge to be approved by County Building and Zoning Officer.

Any structure built will conform to Title 6 of Colorado Revised Statutes, 1973, Article 7, Residential Energy Building Conservation Act of 1977, Section 6-7-106 as applies to minimum insulation standard for residential building.

Dwellings will be set back a minimum of fifty (50) feet from front and rear lot lines and thirty (30) feet from side lot lines. For tracts of ten (10) acres or larger setback is a minimum of one hundred (100) feet from all property lines. Exceptions to the setback requirements may be made by the Architectural Control Committee in cases where substantial extenuating circumstances exist provided, however, that any such exceptions must be requested in writing and granted by the Architectural Control Committee in writing. The exterior of each dwelling, or other structure located on any lot, shall be maintained in good repair and passed condition. Exteriors must be of colors to blend with the natural environment. ALL COLORS MUST BE FIRST APPROVED IN WRITING BY SUBDIVIDER OR ARCHITECTURAL CONTROL COMMITTEE.

a. Camper Units and Motor Homes: Must comply with County regulations. No mobile homes will be allowed for permanent use.

b. Exceptions: Set-back requirements as set forth above may be adjusted in cases of topographic limitations or where excessive destruction of trees or foliage would be necessary to comply. Exceptions must be granted in writing by Subdivider or by the Architectural Control Committee, and by Park County (building department).

4. REFUSE AND RUBBISH: Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner, and containers shall be kept in a clean, sanitary condition. No trash, litter or junk shall be permitted to remain exposed upon the premises and visible from public roads or adjoining or nearby premises. Garbage and trash will be taken off the property when campers leave, or be otherwise secured where animals cannot get to it, and trash will not be encouraged to remain in the vicinity of houses and camps. There will be no dumping on any portion of the property.

5. EASEMENTS: Easements for installation and maintenance, utilities, roadways, driveways and such other purposes incident to development of the property are reserved as described or shown on the recorded plat. Such easements will be kept open and readily accessible.

When two flag lots have side by side "flagpoles" only one driveway will be constructed to serve both lots. Tracts fronting on the "flagpole" of any flag lot may use said "flagpole" to achieve access to their lots at any point where their lots front said "flagpole".

6. COMMON AREAS: Common areas are for the enjoyment of all property owners. Individual users should cooperate to police trash and endeavor to maintain said common areas in clean, neat, natural condition in keeping with the spirit and decor of a high-caliber community. All common areas shall be kept open and unfenced. State Game, Fish and Parks Department regulations must be complied with. Subdivider and/or Silverheels Ranch Owners Association reserves right to establish and change fishing policy on common area lakes. Owners of tracts along flood plain common areas may not construct ponds and dams or in any way obstruct the natural flow of water. Any tract or tracts belonging to Park County are not included under terms of common area regulations.
7. **Nuisance:** Nothing shall be done or permitted on any tract which may become a nuisance or annoyance to the neighborhood. No obnoxious or offensive activities shall be carried on upon any tract. Obnoxious behavior on property with motor vehicles, whether from careless driving practice or from excessive noise, is prohibited. Storage of junk or old automobiles on lots is prohibited. Trail bikes, scooters and motor vehicles will be used on approved roads only.

8. **Animals:** Animals may be kept, but should not be left unattended. No stables, corrals or other structure for the housing or feeding of horses or animals other than domestic pets, shall be located or placed on the west side of The Ridge or closer than fifty (50) feet to any lot line or street. Not more than four (4) horses may be kept on any tract without written approval of Subdivider or Architectural Control Committee. Dogs will be kept under control of owners at all times, in compliance with Park County leash laws.

9. **Fences:** Fencing along BLM land or National Forest land must be in accordance with awful regulations. Existing boundary fences will not be removed, but may be reset to conform to staked property lines and/or be rebuilt as necessary. Tract owners purchasing tracts on the outside periphery of the subdivision agree to jointly maintain fences with adjacent owners of private property as and if necessary. All lots on the west boundary of the subdivision that have livestock or horses will be fenced by the lot owner.

10. **Signs:** Subdivider reserves the right to require modification or removal of signs if deemed not in keeping with the area and subdivision decor.

11. **Vehicle Parking:** No vehicles, trailers or vehicular equipment shall be habitually parked along any public road.

12. **Driveways:** Culvert pipe of diameter and length approved by Park County must be used to cross road ditches. Driveway permits must be first obtained from Park County. The County Road Supervisor will advise owner of culvert size needed in area contemplated. (Park County regulations currently require that "Culverts serving private driveways from the county road shall be a minimum of 15" CMP (in diameter) and shall also have a minimum 12 inch cover. Driveway culverts shall extend a minimum of two (2) feet past the edge of the driveway on both ends"). Twenty (20) foot minimum length culvert pipe is recommended. Because too small pipe causes erosion of the road, it is essential that pipe of sufficient diameter be used.

13. **Sewage:** Sewage disposal systems shall comply with the requirements of the State of Colorado and Park County Health Department. State Law prohibits privies and outhouses whether chemical or dug; however, outside vaulted toilets are permitted, when first approved in writing by County Sanitarian. The septic tank or field system shall not be nearer than fifty (50) feet to any tract line except with consent of the appropriate health official of the State or County, and no sewage, waste water, trash, garbage or debris shall be emptied, discharged, or permitted to drain into any body of water in or adjacent to the subdivision. Chemical toilets will not be hooked on Silverheels Ranch property. Property owners, to obtain approval and the necessary permits, must consult with the Park County Sanitarian, Fairplay, Colorado, before installation of sanitation systems. Any systems on The Ridge must have location approval of the County Sanitarian, as no sewage systems are to be located on the west side of The Ridge.

14. **Water:** Water shall be supplied to the subdivision by each individual lot owner drilling his own well. Before a lot purchaser can construct a well on his property, he must obtain a well permit from the Colorado State Engineer's Office in Denver, Colorado. Household use only well permits will be the only types of permits granted for construction of wells on the property. Wells will not be located on the west side of The Ridge.

15. **Firearms:** Discharge of firearms within the subdivision is prohibited.
Ranch Owners Association, hereinafter referred to as SROA. Purchasers absolute right is for every purchaser and owner of a tract or tracts contract, and responsibility for the common areas within the subdivision; maintenance of signs and enforcement of Protective Covenants; to govern any may be determined necessary by the SROA directors. TRACT PURCHASERS UNDERSTANDS AND POLICIES IS A REQUIREMENT CONCERNING WITH TRACT PURCHASE AND DEEDS TO SROA AND FULL COOPERATION WITH SROA DECLARATION, THAT PERIODIC DUES AND/OR FEES WILL BE REQUIRED WHICH MUST TRACTS. Fees will be in accordance with SROA By-Laws. SROA will operate upon property owners in Silverheels Ranch. Examples of SROA responsibilities are: the regulation and enforcement of the terms and conditions of the water augmentation plan and court decree concerning the water rights perfected by the subdivider to provide well points for the subdivision, and to purchase more water if necessary; payment of taxes on community areas; maintenance of community areas and equipment; maintenance of lakes and dams; payments for stocking of lakes with fish; maintenance of common drinking water sources if provided; maintenance of sewage disposal systems if installed; enforcement of Protective Covenants; replacing of signs; surveillance over adjacent development and new County or State lots. Silverheels in order to maintain property owner’s rights and uphold values; helping keep roads open in unusual winters (normally in the responsibility). Subdivider may retain control of and responsibility for the above functions until ninety percent (90%) of all tracts are sold, at which time full responsibility must be vested in the SROA excepting that subdivider may progressively relinquish control to the SROA as indicated by circumstances and in its sole discretion. There will be one vote per tract. Tract(s) belonging to the City of Fairplay and/or Park County are non-assessable and have one vote per tract owner; however they will not enjoy the use of common area facilities. Undeveloped land belonging to subdivider, its heirs, successors or assigns, are non-assessable.

17. RIGHT OF SUBdivider: Subdivider, its successors or assigns, expressly reserves the right:

a. To amend or revoke any protective covenants then in existence, but no such amendment or revocation shall apply to any tracts that are sold prior thereto without the written consent of a majority of the then owners of any such tracts.

b. To enter into agreements with the purchaser of any lot or lots (without the consent of the purchasers of other lots or adjoining or adjacent properties) to deviate from those conditions, restrictions, limitations and agreements herein set forth, and any such deviation which shall constitute a waiver of any of the conditions, restriction, limitation, or agreement as to the remainder of the said subdivision, and the same shall be fully enforceable by the original Subdivider, its successors or assigns on other lots located in the said subdivision and the Grantee of such other lots, except as against the lot where such deviation is permitted.

c. To sell large portions of Silverheels Ranch area land, which may be excluded from the provisions of these covenants, and to place such restrictions thereon as the highest and best use of the land requires, except that Subdivider agrees to provide adequate protection to adjacent tract owners to assure the lasting value and attractiveness of the property, in keeping with the spirit and intent of these covenants.

d. To place special covenants on certain tracts designated by the Subdivider for possible commercial zoning (normally tracts near entrance).

e. To maintain advertising, entrance, safety and directional signs throughout the subdivision.
18. FORM OF COVENANTS: These covenants and restrictions are to run with the land and shall remain in full force and effect for twenty (20) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the tracts has been recorded, changing said covenants in whole or part.

19. ENFORCEMENT: Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. Subdivider further reserves the right, whenever there shall have been an obvious violation of one or more of the provisions of these covenants, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the owner and such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation, restriction, or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior to or subsequent thereto and shall not alter or affect its enforcement. The invalidation by any court of a restriction herein contained shall not in any way affect any of the other restrictions but they shall remain in full force and effect. Property owners in Silverheels Ranch expressly agree to abide by injunctions, without necessity of bond, in order to simplify judicial proceedings to remedy covenant violations. In addition, if judicial action is necessary to prohibit a covenant violation and a violation is established, the violator(s) shall pay all costs of the enforcement proceedings, including attorneys fees. The failure to enforce any right, reservation, restriction, or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement. The invalidation by any court of any restriction herein contained shall not in any way affect any of the other restrictions but they shall remain in full force and effect.

20. SUBDIVIDER MAY ASSIGN: Silverheels Partnership may assign any and all of its rights, powers, obligations and privileges under this instrument to any other corporation, association or person.

SILVERHEELS PARTNERSHIP,
(a Colorado Partnership)

[Signature]
Kenneth H. Barber, Partner

[Signature]
William W. Poliozon, Partner

STATE OF COLORADO
County of

The foregoing statement was acknowledged before me this day of ___, 1979, by Kenneth H. Barber and William W. Poliozon, Partners, Silverheels Partnership, a Colorado Partnership.

Witness my hand and official seal. My commission expires: ___/___/___

Notary Public
The following paragraph is added in whole to No. 14, entitled WATER of Silverheels Ranch Owners Association Declaration of Protective Covenants by a vote of a majority of SROA members on September 11, 1999 and duly recorded with the Park County Clerk and Recorder in accordance with the terms and conditions of the decree Case No. 97CW370:

"Silverheels Ranch Subdivision consists of approximately 1,486 acres located in parts of Sections 21, 22, 27, and 28 in Township 9 South, Range 77 West, 6th P.M. in Park County. At full build-out Silverheels Ranch will be comprised of 201 single family residential lots. The augmentation plan decreed in Case No. W-9358-78 limiting well water to in house use is amended by Case No. 97CW370 to provide for additional uses including a combination of irrigation and/or stockwatering. Each lot owner may choose one of three scenarios on an annual basis as described below:

1. irrigation of up to 945 square feet per lot and no stockwatering
2. the stockwatering up to the equivalent of two horses and irrigation of up to 140 square feet per lot
3. a combination of the stockwatering equivalent of one horse and lawn and/or garden irrigation of up to 540 square feet.

Each of the three scenarios is limited to a consumptive use not to exceed 0.026 acre-feet per year per lot assuming an irrigation efficiency of 80% and a consumptive irrigation requirement of 1.2 acre-feet per acre. Stockwatering will be approximately 10 gallons per day per horse equivalent with a consumptive use rate of 100%. Annual consumptive use will be approximately 0.011 acre-feet per horse equivalent. Individual lot owners may elect to restrict their use to one of the three scenarios described above or to a metered limit of approximately 0.026 acre-feet of consumptive use x the number of lots owned per owner, so long as the total consumptive use for Silverheels Ranch Subdivision does not exceed approximately 5.28 acre-feet per year. Individual lot owners choosing to meter their water use will do so at their own expense and comply with reporting and use requirements. Replacement of depletions will vary depending on the number of lots irrigating and/or stockwatering. The number of lots falling under each category will be determined by an annual survey and recorded on an acceptable accounting form. Silverheels Ranch Owners Association (SROA) will provide a written means of reporting annual outdoor water usage to each lot owner. Each lot owner is required to report to SROA on an annual basis actual or projected specified outdoor water usage as decreed in Case No. 97CW370 on a schedule and accounting form as determined by SROA and the Colorado Division Engineer for Water Division 1, the administrator of both decrees Case No. W-9358-78 and 97CW370. Sanctions may be imposed on individual lot owners by both SROA and the Division Engineer for noncompliance with the terms and conditions in both decrees."
DECLARATION OF PROTECTIVE COVENANTS

SILVERHEELS RANCH

STATE OF COLORADO

) ss.

COUNTY OF PARK

KNOW ALL MEN BY THESE PRESENTS:

That whereas the Declarant, Silverheels Partnership, a Colorado Partnership, hereinafter sometimes called Subdivider, is the owner of all tracts in Silverheels Ranch subdivision, situate in the County of Park and State of Colorado.

NOW THEREFORE, in consideration of the acceptance hereof by the several purchasers and grantees (his, her, their or its heirs, executors, administrators, personal representatives, successors and assigns, and all persons or concerns claiming by, through or under such grantees) of deeds to tracts in said tract of land, said Subdivider hereby declares to and agrees with each and every person who shall be or shall become owner of any of said tracts, in addition to the ordinances of the County of Park, Colorado, shall be and are hereby bound by the covenants set forth in these presents and that the property described in these restrictions shall be held and enjoyed subject to and with the benefit and advantage of the following restrictions, limitations, conditions and agreements, to wit:

1. INTENT: It is the intent of these covenants to protect and enhance the value, desirability and attractiveness of said property. Restrictions are kept to a minimum while keeping in constant focus the right of property owners to enjoy their property in attractive surroundings free of nuisances, undue noise, and danger. Further, it is intended that the natural environment be disturbed as little as possible.

2. ARCHITECTURAL CONTROL COMMITTEE:
   a. Purpose: To assure, through intelligent architectural control of building design, placement and construction, that Silverheels Ranch shall become and remain an attractive community, and to uphold and enhance property values.
   
   b. Membership: The Architectural Control Committee is composed of three (3) persons appointed by Subdivider; provided, however, that after the erection of five (5) complete dwelling units within the subdivision the owners of said units will elect two (2) members of said committee. Term of membership on the committee is three (3) years, after which time re-elections are held. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor except that Subdivider will be represented on the committee until ninety (90) per cent of the tracts in Silverheels Ranch are sold and until five (5) complete dwellings have been erected, after which all three (3) members will be from the homeowners group. Neither the members of the committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant.
   
   c. Authority: No structure, including walls and fences, shall be erected, converted, placed, added to or altered on any lot until the construction plans and specifications to include materials and colors to be used and a plan showing the location of the structure on the lot have been approved in writing by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to other structures planned, to topography and to finished grade elevation. Structural color schemes will be compatible with the natural environment of the subdivision. Natural or earth colors (shades of brown or green or natural wood) are required.
3. DWELLINGS AND LOCATION:

A building permit must be obtained from Park County, prior to construction of any structure. The minimum size of the main dwelling shall be 600 square feet unless a minor exception due to architectural design is granted by Subdivider and/or Architectural Control Committee, and the width shall not be less than one-third of the length. All structures must be first approved in writing by the Architectural Control Committee.

On all tracts overlapping the Ridge between Beaver Creek and Crooked Creek, hereinafter referred to as The Ridge, dwellings can be constructed on the crest of The Ridge and eastward only. Building sites on said Ridge to be approved by County Building and Zoning officer.

Any structure built will conform to Title 6 of Colorado Revised Statutes, 1973, Article 7, Residential Energy Building Conservation Act of 1977, Section 6-7-106 as applies to minimum insulation standard for residential building.

Dwellings will be set back a minimum of fifty (50) feet from front and rear lot lines and thirty (30) feet from side lot lines. For tracts of ten (10) acres or larger setback is a minimum of one hundred (100) feet from all property lines. Exceptions to the setback requirements may be made by the Architectural Control Committee in cases where substantial extenuating circumstances exist provided, however, that any such exceptions must be requested in writing and granted by the Architectural Control Committee in writing. The exterior of each dwelling, or other structure located on any lot, shall be maintained in good repair and painted condition. Exteriors must be of colors to blend with the natural environment.

ALL COLORS MUST BE FIRST APPROVED IN WRITING BY SUBDIVIDER OR ARCHITECTURAL CONTROL COMMITTEE.

a. Camper Units and Motor Homes: Must comply with County regulations. No mobile homes will be allowed for permanent use.

b. Exceptions: Set-back requirements as set forth above may be adjusted in cases of topographic limitations or where excessive destruction of trees or foliage would be necessary to comply. Exceptions must be granted in writing by Subdivider or by the Architectural Control Committee, and by Park County (building department).

4. REFUSE AND RUBBISH: Rubbish, garbage or other waste shall be kept and disposed of in a sanitary manner, and containers shall be kept in a clean, sanitary condition. No trash, litter or junk shall be permitted to remain on premises and visible from public roads or adjoining or nearby premises. Garbage and trash will be taken off the property when campers leave, or be otherwise secured where animals cannot get to it, and thus will not be encouraged to remain in the vicinity of houses and camps. There will be no dumping on any portion of the property.

5. EASEMENTS: Easements for installation and maintenance, utilities, roadways, driveways and such other purposes incidental to development of the property are reserved as described or shown on the recorded plat. Such easements will be kept open and readily accessible.

When two flag lots have side by side "flagpoles" only one driveway will be constructed to serve both lots. Tracts fronting on the "flagpole" of any flag lot may use said "flagpole" to achieve access to their lots at any point where their lots fronts said "flagpole".

6. COMMON AREAS: Common areas are for the enjoyment of all property owners. Individual users should cooperate to police trash and endeavor to maintain said common areas in clean, neat, natural condition in keeping with the spirit and decor of a high-caliber community. All common areas shall be kept open and unfenced. State Game, Fish and Parks Department regulations must be complied with. Subdivider and/or Silverheels Ranch Owners Association reserves right to establish and change fishing policy on common area lakes. Owners of tracts along flood plain easements may not construct ponds and dams or in any way obstruct the natural flow of water. Any tract or tracts belonging to Park County
7. **NUISANCE**: Nothing shall be done or permitted on any tract which may be or become an annoyance or nuisance to the neighborhood. No obnoxious or offensive activities shall be carried on upon any tract. Obnoxious behavior on property with motor vehicles, whether from careless driving practice or from excessive noise, is prohibited. Storage of junk or old automobiles on lots is prohibited. Trail bikes, scooters and motor vehicles will be used on approved roads only.

8. **ANIMALS**: Animals may be kept, but should not be left unattended. No stables, corrals or other structure for the housing or feeding of horses or animals other than domestic pets, shall be located or placed on the west side of The Ridge or closer than fifty (50) feet to any lot line or street. Not more than four (4) horses may be kept on any tract without written approval of Subdivider or Architectural Control Committee. Dogs will be kept under control of owners at all times, in compliance with Park County leash laws.

9. **FENCES**: Fencing along BLM land or National Forest land must be in accordance with lawful regulations. Existing boundary fences will not be removed, but may be reset to conform to staked property lines and/or be rebuilt as necessary. Tract owners purchasing tracts on the outside periphery of the subdivision agree to jointly maintain fences with adjacent owners of private property as and if necessary. All lots on the west boundary of the subdivision that have livestock or horses will be fenced by the lot owner.

10. **SIGNS**: Subdivider reserves the right to require modification or removal of signs if deemed not in keeping with the area and subdivision decor.

11. **VEHICLE PARKING**: No vehicles, trailers or vehicular equipment shall be habitually parked along any public road.

12. **DRIVEWAYS**: Culvert pipe of diameter and length approved by Park County must be used to cross road ditches. Driveway permits must be first obtained from Park County. The County Road Supervisor will advise owner of culvert size needed in area contemplated. (Park County regulations currently require that "Culverts serving private driveways from the county road shall be a minimum of 15" CHP (in diameter) and shall also have a minimum 12 inch cover. Driveway culverts shall extend a minimum of two (2) feet past the edge of the driveway on both ends.".) Twenty (20) foot minimum length culvert pipe is recommended. Because too small pipe causes erosion of the road, it is essential that pipe of sufficient diameter be used.

13. **SEWAGE**: Sewage disposal systems shall comply with the requirements of the State of Colorado and Park County Health Department. State Law prohibits privies and outhouses whether chemical or dug; however, outside vaulted toilets are permitted, when first approved in writing by County Sanitarian. The septic tank or field system shall not be nearer than fifty (50) feet to any tract line except with consent of the appropriate health official of the State or County, and no sewage, waste water, trash, garbage or debris shall be emptied, discharged, or permitted to drain into any body of water in or adjacent to the subdivision. Chemical toilets will not be dumped on Silverheels Ranch property. Property owners, to obtain approval and the necessary permits, must consult with the Park County Sanitarian, Fairplay, Colorado, before installation of sanitation systems. Any systems on The Ridge must have location approval of the County Sanitarian, as no sewage systems are to be located on the west side of The Ridge.

14. **WATER**: Water shall be supplied to the subdivision by each individual lot owner drilling his own well. Before a lot purchaser can construct a well on his property, he must obtain a well permit from the Colorado State Engineer's Office in Denver, Colorado. Household use only well permits will be the only types of permits granted for construction of wells on the property. Wells will not be located on the west side of The Ridge.

15. **FIREARMS**: Discharge of firearms within the subdivision is prohibited.
16. **SILVERHEELS RANCH OWNERS ASSOCIATION (SROA):** Purchasers of tracts in Silverheels Ranch automatically become members of the Silverheels Ranch Owners Association, hereinafter referred to as SROA. Purchasers of tracts understand that membership in and full support of SROA is an absolute prerequisite for every purchaser and owner of a tract or tracts in Silverheels Ranch. The purposes of SROA are to assume ownership and control of, and responsibility for the common areas within the subdivision; to provide surveillance over the property, to include, but not limited to maintenance of signs and enforcement of Protective Covenants; to govern Silverheels Ranch as required; and to attend to such other matters as may be determined necessary by the SROA Directors. TRACT PURCHASERS UNDERSTAND THAT PAYMENT OF DUES TO SROA AND FULL COOPERATION WITH SROA DECISIONS AND POLICIES IS A REQUIREMENT CONCURRENT WITH TRACT PURCHASE AND OWNERSHIP; THAT PERIODIC DUES AND/OR FEES WILL BE REQUIRED WHICH MUST BE PROMPTLY PAID, AND THAT NON-PAYMENT OF SUCH DUES OR FEES WILL CAUSE A RECORDED LIEN TO BE PLACED AGAINST THE DEFAULTING MEMBER'S TRACT OR TRACTS. Fees will be in accordance with SROA By-Laws. SROA will operate as a non-profit organization, its books may be examined at all reasonable times by property owners, and Rules and By-Laws separate from these Protective Covenants will be provided each purchaser prior to purchase of his tract. SROA will not create unreasonable burden, requirements, or costs upon property owners in Silverheels Ranch. Examples of SROA responsibilities are: the regulation and enforcement of the terms and conditions of the water augmentation plan and court decree concerning the water rights perfected by the subdivider to provide well permits for the subdivision, and to purchase more water if necessary; payment of taxes on community areas; maintenance of community areas and equipment; maintenance of lakes and dams; payments for stocking of lakes with fish; maintenance of common drinking water sources if provided; maintenance of sewage dump station if installed; enforcement of Protective Covenants; surveillance over property to prevent theft or vandalism, repainting or replacing of signs; surveillance over adjacent development and new County or State laws in order to maintain property owner's rights and uphold values; helping keep roads open in unusual winters (normally a County responsibility). Subdivider may retain control of and responsibility for above functions until ninety percent (90%) of all tracts are sold, at which time full responsibility must be vested in the SROA excepting that subdivider also may progressively relinquish control to the SROA as indicated by circumstances and in its sole discretion. There will be one vote per tract. Tract(s) belonging to the City of Fairplay and/or Park County are non-assessable and have one vote per tract owned; however they will not enjoy the use of common area facilities. Unsold tracts belonging to subdivider, its heirs, successors or assigns, are non-assessable.

17. **RIGHT OF SUBDIVER:** Subdivider, its successors or assigns, expressly reserves the right:

a. To amend or revoke any protective covenants then in existence, but no such amendment or revocation shall apply to any tracts that are sold prior thereto without the written consent of a majority of the then owners of any such tracts.

b. To enter into agreements with the purchaser of any lot or lots (without the consent of the purchasers of other lots or adjoining or adjacent property) to deviate from those conditions, restrictions, limitations and agreements herein set forth, and any such deviation which shall be manifested by agreements in writing shall not constitute a waiver of any such condition, restriction, limitation, or agreement as to the remaining lots in said subdivision, and the same shall remain fully enforceable by the original Subdivider, his successors or assigns on all other lots located in the said subdivision and the grantees of such other lots, except as against the lot where such deviation is permitted.

c. To sell large portions of Silverheels Ranch area land, which may be excluded from the provisions of these covenants, and to place such restriction thereon as the highest and best use of the land requires, except that Subdivider agrees to provide adequate protection to adjacent tract owners to assure the lasting value and attractiveness of their property, in keeping with the spirit and intent of these covenants.

d. To place special covenants on certain tracts designated by the Subdivider for possible commercial zoning (normally tracts near entrance).

e. To maintain advertising, entrance, safety and directional signs throughout the subdivision.
18. **TERM OF COVENANTS:** These covenants and restrictions are to run with the land and shall remain in full force and effect for twenty (20) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of the tracts has been recorded, changing said covenants in whole or part.

19. **ENFORCEMENT:** Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain violation or to recover damages. Subdividers further reserve the right, whenever there shall have been an obvious violation of one or more of the provisions of these covenants, to enter upon the property where such violation exists and summarily abate or remove the same at the expense of the owner and such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation, restriction, or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior to or subsequent thereto and shall not alter or affect its enforcement. The invalidation by any court of a restriction herein contained shall not in any way affect any of the other restrictions but they shall remain in full force and effect. Property owners in Silverheels Ranch expressly agree to abide by injunctions, without necessity of bond, in order to simplify judicial proceedings to remedy covenant violations. In addition, if a judicial action is necessary to prohibit a covenant violation and a violation is established, the violator(s) shall pay all costs of the enforcement proceeding, including attorneys fees. The failure to enforce any right, reservation, restriction, or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior to or subsequent thereto and shall not bar or affect its enforcement. The invalidation by any court of any restriction herein contained shall not in any way affect any of the other restrictions but they shall remain in full force and effect.

20. **SUBDIVIDER MAY ASSIGN:** Silverheels Partnership may assign any and all of its rights, powers, obligations and privileges under this instrument to any other corporation, association or person.

SILVERHEELS PARTNERSHIP,
(a Colorado Partnership)

[Signature]
Kenneth H. Barber, Partner

[Signature]
William W. Poleson, Partner

STATE OF COLORADO)

) ss.

County of

The foregoing statement was acknowledged before me this 26th day of October, 1979, by Kenneth H. Barber and William W. Poleson, Partners, Silverheels Partnership, a Colorado Partnership.

Witness my hand and official seal.
My commission expires: 10/26/81

[Signature]
Notary Public
Call to Order: The meeting was called to order by Board President Jackie Burghardt at 9:31 a.m. Secretary/Treasurer Mike Peterson reported a quorum was established with 41 members and 40 proxies submitted for a total of 81 lots represented. (Note: An additional 14 members signed in later and 1 additional proxy was received to bring the total number of lots represented to 96).

The 2018 Annual Meeting Minutes were approved as written.

Jackie announced that we would move away from the order on the Agenda to accommodate our guest speakers.

1st Guest Speaker: David Shipley from South Park Telephone was our first guest speaker, providing us with an update on our Broadband project. The application to the State Broadband Fund has been submitted and we have until September 16th to post comments on the state website for the board who will look at our application. After the application is approved, there will be a 60-day comment period for other service providers to match or challenge our application. If nothing else occurs, the application will be approved and monies awarded by the end of the year. Mr. Shipley stated the work would begin early next year, with the goal of having the service in place by Summer 2020.

2nd Guest Speaker: Our second guest speaker was Darrell Evig, Director of Public Works for Park County. Darrell provided more information on the process they will apply to our roads, and directed people to see the work already done on Sawmill Lane as an example. The regrading they did on Silverheels Road seems to be holding up and their work will continue on the culverts and ditches. Mr. Evig had to leave for other commitments so was not able to answer questions from the members.

Treasurer Report on 2018-2019 Budget and Proposed 2019-2020 Budget: Treasurer Mike Peterson presented a review of the 2019 SROA Balance Sheet, reporting total assets of $39,296.57 in the bank accounts, and $471.13 in outstanding dues from 6 lot owners still not paid, for a total Assets balance of $39,767.70. Mike reported there were no outstanding liabilities for 2019. Mike then review the 2018-19 Budget, explaining some savings were realized from not providing the Port-o-let at the Augmentation pond this year, and no newsletter printing expenses. The expenses related to the Broadband project of $2,500 donation toward Broadband consulting and $155.80 for printing materials mailed out to the membership were the items that put the total budget for 2019 in the red at $(1,670.34).

Mike then presented the proposed 2019-2020 Budget for approval, highlighting projected income of $8,191.73 and total expenses to be $23,944.00, which includes the $17,500 in funds dedicated to the Broadband Project, which will not be realized if the project is not approved.

A Motion to approve the 2019-2020 Proposed Budget as presented was made and seconded, and was approved by a unanimous vote of the membership.

SROA Committee Reports:

- Architectural Control Committee: Committee Member Todd Scholl reported there were 2 new build applications in the past year, with only one property moving forward. 2 new roof replacements, 3 repaints, 2 new fences and one permit to replace a foundation on an existing home.
- Maintenance Committee: Allen Pederson reported his activities were busy with repair and replacement of signage at both ponds and the continued picking up of other people’s trash along Silverheels Road.
- Website: Mike Peterson reported the website is still being maintained but needs to be rebuilt to accommodate all the new viewing platforms out there such as iPod and tablets, according to GoDaddy. Mike will do more research and take action if necessary.
- Fish Stocking: Mike Peterson reported the Augmentation Pond was stocked twice with over 200 lbs. of fish, and there was very little feedback regarding not putting the port-o-let at the small pond.
- Directory: Jackie Burghardt explained the volunteer SROA Directory to everyone and requested people review the copy we brought for any updates, and complete the sign-up sheets for anyone who wanted to participate.
Roads Committee: Roads Improvement Discussion and Vote on Special Assessment:
The Question to be voted on presented to the membership states:

*Shall the SROA members approve a Special Assessment of $1,000 per lot, with $500 payable on December 15, 2019 and $500 payable on March 15, 2020 for the purpose of purchasing road-base to assist the County in improving the 11.15 miles of dirt roads in our subdivision?*

The discussion on the Special Assessment for Roads opened with Roads Committee Members Steve Josepho and Laura Biewick there to answer questions from the membership.
SROA Member Pat Cote presented an objection to the entire process, stating she did not receive the information 30 days prior to the meeting as required by the covenants. Mike Peterson reported that he mailed the documentation to every property owner well in advance of the 30 days, but could not speak to when the Post Office date stamped the mailings.
Questions about how the project would be approved by the county were raised by many members, with some people asking if we needed to get Commissioners approval. Steve Josepho stated they were working directly with Darrell Evig and had not spoken to the commissioners.
SROA member Tom Barrett proposed an amendment to the Question:

_“Shall the SOA members approve a Special Assessment of $500 per lot, with $250 payable on Dec 15, 2019 and $250 payable on Mar 15, 2020 for the purpose of purchasing road-base to assist the County in improving the 11.15 miles of dirt road in our subdivision?”_

Discussion regarding this amended question ensued and it was determined that it would be inappropriate to change the question at this time and thereby exclude all the proxy votes submitted on the original question. Additionally, the covenant requirement of 30 days prior notice could not be met and all members would not have the same basis to vote.
After more discussion, Tom Barrett rescinded his amendment to the Question.
SROA member Andrea Haller made a motion to increase dues to $100/yr. Steve Josepho seconded. Board President explained this type of issue has to be noticed to membership 30 days ahead of the meeting, so it was tabled to be raised at next year’s meeting.
After more discussion, and a last call for comments went unanswered, Jackie called for the vote on the question as presented on the ballot and the proxies. The ballot questions passed 49 for and 45 against. All votes were counted by SROA members Mike Peterson, Harlan Steuven and Jim Burghardt

**Election of Board of Directors/Board Alternate:** Jackie announced there were 2 Board of Directors positions with completed two-year terms by Mike Peterson and Tom Nourse. In addition, the one-year term for Board Alternate Laura Biewick was up for re-election.
Nominations from the floor were opened and Mike Peterson and Laura Biewick were the only 2 people nominated for the vacant Board of Directors positions. As there were only 2 people nominated for the 2 open positions, the membership elected these two people onto the Board by Acclamation.
Nominations from the floor were opened for the Board Alternate position. Member Zachary Matthews was the only person nominated from the floor. As there was only 1 candidate nominated, the membership elected Zachary Matthews to the Board Alternate position by acclimation.

Adjournment: The meeting was adjourned by Jackie Burghardt at 12:35 p.m.