



IGNACIO TOWN BOARD MEETING AGENDA
Monday, March 13, 2023 – 6:00 PM
Abel F. Atencio Community Room, 570 Goddard Avenue
or via Remote Public Meeting

The remote meeting is hosted by Zoom and requires Attendees to login to the Zoom meeting website at the following address: <https://us06web.zoom.us/j/81946360527>, or Attendees wishing to participate by phone shall call: [346-248-7799](tel:346-248-7799) and key in Webinar ID Number: [819 4636 0527](tel:819-4636-0527).

*There is a Zoom Etiquette file on the Town website that details how Zoom meetings work and what is expected of Attendees. All Attendees will be able to hear and/or see the Town Board meeting. Attendees will be muted until the Mayor takes Attendee comments. Attendees wanting to comment must click on the "Raised Hand" tab at the bottom of the screen, or callers will have to enter *9. The Mayor will acknowledge which Attendee is to speak (by name or phone number) and the meeting host will allow them to speak. The meeting host will unmute the Attendee (or notify the Attendee if they need to unmute themselves by entering *6). The Attendee shall first provide their name and address before they begin their comments. Failure to follow directions or maintain meeting decorum will result in the muting of your connection.*

- I. CALL REGULAR MEETING TO ORDER:** Pledge of Allegiance
- II. ROLL CALL**
- III. APPROVAL OF AGENDA**
- IV. PUBLIC COMMENTS:** *The Town Board values public comment and allows this time for citizens to voice their thoughts and concerns. The Mayor will open the comment period and prior to addressing the Board, state your name and address, and limit your comments to five (5) minutes. Meeting decorum will be maintained and failure to maintain composure and respect will result in the closure of your comment period. The Town Board and/or staff may respond to your comments or take your comments under advisement. Please do not comment on items listed on the Agenda, as opportunity will be given to comment during these discussions. Thank you.*
- V. CONSENT AGENDA**
 - A. Regular Town Board Meeting Minutes from February 13, 2023
 - B. Financial Records – February 2023 Accounting Reports
- VI. UNFINISHED BUSINESS**
 - A. Natural Gas Rate Update
- VII. NEW BUSINESS**
 - A. Homes Fund – Rock Creek Services Contract
 - B. Dancing Spirits Community Arts Center REDI Grant Support
 - C. Congressionally Directed Spending – SUIT Rock Creek Request
 - D. ELHI Lease Purchase Agreement Discussion
- VIII. STAFF REPORTS**
 - A. Police Department
 - B. Public Works
 - C. Clerk / Treasurer
 - D. Town Manager
 - E. Attorney
- IX. TRUSTEE REPORTS**
- X. MISCELLANEOUS**
- XI. ADJOURNMENT**

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Report ID: AP300

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
-97792	E	893 AT&T	434.20	02/01/23		CL 16501	434.20
-97791	E	974 LA PLATA ELECTRIC ASSN INC	2130.29	02/01/23		CL 16508	2130.29
-97790	E	845 HOME DEPOT CREDIT SERVICES	492.86	02/01/23		CL 16516	492.86
-97789	E	1246 Timberdale Firearms Co.	1010.00	02/15/23		CL 16550	1010.00
6494 *	S	53 AUTO PARTS INC	215.88	02/01/23		CL 16521	215.88
6495	S	65 BASIN COOP	556.00	02/01/23		CL 16519	556.00
6496	S	99 C & J GRAVEL PRODUCTS INC	979.66	02/01/23		CL 16512	979.66
6497	S	121 CIRSA	17.15	02/01/23		CL 16505	17.15
6498	S	908 HEART SAFE LA PLATA	120.00	02/01/23		CL 16517	120.00
6499	S	756 HONNEN EQUIPMENT	112.60	02/01/23		CL 16513	112.60
6500	S	1031 JUST CLICK PRINTING INC	651.69	02/01/23		CL 16520	651.69
6501	S	1244 Kissinger & Fellman, P.C.	640.50	02/01/23		CL 16514	640.50
6502	S	1046 LAW OFFICE OF DAVID LIBERMAN	1054.50	02/01/23		CL 16515	1054.50
6503	S	1035 LEXIPOL LLC	2452.52	02/01/23		CL 16509	2452.52
6504	S	1087 MARK GARCIA - GOV-PLUS LLC	6600.00	02/01/23		CL 16522	6600.00
6505	S	1172 Short Elliott Hendrickson, Inc.	323.45	02/01/23		CL 16510	323.45
6506	S	600 SOUTHERN UTE UTILITIES DIVISION	165402.18	02/01/23		CL 16504	165402.18
6507	S	1068 STATEWIDE INTERNET PORTAL AUTHORITY	1617.00	02/01/23		CL 16507	1617.00
6508	S	1218 Ted's Rental	1366.34	02/01/23		CL 16511	1366.34
6509	S	692 WALKER DO IT BEST HARDWARE	82.16	02/01/23		CL 16506	82.16
6516 *	S	91 BRENNAN OIL COMPANY	133.65	02/15/23		CL 16530	133.65
6517	S	1187 Cardmember Service (TBK Bank)	12728.10	02/15/23		CL 16523	165.97
						CL 16524	178.51
						CL 16525	206.70
						CL 16526	245.25
						CL 16527	814.11
						CL 16528	124.01
						CL 16529	108.78
						CL 16551	540.21
						CL 16552	569.41

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TOWN OF IGNACIO
Check Register for Checking
For the Accounting Period: 2/23

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Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
						CL 16553	2274.60
						CL 16554	52.20
						CL 16555	466.30
						CL 16556	1125.58
						CL 16557	588.33
						CL 16558	5268.14
6518	S	918 CCNC	100.00	02/15/23	_____	CL 16543	100.00
6519	S	971 FASTTRACK COMMUNICATIONS INC	127.22	02/15/23	_____	CL 16541	127.22
6520	S	257 FOUR CORNERS WELDING & GAS SUPPLY	7.00	02/15/23	_____	CL 16531	7.00
6521	S	263 GALLS, LLC.	63.29	02/15/23	_____	CL 16537	63.29
6522	S	981 HI PERFORMANCE CARWASH LLC	11.36	02/15/23	_____	CL 16540	11.36
6523	S	873 IGNACIO CHAMBER OF COMMERCE	120.00	02/15/23	_____	CL 16533	120.00
6524	S	1130 IMAGENET CONSULTING LLC	7351.67	02/15/23	_____	CL 16532	451.67
						CL 16542	6900.00
6525	S	1244 Kissinger & Fellman, P.C.	61.00	02/15/23	_____	CL 16547	61.00
6526	S	894 KRISTIN ROEHRS	406.25	02/15/23	_____	CL 16559	406.25
6527	S	1245 La Plata County Treasurer	889.76	02/15/23	_____	CL 16539	889.76
6528	S	1019 La Plata Economic Development Alliance	1400.00	02/15/23	_____	CL 16535	1400.00
6529	S	590 SAN JUAN BASIN HEALTH DEPARTMENT	35.00	02/15/23	_____	CL 16548	35.00
6530	S	600 SOUTHERN UTE UTILITIES DIVISION	157326.80	02/15/23	_____	CL 16546	157326.80
6531	S	730 SOUTHWEST AG	71.75	02/15/23	_____	CL 16536	71.75
6532	S	675 UTILITY NOTIFICATION CENTER OF CO	5.16	02/15/23	_____	CL 16534	5.16
Total for Claim Checks			367096.99				
Count for Claim Checks				37			

* denotes missing check number(s)

of Checks: 37 Total: 367096.99

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TOWN OF IGNACIO
Fund Summary for Claim Check Register
For the Accounting Period: 2/23

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Fund/Account	Amount
100 GENERAL FUND	
110230	\$43,585.20
300 CAPITAL IMPROVEMENT FUND	
110230	\$323.45
610 WATER FUND	
110230	\$8,182.80
620 GAS FUND	
110230	\$284,953.78
630 SEWER FUND	
110230	\$30,024.52
640 IRRIGATION FUND	
110230	\$27.24
Total:	\$367,096.99

TOWN OF IGNACIO

2022			2023	331310		% up/down			% up/down
City Sales Tax	Month	Year-To-Date	City Sales Tax	Month	Difference	from PYM	Year-To-Date	Difference	from PYT
Jan		0.00	1 Jan	50,873.14	50,873.14	#DIV/0!	50,873.14	50,873.14	#DIV/0!
Feb		0.00	2 Feb	59,491.23	59,491.23	#DIV/0!	110,364.37	110,364.37	#DIV/0!
Mar		0.00	3 Mar		0.00	#DIV/0!	110,364.37	110,364.37	#DIV/0!
Apr		0.00	4 Apr		0.00	#DIV/0!	110,364.37	110,364.37	#DIV/0!
May		0.00	5 May		0.00	#DIV/0!	110,364.37	110,364.37	#DIV/0!
June		0.00	6 Jun		0.00	#DIV/0!	110,364.37	110,364.37	#DIV/0!
July		0.00	7 Jul		0.00	#DIV/0!	110,364.37	110,364.37	#DIV/0!
Aug		0.00	8 Aug		0.00	#DIV/0!	110,364.37	110,364.37	#DIV/0!
Sept		0.00	9 Sep		0.00	#DIV/0!	110,364.37	110,364.37	#DIV/0!
Oct		0.00	10 Oct		0.00	#DIV/0!	110,364.37	110,364.37	#DIV/0!
Nov		0.00	11 Nov		0.00	#DIV/0!	110,364.37	110,364.37	#DIV/0!
Dec		0.00	12 Dec						#DIV/0!
City Total	0.00		City Total	110,364.37					#DIV/0!
2022 BUDGET		460,000.00	2023 BUDGET					500,000.00	

2022			2023	331330		% up/down			% up/down
County Sales Tax	Month	Year-To-Date	County Sales Tax	Month	Difference	from PYM	Year-To-Date	Difference	from PYT
Jan		0.00	1 Jan	97,118.00	97,118.00	#DIV/0!	97,118.00	97,118.00	#DIV/0!
Feb		0.00	2 Feb	115,286.00	115,286.00	#DIV/0!	212,404.00	212,404.00	#DIV/0!
Mar		0.00	3 Mar		0.00	#DIV/0!	212,404.00	212,404.00	#DIV/0!
Apr		0.00	4 Apr		0.00	#DIV/0!	212,404.00	212,404.00	#DIV/0!
May		0.00	5 May		0.00	#DIV/0!	212,404.00	212,404.00	#DIV/0!
Jun		0.00	6 Jun		0.00	#DIV/0!	212,404.00	212,404.00	#DIV/0!
Jul		0.00	7 Jul		0.00	#DIV/0!	212,404.00	212,404.00	#DIV/0!
Aug		0.00	8 Aug		0.00	#DIV/0!	212,404.00	212,404.00	#DIV/0!
Sep		0.00	9 Sep		0.00	#DIV/0!	212,404.00	212,404.00	#DIV/0!
Oct		0.00	10 Oct		0.00	#DIV/0!	212,404.00	212,404.00	#DIV/0!
Nov		0.00	11 Nov						#DIV/0!
Dec		0.00	12 Dec						#DIV/0!
County Total	0.00		County Total	212,404.00					#DIV/0!
2022 BUDGET		1,000,000.00	2023 BUDGET					1,100,000.00	

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TOWN OF IGNACIO
Cash Report
For the Accounting Period: 2/23

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Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
100 GENERAL FUND						
110100 Petty Cash	100.00	0.00	0.00	0.00	0.00	100.00
110230 Operating Account	-134,340.98	351,782.37	145.14	187.74	161,413.77	55,985.02
110250 Savings Account	245,743.69	21.95	0.00	70,000.00	0.00	175,765.64
110270 Investment Account	1,657,605.54	5,686.69	0.00	0.00	0.00	1,663,292.23
Total Fund	1,769,108.25	357,491.01	145.14	70,187.74	161,413.77	1,895,142.89
300 CAPITAL IMPROVEMENT FUND						
110230 Operating Account	230,306.39	29,745.62	0.00	0.00	323.45	259,728.56
110270 Investment Account	436,576.10	1,589.46	0.00	0.00	0.00	438,165.56
Total Fund	666,882.49	31,335.08			323.45	697,894.12
400 CONSERVATION TRUST FUND						
110230 Operating Account	11,638.51	0.00	0.00	0.00	0.00	11,638.51
110270 Investment Account	78,744.40	286.68	0.00	0.00	0.00	79,031.08
Total Fund	90,382.91	286.68				90,669.59
500 ECONOMIC DEVELOPMENT FUND						
110230 Operating Account	49,138.98	0.00	0.00	0.00	0.00	49,138.98
110270 Investment Account	14,702.43	401.63	0.00	0.00	0.00	15,104.06
Total Fund	63,841.41	401.63				64,243.04
610 WATER FUND						
110230 Operating Account	503.59	24,137.79	220.58	0.00	8,182.80	16,679.16
110270 Investment Account	45,131.90	164.30	0.00	0.00	0.00	45,296.20
Total Fund	45,635.49	24,302.09	220.58		8,182.80	61,975.36
620 GAS FUND						
110230 Operating Account	-81,460.77	141,826.58	0.01	0.00	285,604.46	-225,238.64
110270 Investment Account	138,695.16	504.96	0.00	0.00	0.00	139,200.12
Total Fund	57,234.39	142,331.54	0.01		285,604.46	-86,038.52
630 SEWER FUND						
110230 Operating Account	56,113.72	44,607.36	379.81	0.00	30,024.52	71,076.37
110270 Investment Account	194.97	0.77	0.00	0.00	0.00	195.74
Total Fund	56,308.69	44,608.13	379.81		30,024.52	71,272.11
640 IRRIGATION FUND						
110230 Operating Account	5,760.10	0.00	0.00	0.00	27.24	5,732.86
110270 Investment Account	10,493.47	38.22	0.00	0.00	0.00	10,531.69
Total Fund	16,253.57	38.22			27.24	16,264.55
910 PAYROLL CLEARING FUND						
110230 Operating Account	11,074.20	0.00	117,783.71	108,452.25	0.00	20,405.66
930 CLAIMS CLEARING FUND						
110230 Operating Account	6,046.00	0.00	367,096.99	0.00	0.00	373,142.99
Totals	2,782,767.40	600,794.38	485,626.24	178,639.99	485,576.24	3,204,971.79

*** Transfers In and Transfers Out columns should match, with the following exceptions:

- 1) Cancelled electronic checks increase the Transfers In column. Disbursed column will be overstated by the same amount and will not balance to the Redeemed Checks List.
- 2) Payroll Journal Vouchers including local deductions with receipt accounting will reduce the Transfers Out column by the total amount of these checks.

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TOWN OF IGNACIO
Statement of Revenue Budget vs Actuals
For the Accounting Period: 2 / 23

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Fund	Received Current Month	Received YTD	Estimated Revenue	Revenue To Be Received	% Received
100 GENERAL FUND	288,236.51	306,223.87	2,283,836.00	1,977,612.13	13 %
300 CAPITAL IMPROVEMENT FUND	31,335.08	33,021.23	3,752,498.00	3,719,476.77	1 %
400 CONSERVATION TRUST FUND	286.68	590.81	80,800.00	80,209.19	1 %
500 ECONOMIC DEVELOPMENT FUND	401.63	827.71	241,010.00	240,182.29	0 %
610 WATER FUND	29,237.59	59,871.19	318,200.00	258,328.81	19 %
620 GAS FUND	145,211.32	316,656.47	506,150.00	189,493.53	63 %
630 SEWER FUND	43,814.17	95,388.85	629,600.00	534,211.15	15 %
640 IRRIGATION FUND	38.22	78.72	44,700.00	44,621.28	0 %
Grand Total:	538,561.20	812,658.85	7,856,794.00	7,044,135.15	10 %

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TOWN OF IGNACIO
Statement of Expenditure - Budget vs. Actual Report
For the Accounting Period: 2 / 23

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Fund	Committed Current Month	Committed YTD	Original Appropriation	Current Appropriation	Available Appropriation	% Committed
100 GENERAL FUND	161,506.65	347,199.96	2,150,979.00	2,150,979.00	1,803,779.04	16 %
300 CAPITAL IMPROVEMENT FUND	323.45	323.45	4,250,000.00	4,250,000.00	4,249,676.55	0 %
400 CONSERVATION TRUST FUND	0.00	0.00	120,000.00	120,000.00	120,000.00	0 %
500 ECONOMIC DEVELOPMENT FUND	0.00	0.00	248,226.00	248,226.00	248,226.00	0 %
610 WATER FUND	8,182.80	17,302.39	309,191.00	309,191.00	291,888.61	6 %
620 GAS FUND	284,953.78	456,498.51	456,316.00	456,316.00	-182.51	100 %
630 SEWER FUND	30,024.52	60,049.04	580,931.00	580,931.00	520,881.96	10 %
640 IRRIGATION FUND	27.24	57.44	44,266.00	44,266.00	44,208.56	0 %
Grand Total:	485,018.44	881,430.79	8,159,909.00	8,159,909.00	7,278,478.21	11 %

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TOWN OF IGNACIO
Payroll Summary For Payrolls from 02/01/23 to 02/28/23

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Total for Payroll Checks

	Employee	Employer	Amount
	-----	-----	-----
COMA HOURS (Comp Time Accumulated)	59.25		
COMP HOURS (Comp Time Used)	58.00		1,659.50
J004 HOURS (CELL PHONE ALLO)	0.00		166.14
*Non Taxable (added to gross wages, no addition to SS, Med, FIT & SIT bases)			
J015 HOURS (IN LIEU OF INSU)	0.00		1,261.02
OVER HOURS (Overtime)	89.00		4,882.82
REG HOURS (Regular Time)	2,536.00		80,845.56
SICK HOURS (Sick Time)	103.50		2,809.45
VACA HOURS (Vacation Time Used)	64.00		2,301.94
GROSS PAY	93,926.43	0.00	
NET PAY	65,257.75	0.00	
NET PAY (CHECKS)	6,077.56		
NET PAY (DIRECT DEPOSIT)	59,180.19		
AFLAC-AFTERTAX	355.32	1,108.66	
AFLAC-PRETAX	1,038.96	60.08	
CEBT DENTAL	0.00	732.00	
CEBT HEALTH	4,508.32	10,868.68	
CEBT LIFE	136.45	42.98	
CEBT VISION	0.00	97.00	
EMPL WEAPONS AD	50.00	0.00	
FIT	7,091.19	0.00	
FPPA	5,371.58	4,252.50	
FPPA DROP	1,097.08	0.00	
FPPA-457	932.52	0.00	
FPPA-AD&D	0.00	1,588.12	
GARNISHMENT2	46.14	0.00	
MEDICARE	1,277.15	1,277.15	
MISSIONSQUARE/I	1,536.12	1,434.96	
SIT	3,020.23	0.00	
SOCIAL SECURITY	2,207.62	2,207.62	
UNEMPL. INSUR.	0.00	187.53	
BANK 4	4,080.48	0.00	
BANK 8-SAVINGS	2,776.40	0.00	
COMM BANK OF CO	9,074.73	0.00	
CU OF COLORADO	3,181.56	0.00	
SANDIA LAB FCU	150.00	0.00	
USAA	5,041.29	0.00	
VECTRA BANK CO	69.26	0.00	
WELLS FARGO	32,265.53	0.00	
WELLS FARGO N.A	138.52	0.00	
WELLS FARGO NEV	69.26	0.00	
WELLS FARGO OR	2,333.16	0.00	
FIT/SIT BASE	79,139.26	0.00	
MEDICARE BASE	88,076.56	0.00	
SOC SEC BASE	35,606.61	0.00	
UN BASE	93,760.29	0.00	
Total		23,857.28	

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TOWN OF IGNACIO
Payroll Summary For Payrolls from 02/01/23 to 02/28/23

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Total Payroll Expense (Gross Pay + Employer Contributions): 117,783.71

Check Summary

Payroll Checks Prev. Out.	\$1,941.43
Payroll Checks Issued	\$6,123.70
Payroll Checks Redeemed	\$0.00
Payroll Checks Outstanding	\$8,065.13
Electronic Checks	\$108,452.25

Deductions Accrued		Carried Forward From Previous Month	Deduction Checks Issued	Difference	Liab Account
-----	-----	-----	-----	-----	-----
Social Security	4415.24		4415.24		221700
Medicare	2554.30		2554.30		221710
Unempl. Insur.	187.53	196.44		383.97	221760
FIT	7091.19		7091.19		221720
SIT	3020.23			3020.23	221730
FPPA	9624.08		9624.08		221742
AFLAC-PRETAX	1099.04		1099.04		221757
EMPL WEAPONS AD	50.00		50.00		221782
FPPA-457	932.52		932.52		221742
FPPA-AD&D	1588.12		1588.12		221743
MISSIONSQUARE/I	2971.08		2971.08		221741
AFLAC-AFTERTAX	1463.98		1463.98		221757
CEBT DENTAL	732.00		732.00		221754
CEBT HEALTH	15377.00		15377.00		221751
CEBT LIFE	179.43		179.43		221755
CEBT VISION	97.00		97.00		221756
GARNISHMENT2	46.14		46.14		221781
FPPA DROP	1097.08		1097.08		221742
Total Ded.	52525.96	196.44	49318.20	3404.20	

**** Carried Forward column only correct if report run for current period.



**SOUTHERN UTE INDIAN TRIBE
UTILITIES DIVISION**

To: Wahleah Frost
From: Hayes Briskey
Subject: Town of Ignacio Gas Rate for March 2023
Date: March 1, 2023

PURCHASE PRICE-EPI Flat	\$	3.06/MMBtu
Add 20%	\$	0 .612/MMBtu
NATURAL GAS RATE	\$	3.672/MMBtu
Btu CONTENT CORRECTION	\$.9835/MMBtu/MCF
	\$	3.6114/MCF

This will be the rate for the current billing period on March 1, 20223

2023 Actual SUIT Rates

[illegible]

2023 Actual TOI Billing

MCF in UB	9432.3	7700.7		
Rate/MCF	\$ 16.00000	\$ 16.00000	\$ 16.36000	
Base Rate	25.92	25.92		
Accounts in UB	451	451		
Actual charges in UB	\$ 162,606.72	\$ 134,901.12		\$ 297,507.84

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (the “Agreement”) is executed effective _____ by and between the Town of Ignacio (“Town”), whose address is 540 Goddard Avenue Ignacio, CO 81137 (mailing address is PO Box 459 Ignacio, CO 81137) and HomesFund, (“HF”), whose address is 150 E 9th Street, Suite 207, Durango, CO 81301. The Town and HF shall collectively be referred to herein as the “Parties” or individually as a “Party.”

RECITALS

A. HF is a Colorado non-profit corporation whose purpose is to support the creation and provision of housing affordable to low- and moderate-income households in La Plata County and surrounding communities.

B. The Town wishes to facilitate the creation of housing in the Rock Creek Subdivision that is affordable for low- and moderate-income households.

C. HF is willing to provide services to the Town on the terms and conditions as set forth in this Agreement.

D. The Rock Creek Subdivision, located within the Town of Ignacio, is a proposed development of homes set-aside for low- and moderate-income members of the workforce of La Plata County.

E. To assist with the creation and management of the Rock Creek Subdivision, HF has agreed to provide administrative services to the Town of Ignacio to assist in the creation of procedures and documents to ensure that the homes in Rock Creek are sold to Qualified Buyers, and HF has also agreed to provide ongoing administrative activities related to ensuring that the homes in the Rock Creek Subdivision remain owner-occupied, affordable homes for homebuyers, upon the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. *HF’s Duties.* HF shall furnish the Services to Town as described in Exhibit A, Scope of Services, attached hereto and by reference incorporated herein. HF warrants that the quality of its Services under this Agreement shall conform to the level of professional quality performed by experts regularly rendering this type of service.

2. *Compensation and Invoices.* Upon execution of this agreement, the Town shall pay HF \$2,600 for the creation of policies, procedures, and documents related to the

creation of the Rock Creek Subdivision affordability program. Additionally, the Town shall pay HF for Services described in Exhibit B according to the schedule describe in Exhibit C.

3. *Term of Agreement.* Unless terminated earlier by either Party hereto, the period during which HF shall provide services to Town under this Agreement shall be from **January 1, 2023** until **December 31, 2023** (the “Term”). The Term may be extended at any time by mutual written consent, upon such terms as are mutually agreed to.

4. *Termination.* The Parties may terminate this Agreement prior to the expiration of the Term as hereinafter provided:

a. *Termination for Lack of Appropriation.* If the Term of this Agreement exceeds one year, this Agreement shall be subject to annual appropriation by the Town and is contingent upon continued availability of funds for payment of the Services called for herein. The obligations of the Parties shall not constitute a general obligation, indebtedness or multi-year direct or indirect debt, or other financial obligation whatsoever within the meaning of the constitution or the laws of the State of Colorado. Therefore, the Town may terminate this Agreement in the event of non-appropriation by providing HF at least thirty days prior notice of such termination. In the event this Agreement is terminated for non-appropriation, the Town shall compensate HF for all Services performed prior to termination. HF shall not be responsible for providing any Services following receipt of notice by the Town of termination for non-appropriation.

b. *Termination for Cause.* Either Party may terminate this Agreement for cause upon ten days written notice to the other Party, and the notified Party’s failure to cure or correct the cause of the termination notice, to the reasonable satisfaction of the notifying Party, within thirty days of the receipt of said notice. In the event this Agreement is terminated for cause, the Town shall compensate HF for all Services performed prior to termination. HF shall provide Services up to the date of termination.

c. *No Waiver.* Town’s approval of any Services or any payment hereunder shall not in any way relieve HF of the responsibility for the accuracy and completeness of the services, or for compliance with the terms, requirements, and specifications applicable thereto; and no such approval shall constitute a waiver of any rights of Town under this Agreement, or of any cause of action arising out of or in any way connected with this Agreement.

5. *Agreement to Perform Services as an Independent Contractor.* The Parties hereto acknowledge that HF is an independent contractor according to the IRS definition. It is understood through this Agreement that HF is contracting with the Town to provide specific services and this Agreement should in no way be interpreted that HF is an employee of the Town.

6. *Autonomy.* HF shall, at all times, maintain independent decision-making

authority and autonomy over its activities and the fulfillment of its obligations hereunder; provided, however, that in those instances where HF is assisting the Town in the fulfillment of the Town's obligations under contracts with third parties, HF shall perform its duties in strict compliance with the terms and conditions of such third party agreements. The HF Board shall direct all aspects of the services to be supplied herein, and make all decisions including, but not limited to policy matters, loan approvals, new products, business plans, and budgets. HF shall perform said services in its own way in the pursuit of independent calling and not as an employee of Town, and shall be solely responsible for the means and methods and the proper performance of the services in compliance with the terms, requirements, and specifications of this Agreement.

7. *W-9 and Licensing.* HF's Federal employer I.D. number or social security number is 800266636. HF shall maintain all required business licenses during the term of this Agreement.

8. *Records.* HF shall maintain records that indicate the date, time, and nature of the services rendered. HF shall make available for inspection by the Town or its auditors all records, books of account, memoranda, and other documents pertaining to the Town upon reasonable request. The Town, or a duly authorized representative from the Town shall until three years after final payment under this Agreement, have access to and the right to examine any of HF's directly pertinent books, documents, papers, or other records involving transactions related to this Agreement.

If a contract is being funded in whole or in part by assistance from a federal agency, then the contractor or subcontractor at any tier are required to maintain for three years from the date of the final payment, or as required by the grantor, all books, documents, papers, and records pertinent to the contract; and to provide to the Town, the federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives access to such books, documents, papers, and records for the purposes of examining, auditing, and copying them.

9. *Indemnification and Release.* HF agrees to indemnify and hold harmless the Town, and its officers and its employees, from and against any and all liability, claims, demands, and expenses, including court costs and attorney fees, on account of any injury, loss, or damage, which arise out of or are in any manner connected HF's provision of Services as provided in this Agreement, if such injury, loss, or damage is caused in whole or in part by, or is claimed to be caused in whole or in part by, the act, omission, or other fault of HF, any subcontractor of HF, or any officer, or agent of HF. Nothing in this Agreement shall be construed as creating any liability on the part of HF or responsibility for the actual construction of the Rock Creek Subdivision, its infrastructure, buildings, structures, or any activity related thereto.

10. *Notices.* Any notice this Agreement requires must be in writing and shall be deemed received when mailed by U.S. Certified mail, return receipt requested, to the

receiving Party at the address listed above.

11. *Assignment.* Neither Party may assign this Agreement without the express written consent of the other Party, which consent shall not be unreasonably withheld.

12. *Enforceability.* If any term or provision of this Agreement shall be adjudicated to be invalid, illegal or unenforceable, this Agreement shall be deemed amended to delete therefrom the term or provision thus adjudicated to be invalid, illegal or unenforceable and the validity of the other terms and provisions of this Agreement shall not be affected thereby so long as the purposes of this Agreement can be met.

13. *Execution.* This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same original instrument. Faxed or electronic images of signatures shall have the same force and effect as original signatures.

14. *Governing Law.* The terms and conditions of this Agreement shall be construed, interpreted and enforced in accordance with the applicable laws of the State of Colorado. If any legal action is necessary to enforce the terms and conditions of this Agreement, the Parties agree that the jurisdiction and venue for bringing such action shall be in the appropriate court in La Plata County, Colorado.

15. *Entire Agreement.* The Parties agree that this Agreement constitutes the entire Agreement between the Parties and supersedes any and all prior oral representations, promises, covenants, understandings and other agreements, if any, between the Parties and their agents and may not be modified in any manner except by an instrument in writing executed by both Parties.

16. *Waiver.* No failure by either Party to exercise any right it may have shall be deemed to be a waiver of that right or of the right to demand exact compliance with the terms of this Agreement.

17. *Construction.* This Agreement's final form resulted from review and negotiations among the Parties and/or their attorneys and no part of this Agreement shall be construed against any Party on the basis of authorship.

18. *Signatory's Authority.* Each person signing this Agreement in a representative capacity expressly represents that the signatory has the subject Party's authority to so sign and that the subject Party will be bound by the signatory's execution of this Agreement.

19. *Third Party Beneficiaries.* The Parties to this Agreement do not intend to benefit any person not a Party to this Agreement. No person or entity, other than the Parties to this Agreement shall have any right, legal or equitable, to enforce any provision of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this agreement effective as of the date first listed above.

TOWN OF IGNACIO

Attest:

By: _____

Clerk to the Board

By: _____

HOMESFUND

By: _____
James K. Wotkyns, Board Chair

EXHIBIT A: SCOPE OF SERVICES – INITIAL SERVICES

Rock Creek Subdivision

HF will provide the following services for the Town of Ignacio to facilitate the development and sale of homes affordable to low- and moderate-income homebuyers in the Rock Creek Subdivision. The following services will be provided in the twelve months following execution of this Agreement:

1. Review Rock Creek proforma including cost and sale projections, and advise the Town regarding feasibility, marketability, and sales projections for the Rock Creek homes.
2. Create financing models for the Rock Creek homes.
3. Meet with Town staff and Trustees to determine restriction parameters for the Rock Creek homes.
4. Create policies and procedures for a program that will limit the sale and occupation of the homes in Rock Creek to low- and moderate-income buyers that meet the requirements mutually agreed upon by the Town and HF.
5. Create a Deed Restriction document that preserves affordability of each Rock Creek home.

EXHIBIT B: SCOPE OF SERVICES – ONGOING SERVICES

Rock Creek Subdivision

HF will provide the following services for the Town of Ignacio to facilitate the development and sale of homes affordable to low- and moderate-income homebuyers in the Rock Creek Subdivision. The following services will be provided on an ongoing basis:

1. HF staff will create marketing and outreach materials for the Rock Creek homes.
2. HF staff will provide information about the Rock Creek homes in the HF Homebuyer Education Classes and Housing Counseling sessions.
3. HF staff will develop a method for accepting offers for purchase of the homes in Rock Creek.
 - a. HF staff will work in conjunction with Real Estate Brokers, but will not act as a Real Estate Broker.
4. HF staff will determine and certify homebuyer eligibility through:
 - a. Collecting and evaluating all income and asset information from homebuyers to determine eligibility to purchase a Rock Creek home.
 - b. Providing credit and budget information and guidance to ensure that homebuyers are ready to purchase a Rock Creek home.
 - c. Running financing scenarios that include modeling of various first mortgage programs, Mortgage/Downpayment Assistance programs, homebuyer/borrower financial contribution, etc.
 - d. Working with first mortgage lenders to assist homebuyers/borrowers in obtaining financing for the purchase of Rock Creek homes.
 - e. Filling financial gaps with Mortgage/Downpayment Assistance when available and the homebuyer/borrower is eligible.
 - f. Providing homebuyer/borrower certifications to the Town of Ignacio, title companies, and lenders certifying that a homebuyer household meets the definition of a Qualified Buyer for homes in the Rock Creek Subdivision.

5. HF staff will provide a thorough review of the Deed Restriction and all restrictions and requirements associated with the Rock Creek homes to buyers of Rock Creek homes.
6. HF staff will file in public records the Deed Restriction and other documents that ensure that the homes in Rock Creek are sold to and occupied by low- and moderate-income buyers that meet the requirements mutually agreed upon by the Town and HF.
7. HF staff will ensure ongoing compliance with the Deed Restriction through conducting annual compliance audits of all owners and occupants of the Rock Creek homes.

EXHIBIT C: PAYMENT SCHEDULE FOR ONGOING SERVICES

Rock Creek Subdivision

The Town of Ignacio will pay HF \$500 per unit in Rock Creek for all activities in Exhibit B that are conducted prior to closing on the sale of each Rock Creek unit. The \$500 shall be paid to HF at or before closing on each Rock Creek unit.

For compliance and monitoring services that are provided on an ongoing basis, the Town of Ignacio will pay HF \$100 per unit per year for each completed, sold, and occupied unit/home in Rock Creek. The total number of completed, sold, and occupied units/homes in Rock Creek, including both newly completed units and units completed in prior years, will be determined annually on the first business day in January, and the Town will pay HF \$100 per unit for compliance and monitoring of every unit that was in Rock Creek the prior calendar year.



March 7, 2023

Town of Ignacio
540 Goddard Avenue
Ignacio, Colorado 81137
Attn: Town Board

Dancing Spirit, Inc. a local 501c3 organization agrees to sign a Memorandum of Understanding with the Town of Ignacio acting as the fiscal agent for grant funding from a proposal to the Colorado Department of Local Affairs (DOLA) for Rural Economic Development Initiative (REDI) funding.

The maximum amount of funding, \$150,000 is being requested with indirect funding in the amount of \$10,000 to be used by the Town of Ignacio to submit the proposal, financial drawdowns, and submit all required reporting if the request is successful.

Dancing Spirit agrees to write the proposal, necessary budget, and three years of required reporting.

Dancing Spirit agrees to sign an MOU with the Town of Ignacio at the time grant funding is announced if the proposal is successful. This agreement will continue until all reporting requirements for the fund are completed.

Sincerely,

A large, fluid, handwritten signature in black ink, which appears to read "Kasey Correia". The signature starts with a large loop and ends with a long, sweeping horizontal stroke that extends to the right.

Kasey Correia
Executive Director



Town of Ignacio

P.O. Box 459
540 Goddard Ave
Ignacio, CO 81137

970/563-9494 
townofignacio.com 

March 9, 2023

U.S. Senator Michael Bennet
1309 East 3rd Avenue, Suite 101
Durango, CO 81301

Reference: Southern Ute Indian Tribe's Congressionally Directed Spending Request for Affordable Housing Development within the Rock Creek Housing Development

Dear Senator Bennet,

The Town of Ignacio (Town) is respectfully submitting this letter of support for the Southern Ute Indian Tribe's (SUIT) Congressionally Directed Spending Request for 2023, and specifically for the Rock Creek Housing Development. This project is a great opportunity for the Town and SUIT to work collaboratively on a housing project that has mutual benefits for town and Tribal members.

The Town has been working on an affordable workforce housing plan for the Rock Creek Development, which is on a 5.7 acre tract of land the Town owns. The Town acquired the property in 1997, and it is bordered by tribal land on three sides. In 2019, the Town decided to prioritize housing development opportunities for this tract and received DOLA grant funding for a housing study and also technical assistance funding for creating three (3) different housing development scenarios, including the infrastructure cost estimates for each scenario. This work was completed in 2021 and entailed a mix of housing units within the three scenarios that would allow for home ownership and rental units. In 2022, the Town received grant funding from the Colorado Housing and Finance Authority for additional technical assistance that would refine the Rock Creek development scenarios further and this work resulted in a plan that would establish 49 housing units on the site with approximately 24 Single Family Residential (SFR) units and 25 Multi Family Residential (MFR) units comprised within five five-plex units. This development plan requires infrastructure improvement which total approximately \$2.9 million. Currently, the Town has infrastructure grant funding requests into the Division of Housing and La Plata County for \$2.7 million, which if successful, will pave the way for completing the first phase of infrastructure development and prepare the site for housing development within the next year.

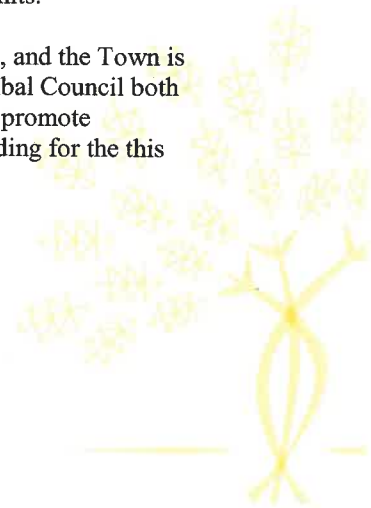
Housing is such a major issue and need for the SUIT and Ignacio and there is a definite shortage in affordable workforce housing that is documented in the current SUIT and Town Housing Needs Assessments. The SUIT has expressed interest in building affordable workforce housing and the Rock Creek Housing Development offers an opportunity for housing that can serve tribal and other native members, and members of the Ignacio community working in government, tribal, school and other service related jobs. Congressionally Directed Spending (CDS) can support a housing development opportunity in Ignacio, and if funded provide 25 rental housing units.

There is more work needed on finalizing the Rock Creek Housing Development plans and details, and the Town is excited and committed to work with SUIT on this housing opportunity. The Town Board and Tribal Council both provide leadership and vision for their respective entities and completion of this project will help promote collaboration and support for those living within the SUIT reservation. Please consider CDS funding for the this mutually beneficial project for the Town and SUIT.

Sincerely,



Clark Craig
Mayor





Town of Ignacio

P.O. Box 459
540 Goddard Ave
Ignacio, CO 81137

970/563-9494 
townofignacio.com 

March 9, 2023

U.S. Senator John Hickenlooper
The Smiley Building
1309 East 3rd Avenue, Suite 104
Durango, CO 81301

Reference: Southern Ute Indian Tribe's Congressionally Directed Spending Request for Affordable Housing Development within the Rock Creek Housing Development

Dear Senator Hickenlooper,

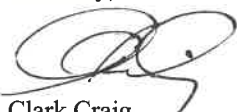
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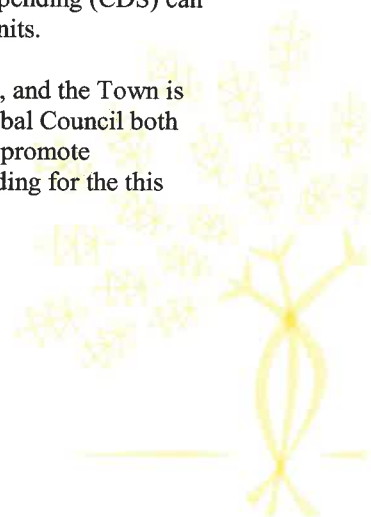
Housing is such a major issue and need for the SUIT and Ignacio and there is a definite shortage in affordable workforce housing that is documented in the current SUIT and Town Housing Needs Assessments. The SUIT has expressed interest in building affordable workforce housing and the Rock Creek Housing Development offers an opportunity for housing that can serve tribal and other native members, and members of the Ignacio community working in government, tribal, school and other service related jobs. Congressionally Directed Spending (CDS) can support a housing development opportunity in Ignacio, and if funded provide 25 rental housing units.

There is more work needed on finalizing the Rock Creek Housing Development plans and details, and the Town is excited and committed to work with SUIT on this housing opportunity. The Town Board and Tribal Council both provide leadership and vision for their respective entities and completion of this project will help promote collaboration and support for those living within the SUIT reservation. Please consider CDS funding for the this mutually beneficial project for the Town and SUIT.

Sincerely,



Clark Craig
Mayor

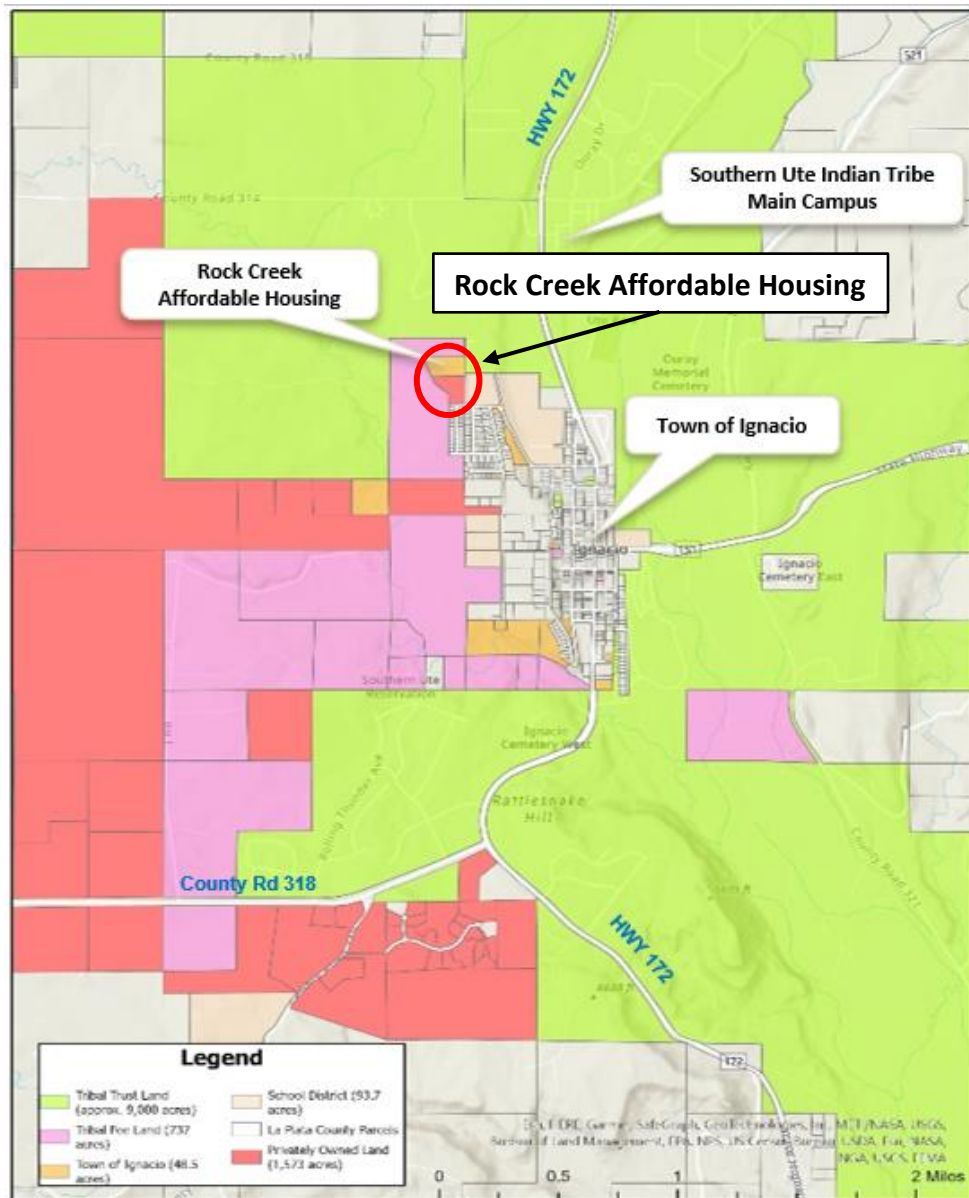


SOUTHERN UTE INDIAN TRIBE
Rock Creek Affordable Housing
Congressionally Directed Spending (“CDS”)
March 2023

This Congressionally Directed Spending request would be for a project to provide affordable rental housing in Ignacio, Colorado. The project will fund construction of five 5-plex multifamily housing units at the Rock Creek Affordable Housing Development. See Map of Ignacio Area including Rock Creek Affordable Housing Development (Figure 1) and Aerial Rendering of Rock Creek Affordable Housing Development (Figure 2) for details. Aerial Rendering of Rock Creek Project). The Town of Ignacio will donate the developed lots as specified in their Letter of Support. The Tribe would work with the Southern Ute Housing Authority and the Town of Ignacio to develop the 25 units and implement deed restricted multifamily rental units in the community. An agreed percent allocation of the constructed units will be designated for Tribal preference, workforce housing (Tribal and Government), and others in the Ignacio Community. The following information provides background information on affordable housing in the Ignacio Community and information regarding sustainable development of the Rock Creek Affordable Housing Development.

- The following information highlighted in the recent housing studies completed in 2022 and early 2023 by the Town of Ignacio and the Southern Ute Indian Tribe in the Ignacio area indicate the challenges associated with affordable housing in the community:
 - In the past two years, home values in Ignacio increased 37% and rental rates increased 67% while median income increased only 10.6%.
 - The housing inventory is old as the average year of a home constructed in the Ignacio community is 1958.
 - In 2021, the average median income in Ignacio was \$59,484 per year which is approximately 30% less than the average median income in the State of Colorado at \$84,954 per year.
- The CDS request would be to construct 25 units at approximately \$300K/unit totaling \$7.5 Million.
- Construction would be anticipated to commence in September of 2023 and the Tribe or a Tribal affiliate would oversee the construction activities associated with the development. Once construction commences, it is estimated it will take approximately 18 months to complete the 25 units.
- The 25 units would be required to meet affordability requirements determined by the Colorado Housing and Finance Authority (“CHFA”). The funds will provide critical housing for the area. The rental rates will be utilized to maintain the property and any excess profit will be utilized to build reserves for future capital improvements or for additional affordable housing in the community.

FIGURE 1. Map of Ignacio Area including Rock Creek Affordable Housing Development



The site plan illustrates the layout of the Quichas Hills development. A red oval highlights a central area containing five plex units. Surrounding this central area are various amenities and infrastructure:

- Top Left:** An irrigation pond, a playground & park, and a water play area.
- Top Center:** A pedestrian path running horizontally.
- Top Right:** A row of townhome units.
- Right Side:** A vertical pedestrian path and a row of townhome units.
- Bottom Right:** A row of townhome units.
- Bottom Center:** A central green area with a circular feature.
- Bottom Left:** A future connection to tribal land.
- Left Side:** A row of townhome units.
- Bottom:** A guest parking area with several cars parked.

UNIT MIX (MULTIFAMILY)
 (24) TWO BEDROOM S.F.D. - 886 SF (TIMBERAGE)
 (25) THREE BEDROOM TOWNHOME UNITS - 1,366 SF
 PARKING: 2/UNIT + 16 GUEST P.S.

(49) TOTAL UNITS



UNIT MIX (MULTIFAMILY)
(24) TWO BEDROOM S.F.D. - 888 SF (TIMBERAGE)
(25) THREE BEDROOM TOWNHOME UNITS - 1,368 SF
PARKING: 2/UNIT + 16 GUEST P.S.'S

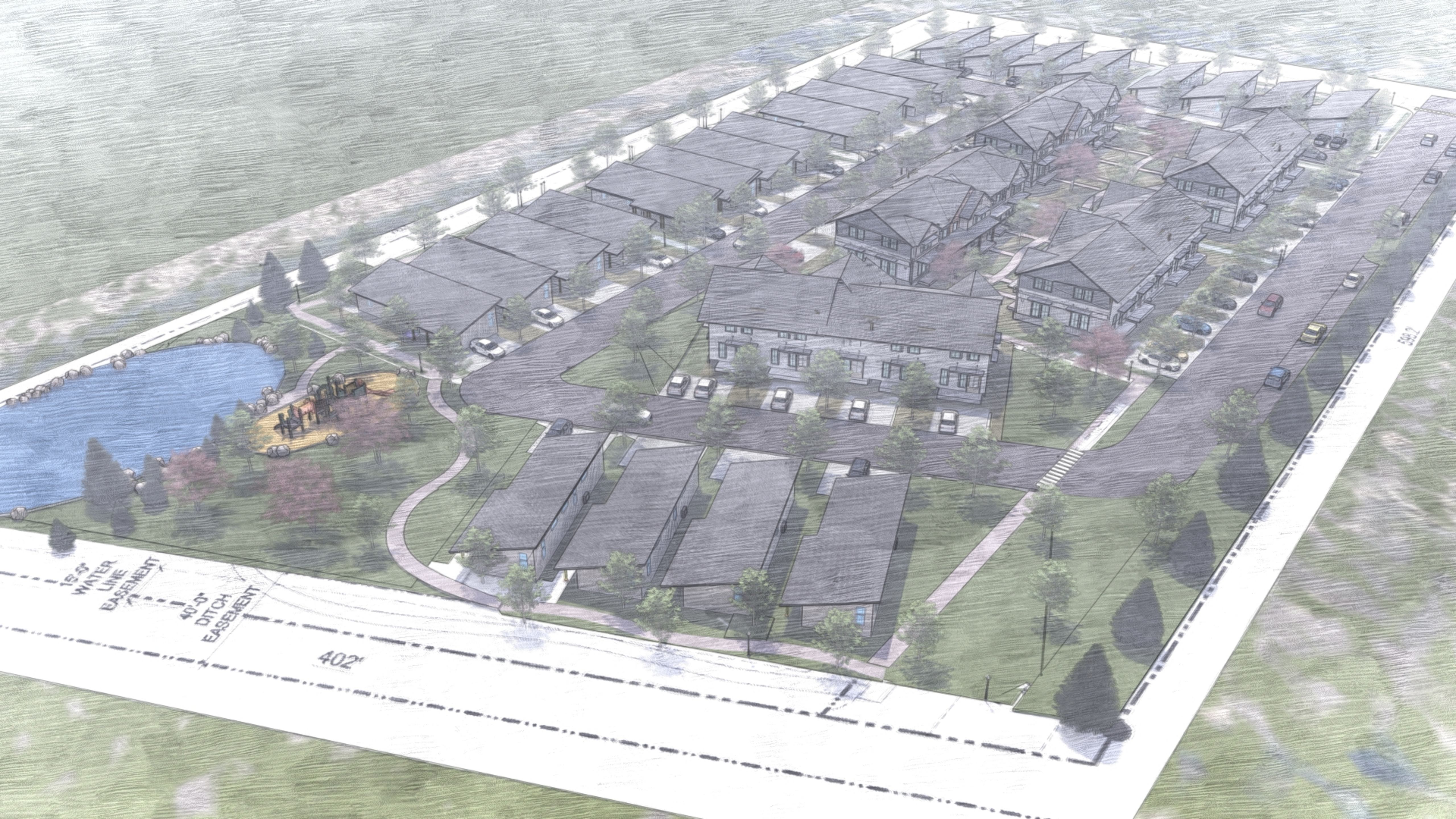
(49) TOTAL UNITS



3927

16-0
ACCENT
EASEMENT

QUICHAS HILLS AVE



15'-0" WATER LINE EASEMENT
40'-0" DITCH EASEMENT

402

598.2



QUICHAS HILLS AVE

15' ACCESS
EASEMENT



LEASE PURCHASE AGREEMENT

THIS LEASE PURCHASE AGREEMENT dated as of ~~February~~ March __, 2023 (referred to herein as the “Lease” or the “Lease Purchase”), between **IGNACIO SCHOOL DISTRICT NO. 11-JT** (the “District”) a duly organized and existing school district and political subdivision and body corporate of the State of Colorado (the “State”), as lessor, and **TOWN OF IGNACIO** (the “Town”), a statutory town and political subdivision and body corporate of the State, as lessee.

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W I T N E S S E T H:

WHEREAS, the Town is a duly and regularly created, organized and existing political subdivision of the State, existing as such under and by virtue of the Constitution and statutes of the State; and

WHEREAS, the Town is authorized, under Section 31-15-801, Colorado Revised Statutes, as amended, to lease and purchase property and to execute, deliver and perform its obligations under this Lease; and

WHEREAS, the obligation of the Town to pay Base Rentals and the obligation of the Town to pay the Purchase Price hereunder shall be subject to annual appropriation, and such obligation shall not constitute an indebtedness of the Town within the meaning of the constitutional limitations on contracting of indebtedness by municipalities; and

WHEREAS, the execution, performance and delivery of this Lease Purchase, have been authorized, approved and directed by the Town Board of Trustees (the “Town Board”) by ~~an ordinance~~ an ordinance effective 30 days after its passage and publication finally passed and adopted by the Town Board; and

WHEREAS, the District is a duly and regularly created, organized and existing political subdivision of the State, existing as such under and by virtue of the Constitution and statutes of the State; and

WHEREAS, the District has stated that it is authorized under Section 22-32-110(1)(e), Colorado Revised Statutes, as amended, to lease, sell, and convey property that is surplus to the District’s needs, and to execute, deliver and perform its obligations under this Lease Purchase; and

WHEREAS, this Lease Purchase has been authorized, approved and directed by the District Board of Education (the “School Board”) by a resolution finally passed and adopted by the School Board.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Article I. DEFINITIONS

A. Terms Defined in Preamble and Recitals. The following terms shall have the meanings set forth in the preamble and recitals hereto: “Town Board,” “Town,” “District,” “School Board,” “Lease,” and “State.”

B. Additional Definitions. The following additional terms shall have the meanings specified below:

1. ~~“Additional Rentals” means the cost of all (a) reasonable expenses and fees of the District related to the performance of the provisions of this Lease related to the Leased Property, or otherwise incurred at the request of the Town, (b) taxes, if any, insurance premiums, utility charges, maintenance, upkeep, repair, improvement and replacement in respect of the Leased Property, and (c) all other charges and costs (together with all interest and penalties that may accrue thereon) in the event that the Town shall fail to pay the same, as specifically set forth herein which the Town assumes or agrees to pay hereunder. Additional Rentals do not include Base Rentals.~~

2. “Base Rentals” means the payments payable by the Town during the Lease Term pursuant to Article VI. of this Lease and as set forth in Exhibit B, which constitute the payments payable by the Town for and in consideration of the right to use the Leased Property during the Lease Term and as consideration for the purchase of the property upon the final payment. The amount for the Lease is \$1,000 per month and is inclusive of the amounts in Exhibit B paid in total for the Lease Purchase.

3. “Base Rental Payment Dates” means annual payments on July 1 of each Fiscal Year, commencing July 1, 2023 and ending July 1, 2025 in the amounts shown on Exhibit B, unless there is an earlier purchase of the property made by the Town.

4. “Business Day” means any day other than a Saturday, a Sunday or a day on which banks in Durango, Colorado are authorized by law to remain closed.

5. “Counsel” means an attorney at law or law firm (who may be counsel for the District or the Town) who is satisfactory to the Town or the District.

6. “Event of Default” means one or more events of default as defined in Article XIV of this Lease.

7. “Fiscal Year” means the fiscal or budget year of the Town, which begins on January 1 of any year and ends on December 31 of the same year (i.e., The Fiscal Year is the same as the calendar year).

8. “Force Majeure” means, without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments,

Commented [DF1]: They had deleted this provision, but left many references to “Additional Rentals” throughout the document. We need a definition for that term. Do you know what the Town would accept as included in “Additional Rentals”?

Commented [Cd2R1]: Mark is checking with David on this definition but he has no issue with it....leave it in.

Commented [LL3R1]: I think the thing to do is remove the term additional rentals as what is included is too broad. I eliminated the term throughout. However, the Lease purchase still provides Town is responsible for taxes if any, insurance and utilities.

Commented [LL4]: Spoke to bond counsel who said that under Gude v. Lakewood, violates TABOR if event of non-appropriation is punitive, so I added back in the provisions that had before re monthly payments plus amounts shown in Exhibit B is the purchase price. I will pull up that case from Lexis and attach to e-mail.

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agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; public health emergencies; or any other cause or event not within the control of the Town.

9. “*Hazardous Substance*” means and includes: (a) the terms “hazardous substance,” “release” and “removal” which, as used herein, shall have the same meaning and definition as set forth in paragraphs (14), (22) and (23), respectively, of Title 42 U.S.C. §9601 and in Colorado law, provided, however, that the term “hazardous substance” as used herein shall also include “hazardous waste” as defined in paragraph (5) of 42 U.S.C. §6903 and “petroleum” as defined in paragraph (8) of 42 U.S.C. §6991; (b) the term “superfund” as used herein means the Comprehensive Environmental Response, Compensation and Liability Act, as amended, being Title 42 U.S.C. §9601 et seq., as amended, and any similar State of Colorado statute or local ordinance applicable to the Leased Property, including, without limitation, Colorado rules and regulations promulgated, administered and enforced by any governmental agency or authority pursuant thereto; and (c) the term “underground storage tank” as used herein shall have the same meaning and definition as set forth in paragraph (1) of 42 U.S.C. §6991.

10. “*Insurance Consultant*” means CIRSA (Colorado Intergovernmental Risk Sharing Agency).

11. “*Lease Remedy*” or “*Lease Remedies*” means any or all remedial steps provided in Article XIV of this Lease whenever an Event of Default hereunder has happened and is continuing.

12. “*Lease Term*” means the time during which the Town is the lessee of the Leased Property under this Lease, as provided in and subject to Article IV of this Lease.

13. “*Leased Property*” means the real property described in Exhibit A attached hereto, situate in the County of La Plata and State of Colorado, and includes all existing appurtenant water rights, settling pond,, facilities, structures, equipment, furnishings and improvements.

14. “*Net Proceeds*” when used with respect to any performance or payment bond proceeds, or proceeds of insurance, including self-insurance, required by this Lease, or proceeds from any condemnation award, or any proceeds resulting from default or breaches of warranty under any contract relating to the Leased Property or proceeds from any Lease Remedy, means the amount remaining after deducting from such proceeds (a) all expenses (including, without limitation, attorneys’ fees and costs) incurred in the collection of such proceeds or award; and (b) all other fees, expenses and payments due to the District.

15. “*Opinion of Counsel*” means a written opinion of legal counsel.

16. “*Permitted Encumbrances*” means, as of any particular time: (a) liens for taxes and assessments not then delinquent to be paid by the District, or liens which may remain unpaid pending contest pursuant to the provisions of Article VIII and Article IX of this Lease; (b) this Lease; (c) utility, access and other easements and rights of way, restrictions and exceptions which an Authorized Officer of the Town certifies will not interfere with or impair the Leased Property;

Commented [DF5]: Exhibit A does not contain any reference to water rights. David L. asked if water rights should be separately identified. I don't have any information regarding water rights.

Commented [Cd6R5]: Mark and I will be checking on water rights with the BIA from the Los Pinos Rivers. There is a settling pond right there that is used and we are pretty sure that is the water source for the property

(d) any financing statements filed to perfect security interests pursuant to this ~~Lease~~ Lease Purchase; (e) any encumbrance represented by financing statements in forms appropriate to perfect purchase money security interests given by the District in any of the Leased Property; (f) existing easements, covenants, restrictions, liens and encumbrances (if any) to which title to the Leased Property was subject when the Leased Property was conveyed to the District, and which do not interfere in any material way with the Leased Property; and (g) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property of the general character of the Leased Property and as do not render the title unmarketable.

17. “*Purchase Price*” means the amount payable by the Town for the purpose of purchasing the Leased Property which amount is set forth in Article XII of this Lease Purchase.

18. “*Requirement of Law*” means any material federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to environmental, health or safety matters.

Article II. REPRESENTATIONS, COVENANTS AND WARRANTIES

A. Representations, Covenants and Warranties of the Town. The Town represents, covenants and warrants as follows:

1. The lease and purchase of the Leased Property from the District pursuant to this Lease serves a public purpose and is in the best interests of the Town and its residents.

2. The execution, delivery and performance of this Lease by the Town have been duly authorized by the Town Board.

3. This Lease Purchase is enforceable against the Town in accordance with its terms, subject to annual appropriation, limited only by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

4. The execution, delivery and performance of the terms of this Lease Purchase by the Town does not and will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Town is now a party or by which the Town is bound, or constitute a default under any of the foregoing or, except as specifically provided in this Lease Purchase, result in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Town.

5. There is no litigation or proceeding pending or to the best of its knowledge threatened against the Town or any other person affecting the right of the Town to execute, deliver or perform its obligations of the Town under this Lease Purchase.

6. The Town will recognize economic and other benefits by the leasing of the Leased Property pursuant to this Lease Purchase; the Leased Property is and will be property that is necessary and essential to the Town's purpose and operations; and the Town finds, intends, and expects that the Leased Property will adequately serve the needs for which it is being leased throughout the full Lease Term.

7. The Base Rentals and the anticipated Additional Rentals payable in each Fiscal Year during the Lease Term are \$1,000 per month but when added to purchase price payment are as set forth in Exhibit B. more than the fair value of the use of the Leased Property during such Fiscal Year, and include the fair purchase price of the Leased Property. Lease value is \$1,000 per month. The amounts payable hereunder do not exceed the fair value of the Leased Property, and The full Lease Term does not exceed the weighted average useful life of the Leased Property. In making the representations, covenants and warranties set forth above in this subsection, the Town has given due consideration to the purposes for which the Leased Property will be used by the Town, the benefits to the Town from the use of the Leased Property, the Town's option to purchase the Leased Property hereunder prior to the agreed-upon date for the expiration of the Lease Term and the terms of this Lease Purchase governing the use of the Leased Property.

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Commented [LL7]: Added back in this concept that 1,000 per month is rent, rest is purchase price, reason being if event of non-appropriation is punitive that is violation of TABOR.

8. The Town has, by Ordinance of the Town Board of even date herewith, made an irrevocable pledge of current funds to pay the first year's Base Rentals and the other payments during the Lease Term are subject to annual appropriation.

B. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants as follows:

1. The District has all requisite power to carry out its obligations under this Lease, and has duly executed and delivered this Lease Purchase and all other documents related to this Lease Purchase.

2. The District is not aware of any current violation of any Requirement of Law or the presence of any Hazardous Substance or hazardous material that is not encapsulated relating to the Leased Property.

~~3. The Leased Property has never been subject to material damage from flooding.~~

4. The District shall maintain and provide upon request by the Town an inventory of all furniture, fixtures and equipment that are included with the Leased Property.

5. Except as specifically provided in this Lease, the District will not pledge or assign its right, title and interest in and to any of its rights under this Lease or assign, pledge, mortgage, encumber or grant a security interest in its right, title and interest in, to and under this Lease or the Leased Property, except for Permitted Encumbrances.

6. This Lease Purchase is enforceable against the District in accordance with its terms. Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any

agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing.

87. There is no litigation or proceeding pending or threatened against the District or any other person affecting the right of the District to execute this Lease and to perform its obligations hereunder and thereunder.

88. Purchase price payments (those exceeding \$1,000 per month) shall be held in an escrow account of the District or in a special trust account established by the District, and not spent or commingled with other funds until closing on the property.

Commented [LL8]: Added back in

Article III. LEASE OF LEASED PROPERTY

The District demises and leases the Leased Property to the Town, and the Town leases the Leased Property from the District, in accordance with the provisions of this Lease Purchase, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

Article IV. LEASE TERM

A. Duration of Lease Term. The Lease Term shall commence as of the date hereof and continue through July 1, 2025.

B. Termination of Lease Term. The Lease Term shall terminate upon date set forth in Section A. above, unless sooner terminated by either of the following events:

1. The conveyance of the Leased Property to the Town upon payment of the Purchase Price consisting of ~~and~~ all Base Rentals ~~and Additional Rentals~~ as provided in Article XI of this Lease Purchase; or

2. An Event of Default and termination of this Lease under Article XIV of this Lease Purchase.

Article V. ENJOYMENT OF LEASED PROPERTY

A. District's Covenant of Quiet Enjoyment. The District hereby covenants that the Town shall during the Lease Term peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from the District, except as expressly required or permitted by this Lease. The District shall, at the request of the Town, join and cooperate fully in any legal action in which the Town asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Town may join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder. Notwithstanding the foregoing, the Town hereby consents to the inspection by the District of all books, accounts and records maintained by the Town with respect to the Leased Property and this Lease Purchase.

B. Town's Need for the Leased Property; Determinations as to Fair Value and Fair Purchase Price. The Town has determined and hereby determines that it has a current need for the Leased Property. The Town has determined and hereby determines that the sums payable hereunder ~~Base Rentals and estimated Additional Rentals under this Lease during the Lease Term for the Leased Property~~ represent the fair value of the ~~Lease (\$1,000 per month lease), with the balance of the payments going to the purchase of the~~ purchase of the Leased Property. In making such determinations, the Town has given consideration to the estimated current value of the Leased Property, the uses and purposes for which the Leased Property will be employed by the Town, the benefit to the citizens and inhabitants of the Town by reason of the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease Purchase, and the expected eventual vesting of unencumbered title to the Leased Property in the Town. ~~The Town hereby determines and declares that the Lease Term does not exceed the weighted average useful life of the Leased Property.~~

Article VI. PAYMENTS BY THE TOWN

A. Payments Subject to Annual Appropriation and to Be Paid From Available Funds The Town and the District acknowledge and agree that current funds of the Town in amounts sufficient to pay the Base Rentals ~~and Additional Rentals~~ hereunder during the first year of the Lease Purchase, have been irrevocably pledged by the Town Board, but that payments beyond the first year are subject to annual appropriation.

B. Base Rentals ~~and Additional Rentals~~.

+ Subject to annual appropriation, the Town shall pay all Base Rentals directly to the District during the Lease Term, on the Base Rental Payment Dates and in the amounts set forth in Exhibit B, attached hereto and made a part hereof.

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~~2. Subject to annual appropriation, the Town shall pay Additional Rentals during the Lease Term as herein provided. All Additional Rentals shall be paid by the Town on a timely basis directly to the person or entity to which such Additional Rentals are owed.~~

Commented [LL9]:

C. Interest Component. A portion of each payment of Base Rentals is paid as, and represents payment of, interest. Exhibit B hereto sets forth the interest component of each payment of Base Rentals. The interest component of Base Rentals shall accrue at the initial rate of 0% per annum, computed on the basis of a 365 day year as set forth in Exhibit B.

D. Manner of Payment. The Base Rentals and, when paid, the Purchase Price, shall be paid by the Town by certified funds or other method of payment acceptable to the District in lawful money of the United States of America to the District at its administrative offices. The obligation of the Town to pay the Base Rentals ~~and Additional Rentals~~ during the first year of the Lease Term shall be absolute and unconditional, payable from all legally available sources, and payment of the Base Rentals ~~and Additional Rentals~~ shall not be abated through accident or unforeseen circumstances, or for any other reason, including without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Leased Property, commercial frustration of purpose, it being the intention of the parties that the payments required

by this Lease Purchase will be paid in full when due without any delay or diminution whatsoever, subject to annual appropriation.

Article VII. TITLE TO THE LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

A. Title to the Leased Property. Title to the Leased Property shall remain in the District until conveyed to the Town at the time of the third payment, unless purchase price is paid earlier. Title and closing shall occur upon payment in full of the purchase price.

B. No Encumbrance, Mortgage or Pledge of Leased Property. The District represents and warrants that it shall provide the Leased Property to the Town free of all liens including mechanic's liens. Thereafter, the Town shall not permit any mechanic's or other lien to remain against the Leased Property; provided that, if the Town shall first notify the District of the intention of the Town to do so, the Town may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested ~~(which might be considered Additional Rentals)~~ to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the District shall notify the Town that, in the Opinion of Counsel, by nonpayment of any such items the District's title to or interest in the Leased Property will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Town shall promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). The District will cooperate fully with the Town in any such contest, upon the request and at the expense of the Town. Except as may be permitted by this Lease Purchase, the District shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances. The Town and the District shall promptly, at their own respective expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which each shall respectively have created, incurred, or suffered to exist.

Article VIII. MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

A. Maintenance of the Leased Property by the Town. The Town agrees that at all times during the Lease Term the Town will maintain, preserve and keep all portions of the Leased Property or cause the Leased Property to be maintained in no worse condition than exists at the time of the lease purchase execution (including without limitation regular janitorial services, snow removal and trash clean-up and removal), preserved and kept, in good repair, working order and condition, and that the Town will from time to time make or cause to be made all necessary and proper repairs. The Town shall have no obligation to improve the Leased Property beyond its present condition. The District shall not have any responsibility for such maintenance or repairs or for the making of any additions, modifications or replacements to the Leased Property.

B. Modification of the Leased Property, Installation of Furnishings and Equipment of the Town. The Town shall have the privilege of making substitutions, additions, modifications

Commented [LL10]: Could be expensive for Town if roof collapses, furnace goes out, HVAC issue or other expensive repair is needed. Typically, the Landlord is responsible for repairs beyond normal wear and tear. Perhaps, if issue beyond normal wear and tear the parties should split?

and improvements to any portion of the Leased Property, at its own cost and expense; and the same shall be the property of the District unless the Leased Property is conveyed to the Town and, subject to this Lease Purchase, shall be included under the terms of this Lease; provided, however, that such substitutions, additions, modifications and improvements shall not in any way damage the Leased Property or cause the Leased Property to be used for purposes other than lawful governmental or proprietary functions of the Town (except to the extent of subleasing permitted under Article XIII hereof); and provided that the Leased Property, as improved or altered, upon completion of such substitutions, additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to making such substitutions, additions, modifications and improvements.

The Town may also, from time to time in its sole discretion and at its own expense, install machinery, equipment, and other tangible personal property in or on any Leased Property. All such machinery, equipment, and other tangible personal property shall remain the sole property of the Town in which the District shall have not any interests; provided, however, that title to any such machinery, equipment, and other tangible personal property which becomes permanently affixed to any Leased Property as a fixture, shall be deemed part of the Leased Property and shall be included under the terms of this Lease [Purchase](#).

C. Contractor Performance Bonds. Each contractor retained by the Town to make improvements to the property shall provide a performance bond or bonds covering with respect to any improvements to the Leased Property (a) performance of the applicable project contracts and (b) payment for labor and materials, in each case issued by a responsible surety company qualified to do business in the State of Colorado. Such bond or bonds shall name the District and Town as co-insured parties and shall be in amounts equal in the aggregate to the fixed contract price or prices.

D. Taxes, Other Governmental Charges and Utility Charges. In the event that the Leased Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the Town shall pay the amount of all such taxes, assessments and governmental charges when due, ~~as Additional Rentals~~, if they accrued during the lease term. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Town shall be obligated to provide for ~~them Additional Rentals~~ only for such installments as are required to be paid during the Lease Term, subject to annual appropriation. Except for Permitted Encumbrances, the Town shall not allow any liens for taxes, assessments or governmental charges to accrue after the Lease Purchase is entered into with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied upon the Leased Property or any portion thereof which, if not paid, will become a charge on the rentals and receipts from the Leased Property or any portion thereof, or any interest therein, including the interest of the District), or the rentals and revenues derived therefrom or hereunder. The Town shall also pay ~~as Additional Rentals~~ as the same respectively become due, all utility and other charges incurred in the maintenance and upkeep of the Leased Property that accrue during the lease term.

E. Provisions Regarding Liability, Property and Worker's Compensation Insurance. Upon the delivery and acceptance of the Leased Property as provided in this Lease, the Town shall, at its own [expense](#), cause casualty and property insurance to be carried and maintained with respect

Commented [LL11]: Need to run this paragraph by CIRSA to make sure they can do it.

Commented [Cd12R11]: They are checking on this...leave it for now

to the Leased Property in an amount equal to the purchase price of the Leased Property. Such insurance policy may have a deductible clause in an amount not to exceed One Thousand Dollars (\$1,000.00) or such greater amount as is approved in writing by the District. The Town may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other property as well, as long as such blanket insurance policies otherwise comply with the requirements hereof. Any property damage insurance policy required by this Section E shall be so written or endorsed as to show the District, as loss payee and/or additional insured, and to make losses exceeding \$25,000, if any, payable to the Town and the District, as their respective interests may appear.

1. Upon the execution and delivery of this Lease, the Town shall, at its own expense, cause public liability insurance, including blanket contractual liability or specific contractual liability insurance for this Lease Purchase and public officials' errors and omissions coverage, to be carried and maintained with respect to the activities to be undertaken by the Town and its officers, officials, agents and employees in connection with the use and possession of the Leased Property. All such policies (other than errors and omissions) shall show the District and all directors, officers, and employees thereof, as additional insureds. Such coverage shall be in amounts not less than the limits of liability per occurrence set by the Colorado Governmental Immunity Act as the same may from time to time be amended, to a \$2,000,000 annual aggregate, for claims to which the defense of sovereign immunity applies. The public liability insurance required by this Subsection E.1. may be by blanket insurance policy or policies.

2. If the Town shall insure against similar risks by self-insurance, the Town, at its election and in accordance with the standards of the State relating thereto, may in lieu of obtaining policies for casualty and property, and public liability insurance coverage as required by this Section E. provide one or more such coverages by a self-insurance fund so long as the Town provides an annual certification to the District that the reserves therein are adequate as determined by, in the case of public liability and workers' compensation insurance, the Town's risk manager or Insurance Consultant.

3. Each property and liability insurance policy provided for in this Section E. shall, to the extent that local industry practice permits, contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interests of the District without first giving written notice thereof to the District at least 30 days in advance of such cancellation or modification. In the event that the Town has received such notice of cancellation or modification, it shall immediately furnish to the District a new insurance policy or certificate evidencing such policy replacing the cancelled or modified policy and effective on or before the effective date of such cancellation or modification.

4. The Town shall provide certified copies of all insurance policies required under this Section E. or certificates of insurance with appropriate endorsements attached evidencing, that the District has been named as loss payee and/or additional insured and that the thirty-day notice of cancellation provision is in effect. A certificate of insurance will be acceptable evidence of insurance at closing, with the understanding that the Town shall furnish the policy or endorsements within 30 days after closing. No agent or employee of the Town shall have the power to adjust or settle any loss with respect to the Leased Property, whether or not covered by insurance, without

Commented [LL13]: Not sure why 2,000,000 if immunity act provides a lesser ceiling.

Commented [DF14R13]: The CGIA ceiling is \$1,195,000 per occurrence. It is my understanding that general liability policies are only available in \$1 M increments. If they could get \$1.5 M, for example, that would be fine.

Commented [LL15]: Need to ask CIRSA if they can do this.

Commented [Cd16R15]: They are checking on this...leave it for now

the prior written consent of the District; except that losses not exceeding \$25,000 may be adjusted or settled by the Town without the District's consent.

Article IX. EASEMENTS

As long as no Event of Default shall have happened and be continuing, the District shall only upon the request of the Town, grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property or rights included in this Lease Purchase, free from this Lease Purchase and any security interest or other encumbrance created hereunder or thereunder, and the District shall release existing easements, licenses, rights-of-way, and other rights and privileges with respect to such property or rights, with or without consideration, and shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other grant or privilege upon receipt of: (a) a copy of the instrument of grant or release; and (b) a written application signed by an Authorized Officer of the Town requesting such instrument and stating that such grant or release will not impair the effective use or interfere with the operation of the Leased Property.

Article X. DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

A. Damage, Destruction and Condemnation. If, during the Lease Term (a) the Leased Property or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; or (b) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate of the Town or the District in the Leased Property or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; then, subject to the provisions of paragraph B below, the Town shall not be obligated to continue to pay Base Rentals and the Purchase Price (at the required time) without offset or abatement. Lease Purchase may be terminated at option of Town. Upon such termination, the District shall keep and retain all sums paid prior to the date of termination upon which any purchase price beyond the \$1,000 per month rent shall be returned to the Town. To the extent the District receives funds from insurance regarding damage or destruction to the Leased Property, or proceeds of condemnation or eminent domain, regarding the Leased Property, those funds shall be paid to the Town, or may be applied to the purchase price, at the option of the Town.

B. Obligation of the Town and District to Repair and Replace the Leased Property. In the event of damage or destruction of the Leased Property, the Town and, to the extent such Net Proceeds are within their control, the District, shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards to be deposited in a separate trust fund held by the District and the Town. All Net Proceeds so deposited may be applied, upon mutual agreement of the parties, to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Town upon receipt of requisitions acceptable to the District signed by an Authorized Officer of the Town stating with respect to each payment to be made: (a) the requisition number; (b) the name and address of the person, firm or corporation to whom payment is due; (c) the amount to be paid; and (d) that each obligation mentioned therein

Commented [LL17]: Need to ask CIRSA about this too.

Commented [Cd18R17]: They are checking on this...leave it for now

Commented [DF19]: The changes in this section shift the risk of loss or damage back to the District.

Commented [Cd20R19]: This needs to clearly state that all payment up to the point of the town terminating the agreement would have the school keeping payments up to that point. Mark understands once again that the property is 'as is' and they should encumber the risk.

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Commented [LL21]: Added back in

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~~the net proceeds of any insurance policy or performance bond covering the events described in Article X, Section A of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any portion thereof and in the enforcement of all warranties relating to the Leased Property. In no event shall the District voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any portion thereof without the written consent of the Town.~~

Commented [DF22]: I don't think a trust is necessary for this concept.

C. Insufficiency of Net Proceeds. If the Net Proceeds ~~from an insurance policy~~ (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, ~~or~~ replacement of the Leased Property required under this Article X, the Town shall, within ninety (90) days after the occurrence of an event specified in Article X, Section A above, proceed with one of the following ~~two~~three options after providing to the District written notice of the option selected:

1. Complete the work or replace such Leased Property (or portion thereof) with similar property of a value equal to or in excess of such Leased Property or portion ~~thereof and thereof~~ and the Town agrees that, if by reason of any such insufficiency of the Net Proceeds, the Town shall make any payments pursuant to the provisions of this Article X, the Town shall not be entitled to any reimbursement therefor from the District, nor shall the Town be entitled to any diminution of the Base Rentals ~~and Additional Rentals~~ payable under this Lease; or

2. Apply the Net Proceeds to the payment of the Purchase Price in accordance with Article XI of this Lease; (i) in the event of an insufficiency of the Net Proceeds for such purpose, the Town shall pay such amounts as may be necessary to equal that portion of the Purchase Price which is attributed to the Leased Property for which the Net Proceeds have been received (as certified to the District by the Town), and (ii) in the event the Net Proceeds shall exceed such portion of the Purchase Price, such excess shall be retained by the Town; ~~or~~

3. Terminate this Lease Purchase Agreement.

D. Cooperation of the District. At the expense of the Town, the Town shall cooperate fully with the District in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Article X, Section A of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any portion thereof and in the enforcement of all warranties relating to the Leased Property. In no event shall the District voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any portion thereof without the written consent of the Town.

E. Condemnation by the Town. The Town agrees that, to the extent permitted by law, in the event it brings an eminent domain or condemnation proceeding with respect to all or any portion of the Leased Property, the fair market value of the condemned portion of the Leased Property shall be not less than the Purchase Price.

Article XI. DISCLAIMER OF WARRANTIES; OTHER COVENANTS

A. Disclaimer of Warranties. THE DISTRICT DOES NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY. THE TOWN HEREBY ACKNOWLEDGES AND DECLARES THAT THE TOWN IS SOLELY RESPONSIBLE FOR

THE USE, CONSTRUCTION, IMPROVEMENT, EQUIPPING, MAINTENANCE AND OPERATION OF THE LEASED PROPERTY, AND THAT THE DISTRICT DOES NOT HAVE ANY RESPONSIBILITY THEREFOR. For the purpose of enabling the Town to discharge such responsibility, the District constitutes and appoints the Town as its attorney in fact for the purpose of constructing, improving, equipping, maintaining and operating the Leased Property, and asserting and enforcing, at the sole cost and expense of the Town, all constructor's or manufacturer's warranties and guaranties, express or implied, with respect to the Leased Property, as well as any claims or rights the District may have in respect of the Leased Property against any manufacturer, supplier, contractor or other person. In no event shall the District be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the Town of any item, product or service provided for herein.

B. Further Assurances and Corrective Instruments. The District and the Town agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

C. Compliance With Requirements. During the Lease Term, the Town and the District shall observe and comply promptly to the extent possible with all current and future orders of all courts having jurisdiction over the Leased Property or any portion thereof, provided that the Town and the District may contest or appeal such orders so long as they are in compliance with such orders during the contest or appeal period, and all current and future requirements of all insurance companies writing policies covering the Leased Property or any portion thereof.

E. Tax and Securities Disclaimer. The District disclaims any and all representations that this Lease and/or the Town's obligations and/or benefits hereunder comply with any tax or securities legal requirements under state or federal law. Each party hereto shall obtain its own separate tax and securities legal advice and take such measures with respect thereto as such party shall determine necessary and appropriate.

F. Immunity ~~and Indemnification~~.

~~+~~In the exercise of the powers of the District by its employees and agents under this Lease, including (without limiting the foregoing) the application of moneys and the investment of funds, the District shall not be accountable to the Town for any action taken or omitted with respect to this Lease by it or its employees and agents reasonably believed by it or them to be authorized or within the discretion or rights or powers conferred under this Lease. The District and its employees and agents shall be protected in its or their actions taken in reliance upon any paper or documents believed by it or them to be genuine and consistent with their rights or powers under this Lease, and it or they may conclusively rely upon the advice of Counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the Town for any claims based on this Lease against any employee or agent of the District alleging personal liability on the part of such person.

G. Access to Leased Property. The Town agrees that the District, and any authorized representative of the District, shall have the right at all reasonable times to examine and inspect the Leased Property and all of the Town's books and records with respect thereto. The Town further agrees that the District, and any such representative shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the Town to perform its obligations under this Lease.

H. Annual Budgets and Audited Financial Statements. The Town shall provide its annual budget to the District within the first five Business Days of the Fiscal Year for each annual budget which shall be fulfilled by posting on the Town's website. Additionally, the Town shall provide its audited financial statements by an independent certified public accountant to the District, annually, within fifteen Business Days of their acceptance by the Board, upon request by the District. The Town shall use its best efforts to provide such audited financial statements to be delivered to the District no later than seven months after the close of the Town's Fiscal Year.

I. Environmental Covenant. The Town shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Leased Property in violation of any Requirement of Law, shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, there over or therefrom in violation of any Requirement of Law, shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Requirement of Law, shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Requirement of Law and shall comply with all other Requirement of Law which are applicable to the Leased Property. Notwithstanding the foregoing, the Town will not be responsible for the removal of asbestos or mold or any Hazardous Substance existing on the Leased Property at the time of execution hereof.

Article XI. PURCHASE AND SALE OF THE LEASED PROPERTY

A. Purchase and Sale. This Article XI shall constitute an agreement for purchase and sale between the District and the Town, whereby District agrees to sell and the Town agrees to purchase the Leased Property upon the terms and conditions stated herein below.

1. The purchase price shall be One million one hundred thousand Dollars (\$1,100,000) (the "Purchase Price") payable as follows: the Purchase Price, shall be paid in funds available for immediate withdrawal by the District in the amounts and dates as set forth in Exhibit B.

2. The Purchase Price shall include all structures, facilities, fixtures and improvements located on the Leased Property, conveyed free and clear of all taxes, liens and encumbrances. Any items of personal property that the District is willing to sell will be priced based upon a separate negotiation, and any such personal property shall be conveyed by bill of sale.

B. Inspection Rights; Survey. Upon execution of this Lease Purchase, the Town shall be provided with full access to the Leased Property and shall be permitted to inspect and examine the Leased Property and improvements thereon, as well as all conditions relating thereto including,

without limitation, zoning, drainage, flood control, water, sewage, electricity, gas and other utility connections, economic feasibility, construction suitability, submittals, the parcel map (and any conditions thereto) and any other matter, element or concern with respect to the operation of the Leased Property. Town may at Town's election also obtain a complete ALTA survey ("ALTA Survey") or other survey deemed adequate by the Town, at Town's own sole cost and expense. Town shall also have the right to perform any environmental assessment, or any other investigation that would drill, extract or physically alter or change the condition of the Leased Property; provided that Town shall restore the Leased Property, or either of them, if necessary, to its original condition promptly after completing its inspection work and any testing of the Leased Property, and such obligation shall survive the termination of this Lease. Except as expressly required by applicable law or contract, or as needed to enforce this agreement, the Town shall keep confidential the results and findings of Town's studies, surveys, and inspections of the Leased Property. No examination, surveys, inspections or tests by Town shall unreasonably interfere with, or damage, any current use of the Leased Property by the District. Town shall promptly notify the District in writing of any matter discovered during inspection, survey, and/or investigation pursuant to this Section B which makes the Leased Property unsuitable for the Town's purposes, in the Town's sole judgment, and such any such matters shall be deemed Objections to which the provisions of Section D below shall apply.

C. Title Insurance/Title Conditions. A current commitment for title insurance policy issued by a title company to be selected by the District, in an amount equal to the Purchase Price, shall be furnished by the District to the Town within sixty (60) days prior to the execution of this Lease. Except for modifications, if any, pursuant to Objections as defined below, the Town shall take title to the Leased Property subject to all easements, covenants, restrictions, mineral leases, and other conditions which appear in the Schedule B-2 Exceptions to Title as provided in the insurance commitment for the Leased Property. Moreover, Town shall take the Leased Property subject to the inclusion of the Leased Property within any special taxing districts, utility distribution easements, and those off-record conditions which have been disclosed to Town pursuant to this Lease. The District will provide written disclosure of off-record conditions within 60 days of the execution of this Lease Purchase.

D. Objections. In the event that the Town determines that any matter disclosed by any survey or ALTA Survey, or discovered in the Town's inspection under Section B above, or discovered in the Town's title review or review of off-record disclosures under Section C above, or discovered in other due diligence, which makes the Leased Property unsuitable for the Town's purposes, in the Town's sole judgment, the Town shall promptly notify the District in writing of such matter or matters (hereinafter referred to as "Objections"). The District shall have no responsibility whatsoever for curing any Objections; provided however, the District, at its option, may cure or remove any Objections by giving the Town written notice of the District's intention to cure or remove such Objections within fifteen (15) business days after receipt of Town's written notice thereof. If the District fails to give Town written notice within fifteen (15) business days after receipt of written notice of Objections, the Town shall have Fifteen (15) business days in which to decide whether this Lease shall be deemed canceled and of no further force or effect, or whether to waive such Objections. If the Lease is cancelled, the District shall return payments made by the Town. If the Town has not given The District notice within such Fifteen -business day period that the Objections will be waived, then this Lease shall be deemed canceled and of no further force or effect, and the parties hereto shall have no further obligations hereunder and payments made by

Commented [LL23]: I think we want to have all of the sellers disclosures and buyers inspections, and all due diligence opportunities as provided in a standard form of Colorado Real Estate commission purchase contract, prior to the Town being financially obligated under the Lease Purchase. What is in this Lease Purchase does not cover everything. I will attach a standard form commercial contract and also the seller's property disclosure to e-mail accompanying this. Both forms also available at <https://dre.colorado.gov/real-estate-broker-contracts-and-forms>

the Town shall be returned (except obligations hereunder that expressly survive termination of this Lease). Unless Town provides notice of an Objection as set forth in this Section D, or if the Town provides written notice of waiver of Objections, the Town shall be deemed to have accepted all conditions of the Leased Property, survey, and title as satisfactory.

E. Costs. The cost of the title commitment and the premium on the title insurance policy shall be paid by the District. The closing costs shall be split equally between the parties. The District and Town shall each pay their own respective legal and professional fees and fees of other consultants incurred by the ~~the~~ District and Town. The Town shall pay one hundred percent (100%) of all costs of the Town's due diligence, including fees due its consultants and attorneys and all costs and expenses of any survey or Phase I, Phase II, or other environmental studies which the Town desires to obtain, and all fees related to any financing to be obtained by the Town.

F. Closing. The closing and date for payment of the Purchase Price and delivery of the deed shall be Tuesday, July 1, 2025, which is upon the date of the final installment of the payment of the purchase price, or shall be earlier upon the final payment of the Purchase Price if the final payment is made earlier than July 1, 2025. The specific ~~date and~~ hour of closing shall be determined by mutual agreement of the parties. The closing shall be held at the title insurance company or such other location as may be determined by mutual agreement of the parties.

1. Title shall be merchantable in the District. Subject to payment or tender as above provided, the District shall execute and deliver a good and sufficient ~~SPECIAL-GENERAL WARRANTY~~ DEED to the Town conveying the Leased Property free and clear of all taxes, except the general real estate property taxes for the year of closing, and free and clear of all liens, mortgages, deeds of trust, and encumbrances except those that may be permitted by the Town ~~following review of the title commitment. The term "permitted" in the preceding sentence refers to any means by which the Town expresses the permission contemplated in such sentence, but expressly includes the Town's failure to submit an Objection or the Town's waiver of Objections as described in Section D above. The District's water rights shall be conveyed by bargain and sale in writing. The District's water rights described above shall be conveyed by quitclaim~~ Bargain and Sale deed at closing.

2. Any encumbrance required to be paid by the District may be paid at the time of settlement at closing from the proceeds of this transaction or from any other source.

3. The Town shall remain in possession of the Leased Property from the last day of the Lease Term through the date of Closing

G. Early Purchase Option. The District hereby grants to the Town the option to proceed to Closing prior to the expiration of the Lease Term, upon sixty days' prior written notice to the District. The District hereby acknowledges the sufficiency of the consideration provided by the Town for such Early Purchase Option. In the event the Town exercises this Early Purchase Option, all the parties' respective obligations hereunder will continue through the date of Closing, and this Lease will terminate at 11:50 pm on the date of Closing, provided that all obligations of the Town are met and fulfilled and no Event of Default has occurred.

Commented [DF24]: David L. had suggested that these due diligence sections are not needed, since the Town will need to do all of this before the Lease is signed. If that is the case, these will be deleted.

Commented [Cd25R24]: Mark would like these left in for now and I am fine with that....the only one that he would like to see at this point is C (running a check on the property to the title company). We are seeing if this was done in the last 15 years. He and David will sort it out when we send this to them

Commented [LL26]: As buyer, would like general warranty deed. For the non-lawyers, I cut and paste the following from an online article from a title company:

What Are The Warranties?

The warranty deed form is actually dictated by statute, at C.R.S. 38-30-115. In substance, it's a transfer by the grantor (seller) that warrants three things:

(1) that the grantor is the owner with full power to sell,
(2) that the property is transferred free and clear of encumbrances (except those specifically identified), and
(3) that the grantor will defend title against anyone claiming an interest in the property.

The third promise is what differentiates a general warranty deed from a special warranty deed.

General Warranty Deed

With a general warranty deed the warranty clause in the deed states "and warrants title to the same." This means that the warranty of title provided by the seller extends back in time to people who might claim an interest in title before the seller ever bought the property. In other words, the seller is warranting title for all prior owners as well as the seller.

Special Warranty Deed

With a special warranty deed, the warranty language is changed to limit the duration of the seller's warranty. The warranty clause will state something like: "and warrants title to all persons claiming under me." This "under me" part means that the warranty is limited to claims against title only for the time the seller owned the property, and not before.

Commented [LL27]: Cut and paste from title company website about differences between quit claim and bargain and sale deed:

QUIT CLAIM DEED –

Grantor does not give any warranty. This deed uses the words "quit claim", in order to convey only the interest he/she has in the property, if any. The Grantor does not offer any warranties. This does not pass after acquired title. (CRS §38-30-116)

BARGAIN AND SALE DEED –

Grantor does not give any warranty or guarantees from past defects in the chain of title. This is often used when the person signing the deed has not personally lived in the property. The Grantor does not offer any warranties. This deed does pass after acquired title. (CRS §38-30-115)

Article XII. NOTICES

Any notices required or permitted hereunder shall be in writing and shall be sufficient if personally delivered, sent by overnight delivery or sent by certified mail, return receipt, addressed as follows:

If to the District:

Ignacio School District No. 11-JT
PO Box 460
Ignacio, CO 81137
Attn: Superintendent of Schools

with a required copy (which shall not constitute notice) to:

Sample, Farrington, Everall & Case, P.C.
1120 Lincoln Street, Suite 1308
Denver, Colorado 80203

If to the Town:

Town of Ignacio
PO Box 459
Ignacio, CO 81137
Attn: Town Manager

with a required copy (which shall not constitute notice) to:

Law Office David Liberman, LLC
1099 Main, Suite 312
Durango, CO 81301

Notice personally delivered and overnight delivery shall be effective upon delivery. Mail notice shall be effective three (3) business days after mailing.

Article XIII. ASSIGNMENT, SUBLEASING AND USE BY TOWN

A. Assignment and Subleasing of the Lease Purchase. This Lease Purchase may not be assigned by the Town for any reason other than to a successor by operation of law except with the District's consent, which shall not be unreasonably withheld. However, the Leased Property may be subleased to any other person or entity, as a whole or in part, by the Town, but without the necessity of obtaining the consent of the District, subject, however, to each of the following conditions:

1. This Lease Purchase, and the obligations of the Town hereunder, shall, at all times during the Lease Term remain obligations of the Town, and the Town shall maintain its obligations to the District, notwithstanding any sublease.
2. The Town shall furnish or cause to be furnished to the District a copy of any sublease agreement.
3. No sublease by the Town shall violate the Constitution or laws of the State.
4. The temporary use of the Leased Property by one or more community groups under the Town's community use of Town facilities policies or similar procedures shall not constitute an assignment or subletting in violation of this section.

Article XIV. EVENTS OF DEFAULT AND REMEDIES

A. Events of Default Defined. Any one of the following shall be an "Event of Default" under this Lease Purchase:

1. Failure by the Town to pay any Base Rentals or ~~Additional Rentals~~ other financial obligations incurred under this Lease Purchase during the Lease Term within fifteen business days after the same become due, however payments beyond the current fiscal year are subject to annual appropriation, and provided the District shall provide five days advance notice that the rent or other funds are overdue prior to declaring this default;
2. Failure by the Town to observe and perform any material covenant, condition or agreement on its part to be observed or performed hereunder or under any certificates executed and delivered by the Town in connection with the execution and delivery of this Lease, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be given to the Town by the District, unless the District shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the District shall not withhold its consent to an extension of such time if corrective action is instituted by the Town within the applicable period and diligently pursued until the default is corrected. Such consent by the District shall not be unreasonably withheld.
3. The Town (i) files a petition or application seeking reorganization, arrangement under federal bankruptcy law, or other debtor relief under the laws of the State or (ii) is the subject

Commented [DF28]: David L. indicated that he was going to compare provisions in the Colorado Real Estate forms.

Commented [Cd29R28]: OK

of such a petition or application which is not contested by the Town, or otherwise dismissed or discharged, within 30 days.

B. Force Majeure. If, by reason of Force Majeure, the Town shall be unable in whole or in part to carry out any obligation on its part herein contained, other than the obligations on the part of the Town contained in Article VI of this Lease, the Town shall not be deemed in default during the continuance of such inability. The Town agrees, however, to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the Town from carrying out its obligations; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Town.

C. Remedies on Default. Whenever any Event of Default referred to in Section A of this Article XIV shall have happened and be continuing, the District may, without any further demand or notice, take one or any combination of the following remedial steps:

1. The District may provide a notice of its intent to terminate the Lease Purchase and initiate judicial proceeding necessary to foreclose the lease purchase interest as necessary, in accordance with Colorado law.

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Commented [LL30]: Added it back in re TABOR

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2. The District may recover from the Town:

a. The portion of Base Rentals ~~and Additional Rentals~~ plus other expenses owed under the Lease Purchase such as utilities, taxes if any, and insurance, which would otherwise have been payable hereunder, ~~at adjusted to~~ \$1,000 per month Base Rentals, pro-rated during any period in which the Town continues to occupy, use or possess the Leased Property and shall return to the Town that portion of the payments to the Town it has made to the District beyond that \$1,000 per month; and

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D. No Remedy Exclusive. No remedy herein conferred upon or reserved to the District is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the District to exercise any remedy reserved in this Article XIV, it shall not be necessary to give any notice, other than such notice as may be required in this Article XIV or as required by law

E. Waivers. The District may waive any Event of Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

F. Agreement to Pay Attorneys' Fees and Expenses. To the extent permitted by law, the prevailing party in litigation shall be entitled to an award of its reasonable attorney's fees and court costs. Prior to litigation, the parties shall enter into good faith negotiations to resolve a dispute, and shall attempt to engage in non-binding mediation to resolve any dispute.

Article XV. MISCELLANEOUS

A. Sovereign Powers of Town. Nothing in this Lease Purchase shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers of the Town.

B. Binding Effect. This Lease Purchase shall inure to the benefit of and shall be binding upon the District and the Town and their respective successors and assigns.

C. Amendments, Changes and Modifications. Except as otherwise provided in this Lease Purchase, this Lease Purchase may not be effectively amended, changed, modified or altered without the written consent of the parties hereto.

D. Net Lease. This Lease Purchase shall be deemed and construed to be a “triple net lease,” and the Town shall, pay absolutely net during the Lease Term, the Base Rentals, ~~Additional Rentals~~ and all other payments required hereunder, [subject to the annual appropriation provisions herein](#).

E. Recording of Lease. The Town may record this Lease Purchase, at the sole decision of the Town, in the office of the La Plata County Clerk and Recorder; provided, however, that the Town will promptly provide the District with a full and true copy of the recorded Lease showing the recording information.

F. Joint Preparation. The parties hereto have participated jointly in the negotiations and drafting of this Lease. In the event any ambiguity or question of intent or interpretation arises, this Lease Purchase shall be construed as if drafted jointly by both parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Lease Purchase.

G. Article and Section Headings. Article and Section headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this Lease.

H. Time is of the Essence. Time is of the essence hereof, and all terms, conditions, obligations and covenants shall be tendered or performed as specified herein. If any obligation hereunder is not performed or waived as herein provided, the Parties shall have such remedies as are available under applicable law.

I. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a day other than a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease Purchase.

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

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

M. Applicable Law; Venue. This Lease Purchase shall be governed by and construed in accordance with the laws of the State, without regard to conflict of laws principles. Venue for any legal proceedings arising from or in connection with this Lease shall be in the District Court of La Plata County, Colorado.

WITNESS the due execution hereof as of the day and the year first mentioned above.

[Signature Page to Lease Purchase Agreement follows]

[Lease Signature Page]

Exhibit A

Below are details for four (4) separate properties associated with this Lease:

- 1: Parcel Number: 595508400002
Legal Description: Halls First Addition – Town of Ignacio; Section: 8, Township: 33: Range: 7, Tract in NW/4, SE/4, totaling 4.48 acres
- 2: Parcel Number: 595508308001
Legal Description: Halls First Addition – Town of Ignacio; Block 5; Lots 1-13, totaling .933 acres
- 3: Parcel Number: 595508308002
Legal Description: Halls First Addition – Town of Ignacio; Block 5; Lots 14-26 (East 70 feet) totaling .522 acres
- 4: Parcel Number: 595508305013
Legal Description: Halls First Addition – Town of Ignacio; Block 4; Lots 1-2, totaling .172 acres

All water rights owned by the District that are assigned or conveyed to the above properties will transfer with this Lease Purchase Agreement.

Exhibit B—Payment Schedule for Lease Purchase Agreement for the ElHi property

Date of payment due	Payment	
July 1, 2023	\$ 366,667 (including \$1,000 per month lease payment)	presently appropriated
July 1, 2024	\$ 366,667 (including \$1,000 per month lease payment)	subject to appropriation
July 1, 2025	\$ 366,666	subject to appropriation. Conveyance of property to Town shall occur on July 1, 2025 upon this final payment or earlier upon any prepayment date.

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Commented [LL32]: Added back in the rent part of payment being included in the bigger sum.



Town of Ignacio

P.O. Box 459
540 Goddard Ave
Ignacio, CO 81137

970/563-9494 
townofignacio.com 

Public works Department Staff Report

3/7/2023

Compliance

610 Browning – Complaint about cars and trash in yard. Pending due to property under investigation.

100 Browning – Talked with property owner about van that has not been moved for 2 months. Pending.

270 Burns – Talked with property owner about parking trucks on street. Pending.

Natural Gas System

Monthly meter reads, re-reads and Shut offs

Leak Survey

Mercaptan Testing

Energy World Net operator qualification Compliance for D.O.T. compliance

State compliance and filing

DOT training

OQ training

System maintenance and repair

Working on getting all steel piping replaced in system through the Capital improvement plan

Working with Brad Bean on compliance issues with the State of Colorado

Sewer and Storm Drain System

Monthly line flushing

System maintenance and repair

State compliance training and filing

Working with CDOT, Darren Stewart with SEH to finalize storm drain route for Phase 1 of the Browning Ave Project

Have identified several problem areas in the Sanitary sewer system that need repaired

1500 feet of 24-inch HDPE pipe ordered for the Browning storm drain project





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Drinking Water system

Monthly meter reads, re-reads and shut offs

Monthly water sampling

System maintenance and repair

State compliance training and filing

New water meter installs and pit repairs

Meter inventory and leak survey

Lead and Copper water sampling

Meter pits insulated

Sanitary survey to be conducted on February 13 2023 with CDPHE

WE have been notified by the CDHE we are out of compliance on our cross-connection control program Garry and Ray are doing an audit on all commercial water users in Town

Irrigation System

System maintenance and repair

Monitor irrigation pond level

Irrigation will be shut down for the season on 10/10/2022 Winterize system

Parks

Irrigation line, pump and sprinkler repair

Special Event preparation

End of season preparations complete

Roadways and Alleys

Snow plowing

Drainage maintenance and repair

General Maintenance

UNCC locates completed filed and reported

Daily and weekly trash collection

Daily Utilities issues and complaint call outs addressed

Maintain and clean up the burn pile area

Tree removal

Snow removal Equipment installed

Salt slicer hauled on site





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Equipment and Vehicles

Daily maintenance

Monthly maintenance

Repair snow removal equipment

Building code enforcement

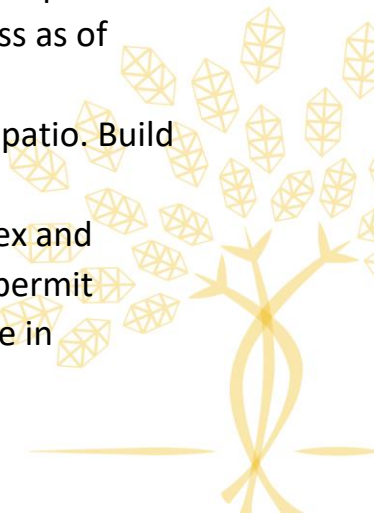
2/07/2023

Town of Ignacio Building Construction / Inspection Cross Connection Control Program

From: Garry Montoya

To: Jeremy Mickey

- 815 Shoshone Building permit submitted for resident re- model and window replacement on 4/28/2022 (Owner: Jeff Lewis) Note: Near completion. (Home is for sale)
- 610 Browning Exterior panel and window replacement. Permit issued and approved on 4/24/2022 Estimated completion Oct. 2022 (Owner: Luis Valenzuela) Note: Pending investigation (IPD -CBI)
- New Residence for Rokfur, LLC. Lot 4 Walker First Add. 150 County Road 320A. Building permit issued on 3/24/22. Build plans on hold per per-Jeff Seales (Owner- Contractor) New inquiry on building 2/7/23. Owner wants to revise initial build process. Scheduled Meeting on 2/8/23
- awaiting
- 457 Burns Ave. Jeremy Schultz (Owner) Residence remodel... Build permit issued on 9/14/22 9 (No current information or status or progress as of 2/6/23)
- 110 Maple Ave Jordan Larsen (Owner) New rear attached cover patio. Build permit approved and issued on 11/15/22
- 505 Tranquillo Ct. New construction Single Family Residence. Alex and DeeDee Kendall (Owner – Contractor. Plans approved, building permit Issued on 6/14/22. (Near completion, home is scheduled to close in February.) Completed COO Issued on 2/15/23





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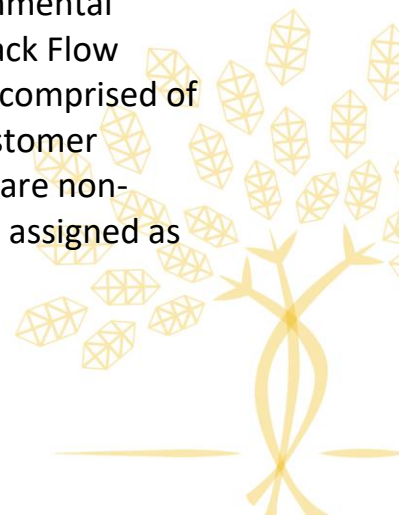
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- 500 Tranquillo Ct. New construction, Single Family Residence Shane Roukema (Owner -Contractor. Building permit application approved on 12/14/22
Permit paid and issued on 1/11/23
- 355 Goddard Ave. Restaurant Interior remodel, O. Cuevas and J. Rosas (Owner Contractor) Building permit Issued on 12/15/22. Excavation permit issued on 1/20/23 for new gas line install. Note: New gas line installed and inspected on 2/01/23
- 225 Goddard Ave. Linda Campbell (Owner) Residence remodel. Building permit issued on 1/26/23. Contractor: Gary Hansen
- 455 Shoshone Margret and Butch Gomez (Owner) Residence remodel. Building Permit Issued on 1/26/23. Contractor Gary Hansen
- 516 Tranquillo Ct. Laura and Dillon Stone (Owner) Single Family Residence. New build. Contractor S&D Do It All. Excavation permit issued on 2/1/23 Building permit issued on 2/06/23. Concrete footing, stem wall, garage driveway, rear patio and sidewalk completed on 2/7/23

Cross Connection Control Program

CDPHE Regulation 11.39 (3) Cross Connection Control

Meeting with CDPHE. Water Quality control Division. KC Kay (Environmental Protection Specialist). The meeting in general was an audit for the Back Flow Cross Connection contamination control program. Overall, the audit comprised of compliance issues Monitoring schedule, Test results, Commercial customer compliance within the scope of the regulation. Survey results. There are non-compliance issues that have must be rectified. Ray Sanchez has been assigned as the primary contact for this program.





Town Clerk / Treasurer Report

March 2023

Honorable Mayor and Trustees,

The following is a report of my activities since the last Town Board Meeting.

Treasurer:

- The Accounting Reports for February are included in the consent agenda.

Utilities:

- All the rates for water, sewer, irrigation and gas have been updated in our utility billing software. The gas rate for March from the Tribe is attached to the ongoing agenda item, as well as the updated tracking spreadsheet.
- On Tuesday, March 7, I received the attached letter from GLF stating that the price will increase for trash poly carts, effective in June of this year. Notice of this rate increase will be in the newsletter that will go out with the Utility Bills on April 5. Because it is simply passing on the rate increase from GFL, there is no need for a Public Hearing; we will simply communicate that this rate increase is coming.

Human Resources:

- Mr. Garcia and I have reviewed and updated the Human Resources Policies and Procedures Manual. I would like to schedule a work session to get your input on our work. Based on your input and recommendations at that work session, the Manual would be submitted to CIRSA for review and then brought back to you for final approval and adoption.

Events:

- Thursday, March 23, 2023 – Town Board Joint Work Session with the La Plata Board of County Commissioners at 6 PM at the Abel F. Atencio Community Room. The County will cater dinner. This will be an in-person only event (no remote access).
- Monday, April 10, 2023 – Regular Town Board Meeting

Licenses:

- Animal: 41 current licenses; 2 overdue; have been contacted
- Business: 67 current licenses; 1 overdue; has been contacted
- Business Service Licenses: 66 current licenses
- Liquor Licenses: None this month

Please contact me with any questions. Thank you.

Tuggy



Feb 3, 2023

Tuggy Dunton
Town Of Ignacio Town Clerk/Finance
540 Goddard Ave
Ignacio, CO 81137

Tuggy:

Effective June 9, 2023, GFL Environmental/Transit Waste intends to exercise the annual price increase referenced in the 2021 Contract Extension (Section 4 Line (b)) For Residential Solid Waste Collection Services between the company and the Town of Ignacio.

GFL Environmental will increase the monthly price by 6.1% CPI rate for trash collection services using the outlined requirements in the contract, bringing the price to \$10.57 per household Primary Carts through calendar year 2024. This increase also includes secondary carts.

We enjoy our relationship with the Town of Ignacio and will strive to remain the superior solid waste collection partner that your citizens expect and deserve. As always, please contact me with any questions, comments or suggestions.

Thank you for your time.

Yours very truly,

Josh (JC) Velasquez
NM/CO Operations Manager
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