



**AGENDA**  
**NOVEMBER 21, 2016**  
**LAVON CITY COUNCIL**  
**CITY HALL, 120 SCHOOL ROAD, LAVON, TEXAS**  
**SPECIAL MEETING – EXECUTIVE SESSION**  
**6:00 P.M.**

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**1. PRESIDING OFFICER TO CALL THE MEETING TO ORDER AND ANNOUNCE THAT A QUORUM IS PRESENT.**

**2. PLEDGE OF ALLEGIANCE AND INVOCATION**

**3. CANVASS OF ELECTION**

Discussion and action regarding Resolution No. 2016-11-02 canvassing the returns, including the returns of early voting ballots cast in connection therewith, and declaring the results of the General Election held on November 8, 2016 for the purpose of electing a Three Council Members for Places One (1), Three (3) and Five (5) for two (2) year terms; authorizing issuance of a canvass of General Municipal Election.

**4. ISSUANCE OF OATH OF OFFICE TO NEWLY ELECTED COUNCIL MEMBERS**

**5. EXECUTIVE SESSION**

In accordance with the provisions of Chapter 551, TEXAS GOVERNMENT CODE, the City Council will recess into Executive Session (closed meeting) and to discuss the following: in accordance with the authority contained in §551.074 (1) Personnel Matters, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee – Appointment of City Council Member, Place 2

**6. RECONVENE INTO REGULAR SESSION**

In accordance with Texas Government Code, Section 551.001, et seq., the City Council will reconvene into Regular Session to discuss and take any action regarding the executive session item(s).

- A. Discussion and action regarding the appointment for the unexpired term of City Council Member, Place 2, that will expire in November 2017.

**7. DISCUSSION AND ACTION**

- A. Discussion and action regarding Resolution No. 2016-11-08 authorizing the Mayor and Mayor Pro Tem to execute an Equipment Lease Purchase Agreement with Community Leasing Partners for the purchase of a tractor and a Tahoe Fire Command Vehicle for an amount not to exceed \$107,438.00; and providing an effective date.
- B. Discussion and action regarding the election of a Mayor Pro Tem for the 2016-2017 term.

**8. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDAS**

Council Members and staff may request items be placed on a future agenda or request a special meeting be called.

**9. PRESIDING OFFICER TO ADJOURN THE CITY COUNCIL MEETING**

1. Notice is hereby given that members of the Lavon Economic Development Corporation, Lavon Planning and Zoning Commission, Parks and Recreation Board, Infrastructure and Facilities Commission and Tax Increment Financing Zone #1 Board may be in attendance at the Lavon City Council Meeting.
2. The Council may vote and/or act upon each of the items listed in this Agenda except for discussion items.
3. The Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (discussing purchase, exchange, lease or value of real property); §551.074 (discussing personnel or to hear complaints against personnel); and §551.087 (discussing economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

This is to certify that this Agenda was duly posted on the glass of the front door of the City Hall, facing the outside, the City's website at [www.cityoflavon.com](http://www.cityoflavon.com) and on the City Hall bulletin board, on or before 6:00 PM on November 18, 2016.



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Kim Dobbs, City Administrator | City Secretary

Removed from posting: \_\_\_\_\_

\_\_\_\_\_ signed



**CITY OF LAVON  
CITY COUNCIL  
Agenda Brief**

**MEETING: November 21, 2016**

**ITEM: 3**

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**Item:**

Discussion and action regarding Resolution No. 2016-11-02 canvassing the returns, including the returns of early voting ballots cast in connection therewith, and declaring the results of the General Election held on November 8, 2016 for the purpose of electing a Three Council Members for Places One (1), Three (3) and Five (5) for two (2) year terms; authorizing issuance of a canvass of General Municipal Election.

**Background:**

Pursuant to the Texas Election Code, Chapter 67 the governing body is required to canvass the precinct election returns for the election not earlier than the 7<sup>th</sup> nor later than the 14<sup>th</sup> day after the November 8, 2016 election. Two members of the Council constitute a quorum for purposes of canvassing an election.

**Attachments:** Resolution  
November 8, 2016 Election Summary Report  
Notice of Election  
Affidavit of Publication

November 18, 2016

**CITY OF LAVON, TEXAS**

**RESOLUTION NO. 2016-11-02**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAVON, COLLIN COUNTY, TEXAS CANVASSING THE RETURNS, INCLUDING THE RETURNS OF EARLY VOTING BALLOTS CAST IN CONNECTION THEREWITH, AND DECLARING THE RESULTS OF THE GENERAL ELECTION HELD ON NOVEMBER 8, 2016 FOR THE PURPOSE OF ELECTING THREE COUNCIL MEMBERS FOR PLACES ONE (1), THREE (3) AND FIVE (5) FOR TWO (2) YEAR TERMS; AUTHORIZING ISSUANCE OF A CANVASS OF GENERAL MUNICIPAL ELECTION; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, on August 2, 2016 the City Council of the City of Lavon, Texas (hereinafter referred to as the “City”) passed and approved Resolution No. 2016-08-02, which resolution ordered a general election (hereinafter referred to as the “General Municipal Election”) to be held on November 8, 2016 for the purpose of electing three Council Members for Places One (1), Three (3) and Five (5); and

**WHEREAS**, the City has heretofore caused to be posted and published in accordance with the election laws of the State of Texas, notices of the General Election to be held on November 8, 2016; and

**WHEREAS**, notices of the General Municipal Election were actually provided by the City and the Collin County Elections Administrator as required by state law; and

**WHEREAS**, the City Secretary presented affidavits of posting and publication of the notices of the General Municipal Election; and

**WHEREAS**, the affidavits of posting and the publishing notices of the General Municipal Election were examined and approved; and

**WHEREAS**, the General Municipal Election was duly and legally held on November 8, 2016 in the City and in conformity with the election laws of the State of Texas, and the results of the General Municipal Election, including the early voting results, have been certified and returned by the proper judges and clerks thereof; and

**WHEREAS**, the City Secretary, acting as Special custodian of the election records, presented the canvass report for the General Municipal Election, including the returns of the early ballots cast in connection therewith, to the Canvassing Board; and

**WHEREAS**, the City Council of the City, acting in its capacity as the Canvassing Board for the General Municipal Election, has considered the returns of said General Municipal Election, including the returns of said ballots cast in connection therewith; and

WHEREAS, the returns of the General Municipal Election, including the returns of early ballots cast in connection therewith, duly and legally made, showed that there were cast at said General Municipal Election, the following total valid and legal votes:

Place One (1)	Votes Cast
<b>Vicki L. Sanson</b>	<b><u>651</u></b>
Joshua A. Murray	421
Place Three (3)	Votes Cast
<b>Kay Wright</b>	<b><u>652</u></b>
Jason Arnold	361
Place Five (5)	Votes Cast
<b>Mindi Serkland</b>	<b><u>621</u></b>
Jorge Calderon	395

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAVON TEXAS:**

**Section 1.** Incorporation of Premises. The above and foregoing premises are true and correct and are incorporated into the body of this Resolution and made a part hereof for all purposes.

**Section 2.** Confirmation of Vote Tabulations. The results of the General Municipal Election, as canvassed and tabulated above reflect the expressed desires of the resident qualified voters of the City.

**Section 3.** Issuance of Certificates of Election. That the Mayor is hereby authorized and directed to execute and deliver Certificates of Election to the successful candidates elected at the General Municipal Election.

**Section 4.** Issuance of Canvass of General Municipal Election. The Mayor is hereby authorized and directed to execute and deliver the Canvass of the General Municipal Election, a copy of which is attached hereto as **Exhibit A**, in accordance with the election laws of the State of Texas, and to take all other action necessary connection therewith.

**Section 5.** Declaring an Effective Date. This resolution shall be in full force and effect from and after its passage, and it is accordingly so resolved.

DULY PASSED AND APPROVED THIS THE \_\_\_\_\_ DAY OF NOVEMBER, 2016.

\_\_\_\_\_  
Charles A. Teske, Jr., Mayor

ATTEST: \_\_\_\_\_  
Kim Dobbs  
City Administrator | City Secretary

**CITY OF LAVON, TEXAS**  
**RESOLUTION NO. 2016-11-02**

**EXHIBIT "A"**

**CANVASS OF CITY OF LAVON, TEXAS**  
**NOVEMBER 8, 2016 GENERAL ELECTION**

I, Charles A. Teske, Jr., Mayor of the City of Lavon, Texas, met with the City Council sitting as the canvassing board to canvass the general election of November 8, 2016, on Tuesday, November 15, 2016 at City Hall, 120 School Road, Lavon, Texas 75166.

I certify that the figures on the tally sheets correspond with the figures on the returns.

**Witness my hand this \_\_\_\_ day of November, 2016.**

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Presiding Officer of Canvassing Authority

## Kim Dobbs

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**From:** Bruce Sherbet <bsherbet@co.collin.tx.us>  
**Sent:** Wednesday, November 16, 2016 11:56 AM  
**To:** Kim Dobbs  
**Cc:** Patty Seals; Cheryl Gorena  
**Subject:** Canvass Documents for the November 8, 2016 City of Lavon Election  
**Attachments:** City of Lavon canvass certification 11-08-16.pdf; CAT.pdf; CPP.pdf; EDAT.pdf; EDPP.pdf; EVAT.pdf; EVPP.pdf; results.txt

Kim,

Attached are the finalized election reports for the November 8, 2016 City of Lavon Election. Please let me know if you have any questions.

Best,

Bruce



STATE OF TEXAS

§

CANVASS OF THE  
CITY OF LAVON  
ELECTION

COUNTY OF COLLIN

§

NOVEMBER 8, 2016

I, Bruce Sherbet, the undersigned Elections Administrator of Collin County, do hereby certify that I have made an actual check and comparison of all the ballots tabulated as voted with the Return Sheets, and the unused ballots as recorded on the Register of Official Ballots. I, therefore, make the following report of my findings from the November 8, 2016, City of Lavon Election that was held in Collin County, Texas.

I hereby certify the results to be a full, true and correct tabulation, audit and count of the votes cast in the said election.

WITNESS, my hand on this the 16th day of November 2016.



Bruce Sherbet  
Elections Administrator  
Collin County

Election Summary Report  
 Collin County, TX  
 General Election  
 November 8, 2016

Date:11/16/16  
 Time:10:01:34  
 Page:1 of 1

Summary For Jurisdiction Wide, All Counters, Lavon City  
 Early Voting and Election Day Combined Accumulated Totals  
 73 of 73 Vote Centers Reporting

Registered Voters 540084 - Cards Cast 1414 0.26%

Num. Report Precinct 214 - Num. Reporting 214 100.00%

C Lavon Council P1		Total	
Number of Precincts		3	
Precincts Reporting		3	100.0 %
Vote For		1	
Times Counted	1414/2019		70.0 %
Total Votes		1073	
Times Blank Voted		341	
Times Over Voted		0	
Number Of Under Votes		0	
<b>Vicki L. Sanson</b>		652	60.76%
Joshua A. Murray		421	39.24%

C Lavon Council P3		Total	
Number of Precincts		3	
Precincts Reporting		3	100.0 %
Vote For		1	
Times Counted	1414/2019		70.0 %
Total Votes		1014	
Times Blank Voted		400	
Times Over Voted		0	
Number Of Under Votes		0	
<b>Kay Wright</b>		652	64.30%
Jason Arnold		362	35.70%

C Lavon Council P5		Total	
Number of Precincts		3	
Precincts Reporting		3	100.0 %
Vote For		1	
Times Counted	1414/2019		70.0 %
Total Votes		1017	
Times Blank Voted		397	
Times Over Voted		0	
Number Of Under Votes		0	
<b>Mindi Serkland</b>		621	61.06%
Jorge Calderon		396	38.94%

Election Summary Report  
 Collin County, TX  
 General Election  
 November 8, 2016

Date:11/16/16  
 Time:09:51:26  
 Page:1 of 1

Summary For Jurisdiction Wide, , Lavon City  
 Election Day Accumulated Totals

Registered Voters 540084 - Cards Cast 263 0.05%

Num. Report Precinct 214 - Num. Reporting 214 100.00%

C Lavon Council P1		
	Total	
Number of Precincts	3	
Precincts Reporting	3	100.0 %
Vote For	1	
Times Counted	263/2019	13.0 %
Total Votes	197	
Times Blank Voted	66	
Times Over Voted	0	
Number Of Under Votes	0	
<b>Vicki L. Sanson</b>	101	51.27%
Joshua A. Murray	96	48.73%

C Lavon Council P3		
	Total	
Number of Precincts	3	
Precincts Reporting	3	100.0 %
Vote For	1	
Times Counted	263/2019	13.0 %
Total Votes	187	
Times Blank Voted	76	
Times Over Voted	0	
Number Of Under Votes	0	
<b>Kay Wright</b>	113	60.43%
Jason Arnold	74	39.57%

C Lavon Council P5		
	Total	
Number of Precincts	3	
Precincts Reporting	3	100.0 %
Vote For	1	
Times Counted	263/2019	13.0 %
Total Votes	191	
Times Blank Voted	72	
Times Over Voted	0	
Number Of Under Votes	0	
<b>Mindi Serkland</b>	114	59.69%
Jorge Calderon	77	40.31%

Election Summary Report  
 Collin County, TX  
 General Election  
 November 8, 2016

Date:11/16/16  
 Time:09:47:19  
 Page:1 of 1

Summary For Jurisdiction Wide, , Lavon City  
 Early Voting Accumulated Totals

Registered Voters 540084 - Cards Cast 1151 0.21%

Num. Report Precinct 0 - Num. Reporting 0 0.00%

C Lavon Council P1		Total	
Number of Precincts		0	
Precincts Reporting		0	
Vote For		1	
Times Counted	1151/2019		57.0 %
Total Votes		876	
Times Blank Voted		275	
Times Over Voted		0	
Number Of Under Votes		0	
<b>Vicki L. Sanson</b>		551	62.90%
Joshua A. Murray		325	37.10%

C Lavon Council P3		Total	
Number of Precincts		0	
Precincts Reporting		0	
Vote For		1	
Times Counted	1151/2019		57.0 %
Total Votes		827	
Times Blank Voted		324	
Times Over Voted		0	
Number Of Under Votes		0	
<b>Kay Wright</b>		539	65.18%
Jason Arnold		288	34.82%

C Lavon Council P5		Total	
Number of Precincts		0	
Precincts Reporting		0	
Vote For		1	
Times Counted	1151/2019		57.0 %
Total Votes		826	
Times Blank Voted		325	
Times Over Voted		0	
Number Of Under Votes		0	
<b>Mindi Serkland</b>		507	61.38%
Jorge Calderon		319	38.62%

**CITY OF LAVON, TEXAS**  
**NOTICE OF GENERAL ELECTION**  
**(AVISO DE ELECCION GENERAL)**

To the registered voters of the City of Lavon, Texas:  
(a los votantes registrados del Ciudad de Lavon, Texas):

Notice is hereby given that the voting location listed below will be open on November 8, 2016 for voting in a general election to elect three (3) City Council Members: Place 1, Place 3 and Place 5.  
(Notifíquese, por las presente, que las casillas electorales citadas abajo se abrirán en 08 de noviembre de 2016 para votar en la Elección General para elegir tres (3) Membros del Consejo: Lugar 1, Lugar 3 y Lugar 5.)

Eligible City of Lavon registered voters (with an effective date of registration on or before November 8, 2016) may vote at any of the Collin County Voting Locations. A list of all Voting Locations can be downloaded at [www.cityoflavon.org](http://www.cityoflavon.org).

Ciudad elegibles de Lavon votantes registrados (con una fecha de vigencia de la inscripción en la tarde del 8 noviembre, 2016) pueden votar en cualquiera de las ubicaciones del Condado de Collin de voto. Una lista de todos los lugares de votación se puede descargar en [www.cityoflavon.org](http://www.cityoflavon.org).

ELECTION DAY VOTING LOCATION:  
DÍA DE LA ELECCIÓN lugar de votación:

November 8, 2016	7:00 a.m. – 7:00 p.m.	Lavon City Hall, 120 School Road, Lavon, Texas
08 de noviembre, 2016	7:00 a.m. – 7:00 p.m.	Lavon Ayuntamiento, 120 School Road, Lavon, Texas

EARLY VOTING BY PERSONAL APPEARANCE WILL BE CONDUCTED AS SHOWN BELOW:  
La votación adelantada en persona se llevará a cabo como se muestra a continuación:

Lavon City Hall, 120 School Road, Lavon, Texas  
Lavon Ayuntamiento, 120 School Road, Lavon, Texas

October 24 – October 28	8:00 a.m. – 5:00 p.m.	(octubre 24 a octubre 28, 8:00 a.m. - 5:00 p.m.)
October 29	7:00 a.m. – 7:00 p.m.	(octubre 29, 7:00 a.m. - 7:00 p.m.)
October 30	1:00 p.m. – 6:00 p.m.	(octubre 30, 1:00 p.m. – 6:00 p.m.)
October 31- November 4	7:00 a.m. – 7:00 p.m.	(octubre 31 a noviembre 4, 7:00 a.m. – 7:00 p.m.)

Applications for ballot by mail shall be mailed to:  
(Las solicitudes para boletas que se votarán en ausencia por correo deberán enviarse a:)

Bruce Sherbet, Collin County Elections Administrator  
2010 Redbud Blvd., Suite 102  
McKinney, TX 75069

Applications for ballots by mail must be received no later than the close of business on October 28, 2016.  
(Las solicitudes para boletas que se votarán en ausencia por correo deberán recibirse para el fin de las horas de negocio el 28 de octubre de 2016)

Issued this the 20<sup>th</sup> day of September, 2016  
(Emitida este día 20 de septiembre, 2016.)



Charles A. Teske, Jr.  
Mayor (Firma del Alcalde)



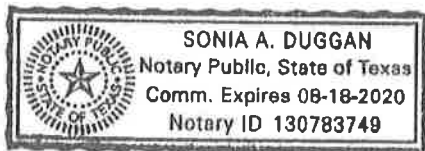
STATE OF TEXAS  
COUNTY OF COLLIN

Before me, the undersigned authority, on this day personally appeared Chad Engbrock, publisher of C & S Media, dba *The Wylie News*, a newspaper regularly published in Collin County, Texas and having general circulation in Collin County, Texas, who being by me duly sworn, deposed and says that the foregoing attached:

**City of Lavon  
Notice of General Election  
was published in said newspaper on the following date(s), to-wit:  
October 12, 2016**

Chad Engbrock, Publisher

Subscribed and sworn before me on this, the 14 day of Oct, 2016  
to certify which witness my hand and seal of office.

  
Notary Public in and for  
The State of Texas

My commission expires 8.18.20

# Election Notice

## CITY OF LAVON, TEXAS NOTICE OF GENERAL ELECTION (AVISO DE ELECCION GENERAL)

To the registered voters of the City of Lavon, Texas:  
(a las votantes registrados del Ciudad de Lavon, Texas):

Notice is hereby given that the voting location listed below will be open on November 8, 2016 for voting in a general election to elect three (3) City Council Members: Place 1, Place 3 and Place 5.  
(Notifíquese, por las presente, que las casillas electorales citadas abajo se abrirán en 08 de noviembre de 2016 para votar en la Elección General para elegir tres (3) Miembros del Consejo: Lugar 1, Lugar 3 y Lugar 5.)

Eligible City of Lavon registered voters (with an effective date of registration on or before November 8, 2016) may vote at any of the Collin County Voting Locations. A list of all Voting Locations can be downloaded at [www.cityoflavon.org](http://www.cityoflavon.org).

Ciudad elegibles de Lavon votantes registrados (con una fecha de vigencia de la inscripción en la tarde del 8 noviembre, 2016) pueden votar en cualquiera de las ubicaciones del Condado de Collin de voto. Una lista de todos los lugares de votación se puede descargar en [www.cityoflavon.org](http://www.cityoflavon.org).

### ELECTION DAY VOTING LOCATION:

DÍA DE LA ELECCIÓN lugar de votación:

November 8, 2016	7:00 a.m. – 7:00 p.m.	Lavon City Hall, 120 School Road, Lavon, Texas
08 de noviembre, 2016	7:00 a.m. – 7:00 p.m.	Lavon Ayuntamiento, 120 School Road, Lavon, Texas

### EARLY VOTING BY PERSONAL APPEARANCE WILL BE CONDUCTED AS SHOWN BELOW:

La votación adelantada en persona se llevará a cabo como se muestra a continuación:

Lavon City Hall, 120 School Road, Lavon, Texas  
Lavon Ayuntamiento, 120 School Road, Lavon, Texas

October 24 – October 28	8:00 a.m. – 5:00 p.m.	(octubre 24 a octubre 28, 8:00 a.m. – 5:00 p.m.)
October 29	7:00 a.m. – 7:00 p.m.	(octubre 29, 7:00 a.m. – 7:00 p.m.)
October 30	1:00 p.m. – 6:00 p.m.	(octubre 30, 1:00 p.m. – 6:00 p.m.)
October 31 - November 4	7:00 a.m. – 7:00 p.m.	(octubre 31 a noviembre 4, 7:00 a.m. – 7:00 p.m.)

Applications for ballot by mail shall be mailed to:

(Las solicitudes para boletas que se votarán en ausencia por correo deberán enviarse a:)

Bruce Sherbei, Collin County Elections Administrator  
2010 Redbud Blvd., Suite 102  
McKinney, TX 75069

Applications for ballots by mail must be received no later than the close of business on October 28, 2016.  
(Las solicitudes para boletas que se votarán en ausencia por correo deberán recibirse para el fin de las horas de negocio el 28 de octubre de 2016)

Issued this the 20<sup>th</sup> day of September, 2016  
(Emitida este día 20 de septiembre, 2016)



Charles A. Teske, Jr.  
Mayor (Firma del Alcalde)



**CITY OF LAVON  
CITY COUNCIL  
Agenda Brief**

**MEETING: November 21, 2016**

**ITEM: 6 - A**

**Item:**

Discussion and action regarding the appointment for the unexpired term of City Council Member, Place 2, that will expire in November 2017.

**Background:**

Jason Kidd, Council Member – Place 2 submitted his resignation on October 19, 2016. The Texas Local Government Code provides that the City Council, by majority vote, shall appoint a replacement to serve the unexpired term of a vacancy.

**Code Excerpt:**

**Texas Local Government Code, Section 22.010**

Sec. 22.010. FILLING VACANCY ON GOVERNING BODY OR IN OTHER MUNICIPAL OFFICE. (a) If for any reason a single vacancy exists on the governing body of the municipality, a majority of the remaining members, excluding the mayor, may fill the vacancy by appointment unless an election to fill the vacancy is required by Article XI, Section 11, of the Texas Constitution. The mayor may vote on the appointment only if there is a tie...

(b) The person appointed to fill the vacancy serves until the next regular municipal election.

The City Council may wish to consider the candidate eligibility criteria in addition to the qualifications of potential appointees.

**Candidate eligibility criteria:**

1. US citizen
2. 18 years of age or older
3. Resident of Lavon
4. Not have been deemed mentally incompetent by a final judgement of a court
5. Not have been convicted of a felony for which there has not been a pardon
6. Registered voter in Lavon

**Attachments: NA**

November 18, 2016





**CITY OF LAVON  
CITY COUNCIL  
Agenda Brief**

**MEETING: November 21, 2016**

**ITEM: 7 - A**

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**Item:**

Discussion and action regarding Resolution No. 2016-11-08 authorizing the Mayor and Mayor Pro Tem to execute an Equipment Lease Purchase Agreement with Community Leasing Partners for the purchase of a tractor and a Tahoe Fire Command Vehicle for an amount not to exceed \$107,438.00; and providing an effective date.

**Background:**

In the Annual Budget for Fiscal Year 2016-17 (FY 16-17), the City Council approved the purchase of a tractor and a Tahoe Fire Command Vehicle and allocated funds for installment payments for the purchase. Combining the purchases in one Lease Purchase Agreement yields more favorable terms than purchasing them separately. The installment payment scheduled for FY 16-17 is \$650.50 less than what was budgeted.

**Attachments:**      Resolution  
                             Equipment Lease Purchase Agreement

November 18, 2016

**CITY OF LAVON, TEXAS**

**RESOLUTION NO. 2016-11-08**

Equipment Lease Purchase Agreement  
Tractor and Fire Command Vehicle

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS AUTHORIZING THE MAYOR AND MAYOR PRO TEM TO EXECUTE AN EQUIPMENT LEASE PURCHASE AGREEMENT WITH COMMUNITY LEASING PARTNERS FOR THE PURCHASE OF A TRACTOR AND A TAHOE FIRE COMMAND VEHICLE FOR AN AMOUNT NOT TO EXCEED \$107,438.00; AND PROVIDING AN EFFECTIVE DATE.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, THAT:**

**SECTION 1.** The City Council does hereby authorize the Mayor And Mayor Pro Tem to execute an Equipment Lease Purchase Agreement with Community Leasing Partners for the purchase of a tractor and a Tahoe Fire Command Vehicle for an amount not to exceed \$107,438.00; which is attached hereto and labeled "Exhibit A".

**SECTION 2.** That this resolution shall take effect from and after the date of its passage.

**DULY PASSED AND APPROVED** by the City Council of the City of Lavon, Texas on the 21<sup>st</sup> day of November, 2016.

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Charles A. Teske, Jr., Mayor

ATTEST:

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Kim Dobbs  
City Administrator | City Secretary

**CITY OF LAVON, TEXAS**  
**RESOLUTION NO. 2016-11-08**

**EXHIBIT "A"**

Equipment Lease Purchase Agreement

Community Leasing Partners

November 2016



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

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November 3, 2016

Charles A. Teske, Jr.  
City of Lavon  
PO Box 340  
120 School Road  
Lavon, TX 75166

**RE: Financing for One (1) New Tahoe Fire Command Vehicle & One (1) New Tractor**

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Dear Charles,

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

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

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

Please return all documents with original signatures by 11/22/2016 to avoid any potential change in the payments or interest rate.

**This Agreement requires three different signers from the City of Lavon and an attorney's signature.**

- Signer 1- Charles Teske, Jr., Mayor
- Signer 2- Matt Childers, Mayor Pro Tem
- Signer 3- Kim Dobbs, City Administrator/Secretary

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

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

Sincerely,

*Tara*

Tara Nichols  
Documentation Associate

# Documentation Instructions

- ◇ **EQUIPMENT LEASE PURCHASE AGREEMENT**
  - Charles Teske, Jr.-sign where indicated
  - Matt Childers -sign as "Attested By"
- ◇ **Exhibit A – EQUIPMENT DESCRIPTION**
  - Provide physical location where equipment will be stored after delivery
- ◇ **Exhibit B –PAYMENT SCHEDULE**
  - Charles Teske, Jr. -sign where indicated
- ◇ **Exhibit C – CERTIFICATE OF INCUMBENCY & RESOLUTION**
  - Kim Dobbs -Fill in the date, sign where indicated, provide organization's Federal tax ID number, and list Officers
- ◇ **Exhibit D - OPINION OF COUNSEL**
  - Request your legal counsel sign, print his/her name, firm information, and date
- ◇ **Exhibit E- INSURANCE COVERAGE REQUIRMENTS**
  - Provide Agent's contact information
  - Charles Teske, Jr. -sign where indicated
- ◇ **Exhibit F- ACCEPTANCE CERTIFICATE**
  - Charles Teske, Jr. -sign where indicated and date- at delivery of equipment
- ◇ **INVOICE INSTRUCTIONS**
  - Complete contact information for payment billing invoices
- ◇ **ESCROW AGREEMENT**
  - Charles Teske, Jr. -sign where indicated
- ◇ **Exhibit A- PAYMENT REQUEST FORM/ SIGNATURE CARD**
  - Charles Teske, Jr. -sign where indicated
- ◇ **TAX COMPLIANCE WITH NO ARBITRAGE**
  - Charles Teske, Jr. -sign and date where indicated
- ◇ **8038 - IRS Form**
  - Verify employer identification number in Box 2
  - Complete Boxes 6 & 7
  - Charles Teske, Jr. -sign and date where indicated under "Signature and Consent"
- ◇ **ADDITIONAL DOCUMENTATION NEEDED PRIOR TO VENDOR PAYMENT (at delivery):**
  - Certificate of Insurance from your insurance provider
  - First payment check (if applicable)

## Conditions to Funding

*If, for any reason: (i) the required documentation is not returned by 11/22/2016, or has unresolved issues relating thereto, or (ii) on, or prior to the return of the documentation, there is a change of circumstances which adversely affects the expectations, rights or security of the Lessor or its assignees; then Lessor or its assignees reserves the right to adjust the quoted interest rate or withdraw/void its offer to fund this transaction in its entirety.*

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

# EQUIPMENT LEASE PURCHASE AGREEMENT (Short-form)

**LESSEE:**

City of Lavon  
PO Box 340 120 School Road  
Lavon, TX 75166

**LESSOR:**

Community First National Bank  
215 S. Seth Child Road  
Manhattan, KS 66502

**Lease Number:** 61753**Equipment:** One (1) New Tahoe Fire Command Vehicle & One (1) New Tractor

This Equipment Lease Purchase Agreement dated as of 11/1/2016 is between Lessor and Lessee as listed above. Lessor desires to finance the purchase of the Equipment described in Exhibit "A" to Lessee and Lessee desires to finance the purchase of the Equipment from Lessor subject to the terms and conditions of this Agreement which are set forth below.

**I. Definitions:**

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Equipment Lease Purchase Agreement and all Exhibits attached hereto. "Budget Year" means the Lessee's fiscal year. "Commencement Date" is the date when Lessee's obligation to pay rent begins. "Equipment" means all of the items of Equipment listed on Exhibit "A" and all replacements, restorations, modifications and improvements. "Lessee" means the entity listed above as Lessee and which is leasing the Equipment from Lessor under the provisions of this Agreement. "Lessor" means the entity originally listed above as Lessor or any of its assignees. "Lease Term" means the Original Term and all Renewal Terms. "Original Term" means the period from the Commencement Date until the end of the Budget Year of Lessee. "Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Lessee's Budget Year. "Rental Payments" means the payments Lessee is required to make under this Agreement as set forth on Exhibit "B". "State" means the state in which Lessee is located.

**II. Lessee Warranties**

Section 2.01. Lessee represents, warrants and covenants as follows for the benefit of Lessor or its assignees: (a) Lessee is an "issuer of tax exempt obligations" because Lessee is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code"). Lessee is authorized under the Constitution and laws of the State to enter into this Agreement, and has used such authority to properly execute and deliver this Agreement. Lessee has followed all proper procedures of its governing body in executing this Agreement. The Officer of Lessee executing this Agreement has the authority to execute and deliver this Agreement. This Agreement constitutes a legal, valid, binding and enforceable obligation of the Lessee in accordance with its terms. (b) Lessee shall use the Equipment only for essential, traditional government purposes. (c) Lessee has never non-appropriated funds under an Agreement similar to this Agreement. (d) Lessee presently intends to continue this Agreement for the Original Term and all Renewal Terms as set forth on Exhibit "B" hereto. The official of Lessee responsible for budget preparation will include in the budget request for each Budget Year the Rental Payments to become due in such Budget year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Rental Payments coming due therein. Lessee reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose. (e) Upon request by Lessor, Lessee will provide Lessor with current financial statements. (f) Lessee hereby warrants the General Fund of the Lessee is the primary source of funds or a backup source of funds from which the Rental Payments can be made.

**III. Acquisition of Equipment, Rental Payments and the Purchase Option Price**

Section 3.01. Acquisition. Lessee shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. Section 3.02. Rental Payments. Lessee shall pay Rental Payments exclusively to Lessor or its assignees in lawful, legally available money of the United States of America. The Rental Payments shall constitute a current expense of the Lessee and shall not constitute an indebtedness of the Lessee. The Rental Payments are due as set forth on Exhibit B. Lessor shall have the option to charge interest at the highest lawful rate on any Rental Payment received later than the due date for the number of days the Rental Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days the Rental Payment(s) were late. Lessor shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Rental Payment that is past due. The Rental Payments will be payable without notice or demand. Section 3.03. Rental Payments Unconditional. Except as provided under Section 4.01, and without any waiver of immunity to the extent allowed by law, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS AGREEMENT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE. Section 3.04. Purchase Option Price. Upon thirty (30) days written notice, Lessee shall have the option to pay, in addition to the Rental Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Lessee on the Rental Payment date and no partial prepayments are allowed. If Lessee chooses this option and pays the Purchase Option Price to Lessor then Lessor will transfer any and all of its rights, title and interest in the Equipment to Lessee. Section 3.05. Lease Term. The Lease Term of the Agreement shall be the Original Term and all Renewal Terms until all the Rental Payments are paid as set forth on Exhibit B except as provided under Section 4.01 and Section 9.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Lessee has not non-appropriated as provided for in this Agreement then the Lease Term shall be extended into the next Renewal Term and the Lessee shall be obligated to make all the Rental Payments that come due during such Renewal Term. Section 3.06. Disclaimer of Warranties. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. LESSOR SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY LESSEE.

**IV. Non-Appropriation**

Section 4.01. Non-Appropriation. If insufficient funds are available in Lessee's budget for the next Budget Year to make the Rental Payments for the next Renewal Term, then Lessee shall have the option to non-appropriate the funds to pay the Rental Payments for the next Renewal Term. Lack of a sufficient appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Lessee specifically prohibiting Lessee from performing its obligations under this Agreement and from using any moneys to pay the Rental Payments due under this Agreement for a designated Budget Year and all subsequent Budget Years. If Lessee chooses this option, then all obligations of the Lessee under this Agreement regarding Rental Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Lessee of any kind provided that if Lessee has not delivered possession of the Equipment to Lessor as provided herein and conveyed to Lessor or released its interest in the Equipment by the end of the last Budget Year for which Rental Payments were paid, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due under Exhibit "B" which are attributable to the number of days after such Budget Year during which Lessee fails to take such actions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required. Lessee shall notify the Lessor within 30 days of a decision to non-appropriate is made. If such non-appropriation occurs, then Lessee shall deliver the Equipment to Lessor as provided below in Section 9.04. Lessee shall be liable for all damage to the Equipment other than normal wear and tear. If Lessee fails to deliver the Equipment to Lessor, then Lessor may enter the premises where the Equipment is located and take possession of the Equipment and charge Lessee for costs incurred.

## V. Insurance, Damage, Insufficiency of Proceeds

Section 5.01. Insurance. Lessee shall maintain both casualty insurance and liability insurance at its own expense with respect to the Equipment. Lessee shall be solely responsible for selecting the insurer(s) and for making all premium payments. Lessee shall provide Lessor with a certificate of insurance which lists the Lessor and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment. (a) Lessee shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount at least equal to the replacement cost of the Equipment. (b) The liability insurance shall insure Lessor from liability and property damage in any form and amount satisfactory to Lessor. (c) Lessee may self-insure against the casualty risks and liability risks described above. If Lessee chooses this option, Lessee must furnish Lessor with a certificate and/or other documents which evidence such coverage. (d) All insurance policies issued or affected by this Section shall be so written or endorsed such that the Lessor and its assignees are named additional insured and loss payee and that all losses are payable to Lessee and Lessor or its assignees as their interests may appear. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Section 5.02. Damage to or Destruction of Equipment. Lessee assumes the risk of loss or damage to the Equipment. At the option of Lessor, Lessee shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof. Section 5.03. Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Lessee shall, at the option of Lessor, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Lessor. Section 5.04. Lessee Negligence. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property. Lessee hereby assumes responsibility for and agrees to reimburse Lessor for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) incurred by or asserted against Lessor that relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Lessee, its officers, employees and agents, to the maximum extent permitted by law.

## VI. Title and Security Interest

Section 6.01. Title. Title to the Equipment shall vest in Lessee when Lessee acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Lessor in the event Lessee non-appropriates under Section 4.01 or in the event Lessee defaults under Section 9.01. In either of such events, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title to the Equipment to Lessor. Section 6.02. Security Interest. To secure the payment of all Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit "A". The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Lessee authorizes Lessor to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the Security Interest created hereunder.

## VII. Assignment

Section 7.01. Assignment by Lessor. All of Lessor's rights, title and/or interest in and to this Agreement may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Lessor at any time without the consent of Lessee. No such assignment shall be effective as against Lessee until the assignor shall have filed with Lessee written notice of assignment identifying the assignee. Lessee shall pay all Rental Payments due hereunder relating to such Equipment to or at the direction of Lessor or the assignee named in the notice of assignment.

## VIII. Maintenance of Equipment

Section 8.01. Lessee shall keep the Equipment in good repair and working order. Lessee shall also maintain the Equipment during the lease term in accordance with all manufacturers' and warranty specifications. Lessor shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Lessee will be liable for all damage to the Equipment, other than normal wear and tear, caused by Lessee, its employees or its agents. Lessee shall pay for and obtain all permits, licenses and taxes necessary for the installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then Lessee is responsible for obtaining such title(s) from the State and also for ensuring Lessor is listed as first lienholder on all of the title(s). Lessee shall not during the term of this Agreement create, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment except those created by this Agreement. Lessee agrees Lessor or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Lessee which Lessor deems necessary or appropriate to protect Lessor's interest in the Equipment and in this Agreement. The Equipment is and shall at all times be and remain personal property. Lessee shall allow Lessor to examine and inspect the Equipment at all reasonable times.

## IX. Default

Section 9.01. Events of Default defined. The following events shall constitute an "Event of Default" under this Agreement: (a) Failure by Lessee to pay any Rental Payment listed on Exhibit "B" for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit "B". (b) Failure to pay any other payment required to be paid under this Agreement at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Lessor that such payment must be made. If Lessee continues to fail to pay any payment after such period, then Lessor may, but will not be obligated to, make such payments and charge Lessee for all costs incurred plus interest at the highest lawful rate. (c) Failure by Lessee to observe and perform any warranty, covenant, condition, promise or duty under this Agreement for a period of thirty (30) days after written notice specifying such failure is given to Lessee by Lessor, unless Lessor agrees in writing to an extension of time. Lessor will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Lessee. Subsection (c) does not apply to Rental Payments and other payments discussed above. (d) Any statement, material omission, representation or warranty made by Lessee in or pursuant to this Agreement which proves to be false, incorrect or misleading on the date when made regardless of Lessee's intent and which materially adversely affects the rights or security of Lessor under this Agreement. (e) Any provision of this Agreement which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Lessor. (f) Lessee admits in writing its inability to pay its obligations. Lessee defaults on one or more of its other obligations. Lessee applies or consents to the appointment of a receiver to manage its affairs or makes a general assignment for the benefit of creditors. Section 9.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right to take one or any combination of the following remedial steps: (a) With or without terminating this Agreement, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Budget Year to be immediately due and payable. (b) With or without terminating this Agreement, Lessor may require Lessee at Lessee's expense to redeliver any or all of the Equipment to Lessor as provided below in Section 9.04. Such delivery shall take place within fifteen (15) days after the event of default occurs. If Lessee fails to deliver the Equipment, Lessor may enter the premises where the Equipment is located and take possession of the Equipment and charge Lessee for cost incurred. Notwithstanding that Lessor has taken possession of the Equipment, Lessee shall still be obligated to pay the remaining Rental Payments due up until the end of the then current Original Term or Renewal Term. Lessee will be liable for any damage to the Equipment caused by Lessee or its employees or agents. (c) Lessor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Lessee shall be responsible to Lessor for all costs incurred by Lessor in the enforcement of its rights under this Agreement including, but not limited to, reasonable attorney fees. Section 9.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement 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 shall be construed to be a waiver thereof. Section 9.04. Return of Equipment and Storage. (a) Surrender: The Lessee shall, at its own expense, surrender the Equipment to the Lessor in the event of a default or a non-appropriation by delivering the Equipment to the Lessor to a location accessible by common carrier and designated by Lessor. In the case that any of the Equipment consists of software, Lessee shall destroy all intangible items constituting such software and shall deliver to Lessor all tangible items constituting such software. At Lessor's request, Lessee shall also certify in a form acceptable to Lessor that Lessee has complied with the above software return provisions and they will immediately cease using the software and they shall permit Lessor and/or the vendor of the

software to inspect Lessee's locations to verify compliance with the terms hereto. (b) Delivery: The Equipment shall be delivered to the location designated by the Lessor by a common carrier unless the Lessor agrees in writing that a common carrier is not needed. When the Equipment is delivered into the custody of a common carrier, the Lessee shall arrange for the shipping of the item and its insurance in transit in accordance with the Lessor's instructions and at the Lessee's sole expense. Lessee, at its expense, shall completely sever and disconnect the Equipment or its component parts from the Lessee's property all without liability to the Lessor. Lessee shall pack or crate the Equipment and all of the component parts of the Equipment carefully and in accordance with any recommendations of the manufacturer. The Lessee shall deliver to the Lessor the plans, specifications operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and such other documents in the Lessee's possession relating to the maintenance and methods of operation of such Equipment. (c) Condition: Except as otherwise agreed by the parties, when the Equipment is surrendered to the Lessor it shall be in the condition and repair required to be maintained under this Agreement. It will also meet all legal regulatory conditions necessary for the Lessor to sell or lease it to a third party and be free of all liens. Except as otherwise agreed by the parties, if Lessor reasonably determines the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Lessor may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Lessee shall promptly reimburse Lessor for all amounts reasonably expended in connection with the foregoing. (d) Storage: Upon written request by the Lessor, the Lessee shall provide free storage for the Equipment or any item of the Equipment for a period not to exceed 30 days after the expiration of its lease term before returning it to the Lessor. The Lessee shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Lessor shall reimburse the Lessee on demand for the incremental premium cost of providing such insurance.

#### X. Miscellaneous

Section 10.01. Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing. Section 10.02. Binding Effect. Lessee acknowledges this Agreement is not binding upon the Lessor or its assignees unless all documentation requirements have been met to Lessor's satisfaction, and Lessor has executed the Agreement. Thereafter, this Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. Section 10.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. Section 10.04. Amendments, Addenda, Changes or Modifications. This Agreement may be amended, added to, changed or modified by written agreement duly executed by Lessor and Lessee. Section 10.05. Execution in Counterparts. This Agreement 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. Section 10.06. Captions. The captions or headings in this Agreement do not define, limit or describe the scope or intent of any provisions or sections of this Agreement. Section 10.07. Entire Writing. This Agreement constitutes the entire writing between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties; express or implied, which are not specified herein regarding this Agreement or the Equipment leased hereunder. Any terms and conditions of any purchase order or other documents submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement. Section 10.08. Designation as Qualified Tax-Exempt Obligation. Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Lessee hereby specifically designates the Agreement as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Lessee hereby represents the Lessee will not designate more than \$10,000,000 of obligations issued by the Lessee in the calendar year during which the Agreement is executed and delivered as such "qualified tax-exempt obligations". In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Lessee hereby represents the Lessee (including all subordinate entities of the Lessee within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Agreement is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

**Resolution and Authorization.** By signing and attesting directly below, Lessee hereby warrants and certifies the Governing Body of the Lessee at either a special or regular meeting or through some other approved method of authorization has determined this Agreement is in the best interests of the Lessee and the Governing Body did at such meeting or through some other approval method approve the entering into of the Agreement by the Lessee and specifically designated and authorized the individual(s) who have signed directly below to execute this Agreement on Lessee's behalf along with any related documents (including any escrow agreement) necessary to the consummation of the transaction contemplated by the Agreement.

**LESSEE:**  
City of Lavon

**LESSOR:**  
Community First National Bank

\_\_\_\_\_  
Authorized By: Charles Teske, Jr., Mayor

\_\_\_\_\_  
Neal Farmer, Senior Vice President

\_\_\_\_\_  
Attested By: Matt Childers, Mayor Pro Tem



## EXHIBIT A EQUIPMENT DESCRIPTION

**RE: Equipment Lease Purchase Agreement dated as of 11/1/2016 between Community First National Bank as Lessor and City of Lavon as Lessee.**

Below is a detailed description of all Equipment including quantity, model number, serial number, and VIN number where applicable.

**Equipment Description:** One (1) New Tahoe Fire Command Vehicle & One (1) New Tractor

Vehicle Year: \_\_\_\_\_ VIN: \_\_\_\_\_ *to be completed using MSO/COO/Title ONLY*

Vehicle Year: \_\_\_\_\_ VIN: \_\_\_\_\_ *to be completed using MSO/COO/Title ONLY*

Physical location where equipment will be stored after delivery:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## EXHIBIT B PAYMENT SCHEDULE

Amount Financed: \$99,625.10

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

Payment Number	Payment Date	Payment Amount	Interest Portion	Principal Portion	Purchase Option Price
1	2/15/2017	\$21,487.54	\$994.42	\$20,493.12	Not Available
2	2/15/2018	\$21,487.54	\$2,682.57	\$18,804.97	\$61,362.98
3	2/15/2019	\$21,487.54	\$2,045.08	\$19,442.46	\$41,412.58
4	2/15/2020	\$21,487.54	\$1,385.98	\$20,101.56	\$20,962.43
5	2/15/2021	\$21,487.54	\$704.55	\$20,782.99	\$0.00
<b>Grand Totals</b>		<b>\$107,437.70</b>	<b>\$7,812.60</b>	<b>\$99,625.10</b>	

**LESSEE:**  
City of Lavon

\_\_\_\_\_  
Charles Teske, Jr., Mayor

**EXHIBIT C**  
**CERTIFICATE OF INCUMBENCY & RESOLUTION**

---

I, acting as City Administrator/Secretary on behalf of the Lessee, a political subdivision or agency duly organized and existing under the laws of the State of Texas and herein obligated, do hereby certify to Community First National Bank the person(s) signing this Lease, and all documents pertaining thereto, is (are) duly elected, appointed, qualified and incumbent officers or representatives of such entity. I further certify-(a) the signature(s) is (are) true and authentic and; (b) such officer(s) has (have) the authority on behalf of such entity and by resolution of its governing body to enter into this Equipment Lease Purchase Agreement.

IN WITNESS WHEREOF, I have duly executed this certificate on said date \_\_\_\_\_.

\_\_\_\_\_  
Kim Dobbs, City Administrator/Secretary

\_\_\_\_\_  
Federal Tax ID #

<u>Officer Title</u>	<u>Officer Name</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Print the Office Title and Name of the individuals of the governing body

**EXHIBIT D  
OPINION OF COUNSEL**

---

As Counsel for City of Lavon, it is my opinion:

- a.) Lessee's true and legal name is City of Lavon.
- b.) Lessee is a political subdivision of the State of Texas or a constituted authority authorized to issue obligations on behalf of a political subdivision of the State.
- c.) Lessee has the requisite power and authority to purchase the Equipment and to execute and deliver the Agreement and to perform its obligations under the Agreement. The Agreement and the other documents either attached hereto or required herein have been duly authorized, approved and executed by and on behalf of Lessee, and the Agreement is a legal, valid and binding obligation of Lessee enforceable in accordance with its terms.
- d.) The authorization, approval and execution of the Agreement and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state and federal laws.
- e.) There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the authority of the Lessee or any of the Lessee's officers or employees to enter into the Agreements.

**COUNSEL FOR LESSEE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
City, State

\_\_\_\_\_  
Date

\_\_\_\_\_  
Telephone Number

## EXHIBIT E INSURANCE COVERAGE REQUIREMENTS

RE: Equipment Lease Purchase Agreement dated as of 11/1/2016 between Community First National Bank as Lessor and City of Lavon as Lessee.

Please mark one of the following:

( ) Pursuant to Section 5.01 of the Agreement, we agreed to provide evidence of insurance covering the property in the Agreement. A Certificate of Insurance naming all insured parties and coverage will be provided to Lessor as soon as possible, but no later than the date on which delivery of the equipment occurs.

( ) Pursuant to Section 5.01c of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form, together with a copy of any additional information regarding the nature of our self-insurance program. Coverage will be provided to Lessor as soon as possible, but no later than the date on which delivery of the equipment occurs.

Equipment to be insured at full replacement value: **One (1) New Tahoe Fire Command Vehicle & One (1) New Tractor**

Policy should be issued and mailed to: Community First National Bank and/or Its Assigns  
215 S. Seth Child Road  
Manhattan, KS 66502

### INSURANCE REQUIREMENTS:

1. **LIABILITY**  
  - ❖ *Minimum of \$1,000,000.00 combined single-limit on bodily injury and property damage.*
  - ❖ *Community First National Bank AOIA must be listed as additional insured and loss payee.*
2. **PHYSICAL DAMAGE**  
  - ❖ *All risk coverage to guarantee proceeds sufficient to pay the replacement value of the equipment. Community First National Bank AOIA must be listed as additional insured and loss payee.*
3. **ENDORSEMENT**  
  - ❖ *Lessor will receive at least thirty (30) days written notice from Insurer prior to alteration, cancellation or reduction of insurance coverage.*
  - ❖ *Deductibles should be listed on certificate of coverage.*

**THE CERTIFICATE SHOULD BE  
EMAILED TO [taranichols@clpusa.net](mailto:taranichols@clpusa.net)  
OR FAXED TO 888.777.7875**

Insurance Company Name:		
Agents Name:		
Address		
City:	State	Zip:
Phone:	Fax:	Email:

LESSEE:  
City of Lavon

\_\_\_\_\_  
Charles Teske, Jr., Mayor

## EXHIBIT F ACCEPTANCE CERTIFICATE

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**RE: Equipment Lease Purchase Agreement dated as of 11/1/2016 between Community First National Bank as Lessor and City of Lavon as Lessee.**

In accordance with the Lease Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

- (1) All of the Equipment (as such term is defined in the Agreement) has been delivered, installed and accepted on the date hereof.
- (2) Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (3) Lessee is currently maintaining the insurance coverage required by **Section 5** of the Agreement.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.
- (5) Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Agreement during the current Budget Year of Lessee, and such moneys will be applied in payment of all Rental Payments due and payable during such current Budget Year.
- (6) The governing body of Lessee has approved the authorization, execution and delivery of this Agreement on its behalf by the authorized representative of Lessee who signed the Agreement.

**LESSEE:**  
City of Lavon

\_\_\_\_\_  
Charles Teske, Jr., Mayor

\_\_\_\_\_  
Date

## INVOICE INSTRUCTIONS

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RE: Equipment Lease Purchase Agreement dated as of 11/1/2016 between Community First National Bank as Lessor and City of Lavon as Lessee.

Lease Number: 61753

Equipment Description: One (1) New Tahoe Fire Command Vehicle & One (1) New Tractor

Please provide contact information for billing and invoicing purposes.

Person/Department: \_\_\_\_\_  
P.O. Box/Street: \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

# ESCROW AGREEMENT

THIS ESCROW AGREEMENT, made and entered into as of 11/1/2016 by and among Community First National Bank, a national banking association ("Escrow Agent"), Community First National Bank, a corporation duly organized and existing under the Laws of the State of Kansas ("Lessor"), and City of Lavon ("Lessee") a political subdivision under the laws of the State of Texas ("State"), duly organized and existing under the Constitution and laws of the State.

## WITNESSETH

WHEREAS, Lessee and Lessor have entered into a Equipment Lease Purchase Agreement dated as of 11/1/2016 ("Agreement"), a duplicate original of which has been furnished to each of the parties, whereby Lessor has agreed to acquire certain equipment described therein ("Equipment"), and to sell the Equipment to the Lessee, and Lessee has agreed to purchase the Equipment from Lessor, in the manner and on the terms set forth in the Agreement; and

WHEREAS, the Equipment has or will be ordered from the Vendor, and there is expected to be a delay in delivery of the Equipment to Lessee; and

WHEREAS, in order to secure the obligations of Lessor under the Agreement, Lessee has requested Lessor to set aside in escrow with the Escrow Agent, pursuant to the terms hereof, the anticipated purchase price of the Equipment; and

WHEREAS, Lessee, as agent for Lessor, will cause the Equipment to be acquired from Vendor in accordance with the purchase orders or contracts therefore, and neither Lessor nor the Escrow Agent shall be obligated to assume or perform any obligation of the Lessee or Vendor with respect thereto or under the Agreement;

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

## ARTICLE I. APPOINTMENT OF ESCROW AGENT: DEFINITIONS

Section 1.01. Appointment of Escrow Agent. Lessor and Lessee hereby appoint and employ Escrow Agent, to receive, hold, invest and disburse the moneys to be paid to it pursuant to this Escrow Agreement and the Agreement, and to perform certain other functions, all as hereinafter provided. By executing and delivering this Escrow Agreement, Escrow Agent accepts the duties and obligations of Escrow Agent provided herein, but only upon the terms and conditions set forth.

Section 1.02. Definitions. The terms defined in this Section shall, for all purposes of this Escrow Agreement have the meanings specified below. Any capitalized term not defined below shall have the meaning ascribed in the Agreement.

"Agreement" means the Equipment Lease Purchase Agreement dated 11/1/2016, by and between Lessee and Lessor and any duly authorized and executed amendment thereto, the terms of which are incorporated herein by reference.

"Acquisition Costs" means, with respect to the Equipment, the contract price paid or to be paid to Vendor therefore upon acquisition or delivery of any portion of the Equipment in accordance with the purchase order or contract therefore. Acquisition Costs include the administrative, engineering, legal, financial and other costs incurred by the Lessee in connection with the acquisition, delivery and financing by Lessor of the Equipment.

"Acceptance Certificate" means an acceptance certificate in the form attached to the Agreement.

"Acquisition Fund" means the fund by that name established and held by the Escrow Agent pursuant to Article II of this Escrow Agreement.

"Closing Date" means the day when Lessor deposits with the Escrow Agent the moneys required to be deposited pursuant to Article II.

"Equipment" means the personal property described in the Agreement, together with any and all modifications, additions and alterations thereto, to be acquired from the moneys held in the Acquisition Fund.

"Escrow Agent" means Community First National Bank or any successor thereto acting as Escrow Agent pursuant to this Escrow Agreement.

"Escrow Agreement" means this Escrow Agreement and any duly authorized and executed amendment thereto.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the State in which he maintains an office and who is not an employee of Lessor, the Escrow Agent or the Lessee.

"Lessee Representative" means the representative of Lessee or a person authorized by the Lessee to act on its behalf under or with respect to this Agreement.

"Lessor Representative" means the President, any Vice President or Assistant Vice President of Lessor, or any person authorized to act on behalf of Lessor under or with respect to this Agreement, as evidenced by a certificate conferring such authorization executed by the President, any Vice President or Assistant Vice President of Lessor, given to the Lessee or the Lessee Representative.

"Payment Date" means the date upon which any Rental Payment under the Agreement is due and payable, as set forth in the Payment Schedule.

"Payment Request Form" means the document substantially in the form attached hereto as Exhibit A to be executed by Lessee and Lessor and submitted to Escrow Agent to authorize payment of Acquisition Costs.

"Qualified Investments" means (i) direct general obligations of the United States of America; (ii) obligations guaranteed by the United States; (iii) general obligations of the agencies and instrumentalities of the United States; (iv) certificates of deposit, time deposits or demand deposits with a bank or savings institution qualified as a depository of public funds in the State of Kansas, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Corporation of the Federal Savings and Loan Insurance Corporation, are fully secured by obligations described in Clauses (i), (ii) or (iii); (v) money market funds, the assets of which are obligations of or guaranteed by the United States of America and which funds are rated "Aaa" by Moody's Investors Service or "Am" or "Am-G" by Standard & Poor's Corporation.

"Rental Payments" means the basic payments payable by Lessee to Lessor pursuant to the provisions of the Agreement during the term thereof which are payable in conjunction of the right of Lessee to use the Equipment during the then current portion of the term of the Agreement.

"Term of the Agreement" means the time during which the Agreement is in effect, as provided in Article III of the Agreement.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased will purchase or has ordered the Equipment or with whom Lessor has contracted for the acquisition of the Equipment.

Section 1.03. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers and person signing it.

## ARTICLE II. ACQUISITION FUND

Section 2.01. Acquisition Fund. Escrow Agent shall establish a special fund designated as the "Acquisition Fund"; shall keep such Acquisition Fund separate and apart from all other funds and moneys held by it; and shall administer such funds as expressly provided hereunder.

Section 2.02. Deposit of Moneys by Lessor. At the Closing Date, Lessor shall deposit with the Escrow Agent the amount of \$99,625.10. Escrow Agent shall credit said amount to the Acquisition Fund established and to be held, applied and disbursed as herein provided.

Section 2.03. Purpose; Payment of Acquisition Costs. The Acquisition Fund shall be expended for the Acquisition Costs of the Equipment. Escrow Agent shall pay from the Acquisition Fund the Acquisition Costs of the Equipment, upon receipt from Lessee and Lessor the following items:

- (a) in the case of payment of any Acquisition Costs to Vendor pursuant to a contract or purchase order, (1) a duly executed Payment Request Form, with a true copy of the Vendor's statement attached, (2) where applicable, a duplicate original of any change order approved by Lessee and Lessor increasing Acquisition Costs in an amount in excess of the original purchase order or contract price, (3)

- receipts from the Vendor showing proper application of prior requisitions, (4) bills of sale for any component of the Equipment for which a bill of sale may be delivered, and (5) an Acceptance Certificate with respect to the Equipment for which disbursement is requested;
- (b) in the case of any Acquisition Costs previously paid by Lessee for which it is seeking reimbursement, (1) a duly executed Payment Request Form, (2) a true copy of Vendor's statement for such Acquisition Costs, (3) evidence of payment, and (4) evidence of Lessee's declaration of official intent for reimbursement, which declaration shall have been made no later than 60 days after the Lessee paid the Acquisition Costs; or
- (c) in the case of payment of any other Acquisition Costs, a duly executed Payment Request Form.

Section 2.04. Escrow Agent's Compensation. As compensation for the services to be rendered hereunder, Lessee agrees to pay the Escrow Agent \$200.00 ("Escrow Agent's Compensation"). The Escrow Agent's Compensation shall be payable from interest earnings on the escrow account and will be paid upon disbursement of proceeds to the vendor and closing of the escrow account. If the interest earnings on the escrow account are not sufficient to pay the Escrow Agent's Compensation, Escrow Agent shall provide Lessee with an invoice for the shortfall and Lessee shall pay such amount to Escrow Agent upon demand. If funds remain in the Acquisition Fund, excluding Acquisition Costs and Escrow Agent's Compensation, after the full delivery and acceptance of the Equipment, then Lessee and Lessor agree such excess funds shall be retained by Escrow Agent as partial compensation for the performance of its obligations hereunder.

Section 2.05. Transfers Upon Completion. Upon the first to occur of (a) payment of all Acquisition Costs with respect to the Equipment; or (b) the one year anniversary of the Closing Date, Escrow Agent shall apply all remaining moneys in the Acquisition Fund to the next Rental Payment(s) due under the Agreement by paying such moneys directly to the Lessor or its assignees.

Section 2.06. Termination. If this Escrow Agreement is terminated by Lessor as authorized under Article VII and the Agreement, all moneys in the Acquisition Fund shall be paid to Lessor or assignees for application against moneys due to Lessor under the Agreement. In the event that Lessor provides to the Escrow Agent written notice of the occurrence of an Event of Default under the Agreement or the termination of the Agreement for any reason other than Lessee's payment of the applicable Purchase Option Price, Escrow Agent shall immediately remit any and all funds in the Acquisition Fund to Lessor.

### **ARTICLE III. MONEYS IN FUNDS: INVESTMENTS; TERMINATION**

Section 3.01. Held in Trust. The moneys and investments held by the Escrow Agent under this Escrow Agreement are irrevocably held in trust for the benefit of the Lessee and for the purposes herein specified. Such moneys, and any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not, to the extent permitted by applicable law, as otherwise expressly provided herein, be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessor or Lessee.

Section 3.02. Investments Authorized. Moneys held by the Escrow Agent hereunder may be invested, and upon written order of the Lessee Representative shall, be invested by the Escrow Agent in Qualified Investments. Such investments shall be registered in the name of the Escrow Agent and held by Escrow Agent which may act as a purchaser or agent in making or disposing thereof. Such investments and reinvestments shall be made giving full consideration for the time when funds will be required to be available for acquisition.

Section 3.03. Accounting. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Escrow Agreement.

Section 3.04. Valuation and Disposition of Investments. For the purpose of determining the amount in the Acquisition Fund, all Qualified Investments credited to such fund shall be valued at cost (exclusive of accrued interest after the first interest payments following purchase). Escrow Agent may sell at the best price obtainable, or present for redemption, any Qualified Investment so purchased by Escrow Agent, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Acquisition Fund to which such Qualified Investment is credited and Escrow Agent shall not be liable or responsible for any loss resulting from such investment.

Section 3.05. Deposit of Moneys in Acquisition Fund. All moneys held by the Escrow Agent in the Acquisition Fund established pursuant to this Agreement, except such moneys which are at the time invested as herein provided, shall be deposited in demand or time deposits (which may be represented by time certificates of deposit) in any bank or trust company authorized to accept deposits of public funds (including the banking department of the Escrow Agent), and, as and to the extent required by law, shall be secured at all times by obligations which are eligible by law to secure deposits of public moneys. Such obligations shall be deposited with such bank or banks as may be selected by Escrow Agent, and held by or for the account of the Escrow Agent as security for such deposits.

Section 3.06. Termination. Unless earlier terminated pursuant to Article VII, this Escrow Agreement shall terminate upon the final distribution of all moneys in the Acquisition Fund.

### **ARTICLE IV. THE ESCROW AGENT**

Section 4.01. Removal of Escrow Agent. The Lessee and Lessor, by written agreement between themselves, may by written request, at any time and for any reason, remove the Escrow Agent and any successor thereto, and shall thereupon appoint a successor or successors thereto, but any such successor shall have capital (exclusive of borrowed capital) and surplus of at least Ten Million Dollars (\$10,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to statute or to the requirements of any federal or state supervising or examining authority, to, then for the purposes of this Section the combined capital and surplus of such bank or trust company may be conclusively established for the purposes hereby in its most recent report of condition so published.

Section 4.02. Resignation of Escrow Agent. The Escrow Agent or any successor may at any time resign by giving written notice to the Lessee and Lessor of its intention to resign and of the proposed date of resignation, which shall be a date not less than 60 days after such notice, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been or are approved by Lessee and Lessor. Upon receiving such notice of resignation, the Lessee and Lessor shall promptly appoint a successor Escrow Agent by an instrument in writing; provided however, that in the event the Lessee and Lessor fail to appoint a successor Escrow Agent within 30 days following receipt of such written notice of resignation, Lessor may appoint a successor Escrow Agent, and in the event that Lessor fail to appoint a successor Escrow Agent within 30 days following the expiration of such initial 30-day period, the resigning Escrow Agent may petition the appropriate court having jurisdiction to appoint a successor Escrow Agent. Any resignation or removal of the Escrow Agent shall become effective only upon acceptance of appointment by the successor Escrow Agent.

Section 4.03. Appointment of Agent. The Escrow Agent may appoint an agent acceptable to the Lessee and Lessor to exercise any of the powers, rights or remedies granted to the Escrow Agent under this Escrow Agreement, and to hold title to property or to take any other action which may be desirable or necessary.

Section 4.04. Merger or Consolidation. Any company into which the Escrow Agent may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be eligible under Section 4.02) shall be the successor to the Escrow Agent without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 4.05. Protection and Rights of the Escrow Agent. The Escrow Agent shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Escrow Agreement, and the Escrow Agent shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Escrow Agent may consult with Independent Counsel who may be counsel to Lessor or Lessee, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

Whenever in the administration of its duties under this Escrow Agreement, the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matters (unless other evidence in respect thereof be herein specifically prescribed), shall



be deemed to be conclusively proved and established by the certificate of the Lessee Representative or the Lessor Representative and such certificate shall be full warranty to the Escrow Agent for any action taken or suffered under the provisions of this Escrow Agreement upon the faith thereof, but in its discretion the Escrow Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The recitals, statements and representations by Lessee and Lessor contained in this Agreement shall be taken and construed as made by and on the part of the Lessee and Lessor, as the case may be, and not by the Escrow Agent, and the Escrow Agent does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

The Escrow Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Escrow Agent shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Escrow Agent shall not be answerable for the exercise of any discretion or power under this Escrow Agreement or for anything whatsoever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or gross negligence.

#### **ARTICLE V. ASSIGNMENTS; AMENDMENTS**

Section 5.01. Assignment. Except as expressly herein provided to the contrary, the rights and duties of each of the parties under this Escrow Agreement shall not be assignable to any person or entity without the written consent of all of the other parties. Notwithstanding the above, Lessor may freely assign all or any part of its interest in this Agreement and the Acquisition Fund established hereunder in connection with an assignment by Lessor of the Agreement, subject to the provisions contained therein.

Section 5.02. Amendments. This Escrow Agreement may be amended in writing by agreement among all of the parties.

#### **ARTICLE VI. FURTHER ASSURANCES**

Section 6.01. Further Assurances. Lessor and Lessee will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Escrow Agreement, and for better assuring and confirming the rights and benefits provided herein.

#### **ARTICLE VII. DEFAULT OR NON-APPROPRIATION**

Section 7.01. Default.

- (a) Lessor shall have the right to terminate this Escrow Agreement upon an Event of Default under the Agreement, or termination of the Agreement pursuant to Section 4.01 thereof, which right shall not be exercised less than 15 days after Lessor shall have given Lessee written notice of such default or termination for non-appropriation. Upon receipt of notice of termination from Lessor, Escrow Agent shall pay to Lessor, or its assignee, all moneys in the Acquisition Fund in accordance with Section 2.06.
- (b) In the event of the failure by any party hereto to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Escrow Agreement, any non-defaulting party hereto shall have all of the rights and remedies now or hereafter existing at law or in equity against the defaulting party.
- (c) No delay or omission to exercise any such right or power accruing upon any default shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

#### **ARTICLE VIII. LIMITATION OF LIABILITY**

Section 8.01. Limited Liability of Escrow Agent. Escrow Agent shall have no obligation or liability to any of the other parties under this Escrow Agreement for the failure or refusal of any other party to perform any covenant or agreement made by any of it hereunder or under the Agreement, but shall be responsible solely for the business-like performance of the duties expressly imposed upon Escrow Agent hereunder. The recitals of facts, covenants and agreements herein contained pertaining to Lessee and Lessor shall be taken as statement, covenants and agreements of the Lessee or Lessor (as the case may be), and Escrow Agent assumes no responsibility for the correctness of the same, or makes any representation as to the validity or sufficiency of this Escrow Agreement, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein imposed upon it. Escrow Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

Section 8.02. Indemnification. To the extent permitted by applicable law, Lessee agrees to indemnify and save Escrow Agent harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all losses and damages, including without limitation reasonable, attorney fees and court costs suffered by it as a result thereof, where such claim, suit or action arises in connection with this Escrow Agreement, the transactions described herein and in the Agreement or the Escrow Agent's employment as an Escrow Agent by Lessee and Lessor. Notwithstanding the foregoing, such indemnification shall not extend to claims, suits and actions brought against the Escrow Agent for failure to perform and carry out the duties specifically imposed upon and to be performed by it pursuant to this Escrow Agreement and claims, suits or actions arising from events solely and directly attributable to acts of Lessor. In the event the Lessee is required to indemnify Escrow Agent as herein provided, Lessee shall be subrogated to the rights of the Escrow Agent to recover such losses or damages from any other person or entity.

Section 8.03. Discretion of Escrow Agent to File Civil Action in the Event of Dispute. If Lessor or Lessee are in disagreement about the interpretation of this Escrow Agreement, or about the rights and obligations, or the propriety of any action contemplated by Escrow Agent hereunder, Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. Escrow Agent shall be indemnified by Lessee in accordance with Section 8.02 for all costs in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Escrow Agreement until a final judgment in such action is received.

Section 8.04. Opinion of Counsel. Before being required to take any action, the Escrow Agent may require (i) an opinion of Independent Counsel acceptable to the Escrow Agent, which counsel may be counsel to any of the parties hereto, and which opinion shall be made available to the other parties hereto, or (ii) a verified certificate of any party hereto, or (iii) both (i) and (ii), concerning the proposed action. Escrow Agent shall be absolutely protected in relying thereon if it does so in good faith.

Section 8.05. Limitation of Rights to Parties. Nothing in this Escrow Agreement, expressed or implied, is intended or shall be construed to give any person other than the Lessee, Lessor or the Escrow Agent any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Lessee, Lessor and Escrow Agent.

#### **ARTICLE IX. MISCELLANEOUS**

Section 9.01. Records. The Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Escrow Agreement, which shall be available for inspection by the Lessee, Lessor, or the agent of either of them, at any time during regular business hours.

Section 9.02. Notices. All written notice to be given under this Escrow Agreement shall be given by mail to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered or certified form, with postage fully prepaid.

Section 9.03. Governing Laws. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of Kansas.

Section 9.04. Partial Invalidity. Any provision of this Escrow Agreement found to be prohibited by laws shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Escrow Agreement.

Section 9.05. Binding Effect, Successors. This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Escrow Agreement any party hereto is named or referred to, such references shall be deemed to include permitted successors or assigns thereof, and all covenants and agreements contained in this Escrow Agreement by or on behalf of any party hereto shall bind and inure to the benefit of permitted successors and assigns thereof whether or not so expressed.

Section 9.06. Execution in Counterparts. This Escrow Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 9.07. Headings. The headings or titles of the several Articles and Sections hereof, and any tables of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Escrow Agreement. All references herein to "Articles", "Sections", and other subdivisions are to the corresponding Articles, Sections, or subdivisions of this Escrow Agreement; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

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

**ESCROW AGENT:**

Community First National Bank  
215 S. Seth Child Road  
Manhattan, KS 66502

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Neal Farmer, Senior Vice President

**LESSOR:**

Community First National Bank  
215 S. Seth Child Road  
Manhattan, KS 66502

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Neal Farmer, Senior Vice President

**LESSEE:**

City of Lavon  
PO Box 340  
Lavon, TX75166

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Charles Teske, Jr., Mayor

**EXHIBIT A  
PAYMENT REQUEST FORM**

Community First National Bank, Escrow Agent under an Escrow Agreement dated as of 11/1/2016, by and among the said Escrow Agent, Community First National Bank (Lessor), and the City of Lavon, (Lessee) is hereby requested to pay, from the Equipment Acquisition Fund held under said Escrow Agreement, to the persons, firms or corporation designated below as payee, the amount set forth opposite each such person's firm's or corporation's name, in payment of the Acquisition Costs (as defined in said Escrow Agreement) of the Equipment described on the attached page(s) designated opposite such Payee's name and account.

<u>Payee</u>	<u>Equipment</u>	<u>Amount</u>

**VOID**

**TO BE UTILIZED AS A SIGNATURE CARD ONLY**

By executing this Payment Request Form the Lessee hereby represents that the Payee or Payees listed above who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Lessee and that the amounts requested above by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees.

**Partial Disbursement.** The undersigned certifies that the following documents are attached to this Payment Request Form when there is a request for a partial release of funds from the Escrow Account to pay for a portion of the Equipment: (1) Invoice from the Vendor, (2) copy of the agreement between Lessee and Vendor (if requested by the Lessor or Escrow Agent), (3) front and back copy of the original MSO/Title (if payment from Escrow Account is for a chassis) listing Community First National Bank and/or its assigns as the first lien holder. By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted this portion of the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto in a proportionate amount of the total Rental Payment. By executing this Payment Request Form Lessee agrees that Lessee is the title owner to this portion of the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to this portion of the Equipment and keep the Lease in full force and effect.

**Final Disbursement.** The undersigned certifies that the following documents are attached to this Payment Request Form when there is a final release of funds from the Escrow Account: (1) Final Vendor Invoice, (2) Signed Acceptance Certificate, (3) Insurance Certificate, (4) front and back copy of the original MSO/Title listing Community First National Bank and/or its assigns as first lien holder (if not already received). By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto. By executing this Payment Request Form Lessee certifies that Lessee is the title owner to the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to the Equipment and keep the Lease in full force and effect.

**LESSEE:**  
City of Lavon

\_\_\_\_\_  
Charles Teske, Jr., Mayor

\_\_\_\_\_  
Signature

*Signature of additional authorized individual (optional)*

\_\_\_\_\_  
Name and Title

# TAX COMPLIANCE AGREEMENT AND NO ARBITRAGE CERTIFICATE

This Tax Compliance Agreement and No Arbitrage Certificate is issued in connection with that certain Equipment Lease Purchase Agreement dated as 11/1/2016 by and between Community First National Bank, ("Lessor") and City of Lavon ("Lessee").

## 1. In General.

1.1. This Certificate is executed for the purpose of establishing the reasonable expectations of Lessee as to future events regarding the financing of certain equipment by Lessee as described in the Equipment Lease Purchase Agreement dated as of 11/1/2016 (the "Lease") between Lessor and Lessee and all related documents executed pursuant thereto and contemporaneously herewith with respect to the financing of the acquisition of One (1) New Tahoe Fire Command Vehicle & One (1) New Tractor of equipment (the "Equipment") by Lessor for Lessee (the Lease and such other documents are hereinafter collectively referred to as the "Financing Documents").

1.2. The individual executing this Certificate on behalf of Lessee is an officer of Lessee delegated with the responsibility of reviewing and executing the Financing Documents.

1.3. To the best of the undersigned's knowledge, information and belief, the expectations contained in this Certificate are reasonable.

1.4. Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose certifications as to arbitrage may not be relied upon.

1.5. The rental payments due under the Financing Documents will be made with monies retained in Lessee's general operating fund (or an account or sub account therein). No sinking, debt service, reserve or similar fund or account will be maintained for the payment of the rental payments due under the Financing Documents or pledged as security therefor.

1.6. If any other governmental obligations were or are being issued by or on behalf of Lessee within fifteen (15) days of the date of issuance of the Financing Documents, such obligations either (i) were not or are not being issued or sold pursuant to a common plan of financing with, or (ii) will not be paid out of substantially the same source of funds as, the financing pursuant to the Financing Documents.

## 2. Purpose of the Financing Documents.

2.1. The Financing Documents are being entered into for the purpose of providing funds for financing the cost of acquiring, equipping and installing the Equipment which is essential to the governmental functions of Lessee, which Equipment is described in the Equipment Description executed and delivered by Lessee pursuant to the Financing Documents. The principal amount represented by the Financing Documents, or \$99,625.10 will be deposited in escrow by Lessor at closing and held by Community First National Bank, as Escrow Agent (the "Escrow Agent") pending acquisition of the Equipment under the terms of that certain Escrow Agreement dated as of 11/1/2016 (the "Escrow Agreement"), by and among Lessor, Lessee and Escrow Agent.

2.2. No portion of the principal amount represented by the Financing Documents will be used as a substitute for other funds which were otherwise to be used as a source of financing for the Equipment, or will be used, directly or indirectly, to replace funds used by Lessee to acquire investments which produce a yield materially higher than the yield to Lessor under the Financing Documents.

2.3. Lessee does not expect to sell or otherwise dispose of the Equipment, in whole or in part, at a date which is earlier than the final rental payment due under the Financing Documents.

## 3. Source and Disbursement of Funds.

3.1. The principal amount represented by the Financing Documents does not exceed the amount necessary for the governmental purpose for which the Financing Documents were entered into. Such funds are expected to be needed and fully expended for payment of the costs of acquiring, equipping and installing the items of Equipment.

3.2. It is contemplated that the entire amount deposited in escrow will be used to pay the acquisition cost of Equipment to the vendors or manufacturers thereof, provided that a portion of the principal amount may be paid to Lessee within such period as reimbursement for Acquisition Costs already made by it so long as the conditions set forth in Section 3.3 below are satisfied.

3.3. Lessee shall not request that it be reimbursed for Equipment acquisition cost payments already made by it unless the following conditions have been satisfied:

(a) Lessee made a declaration of its reasonable intention to reimburse the acquisition cost payment sought to be reimbursed with the proceeds of a borrowing not later than sixty (60) days after the date on which it made the payment, which declaration satisfies the "Official Intent Requirement" set forth in Treas. Reg. Sec. 1.150-2;

(b) The reimbursement being requested will be made by written allocation before the later of eighteen (18) months after the acquisition cost payment was made or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;

(c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of type properly chargeable to a capital account under general federal income tax principles; and

(d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an artifice or device under Treas. Reg. Sec. 1.148-10 by, virtue of, among other things, use to refund, or to create or increase a sinking, reserve or replacement fund with respect to, any other obligations issued by it.

## 4. Temporary Period.

4.1. Lessee expects, within six months from the date of issuance of the Financing Documents, (a) to have had disbursed from escrow an amount in excess of the lesser 2 1/2% of the amount deposited by Lessor in escrow or \$100,000, or (b) to enter into binding obligations with third parties obligating Lessee to spend such amount.

4.2. The ordering and acceptance of the items of Equipment will proceed with due diligence to the date of final acceptance of the Equipment.

4.3. The items of Equipment being acquired by Lessee will be delivered at various times. At least 15% of the sum of the amount deposited in escrow and the reasonably anticipated interest earnings thereon will be used to pay the acquisition price of items of Equipment within six months from the date of issuance of the Financing Documents; at least 60% of the sum of the amount deposited in escrow and the reasonably anticipated interest earnings thereon will be used to pay the acquisition cost of items of Equipment within 12 months from the date of issuance of the Financing Documents; and 100% of the amount deposited in escrow and interest earnings thereon will be used to pay the acquisition cost of items of Equipment prior to 18 months from the date of issuance of the Financing Documents.

4.4. The total acquisition cost of the Equipment is not required to be paid to the vendors or manufacturers thereof until the Equipment has been accepted by Lessee.

## 5. Escrow Account.

5.1. The Financing Documents provide that the monies deposited in escrow shall be invested until payments to the vendor(s) or manufacturer(s) of the Equipment are due. Lessee will ensure that such investment will not result in Lessee's obligations under the Financing Documents being treated as an "arbitrage bond" or a "federally guaranteed bond" within the meaning of Section 148(a) or Section 149(b) of the Internal Revenue Code of 1986, as amended (the "Code"), respectively. Any monies which are earned from the investment of these funds shall be labeled as interest earned. All such monies will be disbursed on or promptly after the date that Lessee accepts the equipment.

**6. Exempt Use.**

6.1. No part of the proceeds of the Financing Documents or the Equipment will be used in any "private business use" within the meaning of Section 141(b)(6) of the Internal Revenue Code of 1986, as amended.

6.2. No part of the proceeds of the Financing Documents will be used, directly or indirectly, to make or finance any loans to non-governmental entities or to any governmental agencies other than Lessee.

**7. No Federal Guarantee.**

7.1. Payment of the principal or interest due under the Financing Documents is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof.

7.2. No portion of the proceeds under the Financing Documents shall be (i) used in making loans, the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the financing under the Financing Documents to be federally guaranteed within the meaning of Section 149(b) of the Code.

**8. Miscellaneous.**

8.1. Lessee agrees to comply with the rebate requirement set forth in Section 148(f) of the Code in the event that for any reason it is applicable to the financing pursuant to Financing Documents.

8.2. Lessee shall keep a complete and accurate record of all owners or assignees of the Financing Documents in form and substance satisfactory to comply with Section 149(a) of the Code unless Lessor or its assignee agrees to act as Lessee's agent for such purpose.

8.3. Lessee shall maintain complete and accurate records establishing the expenditure of the proceeds of the Financing Documents and interest earnings thereon for a period of five years after payment in full under the Financing Documents.

IN WITNESS WHEREOF, this Tax Compliance Agreement and No Arbitrage Certificate has been executed on behalf of Lessee as of the date set forth below.

**LESSEE:**  
City of Lavon

\_\_\_\_\_  
Charles Teske, Jr., Mayor

\_\_\_\_\_  
Date

**EXHIBIT A  
PAYMENT REQUEST FORM**

Community First National Bank, Escrow Agent under an Escrow Agreement dated as of 11/1/2016, by and among the said Escrow Agent, Community First National Bank (Lessor), and the City of Lavon, (Lessee) is hereby requested to pay, from the Equipment Acquisition Fund held under said Escrow Agreement, to the persons, firms or corporation designated below as payee, the amount set forth opposite each such person's firm's or corporation's name, in payment of the Acquisition Costs (as defined in said Escrow Agreement) of the Equipment described on the attached page(s) designated opposite such Payee's name and account.

<u>Payee</u>	<u>Amount</u>	<u>Equipment</u>
		Tractor

By executing this Payment Request Form the Lessee hereby represents that the Payee or Payees listed above who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Lessee and that the amounts requested above by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees.

**Partial Disbursement.** The undersigned certifies that the following documents are attached to this Payment Request Form when there is a request for a partial release of funds from the Escrow Account to pay for a portion of the Equipment: (1) Invoice from the Vendor, (2) copy of the agreement between Lessee and Vendor (if requested by the Lessor or Escrow Agent), (3) front and back copy of the original MSO/Title (if payment from Escrow Account is for a chassis) listing Community First National Bank and/or its assigns as the first lien holder. By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted this portion of the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto in a proportionate amount of the total Rental Payment. By executing this Payment Request Form Lessee agrees that Lessee is the title owner to this portion of the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to this portion of the Equipment and keep the Lease in full force and effect.

**Final Disbursement.** The undersigned certifies that the following documents are attached to this Payment Request Form when there is a final release of funds from the Escrow Account: (1) Final Vendor Invoice, (2) Signed Acceptance Certificate, (3) Insurance Certificate, (4) front and back copy of the original MSO/Title listing Community First National Bank and/or its assigns as first lien holder (if not already received). By executing this Payment Request Form and attaching the documents as required above, the Lessee shall be deemed to have accepted the Equipment for all purposes under the Lease, including, without limitation, the obligation of Lessee to make the Rental Payments with respect thereto. By executing this Payment Request Form Lessee certifies that Lessee is the title owner to the Equipment and that in the event that any third party makes a claim to such title that Lessee will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to the Equipment and keep the Lease in full force and effect.

**LESSEE:**  
City of Lavon

\_\_\_\_\_  
Charles Teske, Jr., Mayor

\_\_\_\_\_  
Date

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

OMB No. 1545-0720

▶ Under Internal Revenue Code section 149(e)

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

<b>Part I Reporting Authority</b>		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name City of Lavoñ		2 Issuer's employer identification number (EIN) 75 2004104	
3 Number and street (or P.O. box if mail is not delivered to street address) P.O. Box 340		Room/suite	
4 City, town, or post office, state, and ZIP code Lavoñ, TX 75166		5 Report number (For IRS Use Only) <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information		7 Telephone number of officer or legal representative	

<b>Part II Description of Obligations</b> Check one: a single issue <input checked="" type="checkbox"/> or a consolidated return <input type="checkbox"/>		
8a Issue price of obligation(s) (see instructions)	8a	99,625 10
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶ 11/01/2016		
9 Amount of the reported obligation(s) on line 8a that is:		
a For leases for vehicles	9a	99,625 10
b For leases for office equipment	9b	
c For leases for real property	9c	
d For leases for other (see instructions) SCBAs or Turnout Gear	9d	
e For bank loans for vehicles	9e	
f For bank loans for office equipment	9f	
g For bank loans for real property	9g	
h For bank loans for other (see instructions)	9h	
i Used to refund prior issue(s)	9i	
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j	
k Other	9k	
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box ▶ <input checked="" type="checkbox"/>		
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) ▶ <input type="checkbox"/>		
12 Vendor's or bank's name: Community First National Bank		
13 Vendor's or bank's employer identification number: 48-1238548		

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

Signature of issuer's authorized representative: \_\_\_\_\_ Date: \_\_\_\_\_  
 Charles Teske, Jr., Mayor  
 Type or print name and title

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

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

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

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

**Who Must File**  
 Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.  
 Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.  
**Filing a separate return for a single issue.** Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.  
 An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

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

**Filing a consolidated return for multiple issues.** For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.  
 Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.



**CITY OF LAVON  
CITY COUNCIL  
Agenda Brief**

**MEETING: November 21, 2016**

**ITEM: 7-B**

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**Item:**

Discussion and action regarding the election of a Mayor Pro Tem for the 2016-2017 term.

**Background:**

The Mayor Pro Tem is elected annually by the City Council after the general election.

***Code Excerpt:***

**Texas Local Government Code, Section 22.037 (b)**

Sec. 22.037. MAYOR AS PRESIDING OFFICER; PRESIDENT PRO TEMPORE. (a) The mayor shall preside at all meetings of the governing body of the municipality and, except in elections, may vote only if there is a tie.

(b) At each new governing body's first meeting or as soon as practicable, the governing body shall elect one alderman to serve as president pro tempore for a term of one year.

**Attachments: NA**

November 18, 2016