

VALENCIA COUNTY BOARD OF COMMISSIONERS

Public Hearing/Regular Business Meeting

December 21, 2009

PRESENT	ABSENT
Pedro G. Rael, Chairman	
Donald E. Holliday, Vice-Chairman	
David R Medina, Member	
Ron Gentry, Member	
Georgia Otero-Kirkham, Member	
Eric Zamora, County Manager	
Adren Nance & Dave Pato, County Attorneys	
Sally Perea, County Clerk	
Press and Public	

1) The meeting was called to order by Chairman Pedro Rael at 8:30 A.M.

2) Chairman Pedro Rael led the Pledge of Allegiance.

3) Approval of Agenda

County Manager Eric Zamora requested an addition to Non-Action items to report on financial status.

Commissioner Medina motioned for approval of the agenda with the addition of 5(b). Seconded by Commissioner Holliday. Motion carried unanimously.

4) **PUBLIC COMMENTS – At the Discretion of the Chair. (For Information Only- limited to two minutes per person on subjects not on this published agenda).**

Fabian Padilla wished to make a rebuttal on statements that were made at the December 5th meeting. A lady made both of the statements in which the Historic Tome Adelino Neighborhood Association was accused of having secret meetings. He wants to make sure that everyone understands that is not true. They do meet in executive session especially when they are addressing issues of a personal nature, he feels they have the right to meet in executive session and will continue to do so. It has nothing to do with private meetings or anything of that sort. Also the same women that made this statement, made a statement concerning the folks attending the meeting in support of the transfer of property from the county to the Town of Tome Land Grant Board of Trustee's. She made a reference of the education of the folks that attended. Several of these people have doctrine's, master's, Bachelor and Science Degree's. They don't need her to educate them on anything. The reason they are educated is to protect themselves from people just like her. He requests that this be on the public comment as a rebuttal to her statements.

Bob Gostischa wished the Commission a Merry Christmas and a Happy New Year.

5) NON-ACTION ITEMS:

a) Reports from Boards, Commissions & Committees - County Commission.

Eric Zamora gave an update on the Visual Transportation Planning Organization meeting in which he and Commissioner Kirkham are members. This is an update from the Department of Transportation District that represents the Mid-Region Counsel of Governments, Districts 5, 6 and 3. Department of Transportation has also fallen on hard times. They are currently operating at a vacancy rate of 17% to 20% with all districts. In those cuts Mr. Zamora was notified that the cooperative programs that the county participates under, the Cap Co-op and school bus programs will be cut by 25%, which is the county road money that is received on an annual basis. He received a letter shortly after that meeting advising the county to reduce expenditures by 25% on those programs. Also discussed in regards to Commissioner Rael's district was the issue of the Route 66 Bridge and the access road going up to Highland Meadows. Mr. Zamora, Laguna Tribe and the Department of Transportation will meet tomorrow to discuss the issue on this unclaimed road.

There are new forms required for the State Wide Transportation Improvement process. All projects to be considered for next year have to be on these new forms. He's currently working with the Council of Governments to update the county projects to make sure all the county projects are considered for placement on that program. By being placed on

this program is what allows the county to qualify for federal funds if there are any available.

b) Financial Report – Larry Trussell

Financial Budget Analysis Larry Trussell gave an update on the financial status of the county. This would be on property taxes for receipts projected through December 31th comparing them to last year and to the budget. According to his calculation the county will end up \$306,000 over last year's receipts. Overall between property taxes, county equalization, gross receipts tax and motor vehicle fees is about \$600,000 more in actual budgeted revenues.

6) PUBLIC HEARING MEETING

a) Applicant is requesting a Transfer of Ownership; License/App. No.986/602043

Sally Perea/Theresa Jaramillo

County Clerk Sally Perea presented the above item for consideration for approval for transfer of ownership of liquor license doing business as Al's Mini Mart #1 in Belen. This is a transfer of ownership only.

Chairman Real asked if there were any public objections to the transfer of liquor license #986/602043. There were none stated. Decision will be made at the next Business Meeting which follows this Public Hearing.

7) BUSINESS MEETING;

8) Approval of Minutes: November 30, 2009-Business Meeting

Commissioner Medina motioned for approval. Seconded by Commissioner Kirkham. Motion carried unanimously.

Approval of Minutes: December 2, 2009-Business Meeting

Commissioner Medina motioned for approval. Seconded by Commissioner Holliday. Motion carried unanimously.

Approval of Minutes: December 9, 2009-Public Hearing Meeting

Commissioner Holliday motioned for approval. Seconded by Commissioner Medina. Motion carried unanimously.

7) ACTION ITEMS:

Board of County Commissioners convenes as Indigent Claims Board

Commissioner Medina moved to convene as the Indigent Claims Board. Seconded by Commissioner Holliday. Motion carried unanimously.

a) Indigent Reports/Appeal – Barbara Baker

Ms. Baker presented the Indigent Claims from November 5, 2009 to December 4, 2009. The total amount of claims submitted is \$930,031.18. Ms. Baker requested approval of \$79,578.45.

Commissioner Kirkham moved for approval. Seconded by Commissioner Gentry. Motion carried unanimously. (See Exhibit A)

Ms. Baker presented the Indigent Appeals Claim for Janice Frazier and requested approval to pay the amount of \$956.90.

Commissioner Kirkham motioned for approval. Seconded by Commissioner Holliday. Motion carried unanimously. (See Exhibit B)

Ms. Baker presented the indigent Appeals Claim for Jesse Trevizo and requested approval to pay University of New Mexico Hospital in the amount of \$276.62.

Commissioner Medina moved for approval. Seconded by Commissioner Holliday. Motion carried unanimously. (See Exhibit C)

Board Re-Convenes as Board of County Commissioner.

Commissioner Medina moved to re-convene as the Board of County Commissioners. Seconded by Commissioner Holliday. Motion carried unanimously.

b) Consideration of Transfer of Ownership: License/App. No. 986/602043-

County Commission

Commissioner Gentry moved for approval. Seconded by Commissioner Medina. Motion carried unanimously. (See Exhibit D)

c) Consideration of Ordinance 2009-04, "Fair Housing"-County Commission

Commissioner Kirkham moved for approval. Seconded by Commissioner Medina. Motion carried unanimously.

County Clerk Sally Perea announced Ordinance 2009-04. (See Exhibit E)

d) Final Action on Public Hearing: December 9, 2009

e) Consideration of Amend the Zoning Map From RR-1 to C-1 to Allow For Use For a Tortilleria and a Small Community store on the Subject Property/ Lionel Molinar-County Commission

Commissioner Kirkham requested that a condition be placed on this, since this property is in a residential area and it's being changed to C-1 a commercial use. She requests that if the store is not built and operating in two years that it convert back to a residential use. Mr. Molinar stated he felt comfortable with that.

Commissioner Kirkham motioned for approval for re-zoning from RR-1 to C-1 with the conditions as stated by Commissioner Kirkham. Seconded by Commissioner Holliday. Motion carried unanimously.

f) Consideration of Memorandum of Agreement Between the Village of Los Lunas For the Use of Four Strands of the Village of Los Lunas "fiber Optic Cable"-Lawrence Esquibel

Mr. Esquibel stated this agreement would allow the county to establish a redundant logical fiber ring between county administration offices, the District Courthouse, animal Control and Public Works building. The county will only be responsible for any unforeseen costs and all costs for the connections to the fiber network. The cost savings annually would be \$9,000.

Commissioner Gentry motioned for approval. Seconded by Commissioner Medina. Motion carried unanimously. (See Exhibit F)

g) Consideration of Memorandum of Understanding Between Meadow Lake Dog Rescue Center and Valencia County Animal Control-Ruben Chavez

Valencia County Animal Control Director Ruben Chavez stated Ms. Barker opened a rescue in Meadow Lake and shared an interest in creating a memorandum of understanding, a partnership for the purpose of seeking grant funding. Mr. Chavez has some concerns as to meeting some of the benchmarks that are set and he is not comfortable with the unknowns. Mr. Chavez met with the County Manager and the county attorney briefly on this. Commissioner Kirkham asked Mr. Chavez if they can't resolve the issues that he has concerns with, is he comfortable enough for the commission to approve this and then if it doesn't work is there a way of canceling it?

County Manager Eric Zamora said he saw this on Friday afternoon and is not ready to provide any substantial impute on this, there are a lot of questions and he'd like to hear more on what their intentions and plans are. There are some elements included in this agreement that the county legal counsel has some concerns with, with regards to grants, funding and reimbursements issues that may not be right for commission action. Mr. Zamora recommended that the commission hear more information and in the end if everyone is comfortable, there be some discussion as to whether or not they have all the answers to these questions.

Chairman Rael said it doesn't look like a long term commitment. The agreement says either party can withdraw from this MOU (Memorandum of Understanding) upon thirty days written notice to the parties. It just ends. Chairman Rael asked both Mr. Chavez and Mr. Zamora what their specific concerns were.

Mr. Chavez said there were several issues that concerned him. Some of the issues are committing to an adoption guarantee, building more space, we don't know what the grants are and he's not comfortable with that. Another thing he's not sure of, is the county getting into a financial partnership with someone, which at this point they don't know. Mr. Chavez doesn't even know if it's legal to get into to a financial partnership or contribution. Those were some of the concerns that came from the county manager and the attorney feels at this point, this is anti-donation. What portion and percentage is the county's and what is not the county's.

Mr. Chavez said it talks about a coalition. There is a process where it involves all the vet's and all the local rescue groups.

Commissioner Gentry said When he read the proposal it seemed to him that this is a group that wants to form as a satellite to offer more services then the county can provide and have the manpower to, they want to apply for grants, produce that manpower, produce those federal funds to expand upon what the county already

has. This would be a good thing, because the county is limited in staff and revenues and we're maximizing every dime we have. By forming this satellite partnership, they want to form a coalition with other supportive groups to enhance, better and broaden our animal control euthanasia, fostering and adoption. It seems to him that's in the best interest of the whole program. This looks like a group that wants to do an expansion on the outside on things the county doesn't seem to have the resources, the manpower or the policy to do, and, they want to do it on their own with the county's cooperation and comradeiy. It's different if they are going to do something that is going to legally bind the county and it's going to have them running the county, but Commissioner Gentry didn't see that in this month to month agreement. He suggests Mr. Chavez and the county attorney's monitor it very closely. We need not miss the window of possible opportunity and shut that segment of community which wants to go further than the county has resources to do in our animal program. It can be terminated within thirty days if it looks sour.

Chairman Rael asked how much additional funding will come into the county if this is successful, if they are able to get money from those foundations and what is the anti donation concern? Mr. Chavez said he doesn't know what's out there. County Attorney Dave Pato stated the anti donation clause prevents the Commission from giving any money to either private or public corporations. The county would have hard time transferring money to the organization. That's not to say that they can't assist the county into developing grant applications and the county receive the money? The county just can't transfer the money over to them in the 501-C3, that's the problem. Chairman Rael said unless they give the county something in return. Mr. Pato said "that's correct."

Commissioner Kirkham said she thought the intention of this group was not to get money in return but to give the county money. Mr. Pato stated that's his understanding from the MOU (Memorandum of Understanding) as well and from his discussion with the county manager, there may be an administrative fee or something of that nature but again that can be addressed and decided whether or not there are services being provided in exchange for that. Mr. Pato feels they have followed the proper procurement processes to achieve that. After listening to Ruben's presentation, there may be ways to address his concerns. If the county could approve all grant applications that went out so that the county won't be in a situation where they will be committed and the animal shelter can review those applications on an application by application basis to ensure that the county is not being obligated in a way they don't want to be obligated.

Commissioner Kirkham asked if those approvals can be made in an administrative way, with Ruben and the County Finance Officer or Mr. Zamora without having to come to the commission every single time. Can we put that in the agreement that it will be done administratively. Mr. Pato said certainly that can be done. In the MOU they would add that County Animal Control would be directed to review each application and ensure that the county needs are met and that there are no contingencies that are unreasonable or need to be brought to the commission."

Advisory Board Member Marc Rosenbaum feels this is an excellent idea in general and it is true that organizations have been doing this sort of thing for a number of years without any Memorandums of Understanding. His understanding is that the memorandum is really needed to apply for some of the grants to prove to the organization that there is backing of the public facilities. There are questions he has on what's going on but in general he agrees it's a very good thing for the county and the Advisory Board did vote in favor of this and passed a Resolution to support this. Mr. Rosenbaum introduced Ms. Jill Barker of the Meadow Lake Dog Rescue.

Ms. Barker has had the Meadow Lake Dog Rescue for almost two years. Her background consists of twenty two years as an independent contractor in grant writing in which she worked with a number of organizations. The majority of these grants are going to be private foundation funders. It's going to depend on their criteria is as to what they apply for. As each grant is different, her portion is smaller, since she has a small rescue. Generally the split is probably going to be 90% to the county and 10% to Meadow Lake Dog rescue. There are a few grants in which it might be a 20/80 split. She has the 501-C3 and she's the one that tells the foundation what they are doing together, they will not send the grant to the county or the municipality for funding. If they like the idea that they are working together as a team, they send the money to the 501-C3 organization. As fiscal agent, it's not that

she is asking the county for a portion of it, as fiscal agent she is giving the county their share based on what each grant contract dictates. Ms. Barker does not understand the anti-donation idea that Mr. Chavez is referring to, that you get it and it comes back to me. It's entirely reversed; the grant comes to Meadow Lake Dog Rescue and in compliance with whatever the grant states that's the percentage or the dollar amount that goes to the county animal shelter specifically. She has a 501-C3 arm and she understands at one point the Animal Control Advisory Board was considering establishing its own 501-C3 arm. Since hers is already in place and since there are others out in the county with a 501-C3 status, she doesn't see why it can't be that they help the shelter and yes we help ourselves as well, but it sounds like Mr. Chavez thinks she's taking the lion's share of this which is totally the opposite. The goal is to help the dogs and cats in Valencia County and not to hurt anyone in the process of doing this. All she needs from Valencia County Animal Control is information. How many dogs and cats have been euthanized, how many were adopted, how many were transferred to shelters. That's a document they already provide to the Animal Control Advisory Board. She needs a turnaround time in order to make this happen. If she submits it to the Animal Control Advisory Board or Mr. Chavez and it takes them six months to tell her that's good, she's lost the window of opportunity. Maybe it needs to be put into that contract that they have a two week window in order to let her know nay or yea on that. That would be her only request.

Commissioner Kirkham asked Ms. Barker that at the end of the grant, isn't there an accounting on how it was distributed so the county would know the proper amounts distributed, what actually was done and what bench warrants were met? Ms. Barker stated yes, every foundation that provides a grant requests that you send a report at the end, whether it's a one year term or a six month term it's up to that particular foundation when they want their final report and it does have to account for every dollar spent and what they achieved through the grant and her goal would be to fulfill the scope of the grant in order to be eligible for that grant again.

Commissioner Medina asked Ms. Barker if she had any references or letters of recommendations the commission could look at. Ms. Barker said yes, she would be happy to provide them to the commission or Mr. Chavez.

County Attorney Dave Pato said he's not familiar with any circumstance where we serve as a fiscal agent and the money goes directly to the non-profit corporation. Normally the money goes to the county and we make the accounting. Mr. Pato has concerns on someone using our name to obtain the funds and then having them handle the money. It should come through this commission and we'd appropriate the funds in accordance with our agreement. We need to review and approve the grant application before we submit it and Mr. Chavez should have the opportunity to determine whether or not those conditions are in the best interest of the county. Mr. Pato thinks it can be structured in such a way that we can achieve Ms. Barker's goal and the counties goal but it would have to be structured a little bit differently to meet the counties obligation, which means working with Ms. Barker to provide her with the information she's requesting so she can get out the grant obligations on behalf of the county.

County Manager Eric Zamora said in regards to the proposal Ms. Barker presented and as he understood, it would lend itself more to an RFP (Request for Proposal) process where essentially would have a contractor providing services for the county. So that would open the opportunity to anybody else who's interested in performing those kinds of contractual services for the county and receive some sort of administrative fee for doing such. Request for Proposal process would be required in this proposed setup. If it's a standard agreement when the county acts as a fiscal agent, that falls into a whole different category.

Commissioner Gentry emphasized that the thirty day window that we have determined was stated, his concern is not to over bureaucratizing this particular MOU (Memorandum of Understanding).

Commissioner Kirkham agreed with Commissioner Gentry that to a certain extent if that grant is given to staff and Ruben and say this is what we intend to apply for and if it's something that we're not comfortable with, then we go to the next one. Ultimately we have an approval of each of those grants, that she is not going to apply and get the county into a situation we can't get out of, so if we're ready for a motion, she said, she'd make a motion for approval with those conditions that each grant be given to the county for final approval prior to you taking the time and investment. Commissioner Gentry seconded.

Chairman Rael asked Ms. Barker if she had a particular deadline and if the commission were to approve this or direct staff to work something out with her could she get it done by the deadline time so there would be a chance of getting those funds for the county. Ms. Barker said there was a couple of grants that are coming up and the deadline was January 31st and the amount of money would depend on the funders that are approached, it could be \$5,000.00, \$10,000.00, \$50,000.00 or even \$100,000.00, it depends on what kind of project we put together to meet their criteria as to what they're willing to fund. If the animal control shelter has a budget of \$300,000.00 or \$400,000.00 a year the county should be able to get 20% on top of that out of the grant funding, based upon her experience in California.

Commissioner Holliday's concern was about other counties bringing their animals to our shelter and asked if this would be strictly for Valencia County and Ms. Barker said only what comes through the animal shelter.

Judy Babcock founder and president of Coyote Humane started her organization ten years ago. Her organization has gotten grants and they go completely through her. All the work that her volunteers and her organization have done has been for free. She takes the responsibility for the funding, they request it, they do the work and they return the information as required. She does all the paperwork and it's massive. They have done all their work independently and they did not need to have a MOU (Memorandum of Understanding).

Commissioner Medina said it looks like it's going to create quite a bit of work for Mr. Chavez and asked him if he can meet Ms Barker's deadlines. Mr. Chavez said he doesn't anticipate that there is a lot of commitment other than providing data which they already do. Ms. Barker comes with an idea; we need to kick it around and say yes or no we don't support this.

Commissioner Kirkham said Ruben you would have the ultimate decision on that if he thought it was a grant that he couldn't possibly do or accomplish.

Chairman Rael said there was a motion and a second to approve the MOU (Memorandum of Understanding) with the condition that the county be able to participate and be able to approve any applications for grants before they go to the granting source, subject to county grant approval and subject to being fixed by the attorney. Seconded by Commissioner Gentry. Motion carried unanimously. (See Exhibit G)

**h) Consideration of Agreement With the NM Department of Transportation
"Selective Traffic Enforcement" – Rene Rivera**

Commissioner Holliday motioned for approval. Seconded by Commissioner Kirkham. Motion carried unanimously. (See Exhibit H)

**i) Consideration of a Lease Agreement For Two (2) Caterpillar Motor Graders
With Caterpillar Financial Services Corp – Eric Zamora**

Commissioner Gentry motioned for approval. Seconded by Commissioner Medina. Motion carried unanimously. (See Exhibit I)

**j) Consideration of Contract Amendment CDM Water/Waste Water Study – Eric
Zamora/Kelly Collins**

County Manager Eric Zamora said an amendment to the original contract had been drafted to include a scope to services that the Environment Department has defined.

Kelly Collins of CDM said the first part of the scope is to complete the preliminary engineering report for the first project that was recommended in the master plan which was the extension of sewer services into Peralta from Bosque Farms and to complete a rate study for Peralta to expand the system to complete the preliminary engineering report. The remainder is to work with the Council of Governments in putting together an organizational entity that would do county wide planning with an initial focus on water and waste water. This would implement the water and waste water master plan.

Commissioner Holliday motioned for approval. Seconded by Commissioner Kirkham. Motion carried unanimously. (See Exhibit J)

K) FINANCIAL MATTERS:

**1) Consideration of Resolution 2009-58, Increase Expenditures for LEPP –
Wilma Abril.**

Minutes of December 21, 2009 Special/Regular Business Meeting

Commissioner Holliday moved for approval. Seconded by Commissioner Kirkham. Motion carried unanimously.
County Clerk Sally Perea announced Resolution 2009-58. (See Exhibit K)

2) Consideration of Resolution 2009-59, Increase Expenditures Wilma Abril

***NMDOT Program Div – Traffic Safety Bureau “Over –Time Salaries”**

***Meadow Lake Fire**

Commissioner Kirkham motioned for approval. Seconded by Commissioner Medina. Motion carried unanimously.

County Clerk Sally Perea announced Resolution 2009-59. (See Exhibit L)

3) Consideration of Resolution 2009-60, Increase Expenditures Railroad Quiet Zones in Belen and In Valencia County – Wilma Abril

Commissioner Gentry moved for approval. Seconded by Commissioner Medina. Motion carried unanimously.

County Clerk Sally Perea announced Resolution 2009-60. (See Exhibit M)

4) Approval Payroll/Warrants – Wilma Abril

Wilma Abril presented the attached computer printout list of all the checks issued by the Manager's Office on 12/11/2009 covering payroll process on the above date. Deduction check #101587 and payroll check #86164 thru payroll check #86318 inclusive. Listing total \$79,257.70 – Volunteer Fire Stipend.

Commissioner Kirkham motioned for approval. Seconded by Commissioner Gentry. Motion carried unanimously. (See Exhibit N)

Wilma Abril presented the attached computer printout list of all checks issued by the Manager's Office on 12/04/2009 covering payroll process on the above date. Direct Deposit Check #13380 thru direct deposit check #13558 inclusive. Deduction check #101525 thru deduction check #101560 inclusive. Payroll check #86070 thru payroll check #86162 inclusive. Check #86163 for Emily Montoya OT owed to her dated 12/04/2009. Listing total \$370,108.19.

Wilma Abril presented the attached computer printout lists of all checks issued by the Manager's Office on December 11, 2009 covering vendor bills processed on the above date. Check #101560 thru check #101644 inclusive, for the total of \$331,975.52.

Commissioner Kirkham moved for approval of payroll and accounts payable. Seconded by Commissioner Gentry. Motion carried unanimously. (See Exhibit O)

Commissioner Kirkham asked on the status of the one time incentive pay and what would happen if the commission did it anyway? Mr. Zamora stated he's still working with the Department of Finance as to what is permissible by law and has no final resolution at this point. The high end officials have told him that they aren't going to die in this trench, in other words it's not an issue that they are going to pursue.

Commissioner Medina asked about the Christmas Eve hours for county staff. We did give the employees off last Christmas Eve. Mr. Zamora said 8:00 to 5:00 which was approved by the commission. County Counsel Dave Pato stated it's recognized that the manager has the authority to take whatever action necessary for the benefit of the employee's.

10) EXECUTIVE SESSION- Pursuant to Section 10-15-1 NMSA 1978, the following matters may be discussed in closed session: a.) limited personnel matters; Deputy Warden Detention Center b). pending or threatened litigation and c.) Other specific limited topics that are allowed or authorized under the stated statute. No Items for discussion in Executive Session.

11) ACTION ITEMS(S) ON EXECUTIVE SESSION DISCUSSION

None

12) COUNTY MANAGER'S REPORT (Informational Only)

Mr. Zamora stated assistant County Manager Kenny Griego will be out for a few weeks due to knee surgery.

Mr. Zamora also informed the commission that he was approached by a lobbyist requesting to provide services to the county. This is something that is fee based and would require the commission to consider a Request for Proposal. The lobbyist is

currently working with the City of Belen. He met with Claudette Chavez and she is looking at a partnership with a Washington based lobbying firm to provide Washington and New Mexico based lobbying services and would like to come before the commission with a proposal at some point.

Mr. Zamora asked if the commission in the past have considered conditional use permits or special use permits when considering zone change requests for residential property to commercial property. This is something the commission may want to consider.

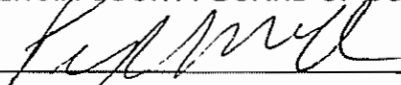
Commissioner Kirkham recommended a workshop be scheduled to help shortcut some issues. She also asked Mr. Zamora if there are any plans for the money that was allocated through our federal legislatures for the Manzano Expressway. Mr. Zamora said yes, this is a standard congressional appropriation for \$870,000 for upgrades to Manzano Expressway. These Federal dollars will float through the highway department, the Council of Governments and the county may have to go through the six to eight month waiting period before the county actually sees the monies. Estimates are being prepared at this time, making an evaluation on the roadway to see what's going to be needed and how we can most efficiently use the money. Also the \$145,000 for the IT System will be available in August of 2010.

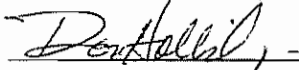
13) The next Organization/Regular Meeting of the Valencia County Board of County Commission will be held on January 6, 2010 at 5:00 P.M. in the County Commission Room at the Valencia County Courthouse.

14) Adjournment
Commissioner Kirkham moved for adjournment. Seconded by Commissioner Holliday. Motion carried unanimously. Time 11:02 A.M.

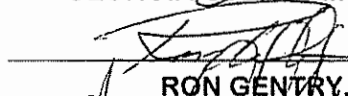
NOTE: All proposals, documents, items, etc., pertaining to items on the agenda of the December 21, 2009 Regular Meeting (presented to the Board of County Commissioners) are attached in consecutive order as stated in these minutes.

VALENCIA COUNTY BOARD OF COMMISSIONERS

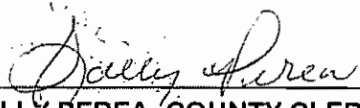

PEDRO G. RAEL, CHAIRMAN


DONALD E. HOLLIDAY, VICE-CHAIRMAN


GEORGIA OTERO-KIRKHAM, MEMBER


RON GENTRY, MEMBER


DAVID MEDINA, MEMBER

ATTEST: 
SALLY PEREA, COUNTY CLERK

1-6-10
DATE

VALENCIA COUNTY COMMISSION MEETING

Pedro G. Rael, Chair

Donald E. Holliday, Co-Chair

Georgia Otero-Kirkham

David R. Medina

Ron Gentry

P.O. Box 1119 * * * Los Lunas, New Mexico 87031

Provider	Provider Account	Indigent Number	Amount Billed	Amount Denied	Amount Paid
Living Cross Ambulance	23239	9350	1,217.94	817.94	400.00
UNM Health Sciences Center	184765006	9350	4,312.25	1,312.25	3,000.00
Presbyterian Hospital	020664780-9299	9351	548.00	126.04	421.96
Presbyterian Hospital	020664780-9300	9351	13,116.00	10,537.96	2,578.04
Living Cross Ambulance	22542	9352	1,112.95	712.95	400.00
UNM Health Sciences Center	184432888	9352	2,268.35	521.72	1,746.63
UNM Medical Group	4736426	9352	375.00	219.77	155.23
Living Cross Ambulance	25903	9353	1,286.59	886.59	400.00
UNM Health Sciences Center	186139408	9353	18,699.05	15,699.05	3,000.00
Presbyterian Hospital	001212994-9293	9354	23,254.33	20,254.33	3,000.00
Cibola General Hospital	3301436	9355	720.00	520.00	200.00
Cibola General Hospital	4257918	9355	1,585.00	1,285.00	300.00
PHI Air Medical	64-09-13342A	9355	22,292.00	21,892.00	400.00
UNM Health Sciences Center	183511773	9355	386,737.96	384,237.96	2,500.00
UNM Health Sciences Center	184074094	9356	14,917.91	11,917.91	3,000.00
Living Cross Ambulance	23727	9356	1,176.75	776.75	400.00
Living Cross Ambulance	26285	9357	961.92	961.92	0.00
Living Cross Ambulance	25732	9358	1,300.32	900.32	400.00
TOTALS			495,882.32	473,580.46	22,301.86

EXHIBIT A

VALENCIA COUNTY COMMISSION MEETING

Pedro G. Rael, Chair

Donald E. Holliday, Co-Chair

Georgia Otero-Kirkham

David R. Medina

Ron Gentry

P.O. Box 1119 *** Los Lunas, New Mexico 87031

Provider	Provider Account	Indigent Number	Amount Billed	Amount Denied	Amount Paid
Living Cross Ambulance	21983	9359	1,368.97	968.97	400.00
UNM Health Sciences Center	184163640	9359	4,806.25	3,806.25	1,000.00
Presbyterian Hospital	020656952-9255	9359	7,235.00	6,935.00	300.00
Presbyterian Hospital	020656952-9264	9359	3,888.00	3,688.00	200.00
Presbyterian Hospital	020656952-9265	9359	1,771.00	1,621.00	150.00
Presbyterian Hospital	020656952-9266	9359	12,814.00	11,464.00	1,350.00
Presbyterian Hospital	000982935-9171	9360	400.00	92.00	308.00
Presbyterian Hospital	000982935-9184	9360	809.20	186.11	623.09
Presbyterian Hospital	020660972-9278	9361	2,986.00	686.78	2,299.22
Living Cross Ambulance	24368	9362	907.00	507.00	400.00
UNM Health Sciences Center	185290855	9362	82,470.14	79,470.14	3,000.00
Living Cross Ambulance	21134	9363	110.94	14.94	96.00
Living Cross Ambulance	22312	9363	103.38	7.38	96.00
UNM Health Sciences Center	186093670	9364	244.75	56.29	188.46
Living Cross Ambulance	21868	9365	1,176.75	776.75	400.00
Living Cross Ambulance	24022	9365	103.38	7.38	96.00
Presbyterian Hospital	020226744-9224	9365	5,951.70	2,951.70	3,000.00
UNM Health Sciences Center	185994506	9366	77.00	17.71	59.29
TOTALS			127,223.46	113,257.40	13,966.06

VALENCIA COUNTY COMMISSION MEETING

Pedro G. Rael, Chair

Donald E. Holliday, Co-Chair

Georgia Otero-Kirkham

David R. Medina

Ron Gentry

P.O. Box 1119 * * * Los Lunas, New Mexico 87031

Provider	Provider Account	Indigent Number	Amount Billed	Amount Denied	Amount Paid
UNM Health Sciences Center	185402104	9366	19,871.30	17,315.59	2,555.71
Living Cross Ambulance	26274	9367	1,437.62	1,437.62	0.00
UNM Health Sciences Center	185285558	9368	2,950.00	678.50	2,271.50
UNM Health Sciences Center	183710029	9369	17,007.63	14,507.63	2,500.00
Living Cross Ambulance	24313	9369	1,204.21	804.21	400.00
UNM Health Sciences Center	185248358	9369	1,070.00	570.00	500.00
UNM Health Sciences Center	185200482	9370	2,270.20	522.14	1,748.06
Living Cross Ambulance	24146	9370	1,506.27	1,106.27	400.00
Presbyterian Hospital	020663799-9292	9371	5,446.00	2,446.00	3,000.00
Lovelace Medical Center	P09267-00357	9372	20,485.00	20,485.00	0.00
Lovelace Medical Center	P09217-00147	9373	356.00	356.00	0.00
Lovelace Medical Center	P09221-00077	9373	503.00	503.00	0.00
Living Cross Ambulance	25798	9374	103.38	103.38	0.00
Presbyterian Hospital	001112719-9291	9375	1,934.00	934.00	1,000.00
Presbyterian Hospital	001112719-9294	9375	12,040.00	10,040.00	2,000.00
UNM Health Sciences Center	184911824	9376	15,070.80	12,070.80	3,000.00
UNM Health Sciences Center	185831666	9377	1,606.40	369.47	1,236.93
Presbyterian Hospital	020652345-9293	9378	3,697.00	2,817.58	879.42
TOTALS			108,558.81	87,067.19	21,491.62

VALENCIA COUNTY COMMISSION MEETING

Pedro G. Rael, Chair

Donald E. Holliday, Co-Chair

Georgia Otero-Kirkham

David R. Medina

Ron Gentry

P.O. Box 1119 *** Los Lunas, New Mexico 87031

Provider	Provider Account	Indigent Number	Amount Billed	Amount Denied	Amount Paid
UNM Health Sciences Center	186139234	9379	3,504.80	806.10	2,698.70
UNM Health Sciences Center	165283793	9380	1,791.90	1,791.90	0.00
UNM Health Sciences Center	185700440	9381	9,406.24	6,406.24	3,000.00
Living Cross Ambulance	21874	9382	1,044.30	1,044.30	0.00
Lovelace Medical Center	P09224-00693	9382	503.00	115.69	387.31
Living Cross Ambulance	24373	9383	961.92	561.92	400.00
Living Cross Ambulance	26496	9383	1,204.21	804.21	400.00
Lovelace Medical Center	P09270-00243	9383	5,297.60	4,297.60	1,000.00
Lovelace Medical Center	P09312-00006	9383	9,994.60	7,994.60	2,000.00
UNM Health Sciences Center	184033843	9384	77.00	17.71	59.29
UNM Health Sciences Center	184504512	9384	141.00	32.43	108.57
UNM Health Sciences Center	184756468	9384	1,574.80	362.21	1,212.59
UNM Health Sciences Center	184960722	9385	324.90	74.73	250.17
UNM Health Sciences Center	185178118	9386	15,669.95	15,669.95	0.00
UNM Health Sciences Center	184800217	9387	1,469.00	719.00	750.00
UNM Health Sciences Center	184889939	9387	13,573.14	11,323.14	2,250.00
Living Cross Ambulance	24299	9388	1,112.95	712.95	400.00
UNM Health Sciences Center	185282761	9388	111,843.59	111,843.59	0.00
TOTALS			179,494.90	164,578.27	14,916.63

VALENCIA COUNTY COMMISSION MEETING

Pedro G. Rael, Chair Donald E. Holliday, Co-Chair
 Georgia Otero-Kirkham David R. Medina Ron Gentry

P.O. Box 1119 * * * Los Lunas, New Mexico 87031

Provider	Provider Account	Indigent Number	Amount Billed	Amount Denied	Amount Paid
Living Cross Ambulance	25036	9389	920.73	520.73	400.00
UNM Health Sciences Center	185620341	9389	1,891.00	434.93	1,456.07
UNM Health Sciences Center	500384102	9390	400.00	92.00	308.00
UNM Health Sciences Center	186309696	9391	1,744.55	401.25	1,343.30
UNM Health Sciences Center	185289709	9392	327.00	75.21	251.79
Presbyterian Hospital	000947157-9255	9393	600.00	600.00	0.00
Presbyterian Medical Group	695236	9394	181.90	181.90	0.00
Presbyterian Medical Group	BL10025628520	9395	122.00	74.88	47.12
Living Cross Ambulance	26302	9396	1,217.94	1,217.94	0.00
Living Cross Ambulance	25915	9397	103.30	7.30	96.00
Presbyterian Hospital	001244321-9299	9397	1,204.40	1,204.40	0.00
Presbyterian Hospital	001244321-9308	9397	1,068.00	1,068.00	0.00
Alta Vista Regional Hospital	0443160	9398	4,659.59	3,059.59	1,600.00
St. Vincent Hospital	1300938073	9398	4,050.64	2,650.64	1,400.00
Living Cross Ambulance	22200	9399	380.64	380.64	0.00
Valencia County Commissioners			18,871.69	11,969.41	6,902.28
			930,031.18	850,452.73	79,578.45

Total

Pedro G. Rael, Chair
 Donald E. Holliday, Co-Chair
 Georgia Otero-Kirkham
 David R. Medina
 Ron Gentry

VALENCIA COUNTY INDIGENT FUND CLAIMS LOG

December 16, 2009

J NO.	Birth		Sex	Provider Name	Date(s) of		Diagnosis	Billed	Paid
	Date				Service				
350	09/06/77	M		Living Cross Ambulance	09/16/09		Assault	1,217.94	400.00
				UNM Health Sciences Center	09/16/09		*	4,312.25	3,000.00
351	02/04/58	M		Presbyterian Hospital	10/26/09		Hemorrhoids	548.00	421.96
				Presbyterian Hospital	10/26-10/28/09		*	13,116.00	2,578.04
352	05/03/72	F		Living Cross Ambulance	08/25/09		Assault	1,112.95	400.00
				UNM Health Sciences Center	08/25/09		*	2,268.35	1,746.63
				UNM Medical Group	08/25/09		*	375.00	155.23
353	05/27/64	M		Living Cross Ambulance	10/26/09		Stroke	1,286.59	400.00
				UNM Health Sciences Center	10/23/10-28/09		*	18,699.05	3,000.00
354	01/01/84	M		Presbyterian Hospital	10/20-10/23/09		Chest Pain	23,254.33	3,000.00
355	04/22/56	M		Cibola General Hospital	07/18/09		Motor Vehicle Accident	720.00	200.00
				Cibola General Hospital	07/18/09		*	1,585.00	300.00
				PHI Air Medical	07/18/09		*	22,292.00	400.00
				UNM Health Sciences Center	07/19-10/05/09		*	386,737.96	2,500.00
356	11/06/67	M		UNM Health Sciences Center	08/18-08/20/09		Gall Bladder Surgery	14,917.91	3,000.00
				Living Cross Ambulance	09/13/09		Facial Burn	1,176.75	400.00
357	04/12/67	M		Living Cross Ambulance	11/01/09		Assault	961.92	0.00
358	05/10/57	F		Living Cross Ambulance	10/23/09		Possible Stroke	1,300.32	400.00
359	09/03/66	F		Living Cross Ambulance	08/13/09		Kidney Stones	1,368.97	400.00
				UNM Health Sciences Center	08/13-08/14/09		*	4,806.25	1,000.00
				Presbyterian Hospital	09/12/09		*	7,235.00	300.00
				Presbyterian Hospital	09/21/09		*	3,888.00	200.00
				Presbyterian Hospital	09/22/09		*	1,771.00	150.00
				Presbyterian Hospital	09/22-09/23/09		*	12,814.00	1,350.00
360	08/05/66	F		Presbyterian Hospital	06/20/09		Kidney Stones	400.00	308.00
				Presbyterian Hospital	07/10/09		*	809.20	623.09
361	03/10/42	M		Presbyterian Hospital	10/05/09		Loss Eyesight	2,986.00	2,299.22
362	05/23/43	F		Living Cross Ambulance	09/27/09		Abdominal Infection	907.00	400.00
				UNM Health Sciences Center	09/28-10/21/09		*	82,470.14	3,000.00
63	10/01/39	F		Living Cross Ambulance	08/01/09		Seizures	110.94	96.00

364		03/30/63	F	Living Cross Ambulance	08/19/09	*	103.38	96.00
365		06/07/63	M	UNM Health Sciences Center	10/23/09	Infection of the Nose	244.75	188.46
				Living Cross Ambulance	08/12/09	Seizures	1,176.75	400.00
				Living Cross Ambulance	09/20/09	*	103.38	96.00
				Presbyterian Hospital	08/13-08/14/09	*	5,951.70	3,000.00
366		11/02/59	M	UNM Health Sciences Center	10/20/09	Tumor on Throat	77.00	59.29
				UNM Health Sciences Center	10/21-10/24/09	*	19,871.30	2,555.71
367		08/24/69	F	Living Cross Ambulance	11/02/09	Suicidal	1,437.62	0.00
368		03/24/39	F	UNM Health Sciences Center	09/26/09	Possible Stroke	2,950.00	2,271.50
369		05/25/84	F	UNM Health Sciences Center	07/28-07/30/09	Gall Bladder Surgery	17,007.63	2,500.00
				Living Cross Ambulance	09/24/09	Fainted	1,204.21	400.00
				UNM Health Sciences Center	09/24/09	*	1,070.00	500.00
370		12/16/75	M	UNM Health Sciences Center	09/23/09	Finger Injury	2,270.20	1,748.06
				Living Cross Ambulance	09/23/09	*	1,506.27	400.00
371		04/30/72	M	Presbyterian Hospital	10/19-10/20/09	Assault	5,446.00	3,000.00
372		02/20/59	M	Lovelace Medical Center	09/24-09/30/09	Unknown	20,485.00	0.00
373		03/24/81	M	Lovelace Medical Center	08/05/09	Mouth Injury	356.00	0.00
				Lovelace Medical Center	08/09/09	*	503.00	0.00
374		02/05/60	M	Living Cross Ambulance	10/25/09	Abdominal Pain	103.38	0.00
375		10/09/76	F	Presbyterian Hospital	10/18-10/19/09	Meningitis	1,934.00	1,000.00
				Presbyterian Hospital	10/21-10/25/09	*	12,040.00	2,000.00
376		05/11/88	F	UNM Health Sciences Center	09/12-09/13/09	Gall Bladder Surgery	15,070.80	3,000.00
377		09/28/69	F	UNM Health Sciences Center	10/15/09	Tooth Abscess	1,606.40	1,236.93
378		10/11/56	F	Presbyterian Hospital	10/20/09	Difficulty Breathing	3,697.00	879.42
379		04/17/70	M	UNM Health Sciences Center	10/26-10/27/09	Kidney Stones	3,504.80	2,698.70
380		11/16/62	M	UNM Health Sciences Center	09/26/09	Depression	1,791.90	0.00
381		06/24/77	M	UNM Health Sciences Center	10/10-10/13/09	Diabetic	9,406.24	3,000.00
382		04/08/84	F	Living Cross Ambulance	08/12/09	Behavioral	1,044.30	0.00
				Lovelace Medical Center	08/12/09	*	503.00	387.31
383		06/24/63	M	Living Cross Ambulance	09/27/09	Asthma	961.92	400.00
				Living Cross Ambulance	11/08/09	*	1,204.21	400.00
				Lovelace Medical Center	09/28-09/29/09	*	5,297.60	1,000.00
				Lovelace Medical Center	11/08/09	*	9,994.60	2,000.00
84		09/08/70	F	UNM Health Sciences Center	08/08/09	Ovarian Cysts	77.00	59.29
				UNM Health Sciences Center	08/26/09	*	141.00	108.57
				UNM Health Sciences Center	09/04/09	*	1,574.80	1,212.59
85		12/31/89	F	UNM Health Sciences Center	09/14/09	Knee Injury	324.90	250.17
86		08/22/68	F	UNM Health Sciences Center	10/01/09	Unknown	15,669.95	0.00

387	11/17/89	F	UNM Health Sciences Center	09/08/09	Broken Ankle	1,469.00	750.00
			UNM Health Sciences Center	09/14/09	*	13,573.14	2,250.00
388	12/18/62	M	Living Cross Ambulance	09/25/09	Seizures	1,112.95	400.00
			UNM Health Sciences Center	09/26-10/23/09	*	111,843.59	0.00
389	10/15/61	M	Living Cross Ambulance	10/08/09	Seizures	920.73	400.00
			UNM Health Sciences Center	10/08/09	*	1,891.00	1,456.07
390	11/14/74	M	UNM Health Sciences Center	09/12/09	Knee Injury	400.00	308.00
391	01/02/59	F	UNM Health Sciences Center	10/31/09	Severe Headache	1,744.55	1,343.30
392	12/25/69	F	UNM Health Sciences Center	09/27/09	Ear Infection	327.00	251.79
393	06/15/64	M	Presbyterian Hospital	09/12/09	Glaucoma	600.00	0.00
394	10/03/78	M	Presbyterian Medical Group	11/02/09	JAIL - X-Ray	181.90	0.00
395	06/26/71	M	Presbyterian Medical Group	10/27/09	JAIL - Finger Injury	122.00	47.12
396	03/27/89	F	Living Cross Ambulance	10/27/09	JAIL - Pregnancy	1,217.94	0.00
397	03/04/26	F	Living Cross Ambulance	10/26/09	Pneumonia	103.30	96.00
			Presbyterian Hospital	10/26-1/27/09	*	1,204.40	0.00
			Presbyterian Hospital	11/14-11/18/09	*	1,068.00	0.00
398	09/22/71	M	Alta Vista Regional Hospital	09/12/09	Meat Stuck in Throat	4,659.59	1,600.00
			St Vincent Hospital	09/12/09	*	4,050.64	1,400.00
399	08/04/76	F	Living Cross Ambulance	08/14/09	Diabetic	380.64	0.00
						930,031.18	79,578.45



Valencia County Indigent & Insurance

BARBARA A. BAKER, ADMINISTRATOR

Post Office Box 1119 • Los Lunas, New Mexico 87031
Phone: (505) 866-2020 • Fax: (505) 866-3366

Date: December 16, 2009

To: Valencia County Board of County Commissioners

From: Barbara A. Baker *BAB*

Subj: Janice Frazier

Terry Frazier has requested an Indigent Appeal for the Indigent Denial of Janice Frazier on November 18, 2009. Ms. Frazier was denied and she does have insurance and the bills were over the 90 day limit. Mr. Frazier was in the hospital when Ms. Frazier went to a nursing home. After he was released from the hospital he went with relatives for about a month to get stronger. Mr. and Mrs. Frazier qualify with all of the other requirements.

I would like to recommend approval of the Albuquerque Ambulance bills, one in the amount of \$432.00 and another for \$457.00 for a payment of \$400.00 each. Also I would like to recommend the 2 Presbyterian Hospital bills be approved which have an insurance balance, one in the amount of \$83.06 with \$63.95 being approved and the other in the amount of \$120.72 with \$92.95 being approved. The total approved amount for the ambulance and hospital bills is \$956.90.

Approved by the Board of County Commissioners at the regular meeting of December 16, 2009.

Pedro G. Rael
Pedro G. Rael, Chair

Donald E. Holliday
Donald E. Holliday, Co-Chair

Georgia Otero-Kirham
Georgia Otero-Kirham

David R. Medina
David R. Medina

Ron Gentry
Ron Gentry

EXHIBIT B

ATTESTED BY: *Sally Perea*
Sally Perea, Valencia County Clerk

BOOK 068

PAGE 580



Valencia County Indigent & Insurance

BARBARA A. BAKER, ADMINISTRATOR

Post Office Box 1119 • Los Lunas, New Mexico 87031
Phone: (505) 866-2020 • Fax: (505) 866-3366

Date: December 16, 2009

To: Valencia County Board of County Commissioners

From: Barbara A. Baker (B A B)


Subj: Jesse Trevizo


Jesse Trevizo has requested an Indigent Appeal for the Indigent Denial of October 22, 2009. Mr. Trevizo was denied as he did not respond to my letter of August 31, 2009. Mr. Trevizo said he was busy looking for employment and forgot about the letter. Mr. Trevizo does meet all of the other requirements.

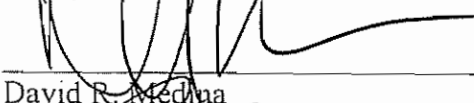
I would like to recommend approval of the UNM Health Sciences Center bill in the amount of \$359.25. If approved Valencia County Indigent would pay \$276.62 to UNM Health Sciences Center.

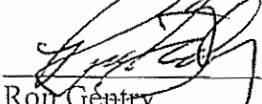
Approved by the Board of County Commissioners at the regular meeting of December 16, 2009.


Pedro G. Rael, Chair


Donald E. Holliday, Co-Chair


Georgia Otero/Kirkham


David R. Medina


Ron Gentry

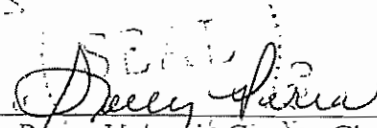
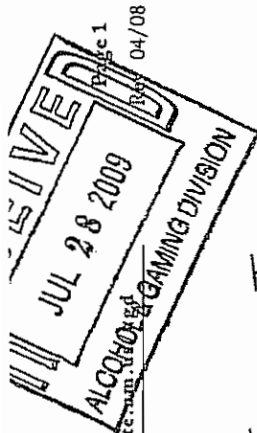
ATTESTED BY: 
Sally Perea, Valencia County Clerk

EXHIBIT C



New Mexico Regulation and Licensing Department - Alcohol and Gaming Division
P.O. Box 25101 • Santa Fe, New Mexico 87504-5101 • (505) 476-4875 • Fax (505) 476-4595 • www.rld.state.nm.us



LIQUOR LICENSE APPLICATION

Application fee - \$200.00 Fees are non-refundable

State Liquor License # 986

Application Number 602043

Local option (AGD use) Belem

Record Owner of Existing License ALFONSO AND THERESA JARAMILLO

Current D/B/A Name AL'S MINI MART #1

Current Premises Address 102 RIO COMMUNITIES BLVD BELEN, NM 87002

Application is for: Change of Stock ☐ Change of Officers/Directors ☐ Transfer Ownership of Existing License ☒ Transfer Ownership and Location ☐ Other ☐

Issue New License ☐ Type of License being applied for ☐

Applicant is: Individual ☐ Corporation ☐ Partnership (General or Limited) ☐ Limited Liability Company ☒

NAME OF APPLICANT (company or individual) 85'S LLC ADDRESS (including city, state, zip) P.O. BOX 91298 ALBUQ, NM 87199 TELEPHONE NUMBER 505-294-1000

B/A name to be used: AL'S MINI MART #1 Phone number for licensed premises: 505 864-2600

Physical location where license is to be used: 102 RIO COMMUNITIES BLVD BELEN, NM 87002 (Include street number / highway number / state road, city and county, state, and zip code)

Mailing address: P.O. BOX 91298 ALBUQ, NM 87199

Are alcoholic beverages currently being dispensed at the proposed location? Yes ☒ No ☐ If yes, give license number and type 986 dispensing 8-20-09

(print name) THERESA JARAMILLO as (title) OWNER

I declare that he/she is the applicant or is authorized by the applicant to make this application; that he/she has read the same; knows the contents therein contained are true; Applicant(s) agree(s) that any statements or representations herein are found to be false, the director may refuse to issue or renew the license or may cause the license to be revoked at any time

You must sign and date this form in the presence of a notary public.

Signature of Applicant Theresa Jaramillo Date May 12, 09

SUBSCRIBED AND SWORN TO before me this 12th day of May, 2009 by Theresa Jaramillo

Notary Public Nicole Dyer My Commission Expires July 12, 2012

Local Governing Body of: Valencia County (City or County) Hearing held on 12.21.2009

Check one: Approved ☒ Disapproved ☐ City/County Official Robert D. Paul (Signature & Title)

For Alcohol and Gaming Division Use Only

Approved ☐ Disapproved ☐ Director Approval ☐ Date ☐

EXHIBIT D

VALENCIA COUNTY
ORDINANCE NUMBER 2009-24

FAIR HOUSING ORDINANCE

VALENCIA COUNTY
SALLY PEREA, CLERK
200916131
Book 363 Pg 16131
1 of 12
12/21/2009 02:57:14
BY PARMJO

Section 1. POLICY

It is the policy of Valencia County Board of County Commissioners to provide, within constitutional limitations, for fair housing throughout the County of Valencia

Section 2. DEFINITIONS

1. "Aggrieved Person" includes any person who—
 - a. claims to have been injured by a discriminatory housing practice; or
 - b. believes that they will be injured by a discriminatory housing practice that is about to occur.
2. "Chief Elected Official" means the person who holds the highest elected position of the local unit of government and who is signatory to the Small Cities Community Development Block Grant agreement with the Local Government Division.
3. "Complainant" means the person (including the chief elected official) who files a complaint under section 10.
4. "Discriminatory housing practice" means an act that is unlawful under section 4, 5 or 6 of this ordinance.
5. "Dwelling" means any building, structure or portion thereof which is occupied as, designed or intended for occupancy as a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure or portion thereof.
6. "Familial status" means one or more individuals (who have not attained the age of 18 years) being domiciled with
 - a. a parent or another person having legal custody of such individual or individuals; or
 - b. the designee of such parent or other person having such custody, with the written permission of such parent or other person. The protections afforded against discrimination on the

EXHIBIT E

basis of familial status shall apply to any person who is pregnant, or is the process of securing legal custody of any individual who has not attained the age of 18 years.

7. "Family" includes a single individual.

8. "Handicap" means, with respect to a person --

- a. a physical or mental impairment which substantially limits one or more of such person's major life activities;
- b. a record of having such an impairment; or
- c. being regarded as having such an impairment, but such term does not include current, illegal use of or addiction to, a controlled substance (as defined in section 102 of the Controlled Substance Act[21 U.S.C. 802]).

9. "Person" includes one or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers and fiduciaries.

10. "Respondent" means--

- a. the person or other entity accused in a complaint of an unfair housing practice; and
- b. any other person or entity identified in the course of investigation and notified as required with respect to respondents so identified under section 10.

11. "To rent" includes to lease, to sublease, to let and otherwise to grant for a consideration the right to occupy premises owned by the occupant.

Section 3. UNLAWFUL PRACTICE

Subject to the provisions of subsection (b) and Section 7, the prohibitions against discrimination in the sale or rental of housing set fourth in section 3 shall apply to:

1. All dwellings except as exempted by subsection (b).
2. Nothing in Section 4 shall apply to:
 - a. Any single-family house sold or rented by an owner: Provided, that such private individual owner does not own more than

three such single-family houses at any one time; Provided further, that in the case of the sale of any such single-family house by a private individual owner not residing in such house at the time of such sale, or who was not the most recent resident of such house prior to such sale, the exemption granted by this subsection shall apply only with respect to one such sale within any twenty-four month period: Provided further, that such bona fide private individual owner does not own any interest in, nor is there owned or reserved on his behalf, under any express or voluntary agreement, title to, or any right to all or a portion of the proceeds from the sale or rental of, more than three such family houses at any one time: Provided further, that the sale or rental of any single-family house shall be excepted from the application of this ordinance only if such house is sold or rented.

- Without the use in any manner of the sales or rental facilities or the sales or rental services of any real estate broker, agent or salesperson or of such facilities or services of any person in the business of selling or renting dwellings, or of any employee or agent of any such broker, agent, salesperson or person, and
 - Without the publication, posting or mailing, after notice of any advertisement or written notice in violation of Section (c) of this ordinance, but nothing in this provision shall prohibit the use of attorneys, escrow agents, abstractors, title companies, and other professional assistance as necessary to perfect or transfer the title, or
- b. rooms or units in dwellings contained living quarts occupied or intended to be occupied by no more than four families living independently of each other, if the owner actually maintains and occupies one of such living quarters as their residence.
3. For the purpose of subsection (b), a person shall be deemed to be in the business of selling or renting dwellings if:
- a. they have , within the preceding twelve months, participated as principle in three or more transactions involving the sale or rental of any dwelling or any interest therein; or

- b. they have, within the preceding twelve months, participated as agent, other than in the sale of their own personal residence in providing sales or rental facilities or sales or rental services in two or more transactions involving the sale or rental of any dwelling or any interest therein; or
- c. they are the owner of any dwelling designed or intended for occupancy by, or occupied by, five or more families.

Section 4. DISCRIMINATION OF THE SALE OR RENTAL OF HOUSING

As made applicable by Section 3 and except as exempted by Sections 3(b) and 7, it shall be unlawful:

1. To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, handicap, familial status, or national origin.
2. To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, handicap, familial status or national origin.
3. To make, print or publish, or cause to be made, printed or published any notice, statement or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status or national origin, or an intention to make any such preferences, limitation or discrimination.
4. To represent to any person because of race, color, religion, sex, handicap, familial status or national origin that any dwelling is not available for inspection, sale or rental when such dwelling is in fact so available.
5. For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, handicap, familial status or national origin.

Section 5. DISCRIMINATION IN RESIDENTIAL REAL ESTATE-RELATED TRANSACTIONS

Valencia County Ordinance 2009-04
Fair Housing Ordinance

VALENCIA COUNTY
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1. In general – It shall be unlawful for any person or other entity whose business includes engaging in residential real estate-related transactions to discriminate against any person in making available such a transaction, or the terms or conditions of such a transaction, because of race, color, religion, sex, handicap, familial status or national origin.
2. Definition—As used in this section, the term “residential real estate-related transaction” means any of the following:
 - a. The making or purchase of loans or providing other financial assistance—
 - For purchasing, constructing, improving, repairing or maintaining a dwelling; or
 - Secured by residential real estate
 - b. The selling, brokering or appraising of residential real property
3. Appraisal Exemption – Nothing in this ordinance prohibits a person engaged in the business of furnishing appraisals of real property to take into consideration factors other than race, color, religion, sex, handicap, familial status, or national origin.

Section 6.
SERVICES

DISCRIMINATION IN THE PROVISION OF BROKERAGE

It shall be unlawful to deny any person access to or membership or participation in any multiple-listing service, real estate brokers organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against them in the terms or conditions of such access, membership or participation because of race, color, religion, sex, handicap, familial status, or national origin.

Section 7. EXEMPTION

Nothing in this ordinance shall prohibit a religious organization, association or society or any nonprofit institution or organization operated, supervised or controlled by, or in conjunction with, a religious organization, association or society, from limiting the sale, rental or occupancy of dwellings which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, national origin or handicap. Nor shall

anything in this primary purpose or purposes provides lodgings which it owns or operates for other than a commercial purpose, from limiting the rental or occupancy of such lodgings to its members or from giving preference to its members.

Section 8 ADMINISTRATION

1. The authority and responsibility for administering this ordinance shall be in the Board of County Commissioners
2. The Board of County Commissioners may delegate any of these functions, duties and powers to employees of the County of Valencia, the Chief Elected Official, or to boards of such employees, including functions, duties and powers with respect to investigating, conciliating, hearing, determining order ordering, certifying, reporting or otherwise acting as to any work, business or matter under this ordinance. The Board of County Commissioner shall by rule prescribe such rights of appeal from the decisions of their hearing examiners, to other hearing examiners or to other offices in the employment of the County to boards of officers or to themselves, as shall be appropriate and in accordance with law.
3. All Valencia County Government departments and agencies shall administer their programs and activities relating to housing and community development in a manner affirmatively to further the purposes of this ordinance and shall cooperate with the Board of County Commissioners to further such purposes.

Section 9. EDUCATION AND CONCILIATION

Immediately after the enactment of this ordinance, the Board of County Commissioners may commence such educational conciliatory activities as will further the purposes of this ordinance. They may call conferences of persons in the housing industry and other interested parties to acquaint them with the provisions of this ordinance and the suggested means of implementing it and shall endeavor with their advice to work out programs of voluntary compliance and enforcement.

Section 10. ENFORCEMENT

1. Any person who claims to have been injured by a discriminatory housing practice or who believes that they will be irrevocably injured by a discriminatory housing practice that is about to occur (hereafter "aggrieved person") may file a complaint with Board of County Commissioners. Complaints shall be in writing and shall contain such information, and be in such form as the Board of County

Commissioners official requires. Upon receipt of such a complaint, the Board of County Commissioners official shall furnish a copy of the same to the person or persons, who have committed, or are about to commit, the alleged discriminatory housing practice. Within thirty days after receiving a complaint or within thirty days after the expiration of any period reference under subsection (c), the Board of County Commissioners shall investigate the complaint and give notice in writing to the aggrieved person whether they intend to resolve it. If Board of County Commissioner decides to resolve the complaints, they shall proceed to try to eliminate or correct the alleged discriminatory housing practice by informal methods of conference, conciliation and persuasion. Nothing said or done in the course of such informal endeavors may be made public or used as evidence in a subsequent proceeding under this ordinance without the written consent of the persons concerned. Any employee of the Board of County Commissioners who shall make public any information in violation of this provision shall be deemed guilty of a petty-misdemeanor and upon conviction thereof shall be fined not more than \$300 or imprisoned not more than 90 days in jail.

2. A complaint under subsection (a) shall be filed within one hundred and eighty days after the alleged discriminatory housing practice occurred. Complaints shall be in writing and shall state the facts upon which the allegations of a discriminatory housing practice are based. Complaints may be reasonably and fairly amended at any time. A respondent may file and answer to the complaint against him and with the leave of the Board of County Commissioners, which shall be granted whenever it would be reasonable and fair to do so, may amend his answer at any time. Both complaints and answers shall be verified.
3. If within thirty days after a complaint is filed with the Board of County Commissioners, they has been unable to obtain voluntary compliance with this ordinance, the aggrieved person may, within thirty days thereafter, file a complaint with the Secretary of the Department of Housing and Urban Development. The Board of County Commissioners official will assist in this filing.
4. If the Board of County Commissioners has been unable to obtain voluntary compliance within thirty days of the complaint, the aggrieved person may, within thirty days thereafter commence a civil action in any appropriate court, against the respondent named in the complaint, to enforce the rights granted or protected by this ordinance, insofar as such rights relate to the subject of the complaint. If the court finds that a discriminatory housing practice has occurred or is about to occur, the court may enjoin the respondent from engaging in such practice or order such affirmative action as may be appropriate.

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BY PARMIO

5. In any proceeding brought pursuant to this Section, the burden of proof shall be on the complaint.
6. Whenever an action filed by an individual comes to trial, the Board of County Commissioners shall immediately terminate all efforts to obtain voluntary compliance.

Section 11. INVESTIGATIONS/SUBPOENAS/GIVING OF EVIDENCE

1. In conducting an investigation, the Board of County Commissioners shall have access at all reasonable times to premises, records, documents, individuals and other evidence or possible sources of evidence and may examine, record and copy such materials and take and record the testimony or statements of such persons as are reasonably necessary for the furtherance of the investigation: Provided, however, that the Board of County Commissioners first complies with the provisions of the Fourth Amendment relating to unreasonable searches and seizures. The Board of County Commissioners may issue subpoenas to compel their access to, or the production of, such materials, or the appearance of such persons and may issue interrogatories to a respondent, to the same extent and subject to the same limitations as would apply if the subpoenas or interrogatories were issued or served in aid of a civil action in the United States District Court for the district in which the investigation is taking place. The Board of County Commissioners may administer oaths.
2. Upon written application to the Board of County Commissioners, a respondent shall be entitled to the issuance of a reasonable number of subpoenas by and in the name of the Board of County Commissioners to the same extent and subject to the same limitations as subpoenas issued by the Board of County Commissioners. Subpoenas issued at the request of a respondent shall show on their face the name and address of such respondent and shall state that they were issued at their request.
3. Witnesses summoned by subpoena of the Board of County Commissioners shall be entitled to the same witness and mileage fees as are witnesses in proceedings in United States District Courts. Fees payable to a witness summoned by a subpoena issued at the request of a respondent shall be paid by the respondent.
4. Within five days after service of a subpoena upon any person, such person may petition the Board of County Commissioners to revoke or modify the subpoena. The Board of County Commissioners shall grant

the petition if they find that the subpoena requires appearance or attendance at an unreasonable time or place, that it requires production of evidence which does not relate to any matter under investigation, that it does not describe with sufficient particularity the evidence to be produced, that compliance would be unduly onerous, or for other good reason.

5. In case of contumacy or refusal to obey a subpoena the Board of County Commissioners, or other person at whose request it was issued, may petition for its enforcement in the municipal or state court for the district in which the person to whom the subpoena was addressed resides, was served or transacts business.
6. Any person who willfully fails or neglects to attend and testify, or to answer any lawful inquiry, or to produce records, documents or other evidence, if in his power to do so, in obedience to the subpoena or lawful order of the Board of County Commissioners shall be fined not more than \$300 or imprisoned not more than 90 days or both. Any person who, with intent thereby to mislead the Board of County Commissioners, shall make or cause to be made any false entry or statement of fact in any report, account, record, or other document submitted to the Board of County Commissioners pursuant to his subpoena or other order, or shall willfully neglect or fail to make or cause to be made full, true and correct entries in such reports, accounts, records or other documents, or shall willfully mutilate, alter or by any other means falsify any documentary evidence, shall be fined not more than \$300 or imprisoned not more than 90 days or both.
7. The Valencia County attorney shall conduct all litigation in which the Board of County Commissioners participates as a party or as amicus pursuant to this ordinance.

Section 12. ENFORCEMENT BY PRIVATE PERSONS

1. The rights granted by section 3, 4, 5, and 6 may be enforced by civil actions in the appropriate United States district, state or local court. A civil action shall be commenced within one hundred and eighty days after the alleged discriminatory housing practice occurred: Provided, however, that the court shall continue such civil case brought pursuant to this Section or Section 10 (d) from time to time before bringing it to trial if the court believes that the conciliation efforts of the Board of County Commissioners are likely to result in satisfactory settlement of the alleged discriminatory housing practice complained of in the complaint made to the Board of County Commissioners and which practice forms the basis for the action to the issuance of any court

order issued under the authority of this ordinance and involving a bona fide purchaser, encumbrances or tenant without actual notice of the filing of a complaint or civil action under the provisions of this ordinance shall not be affected.

2. The court may grant as relief, as it deems appropriate, any permanent or temporary injunction, temporary restraining order or other order and may award to the plaintiff actual damages and not more than \$1,000 punitive damages, together with court costs and reasonable attorney fees in the case of a prevailing plaintiff: provided, that the said plaintiff in the opinion of the court is not financially able to assume said attorney's fees.

Section 13. INTERFERENCE, COERCION or INTIMIDATION

It shall be unlawful to coerce, intimidate, threaten or interfere with any person in the exercise or enjoyment of, or on account of his having exercised or enjoyed, or on account of his having aided or encouraged and other person in the exercise or enjoyment of, any right granted or protected by Sections 3, 4, 5, or 6 of this ordinance. This Section may be enforced by appropriate civil action.

Section 14. SEPERABILITY OF PROVISIONS

If any of this ordinance or the application thereof to any person or circumstances is held invalid, the remainder of the ordinance and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

Section 15. PREVENTION OF INTIMIDATION IN FAIR HOUSING CASES

Whoever, whether or not acting under color of law, by force or threat of force willfully injures, intimidates or interferes with, or attempts to injure, intimidate or interfere with:

1. any person because of their race, color, religion, sex, handicap, familial status, or national origin and because they are or have been selling, purchasing, renting, financing, occupying or contracting or negotiating for the sale, purchase, rental, financing, or occupation of any dwelling, or applying for or participating in any service organization or facility relating to the business of selling or renting dwellings; or
2. any person because they are or have been, or in order to intimidate such person or any other person or any class of persons from:

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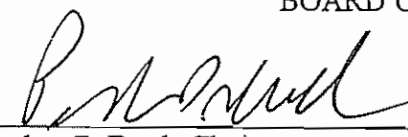
- a. participating, without discrimination because of race, color, religion, sex, handicap, familial status or national origin, or in any of the activities, services organizations, or facilities described in subsection 15 (a); or
 - b. affording another person or class of persons opportunity or protection so to participate; or
3. any citizen because they are or have been, or in order to discourage such citizen from lawfully aiding or encouraging other persons to participate, without discrimination on account of race, color, religion, sex, handicap, familial status or national origin, in any of the activities, services, organizations, or facilities described in subsection 15 (a), or participating lawfully in speech or peaceful assembly opposing any denial of the opportunity to so participate – shall be fined not more than \$300 or imprisoned not more than 90 days or both.

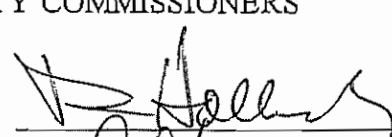
Section 16. REPEAL OF FORMER ORDINANCE

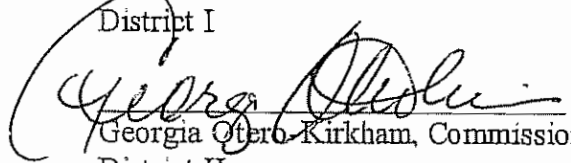
Valencia County Ordinance ~~604-22~~^{pg 13}, is hereby repealed, as well as all other Valencia County Ordinances or Resolutions relating to Fair Housing which are in conflict with the above provisions, by the adoption of this Ordinance.

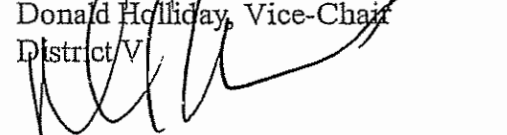
ADOPTED BY THE GOVERNING BODY OF VALENCIA COUNTY THIS 21 DAY OF December 2009.

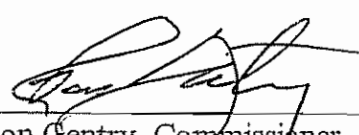
BOARD OF COUNTY COMMISSIONERS


Pedro G. Rael, Chair
District I


Donald Holliday, Vice-Chair
District V


Georgia Otero-Kirkham, Commissioner
District II

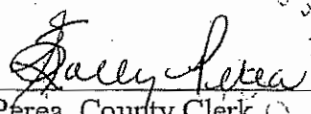

David R. Medina, Commissioner
District III


Ron Gentry, Commissioner
District IV

Attest:

Valencia County Ordinance 2009-04
Fair Housing Ordinance

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Sally Perea, County Clerk

VALENCIA COUNTY
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BY FARMIGO

**MEMORANDUM OF AGREEMENT
BETWEEN
THE VILLAGE OF LOS LUNAS
AND
THE COUNTY OF VALENCIA
FOR
THE USE OF FOUR STRANDS OF THE VILLAGE OF LOS LUNAS' FIBER
OPTIC CABLE**

THIS AGREEMENT is made and between the Village of Los Lunas (hereinafter "Village"), and the County of Valencia (hereinafter "County").

WHEREAS, the parties are local public bodies duly constituted and acting in accordance with New Mexico law empowered to enter into contracts for the benefit of the respective populations of the Village and the County; and,

WHEREAS, NMSA, Section, 3-18-1 (1972), provides that municipalities & also counties pursuant to NMSA 1978, Section 4-37-1 (1975) have the power to enter into a written service agreement wherein Village will allow the County the use of two strands of fiber optic cable as indicated herein

WHEREAS, the Village owns underground conduit and operates a fiber optic communications network; and,

WHEREAS, the County wishes to expand the County's fiber capabilities to connect its offices by obtaining the right to use certain fiber optic strands in the Village's network; and

IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

1. **USE OF FIBER OPTIC STRANDS:**
The Village will allow the County to exclusively use 4 strands of its existing fiber optic network that is already installed in the County Administration Building. The County will access this network and connect to it the District Courthouse, Animal Control and Public Works Facilities.
2. **COST:**
Any and all costs incurred for the County's connection to the fiber network will be the responsibility of the County. The Village will not be responsible for any unforeseen costs that may arise, such as the failure of equipment to be installed by the County to access fiber optic cable, cable being cut or damaged or rendered inoperable for any length of time due to circumstances beyond anyone's control that may result in the loss of work,

EXHIBIT F

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data, information, and the like, associated with the use of the Village Los Lunas fiber optic cable.

3. **RIGHT OF ACCESS:**

The County and its respective authorized designees, may access the fiber optic network for the purpose described in this Agreement, subject to all necessary governmental approvals. The Village must be notified of any need for the County to access the fiber optic cable and/or points of connection for any reason during normal business hours. It is further understood that any needed equipment installation, troubleshooting, etc. will be coordinated through the Village's appropriate personnel and will be performed per the Village's standards and guidelines. The work will be requested, scheduled, and arranged through a single contract person to be designated by the Los Lunas Technology Department. The County will notify the Village as soon as possible of any changes, work, maintenance, or the like that may affect the operation of the fiber being used by the County.

4. **TERM OF AGREEMENT:**

The term of this Agreement shall be for 4 years unless terminated pursuant to paragraph 7, infra. In accordance with Section 13-1-150 NMSA 1978, no contract term, including extensions and renewals, shall exceed four years, except as set forth in Section 13-1-150 NMSA 1978.

5. **REQUIRED APPROVAL:**

The Agreement shall not become effective until it has been approved by the respective local public bodies to this Agreement.

6. **ACCOUNTABILITY FOR RECORDS:**

The County and the Village shall adhere and be held accountable for tracking this Agreement and the terms and conditions stated herein. The Village must be made aware of the County's contact person, any authorized personnel and/or the firm/individual/company and appropriate qualifications of same to perform work on the fiber optic cable. The Village must also be made aware of the types and brands of equipment the County will be utilizing to make the connection to the fiber optic cable, and must notify the Village of any changes, additions, or deletions of same in writing. No property shall be acquired as a result of this Agreement and the disposition of records generated by performance of this agreement shall be decided by the parties upon termination.

7. **TERMINATION:**

This Agreement may be terminated by any of the parties, by written notice to the other parties, up to sixty (60) days prior to the intended termination date. By such termination, no party may nullify obligations incurred for performance prior to the date of termination.

8. **INTEGRATION OF AGREEMENT:**

This Agreement incorporates all of the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof and all such covenants, agreements, and understandings have been merged in this written Agreement. No prior agreements or understandings, verbal or otherwise of the parties or their agents shall become valid or enforceable unless embodied in this Agreement.

9. **AMENDMENT:**

This Agreement shall not be altered, changed, or amended except by an instrument in writing executed by the parties hereto.

10. **LIABILITY:**

If the fiber connection is lost for any reason, the Village is not liable to the County for any inconvenience, expense, loss of data, information, and the like, due to outage, for any cause.

11. **NEW MEXICO TORT CLAIMS ACT:**

By entering into this Agreement, each party agrees that it shall be responsible for liability arising from personal injury or damage to property occasioned by its own agents or employees in the performance of this Agreement, subject in all cases to the immunities and limitation of the New Mexico Tort Claims Act (NMSA 1978, Section 41-4-1, et seq.) and any amendments thereto. This section is intended only to define the liabilities between the parties hereto and it is not intended to modify, in any way, the parties' liabilities as governed by common law or the New Mexico Tort Claims Act. The parties and their "public employees," as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, and do not waive any defense or limitations of liability pursuant to law. No provision in this Agreement modifies and/or waives any provision of the New Mexico Tort Claims Act.

12. **PRIVILEGES, EXEMPTIONS AND IMMUNITIES:**

All privileges and immunities from liability, exemptions from laws, ordinances, and rules, which apply to the activity of officers, agents, or employees of any signatory public agency when performing their respective functions of their respective public agencies, shall apply to them to the same extent while engaged in the performance of any of their functions and duties under the provisions of the Agreement.

13. **Notices.**

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

VILLAGE OF LOS LUNAS
Attn: Peter Fernández
ADMINISTRATOR
P. O. BOX 1209
LOS LUNAS, NM 87031

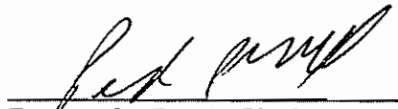
COUNTY OF VALENCIA
ATTN: LAWRENCE ESQUIBEL
INFORMATION TECHNOLOGY DIRECTOR
P.O. BOX 1119
LOS LUNAS, NM 87031

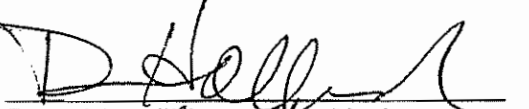
IN WITNESS, WHEREOF, the undersigned Village and County have caused this Agreement to be executed by their respective officers, said Agreement to become effective as of the date approved by both parties.


COUNTY OF VALENCIA:


APPROVED, ADOPTED, AND PASSED on this 21 day of December, 2009.


BOARD OF COUNTY COMMISSIONERS

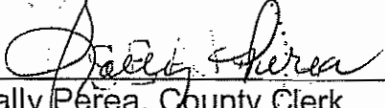

Pedro G. Rael, Chair
District I


Donald Holliday, Vice-Chair
District V


Georgia Otero-Kirkham, Commissioner
District II


David R. Medina, Commissioner
District III


Ron Gentry, Commissioner
District IV

Attest:

Sally Perea, County Clerk

VILLAGE OF LOS LUNAS:

Robert Vialpando, Mayor

DATE: _____

Attest:

Peter Fernández, Village Administrator

DATE: _____

MEMORANDUM OF AGREEMENT
BETWEEN MEADOWLAKE DOG RESCUE CENTER AND VALENCIA COUNTY
ESTABLISHING A 501(C)(3) NON-PROFIT ARM FOR THE PURPOSE OF A
COOPERATIVE WORKING RELATIONSHIP ON BEHALF FO ANIMAL RESCUE AND
PROTECTION IN VALENCIA COUNTY, NEW MEXICO

THIS AGREEMENT is entered into by and between the County of Valencia ("County") and Meadowlake Dog Rescue Center, referred to collectively as the ("Parties").

I. RECITALS

WHEREAS, the County of Valencia is a body politic existing by and under the Constitution and Laws of the State of New Mexico; and,

WHEREAS, the purpose of this MOU is to establish a cooperative community relationship between Meadowlake Dog Rescue Center and Valencia County to define the roles and responsibilities of each party in the hopes of fostering a community alliance between the parties; and

WHEREAS, MDRC is an independent, non-profit 501(C)(3) organization incorporated in the State of New Mexico, whose mission is to provide a no-kill grassroots sanctuary for abandoned and abused dogs that strives to find good, permanent homes for all breeds with limited options in Valencia County, New Mexico.

WHEREAS, Valencia County fulfills its legal obligations by operating an animal shelter, funding and training animal control officers, working with a network of animal rescue organizations, and planning for the care and custody of impounded animals in the interest of public safety. In addition, under the laws of the State of New Mexico, VCAC is responsible for implementing state laws and policies regarding animal cruelty.

NOW THEREFORE the parties hereby agree as follows:

II. AUTHORIZATION

It is within the power of the County to "protect generally the property of its municipality and its inhabitants" and to "preserve peace and order" and "provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of ... its inhabitants". See NMSA 1978, § 3-18-1 (1972); NMSA 1978, § 4-37-1 (1995).

EXHIBIT G

III. SCOPE OF DUTIES

THE COUNTY OF VALENCIA SHALL

- Share information on the basic shelter data community-wide, which includes the number of intakes, transfers, adoptions and euthanasia (covering a minimum of 2 years of VCAC shelter statistics).
- VCAC financial statements as needed to fulfill all grant proposal requirements
- VCAC operating budget for current fiscal year.
- VCAC annual reports as needed to fulfill all grant proposal requirements.
- County Commission or Ordinance items as it pertains to animal control issues.
- Provide all necessary data for grant applications as requested by MDRC.
- Review and respond to MDRC within a two-week timeframe to all requests for review of grant applications and advise as to whether it meets with County approval.
- Meet all funding deadlines as required with each grant submission and to work in a spirit of cooperation on behalf of the coalition to fulfill the goals outlined in this MOA.

THE MEADOWLAKE DOG RESCUE SHALL

- Research, and with the County's approval, apply for funding opportunities for the Valencia County Animal Shelter.
- Prepare and Distribute Grant proposals and letters of inquiry and distribute them to the duly appointed Animal Control Advisory Board for review and input.
- Maintain an ongoing and updated database of all grant submissions and letters of inquiry submitted, complete with all acceptance and denial letters received that will be shared with the Animal Control Advisory Board at their regularly scheduled meetings.
- Meet all funding deadlines as required with each grant submission and to work in a spirit of cooperation on behalf of the coalition to fulfill the goals outlined in this MOA.

IV. TERM

This MOA becomes effective upon signature by all parties hereto and shall remain in effect until terminated pursuant to Section XIII of this document.

V. STRICT ACCOUNTABILITY OF ALL RECEIPTS AND DISBURSEMENTS

Each party shall be strictly accountable for all receipts and disbursements under this Agreement.

VI. AMENDMENT

This MOA shall not be altered, modified, or amended except by an instrument in writing executed by both parties hereto.

VII. ASSIGNMENT

This MOA may not be assigned by either party hereto without the advance written consent of the other party, which consent may be withheld at the other party's sole and absolute discretion.

VIII. GOVERNING LAW

This MOA and the rights of the parties hereto shall be governed by and construed in accordance with the Laws of the State of New Mexico.

IX. SEVERABILITY

If any provision of this MOA, or the application of such provisions to any person or circumstances shall be held invalid or unenforceable by a court of competent jurisdiction, the remainder of this MOA, or the application of its provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby and the remainder of this MOA can be performed in substantial accordance with the original intent of the parties hereto.

X. INTEGRATION OF MOA

This MOA incorporates all of the agreements and understandings between the parties hereto concerning the subject matter hereof, and all such agreements and understandings have been merged into this written MOA. No prior agreements or understandings, verbal or otherwise, of the parties or their agents are valid or enforceable unless embodied in this MOA.

XI. NEW MEXICO TORT CLAIMS ACT

By entering into this MOA, each party agrees that it shall be responsible for liability arising from personal injury or damage to property occasioned by its own agents or employees in the performance of this MOA, subject in all cases to the immunities and limitation of the New Mexico Tort Claims Act (NMSA 1978, Section 41-4-1, et seq.) and any amendments thereto. This section is intended only to define the liabilities between the parties hereto and it is not intended to modify, in any way, the parties' liabilities as governed by common law or the New Mexico Tort Claims Act. The parties and their "public employees," as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, and do not waive any defense or limitations of liability pursuant to

law. No provision in this MOA modifies and/or waives any provision of the New Mexico Tort Claims Act.

XII. TERMINATION OF MOA

This MOA may be terminated by either party upon thirty (30) days written notice delivered to the other.

XIII. CONTACT AND NOTICES

The parties may, from time to time, change their contact person and shall provide prompt notice of such change to the other party. Any notice required under this MOA shall be deemed given and delivered to, and received by, the receiving party three (3) days after deposit in the U.S. mail, certified mail, return receipt requested, postage prepaid, addressed to the receiving party at the mailing address set forth below:

Valencia County contact person name and mailing address:

Eric Zamora
Valencia County Manager
P.O. Box 1119
Los Lunas, NM 87031

Telephone No: (505) 866-2003
Facsimile No: (505) 866-2424

Meadowlake Dog Rescue Center contact person name and mailing address:

Jill Barker
Executive Director, Meadowlake Dog
Rescue Center
29 Holiday Drive
Los Lunas, NM 87031
(505) 480-5693

XIV. SUBCONTRACTING

Each party is responsible for fulfillment of this MOA and shall not subcontract any of its responsibilities.

XV. SUBJECT TO LEGISLATIVE APPROPRIATION

The terms of this MOU are contingent upon sufficient appropriations and authorization being made by the governing body for the performance of this Contract. If sufficient appropriations are not made by the governing body, this Contract shall terminate upon

written notice being given by the County to the Contractor. The County's determination as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

IN WITNESS WHEREOF, the parties have executed this Agreement which becomes effective immediately.

PASSED, APPROVED, AND ADOPTED, on this 21st day of December, 2009.

"SEE ATTACHMENT"

Pedro G. Rael, Chair
Commissioner, District I

Georgia Otero-Kirkham
Commissioner, District II

David R. Medina
Commissioner, District III

Ron Gentry
Commissioner, District IV

Donald Holliday, Vice-Chair
Commissioner, District V

Attest:


Sally Perea, County Clerk

**Reference to Document: Memorandum of Understanding between Meadow Lake
Dog Rescue Center and Valencia County Animal Control**

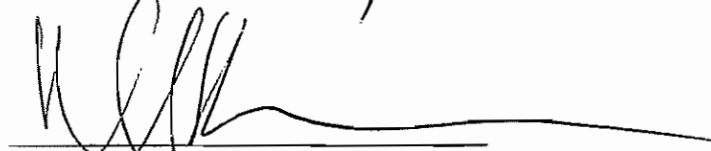
**APPROVED AND PASSED 21st of December 2009, BY BOARD OF COUNTY
COMMISSIONERS OF VALENCIA COUNTY**

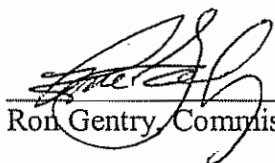
P.O. Box 1119/444 Luna Ave.
Los Lunas, NM 87031


Pedro G. Rael, Chairman

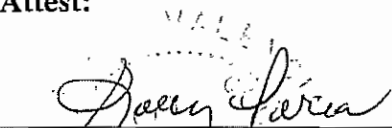

Donald E. Holliday, Vice-Chair

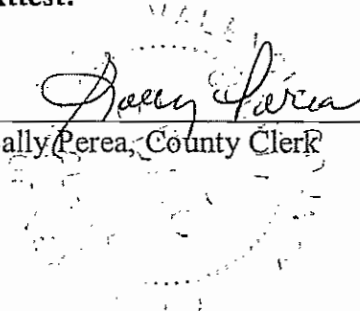

Georgia Otero Kirkham, Commissioner


David R. Medina, Commissioner


Ron Gentry, Commissioner

Attest:


Sally Perea, County Clerk



**PROJECT TITLE: SELECTIVE TRAFFIC ENFORCEMENT
PROGRAM (S.T.E.P.)**
PROJECT NUMBER: 10-PT-RF-109
GRANTEE NAME: VALENCIA (COUNTY)

PROJECT AGREEMENT

This AGREEMENT is entered into by and between the State of New Mexico, acting through its **NEW MEXICO DEPARTMENT OF TRANSPORTATION, PROGRAMS DIVISION, TRAFFIC SAFETY BUREAU**, hereinafter referred to as DEPARTMENT or TSB, and VALENCIA (COUNTY), hereinafter referred to as the GRANTEE.

In consideration of the covenants contained herein and pursuant to the DEPARTMENT's authority under the Traffic Safety Act, NMSA 1978, Sections 66-7-501 through 66-7-511, as amended, the parties agree as follows:

SECTION ONE – PROJECT PURPOSE AND CONDITIONS:

The purpose of this AGREEMENT is to provide funding to New Mexico law enforcement agencies for Selective Traffic Enforcement Program (S.T.E.P.) activities aimed at reducing traffic-related injuries and fatalities. The GRANTEE shall comply with all provisions and conditions of this Agreement including the Traffic Safety Bureau Project Management and Accounting Procedures Manual, the State Procurement Code, NMSA 1978, Sections 13-1-28 to Sections 13-1-199 and the National Highway Traffic Safety Administration Grants Management Manual.

SECTION TWO – PROJECT FUNDING:

1. The total estimated cost for the PROJECT is \$8,176.00. The DEPARTMENT has determined the funding source will be State Road Fund. For the purpose of this program, the funds can be used for traffic-safety related enforcement overtime, equipment and training which is subject to change by the DEPARTMENT. Funding sources may change and the GRANTEE will be notified in writing and a written amendment will not be necessary.

EXHIBIT H

2. The GRANTEE shall pay all PROJECT costs that exceed \$8,176.00.

The project budget is itemized as follows:

Personal Services	\$8,176.00
Contractual Services	\$0.00
Commodities	\$0.00
Indirect Costs	\$0.00
Other	\$0.00
TOTAL	\$8,176.00

The Grantee may transfer funds between budget categories with prior written approval from the Director of the DEPARTMENT'S Traffic Safety Bureau when the transfer of funds improves program effectiveness.

SECTION THREE – PROGRAM SCOPE OF WORK:

A. MISSION:

To provide a seamless transportation system that safely and efficiently moves people and supports a growing economy.

The Traffic Safety Bureau is committed to preventing injuries and saving lives by eliminating crashes on New Mexico public roadways. *¡Sí Se Puede!*

B. PROGRAM SERVICES:

1. This program allows for the cost of traffic-safety related enforcement overtime conducted in high crash locations, identified through the use of local, state, and federal data. The Selective Traffic Enforcement Program (S.T.E.P.) will pay time-and-a-half for overtime enforcement in targeted locations in a selected time of day and week during months when traffic crashes are increased. Funding includes equipment and officer training and education.
2. Law enforcement agencies whose jurisdiction lies within a Safety Corridor must utilize S.T.E.P. funding in safety corridor areas and will be allowed to pay overtime expenses, and any approved equipment for officers to conduct enforcement activities in the 12 New Mexico Safety Corridor areas. In addition, Law enforcement agencies may utilize 50% of their funding outside of the safety corridor in identified problem areas but may not exceed that amount during the contract period.

C. PERFORMANCE GOALS (statewide):**At the state level:**

1. Reduce the number of speeding-related fatalities from 159 in 2007 to 150 in 2009. (C-6; FARS Data)

Local Goals:

1. Reduce the number of traffic-related injuries in Valencia County by 10% in 2009 to 08% in 2010.
2. Reduce the number of traffic-related fatalities in Valencia County by 10% in FY2009-10.

D. ACTIVITIES: The Grantee shall:

1. The GRANTEE shall conduct activities in a manner consistent with TSB's Project Management and Accounting Procedures Manual, the State Procurement Code, NMSA 1978, Sections 13-1-28 to Sections 13-1-199 and the National Highway Traffic Safety Administration Grants Management Manual.
2. Conduct high visibility patrols while enforcing traffic laws such as speeding, passing in school zones, construction zones and failing to stop for pedestrians and any violations of traffic laws identified in the New Mexico Criminal and Traffic Law Manual.
3. The GRANTEE shall pay all PROJECT costs that exceed \$8,176.00.

E. TRAINING:

1. Officers who request or are assigned to conduct S.T.E.P. operations should attend or must have attended a basic S.T.E.P. eight-hour course, or other specialized traffic safety-related training accredited by the New Mexico Department of Public Safety Training Center.
2. Officers conducting speed enforcement shall be radar certified.
3. Officers conducting or participating in DWI enforcement activities shall have and maintain law enforcement certifications in all areas necessary to conduct alcohol related stops including all protocols set forth by the State of New Mexico Criminal and Traffic Law Manual.

F. EVALUATION:

1. The GRANTEE will submit an activity report with each claim.
2. The GRANTEE will submit the final reimbursement claim and final report by October 31, 2010 which shall detail whether or not performance goals were met including a summary assessment of the project activities. The Final Report will include an analysis of the data reported from this Project Agreement and an analysis of the accomplishments of the project.

SECTION FOUR - ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS:

There shall be strict accountability for all receipts and disbursements relating hereto. The GRANTEE shall maintain all books, documents, papers, accounting records, data and other documentation pertaining to costs incurred and to make such materials available at their respective offices at all reasonable times during the AGREEMENT period for three (3) years from the date of final payment under the AGREEMENT. The GRANTEE shall furnish the DEPARTMENT or State Auditor, upon demand, any and all such records relevant to this AGREEMENT and allow them the right to audit all records, which support the terms of this AGREEMENT. If an audit finding determines that specific funding use was inappropriate or not related to the project, the GRANTEE shall reimburse that portion to the DEPARTMENT within thirty (30) days of written notification. If documentation is insufficient to support an audit by customarily accepted accounting practices, the expenses supported by such insufficient documentation shall be reimbursed to the DEPARTMENT within 30 days.

SECTION FIVE - PROJECT RESPONSIBILITY:

Completing the terms of this Project is the GRANTEE's sole responsibility and nothing herein is intended to give the DEPARTMENT any responsibility for the Project other than as set forth in this AGREEMENT.

SECTION SIX - AUTHORIZATION OF EXPENDITURES:

The terms of this AGREEMENT are contingent upon sufficient appropriations and authorizations being made by the Congress of the United States if federal funds are involved, or the State Legislature if State funds involved, for performance of this AGREEMENT. If sufficient appropriations and authorizations are not made, this AGREEMENT shall terminate upon written notice being given by the DEPARTMENT to the GRANTEE. The DEPARTMENT is expressly not committed to expenditure of any funds until such time as they are programmed, budgeted, encumbered, and approved for expenditure by the DEPARTMENT. The DEPARTMENT's decision as to whether its funds are sufficient for fulfillment of the AGREEMENT shall be final.

SECTION SEVEN - TERMS OF THE AGREEMENT:

This AGREEMENT constitutes the entire agreement between the parties. Any claimed covenant, term, condition, warranty or promise of performance not expressly included in this document or its amendments, is not part of this AGREEMENT and not enforceable pursuant to this AGREEMENT. Performance

of all duties and obligations herein shall conform with and shall not contravene any state, local, or federal statutes, regulations, rules, or ordinances.

SECTION EIGHT – THIRD-PARTY BENEFICIARY CLAUSE:

No provision of this AGREEMENT creates in the public, or any member thereof, a third-party beneficiary or to authorize anyone not a party to the AGREEMENT to maintain a suit for wrongful death, bodily and/or personal injury to person, damage to property, and/or any other claim(s) whatsoever pursuant to the provision of this AGREEMENT.

SECTION NINE - NEW MEXICO TORT CLAIMS ACT:

No provision of this AGREEMENT establishes any waiver of immunity from liability for alleged tortious conduct of any employee of the DEPARTMENT or the GRANTEE arising from the performance of this AGREEMENT apart from that set forth in the New Mexico Tort Claims Act, NMSA 1978, Section 41-4-1, and et seq., as amended.

SECTION TEN - SEVERABILITY:

In the event that any portion of this AGREEMENT is determined to be void, unconstitutional or otherwise unenforceable; the remainder of this AGREEMENT shall remain in full force and effect.

SECTION ELEVEN - AMENDMENT:

This AGREEMENT shall not be altered, modified, or amended except by an instrument in writing and executed by the parties hereto.

SECTION TWELVE - REIMBURSEMENT:

Funds expended by the GRANTEE for the purposes stated in Section Three – Program Scope of Work shall be reimbursed by the DEPARTMENT to the GRANTEE. The DEPARTMENT shall not reimburse the GRANTEE for any costs incurred prior to the full execution of the AGREEMENT, after the expiration of the AGREEMENT, or in excess of the maximum dollar amount of the AGREEMENT, unless the maximum dollar amount is duly amended prior to incurring cost for services or deliverables. Claims for reimbursement must be fully completed and submitted at least quarterly on the required forms provided by the DEPARTMENT. All reimbursement claims must be received by the DEPARTMENT no later than 30 days after the end date of this AGREEMENT.

Documentation as outlined in the Traffic Safety Bureau's Project Management and Accounting Procedures Manual must be retained in the GRANTEE's files.

SECTION THIRTEEN - EFFECTIVE DATE and TERMINATION:

- A. This AGREEMENT becomes effective on October 1, 2009 or upon signature of the Departments Cabinet Secretary, whichever is later.
- B. This AGREEMENT must be received by the DEPARTMENT within sixty (60) days of the Deputy Secretary's signature date in order to be valid. Extension of the sixty (60) days must be requested and approved in writing by the Traffic Safety Bureau prior to expiration of sixty (60) days.
- C. This AGREEMENT shall terminate September 30, 2010. Neither party shall have any obligation to continue to deliver services or pay compensation for services rendered under this AGREEMENT after said date. If the GRANTEE fails to comply with any provisions of this AGREEMENT, the DEPARTMENT has the option to terminate this AGREEMENT. By such termination, neither party may nullify obligations already incurred for performance of failure to perform prior to termination of the AGREEMENT.

SECTION FOURTEEN - EQUAL OPPORTUNITY COMPLIANCE:

The GRANTEE agrees to abide by all Federal and State Laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, the GRANTEE agrees to assure that no person in the United States shall, on the grounds of race, religion, color, national origin, sex, sexual preference, age or handicap, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this AGREEMENT. If the GRANTEE is found to be not in compliance with these requirements during the life of this AGREEMENT, the GRANTEE agrees to take appropriate steps to correct these deficiencies.

SECTION FIFTEEN - CIVIL RIGHTS LAWS AND REGULATIONS COMPLIANCE:

The DEPARTMENT and GRANTEE shall comply with all federal, state, and local laws and ordinances applicable to the work called for herein. The DEPARTMENT and GRANTEE further agree to operate under and be controlled by Title VI, and Title VII of the Civil Rights Act of 1964, the Age Discrimination Employment Act, the Americans with Disabilities Act of 1990, the Environmental Justice Act of 1994, the Civil Rights Restoration Act of 1987, the New Mexico

Human Rights Act, and Executive Order No. 11246 entitled "Equal Employment Opportunity", as amended by Executive Order No. 11375, and as supplemented by the Department of Labor Regulations (41 CFR Part 60). Accordingly, 49 CFR 21 is applicable to this AGREEMENT and is incorporated herein by reference.

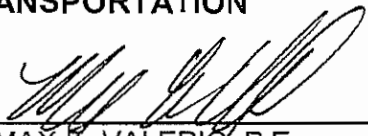
SECTION SIXTEEN - CERTIFICATIONS AND ASSURANCES:

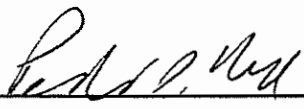
Where this AGREEMENT involves federal funds the GRANTEE shall comply with all applicable Certifications and Assurances set forth in the current New Mexico Highway Safety Performance Plan.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT.

**NEW MEXICO DEPARTMENT
OF TRANSPORTATION**

**GRANTEE NAME:
VALENCIA (COUNTY)**

BY: 
MAX E. VALERIO, P.E.
DERUTY SECRETARY OF
PROGRAMS AND INFRASTRUCTURE

BY: 
PEDRO G. RAEL
AUTHORIZED OFFICIAL
TITLE:CHAIRMAN

DATE: 11/13/09

DATE: 12-21-09

AMENDMENT TO LONG TERM RENTAL AGREEMENT

This is an Amendment to Long Term Rental Agreement ("Amendment") dated as of _____, 2009 is by and between **CATERPILLAR FINANCIAL SERVICES CORPORATION** ("Lessor") and the **VALENCIA COUNTY OF NEW MEXICO** ("Lessee").

WHEREAS, Lessee executed that certain Long Term Rental Agreement with Lessor (the "Agreement"), dated as of _____, 2009; and

WHEREAS, Lessee and Lessor desire to amend the Agreement with respect to the matters hereinafter specified.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessee and Lessor agree to amend the Agreement as follows:

1. Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Agreement.
2. Section 9 of the Agreement is hereby amended to insert "To the extent permitted by law" at the beginning of such section.
3. Section 12 of the Agreement is hereby amended by deleting the phrase "legal fees and other enforcement costs".
4. In the event of any conflict or inconsistency between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall control. Except as provided herein, the Agreement shall remain unchanged and in full force and effect in accordance with its terms. It is specifically understood and agreed that the foregoing shall not be deemed to be a waiver or amendment of any other provision of the Agreement or any of Lessor's rights or remedies under the Agreement.
5. This Amendment shall be effective as of the date first set forth above.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective duly authorized officers as of the date first set forth above.

**CATERPILLAR FINANCIAL
SERVICES CORPORATION**

By: _____

Name: _____

Title: _____

**VALENCIA COUNTY OF
NEW MEXICO**

By: Pedro G. Rael

Name: Pedro G. Rael

Title: Chairman

EXHIBIT I

LONG-TERM RENTAL AGREEMENT

LESSEE: VALENCIA COUNTY OF NEW MEXICO
ADDRESS: P O BOX 1119
LOS LUNAS, NM 87031

Dated as of _____
LESSOR: CATERPILLAR FINANCIAL SERVICES CORPORATION
ADDRESS: 2120 West End Avenue
Nashville, TN 37203

Lessor, in reliance on Lessee's selection of the equipment described below ("Unit" or "Unit(s)"), agrees to acquire and lease the Unit(s) to Lessee, and Lessee agrees to lease the Unit(s) from Lessor, subject to the Terms and Conditions below and on the following pages:

Description of Unit(s)	Serial#	Monthly Rent	Option Purchase Price	Max Hourly Usage(Annual)
(1) New 140M Caterpillar Motor Grader	B9D02050	\$1,456.41	\$147,541.80	1000

Lease Term: 60 Months (unless decreased or extended herein)

Rent to be paid: on the _____ day of _____ and on the same date of each month thereafter for the Lease Term.

Purchase Option: ☒ Cal Value ☐ Fair Market Value ☐ Lessee does not have a right to purchase the Unit(s) (check one)

Location of Unit(s): 444 LUNA AVE
LOS LUNAS, NM 87031, VALENCIA

Application Survey/Usage Rider (hereinafter "Application Survey") for each Unit attached hereto is made a part of and incorporated into this Lease.

Depreciation Period: Lessor shall be entitled to income tax depreciation deduction for each Unit based on a recovery period of 5 years.

LESSOR SHALL BE UNDER NO OBLIGATION TO PURCHASE THE UNIT(S) AND ENTER INTO THIS LEASE UNLESS LESSEE EXECUTES AND RETURNS THIS LEASE TO SELLER ON OR BEFORE January 6, 2010

TERMS AND CONDITIONS

1. **LEASE TERM:** The term of this Long Term Rental Agreement (this "Lease") shall start on the date hereof and shall continue for the term set forth above, unless earlier terminated or canceled as expressly provided herein ("Lease Term"). Notwithstanding the foregoing, Lessor shall be under no obligation to enter into this Lease and/or pay the Supplier (as defined below) for the Units until Lessee has delivered to Lessor a duly executed Delivery Supplement for the Unit(s) and all other documentation that Lessor deems reasonable.
2. **RENT:** Lessee shall pay to Lessor, at Caterpillar Financial Services Corporation; PO Box 100647; Pasadena, CA 91189-0647 or such other location that Lessor designates in writing, (a) Monthly Rent for each Unit as shown above starting on _____ with the Monthly Rent for each Unit due on the same date of each month thereafter during the Lease Term, without demand; and (b) all of the other amounts payable in accordance with this Lease, and/or any of the other documents, agreements and instruments executed in connection with this Lease (the "Lease Documents") ("Other Payments", and together with the Monthly Rent, collectively, the "Rent"). Upon Lessee's execution hereof, this Lease shall constitute a non-cancelable net lease, and Lessee's obligation to pay Rent, and otherwise to perform its obligations under or with respect to this Lease and all of the other Lease Documents, are and shall be absolute and unconditional and shall not be affected by any circumstances whatsoever, including any right of setoff, counterclaim, recoupment, deduction, defense or other right which Lessee may have against Lessor, the manufacturer or Supplier of the Unit(s) or anyone else, for any reason whatsoever. Lessee shall have no right to voluntarily terminate this Lease prior to the expiration of the Lease Term for any reason. Notwithstanding the above, nothing contained in the foregoing shall be construed as a waiver of any right or remedy Lessee may have to bring a separate suit against Lessor for breach of any of its obligations hereunder.
3. **LATE CHARGES:** If Lessor does not receive the Rent or any portion thereof on the date it is due, Lessee shall pay to Lessor, on demand, a late payment charge equal to five percent (5%) of the Rent not paid when due or the then highest charge allowed by law, whichever is less.
4. **DISCLAIMER OF WARRANTIES:** Lessee has selected each Unit based upon its own judgment. Lessee acknowledges that each Unit is of a size, design and type selected by Lessee and that Lessor is not a manufacturer or a dealer of the Units. LESSOR MAKES NO WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THIS LEASE OR TO ANY UNIT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH UNIT IS LEASED "AS IS, WHERE IS", AND LESSOR SPECIFICALLY MAKES NO WARRANTIES AS TO THE QUALITY OF MATERIALS OR WORKMANSHIP OR THE CONFORMITY THEREOF TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR AGREEMENT RELATING THERETO. LESSOR HEREBY EXPRESSLY DISCLAIMS, AND LESSEE HEREBY WAIVES, RELEASES AND RENOUNCES, ALL OTHER WARRANTIES AND CLAIMS EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY UNIT OR TO THIS LEASE, INCLUDING WITHOUT LIMITATION, (A) ANY IMPLIED WARRANTY THAT ANY UNIT IS MERCHANTABLE; (B) ANY IMPLIED WARRANTY THAT ANY UNIT IS FIT FOR A PARTICULAR USE OR PURPOSE; (C) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; (D) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT; AND (E) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO ANY UNIT, FOR LOSS OF USE, REVENUE OR PROFIT WITH RESPECT TO ANY UNIT, FOR ANY LIABILITY OF LESSOR TO ANY THIRD PARTY, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING STRICT OR ABSOLUTE LIABILITY IN TORT. Nothing contained herein shall be construed to deprive Lessee of whatever rights Lessee may have against parties other than Lessor (such as the Supplier and the manufacturer of any Unit) and Lessee agrees to look solely to such third parties with respect to any and all claims concerning any Unit except as to ownership and title.



5. POSSESSION, USE AND MAINTENANCE: Lessee shall not (a) use, operate, maintain or store a Unit improperly, carelessly, unsafely or in violation of any applicable law or regulation or for any purpose other than in the conduct of Lessee's business; (b) abandon a Unit; (c) remove, disable, or impair in any manner the Unit monitoring system such as Cat@ Product Link, if the Unit is equipped with such system; (d) sublease a Unit, permit the use of a Unit by anyone other than Lessee, change the use of a Unit from that specified in the Application Survey or change the Location of Unit(s) from that specified above, without the prior written consent of Lessor; (e) sell, assign, transfer, create or allow to exist any lien, claim, security interest or encumbrance on any of its rights hereunder or a Unit; or (f) remove the Unit from the United States. A Unit is and shall remain personal property regardless of its use or manner of attachment to realty. Lessor and its agent shall have the right (but not the obligation) to inspect a Unit and maintenance records relating to it, and observe its use and determine its hours of usage. Lessee, at its expense, shall maintain each Unit in good operating order, repair and condition, and perform maintenance at least as frequently as stated in any applicable operator's guide, service manual, or lubrication and maintenance guide. Lessee shall not alter any Unit or affix any accessory or equipment to any Unit if doing so will impair the Unit's originally intended function or use or reduce its value. Lessee shall not make any "non-reversible" addition (as defined for federal income tax purposes) to a Unit without the prior written consent of Lessor. All parts which are added to any Unit which (i) are replacement parts; (ii) are essential to the operation of such Unit; or (iii) cannot be detached from such Unit without materially interfering with the operation of such Unit or adversely affecting the value and utility which such Unit would have had without the addition thereof, shall immediately become the property of Lessor, and shall be deemed incorporated in such Unit and subject to the terms of this Lease as if originally leased hereunder. If an Event of Default has occurred and is continuing, all parts, accessories and equipment affixed to a Unit shall become property of Lessor.

6. TAXES: In addition to all other amounts that Lessee is required to pay hereunder, Lessee acknowledges and agrees that, subject to the terms hereof, Lessee shall pay all taxes, including all personal property taxes and commercial activity taxes and gross income taxes, arising from or due in connection with, this Lease and/or the Unit(s) except net income taxes assessed on Lessor. Lessee further acknowledges and agrees that if Lessor pays any such taxes, Lessee shall promptly reimburse Lessor for such payment. Lessee shall pay or reimburse Lessor for payment of all taxes (other than U.S. federal, state or local net income taxes) imposed on Lessor, a Unit, or Rent in connection with the ownership, leasing, possession or use of, or payment or receipt of Rent or any other payment with respect to, a Unit. Without limiting the foregoing, Lessee shall pay or reimburse Lessor for all sales, use, rental or lease transaction, value added, gross income or receipts, excise, stamp, documentary, ad valorem taxes or assessments, license and registration fees, or fines, penalties, interest or additions to tax and similar charges imposed in connection with the ownership, possession, use or lease of the Unit from the time of purchase by Lessor until it is returned to Lessor. Lessee shall remain responsible for the payment or reimbursement of any Imposition levied upon the Unit(s) during the period, or payment or receipt with respect to a Unit during the Lease Term (collectively, an "**Imposition**"), regardless of when notice of such Imposition is received by Lessor. Lessee shall prepare and file, in a manner satisfactory to Lessor, any reports or returns which may be required with respect to a Unit; provided that, unless Lessor otherwise notifies Lessee, Lessor shall report and pay any personal property taxes on the Unit. Lessee shall reimburse Lessor in full for any Imposition that Lessor pays or advances without regard to early payment discounts. Lessor may estimate the amount of, and bill Lessee periodically in advance for, any Imposition, but Lessee shall be responsible for any difference between the estimated Imposition and the actual Imposition. Except as provided in this Section, Lessee covenants and agrees that Lessor shall be entitled to receive any and all federal, state or local tax credits and benefits, if any, applicable to a Unit. Lessee is hereby notified that Lessor may assign its rights (but not its obligations) under this Lease to CF Exchange, LLC, a qualified intermediary, as part of a 1031 exchange.

7. TAX INDEMNITY: This Lease is entered into on the basis that Lessor shall be entitled to depreciation deductions with respect to a Unit in accordance with Section 168(a) of the Internal Revenue Code of 1986, as amended, (the "**Code**") based upon the applicable depreciation method and recovery period specified in Code Sections 168(b) and (c) as identified by Lessee, and to comparable state and local income tax deductions (collectively, the "**Tax Benefits**"). Lessee acknowledges and confirms that Lessor's classification of a Unit under Code Section 168(c), Lessor's determination of the applicable depreciation method and recovery period as aforesaid and Lessor's claim for an entitlement to the Tax Benefits are based solely upon Lessee's representations described in Section 5 and the applicable Application Survey. If Lessor shall not receive nor retain all of the Tax Benefits anticipated with respect to any Unit (a "**Loss**"), because (a) of a change in the US federal income tax rate; (b) Lessee moves the Unit(s) out of the United States; or (c) Lessee uses any Unit for a purpose different than what is reflected in the applicable Application Survey, Lessee shall pay Lessor, within thirty (30) days after written notice to Lessee of such Loss, an amount which, in the reasonable opinion of Lessor, will cause Lessor's net after-tax rate of return over the Lease term in respect to the Unit to equal the net after-tax rate of return that would have been realized if such Loss had not occurred. For purposes of this Section 7, "Lessor" shall include any affiliated group (within the meaning of Section 1504 of the Code) of which Lessor is a member for any year in which a consolidated or combined income tax return is filed for the affiliated group.

8. LOSS OR DAMAGE: (a) At all times until a Unit is returned to Lessor in accordance with this Lease, Lessee shall bear the risk of loss, theft, confiscation, taking, unavailability, damage or partial destruction of such Unit and shall not be released from its obligations hereunder or under the other Lease Documents in any such event. (b) Lessee shall provide prompt written notice to Lessor of any Total Loss (as defined below) or any material damage to any Unit. Any such notice must be submitted together with any damage reports provided to any governmental authority, the insurer or Supplier, and any documents pertaining to the repair of such damage, including copies of work orders and all invoices for related charges. (c) Without limiting any other provision hereof, Lessee shall repair all damage to a Unit from any and all causes, other than a Total Loss, so as to cause it to be in the condition and repair required by this Lease. (d) A "**Total Loss**" shall be deemed to have occurred to a Unit upon: (i) the actual or constructive total loss of such Unit; (ii) the loss, disappearance, theft or destruction of such Unit, or damage to the Unit that is uneconomical to repair; or (iii) the condemnation, confiscation, requisition, seizure, forfeiture or other taking of title to or use of a Unit or the imposition of any lien thereon by any governmental authority. On the next Rent due date following a Total Loss (a "**Loss Payment Date**"), Lessee shall pay to Lessor the Monthly Rent due on that date *plus* the Casualty Loss Value of the Unit with respect to which the Total Loss has occurred (the "**Lost Units**"), together with any Other Payments due hereunder with respect to the Lost Units. Until such payment is made, Lessee shall continue to pay Lessor the Monthly Rent on the due dates set forth in Section 2. Upon making the full payment required on the Loss Payment Date, (1) Lessee's obligation to pay future Monthly Rent shall terminate solely with respect to the Lost Units so paid for, but Lessee shall remain liable for, and pay as and when due, all Monthly Rent and all Other Payments with respect to the remaining Units, and (2) Lessor shall convey to Lessee all of Lessor's right, title and interest in the Lost Units, "**AS IS WHERE IS**", but subject to the requirements of any third party insurance carrier in order to settle an insurance claim. As used in this Lease, "**Casualty Loss Value**" shall mean an amount equal to the *lesser of* (A) the total gross value of all Rents with respect to the Lost Unit originally due under this Lease *multiplied by* the Casualty Value Percentage (as predetermined pursuant to Lessor's standard procedures) as of the date of the Total Loss *plus* any past due Rents, *plus* all other amounts then owing and unpaid; or (B) the aggregate Rents then due, *plus* all future Rents, *plus* the Lost Unit's projected Fair Market Value (at the end of the Lease Term) as was determined by Lessor at Lease inception, *plus* all other amounts then owing and unpaid. If the Total Loss occurs after the final Rent due date of the Lease Term, the Casualty Loss Value shall be determined as of the last Monthly Rent due date during the Lease Term, and the applicable Casualty Loss Value Percentage. (e) Lessor shall be under no duty to Lessee to pursue any claim against any person in connection with a Total Loss or other loss or damage. (f) If Lessor receives a payment under an insurance policy required under this Lease in connection with any Total Loss or other loss or damage to a Unit, and such payment is both unconditional and indefeasible, then provided Lessee shall have complied with the applicable provisions of this Section, Lessor shall either (i) if received pursuant to a Total Loss, remit such proceeds to Lessee up to an amount equal to the amount of the Casualty Loss Value paid by Lessee to Lessor, or credit such proceeds against any amounts owed by Lessee pursuant to Section 8(d); or (ii) if received with respect to repairs made pursuant to Section 8(c), remit such proceeds to Lessee up to an amount equal to the amount of the costs of repair actually incurred by Lessee.

9. WAIVER AND INDEMNITY: Lessee hereby releases and shall indemnify, defend and keep harmless Lessor and any assignee thereof, and their respective directors, officers, agents and employees (each, an "**Indemnitee**"), from and against any and all Claims (as defined below) (other than such as may directly result from the actual, but not imputed, gross negligence or willful misconduct of such Indemnitee), by paying, on a net after-tax basis, or otherwise discharging same, when and as such Claims shall become due. Lessee agrees that the indemnity provided pursuant to this Section includes the agreement by Lessee to indemnify each Indemnitee from the consequences of its own simple negligence, whether that negligence is the sole or concurring cause of the Claims, and to further indemnify each such Indemnitee with respect to Claims for which such Indemnitee is strictly liable. Lessor shall give Lessee prompt notice of any Claim hereby indemnified and Lessee shall be entitled to control the defense of and/or to settle any Claim, in each case, so long as (a) no Event of Default (as defined in Section 11) has occurred and is then continuing; (b) Lessee confirms, in writing, its unconditional and irrevocable commitment to indemnify each Indemnitee with respect to such Claim; (c) Lessee is financially capable of satisfying its obligations under this Section; and (d) Lessor approves the defense counsel selected by Lessee. "**Claims**" shall mean all claims, allegations, harms, judgments, settlements, suits, actions, debts, obligations, damages (whether incidental, consequential or direct), demands (for compensation, indemnification, reimbursement or otherwise), losses, penalties, fines, liabilities (including strict liability), and charges that Lessor has incurred or for which it is responsible, in the nature of interest, liens, and costs (including attorneys' fees and disbursements and any other legal or non-legal expenses of investigation or defense of any Claim, whether or not such Claim is ultimately defeated or enforcing the rights, remedies or indemnities provided for hereunder, or otherwise available at law or equity to Lessor), of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, by or against any person, arising on account of (i) any Lease Document, including the performance, breach (including any Event of Default) or enforcement of any of the terms thereof; (ii) any Unit, or any part or other contents thereof, any substance at any time contained therein or emitted therefrom, including any hazardous substances, or the premises at which any Unit may be located from time to time; or (iii) the ordering, acquisition, delivery, installation or rejection of any Unit, the possession or any property to which it may be attached from time to time, maintenance, use, condition, ownership or operation of any Unit, and by whomsoever owned, used, possessed or operated, during the Lease Term, the existence of latent and other defects (whether or not discoverable by Lessor or Lessee), any Claim in tort for negligence or strict liability, and any Claim for patent, trademark or copyright infringement, or the loss, damage, destruction, theft, removal, return, surrender, sale or other disposition of any Unit, or any item thereof, including, Claims involving or alleging environmental damage, or any criminal or terrorist act or for any other cause, whether or not caused by Lessee. To the extent necessary under law or

regulation, in order to eliminate liability for Lessor, Lessor hereby transfers and Lessee hereby accepts the transfer from Lessor of any and all liability associated with exhaust emissions in connection with the Unit(s). If any Claim is made against Lessee or an Indemnitee, the party receiving notice of such Claim shall promptly notify the other, but the failure of the party receiving notice to so notify the other shall not relieve Lessee of any obligation hereunder. Further, Lessee agrees to be responsible for all costs and expenses, including reasonable attorneys' fees, incurred by Lessor or its directors, officers, employees, agents and assigns in defending such claims or in enforcing this provision. Under no condition or cause of action shall Lessor be liable for any loss of actual or anticipated business or profits or any special, indirect or consequential damages.

10. INSURANCE: Throughout the Lease Term or any Renewal Term (defined below), Lessee, at its expense, shall keep each Unit insured with a commercial insurance policy for the benefit of Lessor (and its assigns) against all risks for not less than the then applicable Casualty Loss Value and shall maintain comprehensive public liability insurance (including product and broad form contractual liability) covering the Unit for not less than \$1,000,000 combined coverage for bodily injury and property damage per occurrence. All insurance shall be in a form and with companies as Lessor shall approve, shall specify Lessee as named insured, shall specify Lessor (and its assigns) as additional insured, shall be primary, without the right of contribution from any other insurance carried by Lessor, and shall provide that the insurance may not be canceled or altered so as to affect the interest of Lessor without at least ten (10) days' prior written notice to Lessor. All insurance covering loss or damage to a Unit shall name Lessor (and its assigns) as loss payee. Lessee shall not make adjustments with insurers except with Lessor's prior written consent and hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to receive payment of and to endorse all checks, drafts and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Lessee shall promptly notify Lessor of any occurrence which may become the basis of a claim and shall provide Lessor with all requested pertinent data. Lessee shall promptly deliver to Lessor evidence of such insurance coverage.

11. EVENTS OF DEFAULT: Each of the following constitutes an event of default ("**Event of Default**"): (a) Lessee fails to make any payment when due; (b) any representation or warranty made to Lessor in connection with this Lease is incorrect or misleading; (c) Lessee fails to observe or perform any covenant, agreement or warranty made by Lessee under this Lease and the failure continues for ten (10) days after written notice to Lessee; (d) any default occurs under any other agreement between Lessee or any guarantor of this Lease and Lessor or any affiliate of Lessor; (e) Lessee or any guarantor of this Lease ceases to do business, dies, becomes insolvent, makes an assignment for the benefit of creditors or files any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors; (f) filing of an involuntary petition under any bankruptcy statute against Lessee or any guarantor of this Lease, or appointment of a receiver, trustee, custodian or similar official to take possession of the properties of Lessee or any guarantor of this Lease, unless the petition or appointment ceases to be in effect within thirty (30) days after filing or appointment; (g) there is a material adverse change in Lessee's or guarantor's financial condition, business operations or prospects; and/or (h) termination, breach or repudiation of a guaranty obtained by Lessor in connection with this Lease.

12. REMEDIES: (a) If an Event of Default occurs, Lessor, at its option, may exercise any one or more of the following remedies: (i) proceed at law or in equity, to enforce specifically Lessee's performance or to recover damages; (ii) declare this Lease in default, and cancel this Lease or otherwise terminate Lessee's right to use the Units and Lessee's other rights, but not its obligations, hereunder and Lessee shall immediately assemble, make available and, if Lessor requests, return the Units to Lessor in accordance with the Lease Term; (iii) enter any premises where any Unit is located and take immediate possession of and remove (or disable in place) such Unit (and/or any unattached parts) by self-help, summary proceedings or otherwise without liability; (iv) use Lessee's premises for storage without liability; (v) sell, re-lease or otherwise dispose of any or all of the Units, whether or not in Lessor's possession, at public or private sale, with or without notice to Lessee, and apply or retain the net proceeds of such disposition, with Lessee remaining liable for any deficiency and with any excess being retained by Lessor; (vi) enforce any or all of the preceding remedies with respect to any related collateral, and apply any deposit or other cash collateral, or any proceeds of any such collateral, at any time to reduce any amounts due to Lessor; (vii) demand and recover from Lessee all Liquidated Damages (as defined below) and all Other Payments whenever the same shall be due; and (viii) exercise any and all other remedies allowed by applicable law, including the Uniform Commercial Code ("**UCC**"). As used herein, "**Liquidated Damages**" shall mean the liquidated damages (all of which, Lessee hereby acknowledges, are damages to be paid in lieu of future Monthly Rent and are reasonable in light of the anticipated harm arising by reason of an Event of Default, and are not a penalty) described in the first sentence of parts (i) or (ii) of Section 12(b) below, depending upon the recovery and disposition of the Units.

(b) If an Event of Default occurs and, (i) if Lessor recovers a Unit and disposes of it by a lease or elects not to dispose of the Unit after recovery, upon demand, Lessee shall pay to Lessor an amount equal to the sum of (A) any accrued and unpaid Rent as of the date Lessor recovers possession of the Unit, plus (B) the present value as of such date of the total Monthly Rent for the then remaining Lease Term, minus (C) either, as applicable, (1) the present value, as of the commencement date of any substantially similar re-lease of the Unit, of the re-lease rent payable to Lessor for the period, commencing on such commencement date, which is comparable to the then remaining Lease Term or (2) the present value of the "market rent" for such Unit (as computed pursuant to Article 2A) in the continental United States as of the date on which Lessor has a reasonable opportunity to remarket the Unit for the period, commencing on such date, which is comparable to the then remaining Lease Term; provided, however, Lessee acknowledges that if Lessor is unable after reasonable effort to dispose of the Unit at a reasonable price and pursuant to other reasonable terms, or the circumstances reasonably indicate that such an effort will be unavailing, the "market rent" in such event will be deemed to be \$0.00, but in the event that Lessor does eventually re-lease or otherwise dispose of the Unit, it will apply the net proceeds of such disposition, to the extent received in good and indefeasible funds, as a credit or reimbursement, as applicable, in a manner consistent with the applicable provisions of Article 2A. Any amounts discounted to present value, shall be discounted at the rate of three percent (3%) per annum, compounded annually; (ii) if Lessee fails to return a Unit in the manner and condition required by this Lease, or Lessor recovers and sells the Unit, upon demand, Lessee shall pay to Lessor an amount calculated as the Casualty Loss Value of the Unit (determined as of the next Monthly Rent payment date after the date of the Event of Default), together with all Enforcement Costs (as defined in Section 12(c)), less a credit for any disposition proceeds, if applicable pursuant to the application provisions in the next sentence. If Lessor demands the Liquidated Damages under this part (ii), and recovers and sells the Unit, any proceeds received in good and indefeasible funds shall be applied by Lessor: first, to pay all Enforcement Costs, to the extent not previously paid; second, to pay to Lessor an amount equal to any unpaid Rent due and payable, together with the Liquidated Damage amounts specified in this part (ii), to the extent not previously paid; third, to pay to Lessor any interest accruing on the amounts covered by the preceding clauses, plus late charges, from and after the date the same becomes due, through the date of payment; fourth, to pay to Lessor an amount equal to any remaining obligations owing by Lessee to Lessor whether related hereto or unrelated to this Lease; fifth, to reimburse Lessee for any amount paid as Liquidated Damages pursuant to this part (ii) by applying any surplus to any other existing indebtedness or obligations of Lessee to Lessor.

(c) A cancellation hereof shall occur only upon written notice by Lessor to Lessee. Unless already specifically provided for in Section 12(b), if an Event of Default occurs, Lessee shall also be liable for all of the following ("**Enforcement Costs**"): (i) all unpaid Rent due before, during or after exercise of any of the foregoing remedies; and (ii) all reasonable legal fees (including consultation, drafting notices or other documents, expert witness fees, sending notices or instituting, prosecuting or defending litigation or arbitration) and other enforcement costs and expenses incurred by reason of Event of Default or the exercise of Lessor's rights or remedies, including all expenses incurred in connection with the return or other recovery of any Unit in accordance with the terms of this Lease or in placing such Unit in the condition required hereby, or the sale, re-lease or other disposition (including but not limited to costs of transportation, possession, storage, insurance, taxes, lien removal, repair, refurbishing, advertising and brokers' fees), and all other pre-judgment and post-judgment enforcement related actions taken by Lessor or any actions taken by Lessor in any bankruptcy case involving Lessee, the Units, or any other person. Late charges shall accrue with respect to any amounts payable under this Section for as long as such amounts remain outstanding, and shall be paid by Lessee upon demand. No right or remedy is exclusive and each may be used successively and cumulatively. Any failure to exercise the rights granted hereunder upon any Event of Default shall not constitute a waiver of any such right. With respect to any disposition of any Unit or other collateral pursuant to this Section, (A) Lessor shall have no obligation, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the same for disposition; (B) Lessor may comply with any applicable law in connection with any such disposition, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any disposition thereof; (C) Lessor may disclaim any title or other warranties in connection with any such disposition; and (D) Lessee shall remain responsible for any deficiency remaining after Lessor's exercise of its remedies and application of any funds or credits against Lessee's obligations hereunder, and Lessor shall retain any excess after such application. To the extent that Lessee is entitled to a refund from Lessor for any reason, Lessee agrees that Lessor may retain any refund that is less than or equal to Lessor's cost of returning such refund to Lessee.

13. RETURN OF UNIT: Upon expiration of the Lease Term or if Lessor shall rightfully demand possession of a Unit, Lessee, at its expense, shall promptly deliver possession of the Unit to Lessor, properly protected and in the condition required by Section 5, at the option of Lessor, (a) to the premises of the nearest Caterpillar dealer selling equipment of the same type as the Unit; or (b) on board a carrier named by Lessor and shipping it, freight collect, to the destination designated by Lessor. If the Unit is not in the condition required by Section 5 or if the Unit(s) is not in the same operating order, repair, condition, and appearance as of the date of the Delivery Supplement applicable thereto (excepting ordinary wear and tear from proper use), Lessee shall pay to Lessor, on demand, all costs and expenses incurred by Lessor to bring the Unit into the required condition. Lessee shall be liable for any overuse of the Unit(s) pursuant to the applicable Application Survey.

14. OPTIONS AT EXPIRATION OF LEASE: At the expiration of the Lease, subject to Section 16, if no Event of Default shall have occurred and is continuing at the expiration of the Lease, Lessee must choose one of the following:

(a) **Purchase Options:** If Cat Value Option or the Fair Market Value Option has been checked, Lessee may, by notice delivered to Lessor not less than sixty (60) days prior to the end of the Lease Term with respect to a Unit, elect to purchase such Unit at the end of the Lease Term for the Option Purchase Price set forth on the front of this Lease. In the event the Cat Value Option was checked, Lessor and Lessee agree the Option Purchase Price is a reasonable estimate of not less than the Fair Market Value of such Unit at the end of the Lease Term. In the event the Fair Market Value Option was checked, the Option Purchase Price shall be an amount equal to the Fair Market Value of such Unit as of the end of the Lease, as determined by Lessor in its sole reasonable discretion. Upon receipt of the Option Purchase Price and all other amounts owing under the Lease, *plus* any taxes or other costs and expenses of Lessor arising from the sale of the Unit or the delivery of the bill of sale, Lessor shall deliver to Lessee, upon request, a bill of sale without warranties except that the Unit is free of all encumbrances of any person claiming through Lessor. Lessee shall purchase the Unit "AS IS, WHERE IS, WITH ALL FAULTS." The Cat Value Option and Fair Market Value Option must be exercised as of the last day of the Lease Term and neither is available during any holdover period or Renewal Term (as defined below).

(b) **Unit Return:** Lessee may return the Unit(s) in accordance with Section 13.

(c) **Renewal:** Upon Lessee's request of Lessor and in the sole discretion of Lessor, Lessor may allow Lessee to extend the Lease Term for an agreed period ("**Renewal Term**") by executing a lease extension agreement in a form acceptable by Lessor and upon the rental amounts and terms set forth in the lease extension agreement.

(d) **Holdover:** If the options set forth above are not exercised by Lessee and the Unit is not returned at the end of the Lease Term, then Lessee shall be obligated to pay holdover rent in the amount equal to 1/30th of the Monthly Rent *plus* any other costs and expenses for each day following the end of the Lease Term and shall return the Unit(s) upon demand by Lessor.

15. LESSEE ASSURANCES AND REPRESENTATIONS: (a) Lessee and Lessor intend that: (i) this Lease constitutes a true "lease" and a "finance lease" as such terms are defined in Article 2A of the UCC ("**Article 2A**") and not a sale or retention of a security interest; (ii) that Lessee has selected the "**Supplier**" (as defined in Article 2A) and has directed Lessor to purchase each Unit from the Supplier; (iii) that Lessee was informed, before Lessee's execution of this Lease and is hereby informed in writing that Lessee is entitled under Article 2A to the promises and warranties, including those of any third party, provided to Lessor by the Supplier in connection with or as part of the purchase of the Units, and that Lessee may communicate with the Supplier and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations on remedies relating thereto; and (iv) Lessor is and shall remain the owner of each Unit (unless sold by Lessor pursuant to any Lease Document), and Lessee shall not acquire any right, title or interest in or to such Unit except the right to use it in accordance with the terms hereof. (b) If contrary to the parties' intentions a court determines that this Lease is not a true "lease" under Article 2A, then, in order to secure the prompt payment of the Rent and all of the other amounts from time to time outstanding with respect hereto, and the performance and observance by Lessee of all of the provisions hereof and of all of the other Lease Documents, Lessee hereby collaterally assigns, grants, and conveys to Lessor, a security interest in and lien on all of Lessee's right, title and interest in and to all of the (A) Units and all additions, attachments, accessories and accessions thereto whether or not furnished by the Supplier; (B) all subleases, chattel paper, accounts, contract rights, security deposits, and general intangibles relating thereto, and any and all substitutions, replacements or exchanges for any such Unit or other collateral, in each such case in which Lessee shall from time to time acquire an interest; and (C) any and all insurance and/or other proceeds of the property and other collateral in and against which a security interest is granted hereunder. (c) If contrary to the parties' intentions a court determines that this Lease is not a true "lease", the parties agree that in such event Lessee agrees that: (1) with respect to any Unit, in addition to all of the other rights and remedies available to Lessor hereunder upon the occurrence of an Event of Default, Lessor shall have all of the rights and remedies of a first priority secured party under the UCC; and (2) any obligation to pay Rent, to the extent constituting the payment of interest, shall be at an interest rate that is equal to the lesser of the then maximum lawful rate permitted by applicable law or the effective interest rate used by Lessor in calculating such amounts.

Lessee represents and warrants to Lessor that (a) Lessee has the power to make, deliver and perform under this Lease; (b) the person executing and delivering this Lease is authorized to do so on behalf of Lessee; (c) Lessee will use the Unit for business purposes only and not for personal, family or household use; (d) this Lease constitutes a valid obligation of Lessee, legally binding upon it and enforceable in accordance with its terms; (e) Lessee shall provide all financial information and reporting as Lessor may reasonably require; (f) all credit, financial and other information submitted to Lessor in connection with this Lease is and shall be true, correct and complete; (g) Lessee will not change its name, principal place of business or primary residence and, if a business entity, its form of business organization (including any merger, consolidation, reincorporation or such similar restructuring), without prior written notice to Lessor; (h) Lessee shall use the Unit(s) no more than the Max Hourly Usage (Annual) established for such Unit and as set forth on the front of this Lease and in the applicable Application Survey; (i) Lessee has sole responsibility for complying with use related regulations in regard to the Unit(s), including rules or limits on idling, fleet average or site based exhaust emissions, or operational limitations; and (j) any Lessee information provided by Lessee and/or gathered by Lessor may be shared with any affiliate of Lessor that has extended or will extend credit to Lessee.

Lessee shall, at its expense, do any act and execute, acknowledge, authorize, deliver, file, register and record any documents which Lessor deems desirable in its reasonable discretion to protect Lessor's title or rights in a Unit and Lessor's rights and benefits under this Lease. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact for the signing and filing of such documents and authorizes Lessor to delegate these limited powers.

In the event the Unit is equipped with an Unit monitoring system such as Cat® Product Link, Lessee agrees to permit Caterpillar Inc. or any of its subsidiaries or affiliates, including Lessor (collectively "Caterpillar"), and/or Caterpillar dealers to access data concerning the Unit, its condition and its operation that will be transmitted from the monitoring system (a) to administer, implement and enforce the terms and conditions of this Lease, (b) recover the Unit if necessary, and/or (c) to improve upon Caterpillar's products and services. Lessee understands and agrees that the information transmitted may include the serial number, location, operational data, including but not limited to fault codes, emissions data, fuel usage, service meter hours, software and hardware version numbers, and installed attachments.

16. OVERUSE: In addition to Lessor's other rights hereunder and not in lieu thereof, Lessee shall pay Lessor additional rent for each hour in excess of the Max Hourly Usage (Annual) on the front of this Lease. This hourly rate shall be as set forth in the applicable Application Survey (the "**Hourly Rate**"). Lessee hereby agrees to pay to Lessor such additional rent for overage prior to exercising any of its option under Section 14(b)-(d) of this Lease. In the event that a Unit(s) is returned or repossessed by Lessor prior to the end of the Lease Term, the overuse shall be calculated by taking the then current hours on the Unit(s) (less any hours that existed as of the date of this Lease) *subtracting* the Max Hourly Usage (Annual) as determined on a monthly basis and *multiplying* the applicable Hourly Rate. In the event Lessee returns the Unit(s) at the end of the Lease Term and the current hours on the Unit(s) (less any hours that existed as of the date of this Lease) exceed the Total Allowable Machine Hours (as set forth in the applicable Application Survey), Lessee shall pay to Lessor an amount equal to the number of hours overused *multiplied* by the Hourly Rate.

17. ASSIGNMENT; COUNTERPARTS: Lessee agrees that Lessor may assign, sell or encumber all or any part of this Lease, the Rent, and the Units (or any portion thereof) with or without notice to Lessee and in the event of any such assignment, to unconditionally pay directly to any such assignee such amounts Lessor receives from Lessee in good, collected funds which relate directly to the interests so assigned. THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET OFF WHICH LESSEE MAY HAVE AGAINST LESSOR. If requested, Lessee shall assist Lessor in the assignment of any of the rights under this Lease, shall sign a notice of assignment in a form approved by Lessor and if notified by Lessor, Lessee shall make all payments due under this Lease to the party designated in the notice without offset or deduction. Lessee is hereby notified that Lessor reserves the right to assign its rights (but not its obligations) to sell the Unit(s) to JP Morgan Property Exchange Corporation (or a successor in interest thereto), a qualified intermediary, as part of Section 1031 exchange. In connection with any potential or actual assignment, Lessee hereby consents to the sharing of its credit file information, including personal information relating to Lessee's principals, with any potential assignee or any employee, agent or other representative thereof, so long as such recipient agrees with Lessor to maintain the confidentiality of such information. Lessee shall not assign this Lease or any right or obligation under it without the prior written consent of Lessor. Upon any assignment by Lessor of its rights hereunder, and except as may otherwise be provided herein, all references in this Lease to "Lessor" shall include such assignee. Subject always to the foregoing, this Lease shall inure to the benefit of, and are binding upon, Lessee's and Lessor's respective successors and assigns. Although multiple counterparts of this document may be signed, only the counterpart accepted, acknowledged and certified by Lessor on the signature page thereof as the original will constitute original chattel paper. A photocopy or facsimile of this Lease will be legally admissible under the "best evidence rule." A signed copy of this Lease and/or any related document sent by electronic means shall be treated as an original document and shall be admissible as evidence thereof, and all signatures thereon shall be binding as if manual signatures were personally delivered.

18. EFFECT OF WAIVER; ENTIRE AGREEMENT; NOTICES; APPLICABLE LAW: A delay or omission by Lessor to exercise any right or remedy shall not impair any right or remedy and shall not be construed as a waiver of any breach or default. Any waiver or consent by Lessor must be in writing. This Lease, Lease Documents, including each Application Survey, executed in connection herewith completely states the rights of Lessor and Lessee and supersedes all prior agreements with respect to a Unit. All notices shall be in writing, addressed to the other party at the address stated on the front or at such other address as may hereafter be furnished in writing. This Lease shall be governed by and construed under the laws of the State of Tennessee, without giving effect to the conflict-of-laws principles thereof, and Lessee hereby consents to the jurisdiction of any state or federal court located within the State of Tennessee. THE PARTIES HERETO HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATED TO THIS LEASE, THE OBLIGATIONS OR THE COLLATERAL.

NON-APPROPRIATIONS ADDENDUM
to
FINANCIAL LEASE AGREEMENT
between
CATERPILLAR FINANCIAL SERVICES CORPORATION
and
VALENCIA COUNTY OF NEW MEXICO

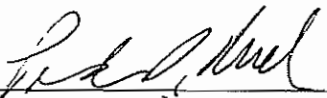
DATED AS OF _____

Lessor and Lessee hereby agree to add the following provision to the Lease, and further acknowledge that all terms contained herein are to be defined according to the provisions of the Lease:

Lessee represents and warrants to Lessor that Lessee has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year and reasonably believes that funds can be obtained sufficient to make all rental payments during the term of the Lease. Lessee hereby covenants that it will do all things reasonably within its power to obtain funds from which the rental payments may be made, including making provision for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding and using its bona fide best efforts to have such portion of the budget approved. It is Lessee's intent to make rental payments for the full term of this Lease if funds are available therefor and in that regard Lessee represents that the use of the Units is essential to Lessee's proper, efficient and economic operation. In the event no funds or insufficient funds are appropriated and budgeted or are otherwise not available in any fiscal year for rental payments due under this Lease, then Lessee will immediately notify Lessor of such occurrence and this Lease shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to Lessee for any kind whatsoever, except as to the portions of rental payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. Subsequent to a termination of this lease, Lessee shall have no obligation to make rental payments with respect to the remainder of the Lease. In the event of such termination, Lessee agrees to return the Units to Lessor pursuant to Section 12 of this Lease, and Lessor shall have all legal and equitable rights and remedies to take possession of the Units. Notwithstanding the foregoing, Lessee agrees that it will not (a) cancel this Lease under the terms of this Addendum if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Units or other equipment performing functions similar to the Units for the fiscal year in which such termination occurs or the next succeeding fiscal year thereafter, and (b) give priority in the application of funds to any other functionally similar equipment during the term of this Lease. The Addendum shall not be construed so as to permit Lessee to terminate this Lease in order to acquire any other equipment or to allocate funds directly or indirectly to perform essentially the same application for which the Units are intended.

LESSEE:
VALENCIA COUNTY OF NEW MEXICO

LESSOR:
CATERPILLAR FINANCIAL
SERVICES CORPORATION

BY: 
TITLE: Chairman
DATE: 12-21-09

BY: _____
TITLE: _____
DATE: _____



Customer Name: VALENCIA COUNTY OF NEW MEXICO Location: 444 LUNA AVE, LOS LUNAS, NM 87031
Make: Caterpillar Model: 140M Quantity: 1 Serial Number: B9D02050
Monthly Usage: 83.33 Current Hours: 0.00 Dealer: WAGNER EQUIPMENT CO. Dealer Location: ALBUQUERQUE, NM

***** IMPORTANT INFORMATION *****

RESIDUAL EXCEPTION REQUESTS must be submitted to Lessor for the following applications: landfill, transfer and recycling stations; demolition, scrap yards and steel mills; salt, chemical, and corrosive environments such as feed lots, dairy farms, rendering plants, mushroom farms, fertilizer and lime handling, salt water areas and all hazardous waste handling; dusty or poor underfoot conditions; all mining applications. Any applications requiring unusual attachments, unit modifications or that involve non-traditional use of the unit. Any transaction with five or more of one model.

MAJOR ATTACHMENTS:
Air Conditioner Cab

BLADES/BUCKETS/RIPPERS:
Ripper

MARKET CATEGORIES:
Governmental: Road Maintenance, Snow Removal

MAXIMUM USAGE:
The model listed and equipped as stated above will be operated an estimated total of 83.33 hours per month over a term of 60 months for total usage during the lease term of 5000.00 hours. This total usage combined with any accumulated hours prior to the Lease inception date, as stated above under current hours, will be the total allowable machine hours for the life of the Lease and the basis for any overuse charges.

Total Lease Hours 5000.00 + Current Hours 0.00 = Total Allowable Machine Hours 5000.00

OVERUSE CALCULATION:
In addition to Lessor's other rights hereunder and not in lieu thereof, Lessee shall pay Lessor additional rent for each hour in excess of the Total Allowable Machine Hours established for the Lease as stated above. This hourly rate shall be \$18.14 per hour.

Please note: To avoid overuse charges, notify Lessor immediately of any increase in machine usage that will cause the total usage to exceed the "Total Allowable Machine Hours" as stated above. The Lease may be adjusted to reflect the correct hour usage.

REMEDY FOR RETURN CONDITIONS:	
Lessee will be invoiced for the parts and labor based on your local Caterpillar dealer's retail prices and retail labor rates to replace tires, undercarriage components, belts and all other non-conforming components as outlined in the "REMAINING LIFE REQUIREMENTS" section of the Mandatory Condition of the Unit Upon Return. The invoiced amounts will be based on the following percentages of remaining life and is payable upon receipt of invoice:	
Life Remaining	Charge to Lessee
50% or greater	No charge to Lessee
31% to 49%	50% charge to Lessee
0% to 30%	70% charge to Lessee

SEE PAGE TWO FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS APPLICATION SURVEY.

LESSOR RETAINS THE RIGHT TO ASK FOR ANY AND ALL REPAIR AND MAINTENANCE RECORDS DURING THE LEASE TERM AND/OR LEASE TERMINATION. A FULL UNIT INSPECTION MAY BE CONDUCTED AT LESSEE'S EXPENSE AT ANY TIME EVIDENCE DEMONSTRATES THAT THE UNIT(S) ARE BEING ABUSED FROM NEGLIGENCE OR MISAPPLICATION.

MANDATORY CONDITION OF THIS UNIT UPON RETURN:
Notwithstanding the provisions of: Sections 5 and 13 of the Long-Term Rental Agreement

Lessee agrees that each Unit, upon its return, shall:

MAINTENANCE AND GENERAL REQUIREMENTS:

- Give Lessor sixty (60) days notice prior to the Lease termination date of Lessee's intention to return any and all Units to Lessor.
- Return the Units in the same configuration, with all attachments, as when delivered at lease inception. Lessee is responsible for costs, including but not limited to, fees, taxes and duties associated with tear down, loading, shipping and unloading of Units to a site designated by Lessor.
- Ensure the Units upon return are thoroughly cleaned, steam cleaned if available, and free from all oil, hydraulic and fuel leaks.
- Operate and maintain all Units in accordance with Caterpillar Lubrication and Maintenance and Operators guide books, and insure all maintenance is performed at recommended intervals and only genuine Caterpillar filters and parts are used for all maintenance and repairs. All Units must be in good operating condition and be able to perform all tasks under rated load.
- Enroll all Units in a Caterpillar dealer Scheduled Oil Sampling (SOS) or comparable program, where available, for the entire lease, and insure all fuels, lubricants, additives, and radiator water is clean and complies with Caterpillar recommended standards.
- Ensure all Units are operated only in the applications for which they were designed and manufactured.
- Maintain a working engine hour meter at all times. Keep complete records of all hour meter changes along with major component change outs and routine maintenance and repair records.
- Ensure all service contracts are fully implemented and all maintenance and repairs are made on schedule. Product Improvement Programs (PIP's) must be complete before the Units are returned. ATTACH A COPY OF ANY AND ALL REPAIR AND MAINTENANCE CONTRACTS AND PLANNED COMPONENT REPLACEMENT PROGRAMS.
- Provide a secured place to store off-lease Units upon request from the Lessor. Provide access to the Units for purposes of maintenance or demonstration to prospective buyers at Lessor's request.

SPECIFIC TIREWEAR AND SAFETY REQUIREMENTS:

- Ensure the operator's compartment is clean, and all switches, monitoring systems (EMS, VIMS, VIDS), gages, control levers, pedals, radio, mirrors, seats, insulation and all other contents are complete and in good working order.

- Ensure all window glass is clear, and free from cracks and major pits, all window frames, doors and weather stripping are complete, and all service access compartment covers and doors, fenders, and other flat metal or plastic surfaces are in good working order and free from dents and cracks.
- Ensure all standard Caterpillar and non-Caterpillar safety items are complete and in good working order, including but not limited to, roll over protection (ROPS) and falling object protection (FOPS) systems, seat belts, steps, safety rails, grab irons, cat walks, fire suppression systems, warning alarms, cameras and monitors.
- Ensure all electrical components, including but not limited to, wiring harness, batteries, alternators, drive belts, lighting and air conditioning systems are complete and in good working order.
- Ensure all repairs made to main structures, including but not limited to, main frames, roller frames, car bodies, swing gears, drawbars, circles, component housings, loader arms, booms, sticks, tag links, loader linkages, truck bodies, buckets, nippers, and arches must be accomplished in accordance with factory recommended materials and repair procedures.

REMAINING LIFE REQUIREMENTS:

- Ensure all ground engaging tools, including but not limited to, buckets, dozer blades, base cutting edges, rippers, scarifiers, drums, feet, lines, screeds, elevator flights, forks, and top clamps have good structural integrity and have fifty percent (50%) minimum remaining life.
- Return all track and rubber belted Units with a minimum of fifty percent (50%) remaining life on each and every component, including but not limited to, track shoes, links, pins, bushings, idlers, bogies, sprockets, carrier rollers, and track rollers. Belts cannot have any cuts that extend into the cords and must not be missing guide blocks or grouser bars (lugs). Charges will be assessed for each component not meeting the requirement.
- Return all rubber tire Units with a minimum of fifty percent (50%) remaining life of the original tread life of each tire. Recapped tires are not acceptable substitutes. All tires must be a matched set with the same tread type and pattern and have no significant cuts or chunking of the tread or side walls.

This Application Survey is considered to be an integral part of the Lease between Lessor and Lessee. The information obtained from this Application Survey will be of primary importance in the Lease payment schedule. Any change in the location, severity of application, annual hourly usage and/or attachments or configuration must be approved in writing by Lessor.

SEE PAGE ONE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS APPLICATION SURVEY.

For Lessee:
VALENCIA COUNTY OF NEW MEXICO
Date: 12-21-09
Signature: [Signature]
Print Name: PEDRO G BAEI
Title: CHAIRMAN

Dealer Management Reviewer:
WAGNER EQUIPMENT CO.
Date: _____
Signature: _____
Print Name: _____
Title: _____

Lessor Review by: _____

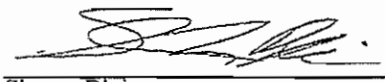
Physical Damage Insurance Coverage Information
(Customer Copy)

Before financing your equipment, you must arrange physical damage insurance on the equipment identified below. The insurance may be provided through an insurance agent or insurance company of your choice, provided the insurance company satisfies minimum financial requirements.

As an alternative to obtaining your own insurance, you may elect to have your equipment insured under coverage arranged by Caterpillar Insurance Services Corporation that has been designed specifically for the purchasers of Caterpillar equipment.

I hereby request and apply for information and a quote for physical damage insurance from Caterpillar Insurance Services Corporation for the following equipment in the following manner:

Model # Serial #	Equipment Description	Value Including Tax	Pymt Method-3 Total Premium	Pymt Method-1 Finance Pymt
A. 140M B9D02050	Caterpillar Motor Grader	\$189,998.00	\$12,539.87	\$234.07
B.				
C.				
D.				


Sharon Blair
Authorized Insurance Producer

Policy Summary

Please note: This is only a brief description of the Physical Damage Program. Contractual provisions contained in the policy will govern.

Coverage

Caterpillar Physical Damage Insurance protects your equipment against physical damage losses, including collision, fire, theft, vandalism, upset or overturn, floods, sinking, earthquakes and other unfortunate acts of nature. The protection has been designed for owners of heavy equipment and provides superior benefits you most likely would not find in other plans.

The Caterpillar Physical Damage Insurance does include normal exclusions. The exclusions included are wear and tear, rust, loss of income, war, nuclear damage, and mechanical breakdown, automobiles, watercraft, waterborne shipments, tires or tubes damaged by blow-out, puncture, and road damage.

Repairs

When a covered loss occurs, this plan will pay for Caterpillar replacement parts on all your new or used Caterpillar equipment. On all non-Caterpillar equipment, the plan will pay for comparable replacement parts.

Transportation

Your Caterpillar plan will pay for round-trip transportation of covered damaged equipment to and from your Caterpillar dealer's repair facility, up to \$2,500 limit.

Rental

The plan allows for rental costs up to \$2,500 that you incur to rent similar equipment following a covered loss. You are automatically protected with up to \$100,000 of coverage for damage to the similar equipment you rent.

Claims

In the event of a total loss, the policy will pay the greatest of the following:

- The payoff value of the loan on the damaged parts or equipment as of the date of loss
- The actual cash value of that covered property; or
- The cost of replacing that property with property of like kind and quality

The policy will pay 10% of scheduled loss, up to a \$10,000 maximum for debris removal.

The policy will pay fire department service fees up to \$5,000.

Deductible

\$1,000 Construction and Agricultural Equipment Deductibles:

\$5,000 deductible all logging Equipment

Customer Service

If you have any questions or need additional details, see your Authorized Cat Dealer or call Cat Insurance toll free at **1-800-248-4228**. You may also e-mail Cat Insurance at Cat.Insurance@cat.com.

POLICYHOLDER DISCLOSURE

NOTICE OF TERRORISM RISK INSURANCE ACT OF 2002

(as extended by the Terrorism Risk Insurance Extension Act of 2005, and as amended in 2007)

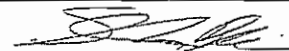
You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended in 2007. However, your policy may contain other exclusions, which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your premium that is attributable to coverage for terrorist acts certified under the Act is: \$ None.

APPLICATION FOR PHYSICAL DAMAGE INSURANCE COVERAGE
(Return with Equipment Documents)

Model # Serial #	Equipment Description	Value Including Tax	Pymt Method-3 Total Premium	Pymt Method-1 Finance Pymt
A. 140M B9D02050	Caterpillar Motor Grader	\$189,998.00	\$12,539.87	\$234.07
B.				
C.				
D.				



Sharon Blair, Authorized Insurance Producer

Option A Arranged by Caterpillar Insurance Services Corporation

I understand that the total insurance premium for 60 months will be \$12,539.87, which is \$2,507.97 per year based upon the total equipment value of \$189,998.00.

Method 1 ☐ I will finance the insurance premium, including finance charges, of \$234.07 per scheduled equipment payment. The finance charge is calculated at 4.55% per annum on the total insurance premium covering the full term of the finance agreement.

Method 2 ☐ I desire coverage for an initial 12 month term. I will pay the \$2,507.97 premium and return the payment with the signed equipment documents. Please make check payable to Caterpillar Insurance Company.

Method 3 ☐ I will pay the total premium and return the payment with the signed equipment documents. Please make check payable to Caterpillar Insurance Company.

I understand that the quote I receive is not a binder of insurance. If I elect to obtain coverage from Caterpillar Insurance Services Corporation, coverage will be effective in accordance with the terms and conditions of the issued Policy and that I may terminate the coverage at any time with advance written notice.

I acknowledge that I have been notified that, under the TERRORISM RISK INSURANCE ACT of 2002 (as extended by the Terrorism Risk Insurance Extension Act of 2005), any losses caused by certified acts of terrorism under my policy will result in coverage under my policy that will be partially reimbursed by the United States as outlined in the attached policyholder disclosure notification.

I also acknowledge I have been advised that, if I accept this insurance, an appointed licensed insurance producer will receive commission compensation.

Customer Name: VALENCIA COUNTY OF NEW MEXICO

Dealer Name: WAGNER EQUIPMENT CO.

Fraud Warning:

All states other than: OH, VA, LA, NE, OK, OR, or VT.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalties. (In DC, ME, and TN, insurance benefits may also be denied.)

In OH:

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

In VA:

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Please note: If you have any questions or need additional details, please contact **1-800-248-4228**. In addition, if you would like a no obligation quote on your additional equipment, call Sharon Blair at 1-800-248-4228 ext. 8121.

Accepted By: _____

Title: _____

Print Name: _____

Date: _____

Option B

I elect to obtain my own commercial insurance on the equipment shown below from the following agent and insurance company. I understand that the processing of this transaction may be held pending receipt and verification of this information.

Customer's Name VALENCIA COUNTY OF NEW MEXICO

Date _____

Address P O BOX 1119

City LOS LUNAS State NM Zip 87031

Dealer Name WAGNER EQUIPMENT CO.

I have entered into the above agreement under which i am responsible for providing insurance against **ALL RISKS** of direct physical loss or damage for the actual cash value of the following equipment, subject to common exclusions such as damage caused by corrosion, rust, mechanical or electrical breakdown, etc.

Model # Serial #	Equipment Description	Value Including Tax
A. 140M B9D02050	Caterpillar Motor Grader	\$189,998.00
B.		
C.		
D.		

Insurance Agency

Insurance Agent's Name

Street Address

City

State

Zip

Agent's Phone Number

Fax Number

Agent's E-mail Address

TO CUSTOMER'S INSURANCE AGENT

I hereby instruct you to add Caterpillar Financial Services Corporation as a loss payee:

☐ To my existing policy number _____, which now provides the coverage required, or

☐ To a policy which you are authorized to issue in the name listed above which will provide the coverage required.

Caterpillar Financial Services Corp must be given written notice within 30 days of any cancellation or non-renewal. It is also understood and agreed that a breach of the insuring conditions by the customer, or any other person shall not invalidate the insurance to Caterpillar Financial Services Corporation.

Pedro G. Rael
Print Name

[Signature]
Customer Signature

12-21-09
Date

PROCESSING OF THIS TRANSACTION MAY BE HELD PENDING RECEIPT OF THIS INFORMATION.

PLEASE FORWARD A COPY OF THE CERTIFICATE OR BINDER EVIDENCING COVERAGE TO:

CATERPILLAR FINANCIAL SERVICES CORPORATION
2120 West End Avenue
Nashville, TN 37203
Fax #: 615-341-1627

PLEASE ATTACH A COPY OF THIS NOTICE TO PROOF OF INSURANCE

CUSTOMER INFORMATION VERIFICATION
(Required Document)

In our efforts to continue providing timely customer service, we need your assistance confirming the following information. If any information is incorrect or missing, please note the necessary changes below and return this form with your signed documents. In addition, please review the Data Privacy Notice stated below. Thank you in advance for your cooperation.

Purchase Order # for new contract: _____

Current Information on file

Customer Name: VALENCIA COUNTY OF NEW MEXICO
Physical Address: P O BOX 1119
LOS LUNAS, NM 87031
Mailing Address: P O BOX 1119
LOS LUNAS, NM 87031
Equipment Location: 444 LUNA AVE
LOS LUNAS, NM 87031, VALENCIA
Business Phone: (505)865-5645
Fed. ID # or SS #: 85-6000261
E-mail Address:

Accounts Payable Contact
Name and Phone:

Tax Information

Sales Tax Rate: 0
(Please note: Sales Tax Rate, includes all applicable State, County, and City sales tax)
City Limits Asset outside the City Limits? Yes__ No__
Tax Exemption Status: Please indicate if you are tax exempt.

Please make corrections here

*Should the above changes apply to ALL of your contracts, OR for this contract ONLY?
☐ ALL CONTRACTS
☐ THIS CONTRACT ONLY

THE ABOVE INFORMATION HAS BEEN REVEIWED AND IS ACCURATE TO THE BEST OF MY KNOWLEDGE WITH EXCEPTION OF ANY CORRECTIONS AS NOTED.

PCV

Customer Initials

Data Privacy Notice: This notice pertains to personal data supplied in connection with your credit application. By providing your information to Coterpillar Inc. or any of its subsidiaries or affiliates, including Caterpillar Financial Services Corporation (collectively "Caterpillar"), you are agreeing that the information may be shared among Caterpillar and its partners and dealers, and used to process your applications for credit and other orders and to improve or market Caterpillar products and services. If you have any questions pertaining to this notice, please contact the Data Privacy Coordinator at 615-341-8222.

Other Information:

DIRECT PAY AUTHORIZATION FORM

Name _____

Company Name _____

Address _____

City _____ State _____ Zip Code _____ Phone Number _____

Bank Name

Account Name (exactly as it appears on Check)

☐ Checking ☐ Savings

Routing Number 9 digits

Account Number 3-17 digits


Re-Enter Account Number 3-17 digits

ACCOUNT NAME
014 UPPER CREST LANE
ANYTOWN, U.S. 12345

9-547N/1234 0301


Date _____

Pay to the
Order of _____ \$ _____

Dollars  Not Valid Without
This Security Feature

YOUR FINANCIAL INSTITUTION
ANYWHERE U.S.

For _____

 0301

Routing Number Account Number

If you have additional contracts with Caterpillar Financial that you wish to have the payment debited each month, please indicate by listing the contract numbers in the space provided below.

Start Month: _____

By signing below, I request and authorize Caterpillar Financial Services Corporation to begin debiting my account, with debits made to my account and withdrawn by Cat Financial, provided my account has sufficient collected funds to pay the debit when presented. I agree that Cat Financial's rights relating to each debit will be the same as if I had personally signed a check. I agree that I will be liable to make payment promptly, including any applicable late fees, if any debit is not paid, unless Cat Financial or its agents or affiliates are directly responsible for the nonpayment.

X _____
Signature* Date

X _____
Signature* Date

*As it appears at your bank. For a joint account, all depositors must sign if more than one signature is required on checks issued against the account.

____ Please initial the preceding line if you would like monthly invoices mailed to you for your contract(s). If you do not initial this line, you will not receive monthly invoices while paying your contract(s) via direct pay.

Please return form with the document package or by fax to 615-341-3778 or by e-mail to cbe.directdebit@cat.com or by mail to Caterpillar Financial Services Corporation - Attn: CBC - Cash Applications 2120 West End Avenue, Nashville, TN 37203.

For questions, please contact Customer Service Tel: 1-800-651-0567 and ask to speak with a Cash Application Specialist



BOOK 068

PAGE 627

CUSTOMER INFORMATION GUIDE

Frequently Asked Questions

HAVE A QUESTION ABOUT YOUR ACCOUNT?

Option 1: Access AccountExpress Online

Just follow these easy steps:

- Go to www.CatFinancial.com
- Select your country of residence
- Click on the *AccountExpress* link.
- 24 hours a day/7 days a week
- Obtain Information such as:
 - Check Balances
 - Calculate Payoffs
 - See Payment History
 - Check Interest Paid
 - Next Due Date

Option 2: Call our Toll Free Customer Support Line:

Cat Financial—Customer Service
1-800-651-0567
Monday – Friday
7 a.m. – 6 p.m. CST

NEED A PAYOFF ON YOUR CONTRACT?

Option 1: Access AccountExpress Online

Just follow these easy step:

- Go to www.CatFinancial.com
- Select your country of residence
- Click on the *AccountExpress* link

Option 2: Call our Toll Free Customer Support Line

Cat Financial – Customer Service
1-800-651-0567
Monday – Friday
7 a.m. – 6 p.m. CST

WHAT ARE MY PAYMENT OPTIONS?

Option 1: Check or Money Orders via U.S. Mail

Regular U.S. Mail, send to: (NO correspondence)

Caterpillar Financial Services Corporation
P.O. Box 100647
Pasadena, CA 91189-0647

Overnight Mail, send to:

JP Morgan Lockbox Processing
Caterpillar Lockbox #100647
2710 Media Center Drive
Building 6; Suite 120
Los Angeles, CA 90065
United States

Option 2: Direct Pay Automated Payment

Just Follow these easy steps:

- Go to www.CatFinancial.com
- Select your country of residence
- Click on the *AccountExpress* link

Option 3: Pay online with AccountExpress

Just follow these easy steps:

- Go to www.CatFinancial.com
- Select your country of residence
- Click on the *Account Express* link

Option 4: Wire Transfers

J.P. Morgan/Chase Manhattan
ABA Routing #021-000021
Account #910-2-469872

QUESTIONS ABOUT CAT INSURANCE?

Call 1-800-248-4228
Monday – Friday
7 a.m. – 6 p.m. CST

LATE CHARGES

Payments are not considered paid until received. All payments received after the due date must include the late charge. Postal Delays do not result in a waiver of the late charges. Therefore, please allow adequate time for mail service.

DELIVERY SUPPLEMENT

This Delivery Supplement pertains to the Long-Term Rental Agreement, dated as of _____, between Caterpillar Financial Services Corporation as Lessor and **VALENCIA COUNTY OF NEW MEXICO** as Lessee.

This confirms that the Lessee physically received the following Unit on the possession date below. As of the date of signature of this form, (i) the Unit is in all respects satisfactory to Lessee for leasing under the Lease, and (ii) Lessor has performed all of its obligations under the Lease.

Description of Unit:

(1) 140M B9D02050	New	Caterpillar Motor Grader
----------------------	-----	--------------------------

Location: LOS LUNAS, NM

County: VALENCLA

Equipment Located: Inside _____ or Outside _____ City Limits

Possession Date: _____

VALENCIA COUNTY OF NEW MEXICO

Signature Bob J. M...

Name (PRINT) Pedro G. Raulh

Title Chairman

Date 12-21-09



159X74E 12072009 4 10 INCLT

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EQUIPMENT:
(1) 140M

New Caterpillar Motor Grader

B9D02050

RE: INSURANCE COVERAGE FOR LEASED EQUIPMENT

Per the Lease agreement between VALENCIA COUNTY OF NEW MEXICO P O BOX 1119 LOS LUNAS, NM 87031 and Caterpillar Financial Services Corporation ("Caterpillar Financial"), it is required that we be provided with insurance coverage in accordance with that agreement as indicated below.

Physical Damage Coverage must show that Caterpillar Financial has been named loss payee for the equipment's replacement value. The deductible must be shown.

Liability Coverage of a minimum of \$1,000,000 or combined coverage for bodily injury and property damage per occurrence. Caterpillar Financial must be named as additional insured.

Please notify your agent for the proper coverage, and list his name and location below. Our representative will follow up for confirmation of this coverage.

INSURANCE AGENT: _____ CONTACT PERSON: _____
ADDRESS: _____ PHONE NUMBER: _____

IF EQUIPMENT HAS BEEN DELIVERED, WHEN WAS IT DELIVERED? _____

PROCESSING OF THIS TRANSACTION WILL BE HELD PENDING RECEIPT OF THIS INFORMATION.

PLEASE FORWARD CERTIFICATE TO: Caterpillar Financial Services Corporation, 2120 West End Avenue, Nashville, TN 37203



To: Caterpillar Financial Services Corporation

OPINION OF COUNSEL

Re: Long-Term Rental Agreement

Dated as of _____ (the "Lease")

Between **VALENCIA COUNTY OF NEW MEXICO** ("Lessee")

And **CATERPILLAR FINANCIAL SERVICES CORPORATION** ("Lessor")

Sir/Madam:

I am an attorney for Lessee, and in that capacity I am familiar with the above-referenced transaction, the Lease, and all other documents pertaining to the Lease.

Based on my examination of these and such other documents, records and papers and matters of fact and laws as I deemed to be relevant and necessary as the basis for my opinion set forth below, upon which opinion Lessee and any subsequent assignee of Lessee's interest may rely, it is my opinion that:

1. Lessee is a fully constituted political subdivision or agency duly organized and existing under the Constitution and laws of the State of **New Mexico** and is authorized by such Constitution and laws to enter into the transaction contemplated by the Lease and to carry out its obligations thereunder.

2. The Lease and all other documents contemplated by the Lease have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding obligations and agreements of Lessee, enforceable against Lessee in accordance with their terms.

3. The person or persons who have executed and delivered the Lease, and all other documents contemplated by the Lease were authorized to do so on behalf of Lessee.

4. No further approval, license, consent, authorization or withholding of objections is required from any federal, state or local governmental authority with respect to the entering into or performance by Lessee of the Lease or the Schedule(s) and the transactions contemplated thereby, and Lessee has sufficient appropriations or other funds available to pay all amounts due under the Lease for the current fiscal year.

5. The interest payable to Lessor by Lessee under the Lease is exempt from federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.

6. The entering into and performance of the Lease and all other documents contemplated by the Lease will not conflict with or constitute a breach or violation of any judgment, consent decree, order, law, regulation, bond, indenture or Lease, applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or the units purchased under the Lease pursuant to, any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound.

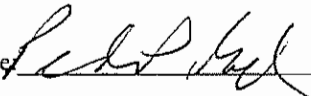
7. There is no litigation, action, suit or proceeding pending or, to the best of my knowledge, threatened against or affecting Lessee in any court or before any governmental commission, board, agency, arbitrator or authority which, if adversely determined will have an adverse effect on the ability of Lessee to perform its obligations under the Lease. In addition, I am not aware of any facts or circumstances which would give rise to any litigation, action, suit or proceeding related to or potentially adversely affecting the ability of the Lessee to perform its obligations under the Lease.

8. The units purchased under the Lease are personal property and, when subjected to use by Lessee, will not be or become fixtures under the laws of the State of New Mexico.

9. The authorization, approval and execution of the Lease, the Schedule(s) and all other documents contemplated by the Lease and all other proceedings of the Lease related to the transactions therein and contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws, and all other applicable laws of the State of New Mexico.

10. The Lessor will have a perfected security interest in the Units upon filing with the Secretary of State for the State of New Mexico and/or the COUNTY of VALENCIA at the time of acceptance of the Units of an executed UCC-1 or other financing statement.

Yours sincerely,

Signature: 

Name (PRINT): Pedro G. Raeb

Title: Chairman

Date: 12 21 09

Address: P.O. Box 1119

LOS LUNAS, NM 87051

Telephone: 505-866-2014

PURCHASE AGREEMENT

This Purchase Agreement, dated as of _____, is between **WAGNER EQUIPMENT CO.** ("Vendor") and **Caterpillar Financial Services Corporation** ("Cat Financial"). Vendor agrees to sell to Cat Financial and Cat Financial agrees to buy from Vendor the equipment described below (the "Unit(s)"), subject to the terms and conditions set forth below and on the reverse side hereof.

Description of Unit(s)		Serial#	Freight	Total Price	
(1) 140M	New	Caterpillar Motor Grader	B9D02050	\$0.00	\$189,998.00

Lessee:	Subtotal	189,998.00
VALENCIA COUNTY OF NEW MEXICO	Tax	0.00
P O BOX 1119	Total Purchase Price	189,998.00
LOS LUNAS, NM 87031	Unit(s) Delivery Point:	
	444 LUNA AVE	
	LOS LUNAS, NM 87031, VALENCIA	

See next page for additional terms and conditions.

WAGNER EQUIPMENT CO.	Caterpillar Financial Services Corporation
(Vendor)	
Signature_____	Signature_____
Name (PRINT)_____	Name (PRINT)_____
Title_____	Title_____
Date_____	Date_____

ADDITIONAL TERMS AND CONDITIONS

1. The lessee named on the front hereof (the "Lessee") has selected the Unit(s), instructed Cat Financial to purchase the Unit(s) from Vendor, and agreed to lease the Unit(s) from Cat Financial.
2. Cat Financial (or its assignee) will have no obligation hereunder (and any sums previously paid by Cat Financial to Vendor with respect to the Unit(s) shall be promptly refunded to Cat Financial) unless (a) all of the conditions set forth in Section 1.3 (if a master lease agreement) or Section 1 (if a non-master lease agreement) of the lease with the Lessee covering the Unit(s) have been timely fulfilled and (b) the Lessee has not communicated to Cat Financial (or its assignee), prior to "Delivery" (as hereinafter defined) of the Unit(s), an intent not to lease the Unit(s) from Cat Financial. All conditions specified in this paragraph shall be deemed timely fulfilled unless prior to Delivery of the Unit(s), Cat Financial (or its assignee) shall notify Vendor to the contrary in writing, which shall include fax or email. "Delivery" shall mean the later of the time (a) Cat Financial executes this Purchase Agreement or (b) the Lessee or its agent takes control and/or physical possession of the Unit(s).
3. Upon timely satisfaction of the conditions specified in Paragraph 2 above, ownership, title and risk of loss to the Unit(s) shall transfer to Cat Financial (or its assignee) upon Delivery of the Unit(s).
4. Vendor warrants that (a) upon Delivery of the Unit(s), Cat Financial (or its assignee) will be the owner of and have absolute title to the Unit(s) free and clear of all claims, liens, security interests and encumbrances and the description of the Unit(s) set forth herein is correct and (b) the Unit Transaction Price set forth on the front hereof for each unit of Unit(s) leased under a lease is equal to such Unit(s)'s fair market value.
5. Vendor shall forever warrant and defend the sale of the Unit(s) to Cat Financial (or its assignee), its successors and assigns, against any person claiming an interest in the Unit(s).
6. Provided that no event of default exists under any agreement between Lessee and Cat Financial and upon timely satisfaction of the conditions specified in Paragraph 2 above, and unless otherwise agreed to in this Purchase Agreement, Cat Financial (or its assignee) shall pay Vendor the total Purchase Price set forth on the front hereof for the Unit(s) within three business days following (a) the receipt and approval by Cat Financial of all documentation deemed necessary by Cat Financial in connection with the lease transaction and (b) all credit conditions have been satisfied.
7. Vendor shall deliver the Unit(s) to the Lessee at the delivery point set forth on the front hereof.
8. This Purchase Agreement may be assigned by Cat Financial to a third party. Vendor hereby consents to any such assignment.
9. This Purchase Agreement shall become effective only upon execution by Cat Financial.

Cat[®] AccessAccount

PLEASE DISREGARD THIS OFFER IF YOU ALREADY HAVE A CAT ACCESSACCOUNT

VALENCIA COUNTY OF NEW MEXICO
P O BOX 1119
LOS LUNAS, NM 87031

Ask WAGNER EQUIPMENT CO.
about special 0% financing offers
available when you use Cat
AccessAccount!

CONGRATULATIONS!
YOU ARE PRE-QUALIFIED!

Dear VALENCIA COUNTY OF NEW MEXICO,

As a Caterpillar Financial Services Corporation customer, you have been pre-qualified for the Cat AccessAccount. Cat AccessAccount is an easy and convenient way to pay for parts, service or rentals at any Cat Dealer or Cat Rental Store in the U.S. With the Cat AccessAccount, you will have the ability to better manage your cash flow by making a monthly minimum payment of 10% on all your parts and service purchases. Rental payments must be paid in full the month following the charge. You will receive one detailed monthly statement of your charges, and have the ability to view your transactions online through our secure website 24/7.

You've been pre-qualified for a Cat AccessAccount credit line. *

To request that an account be opened for you, please complete the *Primary Account Contact*, *Social Security Number* and *Authorized Users* fields on the enclosed pre-populated application. Sign the application and return it with this document package or fax it back to us at 615-341-5923 – Attn: Cat AccessAccount.

While there are other ways to apply for the Cat AccessAccount, you must sign and complete the enclosed application and return it in order for you to take advantage of this special offer.

If you are interested in a certain credit line amount, please indicate the desired amount on the *Requested Credit Line* field on the application. Upon receipt, we will review your request and advise you of our decision.

Once you have returned the enclosed application, you will receive a welcome package with your credit line amount, account number and the Customer Agreement. **

For more information, please call us at 1-888-CAT-8811 or visit us at www.cataccessaccount.com. Take advantage of this offer and activate your account today!

Best regards,

The Cat AccessAccount Team

***Reply by: January 6, 2010 to take advantage of this offer.**

****In Some instances, we may not be able to open an account for you based on your credit report and other pre-determined criteria. We will notify you by mail if we are unable to open an account for you.**

APPLICATION FOR COMMERCIAL FINANCING

Section 1 General Information

*Required Fields

*Dealer Name WAGNER EQUIPMENT CO. Dealer Code E35Z Pre-Approval Solicitation # FE0000
VALENCIA COUNTY OF NEW MEXICO
*Business/Individual Name Trade Name (if different) _____
*Physical Address P O BOX 1119 *City LOS LUNAS *State NM *Zip 87031 County VALENCIA
*Primary Account Contact (Name) _____ Title _____ Email _____
*Business Phone (505)865-5645 Cell (505)865-5645 Fax _____
*Is Billing Address same as Physical Address (circle one) Yes or No
*Billing Address P O BOX 1119 *City LOS LUNAS *State NM *Zip 87031 County VALENCIA
*Billing Contact Name _____ Phone _____
*Requested Credit Limit \$ _____ CFSC Customer # 23492

Section 2 Cat AccessAccount Information

Authorized Users (1 minimum / 3 maximum)
*Name _____ Name _____ Name _____
Account Holder Plastic Requested Y or N Monthly Paper Statement Y or N Do you require multiple accounts Y or N

Section 3 Business Financial Information

*Description of Business GOVERNMENTAL *Years in Business 1978-01-01 *Time as Current Owner _____
*Type of Business (Circle One)
Sole Proprietorship Corporation General Partnership L.L.C. (provide copy of LLC agreement) Other
*Estimated Annual Revenue \$ _____ #of Employees _____ P.O. # Required Y or N SIC Code _____
*Federal Tax ID _____ Sales Tax Exempt Y or N (If yes, please attach copy of exemption certificate)
Bonding Company _____ Contact Name _____ Phone _____
*Has the Business/ Principal ever filed Bankruptcy? Y or N If Yes, Date Filed _____
*Are there any outstanding liens or judgments? Y or N If Yes, Dollar Amount \$ _____
Insurance Company _____ Contact Name _____ Phone _____
Do you have Physical Damage coverage for Rental Equipment ? Y or N
*If yes, please attach Insurance Certificate indicating sufficient Physical Damage Coverage or Fire Theft Vandalism (FTV) will be charged.
Do you have Liability Insurance Coverage? Y or N
*A Certificate of Commercial General Liability coverage must be received before a rental account can be approved.

Section 4 Company References

Bank / Finance References – 1 minimum
*Name _____ Phone _____ Account # _____
*Checking / Savings/ Loan (circle one) *Balance \$ _____
Name _____ Phone _____ Account # _____
Checking / Savings/ Loan (circle one) *Balance \$ _____
Trade References
Trade Name _____ Account # _____ Contact Name _____
Address _____ City _____ State _____ Zip _____ Phone _____
Trade Name _____ Account # _____ Contact Name _____

Section 5 Personal Information on Owners/ Principal/ Guarantors

*Name _____ *Title _____

*Address _____ *City _____ *State _____ *Zip _____ *Phone _____

*% Ownership _____ *DOB _____ *SSN _____ *Net Worth _____ *Annual Income _____ *Mo. House Pmt. _____

*Name _____ *Title _____

*Address _____ *City _____ *State _____ *Zip _____ *Phone _____

*% Ownership _____ *DOB _____ *SSN _____ *Net Worth _____ *Annual Income _____ *Mo. House Pmt. _____

THIS APPLICATION IS FOR COMMERCIAL OR BUSINESS CREDIT ONLY AND NOT FOR CONSUMER CREDIT.

Applicant understands and agrees that the terms or type of each sale, loan, lease, credit line or credit granted by us are governed by the terms and conditions set forth in each of our agreements, invoices, or similar documents and shall govern that Applicants' relationship with that entity. Applicant authorizes us to release any and all information contained in this application, or any and all information with regard to any account, loan, lease or sale to any and all Caterpillar Dealers, Caterpillar Financial Services Corporation, Caterpillar AccessAccount Corporation, Caterpillar, Inc., its subsidiaries, and affiliates.

Further, Applicant and each other person signing below on behalf of the Applicant and/or as Guarantor (defined below), agrees that we may obtain personal and business credit reports with respect to Applicant and each such person, in assisting in making a credit decision, in connection with the continuation of the business credit provided herein, or pursuant to a subsequent application or request, reviewing Applicant's account, and assisting in taking collection activity.

Applicant understands that any decision to grant or deny business credit by the Caterpillar Dealer will be made by that Caterpillar Dealer, and that any decision to grant or deny credit by Caterpillar Financial Services Corporation will be made by Caterpillar Financial Services Corporation and that any decision to grant or deny credit by Caterpillar AccessAccount Corporation will be made by Caterpillar AccessAccount Corporation.

The fact that this application contains reference to "amount of credit applied for" shall not be deemed a limitation of liability by Applicant or Guarantor, if applicable. Applicant acknowledges and agrees that the extension of business credit based on this application by any of us does not obligate the others to extend business credit to Applicant. Applicant also acknowledges, agrees and understands that any of us may, in its sole discretion, refuse to business extend business credit to Applicant in connection with any credit transaction. Applicant agrees to the following rights and responsibilities:

CATERPILLAR DEALER: If the Caterpillar Dealer extends business credit, Applicant agrees to pay invoices in accordance with the terms and conditions on reverse side hereof. Further, Applicant shall be responsible for a collection cost actually incurred by Caterpillar Dealer and for reasonable attorneys fees in connection with the collection of Applicant's indebtedness owing to the Caterpillar Dealer. If Applicant's application for business credit is denied, Applicant has the right to a written statement of the specific reasons for the denial. To obtain such statement, please contact the Caterpillar Dealer that may have accepted this application.

CATERPILLAR FINANCIAL SERVICES CORPORATION: If Caterpillar Financial Services denies Applicant's application for business credit, Applicant has the right to a written statement for the specific reasons for the denial. To obtain such statement, please send a written request to Caterpillar Financial Services Corporations at P.O. Box 340001, Nashville, TN 37203 within 60 days from the date on which Applicant was notified of the denial. Caterpillar Financial Services Corporation will send Applicant a written statement with the reason for the denial within 30 days from receiving Applicant's written request.

CATERPILLAR ACCESSACCOUNT CORPORATION: If Caterpillar AccessAccount Corporation denies Applicant's application for business credit, Applicant has the right to a written statement for the specific reasons for the denial. To obtain such statement, please send a written request to Caterpillar AccessAccount Corporation at P.O. Box 340001, Nashville, TN 37203 within 60 days from the date on which Applicant was notified of the denial. Caterpillar AccessAccount Corporation will send to Applicant a written statement with the reason for the denial within 30 days from receiving Applicant's written request.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant had the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers our compliance with this law is the FTC Regional Office for the region in which we operate or the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Privacy Notice: By providing your information to Caterpillar Inc. or any of its subsidiaries or affiliates, including Caterpillar AccessAccount Corporation (collectively "Caterpillar"), you are agreeing that the information may be shared among Caterpillar and its partners and dealers, and used to process your application for credit and other orders and to improve or market Caterpillar products and services. In addition, the information may be used for any purpose that you may agree to in the future.

By signing below, Applicant and each other person warrants and represents that (i) the account will be used only for a business or commercial purpose; and (ii) the information given in this application is complete and accurate, and is provided for the purpose of obtaining business credit in an amount set by our credit policies and procedures. Applicant authorizes the Caterpillar Dealer listed on the front of this application, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation (the three entities referred to as "we", "us", or "our") to obtain from banks, credit bureaus, trades references, and other creditors and requests each of the aforementioned to advise us of its credit experience with, and to express an opinion as to the credit record of Applicant or other such person as such party may deem appropriate and release any credit information, including but not limited to Applicant's balance sheet, cash flow statement, and income statement to us, which we may share among ourselves.

*By _____ Title _____ Date _____

*By _____ Title _____ Date _____

Personal Guaranty (Required of all corporations and LLCs in business less than 2 years, and all partnerships and proprietorships. Guarantor must be owner/ sole proprietor, general partner or corporate officer)

If an Account is opened in response to the foregoing application, in consideration of the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation granting to Applicant the Account, the undersigned guarantor ("Guarantor") hereby unconditionally, absolutely and irrevocably guarantees the prompt and full payment and performance of all of Applicant's obligations under the agreement establishing the Account (the "Agreement"), and further agrees, in the event of any default under the Agreement, to pay the total balance due on the Account under demand, without requiring the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation or their respective assignees to make demand and/or proceed first to enforce the Agreement against Applicant. Guarantor waives presentment, demand, protest and notice of any kind, including but not limited to, notice of any modifications, amendments, or extensions of the Agreement, and of Applicant's nonperformance or breach of the Agreement. The payment obligations of Guarantor are the direct, primary, and continuing obligations of Guarantor and Guarantor's heirs, successors and assigns, and not merely a guaranty of collection. If there is more than one Guarantor, their obligations are joint and several.

By signing below, the Guarantor also agrees, individually and not on behalf of Applicant, that the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation or their respective designees may obtain credit reports on Guarantor from credit reporting agencies in connection with the application, continuation of the business credit provided herein, or pursuant to a subsequent application or request, reviewing Applicant's account, and assisting in taking collection activity, and otherwise investigate the credit of Guarantor, and hereby instructs all credit reporting agencies to provide the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation with such credit reports upon request.

*By _____ Date _____

*By _____ Date _____

To apply for the Cat AccessAccount by:
Mail: P.O. Box 3019, Southeastern, PA 19398-3019 Fax: 1-800-304-2801 Online: www.CatAccessAccount.com
For Cat AccessAccount questions call: 1-888-CAT-8811

VALENCIA COUNTY OF NEW MEXICO
P O BOX 1119
LOS LUNAS NM 87031
County: VALENCIA
WAGNER EQUIPMENT CO.
4000 OSUNA ROAD N. E.
P. O. BOX 25007
ALBUQUERQUE, NM 87215-0007

Description of Equipment:
(1) New 140M Caterpillar Motor Grader B9D02050

For questions regarding the filing of UCC(s) please contact your CFSC representative.

Federal Tax ID# CFSC: 37-1105865
Federal Tax ID# Dealer:
Federal Tax ID# Customer: 85-6000261

FOR CUSTOMERS CLAIMING EXEMPTION FROM SALES AND USE TAX:

AN EXEMPTION CERTIFICATE MUST BE ATTACHED OR ON FILE WITH CFSC. THE CERTIFICATE MUST BE MADE OUT TO "CATERPILLAR FINANCIAL SERVICES CORPORATION"; INCLUDE THE REGISTRATION NUMBER OF THE CUSTOMER FOR THE STATE IN WHICH THE EQUIPMENT IS LOCATED; STATE THE REASON FOR THE EXEMPTION; AND BE SIGNED AND DATED BY A CORPORATE OFFICER OR AUTHORIZED PERSONNEL WITH THE CUSTOMER. TO VERIFY THAT A CERTIFICATE IS ON FILE, CONTACT THE CFSC TAX DEPARTMENT ON 615-341-8451.

List of documents and quantities included in this package:
(1)LTRENSTD, (1)AP0053, (1)ASCON, (1)CISCICSF, (1)CUVER, (1)DDAUTH, (1)DS0002, (1)EXPTRKLT, (1)I0034, (1)LTROC, (1)PA0010STD, (1)XCAAC, (1)XCAAC2

Comments:

Caterpillar Financial Services Corporation
Casualty Value Schedule

Exhibit 2 to the Cat Value Option Agreement
Dated _____

Between Caterpillar Financial Services Corporation
and
VALENCIA COUNTY OF NEW MEXICO

Description of Unit: 1 New Caterpillar 140M B9D(RIP) serial # B9D02054

The Casualty Value of each unit shall be an amount equal to the amount set forth opposite the number of the next payment due. If the casualty occurrence takes place after the last rental payment date, the Casualty Value shall be an amount equal to the amount set forth opposite such last rental payment number.

In addition, the total amount due Caterpillar Financial Services Corporation upon a casualty occurrence will be the casualty value plus any rental payments then due, taxes, late charges and any other amount then due and owing.

Payment Number	Rental Payment	Casualty Value
1	1,456.41	191,469.57
2	1,456.41	190,940.34
3	1,456.41	190,407.09
4	1,456.41	189,869.80
5	1,456.41	189,314.11
6	1,456.41	188,748.45
7	1,456.41	188,164.27
8	1,456.41	187,570.07
9	1,456.41	186,971.66
10	1,456.41	186,354.62
11	1,456.41	185,727.47
12	1,456.41	185,096.01
13	1,456.41	184,478.56
14	1,456.41	183,851.07
15	1,456.41	183,219.33
16	1,456.41	182,583.34
17	1,456.41	181,936.56
18	1,456.41	181,282.58
19	1,456.41	180,617.75
20	1,456.41	179,945.67
21	1,456.41	179,269.21
22	1,456.41	178,581.84
23	1,456.41	177,887.15
24	1,456.41	177,188.02
25	1,456.41	176,455.12
26	1,456.41	175,714.75
27	1,456.41	174,969.75
28	1,456.41	174,220.13
29	1,456.41	173,464.22
30	1,456.41	172,702.59
31	1,456.41	171,934.63
32	1,456.41	171,160.92
33	1,456.41	170,382.49
34	1,456.41	169,597.68
35	1,456.41	168,807.07
36	1,456.41	168,011.70
37	1,456.41	167,182.13
38	1,456.41	166,346.59
39	1,456.41	165,506.10
40	1,456.41	164,660.64
41	1,456.41	163,808.65
42	1,456.41	162,950.67
43	1,456.41	162,086.10
44	1,456.41	161,215.52
45	1,456.41	160,339.89
46	1,456.41	159,457.61
47	1,456.41	158,569.27
48	1,456.41	157,675.83
49	1,456.41	156,767.62
50	1,456.41	155,853.26
51	1,456.41	154,933.72
52	1,456.41	154,008.96
53	1,456.41	153,129.53
54	1,456.41	152,263.03
55	1,456.41	151,442.06

Caterpillar Financial Services Corporation
Casualty Value Schedule

Exhibit 2 to the Cat Value Option Agreement
Dated _____

Between Caterpillar Financial Services Corporation
and
VALENCIA COUNTY OF NEW MEXICO

Description of Unit: 1 New Caterpillar 140M B9D(RIP) serial # B9D02054

The Casualty Value of each unit shall be an amount equal to the amount set forth opposite the number of the next payment due. If the casualty occurrence takes place after the last rental payment date, the Casualty Value shall be an amount equal to the amount set forth opposite such last rental payment number.

In addition, the total amount due Caterpillar Financial Services Corporation upon a casualty occurrence will be the casualty value plus any rental payments then due, taxes, late charges and any other amount then due and owing.

Payment Number	Rental Payment	Casualty Value
56	1,456.41	150,634.15
57	1,456.41	149,821.36
58	1,456.41	149,054.29
59	1,456.41	148,300.40
60	1,456.41	147,541.80

Accepted by _____
date _____

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Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority If Amended Return, check here ☐

1 Issuer's name	2 Issuer's employer identification number	
3 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	4 Report number 3
5 City, town, or post office, state, and ZIP code	6 Date of issue	
7 Name of issue WAGNER EQUIPMENT CO.	8 CUSIP number	
9 Name and title of officer or legal representative whom the IRS may call for more information	10 Telephone number of officer or legal representative ()	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input checked="" type="checkbox"/> Other. Describe ► GOVERNMENTAL LEASE PURCHASE	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

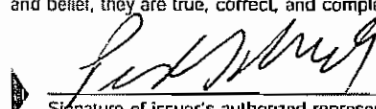
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	years
33 Enter the last date on which the refunded bonds will be called	►	
34 Enter the date(s) the refunded bonds were issued	►	

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	37a
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	<input type="checkbox"/>
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>
40 If the issuer has identified a hedge, check box	<input type="checkbox"/>

Sign Here	Under penalties of perjury, I declare that I have examined and believe, they are true, correct, and complete.	BOOK 068	PAGE 641	and to the best of my knowledge
		12-21-09	Pedro G. Rael	Chairman
	Signature of issuer's authorized representative	Date	Type or print name and title	

TAX LEASE - CAT VALUE OPTION

For the customer who wants to use the equipment and have the option to purchase it at a predetermined Fair Market Value price.

BENEFITS

- > Provides you low monthly payments.
- > Generally qualifies for off-balance sheet financing.
- > Frees your working capital for operating needs.

PURCHASE OPTIONS

The purchase option is based on the machine specification, equipment usage & application and finance term. At the end of the lease, you may purchase the equipment at a predetermined Fair Market Value or return it to Cat Financial.

TERMS

Length (new equipment):	24 - 60 months (Terms greater than 60 months may be considered upon request)
Purchase Option Alternatives:	Provision to purchase at a predetermined Fair Market Value amount or return machine to Lessor
Tax Benefits:	Retained by Lessor
Payment Flexibility:	Monthly (Other schedules may be considered upon request)



CATERPILLAR FINANCIAL SERVICES CORP.

These documents were prepared especially for:
VALENCIA COUNTY OF NEW MEXICO
P O BOX 1119
LOS LUNAS, NM 87031

Dealer: WAGNER EQUIPMENT CO., E35Z
Quote Number: 1592743
Credit Application Number: 1078327
Comments:

Date: 12/07/2009
Time: 4:23 PM

DOCUMENT CHECKLIST (TAX LEASE)

Customer Executed Documents

Comments

- | | |
|---|-------|
| <input type="checkbox"/> Long Term Rental Agreement | _____ |
| <input type="checkbox"/> Application Survey | _____ |
| <input type="checkbox"/> Delivery Supplement | _____ |
| <input type="checkbox"/> Insurance-Liability and Physical Damage | _____ |
| <input type="checkbox"/> Advance Payment (cross out if N/A) | _____ |
| <input type="checkbox"/> Guaranty of Payment (cross out if N/A) | _____ |
| <input type="checkbox"/> Tax Exemption Certif. (cross out if N/A) | _____ |
| <input type="checkbox"/> Title applied for (cross out if N/A) | _____ |
| <input type="checkbox"/> Customer Information Verification | _____ |
| <input type="checkbox"/> Any necessary Riders/Amendments | _____ |
| <input type="checkbox"/> Other _____ | _____ |

Dealer Executed Documents

- | | |
|--|-------|
| <input type="checkbox"/> Purchase Agreement | _____ |
| <input type="checkbox"/> Dealer Invoice | _____ |
| <input type="checkbox"/> All Credit Conditions Met | _____ |

**If any of these documents are altered, or if the Lessee wishes to add or delete documents, please contact your CFSC Credit Analyst to obtain acceptance of any and all changes.*

If you have any questions concerning these documents please call (303)739-3081 and ask for SHELLY WILSON

Checklist completed and confirmed by: Print Name: _____

Date: _____

These Documents do not constitute any offer or commitment to offer financing by Caterpillar Financial Services Corporation without Caterpillar Financial Services Corporation's expressed written approval.



BOOK 068

PAGE 643

1591743 12/07/2009 4:23 PM ACT

AMENDMENT TO LONG TERM RENTAL AGREEMENT

This is an Amendment to Long Term Rental Agreement ("Amendment") dated as of _____, 2009 is by and between **CATERPILLAR FINANCIAL SERVICES CORPORATION** ("Lessor") and the **VALENCIA COUNTY OF NEW MEXICO** ("Lessee").

WHEREAS, Lessee executed that certain Long Term Rental Agreement with Lessor (the "Agreement"), dated as of _____, 2009; and

WHEREAS, Lessee and Lessor desire to amend the Agreement with respect to the matters hereinafter specified.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessee and Lessor agree to amend the Agreement as follows:

1. Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Agreement.
2. Section 9 of the Agreement is hereby amended to insert "To the extent permitted by law" at the beginning of such section.
3. Section 12 of the Agreement is hereby amended by deleting the phrase "legal fees and other enforcement costs".
4. In the event of any conflict or inconsistency between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall control. Except as provided herein, the Agreement shall remain unchanged and in full force and effect in accordance with its terms. It is specifically understood and agreed that the foregoing shall not be deemed to be a waiver or amendment of any other provision of the Agreement or any of Lessor's rights or remedies under the Agreement.
5. This Amendment shall be effective as of the date first set forth above.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective duly authorized officers as of the date first set forth above.

**CATERPILLAR FINANCIAL
SERVICES CORPORATION**

By: _____

Name: _____

Title: _____

**VALENCIA COUNTY OF
NEW MEXICO**

By: Pedro G. Rael

Name: Pedro G. Rael

Title: Chairman

LONG-TERM RENTAL AGREEMENT

LESSEE: VALENCIA COUNTY OF NEW MEXICO LESSOR: CATERPILLAR FINANCIAL SERVICES CORPORATION
ADDRESS: P O BOX 1119 ADDRESS: 2120 West End Avenue
LOS LUNAS, NM 87031 Nashville, TN 37203

Lessor, in reliance on Lessee's selection of the equipment described below ("Unit" or "Unit(s)"), agrees to acquire and lease the Unit(s) to Lessee, and Lessee agrees to lease the Unit(s) from Lessor, subject to the Terms and Conditions below and on the following pages:

Description of Unit(s)		Serial#	Monthly Rent	Option Purchase Price	Max Hourly Usage(Annual)
(1) New	140M Caterpillar Motor Grader	B9D02054	\$1,456.41	\$147,541.80	1000

Lease Term: 60 Months (unless decreased or extended herein)

Rent to be paid: on the day of and on the same date of each month thereafter for the Lease Term.

Purchase Option: [X] Cat Value [] Fair Market Value [] Lessee does not have a right to purchase the Unit(s) (check one)

Location of Unit(s): 444 LUNA AVE
LOS LUNAS, NM 87031, VALENCIA

Application Survey/Usage Rider (hereinafter "Application Survey") for each Unit attached hereto is made a part of and incorporated into this Lease.

Depreciation Period: Lessor shall be entitled to income tax depreciation deduction for each Unit based on a recovery period of 5 years.

LESSOR SHALL BE UNDER NO OBLIGATION TO PURCHASE THE UNIT(S) AND ENTER INTO THIS LEASE UNLESS LESSEE EXECUTES AND RETURNS THIS LEASE TO SELLER ON OR BEFORE January 6, 2010

TERMS AND CONDITIONS

1. LEASE TERM: The term of this Long Term Rental Agreement (this "Lease") shall start on the date hereof and shall continue for the term set forth above, unless earlier terminated or canceled as expressly provided herein ("Lease Term"). Notwithstanding the foregoing, Lessor shall be under no obligation to enter into this Lease and/or pay the Supplier (as defined below) for the Units until Lessee has delivered to Lessor a duly executed Delivery Supplement for the Unit(s) and all other documentation that Lessor deems reasonable.

2. RENT: Lessee shall pay to Lessor, at Caterpillar Financial Services Corporation;PO Box 100647; Pasadena, CA 91189-0647 or such other location that Lessor designates in writing, (a) Monthly Rent for each Unit as shown above starting on with the Monthly Rent for each Unit due on the same date of each month thereafter during the Lease Term, without demand; and (b) all of the other amounts payable in accordance with this Lease, and/or any of the other documents, agreements and instruments executed in connection with this Lease (the "Lease Documents") ("Other Payments", and together with the Monthly Rent, collectively, the "Rent"). Upon Lessee's execution hereof, this Lease shall constitute a non-cancelable net lease, and Lessee's obligation to pay Rent, and otherwise to perform its obligations under or with respect to this Lease and all of the other Lease Documents, are and shall be absolute and unconditional and shall not be affected by any circumstances whatsoever, including any right of setoff, counterclaim, recoupment, deduction, defense or other right which Lessee may have against Lessor, the manufacturer or Supplier of the Unit(s) or anyone else, for any reason whatsoever. Lessee shall have no right to voluntarily terminate this Lease prior to the expiration of the Lease Term for any reason. Notwithstanding the above, nothing contained in the foregoing shall be construed as a waiver of any right or remedy Lessee may have to bring a separate suit against Lessor for breach of any of its obligations hereunder.

3. LATE CHARGES: If Lessor does not receive the Rent or any portion thereof on the date it is due, Lessee shall pay to Lessor, on demand, a late payment charge equal to five percent (5%) of the Rent not paid when due or the then highest charge allowed by law, whichever is less.

4. DISCLAIMER OF WARRANTIES: Lessee has selected each Unit based upon its own judgment. Lessee acknowledges that each Unit is of a size, design and type selected by Lessee and that Lessor is not a manufacturer or a dealer of the Units. LESSOR MAKES NO WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THIS LEASE OR TO ANY UNIT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EACH UNIT IS LEASED "AS IS, WHERE IS", AND LESSOR SPECIFICALLY MAKES NO WARRANTIES AS TO THE QUALITY OF MATERIALS OR WORKMANSHIP OR THE CONFORMITY THEREOF TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR AGREEMENT RELATING THERETO. LESSOR HEREBY EXPRESSLY DISCLAIMS, AND LESSEE HEREBY WAIVES, RELEASES AND RENOUNCES, ALL OTHER WARRANTIES AND CLAIMS EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY UNIT OR TO THIS LEASE, INCLUDING WITHOUT LIMITATION, (A) ANY IMPLIED WARRANTY THAT ANY UNIT IS MERCHANTABLE; (B) ANY IMPLIED WARRANTY THAT ANY UNIT IS FIT FOR A PARTICULAR USE OR PURPOSE; (C) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; (D) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT; AND (E) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO ANY UNIT, FOR LOSS OF USE, REVENUE OR PROFIT WITH RESPECT TO ANY UNIT, FOR ANY LIABILITY OF LESSOR TO ANY THIRD PARTY, OR FOR ANY OTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING STRICT OR ABSOLUTE LIABILITY IN TORT. Nothing contained herein shall be construed to deprive Lessee of whatever rights Lessee may have against parties other than Lessor (such as the Supplier and the manufacturer of any Unit) and Lessee agrees to look solely to such third parties with respect to any and all claims concerning any Unit except as to ownership and title.

5. POSSESSION, USE AND MAINTENANCE: Lessee shall not (a) use, operate, maintain or store a Unit improperly, carelessly, unsafely or in violation of any applicable law or regulation or for any purpose other than in the conduct of Lessee's business; (b) abandon a Unit; (c) remove, disable, or impair in any manner the Unit monitoring system such as Cal@ Product Link, if the Unit is equipped with such system; (d) sublease a Unit, permit the use of a Unit by anyone other than Lessee, change the use of a Unit from that specified in the Application Survey or change the Location of Unit(s) from that specified above, without the prior written consent of Lessor; (e) sell, assign, transfer, create or allow to exist any lien, claim, security interest or encumbrance on any of its rights hereunder or a Unit; or (f) remove the Unit from the United States. A Unit is and shall remain personal property regardless of its use or manner of attachment to realty. Lessor and its agent shall have the right (but not the obligation) to inspect a Unit and maintenance records relating to it, and observe its use and determine its hours of usage. Lessee, at its expense, shall maintain each Unit in good operating order, repair and condition, and perform maintenance at least as frequently as stated in any applicable operator's guide, service manual, or lubrication and maintenance guide. Lessee shall not alter any Unit or affix any accessory or equipment in any Unit if doing so will impair the Unit's originally intended function or use or reduce its value. Lessee shall not make any "non-reversible" addition (as defined for federal income tax purposes) to a Unit without the prior written consent of Lessor. All parts which are added to any Unit which (i) are replacement parts; (ii) are essential to the operation of such Unit; or (iii) cannot be detached from such Unit without materially interfering with the operation of such Unit or adversely affecting the value and utility which such Unit would have had without the addition thereof, shall immediately become the property of Lessor, and shall be deemed incorporated in such Unit and subject to the terms of this Lease as if originally leased hereunder. If an Event of Default has occurred and is continuing, all parts, accessories and equipment affixed to a Unit shall become property of Lessor.

6. TAXES: In addition to all other amounts that Lessee is required to pay hereunder, Lessee acknowledges and agrees that, subject to the terms hereof, Lessee shall pay all taxes, including all personal property taxes and commercial activity taxes and gross income taxes, arising from or due in connection with, this Lease and/or the Unit(s) except net income taxes assessed on Lessor. Lessee further acknowledges and agrees that if Lessor pays any such taxes, Lessee shall promptly reimburse Lessor for such payment. Lessee shall pay or reimburse Lessor for payment of all taxes (other than U.S. federal, state or local net income taxes) imposed on Lessor, a Unit, or Rent in connection with the ownership, leasing, possession or use of, or payment or receipt of Rent or any other payment with respect to, a Unit. Without limiting the foregoing, Lessee shall pay or reimburse Lessor for all sales, use, rental or lease transaction, value added, gross income or receipts, excise, stamp, documentary, ad valorem taxes or assessments, license and registration fees, or fines, penalties, interest or additions to tax and similar charges imposed in connection with the ownership, possession, use or lease of the Unit from the time of purchase by Lessor until it is returned to Lessor. Lessee shall remain responsible for the payment or reimbursement of any Imposition levied upon the Unit(s) during the period, or payment or receipt with respect to a Unit during the Lease Term (collectively, an "**Imposition**"), regardless of when notice of such Imposition is received by Lessor. Lessee shall prepare and file, in a manner satisfactory to Lessor, any reports or returns which may be required with respect to a Unit; provided that, unless Lessor otherwise notifies Lessee, Lessor shall report and pay any personal property taxes on the Unit. Lessee shall reimburse Lessor in full for any Imposition that Lessor pays or advances without regard to early payment discounts. Lessor may estimate the amount of, and bill Lessee periodically in advance for, any Imposition, but Lessee shall be responsible for any difference between the estimated Imposition and the actual Imposition. Except as provided in this Section, Lessee covenants and agrees that Lessor shall be entitled to receive any and all federal, state or local tax credits and benefits, if any, applicable to a Unit. Lessee is hereby notified that Lessor may assign its rights (but not its obligations) under this Lease to CF Exchange, LLC, a qualified intermediary, as part of a 1031 exchange.

7. TAX INDEMNITY: This Lease is entered into on the basis that Lessor shall be entitled to depreciation deductions with respect to a Unit in accordance with Section 168(a) of the Internal Revenue Code of 1986, as amended, (the "**Code**") based upon the applicable depreciation method and recovery period specified in Code Sections 168(b) and (c) as identified by Lessee, and to comparable state and local income tax deductions (collectively, the "**Tax Benefits**"). Lessee acknowledges and confirms that Lessor's classification of a Unit under Code Section 168(c), Lessor's determination of the applicable depreciation method and recovery period as aforesaid and Lessor's claim for an entitlement to the Tax Benefits are based solely upon Lessee's representations described in Section 5 and the applicable Application Survey. If Lessor shall not receive nor retain all of the Tax Benefits anticipated with respect to any Unit (a "**Loss**"), because (a) of a change in the US federal income tax rate; (b) Lessee moves the Unit(s) out of the United States; or (c) Lessee uses any Unit for a purpose different than what is reflected in the applicable Application Survey, Lessee shall pay Lessor, within thirty (30) days after written notice to Lessee of such Loss, an amount which, in the reasonable opinion of Lessor, will cause Lessor's net after-tax rate of return over the Lease term in respect to the Unit to equal the net after-tax rate of return that would have been realized if such Loss had not occurred. For purposes of this Section 7, "Lessor" shall include any affiliated group (within the meaning of Section 1504 of the Code) of which Lessor is a member for any year in which a consolidated or combined income tax return is filed for the affiliated group.

8. LOSS OR DAMAGE: (a) At all times until a Unit is returned to Lessor in accordance with this Lease, Lessee shall bear the risk of loss, theft, confiscation, taking, unavailability, damage or partial destruction of such Unit and shall not be released from its obligations hereunder or under the other Lease Documents in any such event. (b) Lessee shall provide prompt written notice to Lessor of any Total Loss (as defined below) or any material damage to any Unit. Any such notice must be submitted together with any damage reports provided to any governmental authority, the insurer or Supplier, and any documents pertaining to the repair of such damage, including copies of work orders and all invoices for related charges. (c) Without limiting any other provision hereof, Lessee shall repair all damage to a Unit from any and all causes, other than a Total Loss, so as to cause it to be in the condition and repair required by this Lease. (d) A "**Total Loss**" shall be deemed to have occurred to a Unit upon: (i) the actual or constructive total loss of such Unit; (ii) the loss, disappearance, theft or destruction of such Unit, or damage to the Unit that is uneconomical to repair; or (iii) the condemnation, confiscation, requisition, seizure, forfeiture or other taking of title to or use of a Unit or the imposition of any lien thereon by any governmental authority. On the next Rent due date following a Total Loss (a "**Loss Payment Date**"), Lessee shall pay to Lessor the Monthly Rent due on that date *plus* the Casualty Loss Value of the Unit with respect to which the Total Loss has occurred (the "**Lost Units**"), together with any Other Payments due hereunder with respect to the Lost Units. Until such payment is made, Lessee shall continue to pay Lessor the Monthly Rent on the due dates set forth in Section 2. Upon making the full payment required on the Loss Payment Date, (1) Lessee's obligation to pay future Monthly Rent shall terminate solely with respect to the Lost Units so paid for, but Lessee shall remain liable for, and pay as and when due, all Monthly Rent and all Other Payments with respect to the remaining Units, and (2) Lessor shall convey to Lessee all of Lessor's right, title and interest in the Lost Units, "**AS IS WHERE IS**", but subject to the requirements of any third party insurance carrier in order to settle an insurance claim. As used in this Lease, "**Casualty Loss Value**" shall mean an amount equal to the *lesser of* (A) the total gross value of all Rents with respect to the Lost Unit originally due under this Lease *multiplied by* the Casualty Value Percentage (as predetermined pursuant to Lessor's standard procedures) as of the date of the Total Loss *plus* any past due Rents, *plus* all other amounts then owing and unpaid; or (B) the aggregate Rents then due, *plus* all future Rents, *plus* the Lost Unit's projected Fair Market Value (at the end of the Lease Term) as was determined by Lessor at Lease inception, *plus* all other amounts then owing and unpaid. If the Total Loss occurs after the final Rent due date of the Lease Term, the Casualty Loss Value shall be determined as of the last Monthly Rent due date during the Lease Term, and the applicable Casualty Loss Value Percentage. (e) Lessor shall be under no duty to Lessee to pursue any claim against any person in connection with a Total Loss or other loss or damage. (f) If Lessor receives a payment under an insurance policy required under this Lease in connection with any Total Loss or other loss or damage to a Unit, and such payment is both unconditional and indefeasible, then provided Lessee shall have complied with the applicable provisions of this Section, Lessor shall either (i) if received pursuant to a Total Loss, remit such proceeds to Lessee up to an amount equal to the amount of the Casualty Loss Value paid by Lessee to Lessor, or credit such proceeds against any amounts owed by Lessee pursuant to Section 8(d); or (ii) if received with respect to repairs made pursuant to Section 8(c), remit such proceeds to Lessee up to an amount equal to the amount of the costs of repair actually incurred by Lessee.

9. WAIVER AND INDEMNITY: Lessee hereby releases and shall indemnify, defend and keep harmless Lessor and any assignee thereof, and their respective directors, officers, agents and employees (each, an "**Indemnitee**"), from and against any and all Claims (as defined below) (other than such as may directly result from the actual, but not imputed, gross negligence or willful misconduct of such Indemnitee), by paying, on a net after-tax basis, or otherwise discharging same, when and as such Claims shall become due. Lessee agrees that the indemnity provided pursuant to this Section includes the agreement by Lessee to indemnify each Indemnitee from the consequences of its own simple negligence, whether that negligence is the sole or concurring cause of the Claims, and to further indemnify each such Indemnitee with respect to Claims for which such Indemnitee is strictly liable. Lessor shall give Lessee prompt notice of any Claim hereby indemnified and Lessee shall be entitled to control the defense of and/or to settle any Claim, in each case, so long as (a) no Event of Default (as defined in Section 11) has occurred and is then continuing; (b) Lessee confirms, in writing, its unconditional and irrevocable commitment to indemnify each Indemnitee with respect to such Claim; (c) Lessee is financially capable of satisfying its obligations under this Section; and (d) Lessor approves the defense counsel selected by Lessee. "**Claims**" shall mean all claims, allegations, harms, judgments, settlements, suits, actions, debts, obligations, damages (whether incidental, consequential or direct), demands (for compensation, indemnification, reimbursement or otherwise), losses, penalties, fines, liabilities (including strict liability), and charges that Lessor has incurred or for which it is responsible, in the nature of interest, liens, and costs (including attorneys' fees and disbursements and any other legal or non-legal expenses of investigation or defense of any Claim, whether or not such Claim is ultimately defeated or enforcing the rights, remedies or indemnities provided for hereunder, or otherwise available at law or equity to Lessor), of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, by or against any person, arising on account of (i) any Lease Document, including the performance, breach (including any Event of Default) or enforcement of any of the terms thereof; (ii) any Unit, or any part or other contents thereof, any substance at any time contained therein or emitted therefrom, including any hazardous substances, or the premises at which any Unit may be located from time to time; or (iii) the ordering, acquisition, delivery, installation or rejection of any Unit, the possession or any property to which it may be attached from time to time, maintenance, use, condition, ownership or operation of any Unit, and by whomsoever owned, used, possessed or operated, during the Lease Term, the existence of latent and other defects (whether or not discoverable by Lessor or Lessee), any Claim in tort for negligence or strict liability, and any Claim for patent, trademark or copyright infringement, or the loss, damage, destruction, theft, removal, return, surrender, sale or other disposition of any Unit, or any item thereof, including, Claims involving or alleging environmental damage, or any criminal or terrorist act, or for any other reason whatsoever. To the extent necessary under law or

regulation, in order to eliminate liability for Lessor, Lessor hereby transfers and Lessee hereby accepts the transfer from Lessor of any and all liability associated with exhaust emissions in connection with the Unit(s). If any Claim is made against Lessee or an Indemnitee, the party receiving notice of such Claim shall promptly notify the other, but the failure of the party receiving notice to so notify the other shall not relieve Lessee of any obligation hereunder. Further, Lessee agrees to be responsible for all costs and expenses, including reasonable attorneys' fees, incurred by Lessor or its directors, officers, employees, agents and assigns in defending such claims or in enforcing this provision. Under no condition or cause of action shall Lessor be liable for any loss of actual or anticipated business or profits or any special, indirect or consequential damages.

10. INSURANCE: Throughout the Lease Term or any Renewal Term (defined below), Lessee, at its expense, shall keep each Unit insured with a commercial insurance policy for the benefit of Lessor (and its assigns) against all risks for not less than the then applicable Casualty Loss Value and shall maintain comprehensive public liability insurance (including product and broad form contractual liability) covering the Unit for not less than \$1,000,000 combined coverage for bodily injury and property damage per occurrence. All insurance shall be in a form and with companies as Lessor shall approve, shall specify Lessee as named insured, shall specify Lessor (and its assigns) as additional insured, shall be primary, without the right of contribution from any other insurance carried by Lessor, and shall provide that the insurance may not be canceled or altered so as to affect the interest of Lessor without at least ten (10) days' prior written notice to Lessor. All insurance covering loss or damage to a Unit shall name Lessor (and its assigns) as loss payee. Lessee shall not make adjustments with insurers except with Lessor's prior written consent and hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to receive payment of and to endorse all checks, drafts and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Lessee shall promptly notify Lessor of any occurrence which may become the basis of a claim and shall provide Lessor with all requested pertinent data. Lessee shall promptly deliver to Lessor evidence of such insurance coverage.

11. EVENTS OF DEFAULT: Each of the following constitutes an event of default ("**Event of Default**"):

- (a) Lessee fails to make any payment when due;
- (b) any representation or warranty made to Lessor in connection with this Lease is incorrect or misleading;
- (c) Lessee fails to observe or perform any covenant, agreement or warranty made by Lessee under this Lease and the failure continues for ten (10) days after written notice to Lessee;
- (d) any default occurs under any other agreement between Lessee or any guarantor of this Lease and Lessor or any affiliate of Lessor;
- (e) Lessee or any guarantor of this Lease ceases to do business, dies, becomes insolvent, makes an assignment for the benefit of creditors or files any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors;
- (f) filing of an involuntary petition under any bankruptcy statute against Lessee or any guarantor of this Lease, or appointment of a receiver, trustee, custodian or similar official to take possession of the properties of Lessee or any guarantor of this Lease, unless the petition or appointment ceases to be in effect within thirty (30) days after filing or appointment;
- (g) there is a material adverse change in Lessee's or guarantor's financial condition, business operations or prospects; and/or
- (h) termination, breach or repudiation of a guaranty obtained by Lessor in connection with this Lease.

12. REMEDIES: (a) If an Event of Default occurs, Lessor, at its option, may exercise any one or more of the following remedies:

- (i) proceed at law or in equity, to enforce specifically Lessee's performance or to recover damages;
- (ii) declare this Lease in default, and cancel this Lease or otherwise terminate Lessee's right to use the Units and Lessee's other rights, but not its obligations, hereunder and Lessee shall immediately assemble, make available and, if Lessor requests, return the Units to Lessor in accordance with the Lease Term;
- (iii) enter any premises where any Unit is located and take immediate possession of and remove (or disable in place) such Unit (and/or any unattached parts) by self-help, summary proceedings or otherwise without liability;
- (iv) use Lessee's premises for storage without liability;
- (v) sell, re-lease or otherwise dispose of any or all of the Units, whether or not in Lessor's possession, at public or private sale, with or without notice to Lessee, and apply or retain the net proceeds of such disposition, with Lessee remaining liable for any deficiency and with any excess being retained by Lessor;
- (vi) enforce any or all of the preceding remedies with respect to any related collateral, and apply any deposit or other cash collateral, or any proceeds of any such collateral, at any time to reduce any amounts due to Lessor;
- (vii) demand and recover from Lessee all Liquidated Damages (as defined below) and all Other Payments whenever the same shall be due; and
- (viii) exercise any and all other remedies allowed by applicable law, including the Uniform Commercial Code ("**UCC**").

As used herein, "**Liquidated Damages**" shall mean the liquidated damages (all of which, Lessee hereby acknowledges, are damages to be paid in lieu of future Monthly Rent and are reasonable in light of the anticipated harm arising by reason of an Event of Default, and are not a penalty) described in the first sentence of parts (i) or (ii) of Section 12(b) below, depending upon the recovery and disposition of the Units.

(b) If an Event of Default occurs and, (i) if Lessor recovers a Unit and disposes of it by a lease or elects not to dispose of the Unit after recovery, upon demand, Lessee shall pay to Lessor an amount equal to the *sum* of (A) any accrued and unpaid Rent as of the date Lessor recovers possession of the Unit, plus (B) the present value as of such date of the total Monthly Rent for the then remaining Lease Term, minus (C) either, as applicable, (1) the present value, as of the commencement date of any substantially similar re-lease of the Unit, of the re-lease rent payable to Lessor for the period, commencing on such commencement date, which is comparable to the then remaining Lease Term or (2) the present value of the "market rent" for such Unit (as computed pursuant to Article 2A) in the continental United States as of the date on which Lessor has a reasonable opportunity to remarket the Unit for the period, commencing on such date, which is comparable to the then remaining Lease Term; provided, however, Lessee acknowledges that if Lessor is unable after reasonable effort to dispose of the Unit at a reasonable price and pursuant to other reasonable terms, or the circumstances reasonably indicate that such an effort will be unavailing, the "market rent" in such event will be deemed to be \$0.00, but in the event that Lessor does eventually re-lease or otherwise dispose of the Unit, it will apply the net proceeds of such disposition, to the extent received in good and indefeasible funds, as a credit or reimbursement, as applicable, in a manner consistent with the applicable provisions of Article 2A. Any amounts discounted to present value, shall be discounted at the rate of three percent (3%) per annum, compounded annually; (ii) if Lessee fails to return a Unit in the manner and condition required by this Lease, or Lessor recovers and sells the Unit, upon demand, Lessee shall pay to Lessor an amount calculated as the Casualty Loss Value of the Unit (determined as of the next Monthly Rent payment date after the date of the Event of Default), together with all Enforcement Costs (as defined in Section 12(c)), less a credit for any disposition proceeds, if applicable pursuant to the application provisions in the next sentence. If Lessor demands the Liquidated Damages under this part (ii), and recovers and sells the Unit, any proceeds received in good and indefeasible funds shall be applied by Lessor: first, to pay all Enforcement Costs, to the extent not previously paid; second, to pay to Lessor an amount equal to any unpaid Rent due and payable, together with the Liquidated Damage amounts specified in this part (ii), to the extent not previously paid; third, to pay to Lessor any interest accruing on the amounts covered by the preceding clauses, plus late charges, from and after the date the same becomes due, through the date of payment; fourth, to pay to Lessor an amount equal to any remaining obligations owing by Lessee to Lessor whether related hereto or unrelated to this Lease; fifth, to reimburse Lessee for any amount paid as Liquidated Damages pursuant to this part (ii) by applying any surplus to any other existing indebtedness or obligations of Lessee to Lessor.

(c) A cancellation hereof shall occur only upon written notice by Lessor to Lessee. Unless already specifically provided for in Section 12(b), if an Event of Default occurs, Lessee shall also be liable for all of the following ("**Enforcement Costs**"): (i) all unpaid Rent due before, during or after exercise of any of the foregoing remedies; and (ii) all reasonable legal fees (including consultation, drafting notices or other documents, expert witness fees, sending notices or instituting, prosecuting or defending litigation or arbitration) and other enforcement costs and expenses incurred by reason of Event of Default or the exercise of Lessor's rights or remedies, including all expenses incurred in connection with the return or other recovery of any Unit in accordance with the terms of this Lease or in placing such Unit in the condition required hereby, or the sale, re-lease or other disposition (including but not limited to costs of transportation, possession, storage, insurance, taxes, lien removal, repair, refurbishing, advertising and brokers' fees), and all other pre-judgment and post-judgment enforcement related actions taken by Lessor or any actions taken by Lessor in any bankruptcy case involving Lessee, the Units, or any other person. Late charges shall accrue with respect to any amounts payable under this Section for as long as such amounts remain outstanding, and shall be paid by Lessee upon demand. No right or remedy is exclusive and each may be used successively and cumulatively. Any failure to exercise the rights granted hereunder upon any Event of Default shall not constitute a waiver of any such right. With respect to any disposition of any Unit or other collateral pursuant to this Section, (A) Lessor shall have no obligation, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the same for disposition; (B) Lessor may comply with any applicable law in connection with any such disposition, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any disposition thereof; (C) Lessor may disclaim any title or other warranties in connection with any such disposition; and (D) Lessee shall remain responsible for any deficiency remaining after Lessor's exercise of its remedies and application of any funds or credits against Lessee's obligations hereunder, and Lessor shall retain any excess after such application. To the extent that Lessee is entitled to a refund from Lessor for any reason, Lessee agrees that Lessor may retain any refund that is less than or equal to Lessor's cost of returning such refund to Lessee.

13. RETURN OF UNIT: Upon expiration of the Lease Term or if Lessor shall rightfully demand possession of a Unit, Lessee, at its expense, shall promptly deliver possession of the Unit to Lessor, properly protected and in the condition required by Section 5, at the option of Lessor, (a) to the premises of the nearest Caterpillar dealer selling equipment of the same type as the Unit; or (b) on board a carrier named by Lessor and shipping it, freight collect, to the destination designated by Lessor. If the Unit is not in the condition required by Section 5 or if the Unit(s) is not in the same operating order, repair, condition, and appearance as of the date of the Delivery Supplement applicable thereto (excepting ordinary wear and tear from proper use), Lessee shall pay to Lessor, on demand, all costs and expenses incurred by Lessor to bring the Unit into the required condition. Lessee shall be liable for any overuse of the Unit(s) pursuant to the applicable Application Survey.

14. OPTIONS AT EXPIRATION OF LEASE: At the expiration of the Lease, subject to Section 16, if no Event of Default shall have occurred and is continuing at the expiration of the Lease, Lessee must choose one of the following:

(a) **Purchase Options:** If Cat Value Option or the Fair Market Value Option has been checked, Lessee may, by notice delivered to Lessor not less than sixty (60) days prior to the end of the Lease Term with respect to a Unit, elect to purchase such Unit at the end of the Lease Term for the Option Purchase Price set forth on the front of this Lease. In the event the Cat Value Option was checked, Lessor and Lessee agree the Option Purchase Price is a reasonable estimate of not less than the Fair Market Value of such Unit at the end of the Lease Term. In the event the Fair Market Value Option was checked, the Option Purchase Price shall be an amount equal to the Fair Market Value of such Unit as of the end of the Lease, as determined by Lessor in its sole reasonable discretion. Upon receipt of the Option Purchase Price and all other amounts owing under the Lease, *plus* any taxes or other costs and expenses of Lessor arising from the sale of the Unit or the delivery of the bill of sale, Lessor shall deliver to Lessee, upon request, a bill of sale without warranties except that the Unit is free of all encumbrances of any person claiming through Lessor. Lessee shall purchase the Unit "AS IS, WHERE IS, WITH ALL FAULTS." The Cat Value Option and Fair Market Value Option must be exercised as of the last day of the Lease Term and neither is available during any holdover period or Renewal Term (as defined below).

(b) **Unit Return:** Lessee may return the Unit(s) in accordance with Section 13.

(c) **Renewal:** Upon Lessee's request of Lessor and in the sole discretion of Lessor, Lessor may allow Lessee to extend the Lease Term for an agreed period ("**Renewal Term**") by executing a lease extension agreement in a form acceptable by Lessor and upon the rental amounts and terms set forth in the lease extension agreement.

(d) **Holdover:** If the options set forth above are not exercised by Lessee and the Unit is not returned at the end of the Lease Term, then Lessee shall be obligated to pay holdover rent in the amount equal to 1/30th of the Monthly Rent *plus* any other costs and expenses for each day following the end of the Lease Term and shall return the Unit(s) upon demand by Lessor.

15. LESSEE ASSURANCES AND REPRESENTATIONS: (a) Lessee and Lessor intend that: (i) this Lease constitutes a true "lease" and a "finance lease" as such terms are defined in Article 2A of the UCC ("**Article 2A**") and not a sale or retention of a security interest; (ii) that Lessee has selected the "**Supplier**" (as defined in Article 2A) and has directed Lessor to purchase each Unit from the Supplier; (iii) that Lessee was informed, before Lessee's execution of this Lease and is hereby informed in writing that Lessee is entitled under Article 2A to the promises and warranties, including those of any third party, provided to Lessor by the Supplier in connection with or as part of the purchase of the Units, and that Lessee may communicate with the Supplier and receive an accurate and complete statement of those promises and warranties, including any disclaimers and limitations on remedies relating thereto; and (iv) Lessor is and shall remain the owner of each Unit (unless sold by Lessor pursuant to any Lease Document), and Lessee shall not acquire any right, title or interest in or to such Unit except the right to use it in accordance with the terms hereof. (b) If contrary to the parties' intentions a court determines that this Lease is not a true "lease" under Article 2A, then, in order to secure the prompt payment of the Rent and all of the other amounts from time to time outstanding with respect hereto, and the performance and observance by Lessee of all of the provisions hereof and of all of the other Lease Documents, Lessee hereby collaterally assigns, grants, and conveys to Lessor, a security interest in and lien on all of Lessee's right, title and interest in and to all of the (A) Units and all additions, attachments, accessories and accessions thereto whether or not furnished by the Supplier; (B) all subleases, chattel paper, accounts, contract rights, security deposits, and general intangibles relating thereto, and any and all substitutions, replacements or exchanges for any such Unit or other collateral, in each such case in which Lessee shall from time to time acquire an interest; and (C) any and all insurance and/or other proceeds of the property and other collateral in and against which a security interest is granted hereunder. (c) If contrary to the parties' intentions a court determines that this Lease is not a true "lease", the parties agree that in such event Lessee agrees that: (1) with respect to any Unit, in addition to all of the other rights and remedies available to Lessor hereunder upon the occurrence of an Event of Default, Lessor shall have all of the rights and remedies of a first priority secured party under the UCC; and (2) any obligation to pay Rent, to the extent constituting the payment of interest, shall be at an interest rate that is equal to the lesser of the then maximum lawful rate permitted by applicable law or the effective interest rate used by Lessor in calculating such amounts.

Lessee represents and warrants to Lessor that (a) Lessee has the power to make, deliver and perform under this Lease; (b) the person executing and delivering this Lease is authorized to do so on behalf of Lessee; (c) Lessee will use the Unit for business purposes only and not for personal, family or household use; (d) this Lease constitutes a valid obligation of Lessee, legally binding upon it and enforceable in accordance with its terms; (e) Lessee shall provide all financial information and reporting as Lessor may reasonably require; (f) all credit, financial and other information submitted to Lessor in connection with this Lease is and shall be true, correct and complete; (g) Lessee will not change its name, principal place of business or primary residence and, if a business entity, its form of business organization (including any merger, consolidation, reincorporation or such similar restructuring), without prior written notice to Lessor; (h) Lessee shall use the Unit(s) no more than the Max Hourly Usage (Annual) established for such Unit and as set forth on the front of this Lease and in the applicable Application Survey; (i) Lessee has sole responsibility for complying with use related regulations in regard to the Unit(s), including rules or limits on idling, fleet average or site based exhaust emissions, or operational limitations; and (j) any Lessee information provided by Lessee and/or gathered by Lessor may be shared with any affiliate of Lessor that has extended or will extend credit to Lessee.

Lessee shall, at its expense, do any act and execute, acknowledge, authorize, deliver, file, register and record any documents which Lessor deems desirable in its reasonable discretion to protect Lessor's title or rights in a Unit and Lessor's rights and benefits under this Lease. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact for the signing and filing of such documents and authorizes Lessor to delegate these limited powers.

In the event the Unit is equipped with an Unit monitoring system such as Cat® Product Link, Lessee agrees to permit Caterpillar Inc. or any of its subsidiaries or affiliates, including Lessor (collectively "Caterpillar"), and/or Caterpillar dealers to access data concerning the Unit, its condition and its operation that will be transmitted from the monitoring system (a) to administer, implement and enforce the terms and conditions of this Lease, (b) recover the Unit if necessary, and/or (c) to improve upon Caterpillar's products and services. Lessee understands and agrees that the information transmitted may include the serial number, location, operational data, including but not limited to fault codes, emissions data, fuel usage, service meter hours, software and hardware version numbers, and installed attachments.

16. OVERUSE: In addition to Lessor's other rights hereunder and not in lieu thereof, Lessee shall pay Lessor additional rent for each hour in excess of the Max Hourly Usage (Annual) on the front of this Lease. This hourly rate shall be as set forth in the applicable Application Survey (the "**Hourly Rate**"). Lessee hereby agrees to pay to Lessor such additional rent for overage prior to exercising any of its option under Section 14(b)-(d) of this Lease. In the event that a Unit(s) is returned or repossessed by Lessor prior to the end of the Lease Term, the overage shall be calculated by taking the then current hours on the Unit(s) (less any hours that existed as of the date of this Lease) *subtracting* the Max Hourly Usage (Annual) as determined on a monthly basis and *multiplying* the applicable Hourly Rate. In the event Lessee returns the Unit(s) at the end of the Lease Term and the current hours on the Unit(s) (less any hours that existed as of the date of this Lease) exceed the Total Allowable Machine Hours (as set forth in the applicable Application Survey), Lessee shall pay to Lessor an amount equal to the number of hours overused *multiplied* by the Hourly Rate.

17. ASSIGNMENT; COUNTERPARTS: Lessee agrees that Lessor may assign, sell or encumber all or any part of this Lease, the Rent, and the Units (or any portion thereof) with or without notice to Lessee and in the event of any such assignment, to unconditionally pay directly to any such assignee such amounts Lessor receives from Lessee in good, collected funds which relate directly to the interests so assigned. THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET OFF WHICH LESSEE MAY HAVE AGAINST LESSOR. If requested, Lessee shall assist Lessor in the assignment of any of the rights under this Lease, shall sign a notice of assignment in a form approved by Lessor and if notified by Lessor, Lessee shall make all payments due under this Lease to the party designated in the notice without offset or deduction. Lessee is hereby notified that Lessor reserves the right to assign its rights (but not its obligations) to sell the Unit(s) to JP Morgan Property Exchange Corporation (or a successor in interest thereto), a qualified intermediary, as part of Section 1031 exchange. In connection with any potential or actual assignment, Lessee hereby consents to the sharing of its credit file information, including personal information relating to Lessee's principals, with any potential assignee or any employee, agent or other representative thereof, so long as such recipient agrees with Lessor to maintain the confidentiality of such information. Lessee shall not assign this Lease or any right or obligation under it without the prior written consent of Lessor. Upon any assignment by Lessor of its rights hereunder, and except as may otherwise be provided herein, all references in this Lease to "Lessor" shall include such assignee. Subject always to the foregoing, this Lease shall inure to the benefit of, and are binding upon, Lessee's and Lessor's respective successors and assigns. Although multiple counterparts of this document may be signed, only the counterpart accepted, acknowledged and certified by Lessor on the signature page thereof as the original will constitute original chattel paper. A photocopy or facsimile of this Lease will be legally admissible under the "best evidence rule." A signed copy of this Lease and/or any related document sent by electronic means shall be treated as an original document and shall be admissible as evidence thereof, and all signatures thereon shall be binding as if manual signatures were personally delivered.

18. EFFECT OF WAIVER; ENTIRE AGREEMENT; NOTICES; APPLICABLE LAW: A delay or omission by Lessor to exercise any right or remedy shall not impair any right or remedy and shall not be construed as a waiver of any breach or default. Any waiver or consent by Lessor must be in writing. This Lease, Lease Documents, including each Application Survey, executed in connection herewith completely states the rights of Lessor and Lessee and supersedes all prior agreements with respect to a Unit. All notices shall be in writing, addressed to the other party at the address stated on the front or at such other address as may hereafter be furnished in writing. This Lease shall be governed by and construed under the laws of the State of Tennessee, without giving effect to the conflict-of-laws principles thereof, and Lessee hereby consents to the jurisdiction of any state or federal court located within the State of Tennessee. THE PARTIES HERETO HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATED TO THIS LEASE, THE OBLIGATIONS OR THE COLLATERAL.

19. NO AGENCY; MODIFICATION OF LEASE: No party, including, but not limited to the Supplier and the manufacturer of the Units, is authorized to act as agent for Lessor hereunder. Lessee expressly acknowledges that no action, statement, representation, warranty, promise, agreement or undertaking taken or made by any person or entity other than an authorized employee of Lessor shall be binding upon Lessor. No statement, representation, warranty, promise, agreement or undertaking made by any authorized employee of Lessee shall be binding upon Lessor unless in a writing signed by Lessor. No party other than Lessor may waive, amend, abridge, abrogate or otherwise modify any provision of this Lease on behalf of Lessor and any waiver, amendment, abridgement, abrogation or other modification of any provision of this Lease or any provision of any of the other Lease Documents must be in a writing signed by Lessor and Lessee; provided, however, Lessee agrees that Lessor may correct patent errors herein and fill in such blanks such as serial numbers, dates and the like.

20. INTERPRETATION; HEADINGS: If more than one (1) Lessee is party to this Lease, the liability of the Lessees shall be joint and several. Each reference to "Lessee" herein shall be deemed to refer to each Lessee. Any Lessee may act for the other Lessee under this Lease and any such action shall be binding on all other Lessees as if each had taken such action. Any occurrence of an Event of Default shall be deemed to be a default by all Lessees. Each Lessee waives any right to require Lessor to proceed against any other party or pursue any other remedy in Lessor's power. The various headings of this Lease are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Lease or any provision thereof.

21. SEVERABILITY; SURVIVAL OF COVENANTS: If any provision of this Lease shall be invalid under any law, it shall be deemed omitted but the remaining provisions hereof shall be given effect. All obligations of Lessee under this Lease shall survive the expiration or termination of this Lease to the extent required for their full observance and performance.

By execution hereof, the signer hereby certifies that such signer has read this Lease and all Lease Documents, including each Application Survey. Until this Lease (or identical counterpart thereof) has been signed by a duly authorized representative of Lessor, it shall constitute an offer by Lessee to enter into this Lease with Lessor on the terms stated herein.

Lessee: VALENCIA COUNTY OF NEW MEXICO

Lessor: CATERPILLAR FINANCIAL SERVICES CORPORATION

By 

By _____

Name (PRINT) Pedro G. Raeh

Name (PRINT) _____

Title Chairman

Title _____

Date 12-21-09

Date _____

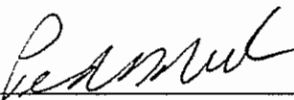
NON-APPROPRIATIONS ADDENDUM
to
FINANCIAL LEASE AGREEMENT
between
CATERPILLAR FINANCIAL SERVICES CORPORATION
and
VALENCIA COUNTY OF NEW MEXICO

DATED AS OF _____

Lessor and Lessee hereby agree to add the following provision to the Lease, and further acknowledge that all terms contained herein are to be defined according to the provisions of the Lease:

Lessee represents and warrants to Lessor that Lessee has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year and reasonably believes that funds can be obtained sufficient to make all rental payments during the term of the Lease. Lessee hereby covenants that it will do all things reasonably within its power to obtain funds from which the rental payments may be made, including making provision for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding and using its bona fide best efforts to have such portion of the budget approved. It is Lessee's intent to make rental payments for the full term of this Lease if funds are available therefor and in that regard Lessee represents that the use of the Units is essential to Lessee's proper, efficient and economic operation. In the event no funds or insufficient funds are appropriated and budgeted or are otherwise not available in any fiscal year for rental payments due under this Lease, then Lessee will immediately notify Lessor of such occurrence and this Lease shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to Lessee for any kind whatsoever, except as to the portions of rental payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. Subsequent to a termination of this lease, Lessee shall have no obligation to make rental payments with respect to the remainder of the Lease. In the event of such termination, Lessee agrees to return the Units to Lessor pursuant to Section 12 of this Lease, and Lessor shall have all legal and equitable rights and remedies to take possession of the Units. Notwithstanding the foregoing, Lessee agrees that it will not (a) cancel this Lease under the terms of this Addendum if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Units or other equipment performing functions similar to the Units for the fiscal year in which such termination occurs or the next succeeding fiscal year thereafter, and (b) give priority in the application of funds to any other functionally similar equipment during the term of this Lease. The Addendum shall not be construed so as to permit Lessee to terminate this Lease in order to acquire any other equipment or to allocate funds directly or indirectly to perform essentially the same application for which the Units are intended.

LESSEE:
VALENCIA COUNTY OF NEW MEXICO

BY: 
TITLE: Chairman
DATE: 12.21.09

LESSOR:
CATERPILLAR FINANCIAL
SERVICES CORPORATION

BY: _____
TITLE: _____
DATE: _____



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CATERPILLAR FINANCIAL SERVICES CORPORATION ("Lessor")
CONSTRUCTION EQUIPMENT APPLICATION SURVEY

Page 1 of 2

Customer Name: VALENCIA COUNTY OF NEW MEXICO Location: 444 LUNA AVE, LOS LUNAS, NM 87031
Make: Caterpillar Model: 140M Quantity: 1 Serial Number: B9D02054
Monthly Usage: 83.33 Current Hours: 0.00 Dealer: WAGNER EQUIPMENT CO. Dealer Location: ALBUQUERQUE, NM

***** IMPORTANT INFORMATION *****

RESIDUAL EXCEPTION REQUESTS must be submitted to Lessor for the following applications: landfill, transfer and recycling stations; demolition, scrap yards and steel mills; salt, chemical, and corrosive environments such as feed lots, dairy farms, rendering plants, mushroom farms, fertilizer and lime handling, salt water areas and all hazardous waste handling; dusty or poor underfoot conditions; all mining applications. Any applications requiring unusual attachments, unit modifications or that involve non-traditional use of the unit. Any transaction with five or more of one model.

MAJOR ATTACHMENTS:

Air Conditioner Cab

BLADES/BUCKETS/RIPPERS:

Ripper

MARKET CATEGORIES:

Governmental: Snow Removal, Road Maintenance

MAXIMUM USAGE:

The model listed and equipped as stated above will be operated an estimated total of **83.33 hours per month** over a term of **60 months** for total usage during the lease term of **5000.00 hours**. This total usage combined with any accumulated hours prior to the Lease inception date, as stated above under current hours, will be the **total allowable machine hours** for the life of the Lease and the basis for any overuse charges.

Total Lease Hours 5000.00 + Current Hours 0.00 = Total Allowable Machine Hours 5000.00

OVERUSE CALCULATION:

In addition to Lessor's other rights hereunder and not in lieu thereof, Lessee shall pay Lessor additional rent for each hour in excess of the Total Allowable Machine Hours established for the Lease as stated above. This hourly rate shall be \$18.14 per hour.

Please note: To avoid overuse charges, notify Lessor immediately of any increase in machine usage that will cause the total usage to exceed the "Total Allowable Machine Hours" as stated above. The Lease may be adjusted to reflect the correct hour usage.

REMEDY FOR RETURN CONDITIONS:

Lessee will be invoiced for the parts and labor based on your local Caterpillar dealer's retail prices and retail labor rates to replace tires, undercarriage components, belts and all other non-conforming components as outlined in the "REMAINING LIFE REQUIREMENTS" section of the Mandatory Condition of the Unit Upon Return. The invoiced amounts will be based on the following percentages of remaining life and is payable upon receipt of invoice:

Life Remaining	Charge to Lessee
50% or greater	No charge to Lessee
31% to 49%	50% charge to Lessee
0% to 30%	70% charge to Lessee

SEE PAGE TWO FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS APPLICATION SURVEY.

LESSOR RETAINS THE RIGHT TO ASK FOR ANY AND ALL REPAIR AND MAINTENANCE RECORDS DURING THE LEASE TERM AND/OR LEASE TERMINATION. A FULL UNIT INSPECTION MAY BE CONDUCTED AT LESSEE'S EXPENSE AT ANY TIME EVIDENCE DEMONSTRATES THAT THE UNIT(S) ARE BEING ABUSED FROM NEGLECT OR MISAPPLICATION.

MANDATORY CONDITION OF THIS UNIT UPON RETURN:
Notwithstanding the provisions of: Sections 5 and 13 of the Long-Term Rental Agreement

Lessee agrees that each Unit, upon its return, shall:

MAINTENANCE AND GENERAL REQUIREMENTS:

- Give Lessor sixty (60) days notice prior to the Lease termination date of Lessee's intention to return any and all Units to Lessor.
- Return the Units in the same configuration, with all attachments, as when delivered at lease inception. Lessee is responsible for costs, including but not limited to, fees, taxes and duties associated with tear down, loading, shipping and unloading of Units to a site designated by Lessor.
- Ensure the Units upon return are thoroughly cleaned, steam cleaned if available, and free from all oil, hydraulic and fuel leaks.
- Operate and maintain all Units in accordance with Caterpillar Lubrication and Maintenance and Operators guide books, and insure all maintenance is performed at recommended intervals and only genuine Caterpillar filters and parts are used for all maintenance and repairs. All Units must be in good operating condition and be able to perform all tasks under rated load.
- Enroll all Units in a Caterpillar dealer Scheduled Oil Sampling (SOS) or comparable program, where available, for the entire lease, and insure all fuels, lubricants, additives, and radiator water is clean and complies with Caterpillar recommended standards.
- Ensure all Units are operated only in the applications for which they were designed and manufactured.
- Maintain a working engine hour meter at all times. Keep complete records of all hour meter changes along with major component change outs and routine maintenance and repair records.
- Ensure all service contracts are fully implemented and all maintenance and repairs are made on schedule. Product Improvement Programs (PIP's) must be complete before the Units are returned. ATTACH A COPY OF ANY AND ALL REPAIR AND MAINTENANCE CONTRACTS AND PLANNED COMPONENT REPLACEMENT PROGRAMS.
- Provide a secured place to store off-lease Units upon request from the Lessor. Provide access to the Units for purposes of maintenance or demonstration to prospective buyers at Lessor's request.

SPECIFIC TIREWARE AND SAFETY REQUIREMENTS:

- Ensure the operator's compartment is clean, and all switches, monitoring systems (EMS, VIMS, VIDS), gages, control levers, pedals, radio, mirrors, seats, insulation and all other contents are complete and in good working order.

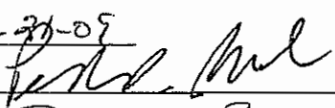
- Ensure all window glass is clear, and free from cracks and major pits, all window frames, doors and weather stripping are complete, and all service access compartment covers and doors, fenders, and other flat metal or plastic surfaces are in good working order and free from dents and cracks.
- Ensure all standard Caterpillar and non-Caterpillar safety items are complete and in good working order, including but not limited to, roll over protection (ROPS) and falling object protection (FOPS) systems, seat belts, steps, safety rails, grab irons, cat walks, fire suppression systems, warning alarms, cameras and monitors.
- Ensure all electrical components, including but not limited to, wiring harness, batteries, alternators, drive belts, lighting and air conditioning systems are complete and in good working order.
- Ensure all repairs made to main structures, including but not limited to, main frames, roller frames, car bodies, swing gears, drawbars, circles, component housings, loader arms, booms, sticks, tag links, loader linkages, truck bodies, buckets, rippers, and arches must be accomplished in accordance with factory recommended materials and repair procedures.

REMAINING LIFE REQUIREMENTS:

- Ensure all ground engaging tools, including but not limited to, buckets, dozer blades, base cutting edges, rippers, scarifiers, drums, feet, lines, screeds, elevator flights, forks, and top clamps have good structural integrity and have fifty percent (50%) minimum remaining life.
- Return all track and rubber belted Units with a minimum of fifty percent (50%) remaining life on each and every component, including but not limited to, track shoes, links, pins, bushings, idlers, bogies, sprockets, carrier rollers, and track rollers. Belts cannot have any cuts that extend into the cords and must not be missing guide blocks or grouser bars (lugs). Charges will be assessed for each component not meeting the requirement.
- Return all rubber tire Units with a minimum of fifty percent (50%) remaining life of the original tread life of each tire. Recapped tires are not acceptable substitutes. All tires must be a matched set with the same tread type and pattern and have no significant cuts or chunking of the tread or side walls.

This Application Survey is considered to be an integral part of the Lease between Lessor and Lessee. The information obtained from this Application Survey will be of primary importance in the Lease payment schedule. Any change in the location, severity of application, annual hourly usage and/or attachments or configuration must be approved in writing by Lessor.

SEE PAGE ONE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS APPLICATION SURVEY.

For Lessee:
VALENCIA COUNTY OF NEW MEXICO
Date: 12-30-09
Signature: 
Print Name: Pedro G. Raab
Title: Chairman

Dealer Management Reviewer:
WAGNER EQUIPMENT CO.
Date: _____
Signature: _____
Print Name: _____
Title: _____

Lessor Review by: _____

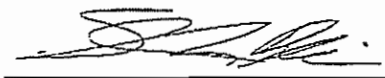
Physical Damage Insurance Coverage Information
(Customer Copy)

Before financing your equipment, you must arrange physical damage insurance on the equipment identified below. The insurance may be provided through an insurance agent or insurance company of your choice, provided the insurance company satisfies minimum financial requirements.

As an alternative to obtaining your own insurance, you may elect to have your equipment insured under coverage arranged by Caterpillar Insurance Services Corporation that has been designed specifically for the purchasers of Caterpillar equipment.

I hereby request and apply for information and a quote for physical damage insurance from Caterpillar Insurance Services Corporation for the following equipment in the following manner:

Model # Serial #	Equipment Description	Value Including Tax	Pymt Method-3 Total Premium	Pymt Method-1 Finance Pymt
A. 140M B9D02054	Caterpillar Motor Grader	\$189,998.00	\$12,539.87	\$234.07
B.				
C.				
D.				



Sharon Blair
Authorized Insurance Producer

Policy Summary

Please note: This is only a brief description of the Physical Damage Program. Contractual provisions contained in the policy will govern.

Coverage

Caterpillar Physical Damage Insurance protects your equipment against physical damage losses, including collision, fire, theft, vandalism, upset or overturn, floods, sinking, earthquakes and other unfortunate acts of nature. The protection has been designed for owners of heavy equipment and provides superior benefits you most likely would not find in other plans.

The Caterpillar Physical Damage Insurance does include normal exclusions. The exclusions included are wear and tear, rust, loss of income, war, nuclear damage, and mechanical breakdown, automobiles, watercraft, waterborne shipments, tires or tubes damaged by blow-out, puncture, and road damage.

Repairs

When a covered loss occurs, this plan will pay for Caterpillar replacement parts on all your new or used Caterpillar equipment. On all non-Caterpillar equipment, the plan will pay for comparable replacement parts.

Transportation

Your Caterpillar plan will pay for round-trip transportation of covered damaged equipment to and from your Caterpillar dealer's repair facility, up to \$2,500 limit.

Rental

The plan allows for rental costs up to \$2,500 that you incur to rent similar equipment following a covered loss. You are automatically protected with up to \$100,000 of coverage for damage to the similar equipment you rent.

Claims

In the event of a total loss, the policy will pay the greatest of the following:

- The payoff value of the loan on the damaged parts or equipment as of the date of loss
- The actual cash value of that covered property; or
- The cost of replacing that property with property of like kind and quality

The policy will pay 10% of scheduled loss, up to a \$10,000 maximum for debris removal.

The policy will pay fire department service fees up to \$5,000.

Deductible

\$1,000 Construction and Agricultural Equipment Deductibles:

\$5,000 deductible all logging Equipment

Customer Service

If you have any questions or need additional details, see your Authorized Cat Dealer or call Cat Insurance toll free at **1-800-248-4228**. You may also e-mail Cat Insurance at Cat.Insurance@cat.com.

POLICYHOLDER DISCLOSURE

NOTICE OF TERRORISM RISK INSURANCE ACT OF 2002

(as extended by the Terrorism Risk Insurance Extension Act of 2005, and as amended in 2007)

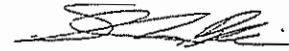
You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2007, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury – in concurrence with the Secretary of State, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended in 2007. However, your policy may contain other exclusions, which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your premium that is attributable to coverage for terrorist acts certified under the Act is: \$ None.

APPLICATION FOR PHYSICAL DAMAGE INSURANCE COVERAGE
(Return with Equipment Documents)

Model # Serial #	Equipment Description	Value including Tax	Pymt Method-3 Total Premium	Pymt Method-1 Finance Pymt
A. 140M B9D02054	Caterpillar Motor Grader	\$189,998.00	\$12,539.87	\$234.07
B.				
C.				
D.				



Sharon Blair, Authorized Insurance Producer

Option A Arranged by Caterpillar Insurance Services Corporation

I understand that the total insurance premium for 60 months will be \$12,539.87, which is \$2,507.97 per year based upon the total equipment value of \$189,998.00.

Method 1 ☐ I will finance the insurance premium, including finance charges, of \$234.07 per scheduled equipment payment. The finance charge is calculated at 4.55% per annum on the total insurance premium covering the full term of the finance agreement.

Method 2 ☐ I desire coverage for an initial 12 month term. I will pay the \$2,507.97 premium and return the payment with the signed equipment documents. Please make check payable to Caterpillar Insurance Company.

Method 3 ☐ I will pay the total premium and return the payment with the signed equipment documents. Please make check payable to Caterpillar Insurance Company.

I understand that the quote I receive is not a binder of insurance. If I elect to obtain coverage from Caterpillar Insurance Services Corporation, coverage will be effective in accordance with the terms and conditions of the issued Policy and that I may terminate the coverage at any time with advance written notice.

I acknowledge that I have been notified that, under the TERRORISM RISK INSURANCE ACT of 2002 (as extended by the Terrorism Risk Insurance Extension Act of 2005), any losses caused by certified acts of terrorism under my policy will result in coverage under my policy that will be partially reimbursed by the United States as outlined in the attached policyholder disclosure notification.

I also acknowledge I have been advised that, if I accept this insurance, an appointed licensed insurance producer will receive commission compensation.

Customer Name: VALENCIA COUNTY OF NEW MEXICO

Dealer Name: WAGNER EQUIPMENT CO.

Fraud Warning:

All states other than: OH, VA, LA, NE, OK, OR, or VT.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalties. (In DC, ME, and TN, insurance benefits may also be denied.)

In OH:

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

In VA:

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Please note: If you have any questions or need additional details, please contact **1-800-248-4228**. In addition, if you would like a no obligation quote on your additional equipment, call Sharon Blair at 1-800-248-4228 ext. 8121.

Accepted By: _____

Title: _____

Print Name: _____

Date: _____

Option B

I elect to obtain my own commercial insurance on the equipment shown below from the following agent and insurance company. I understand that the processing of this transaction may be held pending receipt and verification of this information.

Customer's Name VALENCIA COUNTY OF NEW MEXICO Date _____
Address P O BOX 1119
City LOS LUNAS State NM Zip 87031
Dealer Name WAGNER EQUIPMENT CO.

I have entered into the above agreement under which I am responsible for providing insurance against ALL RISKS of direct physical loss or damage for the actual cash value of the following equipment, subject to common exclusions such as damage caused by corrosion, rust, mechanical or electrical breakdown, etc.

Model #	Equipment Description	Value Including Tax
Serial #		
A. 140M	Caterpillar Motor Grader	\$189,998.00
B9D02054		
B.		
C.		
D.		

Insurance Agency _____
Insurance Agent's Name _____
Street Address _____
City _____ State _____ Zip _____
Agent's Phone Number _____ Fax Number _____
Agent's E-mail Address _____

TO CUSTOMER'S INSURANCE AGENT

I hereby instruct you to add Caterpillar Financial Services Corporation as a loss payee:

- ☐ To my existing policy number _____, which now provides the coverage required, or
☐ To a policy which you are authorized to issue in the name listed above which will provide the coverage required.

Caterpillar Financial Services Corp must be given written notice within 30 days of any cancellation or non-renewal. It is also understood and agreed that a breach of the insuring conditions by the customer, or any other person shall not invalidate the insurance to Caterpillar Financial Services Corporation.

Pedro G. Raeh. [Signature] 12-21-09
Print Name Customer Signature Date

PROCESSING OF THIS TRANSACTION MAY BE HELD PENDING RECEIPT OF THIS INFORMATION.

PLEASE FORWARD A COPY OF THE CERTIFICATE OR BINDER EVIDENCING COVERAGE TO:

CATERPILLAR FINANCIAL SERVICES CORPORATION
2120 West End Avenue
Nashville, TN 37203
Fax #: 615-341-1627

PLEASE ATTACH A COPY OF THIS NOTICE TO PROOF OF INSURANCE

CUSTOMER INFORMATION VERIFICATION
(Required Document)

In our efforts to continue providing timely customer service, we need your assistance confirming the following information. If any information is incorrect or missing, please note the necessary changes below and return this form with your signed documents. In addition, please review the Data Privacy Notice stated below. Thank you in advance for your cooperation.

Purchase Order # for new contract: _____

Current Information on file

Customer Name: VALENCIA COUNTY OF NEW MEXICO
Physical Address: P O BOX 1119
LOS LUNAS, NM 87031
Mailing Address: P O BOX 1119
LOS LUNAS, NM 87031
Equipment Location: 444 LUNA AVE
LOS LUNAS, NM 87031, VALENCIA
Business Phone: (505)865-5645
Fed. ID # or SS #: 85-6000261
E-mail Address:
Accounts Payable Contact Name and Phone:

Please make corrections here

Blank lines for corrections

Tax Information

Sales Tax Rate: 0
(Please note: Sales Tax Rate, includes all applicable State, County, and City sales tax)
City Limits Asset outside the City Limits? Yes__ No__
Tax Exemption Status: Please indicate if you are tax exempt.

If you are tax exempt -- please enclose a current tax exemption certificate to be returned with your documents -- Not needed by CFSC if dealer ISC

*Should the above changes apply to ALL of your contracts, OR for this contract ONLY?
[] ALL CONTRACTS
[] THIS CONTRACT ONLY

THE ABOVE INFORMATION HAS BEEN REVEIWED AND IS ACCURATE TO THE BEST OF MY KNOWLEDGE WITH EXCEPTION OF ANY CORRECTIONS AS NOTED.

Customer Initials

Data Privacy Notice: This notice pertains to personal data supplied in connection with your credit application. By providing your information to Caterpillar Inc. or any of its subsidiaries or affiliates, including Caterpillar Financial Services Corporation (collectively "Caterpillar"), you are agreeing that the information may be shared among Caterpillar and its partners and dealers, and used to process your applications for credit and other orders and to improve or market Caterpillar products and services. If you have any questions pertaining to this notice, please contact the Data Privacy Coordinatar at 615-341-8222.

Other Information:

DIRECT PAY AUTHORIZATION FORM

Name _____

Company Name _____

Address _____

City _____ State _____ Zip Code _____ Phone Number _____

Routing Number Account Number

Start Month: _____

X _____
Signature* Date

 Please initial the preceding line if you would like monthly invoices mailed to you for your contract(s). If you do not initial this line, you will not receive monthly invoices while paying your contract(s) via direct pay.

For questions, please contact Customer Service Tel: 1-800-651-0567 and ask to speak with a Cash Application Specialist



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CUSTOMER INFORMATION GUIDE

Frequently Asked Questions

HAVE A QUESTION ABOUT YOUR ACCOUNT?

Option 1: Access AccountExpress Online

Just follow these easy steps:

- Go to www.CatFinancial.com
- Select your country of residence
- Click on the *AccountExpress* link.
- 24 hours a day/7 days a week
- Obtain Information such as:
 - Check Balances
 - Calculate Payoffs
 - See Payment History
 - Check Interest Paid
 - Next Due Date

Option 2: Call our Toll Free Customer Support Line:

Cat Financial—Customer Service
1-800-651-0567
Monday – Friday
7 a.m. – 6 p.m. CST

NEED A PAYOFF ON YOUR CONTRACT?

Option 1: Access AccountExpress Online

Just follow these easy step:

- Go to www.CatFinancial.com
- Select your country of residence
- Click on the *AccountExpress* link

Option 2: Call our Toll Free Customer Support Line

Cat Financial – Customer Service
1-800-651-0567
Monday – Friday
7 a.m. – 6 p.m. CST

WHAT ARE MY PAYMENT OPTIONS?

Option 1: Check or Money Orders via U.S. Mail

Regular U.S. Mail, send to: (NO correspondence)

Caterpillar Financial Services Corporation
P.O. Box 100647
Pasadena, CA 91189-0647

Overnight Mail, send to:

JP Morgan Lockbox Processing
Caterpillar Lockbox #100647
2710 Media Center Drive
Building 6; Suite 120
Los Angeles, CA 90065
United States

Option 2: Direct Pay Automated Payment

Just Follow these easy steps:

- Go to www.CatFinancial.com
- Select your country of residence
- Click on the *AccountExpress* link

Option 3: Pay online with AccountExpress

Just follow these easy steps:

- Go to www.CatFinancial.com
- Select your country of residence
- Click on the *Account Express* link

Option 4: Wire Transfers

J.P. Morgan/Chase Manhattan
ABA Routing #021-000021
Account #910-2-469872

QUESTIONS ABOUT CAT INSURANCE?

Call 1-800-248-4228
Monday – Friday
7 a.m. – 6 p.m. CST

LATE CHARGES

Payments are not considered paid until received. All payments received after the due date must include the late charge. Postal Delays do not result in a waiver of the late charges. Therefore, please allow adequate time for mail service.

Form 31a DS0001-094
234(1592743)P

1592743 12/07/2007 4:33 PM/CT

DELIVERY SUPPLEMENT

This Delivery Supplement pertains to the Long-Term Rental Agreement, dated as of _____, between Caterpillar Financial Services Corporation as Lessor and VALENCIA COUNTY OF NEW MEXICO as Lessee.

This confirms that the Lessee physically received the following Unit on the possession date below. As of the date of signature of this form, (i) the Unit is in all respects satisfactory to Lessee for leasing under the Lease, and (ii) Lessor has performed all of its obligations under the Lease.

Description of Unit:

(1) 140M New Caterpillar Motor Grader
B9D02054

Location: LOS LUNAS, NM

County: VALENCIA

Equipment Located: Inside _____ or Outside _____ City Limits

Possession Date: _____

VALENCIA COUNTY OF NEW MEXICO

Signature Pedro G. Bael

Name (PRINT) Pedro G. Bael

Title Chairman

Date 12-21-09



159743 12071909 4-11 FNCT

EQUIPMENT:
(1) 140M

New Caterpillar Motor Grader

B9D02054

RE: INSURANCE COVERAGE FOR LEASED EQUIPMENT

Per the Lease agreement between VALENCIA COUNTY OF NEW MEXICO P O BOX 1119 LOS LUNAS, NM 87031 and Caterpillar Financial Services Corporation ("Caterpillar Financial"), it is required that we be provided with insurance coverage in accordance with that agreement as indicated below.

Physical Damage Coverage must show that Caterpillar Financial has been named loss payee for the equipment's replacement value. The deductible must be shown.

Liability Coverage of a minimum of \$1,000,000 or combined coverage for bodily injury and property damage per occurrence. Caterpillar Financial must be named as additional insured.

Please notify your agent for the proper coverage, and list his name and location below. Our representative will follow up for confirmation of this coverage.

INSURANCE AGENT: _____

CONTACT PERSON: _____

ADDRESS: _____

PHONE NUMBER: _____

IF EQUIPMENT HAS BEEN DELIVERED, WHEN WAS IT DELIVERED? _____

PROCESSING OF THIS TRANSACTION WILL BE HELD PENDING RECEIPT OF THIS INFORMATION.

PLEASE FORWARD CERTIFICATE TO: Caterpillar Financial Services Corporation, 2120 West End Avenue, Nashville, TN 37203



To: Caterpillar Financial Services Corporation

OPINION OF COUNSEL

Re: Long-Term Rental Agreement

Dated as of _____ (the "Lease")

Between VALENCIA COUNTY OF NEW MEXICO ("Lessee")

And CATERPILLAR FINANCIAL SERVICES CORPORATION ("Lessor")

Sir/Madam:

I am an attorney for Lessee, and in that capacity I am familiar with the above-referenced transaction, the Lease, and all other documents pertaining to the Lease.

Based on my examination of these and such other documents, records and papers and matters of fact and laws as I deemed to be relevant and necessary as the basis for my opinion set forth below, upon which opinion Lessee and any subsequent assignee of Lessee's interest may rely, it is my opinion that:

1. Lessee is a fully constituted political subdivision or agency duly organized and existing under the Constitution and laws of the State of New Mexico and is authorized by such Constitution and laws to enter into the transaction contemplated by the Lease and to carry out its obligations thereunder.

2. The Lease and all other documents contemplated by the Lease have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding obligations and agreements of Lessee, enforceable against Lessee in accordance with their terms.

3. The person or persons who have executed and delivered the Lease, and all other documents contemplated by the Lease were authorized to do so on behalf of Lessee.

4. No further approval, license, consent, authorization or withholding of objections is required from any federal, state or local governmental authority with respect to the entering into or performance by Lessee of the Lease or the Schedule(s) and the transactions contemplated thereby, and Lessee has sufficient appropriations or other funds available to pay all amounts due under the Lease for the current fiscal year.

5. The interest payable to Lessor by Lessee under the Lease is exempt from federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.

6. The entering into and performance of the Lease and all other documents contemplated by the Lease will not conflict with or constitute a breach or violation of any judgment, consent decree, order, law, regulation, bond, indenture or Lease, applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or the units purchased under the Lease pursuant to, any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound.

7. There is no litigation, action, suit or proceeding pending or, to the best of my knowledge, threatened against or affecting Lessee in any court or before any governmental commission, board, agency, arbitrator or authority which, if adversely determined will have an adverse effect on the ability of Lessee to perform its obligations under the Lease. In addition, I am not aware of any facts or circumstances which would give rise to any litigation, action, suit or proceeding related to or potentially adversely affecting the ability of the Lessee to perform its obligations under the Lease.

8. The units purchased under the Lease are personal property and, when subjected to use by Lessee, will not be or become fixtures under the laws of the State of New Mexico.

9. The authorization, approval and execution of the Lease, the Schedule(s) and all other documents contemplated by the Lease and all other proceedings of the Lease related to the transactions therein and contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws, and all other applicable laws of the State of New Mexico.

10. The Lessor will have a perfected security interest in the Units upon filing with the Secretary of State for the State of New Mexico and/or the COUNTY of VALENCIA at the time of acceptance of the Units of an executed UCC-1 or other financing statement.

Yours sincerely,

Signature: Pedro G. Rael

Name (PRINT): Pedro G. Rael

Title: Chairman

Date: 12-21-09

Address: P.O. Box 1119

Los Lunas, NM 87031

Telephone: 505-866-2014

PURCHASE AGREEMENT

This Purchase Agreement, dated as of _____, is between **WAGNER EQUIPMENT CO.** ("Vendor") and **Caterpillar Financial Services Corporation** ("Cat Financial"). Vendor agrees to sell to Cat Financial and Cat Financial agrees to buy from Vendor the equipment described below (the "Unit(s)"), subject to the terms and conditions set forth below and on the reverse side hereof.

Description of Unit(s)		Serial#	Freight	Total Price
(1) 140M	New Caterpillar Motor Grader	B9D02054	\$0.00	\$189,998.00

Lessee:
VALENCIA COUNTY OF NEW MEXICO

P O BOX 1119

LOS LUNAS, NM 87031

Subtotal 189,998.00
Tax 0.00
Total Purchase Price 189,998.00

Unit(s) Delivery Point:
444 LUNA AVE
LOS LUNAS, NM 87031, VALENCIA

See next page for additional terms and conditions.

WAGNER EQUIPMENT CO.

(Vendor)

Signature _____

Name (PRINT) _____

Title _____

Date _____

Caterpillar Financial Services Corporation

Signature _____

Name (PRINT) _____

Title _____

Date _____



ADDITIONAL TERMS AND CONDITIONS

1. The lessee named on the front hereof (the "Lessee") has selected the Unit(s), instructed Cat Financial to purchase the Unit(s) from Vendor, and agreed to lease the Unit(s) from Cat Financial.
2. Cat Financial (or its assignee) will have no obligation hereunder (and any sums previously paid by Cat Financial to Vendor with respect to the Unit(s) shall be promptly refunded to Cat Financial) unless (a) all of the conditions set forth in Section 1.3 (if a master lease agreement) or Section 1 (if a non-master lease agreement) of the lease with the Lessee covering the Unit(s) have been timely fulfilled and (b) the Lessee has not communicated to Cat Financial (or its assignee), prior to "Delivery" (as hereinafter defined) of the Unit(s), an intent not to lease the Unit(s) from Cat Financial. All conditions specified in this paragraph shall be deemed timely fulfilled unless prior to Delivery of the Unit(s), Cat Financial (or its assignee) shall notify Vendor to the contrary in writing, which shall include fax or email. "Delivery" shall mean the later of the time (a) Cat Financial executes this Purchase Agreement or (b) the Lessee or its agent takes control and/or physical possession of the Unit(s).
3. Upon timely satisfaction of the conditions specified in Paragraph 2 above, ownership, title and risk of loss to the Unit(s) shall transfer to Cat Financial (or its assignee) upon Delivery of the Unit(s).
4. Vendor warrants that (a) upon Delivery of the Unit(s), Cat Financial (or its assignee) will be the owner of and have absolute title to the Unit(s) free and clear of all claims, liens, security interests and encumbrances and the description of the Unit(s) set forth herein is correct and (b) the Unit Transaction Price set forth on the front hereof for each unit of Unit(s) leased under a lease is equal to such Unit(s)'s fair market value.
5. Vendor shall forever warrant and defend the sale of the Unit(s) to Cat Financial (or its assignee), its successors and assigns, against any person claiming an interest in the Unit(s).
6. Provided that no event of default exists under any agreement between Lessee and Cat Financial and upon timely satisfaction of the conditions specified in Paragraph 2 above, and unless otherwise agreed to in this Purchase Agreement, Cat Financial (or its assignee) shall pay Vendor the total Purchase Price set forth on the front hereof for the Unit(s) within three business days following (a) the receipt and approval by Cat Financial of all documentation deemed necessary by Cat Financial in connection with the lease transaction and (b) all credit conditions have been satisfied.
7. Vendor shall deliver the Unit(s) to the Lessee at the delivery point set forth on the front hereof.
8. This Purchase Agreement may be assigned by Cat Financial to a third party. Vendor hereby consents to any such assignment.
9. This Purchase Agreement shall become effective only upon execution by Cat Financial.

Cat[®] AccessAccount

PLEASE DISREGARD THIS OFFER IF YOU ALREADY HAVE A CAT ACCESSACCOUNT

VALENCIA COUNTY OF NEW MEXICO
P O BOX 1119
LOS LUNAS, NM 87031

CONGRATULATIONS!
YOU ARE PRE-QUALIFIED!

Ask WAGNER EQUIPMENT CO.
about special 0% financing offers
available when you use Cat
AccessAccount!

Dear VALENCIA COUNTY OF NEW MEXICO,

As a Caterpillar Financial Services Corporation customer, you have been pre-qualified for the Cat AccessAccount. Cat AccessAccount is an easy and convenient way to pay for parts, service or rentals at any Cat Dealer or Cat Rental Store in the U.S. With the Cat AccessAccount, you will have the ability to better manage your cash flow by making a monthly minimum payment of 10% on all your parts and service purchases. Rental payments must be paid in full the month following the charge. You will receive one detailed monthly statement of your charges, and have the ability to view your transactions online through our secure website 24/7.

You've been pre-qualified for a Cat AccessAccount credit line. *

To request that an account be opened for you, please complete the *Primary Account Contact, Social Security Number and Authorized Users* fields on the enclosed pre-populated application. Sign the application and return it with this document package or fax it back to us at 615-341-5923 – Attn: Cat AccessAccount.

While there are other ways to apply for the Cat AccessAccount, you must sign and complete the enclosed application and return it in order for you to take advantage of this special offer.

If you are interested in a certain credit line amount, please indicate the desired amount on the *Requested Credit Line* field on the application. Upon receipt, we will review your request and advise you of our decision.

Once you have returned the enclosed application, you will receive a welcome package with your credit line amount, account number and the Customer Agreement. **

For more information, please call us at 1-888-CAT-8811 or visit us at www.cataccessaccount.com. Take advantage of this offer and activate your account today!

Best regards,

The Cat AccessAccount Team

***Reply by: January 6, 2010 to take advantage of this offer.**

****In Some instances, we may not be able to open an account for you based on your credit report and other pre-determined criteria. We will notify you by mail if we are unable to open an account for you.**

Form 106, 2009/01/01

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APPLICATION FOR COMMERCIAL FINANCING

Section 1 General Information

*Required Fields

*Dealer Name WAGNER EQUIPMENT CO. Dealer Code E35Z Pre-Approval Solicitation # FE0000

*Business/Individual Name VALENCIA COUNTY OF NEW MEXICO Trade Name (if different) _____

*Physical Address P O BOX 1119 *City LOS LUNAS *State NM *Zip 87031 County VALENCIA

*Primary Account Contact (Name) _____ Title _____ Email _____

*Business Phone (505)865-5645 Cell (505)865-5645 Fax _____

*Is Billing Address same as Physical Address (circle one) Yes or No

*Billing Address P O BOX 1119 *City LOS LUNAS *State NM *Zip 87031 County VALENCIA

*Billing Contact Name _____ Phone _____

*Requested Credit Limit \$ _____ CFSC Customer # 23492

Section 2 Cat AccessAccount Information

Authorized Users (1 minimum / 3 maximum)

*Name _____ Name _____ Name _____

Account Holder Plastic Requested Y or N Monthly Paper Statement Y or N Do you require multiple accounts Y or N

Section 3 Business Financial Information

*Description of Business GOVERNMENTAL *Years in Business 1978-01-01 *Time as Current Owner _____

*Type of Business (Circle One)

Sole Proprietorship Corporation General Partnership L.L.C. (provide copy of LLC agreement) Other

*Estimated Annual Revenue \$ _____ #of Employees _____ P.O. # Required Y or N SIC Code _____

*Federal Tax ID _____ Sales Tax Exempt Y or N (If yes, please attach copy of exemption certificate)

Bonding Company _____ Contact Name _____ Phone _____

*Has the Business/ Principal ever filed Bankruptcy? Y or N If Yes, Date Filed _____

*Are there any outstanding liens or judgments? Y or N If Yes, Dollar Amount \$ _____

Insurance Company _____ Contact Name _____ Phone _____

Do you have Physical Damage coverage for Rental Equipment ? Y or N

*If yes, please attach Insurance Certificate indicating sufficient Physical Damage Coverage or Fire Theft Vandalism (FTV) will be charged.

Do you have Liability Insurance Coverage? Y or N

*A Certificate of Commercial General Liability coverage must be received before a rental account can be approved.

Section 4 Company References

Bank / Finance References – 1 minimum

*Name _____ Phone _____ Account # _____

*Checking / Savings/ Loan (circle one) *Balance \$ _____

Name _____ Phone _____ Account # _____

Checking / Savings/ Loan (circle one) *Balance \$ _____

Trade References

Trade Name _____ Account # _____ Contact Name _____

Address _____ City _____ State _____ Zip _____ Phone _____

Trade Name _____ Account # _____ Contact Name _____

Section 5 Personal Information on Owners/ Principal/ Guarantors

*Name

*Title

*Address

*City

*State

*Zip

*Phone

*% Ownership

*DOB

*SSN

*Net Worth

*Annual Income

*Mo. House Pmt.

*Name

*Title

*Address

*City

*State

*Zip

*Phone

*% Ownership

*DOB

*SSN

*Net Worth

*Annual Income

*Mo. House Pmt.

THIS APPLICATION IS FOR COMMERCIAL OR BUSINESS CREDIT ONLY AND NOT FOR CONSUMER CREDIT.
Applicant understands and agrees that the terms or type of each sale, loan, lease, credit line or credit granted by us are governed by the terms and conditions set forth in each of our agreements, invoices, or similar documents and shall govern that Applicants' relationship with that entity. Applicant authorizes us to release any and all information contained in this application, or any and all information with regard to any account, loan, lease or sale to any and all Caterpillar Dealers, Caterpillar Financial Services Corporation, Caterpillar AccessAccount Corporation, Caterpillar, Inc., its subsidiaries, and affiliates.

Further, Applicant and each other person signing below on behalf of the Applicant and/or as Guarantor (defined below), agrees that we may obtain personal and business credit reports with respect to Applicant and each such person, in assisting in making a credit decision, in connection with the continuation of the business credit provided herein, or pursuant to a subsequent application or request, reviewing Applicant's account, and assisting in taking collection activity.

Applicant understands that any decision to grant or deny business credit by the Caterpillar Dealer will be made by that Caterpillar Dealer, and that any decision to grant or deny credit by Caterpillar Financial Services Corporation will be made by Caterpillar Financial Services Corporation and that any decision to grant or deny credit by Caterpillar AccessAccount Corporation will be made by Caterpillar AccessAccount Corporation.

The fact that this application contains reference to "amount of credit applied for" shall not be deemed a limitation of liability by Applicant or Guarantor, if applicable. Applicant acknowledges and agrees that the extension of business credit based on this application by any of us does not obligate the others to extend business credit to Applicant. Applicant also acknowledges, agrees and understands that any of us may, in its sole discretion, refuse to business extend business credit to Applicant in connection with any credit transaction. Applicant agrees to the following rights and responsibilities:

CATERPILLAR DEALER: If the Caterpillar Dealer extends business credit, Applicant agrees to pay invoices to accordance with the terms and conditions on reverse side hereof. Further, Applicant shall be responsible for a collection cost actually incurred by Caterpillar Dealer and for reasonable attorneys fees in connection with the collection of Applicant's indebtedness owing to the Caterpillar Dealer. If Applicant's application for business credit is denied, Applicant has the right to a written statement of the specific reasons for the denial. To obtain such statement, please contact the Caterpillar Dealer that may have accepted this application.

CATERPILLAR FINANCIAL SERVICES CORPORATION: If Caterpillar Financial Services denies Applicant's application for business credit, Applicant has the right to a written statement for the specific reasons for the denial. To obtain such statement, please send a written request to Caterpillar Financial Services Corporations at P.O. Box 340001, Nashville, TN 37203 within 60 days from the date on which Applicant was notified of the denial. Caterpillar Financial Services Corporation will send Applicant a written statement with the reason for the denial within 30 days from receiving Applicant's written request.

CATERPILLAR ACCESSACCDUNT CORPORATION: If Caterpillar AccessAccount Corporation denies Applicant's application for business credit, Applicant has the right to a written statement for the specific reasons for the denial. To obtain such statement, please send a written request to Caterpillar AccessAccount Corporation at P.O. Box 340001, Nashville, TN 37203 within 60 days from the date on which Applicant was notified of the denial. Caterpillar AccessAccount Corporation will send to Applicant a written statement with the reason for the denial within 30 days from receiving Applicant's written request.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant had the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers our compliance with this law is the FTC Regional Office for the region in which we operate or the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Privacy Notice: By providing your information to Caterpillar Inc. or any of its subsidiaries or affiliates, including Caterpillar AccessAccount Corporation (collectively "Caterpillar"), you are agreeing that the information may be shared among Caterpillar and its partners and dealers, and used to process your application for credit and other orders and to improve or market Caterpillar products and services. In addition, the information may be used for any purpose that you may agree to in the future.

By signing below, Applicant and each other person warrants and represents that (i) the account will be used only for a business or commercial purpose; and (ii) the information given in this application is complete and accurate, and is provided for the purpose of obtaining business credit in an amount set by our credit policies and procedures. Applicant authorizes the Caterpillar Dealer listed on the front of this application, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation (the three entities referred to as "we" "us", or "our") to obtain from banks, credit bureaus, trades references, and other creditors and requests each of the aforementioned to advise us of its credit experience with, and to express an opinion as to the credit record of Applicant or other such person as such party may deem appropriate and release any credit information, including but not limited to Applicant's balance sheet, cash flow statement, and income statement to us, which we may share among ourselves.

*By

Title

Date

*By

Title

Date

Personal Guaranty (Required of all corporations and LLCs in business less than 2 years, and all partnerships and proprietorships.
Guarantor must be owner / sole proprietor, general partner or corporate officer)

If an Account is opened in response to the foregoing application, in consideration of the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation granting to Applicant the Account, the undersigned guarantor ("Guarantor") hereby unconditionally, absolutely and irrevocably guarantees the prompt and full payment and performance of all of Applicant's obligations under the agreement establishing the Account (the "Agreement"), and further agrees, in the event of any default under the Agreement, to pay the total balance due on the Account under demand, without requiring the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation or their respective assignees to make demand and/or proceed first to enforce the Agreement against Applicant. Guarantor waives presentment, demand, protest and notice of any kind, including but not limited to, notice of any modifications, amendments, or extensions of the Agreement, and of Applicant's nonperformance or breach of the Agreement. The payment obligations of Guarantor are the direct, primary, and continuing obligations of Guarantor and Guarantor's heirs, successors and assigns, and not merely a guaranty of collection. If there is more than one Guarantor, their obligations are joint and several.

By signing below, the Guarantor also agrees, individually and not on behalf of Applicant, that the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation or their respective designees may obtain credit reports on Guarantor from credit reporting agencies in connection with the application, continuation of the business credit provided herein, or pursuant to a subsequent application or request, reviewing Applicant's account, and assisting in taking collection activity, and otherwise investigate the credit of Guarantor, and hereby instructs all credit reporting agencies to provide the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation with such credit reports upon request.

*By

Name

Date

*By

Name

Date

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To apply for the Cat AccessAccount by:
Mail: P.O. Box 3019, Southeastern, PA 19398-3019 Fax: 1-800-304-2801 Online: www.CatAccessAccount.com
For Cat AccessAccount questions call: 1-888-CAT-8811

VALENCIA COUNTY OF NEW MEXICO P O BOX 1119 LOS LUNAS NM 87031 County: VALENCIA	WAGNER EQUIPMENT CO. 4000 OSUNA ROAD N. E. P. O. BOX 25007 ALBUQUERQUE, NM 87215-0007
---	--

Description of Equipment:		
(1) New	140M	Caterpillar Motor Grader
		B9D02054

For questions regarding the filing of UCC(s) please contact your CFSC representative.

Federal Tax ID# CFSC: 37-1105865
Federal Tax ID# Dealer:
Federal Tax ID# Customer: 85-6000261

FOR CUSTOMERS CLAIMING EXEMPTION FROM SALES AND USE TAX:

AN EXEMPTION CERTIFICATE MUST BE ATTACHED OR ON FILE WITH CFSC. THE CERTIFICATE MUST BE MADE OUT TO "CATERPILLAR FINANCIAL SERVICES CORPORATION"; INCLUDE THE REGISTRATION NUMBER OF THE CUSTOMER FOR THE STATE IN WHICH THE EQUIPMENT IS LOCATED; STATE THE REASON FOR THE EXEMPTION; AND BE SIGNED AND DATED BY A CORPORATE OFFICER OR AUTHORIZED PERSONNEL WITH THE CUSTOMER. TO VERIFY THAT A CERTIFICATE IS ON FILE, CONTACT THE CFSC TAX DEPARTMENT ON 615-341-8451.

List of documents and quantities included in this package:
(1)LTRENSTD, (1)AP0053, (1)ASCON, (1)CISCICSF, (1)CUVER, (1)DDAUTH, (1)DS0002, (1)EXPTKLT, (1)I0034,
(1)LTROC, (1)PA0010STD, (1)XCAAC, (1)XCAAC2

Comments:
-

Caterpillar Financial Services Corporation
Casualty Value Schedule

Exhibit 2 to the Cat Value Option Agreement
Dated _____

Between Caterpillar Financial Services Corporation
and
VALENCIA COUNTY OF NEW MEXICO

Description of Unit: 1 New Caterpillar 140M B9D(RIP) serial # B9D02050

The Casualty Value of each unit shall be an amount equal to the amount set forth opposite the number of the next payment due. If the casualty occurrence takes place after the last rental payment date, the Casualty Value shall be an amount equal to the amount set forth opposite such last rental payment number.

In addition, the total amount due Caterpillar Financial Services Corporation upon a casualty occurrence will be the casualty value plus any rental payments then due, taxes, late charges and any other amount then due and owing.

Payment Number	Rental Payment	Casualty Value
1	1,456.41	191,469.57
2	1,456.41	190,940.34
3	1,456.41	190,407.09
4	1,456.41	189,869.80
5	1,456.41	189,314.11
6	1,456.41	188,748.45
7	1,456.41	188,164.27
8	1,456.41	187,570.07
9	1,456.41	186,971.66
10	1,456.41	186,354.62
11	1,456.41	185,727.47
12	1,456.41	185,096.01
13	1,456.41	184,478.56
14	1,456.41	183,851.07
15	1,456.41	183,219.33
16	1,456.41	182,583.34
17	1,456.41	181,936.56
18	1,456.41	181,282.58
19	1,456.41	180,617.75
20	1,456.41	179,945.67
21	1,456.41	179,269.21
22	1,456.41	178,581.84
23	1,456.41	177,887.15
24	1,456.41	177,188.02
25	1,456.41	176,455.12
26	1,456.41	175,714.75
27	1,456.41	174,969.75
28	1,456.41	174,220.13
29	1,456.41	173,464.22
30	1,456.41	172,702.59
31	1,456.41	171,934.63
32	1,456.41	171,160.92
33	1,456.41	170,382.49
34	1,456.41	169,597.68
35	1,456.41	168,807.07
36	1,456.41	168,011.70
37	1,456.41	167,182.13
38	1,456.41	166,346.59
39	1,456.41	165,506.10
40	1,456.41	164,660.64
41	1,456.41	163,808.65
42	1,456.41	162,950.67
43	1,456.41	162,086.10
44	1,456.41	161,215.52
45	1,456.41	160,339.89
46	1,456.41	159,457.61
47	1,456.41	158,569.27
48	1,456.41	157,675.83
49	1,456.41	156,767.62
50	1,456.41	155,853.26
51	1,456.41	154,933.72
52	1,456.41	154,008.96
53	1,456.41	153,129.53
54	1,456.41	152,263.03
55	1,456.41	151,442.06

Caterpillar Financial Services Corporation
Casualty Value Schedule

Exhibit 2 to the Cat Value Option Agreement
Dated _____

Between Caterpillar Financial Services Corporation
and
VALENCIA COUNTY OF NEW MEXICO

Description of Unit: 1 New Caterpillar 140M B9D(RIP) serial # B9D02050

The Casualty Value of each unit shall be an amount equal to the amount set forth opposite the number of the next payment due. If the casualty occurrence takes place after the last rental payment date, the Casualty Value shall be an amount equal to the amount set forth opposite such last rental payment number.

In addition, the total amount due Caterpillar Financial Services Corporation upon a casualty occurrence will be the casualty value plus any rental payments then due, taxes, late charges and any other amount then due and owing.

Payment Number	Rental Payment	Casualty Value
56	1,456.41	150,634.15
57	1,456.41	149,821.36
58	1,456.41	149,054.29
59	1,456.41	148,300.40
60	1,456.41	147,541.80

Accepted by _____
date _____

Part I

Reporting Authority

If Amended Return, check here ▶ ☐

1

Issuer's name

2

Issuer's employer identification number

3

Number and street (or P.O. box if mail is not delivered to street address)

Room/suite

4

Report number
3

5

City, town, or post office, state, and ZIP code

6

Date of issue

7

Name of issue
WAGNER EQUIPMENT CO.

8

CUSIP number

9

Name and title of officer or legal representative whom the IRS may call for more information

10

Telephone number of officer or legal representative
()

Part II

Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11

☐ Education

11

12

☐ Health and hospital

12

13

☐ Transportation

13

14

☐ Public safety

14

15

☐ Environment (including sewage bonds)

15

16

☐ Housing

16

17

☐ Utilities

17

18

☒ Other. Describe ▶ GOVERNMENTAL LEASE PURCHASE

18

19

If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐

20

If obligations are in the form of a lease or installment sale, check box ▶ ☐

Part III

Description of Obligations. Complete for the entire issue for which this form is being filed.

(a) Final maturity date

(b) Issue price

(c) Stated redemption price at maturity

(d) Weighted average maturity

(e) Yield

21

\$

\$

years

%

Part IV

Uses of Proceeds of Bond Issue (including underwriters' discount)

22

Proceeds used for accrued interest

22

23

Issue price of entire issue (enter amount from line 21, column (b))

23

24

Proceeds used for bond issuance costs (including underwriters' discount)

24

25

Proceeds used for credit enhancement

25

26

Proceeds allocated to reasonably required reserve or replacement fund

26

27

Proceeds used to currently refund prior issues

27

28

Proceeds used to advance refund prior issues

28

29

Total (add lines 24 through 28)

29

30

Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)

30

Part V

Description of Refunded Bonds (Complete this part only for refunding bonds.)

31

Enter the remaining weighted average maturity of the bonds to be currently refunded ▶

years

32

Enter the remaining weighted average maturity of the bonds to be advance refunded ▶

years

33

Enter the last date on which the refunded bonds will be called ▶

34

Enter the date(s) the refunded bonds were issued ▶

Part VI

Miscellaneous

35

Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)

35

36a

Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)

36a

b

Enter the final maturity date of the guaranteed investment contract ▶

37

Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units

37a

b

If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ and the date of the issue ▶

38

If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

39

If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40

If the issuer has identified a hedge, check box ▶ ☐

Sign Here

Under penalties of perjury, I declare that I have examined and believe, they are true, correct, and complete.

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id to the best of my knowledge

Signature of issuer's authorized representative

Date

Type or print name and title

DELIVERY SUPPLEMENT

This Delivery Supplement pertains to the Long-Term Rental Agreement, dated as of _____, between Caterpillar Financial Services Corporation as Lessor and VALENCIA COUNTY OF NEW MEXICO as Lessee.

This confirms that the Lessee physically received the following Unit on the possession date below. As of the date of signature of this form, (i) the Unit is in all respects satisfactory to Lessee for leasing under the Lease, and (ii) Lessor has performed all of its obligations under the Lease.

Description of Unit:

(1) 140M New Caterpillar Motor Grader
B9D02054

Location: LOS LUNAS, NM

County: VALENCIA

Equipment Located: Inside _____ or Outside _____ City Limits

Possession Date: _____

VALENCIA COUNTY OF NEW MEXICO

Signature Pedro G. Rael

Name (PRINT) Pedro G. Rael

Title Chairman

Date 12.21.09



RE: INSURANCE COVERAGE FOR LEASED EQUIPMENT

Per the Lease agreement between **VALENCIA COUNTY OF NEW MEXICO P O BOX 1119 LOS LUNAS, NM 87031** and Caterpillar Financial Services Corporation ("Caterpillar Financial"), it is required that we be provided with insurance coverage in accordance with that agreement as indicated below.

Physical Damage Coverage must show that Caterpillar Financial has been named loss payee for the equipment's replacement value. The deductible must be shown.

Liability Coverage of a minimum of \$1,000,000 or combined coverage for bodily injury and property damage per occurrence. Caterpillar Financial must be named as additional insured.

Please notify your agent for the proper coverage, and list his name and location below. Our representative will follow up for confirmation of this coverage.

INSURANCE AGENT: _____

CONTACT PERSON: _____

ADDRESS: _____

PHONE NUMBER: _____

IF EQUIPMENT HAS BEEN DELIVERED, WHEN WAS IT DELIVERED? _____

PROCESSING OF THIS TRANSACTION WILL BE HELD PENDING RECEIPT OF THIS INFORMATION.

PLEASE FORWARD CERTIFICATE TO: Caterpillar Financial Services Corporation, 2120 West End Avenue, Nashville, TN 37203

To: Caterpillar Financial Services Corporation

OPINION OF COUNSEL

Re: Long-Term Rental Agreement

Dated as of _____ (the "Lease")

Between **VALENCIA COUNTY OF NEW MEXICO** ("Lessee")

And **CATERPILLAR FINANCIAL SERVICES CORPORATION** ("Lessor")

Sir/Madam:

I am an attorney for Lessee, and in that capacity I am familiar with the above-referenced transaction, the Lease, and all other documents pertaining to the Lease.

Based on my examination of these and such other documents, records and papers and matters of fact and laws as I deemed to be relevant and necessary as the basis for my opinion set forth below, upon which opinion Lessee and any subsequent assignee of Lessee's interest may rely, it is my opinion that:

1. Lessee is a fully constituted political subdivision or agency duly organized and existing under the Constitution and laws of the State of New Mexico and is authorized by such Constitution and laws to enter into the transaction contemplated by the Lease and to carry out its obligations thereunder.
2. The Lease and all other documents contemplated by the Lease have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding obligations and agreements of Lessee, enforceable against Lessee in accordance with their terms.
3. The person or persons who have executed and delivered the Lease, and all other documents contemplated by the Lease were authorized to do so on behalf of Lessee.
4. No further approval, license, consent, authorization or withholding of objections is required from any federal, state or local governmental authority with respect to the entering into or performance by Lessee of the Lease or the Schedule(s) and the transactions contemplated thereby, and Lessee has sufficient appropriations or other funds available to pay all amounts due under the Lease for the current fiscal year.
5. The interest payable to Lessor by Lessee under the Lease is exempt from federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.
6. The entering into and performance of the Lease and all other documents contemplated by the Lease will not conflict with or constitute a breach or violation of any judgment, consent decree, order, law, regulation, bond, indenture or Lease, applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or the units purchased under the Lease pursuant to, any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound.
7. There is no litigation, action, suit or proceeding pending or, to the best of my knowledge, threatened against or affecting Lessee in any court or before any governmental commission, board, agency, arbitrator or authority which, if adversely determined will have an adverse effect on the ability of Lessee to perform its obligations under the Lease. In addition, I am not aware of any facts or circumstances which would give rise to any litigation, action, suit or proceeding related to or potentially adversely affecting the ability of the Lessee to perform its obligations under the Lease.

8. The units purchased under the Lease are personal property and, when subjected to use by Lessee, will not be or become fixtures under the laws of the State of New Mexico.

9. The authorization, approval and execution of the Lease, the Schedule(s) and all other documents contemplated by the Lease and all other proceedings of the Lease related to the transactions therein and contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws, and all other applicable laws of the State of New Mexico.

10. The Lessor will have a perfected security interest in the Units upon filing with the Secretary of State for the State of New Mexico and/or the COUNTY of VALENCIA at the time of acceptance of the Units of an executed UCC-1 or other financing statement.

Yours sincerely,

Signature: Pedro G. Rael

Name (PRINT): Pedro G. Rael

Title: Chairman

Date: 12-21-09

Address: P.O. Box 1119

Los Lunas, NM 87031

Telephone: 505-866-2014

PURCHASE AGREEMENT

This Purchase Agreement, dated as of _____, is between **WAGNER EQUIPMENT CO.** ("Vendor") and **Caterpillar Financial Services Corporation** ("Cat Financial"). Vendor agrees to sell to Cat Financial and Cat Financial agrees to buy from Vendor the equipment described below (the "Unit(s)"), subject to the terms and conditions set forth below and on the reverse side hereof.

Description of Unit(s)		Serial#	Freight	Total Price
(1) 140M	New Caterpillar Motor Grader	B9D02054	\$0.00	\$189,998.00

Lessee:
VALENCIA COUNTY OF NEW MEXICO

P O BOX 1119

LOS LUNAS, NM 87031

Subtotal	189,998.00
Tax	0.00
Total Purchase Price	189,998.00

Unit(s) Delivery Point:
444 LUNA AVE
LOS LUNAS, NM 87031, VALENCIA

See next page for additional terms and conditions.

WAGNER EQUIPMENT CO.

(Vendor)

Signature _____

Name (PRINT) _____

Title _____

Date _____

Caterpillar Financial Services Corporation

Signature _____

Name (PRINT) _____

Title _____

Date _____



ADDITIONAL TERMS AND CONDITIONS

1. The lessee named on the front hereof (the "Lessee") has selected the Unit(s), instructed Cat Financial to purchase the Unit(s) from Vendor, and agreed to lease the Unit(s) from Cat Financial.
2. Cat Financial (or its assignee) will have no obligation hereunder (and any sums previously paid by Cat Financial to Vendor with respect to the Unit(s) shall be promptly refunded to Cat Financial) unless (a) all of the conditions set forth in Section 1.3 (if a master lease agreement) or Section 1 (if a non-master lease agreement) of the lease with the Lessee covering the Unit(s) have been timely fulfilled and (b) the Lessee has not communicated to Cat Financial (or its assignee), prior to "Delivery" (as hereinafter defined) of the Unit(s), an intent not to lease the Unit(s) from Cat Financial. All conditions specified in this paragraph shall be deemed timely fulfilled unless prior to Delivery of the Unit(s), Cat Financial (or its assignee) shall notify Vendor to the contrary in writing, which shall include fax or email. "Delivery" shall mean the later of the time (a) Cat Financial executes this Purchase Agreement or (b) the Lessee or its agent takes control and/or physical possession of the Unit(s).
3. Upon timely satisfaction of the conditions specified in Paragraph 2 above, ownership, title and risk of loss to the Unit(s) shall transfer to Cat Financial (or its assignee) upon Delivery of the Unit(s).
4. Vendor warrants that (a) upon Delivery of the Unit(s), Cat Financial (or its assignee) will be the owner of and have absolute title to the Unit(s) free and clear of all claims, liens, security interests and encumbrances and the description of the Unit(s) set forth herein is correct and (b) the Unit Transaction Price set forth on the front hereof for each unit of Unit(s) leased under a lease is equal to such Unit(s)'s fair market value.
5. Vendor shall forever warrant and defend the sale of the Unit(s) to Cat Financial (or its assignee), its successors and assigns, against any person claiming an interest in the Unit(s).
6. Provided that no event of default exists under any agreement between Lessee and Cat Financial and upon timely satisfaction of the conditions specified in Paragraph 2 above, and unless otherwise agreed to in this Purchase Agreement, Cat Financial (or its assignee) shall pay Vendor the total Purchase Price set forth on the front hereof for the Unit(s) within three business days following (a) the receipt and approval by Cat Financial of all documentation deemed necessary by Cat Financial in connection with the lease transaction and (b) all credit conditions have been satisfied.
7. Vendor shall deliver the Unit(s) to the Lessee at the delivery point set forth on the front hereof.
8. This Purchase Agreement may be assigned by Cat Financial to a third party. Vendor hereby consents to any such assignment.
9. This Purchase Agreement shall become effective only upon execution by Cat Financial.

Cat[®] AccessAccount

PLEASE DISREGARD THIS OFFER IF YOU ALREADY HAVE A CAT ACCESSACCOUNT

VALENCIA COUNTY OF NEW MEXICO
P O BOX 1119
LOS LUNAS, NM 87031

**Ask WAGNER EQUIPMENT CO.
about special 0% financing offers
available when you use Cat
AccessAccount!**

**CONGRATULATIONS!
YOU ARE PRE-QUALIFIED!**

Dear VALENCIA COUNTY OF NEW MEXICO,

As a Caterpillar Financial Services Corporation customer, you have been pre-qualified for the Cat AccessAccount. Cat AccessAccount is an easy and convenient way to pay for parts, service or rentals at any Cat Dealer or Cat Rental Store in the U.S. With the Cat AccessAccount, you will have the ability to better manage your cash flow by making a monthly minimum payment of 10% on all your parts and service purchases. Rental payments must be paid in full the month following the charge. You will receive one detailed monthly statement of your charges, and have the ability to view your transactions online through our secure website 24/7.

You've been pre-qualified for a Cat AccessAccount credit line. *

To request that an account be opened for you, please complete the *Primary Account Contact, Social Security Number* and *Authorized Users* fields on the enclosed pre-populated application. Sign the application and return it with this document package or fax it back to us at 615-341-5923 – Attn: Cat AccessAccount.

While there are other ways to apply for the Cat AccessAccount, you must sign and complete the enclosed application and return it in order for you to take advantage of this special offer.

If you are interested in a certain credit line amount, please indicate the desired amount on the *Requested Credit Line* field on the application. Upon receipt, we will review your request and advise you of our decision.

Once you have returned the enclosed application, you will receive a welcome package with your credit line amount, account number and the Customer Agreement. **

For more information, please call us at 1-888-CAT-8811 or visit us at www.cataccessaccount.com. Take advantage of this offer and activate your account today!

Best regards,

The Cat AccessAccount Team

***Reply by: January 6, 2010 to take advantage of this offer.**

****In Some instances, we may not be able to open an account for you based on your credit report and other pre-determined criteria. We will notify you by mail if we are unable to open an account for you.**

APPLICATION FOR COMMERCIAL FINANCING

Section 1 General Information

*Required Fields

*Dealer Name WAGNER EQUIPMENT CO. Dealer Code E35Z Pre-Approval Solicitation # FE0000
*Business/Individual Name VALENCIA COUNTY OF NEW MEXICO Trade Name (if different) _____
*Physical Address P O BOX 1119 *City LOS LUNAS *State NM *Zip 87031 County VALENCIA
*Primary Account Contact (Name) _____ Title _____ Email _____
*Business Phone (505)865-5645 Cell (505)865-5645 Fax _____
*Is Billing Address same as Physical Address (circle one) Yes or No
*Billing Address P O BOX 1119 *City LOS LUNAS *State NM *Zip 87031 County VALENCIA
*Billing Contact Name _____ Phone _____
*Requested Credit Limit \$ _____ CFSC Customer # 23492

Section 2 Cat AccessAccount Information

Authorized Users (1 minimum / 3 maximum)
*Name _____ Name _____ Name _____
Account Holder Plastic Requested Y or N Monthly Paper Statement Y or N Do you require multiple accounts Y or N

Section 3 Business Financial Information

*Description of Business GOVERNMENTAL *Years in Business 1978-01-01 *Time as Current Owner _____
*Type of Business (Circle One)
Sole Proprietorship Corporation General Partnership L.L.C. (provide copy of LLC agreement) Other
*Estimated Annual Revenue \$ _____ #of Employees _____ P.O. # Required Y or N SIC Code _____
*Federal Tax ID _____ Sales Tax Exempt Y or N (If yes, please attach copy of exemption certificate)
Bonding Company _____ Contact Name _____ Phone _____
*Has the Business/ Principal ever filed Bankruptcy? Y or N If Yes, Date Filed _____
*Are there any outstanding liens or judgments? Y or N If Yes, Dollar Amount \$ _____
Insurance Company _____ Contact Name _____ Phone _____
Do you have Physical Damage coverage for Rental Equipment? Y or N
*If yes, please attach Insurance Certificate indicating sufficient Physical Damage Coverage or Fire Theft Vandalism (FTV) will be charged.
Do you have Liability Insurance Coverage? Y or N
*A Certificate of Commercial General Liability coverage must be received before a rental account can be approved.

Section 4 Company References

Bank / Finance References – 1 minimum
*Name _____ Phone _____ Account # _____
*Checking / Savings/ Loan (circle one) *Balance \$ _____
Name _____ Phone _____ Account # _____
Checking / Savings/ Loan (circle one) *Balance \$ _____
Trade References
Trade Name _____ Account # _____ Contact Name _____
Address _____ City _____ State _____ Zip _____ Phone _____
Trade Name _____ Account # _____ Contact Name _____

Section 5 Personal Information on Owners/ Principal/ Guarantors

*Name

*Title

*Address

*City

*State

*Zip

*Phone

*% Ownership

*DOB

*SSN

*Net Worth

*Annual Income

*Mo. House Pmt.

*Name

*Title

*Address

*City

*State

*Zip

*Phone

*% Ownership

*DOB

*SSN

*Net Worth

*Annual Income

*Mo. House Pmt.

THIS APPLICATION IS FOR COMMERCIAL OR BUSINESS CREDIT ONLY AND NOT FOR CONSUMER CREDIT.
Applicant understands and agrees that the terms or type of each sale, loan, lease, credit line or credit granted by us are governed by the terms and conditions set forth in each of our agreements, invoices, or similar documents and shall govern that Applicants' relationship with that entity. Applicant authorizes us to release any and all information contained in this application, or any and all information with regard to any account, loan, lease or sale to any and all Caterpillar Dealers, Caterpillar Financial Services Corporation, Caterpillar AccessAccount Corporation, Caterpillar, Inc., its subsidiaries, and affiliates.

Further, Applicant and each other person signing below on behalf of the Applicant and/or as Guarantor (defined below), agrees that we may obtain personal and business credit reports with respect to Applicant and each such person, in assisting in making a credit decision, in connection with the continuation of the business credit provided herein, or pursuant to a subsequent application or request, reviewing Applicant's account, and assisting in taking collection activity.

Applicant understands that any decision to grant or deny business credit by the Caterpillar Dealer will be made by that Caterpillar Dealer, and that any decision to grant or deny credit by Caterpillar Financial Services Corporation will be made by Caterpillar Financial Services Corporation and that any decision to grant or deny credit by Caterpillar AccessAccount Corporation will be made by Caterpillar AccessAccount Corporation.

The fact that this application contains reference to "amount of credit applied for" shall not be deemed a limitation of liability by Applicant or Guarantor, if applicable. Applicant acknowledges and agrees that the extension of business credit based on this application by any of us does not obligate the others to extend business credit to Applicant. Applicant also acknowledges, agrees and understands that any of us may, in its sole discretion, refuse to business extend business credit to Applicant in connection with any credit transaction. Applicant agrees to the following rights and responsibilities:

CATERPILLAR DEALER: If the Caterpillar Dealer extends business credit, Applicant agrees to pay invoices in accordance with the terms and conditions on reverse side hereof. Further, Applicant shall be responsible for a collection cost actually incurred by Caterpillar Dealer and for reasonable attorneys fees in connection with the collection of Applicant's indebtedness owing to the Caterpillar Dealer. If Applicant's application for business credit is denied, Applicant has the right to a written statement of the specific reasons for the denial. To obtain such statement, please contact the Caterpillar Dealer that may have accepted this application.

CATERPILLAR FINANCIAL SERVICES CORPORATION: If Caterpillar Financial Services denies Applicant's application for business credit, Applicant has the right to a written statement for the specific reasons for the denial. To obtain such statement, please send a written request to Caterpillar Financial Services Corporation at P.O. Box 340001, Nashville, TN 37203 within 60 days from the date on which Applicant was notified of the denial. Caterpillar Financial Services Corporation will send Applicant a written statement with the reason for the denial within 30 days from receiving Applicant's written request.

CATERPILLAR ACCESSACCOUNT CORPORATION: If Caterpillar AccessAccount Corporation denies Applicant's application for business credit, Applicant has the right to a written statement for the specific reasons for the denial. To obtain such statement, please send a written request to Caterpillar AccessAccount Corporation at P.O. Box 340001, Nashville, TN 37203 within 60 days from the date on which Applicant was notified of the denial. Caterpillar AccessAccount Corporation will send to Applicant a written statement with the reason for the denial within 30 days from receiving Applicant's written request.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers our compliance with this law is the FTC Regional Office for the region in which we operate or the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Privacy Notice: By providing your information to Caterpillar Inc. or any of its subsidiaries or affiliates, including Caterpillar AccessAccount Corporation (collectively "Caterpillar"), you are agreeing that the information may be shared among Caterpillar and its partners and dealers, and used to process your application for credit and other orders and to improve or market Caterpillar products and services. In addition, the information may be used for any purpose that you may agree to in the future.

By signing below, Applicant and each other person warrants and represents that (i) the account will be used only for a business or commercial purpose; and (ii) the information given in this application is complete and accurate, and is provided for the purpose of obtaining business credit in an amount set by our credit policies and procedures. Applicant authorizes the Caterpillar Dealer listed on the front of this application, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation (the three entities referred to as "we", "us", or "our") to obtain from banks, credit bureaus, trades references, and other creditors and requests each of the aforementioned to advise us of its credit experience with, and to express an opinion as to the credit record of Applicant or other such person as such party may deem appropriate and release any credit information, including but not limited to Applicant's balance sheet, cash flow statement, and income statement to us, which we may share among ourselves.

*By

Title

Date

*By

Title

Date

Personal Guaranty (Required of all corporations and LLCs in business less than 2 years, and all partnerships and proprietorships.
Guarantor must be owner / sole proprietor, general partner or corporate officer)

If no Account is opened in response to the foregoing application, in consideration of the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation granting to Applicant the Account, the undersigned guarantor ("Guarantor") hereby unconditionally, absolutely and irrevocably guarantees the prompt and full payment and performance of all of Applicant's obligations under the agreement establishing the Account (the "Agreement"), and further agrees, in the event of any default under the Agreement, to pay the total balance due on the Account under demand, without requiring the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation or their respective assignees to make demand and/or proceed first to enforce the Agreement against Applicant. Guarantor waives presentment, demand, protest and notice of any kind, including but not limited to, notice of any modifications, amendments, or extensions of the Agreement, and of Applicant's nonperformance or breach of the Agreement. The payment obligations of Guarantor are the direct, primary, and continuing obligations of Guarantor and Guarantor's heirs, successors and assigns, and not merely a guaranty of collection. If there is more than one Guarantor, their obligations are joint and several.

By signing below, the Guarantor also agrees, individually and not on behalf of Applicant, that the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation or their respective designees may obtain credit reports on Guarantor from credit reporting agencies in connection with the application, continuation of the business credit provided herein, or pursuant to a subsequent application or request, reviewing Applicant's account, and assisting in taking collection activity, and otherwise investigate the credit of Guarantor, and hereby instructs all credit reporting agencies to provide the Caterpillar Dealer, Caterpillar Financial Services Corporation, and/or Caterpillar AccessAccount Corporation with such credit reports upon request.

*By

Name

Date

*By

Name

Date

To apply for the Cat AccessAccount by:
Mail: P.O. Box 3019, Southeastern, PA 19398-3019 Fax: 1-800-304-2801 Online: www.CatAccessAccount.com
For Cat AccessAccount questions call: 1-888-CAT-9911

VALENCIA COUNTY OF NEW MEXICO P O BOX 1119 LOS LUNAS NM 87031 County: VALENCIA	WAGNER EQUIPMENT CO. 4000 OSUNA ROAD N. E. P. O. BOX 25007 ALBUQUERQUE, NM 87215-0007
---	--

Description of Equipment:		
(1) New	140M	Caterpillar Motor Grader
		B9D02054

For questions regarding the filing of UCC(s) please contact your CFSC representative.

Federal Tax ID# CFSC: 37-1105865
Federal Tax ID# Dealer:
Federal Tax ID# Customer: 85-6000261

FOR CUSTOMERS CLAIMING EXEMPTION FROM SALES AND USE TAX:

AN EXEMPTION CERTIFICATE MUST BE ATTACHED OR ON FILE WITH CFSC. THE CERTIFICATE MUST BE MADE OUT TO "CATERPILLAR FINANCIAL SERVICES CORPORATION"; INCLUDE THE REGISTRATION NUMBER OF THE CUSTOMER FOR THE STATE IN WHICH THE EQUIPMENT IS LOCATED; STATE THE REASON FOR THE EXEMPTION; AND BE SIGNED AND DATED BY A CORPORATE OFFICER OR AUTHORIZED PERSONNEL WITH THE CUSTOMER. TO VERIFY THAT A CERTIFICATE IS ON FILE, CONTACT THE CFSC TAX DEPARTMENT ON 615-341-8451.

List of documents and quantities included in this package:
(1)LTRENSTD, (1)AP0053, (1)ASCON, (1)CISCICSF, (1)CUVER, (1)DDAUTH, (1)DS0002, (1)EXPTRKLT, (1)I0034, (1)LTROC, (1)PA0010STD, (1)XCAAC, (1)XCAAC2

Comments:

-

Caterpillar Financial Services Corporation
Casualty Value Schedule

Exhibit 2 to the Cat Value Option Agreement
Dated _____

Between Caterpillar Financial Services Corporation
and
VALENCIA COUNTY OF NEW MEXICO

Description of Unit: 1 New Caterpillar 140M B9D(RIP) serial # B9D02050

The Casualty Value of each unit shall be an amount equal to the amount set forth opposite the number of the next payment due. If the casualty occurrence takes place after the last rental payment date, the Casualty Value shall be an amount equal to the amount set forth opposite such last rental payment number.

In addition, the total amount due Caterpillar Financial Services Corporation upon a casualty occurrence will be the casualty value plus any rental payments then due, taxes, late charges and any other amount then due and owing.

Payment Number	Rental Payment	Casualty Value
1	1,456.41	191,469.57
2	1,456.41	190,940.34
3	1,456.41	190,407.09
4	1,456.41	189,869.80
5	1,456.41	189,314.11
6	1,456.41	188,748.45
7	1,456.41	188,164.27
8	1,456.41	187,570.07
9	1,456.41	186,971.66
10	1,456.41	186,354.62
11	1,456.41	185,727.47
12	1,456.41	185,096.01
13	1,456.41	184,478.56
14	1,456.41	183,851.07
15	1,456.41	183,219.33
16	1,456.41	182,583.34
17	1,456.41	181,936.56
18	1,456.41	181,282.58
19	1,456.41	180,617.75
20	1,456.41	179,945.67
21	1,456.41	179,269.21
22	1,456.41	178,581.84
23	1,456.41	177,887.15
24	1,456.41	177,188.02
25	1,456.41	176,455.12
26	1,456.41	175,714.75
27	1,456.41	174,969.75
28	1,456.41	174,220.13
29	1,456.41	173,464.22
30	1,456.41	172,702.59
31	1,456.41	171,934.63
32	1,456.41	171,160.92
33	1,456.41	170,382.49
34	1,456.41	169,597.68
35	1,456.41	168,807.07
36	1,456.41	168,011.70
37	1,456.41	167,182.13
38	1,456.41	166,346.59
39	1,456.41	165,506.10
40	1,456.41	164,660.64
41	1,456.41	163,808.65
42	1,456.41	162,950.67
43	1,456.41	162,086.10
44	1,456.41	161,215.52
45	1,456.41	160,339.89
46	1,456.41	159,457.61
47	1,456.41	158,569.27
48	1,456.41	157,675.83
49	1,456.41	156,767.62
50	1,456.41	155,853.26
51	1,456.41	154,933.72
52	1,456.41	154,008.96
53	1,456.41	153,129.53
54	1,456.41	152,263.03
55	1,456.41	151,442.06

Caterpillar Financial Services Corporation
Casualty Value Schedule

Exhibit 2 to the Cat Value Option Agreement
Dated _____

Between Caterpillar Financial Services Corporation
and
VALENCIA COUNTY OF NEW MEXICO

Description of Unit: 1 New Caterpillar 140M B9D(RIP) serial # B9D02050

The Casualty Value of each unit shall be an amount equal to the amount set forth opposite the number of the next payment due. If the casualty occurrence takes place after the last rental payment date, the Casualty Value shall be an amount equal to the amount set forth opposite such last rental payment number.

In addition, the total amount due Caterpillar Financial Services Corporation upon a casualty occurrence will be the casualty value plus any rental payments then due, taxes, late charges and any other amount then due and owing.

Payment Number	Rental Payment	Casualty Value
56	1,456.41	150,634.15
57	1,456.41	149,821.36
58	1,456.41	149,054.29
59	1,456.41	148,300.40
60	1,456.41	147,541.80

Accepted by _____
date _____

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority If Amended Return, check here ☐

1 Issuer's name	2 Issuer's employer identification number
3 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite 4 Report number
5 City, town, or post office, state, and ZIP code	3
7 Name of issue WAGNER EQUIPMENT CO.	6 Date of issue
9 Name and title of officer or legal representative whom the IRS may call for more information	8 CUSIP number
10 Telephone number of officer or legal representative ()	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input checked="" type="checkbox"/> Other. Describe ► GOVERNMENTAL LEASE PURCHASE	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

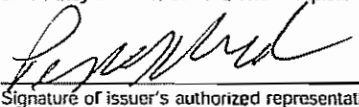
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33 Enter the last date on which the refunded bonds will be called	
34 Enter the date(s) the refunded bonds were issued	

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer and the date of the issue	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box	<input type="checkbox"/>
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box	<input type="checkbox"/>
40 If the issuer has identified a hedge, check box	<input type="checkbox"/>

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.

Sign Here


Signature of issuer's authorized representative

12-21-09
Date


Type or print name and title

For Paperwork Reduction Act Notice, see page 2 of the instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 11-2000)



BOOK 068

PAGE 685

AMENDMENT TO AGREEMENT FOR ENGINEERING SERVICES

(Publicly Funded Project)

This Amendment to the original Agreement executed on _____, 2007 is made this 21st day of December 2009 by and between Valencia County, New Mexico, hereinafter referred to as the Engineer.

The OWNER intends to construct to project consisting of developing an integrated water and wastewater master plan for Valencia County. Work under this Agreement includes planning services, Design services, and construction phase services. All work described below constitutes the “Project” as referred to in this Agreement.

In Valencia County, State of New Mexico, which may be paid for in part with financial assistance from the United States of America acting through the United States Department of Agriculture Rural Development, hereinafter, referred to as USDA-RD; and/or through the United States Environmental Protection Agency, hereinafter referred to as EPA; and /or the New Mexico environment Department hereinafter referred to as NMED; and/or the New Mexico Finance Authority, hereinafter referred to as NMFA; and /or the New Mexico Department of Finance, hereinafter referred to as DFA; all collectively referred to as the Funding Agency. Neither the United States or the State of New Mexico or any of its Departments agencies or employees is or will be a party to this agreement or any sub agreement. The ENGINEER agrees to perform the various professional engineering services for the planning, design, and construction of said Project in accordance with the provisions of this agreement.

CONTENTS

SECTION A- General Provisions	Subtask 1-5	Determine Alternative Funding Plans
1. Calculate annual Revenue Requirements	Subtask 1-6	Project Future Operation and Maintenance (O&M) Expenses
2. Develop Cost of Service	Subtask 1-7	Develop a five-Year financial Plan
3. Identify Alternative Rate	Subtask 1-8	Prepare Collection System Connection Fees
4. Update financial Policies	Subtask1-9	Recommend a Fair Wastewater Rate Structure
5. Establish Recommended Rates	Subtask 1-10	Develop computers Rate Model
Section B- Engineering Services	Subtask 1-11	Prepare Report
Task 1 Peralta Sewer Extension Preliminary engineering Report (PER)	Subtask 1-12	Conduct Meetings and Hearing
Task 2 Support Organizational Development with MRCOG	Subtask 2-1	Coordinate Objectives of MRCOG and County Entities
Task 3 Evaluate funding alternatives	Subtask 2-2	Convene Sub-Regional Group of Administrative and Elected Representatives under MRCOG Auspices
Task 4 Support Development of Septic System Management Program		
Section C- Additional Engineering Services		
Subtask 1-1 Meet with staff at Financial Plan Kickoff Meeting	Subtask 2-3	Develop Policy Strategy
Subtask 1-2 Affirmation of financial Policies	Subtask 2-4	Develop Implementation Strategy for Local, State and Federal Funding Partnerships
Subtask 1-3 Review Financial and Engineering Information		
Subtask 1-4 Determine Customer Characteristics		

EXHIBIT J

Section D

Attachment 1- Compensation for Water and Waste
Water Master Plan

Section E- Additional Provisions

- E-1 MAAC
- E-2 Dispute Resolution
- E-3 Release
- E-4 Appropriations
- E-5 Termination for Convenience

The Valencia County Integrated Regional Water and Wastewater Master Plan (Plan) will transition from planning into implementation. In order to successfully accomplish this transition there are four concurrent tasks to be undertaken;

- Completion of the PER for Peralta Sewer Extension Project
- Development of an organization with the capability to implement the Plan with support to the Mid-Region Council of Governments
- Evaluation of funding alternatives
- Support to develop a septic system management program

Task 1 – Peralta Sewer Extension Preliminary Engineering Report (PER)

The PER for extending wastewater services from Bosque Farms to Peralta is nearly complete. The information necessary to complete the PER is the financial plan with a proposed rate structure that will be put in place to support the sewer extension.

The key objectives of the financial plan is to demonstrate that the recommended RUS, CWSRF and other loans and grants are sufficient to successfully extend the sewer system, that the proposed loans can be repaid by the new customer base, and that the costs of sustainably operating the expanded system do not create undue hardships on the residents.

To fulfill these financial planning objectives, there must be a funding plan for the project costs that quantifies the sources of funds from grants, loans, Bosque Farms and Peralta cash reserves, and rate-based revenue proceeds. This funding plan will be integrated into a multi-year financial plan that specifies the annual sources and uses of funds and the annual reserves. Finally, a fair and equitable schedule of rates and charges for Bosque Farms and Peralta sewer customers will be prepared; this rate schedule will identify the projected sewer service customer bills for future years.

All CDM rate studies are prepared using the following basic municipal utility financial plan objectives:

- *Sufficient Revenues* — effective in recovering the costs of providing service;
- *Practical to Apply* — easy and feasible for staff to implement and administer;
- *Fairness to Customers* — fair in apportioning the total costs among the different customers;
- *Acceptable to the Community* — designed to foster public acceptance from ratepayers.
- *Legal to Implement* — meets all state and regulatory legal requirements.

The five key steps of the CDM rate study process are:

1. **Calculate Annual Revenue Requirements**—To recover annual rate-based revenue requirements, the costs associated with the utility must be projected. The cash flow-based revenue requirements are based on the sources and applications of funds for revenues and expenditures. Expenditures include operations and maintenance expenses, non-operating expenditures, enhancements to cash reserves based on reserve target levels, projects funding and debt service. Rate-based revenues are based on the rate structure and the anticipated level of billable units of customer loading. The result of this step is a rate model useful in annually updating unit rates.
2. **Develop Cost of Service**—In order to develop a new rate structure that will recover costs from users proportional to their use of the utility, the water use discharged to the sewers from each customer class must be estimated and categorized. Concurrently, the costs of operating the sewer utility must be categorized by function, and these allocated cost categories divided by the customer's loads on the system, to calculate appropriate unit costs of service.
3. **Identify Alternative Rate**—An expanded sewer system with new customers must be funded equitably, and costs of serving the existing and the new customers must be considered when preparing alternative rate schedules.
4. **Update Financial Policies**—A discussion and review of financial policies is used to identify the annual adjustments to rate-based revenues to avoid customer rate shock while bringing utility revenues to essential levels.
5. **Establish Recommended Rates**—Based on professional judgment, discussions and presentations, the best financial plan and rates structure is identified, recommended, and documented.

Subtask 1-1 — Meet with Staff at Financial Plan Kickoff Meeting

We will meet with staff at the beginning of the study to clarify and set specific project goals and schedules, and determine how study issues should be handled. At this meeting, we can review similar rate models and reports to confirm the study deliverables.

Subtask 1- 2 — Affirmation of Financial Policies

At the kickoff meeting, we will also conduct a financial policy workshop to address and document the wastewater utility financial policies and guidelines. The policy issues may include:

- Anticipated grant and loan sources, terms and amounts;
- Reserve fund types and levels (replacement, working capital, regulatory, emergency);
- Cost of service evaluation based on:
 - ✓ Existing Bosque Farms versus new Peralta customers
 - ✓ Customers on water system versus wells
 - ✓ Customer distance from treatment plant
 - ✓ Treatment plant capacity versus current flows
- Readiness to serve fixed charges versus actual discharge variable charges;
- Billing system capabilities;
- Connection fees for collection system costs;
- Methods to estimate wastewater discharge quantities:
 - ✓ Annual versus seasonal water use;
 - ✓ Accounts with water wells;
 - ✓ Customer classification alternatives using water accounts;

- Public education and information needs; and
- Any other issues that may arise.

Subtask 1-3 — Review Financial and Engineering Information

CDM will review the project information, including:

- Annualized capital project costs;
- Grant and loan program requirements;
- Current, budgeted and projected sewer utility costs;
- Current sewer rates and customer billing information;
- 2000 Census data; and
- Wastewater flow data.

Subtask 1-4 — Determine Customer Characteristics

The results of this task will be the projection of customer characteristics and billable wastewater discharge parameters. The evaluation will include development of the number of households and businesses served currently and in the future, their sewage discharges and the facilities serving them.

Subtask 1-5 — Determine Alternative Funding Plans

This task will result in the development of several project funding plans. Our team will identify the various project funding mechanisms, including:

- Grants;
- Low-interest loans from various government programs;
- Collection system connection fees;
- Township subsidies; and
- User charges.

We will develop several funding plans scenarios supporting the proposed project costs. The results will be based the potential types and sizes of grants and loans, and will identify the annual debt service and project costs supported by local cash reserves and annual rate-based revenues. The optimum funding scenario will be used for the financial plan.

Subtask 1-6 — Project Future Operation and Maintenance (O&M) Expenses

Based on the current operating budget, and the costs of operating the expanded system, we will estimate future O&M expenses using cost-influencing factors such as number of customers served and projected inflation factors.

Subtask 1-7 — Develop a Five-Year Financial Plan

We will calculate the total annual rate-based revenue requirements for each year of the proposed five-year study period using the annual sources and uses of funds for project funding, O&M costs and debt service. We include non-operating revenues from other income (interest income, connection fees, miscellaneous charges etc.) to determine the annual revenues to be recovered from future wastewater rates for each funding plan scenario. The financial plan will also define the type and size of target cash reserves, and annual cash fund balance for each year of the projected period.

Subtask 1-8 — Prepare Collection System Connection Fees

The purpose of this task is to calculate the unit cost of Peralta connections to the proposed new sewers. This incremental cost calculation is based on the projected Peralta collection project costs and system capacity. The unit costs adjusted by any township connection fee subsidies for hooking up to the new system, and the annual rate of new hook-ups projected for the system, will define the rate of recovery of the up-front project costs by the new customers.

Subtask 1-9 — Recommend a Fair Wastewater Rate Structure

The purpose of this task is to identify and recommend new sewer service rates. We will identify if there are sufficient treatment costs based on sewage strengths to warrant the creation of unique charges for the different customer classes. To do this we will consider appropriate functional cost categories of customer accounts, sewage strength and flow. This evaluation will provide a rate structure strategy to attain the required level of revenues and address equity of charges. The pros and cons of each alternative will be reviewed, and based on direction of staff an optimum rate structure recommended. We will prepare an updated rate schedule that is equitable, defensible, and easily understood, will develop typical bills associated with the proposed wastewater rates. We will provide a survey of the proposed rates with the wastewater rates of up to five comparable communities.

Subtask 1-10 — Develop Computer Rate Model

We will develop a rate determination model using Excel spreadsheet software in a manner compatible with the Bosque Farm's computer capabilities. We will use the model during the course of the study to examine the impact of variables on rates and the various rate alternatives on the bills of various customers. In addition, Bosque Farm will be able to use the model to update the rates on an annual basis. The model will be developed specifically for the circumstances unique to the wastewater utility. A copy of the model will be provided as a work product.

Subtask 1-11 — Prepare Report

We will document the results of the study in a letter report. The report will include all information required for preparing the financial sections of the PER and CWSRF grant and loan applications.

An electronic and hard copy-based draft report will be furnished for review. Upon receipt of comments, we will provide 20 copies of the final report and an electronic copy in PDF format. The report shall include an executive summary, a detailed description of the work performed including findings, conclusions and recommendations. The study model tables will be documented in the model with other information to support the study recommendations.

Subtask 1-12 — Conduct Meetings and Hearing

In addition to the kickoff and financial policy workshop described above, we will meet to discuss the draft report findings and will present our final recommendations at one public hearing of the proposed rates. For the purpose of budgeting, it is estimated that we will attend a total of two staff meetings including the Task 1 and 2 kickoff meeting/policy workshop, and one public presentation.

Task 2 –Support Organizational Development with the MRCOG

Establish a regional entity to manage the administrative and project management tasks associated with implementing the Master Plan.

Subtask 2-1 – Coordinate Objectives of MRCOG and County Entities

The Mid-Region Council of Governments has agreed to establish a sub-regional group to focus on Valencia County water and transportation issues. This subtask will involve pre-planning with selected MRCOG, County and municipal representatives to coordinate the organizational development and implementation planning objectives.

Subtask 2-2 – Convene Sub-Regional Group of Administrative and Elected Representatives under MRCOG Auspices

This group will be tasked with developing and adopting a regional MOU or JPA with the fiscal capability to manage and implement the Master Plan. This group will accomplish and/or sign off on Subtasks 2-3 and 2-4.

Subtask 2-3 – Develop Policy Strategy

The policy strategy will describe an approach to identify and negotiate the legal, regulatory and institutional barriers that may impede Master Plan implementation. The Strategy will outline where County and municipal entities will act individually and collectively; and where additional MRCOG assistance will be useful.

Subtask 2-4 - Develop Implementation Strategy for Local, State and Federal Funding Partnerships

This strategy will include identification of near, mid- and long-term state and federal appropriations opportunities and the authorization requirements needed to complete planning and engineering studies and implement the projects identified in the Plan.

The strategy will also include a detailed approach for seeking FY11 and FY12 state and federal appropriations; any necessary authorizations in support of projects ready to move forward with implementation; and any necessary allocations of local funding to support activities not permissible under the planning grant (e.g., lobbying, legal requirements, etc.)

All sub-tasks will involve significant time invested in personal and small “off-line” meetings in addition to formal meetings of elected and administrative officials. Also, each sub-task may require multiple iterations of informal and formal meetings to secure agreement among MRCOG, the County and Valencia County municipalities.

Task 3 - Evaluate Funding Alternatives

Evaluate funding alternatives to implement the plan that will identify opportunities for maximizing local, state and federal funding for the Plan.

This strategy will include near, mid- and long-term state and federal appropriations opportunities and the authorization requirements needed to complete planning and engineering studies and implement the projects identified in the Plan.

The strategy will also include a detailed approach for seeking FY11 state and federal appropriations and any necessary authorizations in support of projects ready to move forward with implementation.

Task 4 - Support Development of Septic System Management Program

Work with the Valencia County Environmental Coordinator to establish a septic system management program. The objectives of the program would include:

- Develop zoning code applicable to the septic systems in the County
- Develop a method to identify septic systems that are not permitted and bring the unpermitted systems into compliance
- Provide septic tank pumping services where necessary to protect groundwater quality

CDM will assist as necessary to establish a program under the direction of Valencia County.

Schedule

Task 1: Complete by January 31, 2010

Task 2: Complete by April 31, 2010

Task 3: Complete by April 31, 2010

Task 4: Complete by April 31, 2010

E-1 MAC.

The Maximum Allowable Cost (MAC) for the work detailed in this Amendment shall not exceed, \$109,327.00 plus Gross Receipts Tax.

E-2 Dispute Resolution.

Pursuant to Sections 13-4C-1 through 13-4C-11 NMSA 1978, state law mandates that all disputes related to the performance of a public works project shall exhaust procedures set forth in the Public Works Mediation Act before seeking judicial relief in a court of law. A dispute that arises under an arbitration clause of a contract for a public works project that includes a clause in the contract that requires arbitration is exempt from the provisions of the Public Works Mediation Act. In the event the Engineer is deemed to be an "interested person", as defined in the Act, the Engineer will be required to participate in a mediation process as required by law.

E-3 Release.

The Engineer's acceptance of final payment of the amount due under this Agreement shall operate as a release of the County, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Engineer agrees not to purport to bind the

County of Valencia or the State of New Mexico unless the Engineer has express written authority to do so, and then only within the strict limits of that authority.

E-4 Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners of Valencia County for the performance of this Agreement. If sufficient appropriations are not made by the Board, the Agreement and all amendments thereof shall terminate upon written notice being given by the County to the Engineer. The County's determination as to whether sufficient appropriations are available shall be accepted by the Engineer and shall be final.


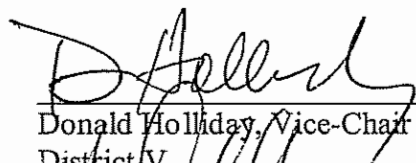

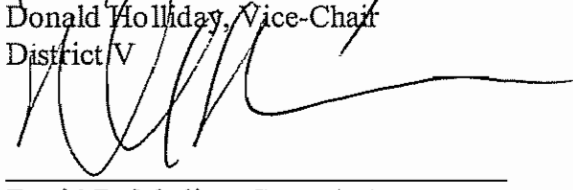

E-5 Termination for Convenience of the Owner.

The County may terminate this Agreement and all amendments thereof at any time by giving at least thirty (30) days notice in writing to the Engineer. If the Agreement is terminated by the Owner as provided herein, the Engineer will be paid for the time provided and expenses incurred up to the termination date. If this Agreement is terminated due to the fault of the Engineer, paragraph 1 hereof relative to termination shall apply.

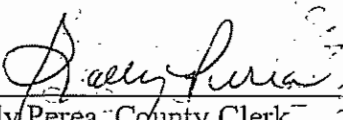
VALENCIA COUNTY

APPROVED, ADOPTED, AND PASSED on this 21st day of December, 2009.


BOARD OF COUNTY COMMISSIONERS

 _____ Pedro G. Rael, Chair District I	 _____ Donald Holliday, Vice-Chair District V
 _____ Georgia Otero-Kirkham, Commissioner District II	 _____ David R. Medina, Commissioner District III
 _____ Ron Gentry, Commissioner District IV	

Attest:



Sally Perea, County Clerk



CAMP, DRESSER & MCKEE, INC.

By: _____

STATE OF NEW MEXICO)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
20____ by _____.

Notary Public

My Commission Expires:

ENTITY NAME: Valencia
FISCAL YEAR: FY 09/10
DFA Resolution Number:

ENTITY NAME: Valencia
FISCAL YEAR: FY 09/10
DFA Resolution Number:

[illegible]

ATTEST:

Patricia Garcia
Title 0861174010/K

12.21.09
(Date)

Major/Board Chairman

12-21-09
(Date)

EXHIBIT K



STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
Bataan Memorial Building, Ste 201 • Santa Fe, New Mexico 87501
Phone: (505) 827-4950 • FAX (505) 827-4948
www.nmdfa.state.nm.us

BILL RICHARDSON
GOVERNOR

KATHERINE B. MILLER
CABINET SECRETARY

ROBERT M. APODACA
DIRECTOR

July 9, 2009

Ms. Wilma Abril
Finance Director
Valencia County
P.O. Box 1119
Los Lunas, NM 87031

Dear Ms. Abril:

Your request to carry over \$62,497.33 of Law Enforcement Protection Fund (LEPF) balance into Fiscal Year 2009-2010 for the purchase of a police vehicle, law enforcement equipment and advanced law enforcement training has been approved. Enclosed is your E-mail request with the approval stamp.

Of the balance being carried over, \$48,600 is from the Fiscal Year 2008-2009 distribution.

The remaining balance of \$13,897.33 is from the Fiscal Year 2007-2008 distribution. Since this is the second carryover request related to this distribution, the final deadline for expending these funds is June 30, 2010.

Please call me at (505) 827-4127 if you have any questions, or if I may be of assistance.

Sincerely,

A handwritten signature in cursive script that reads "Brenda L. Suazo-Giles".

Brenda L. Suazo-Giles
Executive Budget Analyst, DFA/LGD

Enclosure

cc: Becky Lopez, Executive Budget Analyst, DFA/LGD

ENTITY NAME:	Valencia
FISCAL YEAR:	FY 09/10
DFA Resolution Number:	

[illegible]

ATTEST: Shirley J. Smith 12.21.09 (Date)
 This is a true and correct copy of the original. Shirley J. Smith
 Notary Public
 My Notary Board Chairman
 Pedro G. Rael
 Valencia County Chairman

PAGE 697

ENTITY NAME:	Valencia
FISCAL YEAR:	FY 09/10

For Local Government Division use only:

[illegible]

ATTEST:

Daily News 12.7.09
(Date)

12-21-09

Mayor/Board Chairman
Pedro G. Rae
Valencia County Chairman

EXHIBIT M

Werne W. (copy)

Contract Number	_____
Vendor Number	0000054407
Project Number	See Appendix B
Control Number	See Appendix B

CAPITAL COOPERATIVE AGREEMENT CERTIFICATION PROJECT

This Agreement made and entered into this _____ day of _____, 2009, by and between the New Mexico Department of Transportation, hereafter referred to as "Department," and the County of Valencia, hereafter referred to as "County."

In consideration of the covenants contained herein and pursuant to the NMSA 1978, Section 67-3-28, State Transportation Commission Policy No. 44, and New Mexico appropriation Laws of 2008, the parties agree as follows:

SECTION ONE: PURPOSE

The purpose of this Agreement is to specify and delineate the rights and duties of the parties hereto as outlined in Appendix B and made part of this Agreement. Projects shall hereafter be referred to interchangeably as "Project" or "Project Control Number." Each Project identified in Appendix B shall be assigned a separate control number and project number. The Project is a joint and coordinated effort for which the Department and the County each have authority or jurisdiction.

SECTION TWO: PROJECT FUNDING

1. For Severance Tax Bond and General Fund Appropriations Projects listed in Appendix B the Department shall reimburse the County funds in the amount not to exceed the total amount in Appendix B.
2. Funds must be expended for the purpose designated in Appendix B and must not exceed the amounts designated for each Project.
3. Any unexpended funds shall revert to the originating fund within six months of completion of the Project but no later than June 30, 2012.

SECTION THREE: COUNTY SHALL

1. Assume the lead role for the Project.
2. Be responsible for all applicable design, environmental and archaeological clearances, and right-of-way acquisition, in accordance with current local, state,

federal laws, Uniform Relocation Act, and current design practices and specifications.

3. Be responsible for project development, project construction, construction management, and testing.
4. Utilize the Project Control Number in all correspondence and submittals to the Department.
5. Adopt a written resolution of support for the Project, including an assumption of ownership, liability, and maintenance responsibility for the scope, or related amenities and required funding to support the Project.
6. Complete the Project using current American Public Works Association (APWA) specifications, implemented County design standards and specifications, or Department specifications.
7. Use Rental Rate Blue Book rates, if not provided in the Department established equipment rates, in the implementation of this Project. Any equipment rates not found in the Department established rates shall be reimbursed at the Blue Book rates.
8. Submit quarterly status reports to the Department's Local Government Agreement Unit indicating the County's progress for each Project listed in Appendix B.
9. Within sixty days of Project completion, furnish the Department's Transit and Rail Division, Rail Section with the "Certification of Capital Cooperative Agreement Compliance/Completion" (see Appendix A) for each Project listed in Appendix B. The Chairman of County Commission or designee shall execute this Certification.

SECTION FOUR: DEPARTMENT SHALL

Reserve the right to inspect this Project for compliance of requirements specified in this Agreement. If such inspection discloses a failure to meet the requirements as determined by the Department, the Department may terminate this Agreement for default, reserving all rights and prerogatives available under New Mexico law.

SECTION FIVE: PROJECT RESPONSIBILITY

This Project is the County's sole responsibility and nothing herein requires the Department to have any responsibility for future maintenance of the Project. The County shall maintain with its own funds all facilities constructed.

SECTION SIX: JURISDICTION

By reason of the Department's participation in the funding of this Project, the Department is not incorporating this Project into the state highway system. After the completion of the Agreement's purpose, ownership of the resulting project shall remain with the County.

SECTION SEVEN: LEGAL COMPLIANCE

The County shall comply with all applicable federal, state and local laws, and Department regulations and policies in the performance of this Agreement, including, but not limited to laws governing civil rights, equal opportunity compliance, environmental and cultural resources requirements, right-of-way acquisition, workplace safety, employer-employee relations, and all other laws governing operation of the workplace, including laws and regulations hereafter enacted. The County shall ensure that the requirements of this compliance are made a part of each subcontract on this Project at all tiers.

SECTION EIGHT: THIRD PARTY BENEFICIARY CLAUSE

No provision of this Agreement creates in the public, or any member thereof, a third party beneficiary or to authorize anyone not a party to the Agreement to maintain a suit for wrongful death, bodily and/or personal injury to person, damage to property, and/or any other claim(s) whatsoever pursuant to the provisions of this Agreement.

SECTION NINE: NEW MEXICO TORT CLAIMS ACT

No provision of this Agreement establishes any waiver of immunity from liability for alleged tortious conduct of any employee of the Department or the County arising from the performance of this Agreement apart from that set forth in the New Mexico Tort Claims Act, NMSA 1978, Section 41-4-1, et seq.

SECTION TEN: ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS

There shall be strict accountability for all receipts and disbursements relating hereto. The County shall maintain all records and documents relative to the Project for a minimum of five years after completion of the Project. The County shall furnish the Department or State Auditor, upon demand, any and all such records relevant to this Agreement and allow them the right to audit all records, which support the performance of this Agreement. If an audit finding determines that specific funding use was inappropriate or not related to the project, the County shall reimburse that portion to the Department within thirty days of written notification. If documentation is insufficient to support an audit by customarily accepted accounting practices, the expenses supported by such insufficient documentation shall be reimbursed to the Department within thirty days.

SECTION ELEVEN: AUTHORIZATION OF EXPENDITURES

The terms of this Agreement are contingent upon passage of sufficient appropriations by the Legislature of New Mexico, for performance of this Agreement. The Department is expressly not committed to expenditure of any funds until such time as they are programmed, budgeted, encumbered, and approved for expenditure by the Department. The Department's decision as to whether its funds are sufficient for fulfillment of this Agreement shall be final. If the County incurs costs prior to the full execution of the Agreement, they do so at their own risk.

SECTION TWELVE: REIMBURSEMENT FOR EXPENDITURES INCURRED

The Department's Transit and Rail Division, Rail Section Office shall reimburse the County for One Hundred percent (100%) of the eligible expenses upon receipt of invoices for the Projects listed in Appendix B, with sufficient supporting documentation as determined and/or approved by the Department, certifying that costs have been incurred in compliance with this Agreement. Such invoices shall be submitted to the Department's Transit and Rail Division, Rail Section on a monthly basis. Invoices shall have a certification by the County authenticating that the invoices accurately reflect work completed, amount due, remaining Project balance and Project Control Number. All expenses must be actual rather than estimated and must be listed on the invoices as charged. Reimbursement requests must be submitted individually for each Project listed in Appendix B. Only those expenses that are properly documented and deemed eligible will be reimbursed under this Agreement. Incomplete submittals will be returned to the County for corrections. The Department's Transit and Rail Division, Rail Section will not reimburse the County for any costs incurred after the expiration of the Agreement, or in excess of the maximum dollar amount of the Agreement. Final payment requests shall be submitted by the County to the Department's Transit and Rail Division, Rail Section within six months of completion of the Project.

SECTION THIRTEEN: TERMS OF THIS AGREEMENT

This Agreement constitutes the entire Agreement between the parties. Any claimed covenant, term, condition, warranty or promise of performance not expressly included in this document or its amendments, is not part of this Agreement and not enforceable pursuant to this Agreement.

SECTION FOURTEEN: TERMINATION

1. This Agreement shall terminate on June 30, 2012. Neither party shall have obligation under this Agreement after said date except as stated in Section Five of this Agreement.
2. The Department may, at its option, terminate this Agreement if the County fails to comply with any provisions of this Agreement. By such termination neither party may nullify obligations already incurred for performance or failure to perform prior to termination of the Agreement.

SECTION FIFTEEN: SEVERABILITY

In the event that any portion of this Agreement is determined to be void, unconstitutional, or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect.

SECTION SIXTEEN: AMENDMENT

This Agreement shall not be supplemented or amended except by an instrument in writing and executed by the parties hereto.

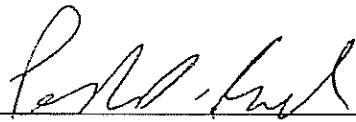
In witness whereof, the parties have set their hands and seal the day and year set forth below.

NEW MEXICO DEPARTMENT OF TRANSPORTATION

By: _____
Deputy Secretary

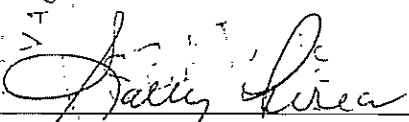
Date: _____

COUNTY OF VALENCIA

By: 
Chairman of County Commission

Date: 12.2.09

ATTEST

By: 
County Clerk

Date: 12.2.09

APPENDIX A

CERTIFICATION OF CAPITAL COOPERATIVE AGREEMENT FOR
RAILROAD CROSSING PROJECTS IN VALENCIA COUNTY
COMPLIANCE/COMPLETION

I, Pedro G. Rael, in my capacity as CHAIRMAN of
Valencia County do hereby certify as follows:

1. That the County has complied with all the terms and conditions in the Agreement for
Control Number C8G698, Project Number SP-GA-7561(257) .and ,
Control Number C8G699, Project Number SP-GA-7561(258) .

COUNTY OF VALENCIA

By: [Signature]
Chairman of County Commission or designee

Date: 12-2-09

Please notarize below

In witness whereof:

State of New Mexico
County of Valencia

Signed and attested before me on : December 2, 09
date

Pedro G. Rael
print name
[Signature]
Signature of notarial officer
CHAIRMAN
Title

When Completed, please send Certification to:

Tim Harris, Rail Manager
Transit and Rail Division
New Mexico Department of Transportation
P.O. Box 1149
Santa Fe, NM 87504-1149

APPENDIX B

2008/2009 - CAPITAL PROJECTS COOPERATIVE AGREEMENT FOR RAILROAD CROSSING PROJECTS IN VALENCIA COUNTY

01. 2008 General Fund

SB471, Chapter 92, Section 61, Subsection 151

Control Number C8G698, Project Number SP-GA-7561(257)

to install a railroad safety signal at the intersection of Elaine road and
the railroad in Valencia county;

\$114,000

02. 2008 General Fund

SB471, Chapter 92, Section 61, Subsection 152

Control Number C8G699, Project Number SP-GA-7561(258)

to plan, design and construct railroad quiet zones in Belen and in
Valencia county

\$115,000

TOTAL

\$229,000

VALENCIA COUNTY
BOARD OF COUNTY COMMISSIONERS
PAYROLL AUTHORIZATION

The attached computer printout lists all checks issued by the Managers Office on
12/11/2009 covering payroll process on the above date.
Direct Deposit Check # _____ thru direct deposit check# _____ inclusive.
Deduction Check# 101587 thru deduction check# 86318 inclusive.
Payroll Check # 86164 thru payroll check # 86318 inclusive.
Listing total \$ 79,257.70 - Volunteer Fire Stipend

All have been reviewed for:

1. Appropriate documentation and approvals
2. Authorized budget appropriations.
3. Compliance with New Mexico Statutes, and
4. DFA Rules and Regulations.

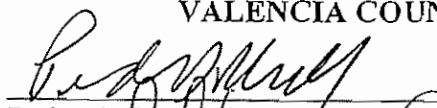
In recognition of the above, the Manager's Office request this action be officially recorded in the minutes of the regular county commission meeting before which body this matter came.


Recommended:

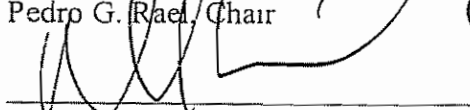

Wilma Abril, Finance Director

Done this 21st day of December, 2009

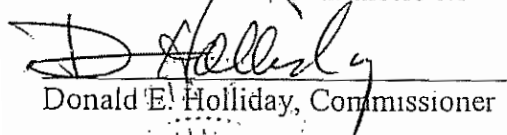
VALENCIA COUNTY BOARD OF COMMISSIONERS


Pedro G. Rael, Chair


Georgia Otero-Kirkham, Vice-Chair


David R. Medina, Commissioner


Ron Gentry, Commissioner


Donald E. Holliday, Commissioner

ATTEST:

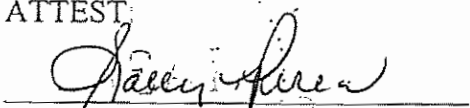

Sally Perea, County Clerk

EXHIBIT N

VALENCIA COUNTY
BOARD OF COUNTY COMMISSIONERS
PAYROLL AUTHORIZATION

The attached computer printout lists all checks issued by the Managers Office on
12/04/2009 covering payroll process on the above date.

Direct Deposit Check # 13380 thru direct deposit check# 13558 inclusive.

Deduction Check# 101525 thru deduction check# 101560 inclusive.

Payroll Check # 86070 thru payroll check # 86162 inclusive.

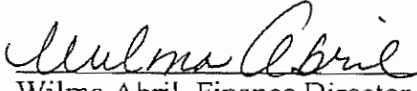
Listing total \$ 370,108.19 86163-Check for Emily Montoya
Ot owed to her.
Dated 12/04/2009

All have been reviewed for:

1. Appropriate documentation and approvals
2. Authorized budget appropriations.
3. Compliance with New Mexico Statutes, and
4. DFA Rules and Regulations.

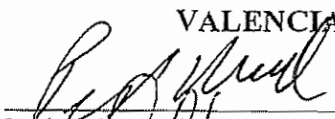
In recognition of the above, the Manager's Office request this action be officially
recorded in the minutes of the regular county commission meeting before which body
this matter came.

Recommended:



Wilma Abril, Finance Director

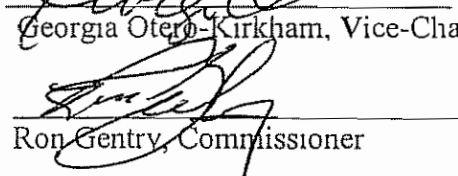
Done this 21st day of December, 2009

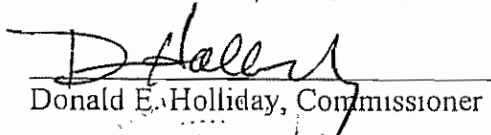
VALENCIA COUNTY BOARD OF COMMISSIONERS


Pedro C. Rael, Chair


Georgia Otero-Kirkham, Vice-Chair


David R. Medina, Commissioner


Ron Gentry, Commissioner


Donald E. Holliday, Commissioner

ATTEST:

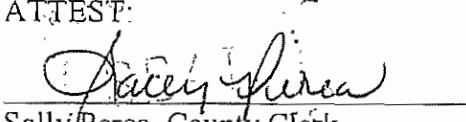

Sally Perea, County Clerk

EXHIBIT O

**VALENCIA COUNTY
BOARD OF COUNTY COMMISSIONERS
ACCOUNTS PAYABLE AUTHORIZATION**

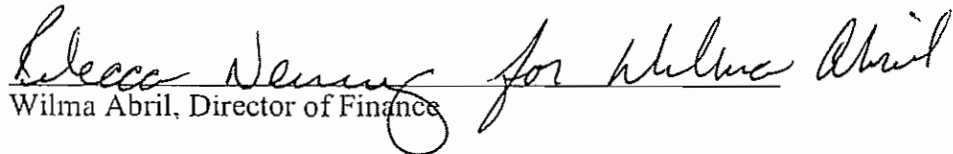
The attached computer printout lists all the checks issued by the Manager's Office on December 11, 2009 covering vendor bills processed on the above date. Check # 101560 thru Check # 101644 inclusive, for the total of \$ 331,975.52.

All have been reviewed for:

1. Appropriate documentation and approvals.
2. Authorized budget appropriations.
3. Compliance with New Mexico Statutes, and
4. DFA Rules and Regulations.

In recognition of the above, the Fiscal Office requests this action be officially recorded in the minutes of the regular county commission meeting before which body this matter came.

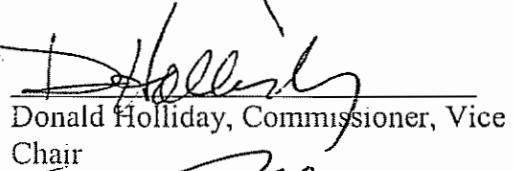
Recommended:

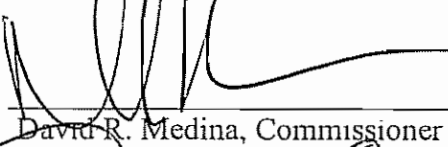

Wilma Abril, Director of Finance

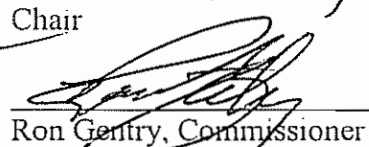
Done this 21st day of December, 2009.

VALENCIA COUNTY BOARD OF COMMISSIONERS


Pedro G. Rael, Commissioner, Chair

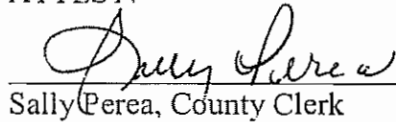

Donald Holliday, Commissioner, Vice Chair


David R. Medina, Commissioner


Ron Gentry, Commissioner


Georgia Otero-Kirkham, Commissioner

ATTEST:


Sally Perea, County Clerk