

**TOWN OF BASALT
ORDINANCE NO. 05
SERIES OF 2019**

**AN ORDINANCE OF THE TOWN COUNCIL OF BASALT, COLORADO,
AUTHORIZING BORROWING ON A LINE OF CREDIT FOR THE PURPOSE OF
PURCHASING AFFORDABLE HOUSING**

WHEREAS, the Town of Basalt (the "Town") is a legally created, established, organized, and existing municipal corporation under the provisions of Article XX of the Constitution of the State and the Town of Basalt Home Rule Municipal Charter (the "Charter");

WHEREAS, the Town Council in establishing its annual work plans identified Affordable Housing as a key goal;

WHEREAS, the Town Council of the Town of Basalt, Colorado, desires to borrow money in the form of a line of credit in order to purchase affordable housing (the "Loan");

WHEREAS, the Loan will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions;

WHEREAS, the Town Council of the Town of Basalt, Colorado, has appointed Christine Hamrick, Finance Director, to negotiate terms of Loan; and

WHEREAS, the Town Council finds and determines it is in the best interests of the Town to obtain a Loan as set forth the loan documents set forth in **Exhibit A** ("Loan Documents"), and pursuant to Section 4.1 of the Town Charter, wishes to approve the same as provided herein.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BASALT, COLORADO THAT:

1. Recitals. The Town Council incorporates the above recitals herein as if set forth in full.
2. Approving Loan. The Town Council hereby approves borrowing the sum of one million six hundred fifty thousand dollars (\$1,650,000) from Alpine Bank on the terms set out in the Loan Documents. The Town Council further authorizes the Mayor to sign and execute the Loan Documents and whatever other documents as necessary or required by said Bank to evidence indebtedness of

the Town of Basalt. The Town Council authorizes any two signers authorized on the general fund account be authorized on behalf of the Town of Basalt to authorize draws from the Loan.

3. **Severability.** If any portion of this Ordinance or the application thereof to any person or circumstances shall be found to be invalid by a court of competent jurisdiction, such invalidity shall not affect the remaining portions or applications of the Ordinance that can be given effect without the invalid portion or application; provided such remaining portions or applications are not determined by the court to be inoperable, and to this end this Ordinance is declared to be severable.

READ ON FIRST READING, ORDERED PUBLISHED AND SET FOR PUBLIC HEARING TO BE HELD ON February 12, 2019 by a vote of 5 to 0 on January 22, 2019.

READ ON SECOND READING AND ADOPTED by a vote of 7 to 0 on February 12, 2019.

TOWN OF BASALT, COLORADO

BY:


Jacquie R. Whitsitt, Mayor

ATTEST:

By:


Pamela K Schilling, Town Clerk



Ord 05 2019 - Authorizing Line of Credit for Purchase of Affordable Housing

First Publication: January 31, 2019
Final Publication: February 21, 2019
Effective date: March 14, 2019

EXHIBIT A

ADDENDUM TO BUSINESS LOAN AGREEMENT

This Addendum to Business Loan Agreement is entered into effective as of the 12 day of February 2019, by and between the TOWN OF BASALT, a Colorado home rule municipality (the "Town"), and ALPINE BANK, a Colorado banking corporation (the "Lender").

WHEREAS, the Town and Lender have previously executed a Promissory Note dated February 14, 2017, described as Note Number 0560434301 in the principal amount of \$2,800,000, with a maturity date of December 31, 2017 (the "Note"); and

WHEREAS, in connection with the Note, the Town and Lender entered into a Business Loan Agreement dated February 14, 2017 (the "Business Loan Agreement"); and

WHEREAS, the Town and Lender previously entered into a Change in Terms Agreement effective as of January 1, 2018, to modify the Note to provide for a maturity date of December 31, 2018, and to decrease the principal amount to \$1,800,000.00; and

WHEREAS, of even date herewith, the Town and Lender have entered into a Change in Terms Agreement, a Governmental Certificate, an Errors and Omissions Agreement, and a Disbursement Request and Authorization, all regarding Loan No. 056434301, providing for amendment of the Note to reduce the principal amount to \$1,650,000 and to provide for a new maturity date of December 31, 2019 ("2019 Loan") (the Note, the Business Loan Agreement, and other documents referenced in this recital or in the Note itself are collectively referred to as the "Loan Documents"); and

WHEREAS, as an additional inducement and consideration for the Lender to provide the 2019 Loan to the Town, the parties hereto desire to enter into this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Scope of Addendum. This Addendum includes additional provisions that supplement but do not replace any provision of the Loan Documents. Any terms defined in the Loan Documents used herein shall have the same meaning as set forth in the Loan Documents. The terms and provisions of the Loan Documents are incorporated by reference herein; provided, however, in the event of any conflict between the Loan Documents and this Addendum, this Addendum shall control. This Addendum and the Loan Documents apply only to the Loan as defined above, and any references in the Loan Documents to "Loans" or "Borrower's Loans" (plural) shall be interpreted to mean only the Loan (singular).

2. Inapplicable Provisions of Loan Documents. The Town and Lender agree that the Loan is not secured by any Collateral. As such, any references to Collateral, protecting or preserving Collateral, or to execution of mortgages, deeds of trust, security agreements, or financing statements in the Loan documents shall not apply. With respect to the Governmental Certificate, the subparagraphs entitled "Grant Security" and "Execute Security Documents" shall not apply. With respect to the Business Loan Agreement, the subparagraphs entitled

“Properties,” “Hazardous Substances,” “Lien Priority,” “Insurance Reports” and “Environmental Studies” shall not apply. With respect to any references to “Taxes” in the Loan Documents, Lender agrees and acknowledges that the Town is a governmental entity that is generally exempt from tax liabilities, and the Loan Documents shall be interpreted accordingly.

3. Subject to Appropriations. Any and all financial obligations of the Town pursuant to the Loan Documents extending beyond the current fiscal year are subject to and contingent upon annual budgeting and appropriation by the Basalt Town Council in accordance with the Constitution and Statutes of the State of Colorado and the Town of Basalt Home Rule Charter; provided, however, in the event that the Town fails to budget and appropriate funds sufficient to meet any financial obligations of the Town as provided by the Loan Documents, then Lender shall have the right to declare such failure as an Event of Default and to exercise all available remedies. Notwithstanding the preceding sentence, nothing herein or in the Loan Documents shall be deemed a waiver by Lender of any remedies it may have against the Town in an Event of Default, including but not limited to any rights of creditors pursuant to C.R.S. § 13-60-101. By execution of the Loan Documents, the Town warrants and represents that it has budgeted and appropriated sufficient funds for the current fiscal year to satisfy all of the Town’s obligations as set forth in the Loan Documents.

4. Town Official’s Authority. Notwithstanding any contrary language in the Governmental Certificate, Lender agrees and acknowledges that the Mayor’s authority to authorize the borrowing of money is limited to the maximum principal amount of the Loan, *i.e.*, \$1,650,000.

5. Right to Cure. Lender agrees and acknowledges that the Town shall have the right to cure defaults as set forth in the Business Loan Agreement and Note and that Lender’s rights to exercise default remedies are subject to such rights to cure.

6. Addendum to Note. Subject to the other provisions of this Addendum as set forth above, the following language shall be considered an additional provision of the Note:

The payments due hereunder constitute current expenses of the Borrower, and the Borrower’s obligations hereunder are from year to year only and do not constitute a mandatory payment obligation of the Borrower in any ensuing fiscal year beyond the current fiscal year. No provision hereof shall be construed or interpreted as creating a general obligation or other indebtedness of the State, the Borrower or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation. The obligation to make payments hereunder does not constitute or give rise to a general obligation or liability of, or a charge against the general credit or taxing power of the State, the Borrower or any political subdivision of the State. The execution, delivery and performance of this Note does not directly or indirectly obligate the Borrower to make any payments hereunder beyond those appropriated for the Borrower’s then current fiscal year, provided, however, that nothing herein shall be construed to limit the rights of the Lender to exercise its rights and remedies hereunder for repayment of this Note or other amounts due under this Note or Loan Documents.

SO AGREED as of the date first written above.

TOWN OF BASALT, COLORADO

By:  _____
Mayor

Attest:
 _____
Town Clerk

ALPINE BANK

By:  _____

GOVERNMENTAL CERTIFICATE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,650,000.00	01-01-2019	12-31-2019	0560434301	04A / 300	T003337	211	[Signature]
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Entity: TOWN OF BASALT
101 MIDLAND AVENUE
BASALT, CO 81621-8305

Lender: Alpine Bank, A Colorado Banking Corporation
Alpine Bank Basalt
400 7th Street South
Rifle, CO 81650
(800) 551-6098

I, THE UNDERSIGNED, DO HEREBY CERTIFY AND STATE UNDER PENALTY OF PERJURY THAT:

THE ENTITY'S EXISTENCE. The complete and correct name of the governmental entity is TOWN OF BASALT ("Entity"). The Entity is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws and regulations of the State of Colorado. The Entity has the full power and authority to own its properties and to transact the business and activities in which it is presently engaged or presently proposes to engage. The Entity maintains an office at 101 MIDLAND AVENUE, BASALT, CO 81621-8305. The Entity shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of the Entity and any other governmental or quasi-governmental authority or court applicable to the Entity and the Entity's business activities.

CERTIFICATES ADOPTED. At a meeting of the appropriate governing body of the Entity, duly called and held on February 12, 2019, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Certificate were adopted.

OFFICIAL. The following named person is an Official of TOWN OF BASALT:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
JACQUE R. WHITSITT	MAYOR	Y X	[Signature]

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Entity. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Entity:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Entity and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Entity's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Entity's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Entity or in which the Entity now or hereafter may have an interest, including without limitation all of the Entity's real property and all of the Entity's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Entity to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Entity or in which the Entity may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Entity's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, **including agreements waiving the right to a trial by jury**, as the Official may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Certificate. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from the Entity, at Lender's address shown above, written notice of revocation of such authority: **AUTHORIZATION OF TWO DDA ACCOUNT SIGNERS ARE REQUIRED FOR DRAWS ON THE LOAN.**

ASSUMED BUSINESS NAMES. The Entity has filed or recorded all documents or filings required by law relating to all assumed business names used by the Entity. Excluding the name of the Entity, the following is a complete list of all assumed business names under which the Entity does business: **None.**

NOTICES TO LENDER. The Entity will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Entity's name; (B) change in the Entity's assumed business name(s); (C) change in the structure of the Entity; (D) change in the authorized signer(s); (E) change in the Entity's principal office address; (F) change in the Entity's principal residence; or (G) change in any other aspect of the Entity that directly or indirectly relates to any agreements between the Entity and Lender.

CERTIFICATION CONCERNING OFFICIALS AND CERTIFICATES. The Official named above is duly elected, appointed, or employed by or for the Entity, as the case may be, and occupies the position set opposite his or her respective name. This Certificate now stands of record on the

GOVERNMENTAL CERTIFICATE
(Continued)

Loan No: 0560434301

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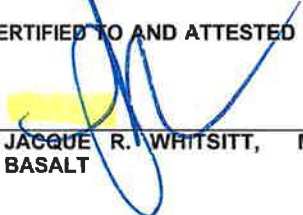
books of the Entity, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Certificate and performed prior to the passage of this Certificate are hereby ratified and approved. This Certificate shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Entity's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Certificate, and I personally and on behalf of the Entity certify that all statements and representations made in this Certificate are true and correct. This Governmental Certificate is dated January 1, 2019.

CERTIFIED TO AND ATTESTED BY:

X 
JACQUE R. WHITSITT, MAYOR of TOWN OF
BASALT

STATE OF COLORADO)

COUNTY OF Eagle)


) SS
)

Signed and sworn to (or affirmed) before me on this 21st day of February, 2019, by Jacquie Whitsitt as Mayor of Basalt

My Commission Expires 02-23-2021
Notary ID # 20074000275
State of Colorado
Notary Public
CONNIE C. HOLCOMB

Witness my hand and official seal.


My commission expires: 02-23-2021



Notary Public

NOTE: If the Official signing this Certificate is designated by the foregoing document as one of the officials authorized to act on the Entity's behalf, it is advisable to have this Certificate signed by at least one non-authorized official of the Entity.

CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,650,000.00	01-01-2019	12-31-2019	0560434301	04A / 300	T003337	211	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: TOWN OF BASALT
101 MIDLAND AVENUE
BASALT, CO 81621-8305

Lender: Alpine Bank, A Colorado Banking Corporation
Alpine Bank Basalt
400 7th Street South
Rifle, CO 81650
(800) 551-6098

Principal Amount: \$1,650,000.00

Date of Agreement: January 1, 2019

DESCRIPTION OF EXISTING INDEBTEDNESS. BORROWER EXECUTED A PROMISSORY NOTE PAYABLE TO THE ORDER OF LENDER DATED FEBRUARY 14, 2017 WHICH NOTE IS FURTHER DESCRIBED AS NOTE NUMBER 560434301 IN THE PRINCIPAL AMOUNT OF \$2,800,000.00 AND PAYABLE ON DECEMBER 31, 2017. BORROWER AND LENDER ENTERED INTO A CHANGE IN TERMS AGREEMENT DATED JANUARY 1, 2018, TO DECREASE THE PRINCIPAL AMOUNT OF THE NOTE TO \$1,800,000 AND TO CHANGE THE MATURITY DATE TO DECEMBER 31, 2018. BORROWER AND LENDER HEREBY AGREE TO EXTEND/MODIFY THE NOTE BASED ON THE TERMS CONTAINED HEREIN.

DESCRIPTION OF COLLATERAL. UNSECURED.

DESCRIPTION OF CHANGE IN TERMS. ALPINE BANK AGREES TO THE FOLLOWING:

EXTEND THE LOAN FOR ONE YEAR

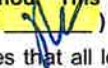
CHANGE THE INTEREST RATE TO A FIXED RATE OF 4.250%

DECREASE THE LINE OF CREDIT LIMIT TO \$1,650,000.00

SEE PAYMENT AND VARIABLE INTEREST RATE SECTIONS BELOW FOR PAYMENT, CURRENT RATE AND FUTURE RATE CHANGE INFORMATION. BORROWER AGREES TO PAY THE FEES AND CHARGES AS DISCLOSED IN THE DISBURSEMENT REQUEST AND AUTHORIZATION, IN CONSIDERATION OF THIS AGREEMENT. ALL OTHER TERMS REMAIN THE SAME.

PROMISE TO PAY. TOWN OF BASALT ("Borrower") promises to pay to Alpine Bank, A Colorado Banking Corporation ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Six Hundred Fifty Thousand & 00/100 Dollars (\$1,650,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 4.250%. Interest shall be calculated from the date of each advance until repayment of each advance. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on December 31, 2019. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning January 31, 2019, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this loan is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the loan documents. (Initial Here )

PREPAYMENT; MINIMUM INTEREST CHARGE. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Agreement, Borrower understands that Lender is entitled to a **minimum interest charge of \$250.00**. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due, unless otherwise stated in the Promissory Note or herein. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Agreement, and Borrower will remain obligated to pay any further amount owed to Lender. **All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Alpine Bank, A Colorado Banking Corporation; Alpine Bank Basalt; 400 7th Street South; Rifle, CO 81650.**

LATE CHARGE. If a payment is 11 days or more late, Borrower will be charged **5.000%** of the unpaid portion of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this loan shall be increased to 24.000%. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or ability to perform Borrower's obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Agreement and all accrued unpaid interest

**CHANGE IN TERMS AGREEMENT
(Continued)**

Loan No: 0560434301

immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Agreement if Borrower does not pay. Borrower will pay Lender the reasonable costs of such collection. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including without limitation attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Colorado without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Colorado.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Eagle County, State of Colorado.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$40.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

LINE OF CREDIT. This Agreement evidences a revolving line of credit. Advances under this Agreement may be requested either orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **AUTHORIZATION OF TWO DDA ACCOUNT SIGNERS ARE REQUIRED FOR DRAWS ON THE LOAN.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Agreement at any time may be evidenced by endorsements on this Agreement or by Lender's internal records, including daily computer print-outs.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

LINE OF CREDIT REST PROVISION. Borrower agrees to rest Line of Credit (Loan Balance at zero) for forty-five (45) days annually.

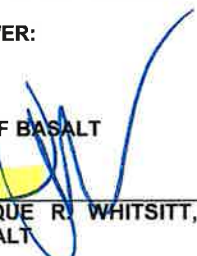
SUCCESSORS AND ASSIGNS. Subject to any limitations stated in this Agreement on transfer of Borrower's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Borrower, Lender, without notice to Borrower, may deal with Borrower's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Borrower from the obligations of this Agreement or liability under the Indebtedness.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Alpine Bank, A Colorado Banking Corporation, Alpine Bank Basalt, 400 7th Street South, Rifle, CO 81650.

MISCELLANEOUS PROVISIONS: If any part of this Agreement cannot be enforced, this fact will not affect the rest of the Agreement. Lender may delay or forgo enforcing any of its rights or remedies under this Agreement without losing them. Borrower and any other person who signs, guarantees or endorses this Agreement, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Agreement, and unless otherwise expressly stated in writing, no party who signs this Agreement, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Agreement are joint and several.


PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

TOWN OF BASALT
By: 
JACQUE R. WHITSITT, MAYOR of TOWN OF BASALT

LENDER:

ALPINE BANK, A COLORADO BANKING CORPORATION

X 
Authorized Signer

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,650,000.00	01-01-2019	12-31-2019	0560434301	04A / 300	T003337	211	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: TOWN OF BASALT
101 MIDLAND AVENUE
BASALT, CO 81621-8305

Lender: Alpine Bank, A Colorado Banking Corporation
Alpine Bank Basalt
400 7th Street South
Rifle, CO 81650
(800) 551-6098

LOAN TYPE. This is a Fixed Rate (4.250%) Nondisclosable Revolving Line of Credit Loan to a Government Entity for \$1,650,000.00 due on December 31, 2019. This is an unsecured renewal loan.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
- Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: EXTEND MATURITY DATE, DECREASE LINE OF CREDIT LIMIT AND CHANGE RATE.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$1,650,000.00 as follows:

Other Disbursements:	\$1,650,000.00
\$1,650,000.00 Present Balance	\$1,650,000.00

Note Principal:	\$1,650,000.00
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CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$1,500.00
\$1,500.00 Loan Origination Fee	
Other Charges Paid in Cash:	\$5,037.50
\$5,037.50 Accrued Interest to December 31, 2018	\$5,037.50
Total Charges Paid in Cash:	\$6,537.50

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JANUARY 1, 2019.

BORROWER:

TOWN OF BASALT

By:  _____
JACQUE R. WHITSITT, MAYOR of TOWN OF
BASALT

ERRORS AND OMISSIONS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,650,000.00	01-01-2019	12-31-2019	0560434301	04A / 300	T003337	211	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: TOWN OF BASALT
101 MIDLAND AVENUE
BASALT, CO 81621-8305

Lender: Alpine Bank, A Colorado Banking Corporation
Alpine Bank Basalt
400 7th Street South
Rifle, CO 81650
(800) 551-6098

LOAN NO.: 0560434301

The undersigned Borrower for and in consideration of the above-referenced Lender funding the closing of this loan agrees, if requested by Lender or Closing Agent for Lender, to fully cooperate and adjust for clerical errors, any or all loan closing documentation if deemed necessary or desirable in the reasonable discretion of Lender to enable Lender to sell, convey, seek guaranty or market said loan to any entity, including but not limited to an investor, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Housing Authority or the Department of Veterans Affairs.

The undersigned Borrower does hereby so agree and covenant in order to assure that this loan documentation executed this date will conform and be acceptable in the marketplace in the instance of transfer, sale or conveyance by Lender of its interest in and to said loan documentation.

DATED effective this **January 1, 2019**

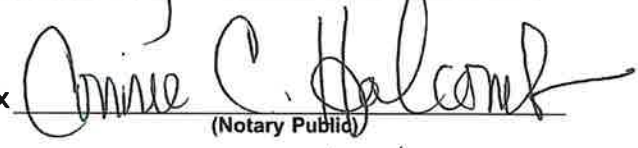
BORROWER:

TOWN OF BASALT

By: 
JACQUE R. WHITSITT, MAYOR of TOWN OF
BASALT

Sworn to and subscribed before me this 21st day of February, 2019.

CONNIE C. HOLCOMB
Notary Public
State of Colorado
Notary ID # 20074000275
My Commission Expires 02-23-2021

x 
(Notary Public)

My Commission Expires: 02/23/2021