
MASTER GOVERNMENTAL LEASE-PURCHASE AGREEMENT

Name and Address of Lessee:

**City of Missoula, Montana
435 Ryman Street
Missoula, MT 59802**

Lessor:

**Wells Fargo Brokerage Services, LLC
Northstar East Building, 10th Floor
MAC: N9303-105
608 Second Avenue South
Minneapolis, MN 55479**

1. LEASE. Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the personal property described from time to time in each Supplement now or hereafter attached to this Master Governmental Lease-Purchase Agreement (the "Agreement") and thereby made a part hereof (each such Supplement and the terms and conditions contained in this Agreement applicable thereto constitute an individual "Lease") upon the terms and conditions set forth in such Supplement and this Agreement (such property together with all replacements, repairs and additions incorporated therein or affixed thereto being referred to herein as "Equipment"). The execution by Lessee of a Supplement shall evidence a determination by the Lessee that the Equipment described therein is essential to its proper, efficient and economic operation, that Lessee desires to enter into a Lease for the acquisition of that Equipment under the terms hereof, that the Equipment is necessary for the governmental functions of Lessee, and that Lessor is neither the manufacturer nor a dealer or merchant of said Equipment, but has agreed to provide the funding for and on behalf of Lessee for the acquisition of said Equipment under the terms hereof at the specific request of Lessee.

2. DELIVERY AND ACCEPTANCE. Lessee will evidence its acceptance of the Equipment in a Lease by executing and delivering to Lessor a Delivery and Acceptance Certificate (herein so called) in the form to be provided by Lessor.

3. TERM. The term of each Lease shall begin the date the Equipment described therein is accepted by Lessee (the "Acceptance Date") and shall continue unless earlier terminated as provided herein. The Acceptance Date shall be recorded on the Supplement.

4. RENT. Lessee shall pay as rent for the full term of each Lease the amount shown in each Supplement as Total Rent, and a portion of each rent payment is paid as, and represents the payment of, interest, and Exhibit "A" attached to each Supplement will set forth the interest component of each rent payment during the term. The Total Rent shall be payable in installments each in the amount of the basic rental payment set forth in Exhibit A to each Supplement plus any applicable sales and use tax.

Except as provided in Section 5, the obligation of Lessee to make rent payments or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between Lessee and Lessor or any other person, Lessee shall make all rent payments and other payments required hereunder when due and shall not withhold any rent payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such rent payments or other payments required under each Lease. Lessee's obligation to make rent payments or other payments during the Agreement term shall not be abated through accident or unforeseen circumstances. However, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor.

Lessee reasonably believes that funds can be obtained sufficient to make all rent payments with respect to each Lease during the term thereof and hereby covenants that the officer of Lessee responsible for budget preparation shall request the required appropriation for each fiscal year during the term of each Lease from the governing body of Lessee and exhaust all available administrative reviews and appeals in the event such portion of the budget is not approved.

5. **NON-APPROPRIATION OF FUNDS.** If, notwithstanding the making in good faith of a request to the governing body of Lessee for funds to pay its obligations under any Lease for any ensuing fiscal year in accordance with appropriate procedures and Section 4 hereof, such governing body does not appropriate funds to be paid to Lessor for such Equipment, Lessee may, upon prior written notice to Lessor effective 60 days after the giving of such notice or upon the exhaustion of the funding authorized for the then current fiscal year, whichever is later, return such Equipment to Lessor at Lessee's expense and thereupon be released of its obligation to make all rental payments to Lessor due under such Lease after the close of the fiscal year for which funds were appropriated, provided: (i) such Equipment is returned to Lessor freight prepaid and insured to any location in the continental United States designated by Lessor in the same condition as when first delivered to Lessee, reasonable wear and tear resulting solely from authorized use thereof excepted, (ii) the foregoing notice states the failure of the governing body to appropriate the necessary funds as reason for cancellation, (iii) the notice is accompanied by payment of all amounts then due to Lessor under such Lease, and (iv) if such Equipment is not returned to Lessor as provided herein by June 30 of the last fiscal year for which funds were appropriated and if authorized by law, Lessee pays to Lessor additional rent calculated at the Lease rate for the period of time beyond such June 30 during which Lessee fails to return such Equipment to Lessor. In the event Lessee returns such Equipment pursuant to the terms of this Section 5, Lessor shall retain all sums paid hereunder by Lessee.

6. **REPRESENTATIONS AND WARRANTIES OF LESSEE.** Lessee represents and warrants and, so long as this Agreement is in effect or any part of Lessee's obligations to Lessor remain unfulfilled, shall continue to represent and warrant, that:

(a) Lessee is a duly incorporated city and political subdivision existing under the constitution and laws of the State of Montana (the "State"). Lessee will do or cause to be done all things necessary to preserve and keep such organization and existence in full force and effect.

(b) Lessee has duly authorized by a resolution of its governing body (which resolution, if requested by Lessor, is attached hereto) to execute and deliver this Agreement, each Supplement and to carry out its obligations hereunder and thereunder.

(c) All requirements have been met, and procedures have occurred, in order to ensure the enforceability of this Agreement and each Lease, and Lessee has complied and will comply with public bidding requirements, if any, as may be applicable to the transactions contemplated by this Agreement.

(d) The Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee.

(e) Lessee has funds available and properly appropriated to pay all rent due under this Agreement until the end of its current appropriation period. Lessee has never terminated, or threatened to terminate, a lease-purchase or similar agreement for failure of its governing body to appropriate funds sufficient to perform its obligations thereunder for any fiscal year.

(f) Lessee will not take any action that would cause the interest portion of the rent payments to become includible in gross income of the recipient for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code") and Treasury Regulations promulgated thereunder (the "Regulations"), and Lessee will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest portion of the rent payments does not become includible in gross income of the recipient for federal income tax purposes under the Code and Regulations.

7. **WARRANTIES.** Lessee agrees that it has selected or will select each item of Equipment based upon its own judgment and disclaims any reliance upon any statements or representations made by Lessor. LESSOR MAKES NO WARRANTY WITH RESPECT TO THE EQUIPMENT, EXPRESSED OR IMPLIED, AND LESSOR SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE AND ANY LIABILITY FOR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE EQUIPMENT. Lessee agrees to make rental and other payments required hereunder without regard to the condition of the Equipment and to look only to persons other than Lessor such as the manufacturer, vendor or carrier thereof should any item of Equipment for any reason be defective. So long as no Event of Default (as defined in Section 20 hereof) has occurred and is continuing with respect to any Lease, Lessor agrees, to the extent they are assignable, to assign to Lessee, without any recourse to Lessor, any warranty received by Lessor.

8. **TITLE.** Upon acceptance of any Equipment with respect to any Lease by Lessee hereunder, title to such Equipment will vest in the Lessee; provided, however, that (i) upon the occurrence of an Event of Default with respect thereto, as that term is defined in Section

20 hereof, (ii) in the event that the purchase option with respect thereto has not been exercised prior to the expiration date thereof, or (iii) in the event this Agreement is terminated by Lessee pursuant to the provisions of Section 5 hereof with respect thereto, title will immediately vest in Lessor or its assignee. For as long as title to the Equipment is in Lessee, Lessee at its expense shall protect and defend the title and keep it free of all claims and liens other than the rights of Lessee hereunder and claims and liens created by or arising through Lessor. The Equipment shall remain personal property regardless of its attachment to realty, and Lessee agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment as a result of its attachment to realty.

9. SECURITY AGREEMENT; FURTHER ASSURANCES. To secure the performance of all Lessee's obligations hereunder and under each Lease, Lessee hereby grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments, repairs, replacements and modifications thereto or therefor, including all after-acquired equipment of Lessee, and on any proceeds therefrom. Lessor is hereby authorized to file financing statements to perfect such security interest in accordance with the Uniform Commercial Code. Lessee agrees to execute or deliver such additional documents, including, without limitation, financing statements, opinions of counsel, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment or for the confirmation or perfection of this Agreement and Lessor's rights hereunder.

10. LAWS AND TAXES. Lessee shall comply with all laws and regulations relating to the Equipment and its use and shall promptly pay when due all sales, use, property, excise and other taxes and all license and registration fees now or hereafter imposed by any governmental body or agency upon the Equipment or its use or the rentals hereunder excluding, however, any taxes on or measured by Lessor's net income. Upon request by Lessor, Lessee shall prepare and file at its expense all tax returns relating to taxes for which Lessee is responsible hereunder which Lessee is permitted to file under the laws of the State.

11. LESSEE NEGLIGENCE. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others, which is proximately caused by the negligent conduct of Lessee, its officers, employees and agents. Lessee hereby assumes responsibility for and agrees to reimburse Lessor for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part upon the negligent conduct of Lessee, its officers, employees and agents, to the maximum extent permitted by law.

12. ASSIGNMENT. Without Lessor's prior written consent, Lessee will not sell, assign, sublet, pledge, or otherwise encumber or permit a lien arising through Lessee to exist on or against any interest in this Agreement, any Lease or the Equipment. Lessor may assign its interest in this Agreement and any Lease and sell or grant a security interest in all or any part of the Equipment without Lessee's consent, but with written notice to Lessee. Lessee hereby appoints Lessor as Lessee's agent for purposes of maintaining a written record of all such assignments.

13. INSPECTION. Lessor may inspect the Equipment at any time and from time to time during regular business hours.

14. REPAIRS. Lessee will use the Equipment with due care and for the purpose for which it is intended. Lessee will maintain the Equipment in good repair, condition and working order and will furnish all parts and services required therefor, all at its expense. All such parts when furnished shall immediately become part of the Equipment for all purposes hereof.

15. LOSS OR DAMAGE. In the event any item of Equipment shall become lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of condemnation or seizure of any item of Equipment, Lessee shall promptly pay Lessor (a) the amount of all rent and other amounts payable by Lessee hereunder with respect to such item due but unpaid at the date of such payment plus (b) the amount stated in the Supplement or Exhibit A thereto as the Termination Balance with respect to such Equipment. Upon payment of such amount to Lessor, such item shall become the property of Lessee, Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest therein, the rent with respect to such item shall terminate, and the basic rental payments on the remaining items shall be reduced accordingly. Lessee shall pay any sales and use taxes due on such transfer. Any insurance or condemnation proceeds received shall be credited to Lessee's obligation under this Section and Lessee shall be entitled to any surplus.

16. INSURANCE. Lessee shall obtain and maintain on or with respect to the Equipment subject to each Lease at its own expense (a) liability insurance against liability for bodily injury and property damage with a minimum limit of \$500,000 combined single limit and

(b) physical damage insurance insuring against loss or damage to the Equipment in an amount not less than the full replacement value of the Equipment or the amount stated in the Supplement or an exhibit thereto as the Termination Balance whichever is greater. Lessee shall furnish Lessor with certificate of insurance evidencing the issuance of a policy or policies to Lessee in at least the minimum amounts required herein, naming Lessor as an additional insured thereunder for the liability coverage and as loss payee for the property damage coverage. Each such policy shall be in such form and with such insurers as may be satisfactory to Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 10 days prior written notice of any alteration in the terms of such policy or the cancellation thereof, and a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirement thereof.

17. RETURN OF THE EQUIPMENT. Upon the termination of any Lease pursuant to Section 5 or Section 21 hereof, Lessee will immediately deliver the Equipment subject thereto to Lessor in the same condition as when delivered to Lessee, ordinary wear and tear excepted, at such location within the continental United States as Lessor shall designate. Lessee shall pay all transportation and other expenses relating to such delivery.

18. ADDITIONAL ACTION. Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may request in order to more effectively carry out the intent and purpose of this Agreement. Lessee shall furnish to Lessor, within seven (7) days of availability, a copy of Lessee's audited financial statements. In the event that Lessee does not regularly obtain audited financial statements, Lessee shall provide to Lessor, within seven (7) days of availability, copies of Lessee's annual balance sheet and income statement.

19. LATE CHARGES. If any installment of basic rent is not paid when due or within 10 days thereafter, Lessor may impose a late charge of up to 5% of the amount of the installment but in any event not more than permitted by applicable law. Rent payments thereafter received shall be applied first to delinquent installments and then to current installments.

20. DEFAULT. Each of the following events shall constitute an "Event of Default" with respect to any Lease: (a) Lessee shall fail to pay when due any installment of basic rent; (b) Lessee shall fail to observe or perform any other agreement to be observed or performed by Lessee hereunder and the continuance thereof for 30 calendar days following written notice thereof by Lessor to Lessee; (c) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false or misleading in any material respect; or (d) Lessee shall voluntarily file, or have filed against it involuntarily, a petition for liquidation, reorganization, adjustment of debt, or similar relief under the federal or state bankruptcy code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver, or liquidator shall be appointed of it or all of a substantial part of its assets.

21. REMEDIES. Whenever any event of default referred to in Section 20 hereof shall have happened and be continuing with respect to any Lease, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Lessor, with or without terminating such Lease may declare all rent payments with respect to such Lease due or to become due during the fiscal year in effect when the default occurs to be immediately due and payable by Lessee, whereupon such rent payments shall be immediately due and payable.

(b) Lessor, with or without terminating such Lease, may repossess the Equipment subject thereto by giving Lessee written notice to deliver such Equipment to Lessor, whereupon Lessee shall do so in the manner provided in Section 17; or in the event Lessee fails to do so within 10 days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable Termination Balance of the Equipment, as set forth in the Supplement applicable thereto (less credit for proceeds of insurance remaining after subtraction of Lessor's costs with respect to the collection thereof), to Lessor. Notwithstanding the fact that Lessor has taken possession of such Equipment, Lessee shall continue to be responsible for the rent payments with respect thereto due during the fiscal year then in effect. If the Lease has not been terminated, Lessor shall return such Equipment to Lessee at Lessee's expense when the event of default is cured.

(c) If Lessor terminates the Lease and takes possession of the Equipment subject thereto, Lessor shall within 30 days thereafter use its best efforts to sell the Equipment or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable state laws. Lessor shall apply the proceeds of such sale to pay the following

items in the following order: (i) all costs incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the sale; (iii) the applicable Termination Balance of the Equipment; and (iv) the balance of any rent payments owed by Lessee under such Lease during the fiscal year then in effect. Any sale proceeds remaining after the requirements of clauses (i), (ii), (iii) and (iv) have been met may be retained by Lessee.

(d) If the proceeds of sale of the Equipment are not sufficient to pay the balance of any rent payments owned by Lessee during the fiscal year then in effect, Lessor may take any other remedy available at law or in equity to require Lessee to perform any of its obligations with respect to such Lease.

22. NOTICES. Any written notice hereunder to Lessee shall be deemed to have been given when delivered personally or deposited in the United States mails, postage prepaid, addressed to Lessee at its address set forth above or at such other address as may be last known to Lessor.

23. PREPAYMENT. Any Lease may be prepaid in whole, but not in part, and on any regular payment date with 45 days written notice to Lessor, upon payment of all rent payments then due, plus the amount set forth as Termination Value on the Supplement applicable thereto or any exhibit thereto.

24. SURVIVAL. Lessee's obligations under Section 10 shall survive termination of this Agreement.

25. MISCELLANEOUS. Any provision of this Agreement or any Lease which is unenforceable in any jurisdiction shall, as to jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Agreement or any Lease, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. This Agreement or any Lease shall in all respects be governed by, and construed in accordance with, the substantive laws of the state in which the Lessee is located.

Dated: _____, 2009.

Lessee: **City of Missoula, Montana**

By: _____

Its: _____

Lessor: **Wells Fargo Brokerage Services, LLC**

By: _____

Its: _____

Wells Fargo Brokerage Services, LLC
608 Second Avenue South
MAC: N9303-105
Northstar East Building, 10th Floor
Minneapolis, MN 55479

**SUPPLEMENT TO MASTER GOVERNMENTAL
LEASE-PURCHASE AGREEMENT**

Name and address of Lessee:

«LeaseNo»

City of Missoula, Montana
435 Ryman Street
Missoula, MT 59802

This is a Supplement to the Master Governmental Lease-Purchase Agreement dated «DateofOriginalAgree», between Lessor and Lessee. Pursuant to the Master Governmental Lease-Purchase Agreement and this Supplement, Lessor is leasing to Lessee, and Lessee is leasing from Lessor, the Equipment described below.

EQUIPMENT DESCRIPTION			
Quantity	Serial Number		
		«Equipment»	
Location of Equipment (if different from Lessee's address)		SCHEDULE OF RENT PAYMENTS	
		Basic Rental Payments	Number Of Payments
Acceptance Date «RentComm»		«Payments»	«NoPymts»
Term in months «NoMonths»		Interest Rate «RateCoupon»	First Payment Due Final Purchase Option Price \$1.00
Rental payment period (check one)			
<input type="checkbox"/> Monthly		FINANCE AMOUNT: «ParAmount»	
<input type="checkbox"/> Quarterly			
<input type="checkbox"/> Semi-annually			
<input type="checkbox"/> Annually		TOTAL RENT: «TotalRent»	
<input type="checkbox"/> Other - see additional provisions			

Additional Provisions:

LESSOR: Wells Fargo Brokerage Services, LLC

LESSEE: City of Missoula, Montana
Missoula, Montana

By _____

By _____

Its «PFContTitle» _____

Its _____

Date «SuppDate» _____

Date «SuppDate» _____

Wells Fargo Brokerage Services, LLC,
MAC: N9303-105
608 Second Avenue South
Northstar East Building, 10th Floor
Minneapolis, MN 55479

*Certificate of
Insurance*

Coverage is provided for the following Named Insured:

Name of Insured

City of Missoula, Montana

Street Address

435 Ryman Street

City

Missoula

State

MT

Zip

59802

DETAILED DESCRIPTION AND LOCATION OF EQUIPMENT COVERED

«ProjectProperty»; for lease no. «LeaseNo»

DESCRIPTION OF COMPREHENSIVE GENERAL LIABILITY INSURANCE

Insurance Company (not agency)

Policy number

Effective date

Expiration date

BODILY INJURY LIABILITY

Single Claim / Each occurrence

\$500,000.00

Aggregate

PROPERTY DAMAGE LIABILITY

Each occurrence

Aggregate

Wells Fargo Brokerage Services, LLC, its successors and assigns, is endorsed as an Additional Insured on the Comprehensive General Liability insurance described above: X Yes ___ No

DESCRIPTION OF PHYSICAL DAMAGE INSURANCE

Insurance Company

Policy number

Effective date

Expiration date

The Physical Damage Insurance issued in the amount of «ParAmount» consists of:

Fire and Extended Coverage including Vandalism, Malicious Mischief and Theft

All Risk Insurance with the following exceptions:

Wells Fargo Brokerage Services, LLC, is successors and assigns, is endorsed as Loss Payee on the Physical Damage Insurance described above: X Yes ___ No

The Policy, as to the interest of Loss Payee, shall not be invalidated by any act of omission or commission or neglect or misconduct of the Named Insured at any time, not by any foreclosure or other proceeding or notice of sale relating to the insured property, not by any change in the title or ownership thereof or the occupation of the premises for purposes more hazardous than are permitted by the Policy, provided, that in case the Named Insured shall fail to pay any premium due under the Policy, Loss Payee may, at its option, pay such premium.

The Policy may be canceled at any time by either Insurer or Named Insured according to its provisions, but in any such case the Policy shall continue in full force and effect for the exclusive benefit of Loss Payee for ten days after written notice to Loss Payee of such cancellation and shall then cease.

Master Lease No. «LeaseNo»

Agency name

Street Address

City

State

Zip

Signature of Agent

Agent telephone number

Date

DELIVERY AND ACCEPTANCE CERTIFICATE

TO: WELLS FARGO BROKERAGE SERVICES, LLC

RE: MASTER GOVERNMENTAL LEASE-PURCHASE AGREEMENT DATED
«DATEOFORIGINALAGREE» AND SUPPLEMENT DATED «SUPPDATE»

FOR: «EQUIPMENT»

I am duly qualified and acting as the officer identified below of the City of Missoula, Montana (the “Lessee”); and, with respect to the Master Governmental Lease-Purchase Agreement dated _____, 2009 and Supplements thereto dated _____, 2009 (collectively, the “Lease”), by and between Lessee and Wells Fargo Brokerage Services, LLC (the “Lessor”), that:

1. The equipment described in the Lease (the “Equipment”) has been delivered in accordance with Lessee’s specifications and has been accepted by Lessee as of the Acceptance Date shown on each Supplement.

2. The rent payments provided for in each Supplement or Exhibit A thereto shall commence and be due and payable on _____, 20__ and the _____ of each _____ thereafter, in the amounts shown thereon.

3. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all rent payments required to be paid under the Lease during the current fiscal year of Lessee, and such moneys will be applied in payment of all rent payments due and payable during such current fiscal year.

4. Lessee is exempt from all personal property taxes, and sales and/or use taxes with respect to the Equipment and the rent payments.

5. During the Lease term the Equipment will be used by Lessee to perform essential governmental functions. Such functions are:

Dated: _____, 2009.

CITY OF MISSOULA, MONTANA,
Lessee

By _____
Its _____