

**NOTICE OF SPECIAL MEETING**  
**OF THE**  
**CHICKASHA CITY COUNCIL**

In compliance with Title 25, Oklahoma Statutes, Section 301-314, the Oklahoma Open Meeting Act, including the posting of notice and agenda, be advised that the Chickasha City Council, Chickasha Municipal Authority, and Chickasha Municipal Airport Authority of the City of Chickasha, Oklahoma, will conduct a **SPECIAL MEETING ON MONDAY, OCTOBER 10, 2022, AT 6:00 PM.** Said meeting will be held in the Council Chambers, City Hall, 117 North 4<sup>th</sup> Street, Chickasha, Oklahoma.

The City of Chickasha encourages participation from all its citizens. If participation is not possible due to a disability, notification to the City Clerk at least 48 hours prior to the scheduled meeting is encouraged to make the necessary accommodations. The City may waive the 48-hour rule if signing is not the necessary accommodation.

All items on this agenda, including but not limited to any agenda item concerning the adoption of any ordinance, resolution, contract, agreement, or any other item of business, are subject to amendment, including additions and/or deletions. This rule will apply to every individual agenda item without exception, and without providing this same amendment language with respect to each individual agenda item. Such amendments should be rationally related to the topic of the agenda item, or the governing body will be advised to continue the item.

The governing body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the governing body may refer the matter to its City/Trust Manager, staff, attorney or to the recommending board, commission or committee.

Agenda items are attached.

I, Susan M. McDaniel, City Clerk, posted this Agenda on the official City of Chickasha bulletin board in the Municipal Building, 117 North 4th Street Chickasha, OK, 73018, which is accessible to the public twenty-four hours each day at 4:30 p.m. on Thursday, October 6, 2022.



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Susan M. McDaniel, CMC

Sworn to and subscribed before me on this 6th day of October 2022.

My Commission Expires: 10-1-2026



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Notary Public, State of Oklahoma

**CHICKASHA CITY COUNCIL**

**AGENDA**

**LOCATION OF MEETING**

**CITY HALL COUNCIL CHAMBERS**

**117 NORTH FOURTH STREET**

**CHICKASHA, OKLAHOMA 73018**

**TIME OF MEETING**

**6:00 PM**

**DATE OF MEETING**

**OCTOBER 10, 2022**

All items on this agenda, including but not limited to any agenda item concerning the adoption of any ordinance, resolution, contract, agreement, or any other item of business, are subject to amendment, including additions and/or deletions. This rule will apply to every individual agenda item without exception, and without providing this same amendment language with respect to each individual agenda item. Such amendments should be rationally related to the topic of the agenda item, or the governing body will be advised to continue the item.

The governing body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When more information is needed to act on an item, the governing body may refer the matter to its City/Trust Manager, staff, attorney or to the recommending board, commission or committee.

**1. Call to Order / Roll Call**

**2. Discussion and Consideration**

- a. Discussion, Consideration and Possible action to approve the request for Oil/Gas Drilling Permit for Camino Natural Resources Well Pokes 0707 26-23-1 WXH
- b. Discussion, Consideration and Possible action to approve the request for Oil/Gas Drilling Permit for Camino Natural Resources for well Cowboys 0707 26-35-2-1WXH
- c. Discussion, consideration and possible action to lease an additional copier for the library from Standley Systems and authorize the Mayor to execute the same.

**3. Motion to Adjourn.**



City of  
**CHICKASHA**

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**Meeting Type: Special Council Meeting 10-10-2022**

**Meeting Date: 10/10/2022**

**Department: Community Development**

**Agenda Item No. 2.a.**

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**AGENDA ITEM: Discussion, Consideration and Possible action to approve the request for Oil/Gas Drilling Permit for Camino Natural Resources Well Pokes 0707 26-23-1 WXH**

**I. BACKGROUND/DESCRIPTION:**

This will be a new drilling permit for Camino Resources.

They have provided all information per the updated ordinances.

**II. RECOMMENDED ACTION:**

Staff Recommends to approve.

**III. FISCAL INFORMATION -**

**IV. FUND INFORMATION:**

|                                          |        |         |        |
|------------------------------------------|--------|---------|--------|
| <b>Dept. Director:</b><br>NAME, TITLE    | Fund   | Account | Amount |
|                                          | (To)   |         |        |
|                                          | FUND   | ACCOUNT | AMOUNT |
| <b>Meeting Date:</b><br>October 10, 2022 | (From) |         |        |

**V. ATTACHMENTS:**

1. PokesCowboys Roadway Use Agreement
2. Pokes 0707 26-23-1MXH Bond Rider
3. Pokes-Cowboys Truck Route - UPDATED
4. Pokes Oil & Gas Drilling Permit





## **CITY OF CHICKASHA ROADWAY USE, REPAIR, AND MAINTENANCE AGREEMENT**

**THIS AGREEMENT** (the "Agreement"), is made by and between THE CITY OF CHICKASHA, OKLAHOMA (the "City"), whose address is 117 N 4<sup>th</sup> Street, Chickasha OK 73018 and **Camino Natural Resources, LLC** whose address is 1401 17<sup>th</sup> St., Ste. 900, Denver, CO, 80202, and its related entities, affiliates, contractors, subcontractors, agents and designees (hereinafter collectively referred to as "OPERATOR").

### **RECITALS**

- A. OPERATOR is in the business of drilling oil and gas wells and, in connection therewith, shall be engaged in drilling and completion activities on property(ies) identified on the well permit approved by City staff, in accordance with City of Chickasha Code of Ordinances.
- B. As part of OPERATOR's ongoing operations as generally reflected in the Permit, OPERATOR desires to use certain City roads, identified in Appendix "A" hereto, being the official truck route ("Route") to access the specific site or sites identified in the Permits for the purpose of drilling and completing certain oil and gas wells (the "Project");
- C. The City is willing to grant OPERATOR the right and privilege to use the Route for the duration of the Project, upon the terms, covenants and conditions hereinafter set forth;
- D. It is the mutual desire of the City and OPERATOR to assure that the City is reimbursed for damage, if any, to the Route resulting from OPERATOR's use during the Project; and,
- E. The City and OPERATOR wish to enter into this Agreement to set forth the terms and conditions for the use of the Route by OPERATOR in the connection with the Project.

**NOW, THEREFORE**, in consideration of the above Recitals and the mutual covenants contained therein, the City and OPERATOR agree as follows:

1. **Recitals.** The above Recitals are true and correct and are incorporated hereby as if fully set forth herein.
2. **City Route Subject to Use.** In connection with the Project, the City hereby acknowledges and agrees that OPERATOR, its contractors, subcontractors or designees may use the Route subject to the terms and conditions of this Agreement. Nothing herein shall however prevent OPERATOR from otherwise using other City roads for any lawful purposes.

3. **Inspection of the Route.** The City and OPERATOR shall be given the opportunity to inspect the Route identified in Appendix "A" prior to the commencement of the Project. The City and OPERATOR may inspect the Route using any method, including the use of photography or video, to obtain evidence of the condition of the Route prior to OPERATOR's commencement of the Project. Upon written request by either party, a party with photographic or video evidence shall provide the other party with a copy of the same upon request.
4. **Post-Project Inspection/Damage Assessment/Payment.** Following the completion of the Project, OPERATOR shall provide notice of completion to the City. Thereafter, the City shall have thirty (30) days to inspect the Route for damage, if any, resulting from OPERATOR's use of the Route identified in the Permits. The City shall have sole discretion to determine damaged including: all labor costs, materials, contractual services and equipment required to repair the Route, the City shall invoice OPERATOR for such damage per the FEMA's Schedule of Equipment Rates as of Sept. 1, 2017. Payment of such invoice shall be made within thirty (30) days of receipt by OPERATOR.
5. **Intermittent Repairs.** In the event there is damage to the Route identified in the Permits and resulting from OPERATOR's use of the Route that must be repaired prior to the completion of the Project, the City shall give notice to OPERATOR of the damage and permit OPERATOR to inspect such damage prior to the City commencing repair work. Upon agreement between the City and OPERATOR as to the resulting damage including: all labor costs, materials, contractual services and equipment required to repair the Route, the City shall invoice OPERATOR for such damage per the FEMA's Schedule of Equipment Rates as of Sept. 1, 2017. Payment of such invoice shall be made within thirty (30) days of receipt by OPERATOR.
6. **Term of Agreement:** This Agreement, including all the covenants and conditions herein contained, shall be for a term commencing on the effective date hereof and ending when the Project in respect of which it is entered into is complete (including repair work to the Route), unless otherwise specified herein or agreed in writing by the City and OPERATOR.
7. **Counterparts.** The City and OPERATOR may execute different copies of this Agreement in lieu of executing the same copy, and each party shall be bound by the terms of this Agreement upon delivering a copy bearing the party's signature by electronic mail or facsimile transmission to the other party or its attorney.
8. **Entire Agreement.** This Agreement constitutes the entire Agreement between the City and OPERATOR and supersedes all prior written and oral understandings or agreements. Failure of either party to insist on performance on any of the terms and conditions of this Agreement, or to exercise any right or privilege contained in this Agreement, shall not be considered as a waiver of any such terms, conditions, rights, or privileges. This Agreement may be modified or amended only in writing signed by the City and OPERATOR.

9. **Advice of Counsel.** Each Party represents and warrants that it has exercised the opportunity to confer with counsel and any other advisors of its choosing, that each understands the effect of this Agreement, that each understands the terms and conditions of this Agreement. This agreement was mutually negotiated between the parties, and as such, shall not be construed against either party as the drafter.
10. **Severability.** In the event a provision of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void portion of such provision shall be deemed severed from this Agreement, unless removal of the unenforceable provision materially alters the rights or obligations of either party hereunder. Even if there is a material alteration in the remainder of the Agreement, the Agreement shall continue in full force and effect as if such provision was not contained herein, but the City and OPERATOR shall negotiate in good faith a new provision that will, to the extent practicable, restore the benefit of the bargain contained in such provision.
11. **Oklahoma Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma. Venue shall solely be in the District of Grady County.
12. **Other Rights and Remedies.** The rights and remedies provided in this Agreement shall be in addition to other rights and remedies available in law or equity.

Dated:

-

THE CITY OF CHICKASHA, OKLAHOMA

Signature:

Printed:

Title:

Dated

10/4/22

OPERATOR

Signature:

Printed:

Title:

  
Luke Roberts  
Director of Land

# INCREASE PENALTY RIDER

BOND NO. LPM9395887

To be attached and form a part of Bond No. LPM9395887 dated the 7th Day of September, 2022, executed by Fidelity and Deposit Company of Maryland as surety, on behalf of Camino Natural Resources, LLC as current principal of record, and in favor of City of Chickasha, OK, as Obligee for Single well bond for Pokes 0707 26-23-1MXH, and in the amount of Twenty Five Thousand Dollars and 00/100 (\$25,000.00).

In consideration of the agreed premium charged for this bond, it is understood and agreed that Fidelity and Deposit Company of Maryland hereby consents that effective from the 7th Day of September, 2022, said bond shall be amended as follows:

THE BOND PENALTY SHALL BE INCREASED:

FROM: Twenty Five Thousand Dollars and 00/100 (\$25,000.00)

TO: One Hundred Thousand Dollars and 00/100 (\$100,000.00)

The INCREASE of said bond penalty shall be effective as of the 7th Day of September, 2022, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the above mentioned bond shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability be cumulative.

Signed, sealed and dated this 29th Day of September, 2022

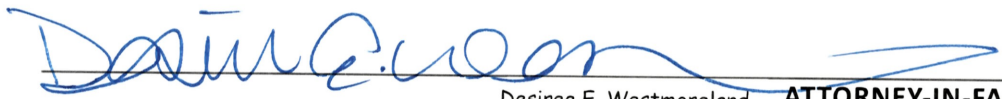
Camino Natural Resources, LLC  
PRINCIPAL

BY

  
Joseph Garcia  
VP-Operations

Fidelity and Deposit Company of Maryland  
SURETY

BY

  
Desiree E. Westmoreland, ATTORNEY-IN-FACT

**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint, **Bret S. BURTON, Myriah A. VALDIVIA, Todd Alan RAMBO, Desiree E. WESTMORELAND, Timothy Craig SMITH and David B. McKINNEY, all of Wichita, Kansas, EACH**, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland, and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland, in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 21st day of February, A.D. 2020.



**ATTEST:**  
**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

By: *Robert D. Murray*  
Vice President

By: *Dawn E. Brown*  
Secretary

**State of Maryland  
County of Baltimore**

On this 21<sup>st</sup> day of February, A.D. 2020, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public  
My Commission Expires: July 9, 2023

## EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

### CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By- Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 29th day of September 2022

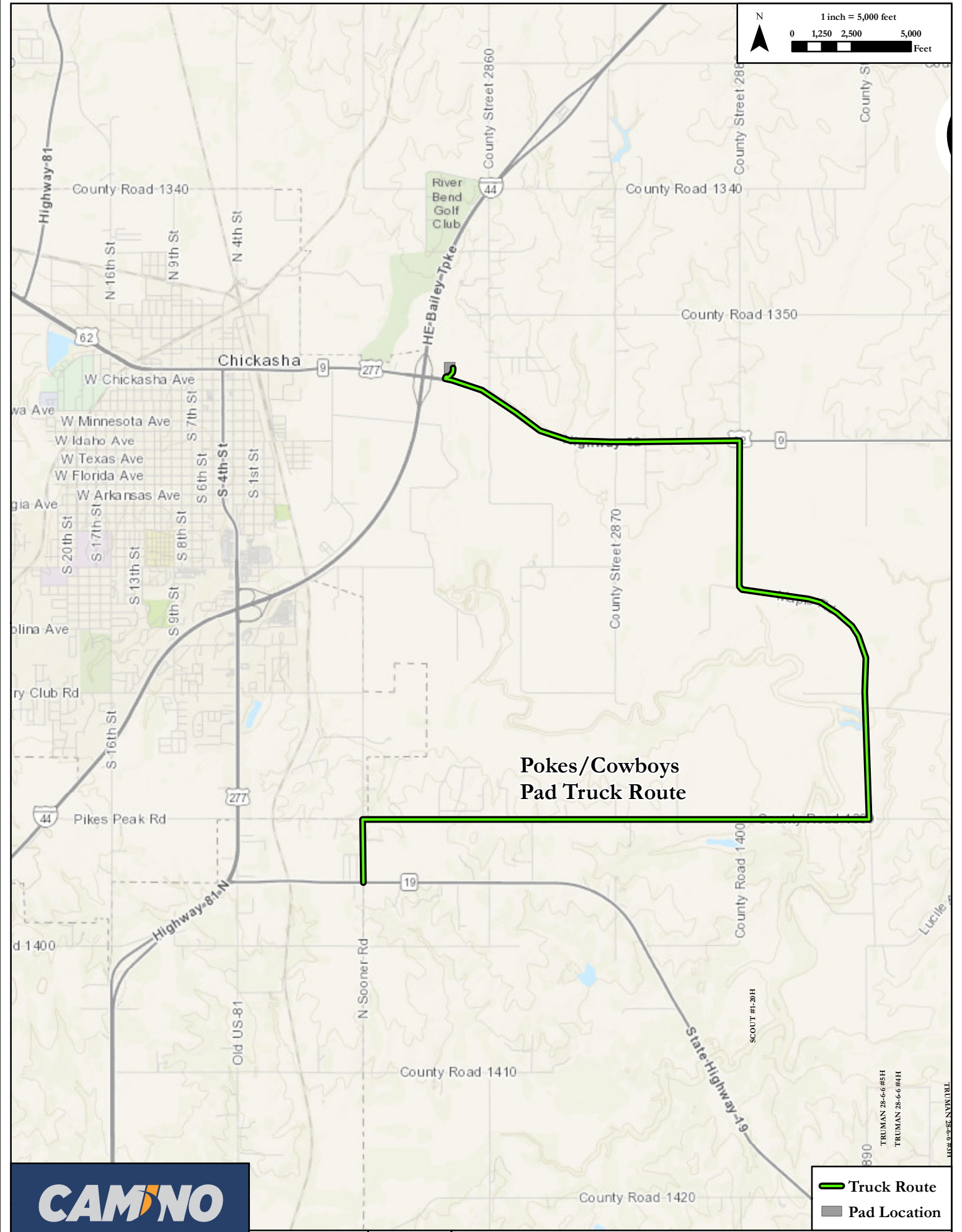


*Brian M. Hodges*

By: Brian M. Hodges  
Vice President

**TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:**

Zurich Surety Claims  
1299 Zurich Way  
Schaumburg, IL 60196-1056  
[www.reportsfclaims@zurichna.com](mailto:www.reportsfclaims@zurichna.com)  
800-626-4577



**Pokes/Cowboys  
Pad Truck Route**

-  Truck Route
-  Pad Location



### **POKES/COWBOYS TRUCK ROUTE**

- From Hwy 19 and Sooner Road in Chickasha
- North .5 miles to Cottonwood Road
- East on Cottonwood Road for approximately 4 miles to Maple Road
- North on Maple Road for approximately 4 miles to Highway 62
- West on Highway 62 for approximately 2.3 miles
- North into location

### **ADDITIONAL ROUTE INFORMATION:**

- Route was reviewed and approved by the County Commissioner prior to submitting to the City of Chickasha.
- Route was approved by the State of Oklahoma prior to submitting to the City of Chickasha.
- Trucking permit was approved for up to 188,000 LBS on 11 axles.
- No bridges will be crossed using the proposed route.
- Camino will monitor traffic during drilling and completion activities and ensure that our operations do not impact local traffic.

### **CAMINO TRUCKING POLICY AND SAFETY INFORMATION:**

Camino follows a strict process of planning industrial routes associated with our drilling operations and ensuring that these plans are effectively executed. Specific steps include:

- Conducting pre-drilling rig move meetings to discuss all details of the operation including the importance of protecting the surround public and property.
- Monitoring the effects, we might have on the surrounding community including road, bridge wear, traffic efficiency, dust generation and respond accordingly to mitigate these issues.
- Maintain an effective working relationship with Grady County authorities, as well as the other counties in which we operate, to ensure that all issues affecting the community are identified and appropriately addressed.



## Oil/Gas Drilling Permit

**Pokes 0707 26-23-1MXH**

|                                                                                  |                                            |
|----------------------------------------------------------------------------------|--------------------------------------------|
| <b>Company Name:</b> Camino Natural Resources, LLC                               | <b>Date of Application:</b> 9/22/2022      |
| <b>Address:</b> 1401 17 <sup>th</sup> Street, Suite 1000 Denver, CO 80202        |                                            |
| <b>Legal Address:</b> NE/4 NE/4 Section 26 T07N-R07W                             |                                            |
| <b>GPS Location:</b> 35.0526647, -97.904970743                                   |                                            |
| <b>Rig Name:</b> Cactus 160                                                      |                                            |
| <b>Agents Name:</b> Megan Gentile                                                |                                            |
| <b>Agents Address:</b> 1401 17 <sup>th</sup> Street, Suite 1000 Denver, CO 80202 |                                            |
| <b>Phone Number:</b> 720-405-2729                                                | <b>Email:</b> mgentile@caminoresources.com |
|                                                                                  |                                            |

- \_\_\_ 1. Provide a block map of the forty (40) acers surrounding the drilling site and include:
  - A. Location of the proposed well site:
  - B. Existing dwelling house, buildings, or other structures designed for the occupancy of human beings or animals with in 300' of the bore hole
  - C. Legal Description of well site
  
- \_\_\_ 2. Provide a copy of the approve drilling permit from the Corporation Commission, if applicable
  
- \_\_\_ 3. Provide a copy of staking plat
  
- \_\_\_ 4. Provide a drilling prognosis and specify detail
  - A. Amount, Weight and size of the conductor pipe and surface pipe
  - B. Procedures for cementing said pipe
  - C. Plugging procedures to be use in the event production is not established
  
- \_\_\_ 5. Provide a statement for the provision for water , to be signed by the Public Works Director, who will determine the connection cost and deposit amount If applicable
  
- \_\_\_ 6. Provide written approval of the mineral, surface and lease owners.
  
- \_\_\_ 7. Provide a map showing the truck route to and from location; and a letter stating what if any precautions will be taking to protect the City streets, bridges or access to City thoroughfares.

117 North 4<sup>th</sup> Street, Chickasha, Oklahoma 73018 – (405) 222-6010 – Fax (405)574-1015 –  
 rachel.bernish@chickasha.org

- \_\_\_ 8. Provide a statement of Fire Fighting Equipment
- \_\_\_ 9. A copy of all Bonds and Certificates of Insurance as required by Ordinance
- \_\_\_ 10. Compliance with Chickasha Noise and flaring procedures.
- \_\_\_ 11. \$5,500.00 Drilling Permit Application

  
Signature

Megan Gentile  
Printed Name



City of  
**CHICKASHA**

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**Meeting Type: Special Council Meeting 10-10-2022**

**Meeting Date: 10/10/2022**

**Department: Community Development**

**Agenda Item No. 2.b.**

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**AGENDA ITEM: Discussion, Consideration and Possible action to approve the request for an Oil/Gas Drilling Permit for Camino Natural Resources well, the Cowboys 0707 26-35-2-1WXH**

**I. BACKGROUND/DESCRIPTION:**

This will be for a new well

They have met all ordinance requirements

**II. RECOMMENDED ACTION:**

Staff Recommends to approve.

**III. FISCAL INFORMATION -**

**IV. FUND INFORMATION:**

|                                                                                            |        |         |        |
|--------------------------------------------------------------------------------------------|--------|---------|--------|
| <b>Dept. Director:</b><br>NAME, TITLE<br>Rachel Bernish, Community<br>Development Director | Fund   | Account | Amount |
|                                                                                            | (To)   |         |        |
|                                                                                            | FUND   | ACCOUNT | AMOUNT |
| <b>Meeting Date:</b><br>October 10, 2022                                                   | (From) |         |        |

**V. ATTACHMENTS:**

1. Cowboys Oil & Gas Drilling Permit
2. Pokes-Cowboys Truck Route - UPDATED
3. Cowboys 0707 26-35-2-1WXH Bond Rider
4. PokesCowboys Roadway Use Agreement





## Oil/Gas Drilling Permit

### **Cowboys 0707 26-35-2-1WXH**

|                                                                                  |                                            |
|----------------------------------------------------------------------------------|--------------------------------------------|
| <b>Company Name:</b> Camino Natural Resources, LLC                               | <b>Date of Application:</b> 9/22/2022      |
| <b>Address:</b> 1401 17 <sup>th</sup> Street, Suite 1000 Denver, CO 80202        |                                            |
| <b>Legal Address:</b> NE/4 NE/4 Section 26 T07N-R07W                             |                                            |
| <b>GPS Location:</b> 35.05266480, -97.90507098                                   |                                            |
| <b>Rig Name:</b> Cactus 160                                                      |                                            |
| <b>Agents Name:</b> Megan Gentile                                                |                                            |
| <b>Agents Address:</b> 1401 17 <sup>th</sup> Street, Suite 1000 Denver, CO 80202 |                                            |
| <b>Phone Number:</b> 720-405-2729                                                | <b>Email:</b> mgentile@caminoresources.com |
|                                                                                  |                                            |

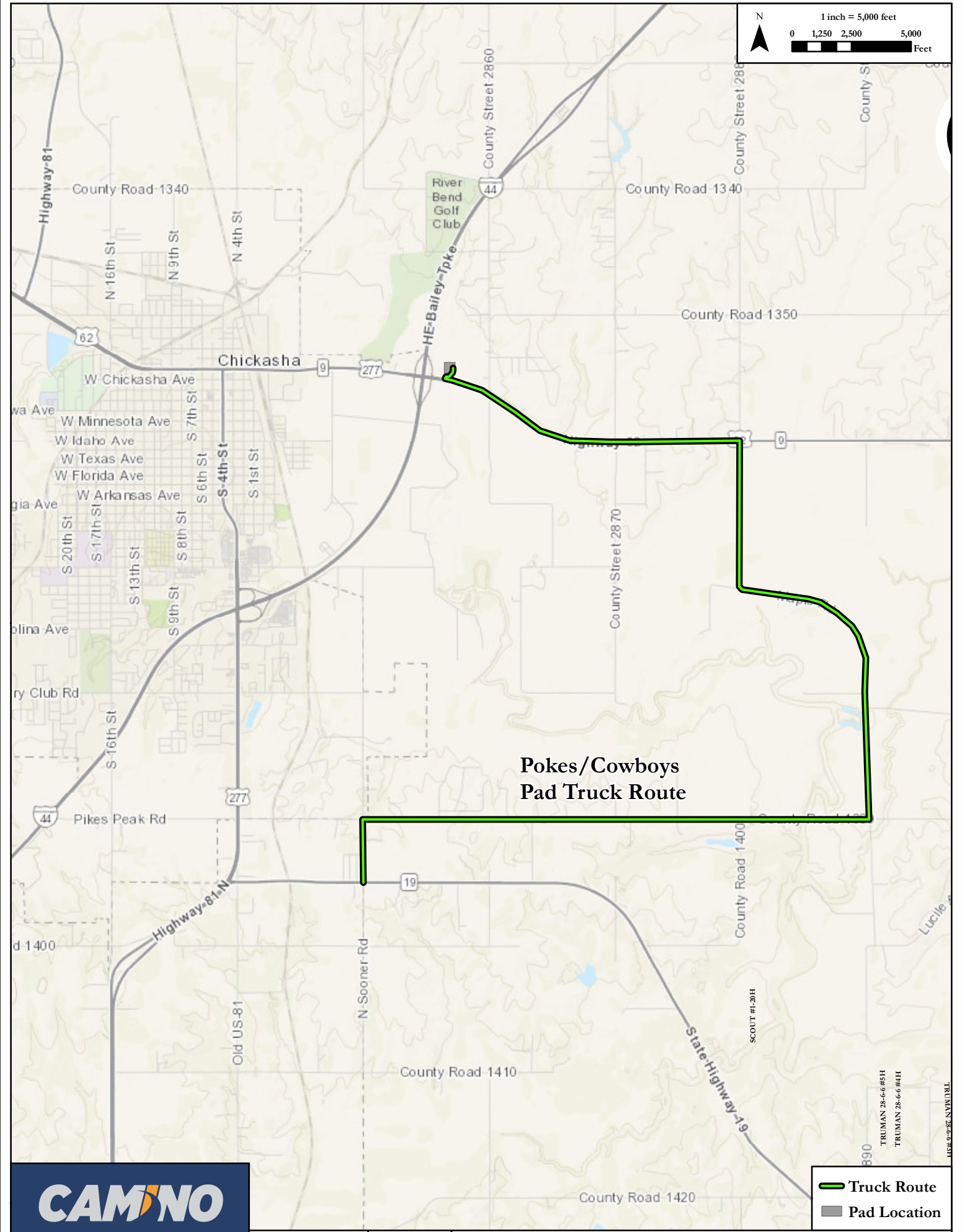
- 
- \_\_\_ 1. Provide a block map of the forty (40) acers surrounding the drilling site and include:
- A. Location of the proposed well site:
  - B. Existing dwelling house, buildings, or other structures designed for the occupancy of human beings or animals with in 300' of the bore hole
  - C. Legal Description of well site
- \_\_\_ 2. Provide a copy of the approve drilling permit from the Corporation Commission, if applicable
- \_\_\_ 3. Provide a copy of staking plat
- \_\_\_ 4. Provide a drilling prognosis and specify detail
- A. Amount, Weight and size of the conductor pipe and surface pipe
  - B. Procedures for cementing said pipe
  - C. Plugging procedures to be use in the event production is not established
- \_\_\_ 5. Provide a statement for the provision for water , to be signed by the Public Works Director, who will determine the connection cost and deposit amount If applicable
- \_\_\_ 6. Provide written approval of the mineral, surface and lease owners.
- \_\_\_ 7. Provide a map showing the truck route to and from location; and a letter stating what if any precautions will be taking to protect the City streets, bridges or access to City thoroughfares.

117 North 4<sup>th</sup> Street, Chickasha, Oklahoma 73018 – (405) 222-6010 – Fax (405)574-1015 –  
rachel.bernish@chickasha.org

- \_\_\_ 8. Provide a statement of Fire Fighting Equipment
- \_\_\_ 9. A copy of all Bonds and Certificates of Insurance as required by Ordinance
- \_\_\_ 10. Compliance with Chickasha Noise and flaring procedures.
- \_\_\_ 11. \$5,500.00 Drilling Permit Application

  
Signature

Megan Gentile  
Printed Name



**Pokes/Cowboys  
Pad Truck Route**

-  Truck Route
-  Pad Location



### **POKES/COWBOYS TRUCK ROUTE**

- From Hwy 19 and Sooner Road in Chickasha
- North .5 miles to Cottonwood Road
- East on Cottonwood Road for approximately 4 miles to Maple Road
- North on Maple Road for approximately 4 miles to Highway 62
- West on Highway 62 for approximately 2.3 miles
- North into location

### **ADDITIONAL ROUTE INFORMATION:**

- Route was reviewed and approved by the County Commissioner prior to submitting to the City of Chickasha.
- Route was approved by the State of Oklahoma prior to submitting to the City of Chickasha.
- Trucking permit was approved for up to 188,000 LBS on 11 axles.
- No bridges will be crossed using the proposed route.
- Camino will monitor traffic during drilling and completion activities and ensure that our operations do not impact local traffic.

### **CAMINO TRUCKING POLICY AND SAFETY INFORMATION:**

Camino follows a strict process of planning industrial routes associated with our drilling operations and ensuring that these plans are effectively executed. Specific steps include:

- Conducting pre-drilling rig move meetings to discuss all details of the operation including the importance of protecting the surround public and property.
- Monitoring the effects, we might have on the surrounding community including road, bridge wear, traffic efficiency, dust generation and respond accordingly to mitigate these issues.
- Maintain an effective working relationship with Grady County authorities, as well as the other counties in which we operate, to ensure that all issues affecting the community are identified and appropriately addressed.

# INCREASE PENALTY RIDER

BOND NO. LPM9395888

To be attached and form a part of Bond No. LPM9395888 dated the 7th Day of September, 2022, executed by Fidelity and Deposit Company of Maryland as surety, on behalf of Camino Natural Resources, LLC as current principal of record, and in favor of City of Chickasha, OK, as Obligee for Single well bond for Cowboys 0707 26-35-1WXH, and in the amount of Twenty Five Thousand Dollars and 00/100 (\$25,000.00).

In consideration of the agreed premium charged for this bond, it is understood and agreed that Fidelity and Deposit Company of Maryland hereby consents that effective from the 7th Day of September, 2022, said bond shall be amended as follows:

THE BOND PENALTY SHALL BE INCREASED:

FROM: Twenty Five Thousand Dollars and 00/100 (\$25,000.00)

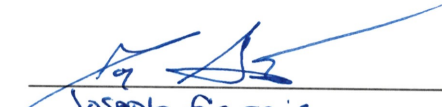
TO: One Hundred Thousand Dollars and 00/100 (\$100,000.00)

The INCREASE of said bond penalty shall be effective as of the 7th Day of September, 2022, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the above mentioned bond shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability be cumulative.

Signed, sealed and dated this 29th Day of September, 2022

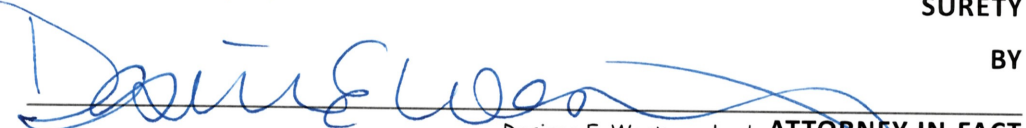
Camino Natural Resources, LLC  
PRINCIPAL

BY

  
Joseph Garcia  
VP, Operations

Fidelity and Deposit Company of Maryland  
SURETY

BY

  
Desiree E. Westmoreland ATTORNEY-IN-FACT

**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND  
POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by **Robert D. Murray, Vice President**, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint, **Bret S. BURTON, Myriah A. VALDIVIA, Todd Alan RAMBO, Desiree E. WESTMORELAND, Timothy Craig SMITH and David B. McKINNEY, all of Wichita, Kansas, EACH**, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland, and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland, in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 21st day of February, A.D. 2020.



**ATTEST:**  
**ZURICH AMERICAN INSURANCE COMPANY  
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY  
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

By: Robert D. Murray  
Vice President

By: Dawn E. Brown  
Secretary

**State of Maryland  
County of Baltimore**

On this 21<sup>st</sup> day of February, A.D. 2020, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Robert D. Murray, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Constance A. Dunn, Notary Public  
My Commission Expires: July 9, 2023

## EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

### CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By- Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this 29th day of September 2022



*Brian M. Hodges*

By: Brian M. Hodges  
Vice President

**TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:**

Zurich Surety Claims  
1299 Zurich Way  
Schaumburg, IL 60196-1056  
[www.reportsfclaims@zurichna.com](mailto:www.reportsfclaims@zurichna.com)  
800-626-4577



## **CITY OF CHICKASHA ROADWAY USE, REPAIR, AND MAINTENANCE AGREEMENT**

**THIS AGREEMENT** (the "Agreement"), is made by and between THE CITY OF CHICKASHA, OKLAHOMA (the "City"), whose address is 117 N 4<sup>th</sup> Street, Chickasha OK 73018 and **Camino Natural Resources, LLC** whose address is 1401 17<sup>th</sup> St., Ste. 900, Denver, CO, 80202, and its related entities, affiliates, contractors, subcontractors, agents and designees (hereinafter collectively referred to as "OPERATOR").

### **RECITALS**

- A. OPERATOR is in the business of drilling oil and gas wells and, in connection therewith, shall be engaged in drilling and completion activities on property(ies) identified on the well permit approved by City staff, in accordance with City of Chickasha Code of Ordinances.
- B. As part of OPERATOR's ongoing operations as generally reflected in the Permit, OPERATOR desires to use certain City roads, identified in Appendix "A" hereto, being the official truck route ("Route") to access the specific site or sites identified in the Permits for the purpose of drilling and completing certain oil and gas wells (the "Project");
- C. The City is willing to grant OPERATOR the right and privilege to use the Route for the duration of the Project, upon the terms, covenants and conditions hereinafter set forth;
- D. It is the mutual desire of the City and OPERATOR to assure that the City is reimbursed for damage, if any, to the Route resulting from OPERATOR's use during the Project; and,
- E. The City and OPERATOR wish to enter into this Agreement to set forth the terms and conditions for the use of the Route by OPERATOR in the connection with the Project.

**NOW, THEREFORE**, in consideration of the above Recitals and the mutual covenants contained therein, the City and OPERATOR agree as follows:

1. **Recitals.** The above Recitals are true and correct and are incorporated hereby as if fully set forth herein.
2. **City Route Subject to Use.** In connection with the Project, the City hereby acknowledges and agrees that OPERATOR, its contractors, subcontractors or designees may use the Route subject to the terms and conditions of this Agreement. Nothing herein shall however prevent OPERATOR from otherwise using other City roads for any lawful purposes.

3. **Inspection of the Route.** The City and OPERATOR shall be given the opportunity to inspect the Route identified in Appendix "A" prior to the commencement of the Project. The City and OPERATOR may inspect the Route using any method, including the use of photography or video, to obtain evidence of the condition of the Route prior to OPERATOR's commencement of the Project. Upon written request by either party, a party with photographic or video evidence shall provide the other party with a copy of the same upon request.
4. **Post-Project Inspection/Damage Assessment/Payment.** Following the completion of the Project, OPERATOR shall provide notice of completion to the City. Thereafter, the City shall have thirty (30) days to inspect the Route for damage, if any, resulting from OPERATOR's use of the Route identified in the Permits. The City shall have sole discretion to determine damaged including: all labor costs, materials, contractual services and equipment required to repair the Route, the City shall invoice OPERATOR for such damage per the FEMA's Schedule of Equipment Rates as of Sept. 1, 2017. Payment of such invoice shall be made within thirty (30) days of receipt by OPERATOR.
5. **Intermittent Repairs.** In the event there is damage to the Route identified in the Permits and resulting from OPERATOR's use of the Route that must be repaired prior to the completion of the Project, the City shall give notice to OPERATOR of the damage and permit OPERATOR to inspect such damage prior to the City commencing repair work. Upon agreement between the City and OPERATOR as to the resulting damage including: all labor costs, materials, contractual services and equipment required to repair the Route, the City shall invoice OPERATOR for such damage per the FEMA's Schedule of Equipment Rates as of Sept. 1, 2017. Payment of such invoice shall be made within thirty (30) days of receipt by OPERATOR.
6. **Term of Agreement:** This Agreement, including all the covenants and conditions herein contained, shall be for a term commencing on the effective date hereof and ending when the Project in respect of which it is entered into is complete (including repair work to the Route), unless otherwise specified herein or agreed in writing by the City and OPERATOR.
7. **Counterparts.** The City and OPERATOR may execute different copies of this Agreement in lieu of executing the same copy, and each party shall be bound by the terms of this Agreement upon delivering a copy bearing the party's signature by electronic mail or facsimile transmission to the other party or its attorney.
8. **Entire Agreement.** This Agreement constitutes the entire Agreement between the City and OPERATOR and supersedes all prior written and oral understandings or agreements. Failure of either party to insist on performance on any of the terms and conditions of this Agreement, or to exercise any right or privilege contained in this Agreement, shall not be considered as a waiver of any such terms, conditions, rights, or privileges. This Agreement may be modified or amended only in writing signed by the City and OPERATOR.

9. **Advice of Counsel.** Each Party represents and warrants that it has exercised the opportunity to confer with counsel and any other advisors of its choosing, that each understands the effect of this Agreement, that each understands the terms and conditions of this Agreement. This agreement was mutually negotiated between the parties, and as such, shall not be construed against either party as the drafter.
10. **Severability.** In the event a provision of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void portion of such provision shall be deemed severed from this Agreement, unless removal of the unenforceable provision materially alters the rights or obligations of either party hereunder. Even if there is a material alteration in the remainder of the Agreement, the Agreement shall continue in full force and effect as if such provision was not contained herein, but the City and OPERATOR shall negotiate in good faith a new provision that will, to the extent practicable, restore the benefit of the bargain contained in such provision.
11. **Oklahoma Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma. Venue shall solely be in the District of Grady County.
12. **Other Rights and Remedies.** The rights and remedies provided in this Agreement shall be in addition to other rights and remedies available in law or equity.

Dated:

-

THE CITY OF CHICKASHA, OKLAHOMA

Signature:

Printed:

Title:

Dated

10/4/22

OPERATOR

Signature:

Printed:

Title:

  
Luke Roberts  
Director of Land



City of  
**CHICKASHA**

---

**Meeting Type: Special Council Meeting 10-10-2022**

**Meeting Date: 10/10/2022**

**Department: Library**

**Agenda Item No. 2.c.**

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**AGENDA ITEM: Discussion, consideration and possible action to lease an additional copier for the library from Standley Systems and authorize the Mayor to execute the same.**

**I. BACKGROUND/DESCRIPTION:**

When new VOIP phones were installed at the library, the phone line fax machine that we had would not work with the computer system. The library provides faxing services. Many faxes are sent for customers. Currently, we are functioning with an older machine with limited capabilities. Thus, I would like to lease a quality machine with options such as scanning and printing as well as faxing and have service for it.

**II. RECOMMENDED ACTION:**

Approve a lease agreement for a copier from Standley Systems for the library, and authorize the Mayor to execute the same.

**III. FISCAL INFORMATION** - There is a line item budgeted for a copy machine contract which we currently lease. This line item will cover the additional copier as well. The agreement is for 60 months, which includes a non-appropriations clause in the event the money is not available to budget.

**IV. FUND INFORMATION:**

|                                                             |                         |         |                                        |
|-------------------------------------------------------------|-------------------------|---------|----------------------------------------|
| <b>Dept. Director:</b><br>Lillie Huckaby / Library Director | Fund                    | Account | Amount                                 |
|                                                             | (To)                    |         |                                        |
|                                                             | FUND                    | ACCOUNT | AMOUNT                                 |
| <b>Meeting Date:</b><br>City Council Meeting<br>10-10-2022  | (From)<br>1108-5302-001 |         | 111.60<br>plus usage fees at<br>stated |

**V. ATTACHMENTS:**

1. Equipment Rental Agreement for -(BF67F5C6-B92E-ED11-9DB1-000D3A324978)City of Chickasha

Application Number

Contract Number

## Equipment Rental Agreement

**Standley Systems LLC | 528 Iowa Avenue | PO Box 460 | Chickasha, OK 73023 | Phone: 405-224-0819**

The words "you" and "your" refer to the client. The words "Owner," "we," "us," and "our" refer to Standley Systems LLC.

### CLIENT INFORMATION

|                                       |                                                         |
|---------------------------------------|---------------------------------------------------------|
| FULL LEGAL NAME:                      | FEDERAL TAX I.D. #:                                     |
| City of Chickasha                     |                                                         |
| BILLING ADDRESS:                      | EQUIPMENT LOCATION (IF DIFFERENT FROM BILLING ADDRESS): |
| 117 N 4TH ST Chickasha, OK 73018-2686 | 527 W. Iowa Ave. Chickasha, Oklahoma 73018              |

|                   |                         |
|-------------------|-------------------------|
| NAME OF PRINCIPAL | % OWNERSHIP OF BUSINESS |
|                   |                         |

### EQUIPMENT DESCRIPTION AND PAYMENT TERMS

☐ SEE ATTACHED SCHEDULE

| QUANTITY                                                                                  | MODEL              | NOT FINANCED UNDER THIS AGREEMENT | MONTHLY MONO IMAGE ALLOWANCE | MONTHLY COLOR IMAGE ALLOWANCE | EXCESS MONO PER IMAGE CHARGE (+ TAX) | EXCESS COLOR PER IMAGE CHARGE (+ TAX) |
|-------------------------------------------------------------------------------------------|--------------------|-----------------------------------|------------------------------|-------------------------------|--------------------------------------|---------------------------------------|
| 1                                                                                         | W1A79A: HP M479FDN | <input type="checkbox"/>          |                              |                               |                                      |                                       |
| TOTAL CONSOLIDATED MONTHLY IMAGE ALLOWANCE AND EXCESS PER IMAGE CHARGES (IF CONSOLIDATED) |                    |                                   | 0                            | 0                             | 0.020                                | 0.0827                                |
| METER BILLING FREQUENCY: <u>Quarterly</u>                                                 |                    |                                   |                              |                               |                                      |                                       |
| TERM IN MONTHS: <u>60</u>                                                                 |                    |                                   |                              |                               |                                      |                                       |
| MONTHLY BASE PAYMENT AMOUNT*: \$13.95 (*PLUS TAX)                                         |                    |                                   |                              |                               |                                      |                                       |

### CONTRACT

THIS AGREEMENT IS NON-CANCELABLE AND IRREVOCABLE. IT CANNOT BE TERMINATED. PLEASE READ CAREFULLY BEFORE SIGNING. YOU AGREE THAT THIS AGREEMENT AND ANY CLAIM RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE IN WHICH OUR (OR, IF WE ASSIGN THIS AGREEMENT, OUR ASSIGNEE'S) PRINCIPAL PLACE OF BUSINESS IS LOCATED AND ANY DISPUTE CONCERNING THIS AGREEMENT WILL BE ADJUDICATED IN A FEDERAL OR STATE COURT IN SUCH STATE. YOU HEREBY CONSENT TO PERSONAL JURISDICTION AND VENUE IN SUCH COURTS AND WAIVE TRANSFER OF VENUE. EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL.

### CLIENT'S AUTHORIZED SIGNATURE

BY SIGNING THIS PAGE, YOU REPRESENT TO US THAT YOU HAVE RECEIVED AND READ THE ADDITIONAL TERMS AND CONDITIONS APPEARING ON THE SECOND PAGE OF THIS TWO-PAGE AGREEMENT. THIS AGREEMENT IS BINDING UPON OUR ACCEPTANCE HEREOF.

|      |                   |              |           |       |
|------|-------------------|--------------|-----------|-------|
|      | (As Stated Above) |              | X         |       |
| DATE | CLIENT            | PRINTED NAME | SIGNATURE | TITLE |

### OWNER ACCEPTANCE

|      |                      |              |           |       |
|------|----------------------|--------------|-----------|-------|
|      | Standley Systems LLC |              | X         |       |
| DATE | OWNER                | PRINTED NAME | SIGNATURE | TITLE |

## ADDITIONAL TERMS AND CONDITIONS

**AGREEMENT.** You want us to now provide you the equipment and/or software referenced herein, excluding equipment marked as not financed under this Agreement ("Equipment") and you unconditionally agree to pay us the amounts payable under the terms of this agreement ("Agreement") each period by the due date. This Agreement is binding upon our acceptance hereof and will begin on the date the Equipment is delivered to you or any later date we designate. If we designate a later commencement date, you agree to pay us an additional amount equal to the periodic payments due under this Agreement prorated for the period between the date the Equipment is delivered to you and the commencement date. If any amount payable to us is past due, you will pay a late charge equal to: 1) the greater of ten (10) cents for each dollar overdue or twenty-six dollars (\$26.00); or 2) the highest lawful charge, if less.

**NET AGREEMENT.** THIS AGREEMENT IS NON-CANCELABLE FOR THE ENTIRE AGREEMENT TERM. YOU AGREE THAT YOU ARE UNCONDITIONALLY OBLIGATED TO PAY ALL AMOUNTS DUE UNDER THIS AGREEMENT FOR THE ENTIRE TERM. YOU ARE NOT ENTITLED TO REDUCE OR SET-OFF AGAINST AMOUNTS DUE UNDER THIS AGREEMENT FOR ANY REASON.

**IMAGE CHARGES AND OVERAGES.** You are entitled to make the total number of images shown under the Image Allowances each period during the term of this Agreement. If you make more than the allowed images in any period, you will pay us an additional amount equal to the number of the excess images made during such period multiplied by the applicable Excess Image charge. Regardless of the number of images made in any period, you will never pay less than the Base Payment Amount. You agree to allow us to install a Data Collection Agent ("DCA") to facilitate the processing of meter readings. If a DCA is not installed or is disabled, you will provide us by telephone, email or facsimile with the actual meter readings when we so request. If we request you to provide us with meter readings and you fail to do so within seven days of our request, then we may estimate the number of images made and invoice you accordingly. If three consecutive requests for actual meter readings go unanswered, a technician shall be dispatched to the Equipment to gather the meter readings and a charge of \$25.00 per device will be assessed to you. No retroactive adjustments will be made to the estimated meter readings. You agree that the Base Payment Amount and the Excess Image charges may be proportionately increased at any time if our estimated average page coverage is exceeded. After the end of the first year of this Agreement and not more than once each successive twelve-month period thereafter, the Base Payment Amount and the Excess Image charges (and, at our election, the Base Payment Amount and Excess Image charges under any subsequent agreements between you and us that incorporate the terms hereof) may be increased by a maximum of 15% of the then existing payment or charge. Images made on equipment marked as not financed under this Agreement will be included in determining your image and overage charges.

**EQUIPMENT USE.** You will keep the Equipment in good working order, use it for business purposes only and not modify or move it from its initial location without our consent. You agree that you will not take the Equipment out of service and have a third party pay (or provide funds to pay) the amounts due hereunder. You will comply with all laws, ordinances, regulations, requirements and rules relating to the use and operation of the Equipment.

**SERVICES/SUPPLIES.** If we have entered into a separate arrangement with you for maintenance, service, supplies, etc. with respect to the Equipment, payments under this Agreement may include amounts owed under that arrangement, which amounts may be invoiced as one payment for your convenience. You agree that you will look solely to us for performance under any such arrangement and for the delivery of any applicable supplies.

**SOFTWARE/DATA.** Except as provided in this paragraph, references to "Equipment" include any software referenced above or installed on the Equipment. We do not own the software and cannot transfer any interest in it to you. We are not responsible for the software or the obligations of you or the licensor under any license agreement. You are solely responsible for protecting and removing any confidential data/images stored on the Equipment prior to its return for any reason.

**LIMITATION OF WARRANTIES.** EXCEPT TO THE EXTENT THAT WE HAVE PROVIDED YOU A WARRANTY IN WRITING, WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. YOU CHOSE ANY/ALL THIRD-PARTY SERVICE PROVIDERS BASED ON YOUR JUDGMENT. YOU MAY CONTACT US OR THE MANUFACTURER FOR A STATEMENT OF THE WARRANTIES, IF ANY, THAT THE MANUFACTURER IS PROVIDING. WE ASSIGN TO YOU ANY WARRANTIES GIVEN TO US.

**ASSIGNMENT.** You may not sell, assign, or sublease the Equipment or this Agreement without our written consent. We may sell or assign this Agreement and our rights in the Equipment, in whole or in part, to a third party without notice to you. You agree that if we do so, our assignee will have our assigned rights under this Agreement but none of our obligations and will not be subject to any claim, defense, or set-off that may be assertable against us or anyone else.

**LOSS OR DAMAGE.** You are responsible for any damage to or loss of the Equipment. No such loss or damage will relieve you from your payment obligations hereunder. Except for claims, losses, or damages caused by our gross negligence or willful misconduct, you agree to indemnify us and our assignee, if applicable, against any claims, losses, or damages, including attorney fees, in any way relating to the Equipment or data stored on it. In no event will we be liable for any consequential or indirect damages.

**INSURANCE.** You agree to maintain commercial general liability insurance acceptable to us. You also agree to: 1) keep the Equipment fully insured against loss at its replacement cost, with us named a loss payee; and 2) provide proof of insurance satisfactory to us no later than 30 days following the commencement of this Agreement, and thereafter upon our written request. If you fail to maintain proper loss insurance satisfactory to us and/or you fail to timely provide proof of such insurance, we have the option, but not the obligation, to secure property loss insurance on the Equipment from a carrier of our choosing in such forms and amounts as we deem reasonable to protect our interests. If we secure insurance on the Equipment, we will not name you as an insured party, your interests may not be fully protected, and you will reimburse us the premium which may be higher than the premium you would pay if you obtained insurance, and which may result in a profit to us through an investment in reinsurance. If you are current in all of your obligations under the Agreement at the time of loss, any insurance proceeds received will be applied, at our option, to repair or replace the Equipment, or to pay us the remaining payments due or to become due under this Agreement, plus our booked residual, both discounted at 3% per annum.

**TAXES.** We own the Equipment. You will pay when due, either directly or by reimbursing us, all taxes and fees relating to the Equipment and this Agreement. Sales or use tax due upfront will be payable over the term with a finance charge.

**END OF TERM.** At the end of the term of this Agreement (or any renewal term) (the "End Date"), this Agreement will renew month to month unless a) you provide us written notice, between 60-120 days prior to the End Date, of your intent to return the Equipment, and b) you timely return the Equipment to the location designated by us, at your expense. If the returned Equipment is not immediately available for use by another without need of repair, you will reimburse us for all repair costs. You cannot pay off this Agreement or return the Equipment prior to the End Date without our consent. If we consent, we may charge you, in addition to other amounts owed, an early termination fee equal to 5% of the amount we paid for the Equipment.

**DEFAULT/REMEDIES.** If a payment becomes 10+ days past due, or if you otherwise breach this Agreement, you will be in default, and we may require that you return the Equipment to us at your expense and pay us: 1) all past due amounts and 2) all remaining payments for the unexpired term, plus our booked residual, discounted at 3% per annum; and we may disable or repossess the Equipment and use all other legal remedies available to us. You agree to pay all costs and expenses (including reasonable attorney fees) we incur in any dispute with you related to this Agreement. You agree to pay us 1.5% interest per month on all past due amounts.

**UCC.** If we assign rights in this Agreement for financing purposes, you agree that this Agreement, in the hands of our assignee, is, or shall be treated as, a "Finance Lease" as that term is defined in Article 2A of the Uniform Commercial Code ("UCC"). You agree to forgo the rights and remedies provided under sections 507-522 of Article 2A of the UCC.

**MISCELLANEOUS.** This Agreement is the entire agreement between you and us relating to our providing and your use of the Equipment and supersedes any prior representations or agreements, including any purchase orders. Any fees and amounts payable under this Agreement may include a profit to us. The parties agree that the original hereof for enforcement and perfection purposes, and the sole "record" constituting "chattel paper" under the UCC, is the paper copy hereof bearing (i) the original or a copy of either your manual signature or an electronically applied indication of your intent to enter into this Agreement, and (ii) our original manual signature. If a court finds any provision of this Agreement unenforceable, the remaining terms of this Agreement shall remain in effect. You authorize us to either insert or correct the Agreement number, serial numbers, model numbers, beginning date, and signature date. All other modifications to the Agreement must be in writing signed by each party. To help the government fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify and record information that identifies each person (individuals or businesses) who opens an account. What this means for you: when you open an account or add any additional service, we will ask for your name, address, federal employer identification number and other information that will allow us to identify you. We may also ask to see other identifying documents.

**Non-Solicitation.** Customer recognizes that the employees and independent contractors of Owner, and such employees' and independent contractors' loyalty and service to Owner, constitute a valuable asset of Owner. Accordingly, Customer shall not, during the Term and for one (1) year thereafter, make any offer of employment to, nor enter into a consulting relationship with, any person who was employed or retained by Owner during the previous two (2) years. Any violation of this provision constitutes a material breach of this Section, and upon any such breach, Customer shall pay to Owner liquidated damages consisting of the amount of all compensation (e.g., salary, bonuses, fees, etc.) paid or to be paid by Customer to the person during the first twelve (12) months after such person was hired/retained by Customer. Each party acknowledges and agrees that this amount of liquidated damages for a breach of this Section is a good faith estimate of the investment in and costs related to recruiting and training that Owner will lose if a Owner employee or independent contractor is hired or retained by Customer. In the event this Section is deemed unenforceable for any reason, Owner shall nevertheless be entitled to recover its actual damages resulting from Customer's breach of this Section.

## APPLICABLE TO GOVERNMENTAL ENTITIES ONLY

You hereby represent and warrant to us that as of the date of the Agreement: (a) the individual who executed the Agreement had full power and authority to execute the Agreement on your behalf; (b) all required procedures necessary to make the Agreement a legal and binding obligation against you have been followed; (c) the Equipment will be operated and controlled by you and will be used for essential government purposes for the entire term of the Agreement; (d) that all payments due and payable for the current fiscal year are within the current budget and are within an available, unexhausted, and unencumbered appropriation; (e) you intend to pay all amounts payable under the terms of the Agreement when due, if funds are legally available to do so; (f) your obligations to remit amounts under the Agreement constitute a current expense and not a debt under applicable state law; (g) no provision of the Agreement constitutes a pledge of your tax or general revenues; and (h) you will comply with any applicable information reporting requirements of the tax code, which may include 8038-G or 8038-GC Information Returns. If funds are not appropriated to pay amounts due under the Agreement for any future fiscal period, you shall have the right to return the Equipment and terminate the Agreement on the last day of the fiscal period for which funds were available, without penalty or additional expense to you (other than the expense of returning the Equipment to the location designated by us), provided that at least thirty (30) days prior to the start of the fiscal period for which funds were not appropriated, your Chief Executive Officer (or Legal Counsel) delivers to us a certificate (or opinion) certifying that (a) you are a state or a fully constituted political subdivision or agency of the state in which you are located; (b) funds have not been appropriated for the applicable fiscal period to pay amounts due under the Agreement; (c) such non-appropriation did not result from any act or failure to act by you; and (d) you have exhausted all funds legally available for the payment of amounts due under the Agreement. You agree that this paragraph shall only apply if, and to the extent that, state law precludes you from entering into the Agreement if the Agreement constitutes a multi-year unconditional payment obligation.