

11-28-01

**DURANGO FIRE AND RESCUE
AUTHORITY**

ESTABLISHING AGREEMENT

TABLE OF CONTENTS

Page

I.	<u>INTRODUCTORY PROVISIONS</u>	
1.	Establishment of the Authority	6
2.	Effective Date and Term	7
3.	Purposes of the Authority	7
4.	Governing Board	8
5.	Authority Boundaries	8
II.	<u>POWERS AND DUTIES OF THE AUTHORITY</u>	
1.	Powers	9
2.	Duties.....	11
III.	<u>GOVERNANCE OF THE AUTHORITY</u>	
1.	Board of Directors	16
2.	Number of Directors.....	16
3.	Appointment.....	16
4.	Vacancies.....	17
5.	Compensation	17
6.	Meetings and Decisions.....	17
7.	Officers.....	18
8.	Bonds of Officers	19
9.	Minutes, Bylaws, and Regulations	19
IV.	<u>FINANCING PROVISIONS</u>	
1.	Budget	19
2.	Funding.....	20
3.	Actual Costs	20
4.	Payment	22
5.	Audit and Reconciliation.....	23
6.	Supplemental Appropriations.....	23
7.	Records and Accounts	23
8.	Bonded Indebtedness of Contracting Parties	24
V.	<u>EQUIPMENT AND FACILITIES</u>	
1.	Conveyance of Interest.....	24
2.	Responsibility for Assets.....	25
3.	New Equipment and Facilities	25
4.	Capital Accounts of the Contracting Parties	26
5.	Distribution Upon Termination or Withdrawal.....	26
VI.	<u>PERSONNEL AND PENSION</u>	
1.	Assumption of Personnel.....	28
2.	Credit for Longevity	28

3.	Unfunded Liabilities Upon Termination	29
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VII. OPERATIONAL PROVISIONS

1.	Principal Place of Business	29
2.	Reports and Fiscal Year	29
3.	Insurance	30
4.	Indemnification	31
5.	Execution of Contracts	32
6.	Negotiable Instruments.....	32
7.	Debts Not That of Contracting Parties	32
8.	Deposits	33

VIII. MISCELLANEOUS PROVISIONS

1.	Termination	33
2.	Amendments.....	34
3.	Assignment/Consolidation	34
4.	Notices.....	35
5.	Existing Agreements	35
6.	Severability.....	36
7.	Mediation	36
8.	Original Counterparts	37

EXHIBITS

- A. Contingencies to Agreement Being Effective
- B. Funding Formula
- C. Lists of Assets (being conveyed and leased by each entity)
- D. Designation of Notices Locations

AGREEMENT ESTABLISHING

THE

DURANGO FIRE AND RESCUE

AUTHORITY

THIS AGREEMENT, establishing the Durango Fire and Rescue Authority is made and entered into by and among the City of Durango, Colorado, a Home Rule Municipal Corporation, hereinafter referred to as “City”; Animas Fire Protection District (“Animas”) and Hermosa Cliff Fire Protection District (“Hermosa Cliff”) each quasi-municipal corporations and political subdivisions of the State of Colorado, together referred to as “Districts”; all of which parties are situated in La Plata County, Colorado, and are hereafter referred to collectively as “Contracting Parties” or “Parties”.

PREAMBLE

The Parties to this Agreement acknowledge that local governments can greatly increase the efficiency and the effectiveness of their provision of services by providing regional solutions and thereby avoiding duplication of overhead, better utilization of equipment, and more effective assignment of

personnel, including the opportunity to enhance training, and provide specialized services. It is determined that this is especially true for the provision of fire and emergency response services within the Durango region. Through the combination of resources, and the elimination of jurisdictional boundaries, and through mutual aid arrangements, substantial economies and increases in effectiveness have already been achieved. The creation of a regional fire and emergency medical services authority constitutes the next logical step toward the most efficient and effective provision of services, and allows an evaluation of the results prior to the final possible step of creating a consolidated regional entity.

RECITALS

WHEREAS, each of the Contracting Parties is authorized and empowered to supply fire protection and emergency response services within their respective jurisdictions by any available means, and to provide all necessary property, equipment, and personnel incident thereto; and

WHEREAS, pursuant to the provisions of the Colorado Constitution, Article XIV, §18.2(a) and (b), and §29-1-201, et. seq., Colorado Revised Statutes, known as the "Intergovernmental Relationships Act" (hereinafter referred to as the "IGA Act"), the Contracting Parties desire to establish a fire authority as a separate governmental entity to make the best use of their joint resources to supply fire protection and emergency response services to the Contracting Parties, their inhabitants, and others, and further develop fire protection and emergency response operations and facilities; and

WHEREAS, the establishment of a regional Authority by the Contracting Parties in La Plata County, Colorado will serve a public

purpose, and will promote the health, safety, prosperity, security, and general welfare of the inhabitants and the taxpayers of the Contracting Parties, La Plata County, and the State of Colorado; and

WHEREAS, Pursuant to the City's Charter, §32-1-1001, C.R.S., of the Special District Act, the Colorado Constitution, and the IGA Act, Contracting Parties have the authority, and in fact are encouraged, to enter into this Agreement; and

WHEREAS, it is the intent of the Parties that the regional Authority coordinate with parties such as with Mercy Medical Center of Durango ("Mercy") in connection with the provision of emergency medical response services within the Parties' service areas and La Plata County, Colorado and such other entities as may be able to provide services on an economical and effective basis.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants, agreements, and promises set forth hereinafter, the adequacy of which is hereby acknowledged, the Contracting Parties agree as follows:

I. INTRODUCTORY PROVISIONS

1. Establishment of the Authority.

There is hereby established, the Durango Fire and Rescue Authority ("Authority") as a separate legal entity, political subdivision, and public corporation of the State of Colorado, existing separate and distinct from the

Contracting Parties. It shall have the duties, privileges, immunities, rights, liabilities, and obligations of a public body politic and corporate.

2. Effective Date and Term.

This Agreement shall become effective on the date it is executed by all Contracting Parties and the contingencies to it being effective listed in Exhibit A hereto have been satisfied; provided, however, that the organization date of the Authority shall be January 1, 2002 and the Authority shall begin full operations as of that date. The period from date of execution of this Agreement through December 31, 2001 shall be considered a transitional period as the Authority and the Contracting Parties prepare for the Authority to come into existence and to commence full operations, and shall be subject to a separate Transition Agreement. The term of this Agreement shall be unlimited, subject to annual appropriation, and shall extend until terminated as provided herein.

3. Purposes of the Authority.

The purposes of the Authority are to operate a fire protection, emergency response, and emergency medical services ("EMS") transport department on a regional basis, at a similar or higher level of quality as was operated by the individual Contracting Parties. To that end, it is the intent of the Contracting Parties to extend to the Authority the maximum flexibility and authority to conduct the business of operating the regional department; of responding to emergencies; of assuming and entering into additional intergovernmental agreements for automatic or mutual aid; or to arrange to provide or contract for emergency response, communications, dispatching services, or for any other function.

4. Governing Board.

The Authority shall be administered by a governing board (hereinafter "Governing Board" or "Board of Directors") originally consisting of seven members ("Board Members"), none of whom shall be employees of or volunteers for the Authority. The City shall appoint two Board Members, and each of the Districts shall appoint two Board Members. The seventh Board Member shall be appointed by the six appointed Board Members. The seventh Board Member shall not be affiliated with the Contracting Parties. The terms of appointment shall terminate on December 31, with the terms of three Board Members expiring on odd-numbered years and the terms of four of the Board Members expiring on even-numbered years; unless a substitute appointment or reappointment has not been made in which event the term of office shall continue until such substitute appointment or reappointment is made. A vacancy on the Governing Board shall be filled within sixty days by the Board or Council of the appointing Agency.

The Governing Board of the Authority may be expanded as additional entities become Contracting Parties and the number of Board Members may be modified by agreement of the additional Contracting Party and the Governing Board.

5. Authority Boundaries.

The Authority boundaries, or service area, shall consist of the respective territorial limits of the Contracting Parties, plus, for EMS services only, that portion of La Plata County, Colorado outside of the respective territorial

limits of the Contracting Parties, which entire area shall be considered the jurisdiction of the Authority. With approval of the Governing Board, Contracting Parties may expand their service areas, which expansion shall automatically expand the boundaries of the Authority service area; provided, however, that nothing herein shall preclude the City of Durango from unilaterally annexing property into its corporate limits so long as such annexation does not result in an expansion of the Authority's boundary. Any change to a Contracting Party's service area shall result in an appropriate adjustment to the funding formula as defined in IV.2. hereof. The Authority may also contract to provide service outside of the boundaries of the Authority service area, and to, as stated herein, add Contracting Parties and their respective territorial limits.

II. POWERS AND DUTIES OF THE AUTHORITY

1. Powers.

The Contracting Parties hereby delegate to the Authority the power, duty, and responsibility to maintain, operate, manage, and control all of the fire protection and EMS transport facilities, equipment, resources, and property of the Contracting Parties, including without limitation, all fire stations, land, buildings, and fire fighting equipment, and to employ the necessary personnel, and to do any and all other things necessary or desirable to provide continued efficient and economical fire protection services to all persons and property within the Authority service area.

Except as specifically provided for in this Agreement, the Authority shall have, and may exercise, all those powers and functions as vested in statutory fire protection districts, pursuant to the Special District Act, specifically

including §32-1-1001 and 1002, C.R.S., as those powers may be amended from time to time; except that the Authority shall have no power to levy and/or collect taxes of any kind, call or conduct public elections, or exercise the power of eminent domain. It is the intent of Contracting Parties to otherwise extend maximum power and authority to fulfill the purpose of providing regional fire protection services and emergency response services.

These powers include, but are not limited to, the following:

- a. To make and enter into contracts, including those with the Parties hereto, for goods and services and otherwise.
- b. To employ all necessary personnel.
- c. To acquire, construct, manage, maintain, or operate any buildings, works, improvements, or other facilities.
- d. To acquire, hold or dispose of real or personal property.
- e. To sue and be sued in its own name.
- f. To incur debts, liabilities, or obligations subject to appropriation and applicable law, provided that no debt, liabilities, or obligation shall constitute a debt, liability, or obligation of any of the Contracting Parties.
- g. To apply for, accept, receive and disperse grants, loans, and other aid from any governmental entity or political subdivision thereof.

- h. To invest any unexpended funds that are not required for the immediate operation of the Authority, as the Authority determines is advisable, in accordance with the laws of the State of Colorado.
- i. To administer and enforce the Fire Code in effect within the respective territorial limits of the Contracting Parties.
- j. To carry out and enforce all provisions of this Agreement.
- k. To engage the services of legal, accounting, and such other persons for the purpose of providing professional, technical, or consulting services as may be necessary for the purposes of the Authority.

2. Duties.

The duties of the Authority shall include, but not be limited to, the following:

- a. Exercise a good faith effort to maintain fire protection and EMS transport services in the Authority's service area at levels not less than those existing in each of the Contracting Parties' respective jurisdictions at the time of the execution of this Agreement.
- b. The Authority shall hire and set the terms of employment, inclusive of training and proficiency standards, for all employees, including volunteers, and

shall terminate such employees and/or volunteers as it may deem necessary for the efficient performance of the Authority's functions and responsibilities.

- c. The Authority shall establish and maintain an employee grievance and appeals procedure so as to afford employees and volunteers a mechanism to contest, and have reviewed, disciplinary or other adverse job actions.

- d. The Authority shall adopt (to the extent of its authority) and enforce such fire safety codes as deemed appropriate for the Authority's service area for fire protection services, and implement and maintain a program of fire safety inspections to be conducted by qualified personnel. The Parties anticipate and intend that they shall each adopt, and work with other governmental entities to adopt, such resolutions as may be necessary to allow the uniform application of the fire codes(s) adopted by the Authority within the respective jurisdictions. The Parties also expect that the Authority shall adopt and abide by State and Federal EMS Regulations.

- e. The Authority may set and collect fees and charges for ambulance or emergency medical services and for requested or mandated fire code inspections; including plan review, permits, and related services.

f. The Authority shall timely prepare annual budgets for review and funding by the Parties, and shall otherwise comply with the Local Government Budget Law of Colorado, §29-1-101, *et seq.*, C.R.S., the Colorado Local Government Uniform Accounting Law §29-1-501, *et seq.*, C.R.S., and the Colorado Local Government Audit Law §29-1-601, *et seq.*, C.R.S., to the extent such laws, or parts thereof, are applicable to the Authority. The Authority shall keep accurate and complete records of operation and capital costs incurred in providing services; and all financial books, records and audits of the Authority shall at all times be made available for inspection by the public, the Contracting Parties, or any of them, upon reasonable request and notice, in accordance with applicable law.

g. The Authority shall regularly investigate and pursue public and private grants and other financial aid that may be available to fund or defray the cost of the Authority's operations.

h. The Authority shall appoint a chief to manage the Authority. The chief or his designee shall be vested with the Authority as set forth in §32-1-1002, C.R.S., as may be amended, and have the following specific powers including:

(1) To provide for the planning, design and construction of any buildings, additions or

improvements to the facilities owned by the Authority, subject to the approval of the Governing Board.

- (2) To approve and execute any contract for capital costs, costs of special services, equipment, materials, supplies, maintenance or repair that involves any expenditures by the Authority subject to limitations set by the Board from time to time.
- (3) To employ all personnel, including volunteers, of the Authority required for the provision of services and maintenance and operation of all facilities, subject to the personnel rules established and adopted by the Governing Board.
- (4) To employ all personnel required in connection with the planning, design, and construction of any buildings, additions or improvements to the facilities owned by the Authority, subject to the approval of the Governing Board.
- (5) To expend funds and enter into contracts, whenever required in an emergency, for the immediate preservation of the public health, safety and welfare, provided that the amount of funds involved does not exceed any limitations set by the Board from time to time.

- (6) To dispose by sale any personal property of the Authority subject to limitations set by the Board from time to time.
- (7) To prepare and submit to the Board an annual operating budget for the next fiscal year in accordance with the budget schedules of the Contracting Parties and the provisions herein.
- (8) To adopt general operating guidelines, including operating policies and inspections policies, as deemed appropriate.
- (9) Generally, to supervise the acquisition, construction, management, maintenance and operation of the Authority's facilities and personnel.
- (10) To provide for the placement, staging and assignment of equipment and personnel.
- (11) To perform such other duties as directed by the Board and report to the Board at such times and on such matters as the Board may direct.

III. GOVERNANCE OF THE AUTHORITY

1. Board of Directors.

The governing body of the Authority shall be the Board of Directors, also referred to as the "Governing Board," in which all administrative and legislative power of the Authority is vested. The Authority shall provide Directors' and Officers' liability insurance coverage and indemnification for all Members of the Board of Directors.

2. Number of Directors.

The initial number of Directors or Board Members shall be seven, and be appointed as provided in Section I (4), recited above. Each Director shall be entitled to cast one vote. As further provided in Section I (4), the number of Directors or Board Members may be expanded if one or more other entities join as a Contracting Party.

3. Appointment.

The governing body of each Contracting Party shall appoint the two Directors who may or may not be elected officials of the Contracting Party. Appointments may be made by motion or resolution, and are proposed to be made prior to the termination of an existing Board member's term in the form of a replacement appointment or renewal appointment. No term limits shall apply. Appointments may be rescinded by the governing body in the same manner as the appointment is originally made. The appointment of the seventh Member may be

rescinded by a majority vote of the other members of the Governing Board.

4. Vacancies.

A vacancy occurring in the Board of Directors, whether such vacancy be the result of resignation, death, removal, or disability, shall be filled in the same manner of appointment or selection as provided above.

5. Compensation.

Directors may receive compensation as determined by the Board of Directors not to exceed \$75.00 per meeting, to a maximum of \$1,200.00 per year, or such additional amounts as may be allowed to Directors of special district boards, pursuant to the Special District Act. The Board of Directors shall provide for reimbursement to the Directors of their actual and reasonable expenses incurred on behalf of the Authority, which reimbursements shall not be considered to be compensation. While sometimes using special district rules of operation, it is reaffirmed that the Authority is not a special district.

6. Meetings and Decisions.

The Board of Directors, from time to time, may adopt a schedule for the holding of regular meetings, and such meetings may then be held without additional notice to the Directors. Special Meetings of the Board of Directors may be called by the Chairman or by any Director, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as provided herein. Notices of regular or special meetings shall

be made in accordance with the provisions of the Special District Act, and as otherwise are applicable to Colorado special districts. A majority of the Directors then in office shall constitute a quorum for the transaction of business; provided that, if less than a quorum is present, the Directors may adjourn the meeting, from time to time, provided, further, that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting. The action of a majority of the Directors present at a meeting at which a quorum is present, shall be an act of the Board of Directors. Decisions of the Board may be made only at regular or special meetings called upon notice, and conducted as set forth in the Special District Act. Meetings shall be noticed and conducted in accordance with the Colorado Open Meetings law.

7. Officers.

The officers of the Authority shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers and assistant officers as may be authorized by the Board of Directors from time to time, to perform such duties as may be approved by the Board of Directors. The duties of the officers shall be those as provided in the Special District Act. Officers shall be elected by the Board of Directors at the first meeting following formal execution of this Agreement, and thereafter, at the first meeting of each odd numbered year, coinciding with the requested appointment or reappointment of Directors by the Contracting Parties; but those Directors and Officers serving shall continue to serve in their respective positions until their successors are appointed, elected, and qualified. Vacancies in any office may be filled at any meeting of the Board of Directors. Notwithstanding any dates for appointment, reappointment, or election, any Director or Officer shall hold office until

his successor is elected, appointed, and qualified. Any Officer elected by the Board of Directors may be removed by the Board of Directors, at any meeting, with or without cause, whenever in the judgement of the Board of Directors the best interest of the Authority will be served thereby.

8. Bonds of Officers.

The Treasurer and any other Officer or agent of the Authority, charged with the responsibility for the custody of any of its funds or properties shall give bond in such sum, and with such surety as the Board of Directors shall determine. The cost of such bonds shall be an expense payable by the Authority.

9. Minutes, Bylaws, and Regulations.

The Secretary shall cause all minutes of the meetings of the Board of Directors to be kept in accordance with the Special District Act and the Open Records Act. The Board may adopt bylaws, and rules and regulations as necessary for the conducting of its meetings and its business affairs.

IV. FINANCING PROVISIONS

1. Budget.

Each year subsequent to the first, the Authority shall submit a budget for fire protection and EMS services on or before September 3 of each year, to each Contracting Party, setting forth anticipated expenses and revenues necessary to fund the Authority for the following year. The Authority's

proposed budget shall specify the amount of money, along with the method of calculation and apportionment, sought from each Contracting Party to fund the Authority's operation. This preliminary budget shall include maintenance and operation cost, capital cost, cost of personnel and special services, all presented in accordance with the Colorado Local Government Budget Law. The Authority shall submit the budget to the respective governing bodies of the Contracting Parties for review and approval within 45 days following the date of submission, but not earlier than November 1 of each year. Only after approval of the appropriations by the respective governing bodies, or the passage of 45 days, but not earlier than November 1 of each year, at which point approval shall be presumed, shall the Board of Directors of the Authority consider the budget for final approval, in accordance with publication and adoption requirements of the Local Government Budget Law.

2. Funding.

The operations of the Authority shall be funded as set forth in Exhibit B attached hereto and incorporated herein.

3. Costs of Providing Services.

The Authority shall be responsible for all true and verifiable direct and indirect costs of providing fire protection and EMS services to the Contracting Parties and any other participants or contract entities, based upon consistent application of generally accepted governmental accounting principles and practices that result in equitable charges for such services. Such costs shall include by way of illustration and not limitation, the following:

- a. Personnel costs for full time firefighters, residents, volunteers, both direct and indirect, including contributions to pension funds and other employee benefits.
- b. Fire station maintenance and supplies, including telephone, radio equipment, radio maintenance, dispatch costs, and office supplies.
- c. Vehicle fuel, tires, maintenance and repair.
- d. Training costs.
- e. Accessory fire fighting and EMS tools and equipment.
- f. Dues and subscriptions.
- g. Equipment lease payments and other obligations incurred for jointly owned equipment.
- h. Debts lawfully incurred by the Authority.
- i. Protective clothing.
- j. Insurance.
- k. Legal, administrative, accounting, travel, food and conference expense.
- l. Fire station utility costs, costs to repair stations, and capital improvements to fire stations.

4. Payment.

Each Contracting Party shall pay a fee for fire protection and emergency services as determined pursuant to section IV.2. above and Exhibit B hereto. The fee for fire protection and emergency services shall be paid in monthly installments, which installments shall be due on the first day of the month. The amount of each Contracting party's installments may vary and shall be set pursuant to the provisions of Exhibit B hereto. Non-payment of fees for services by any Contracting Party by the specific dates stated herein shall be deemed a default. In the event of such a default the following shall occur:

- a. Interest shall accrue on the amount of the late payment at the rate of 18% per annum from the date due until paid in full;
- b. The past due amount shall be secured by the Contracting Party's interest in the Authority's assets (its capital account); and
- c. If a Contracting Party is late in making three payments in any one calendar year, the Contracting Parties not in default shall have the right to treat the Contracting Party in default as having elected to withdraw pursuant to VIII.1. hereof.

The Authority and the nondefaulting Contracting Parties may recover the amounts owed by the defaulting Contracting Party in any manner allowed by law.

5. Audit and Reconciliation.

The Authority shall conduct an annual external audit in accordance with the Local Government Audit Law. If, after completion of the Authority's annual audit of its expended revenues and expenditures, a surplus remains, such surplus shall be retained as a reserve, subject to future appropriation, unless otherwise agreed by all Contracting Parties. The results of any audit shall be presented to the Contracting Parties not later than 30 days following the receipt by the Board of Directors of the Authority.

6. Supplemental Appropriations.

As may be required, the Board of Directors may present requests for supplemental appropriations to the respective governing bodies of the Contracting Parties. For the purposes of this Agreement "supplemental appropriations" shall mean any appropriation made above and beyond the annual appropriation made during the budgetary process.

7. Records and Accounts.

The Authority shall provide for the keeping of accurate and correct books of accounts, showing in detail, all revenues and costs; all in accordance with state and local government budgeting and auditing laws, and generally accepted accounting principles. The Authority will prepare its annual financial statements in accordance with the

Governmental Accounting Standards Board Statement Number 34. Capital accounts will be accounted for using "Government Wide Model" using the economic resources measurement focus and the accrual basis of accounting as defined in Statement Number 34 and subsequent standards issued by the Governmental Accounting Standards Board. In addition, each year during the auditing cycle, the capital accounts of the Contracting Parties shall be updated and such update shall be presented to the Contracting Parties. Said books and records shall be open to inspection at all times during normal business hours by any representative of any Contracting Party and as required by law.

8. Bonded Indebtedness of Contracting Parties.

Notwithstanding any other provisions of this Agreement, each of the Contracting Parties shall continue to be responsible for the bonded indebtedness of such party.

V. EQUIPMENT AND FACILITIES

1. Conveyance of Interest.

In consideration of the services to be provided by the Authority, each Contracting Party will lease or convey without cost to the Authority all right, title, and interest to any and all real and personal property utilized for fire protection or EMS purposes. Separate lease or conveyance documents may be executed and recorded as the Authority deems necessary. Exhibit C is a schedule of the property being conveyed, stated separately by each of the Contracting Parties, and including a description of such property; the nature

of the conveyance (e.g., lease, assignment of rights under lease, outright conveyance, etc.), the fair market value of the asset, a description of any indebtedness against the property (including the amount owed) and any restrictions which exist with respect to such property (e.g., right of reversion, use restriction, etc.).

2. Responsibility for assets.

The Authority shall be solely responsible for maintaining, repairing, and insuring all equipment and facilities provided to it hereunder. All policies of insurance shall serve as primary insurance, and shall name the Contracting Parties as additional or co-insureds and loss payees. Under no circumstances will the Authority release, convey, dispose of or encumber any interest in any real estate or fixtures, including leasehold interests, without the prior written consent of the Contracting Party which contributed such property to the Authority. If property of a Contracting Party, not previously conveyed to the Authority, is sold or traded in by the Authority, the value of such equipment shall be considered an additional capital contribution by such Contracting Party.

3. New Equipment and Facilities.

During the term of this Agreement, the Contracting Parties acknowledge that equipment and or facilities may be modernized or replaced. Unless otherwise agreed to by all of the Contracting Parties, new equipment or facilities purchased, or obtained to replace existing equipment or facilities, shall be titled in the name of the Authority. The addition and deletion of equipment and or facilities maintained and used by the Authority shall be promptly reflected on the inventory of equipment and facilities referenced

above, but shall have no affect upon the capital account of the contributing Party.

4. Capital Accounts of the Contracting Parties.

The initial capital account of each Contracting Party shall be the value of the assets contributed by such Contracting Party, and such value shall be conclusively presumed to be the amount set forth in Schedule C as the value of such Contracting Party's initial contributions. Thereafter, the Contracting Parties' capital accounts shall be increased by the amounts by which the Authority's revenue exceeds operating costs, but including amounts paid into reserve funds of any kind. To the extent that the Authority's revenue is less than operating costs, the capital accounts of the Contracting Parties shall be reduced by the difference. Adjustments to the Contracting Parties' capital accounts shall be made annually, and each year's adjustments shall be based upon the proportionate amounts contributed by each of the Contracting Parties during that year.

5. Distribution Upon Termination or Withdrawal.

Upon termination of this Agreement, all equipment and facilities leased by a Contracting Party and/or titled in the Contracting Party's name, shall be returned to the Contracting Party in a condition comparable to that at which it was originally provided to the Authority, normal wear and tear excepted, and subject to modifications which have been approved by the Authority. In addition, upon the withdrawal of a Contracting Party from this Agreement, all equipment and facilities then-leased by the withdrawing Contracting Party and/or titled in the withdrawing Contracting Party's name, shall be returned to such Contracting Party in a condition comparable to that at

which it was originally provided to the Authority, normal wear and tear excepted, and subject to modifications which have been approved by the Authority.

With respect to all other assets of the Authority, in the event of a termination of this Agreement or the withdrawal from this Agreement by a Contracting Party, the Authority and the Contracting Parties agree to cooperate in a good faith and timely manner to transfer assets so that the Contracting Parties and the Authority (if still in existence) can continue to provide adequate fire protection and emergency medical services to their constituents without a lapse or significant reduction in the provision of such services and in a manner which reflects an equitable return of the Contracting Parties' capital contributions, and distributions of property in-kind shall be valued at the fair market value of the property being distributed at the time of the distribution. All such distributions shall be completed no later than the last day the Authority is obligated to provide services for the constituents of a Contracting Party.

In the event equipment or facilities cannot be equitably distributed to the Contracting Parties, and unless otherwise agreed, the property shall be sold with the proceeds allocated to the Parties in the same proportion referenced above. The parties may agree to have an arbitration panel of three arbiters pursuant to the Colorado Arbitration Act convened to arbitrate the distribution of the assets.

VI. PERSONNEL AND PENSION MATTERS

1. Assumption of Personnel.

It is intended that the Authority shall assume the status of employer to all fire protection and EMS employees of the Contracting Parties. All employees so hired by the Authority shall be employees of the Authority subject to the terms and conditions of employment in effect in the form of Authority Personnel Rules and Regulations, as may be amended from time to time by the Board of Directors of the Authority.

2. Credit for Longevity.

All time a transferred employee has spent as a Mercy EMS employee or as an employee of a Contracting Party shall be considered as time employed by the Authority for the purpose of determining any conditions or benefits of employment with the Authority. It is intended that the rights of all such employees shall not be affected by virtue of the establishment and the transfer to the Authority, insofar as the benefits provided by the laws of the State of Colorado or otherwise. The Authority shall make a good faith effort to protect and preserve all of the rights of the employees as regards pension and longevity issues. The Contracting Parties shall remain responsible for their respective unfunded pension liabilities incurred prior to the transfer of the employee to the Authority.

3. Unfunded Liabilities Upon Termination.

In the event of termination of this Agreement, any unfunded pension or benefit liabilities incurred by the Authority during the term of this Agreement shall be assumed by the Contracting Party in proportion to the allocation of Authority personnel to the Contracting Party, with as much specificity as possible related to the personnel so assigned. In the event of a consolidation or establishment of a new regional fire protection district, the new district shall assume the Authority's responsibility for unfunded pension and benefit liabilities.

VII. OPERATIONAL PROVISIONS

1. Principal Place of Business.

The official offices of the Authority shall be located at 142 Sheppard Drive, Durango, Colorado 81301. The Board of Directors may change the principal place of business at any formal meeting.

2. Fiscal Year and Reports.

The fiscal year of the Authority shall be the calendar year. Operations Reports of the Authority's activities for the calendar year shall be developed and distributed to the Contracting Parties within 60 days of completion of the year. Such reports are expected to include the volume and location of runs, types of calls, status of equipment and property, and related operational data.

3. Insurance.

The Authority shall maintain the types of insurance coverage listed below in the minimum amount of \$150,000 per person, \$600,000 per occurrence, or such increased amounts as may be required pursuant to §24-10-101 et seq., C.R.S., commonly known as the Colorado Governmental Immunity Act:

- a. Comprehensive liability coverage, protecting the Authority, Officers, Directors, employees, and volunteers against any loss, liability, or expense whatsoever resulting from personal injury, death, property damage or otherwise arising from, or in any way connected with, management, administration, and operation of the fire protection and EMS services by the Authority. Such coverage shall include the common inclusions of premises operations, products/completed operations, contractual liability, independent contractors, broad form property damages, and personal injury.
- b. Professional liability insurance coverage protecting the Officers, Directors, and employees, including volunteers, of the Authority against any loss, liability or expense whatsoever from personal injury, death, property damage or otherwise arising out of, or in any way connected with, the rendering of fire protection and emergency medical services.

- c. Automobile insurance liability coverage including other common coverages such as uninsured motorist and no fault coverage.

Additionally, the Authority will make provision for workers compensation, disability and unemployment insurance for employees and volunteers as required by any laws of the State of Colorado or Federal Government. Upon request, the Authority shall furnish to the Contracting Parties, certificates of insurance showing compliance with the foregoing, and naming each Contracting Party as an additional insured. The provisions of the policy or policies shall not be cancelled or altered without at least 30 days prior written notice to each of the Contracting Parties.

4. Indemnification.

All Directors, Offices, and employees, including volunteers, of the Authority shall be indemnified by the Authority against all costs and expenses necessarily incurred by such person in connection with the defense of any action, suit or proceeding arising out of an act or omission of such person during the performance of such person's duties within the scope of such person's appointment, except in relation to matters in which such person shall be finally adjudged in such action, suit or proceeding to be willful or wanton in the act or omission, giving rise to the action, suit or proceeding. Such indemnification shall be provided pursuant to the provisions of the Colorado Governmental Immunity Act.

5. Execution of Contracts.

Except as otherwise provided by law, the Board of Directors may authorize any Officer, employee, or agent to enter into any contract and deliver any instrument in the name and on behalf of the Authority. In the absence of any such authorization, any two officers may execute contracts with the prior approval of the Governing Board. In addition, the chief appointed by the Board shall have authority to executed contracts within the limitations of the chief's authority as set forth herein.

6. Negotiable Instruments.

All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Authority shall be signed by such Officer or Officers, agent or agents, employee or employees of the Authority, and in such manner as, from time to time, shall be determined by the Board of Directors. In the absence of any other such determination, any two officers are authorized to execute such instruments with the prior approval of the Governing Board. In addition, the chief appointed by the Board shall have authority to execute such instruments within the limitations of the chief's authority as set forth herein.

7. Debts Not That of the Contracting Parties.

The bonds, notes, and other obligations of the Authority, shall not be debts liabilities, or obligations of the Contracting Parties or Parties which may become Contracting Parties in the future.

8. Deposits.

All funds of the Authority shall be deposited, from time to time, to the credit of the Authority, pursuant to law, in such bank or banks as the Board of Directors may determine.

VIII. MISCELLANEOUS PROVISIONS

1. Termination.

This Agreement may be terminated at any time by written agreement of the Contracting Parties. Additionally, any Contracting Party may withdraw from the Authority by giving not less than one year's notice of its election to withdraw, which withdrawal shall be effective as of the end of the succeeding calendar year. Such withdrawal may be for any reason and need not be for cause. The Authority shall continue to provide services for the withdrawing Party until the effective date of the withdrawal in a manner comparable with the services provided for the other Contracting Parties. The Contracting Parties acknowledge that adequate notice of intent to terminate is critical to the orderly division of equipment, allocation of personnel so that no loss of service ensues to the Contracting Parties' constituents, and other actions necessary to the dissolution of all or a part of the functions of the Authority. Therefore, if a Contracting Party fails to give timely notice of its election to withdraw, the Contracting Party shall be obligated to pay the Authority all amounts it has agreed to pay during the calendar year during which notice of election to withdraw is given plus liquidated damages in an amount equal to 110% of the fees owed by the withdrawing Party for the entire year in which such notice is given and the Authority shall be obligated to continue to provide services for the withdrawing Party's constituents for

the succeeding calendar year. The Contracting Parties agree that failure to provide adequate notice of an election to withdraw as set forth herein will result in damages to the remaining Contracting Parties; that the amount of such damages will be difficult to ascertain and that payment of an amount equal to one hundred ten percent of the current year's budget is a reasonable estimate of the potential actual damages which such a breach would cause. Each Contracting Party shall continue to have representatives on the Authority's Governing Board as long as the Authority is providing services for the constituents of the Contracting Party.

The withdrawal from this Agreement shall not result in a termination of the Authority unless otherwise agreed by the remaining Contracting Parties.

2. Amendments.

This Agreement may be amended by written document approved by formal action of the governing bodies of all of the Contracting Parties; provided however, that such amendment will not affect other obligations outstanding of the Authority unless provision for full payment of such obligations, by escrow or otherwise, has been made pursuant to such obligations.

3. Assignment/Consolidation.

The rights and privileges of this Agreement shall not be assignable without the written consent of the Contracting Parties, except upon the consolidation or merger of any or all of the Contracting Parties, or upon the formation of a new regional fire protection district covering generally the same boundaries as the Authority. It is, in fact, the expectation of the Contracting Parties that

such a consolidation or formation of new regional fire protection district will occur, and such assignment will be effected at that time.

4. Notices.

Any formal notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified mail, postage pre-paid to the Contracting Parties at the addresses as set forth on Exhibit D attached hereto, and to the Authority at its principal place of business as herein above provided, unless another address is certified to the Authority and the Contracting Parties by any party by providing written notification to the other Contracting Parties as set forth herein.

5. Existing Agreements.

It is not the intent of this Agreement to terminate any existing mutual or automatic aid agreements or any other agreements as may be existing between the Contracting Parties on the date hereof; and such agreements shall be deemed to be merged herein, and shall be continued consistent with the terms of this Agreement. Existing agreements with any entity not a party hereto addressing fire protection and emergency services matters, such as mutual or automatic aid agreements, leases, lease purchase, or other contracts of value to the Authority shall be deemed assumed by the Authority.

6. Severability.

In the event that any of the terms, covenant, or conditions of this Agreement or their application shall be held invalid as to any person, corporation or circumstance by any court having competent jurisdiction, the remainder of this Agreement shall not be affected thereby. If any provision of this Agreement shall be determined to be unconstitutional, invalid or unenforceable, such determination shall not affect or impair the validity or enforceability of any other provision, and the Contracting Parties agree to renegotiate the invalid or unenforceable provision so as to cure such defect, if possible, and have it reflect and serve as closely as possible the original intent and purpose of same unless to do so would render the Agreement inequitable.

7. Mediation.

In the event of a dispute between any of the Contracting Parties which arises out of or relates to this Agreement, any alleged default hereof, the termination of this Agreement, the operation of the Authority, the dissolution of the Authority, the winding up of the Authority's affairs, or the rights and duties of any of the Contracting Parties, including but not limited to disputes regarding the establishment or modification of budgets and budget requests, the Contracting Parties agree to first proceed in good faith to submit the dispute to mediation. The parties will jointly appoint an acceptable mediator and the Authority will pay the reasonable costs of such mediation, including the mediator's fees. If the parties cannot agree upon a mediator, either party may request that any person then sitting as District Judge of the Sixth Judicial District Court, Colorado appoint a mediator. Good faith participation in

EXHIBIT A

Contingencies to Agreement Being Effective

1. None.

EXHIBIT B

Funding Formula

Operational Funding

The Parties shall contribute the amounts for the operating costs of the Authority set forth in the Attached Schedule B-1 during calendar year 2002:

Subject to budgetary needs, for calendar year 2003 and beyond, Animas and Hermosa shall each cause the maximum amount allowed by law to be assessed and collected on its behalf and shall pay all amounts collected to the Authority except for reasonable amounts needed to pay the following expenses: treasurer's fee, debt service, legal and audit expenses, liability insurance, Board of Directors fees and expenses, election costs, pension costs, and accounting costs.

Subject to budgetary needs, for calendar year 2003 and beyond, the City shall pay an amount equal to or greater than its 2002 contribution, with the exact amount of its contribution to be determined in a manner consistent with how the amount of its 2002 contribution was established.

Capital Funding

On or before January 31 of each year and between July 1 and July 31 of each year that this Agreement is in effect (but for no more than five years), Animas and Hermosa shall contribute to the Authority's capital account one-tenth (1/10) of the total amount contained in its respective fund balance on December 31, 2001.

On or before January 31 of each year and between July 1 and July 31 of each year that this Agreement is effect (but for no more than five years), the City shall contribute \$75,000 to the Authority's capital account.

If as a result of declines in assessed valuation or other factors there is a reduction in the amount of funds that the Animas Fire Protection District and/or the Hermosa Cliff Fire Protection District can contribute, City shall not be required to increase the amount of the their contribution by more than 10% of the City's contribution for the previous year. This limitation in the amount of increase in the City's contribution shall be computed after consideration of adjustments resulting from any annexations by the City under Section I.5.

If as a result of increases in assessed valuation or other factors there is a increase in the amount of funds that the Animas Fire Protection District and/or the Hermosa Cliff Fire Protection District can contribute, they shall not be required to increase the amount of the their contribution by more than 10% of the their contribution's for the previous year.

The annual contribution amounts of all parties shall be subject to applicable budgetary laws and the annual appropriation process. Should a Contracting Party fail appropriate their annual contribution the other Contracting Parties shall have the right to treat such Contracting Party in default as having elected to withdraw pursuant to VIII.1. hereof.

EXHIBIT B

Funding Formula

Operational Funding

The Parties shall contribute the amounts for the operating costs of the Authority set forth in the Attached Schedule B-1 during calendar year 2002:

Subject to budgetary needs, for calendar year 2003 and beyond, Animas and Hermosa shall each cause the maximum amount allowed by law to be assessed and collected on its behalf and shall pay all amounts collected to the Authority except for reasonable amounts needed to pay the following expenses: treasurer's fee, debt service, legal and audit expenses, liability insurance, Board of Directors fees and expenses, election costs, pension costs, and accounting costs.

Subject to budgetary needs, for calendar year 2003 and beyond, the City shall pay an amount equal to or greater than its 2002 contribution, with the exact amount of its contribution to be determined in a manner consistent with how the amount of its 2002 contribution was established.

Capital Funding

On or before January 31 of each year and between July 1 and July 31 of each year that this Agreement is in effect (but for no more than five years), Animas and Hermosa shall contribute to the Authority's capital account one-tenth (1/10) of the total amount contained in its respective fund balance on December 31, 2001.

On or before January 31 of each year and between July 1 and July 31 of each year that this Agreement is effect (but for no more than five years), the City shall contribute \$75,000 to the Authority's capital account.

EXHIBIT C

Schedule of Assets

Assets Being Conveyed

Major assets being contributed by each of the Parties are listed in the attached five page schedule. "Major assets" are those which cost more than \$5,000.00. In addition, each Party is contributing all of its tools, supplies, equipment, furniture, materials and other property of whatsoever kind and nature used in connection with such Party's fire protection and emergency services operations whether or not specifically listed in the attached schedule. For purposes of the attached schedule, the following code shall apply:

AFD:	Animas Fire Protection District
DFD:	City of Durango
HFC:	Hermosa Cliff Fire Protection District

Contributions attributed to "Mercy" are charitable contributions made by Mercy Medical Center of Durango. Mercy Medical Center of Durango is not a party to this Agreement; its contributions have been made pursuant to a Community Benefit Grant Agreement with the Authority.

Assets Being Leased

Each Party is leasing or subleasing the fire stations and other real property used by the Party in connection with its fire protection and emergency services operations. Such leases are by separate agreements being entered into effective January 1, 2002.

Hermosa is assigning a certain lease purchase agreement for a motor vehicle to the Authority by separate assignment. Animas is assigning its interest in two Equipment Leases with the State of Colorado (Forest Service) to the Authority.

Initial Capital Accounts

For purposes of Article V, Section 4 of this Agreement, the initial capital contributions of the Parties are as follows:

City:	\$ 460,471.85
Animas:	\$4,091,007.03
Hermosa Cliff:	\$1,207,053.51

THIS SCHEDULE AND EXHIBIT WITH THE FIVE PAGE ATTACHMENT HAS BEEN SPECIFICALLY APPROVED BY THE PARTIES.

City of Durango:	By _____	Its: _____
Animas Fire Protection District:	By _____	Its: _____
Hermosa Cliff Fire Protection District:	By _____	Its: _____

Durango Fire and Rescue Authority
Fixed Asset Listing
FYE 12/31/01

Capitalization standards
Assets > \$5,000

Computed on straight-line depreciation

Asset Number	Contributing District	Asset Description	Asset Classification	Date Acquired	Cost	Estimated Life	Accum Deprec 12/31/2001	Book Value 12/31/2001
128	AFD	1953 FWD	Vehicles	30-Jun-1960	9,250.00	15	9,250.00	-
	AFD	1977 Kaiser (CAFS)	Vehicles	26-Apr-1996	41,357.31	20	11,755.67	29,601.64
	AFD	1978 Kaiser/CAFS w/foam system	Vehicles	13-Jun-1997	66,851.32	20	15,220.12	51,631.20
	AFD	1979 Ford/Boardman	Vehicles	28-Feb-1980	47,700.00	15	47,700.00	-
	AFD	1980 Chevy 4X4	Vehicles	15-Sep-1981	8,700.00	10	8,700.00	-
	AFD	1984 FMC Pumper	Vehicles	17-Apr-1984	81,035.00	20	71,788.13	9,246.87
	AFD	1984 International	Vehicles	17-Apr-1984	81,035.00	20	71,788.13	9,246.87
	AFD	1985 Ford 1 Ton	Vehicles	24-Apr-1990	7,397.00	10	7,397.00	-
	AFD	1989 Spartan FMC	Vehicles	2-Sep-1989	120,670.00	20	74,435.21	46,234.79
	AFD	1989 Spartan FMC	Vehicles	19-Jan-1990	120,670.00	20	72,137.52	48,532.48
	AFD	1991 Chevy light re	Vehicles	31-May-1991	46,480.00	7	46,480.00	-
	AFD	1991 Chevy Suburban	Vehicles	19-Dec-1990	20,364.00	7	20,364.00	-
	AFD	1992 Chevy 4X4 Pickup	Vehicles	21-Oct-1991	11,786.00	7	11,786.00	-
	AFD	1994 International Heavy	Vehicles	24-Oct-1994	115,000.00	20	41,352.74	73,647.26
	AFD	1996 Ford 1 Ton 4X4	Vehicles	30-Apr-1996	26,188.85	10	14,859.48	11,329.37
	AFD	1996 Ford 1 Ton 4X4 (King Cab)	Vehicles	30-Apr-1996	28,623.35	10	16,240.81	12,382.54
	AFD	1996 Freightliner	Vehicles	10-Oct-1996	180,000.00	20	47,046.58	132,953.42
	AFD	1996 Freightliner	Vehicles	26-Aug-1996	180,000.00	20	48,156.16	131,843.84
	AFD	1997 Chevy 1 Ton	Vehicles	15-Jan-1997	38,477.00	10	19,090.92	19,386.08
173	AFD	1997 Chevy Suburban	Vehicles	28-Jan-1997	29,680.55	7	20,886.74	8,793.81
174	AFD	1997 Chevy Ladder Truck	Vehicles	22-Sep-1997	430,772.00	20	92,114.40	338,657.60
163	AFD	1997 E One Pumper	Vehicles	15-Oct-1997	255,832.00	10	107,799.89	148,032.11
113	AFD	1997 E One Pumper	Vehicles	15-Oct-1997	255,832.00	20	53,899.95	201,932.05
112	AFD	1997 E One Pumper	Vehicles	23-Sep-1997	255,832.00	20	54,670.95	201,161.05
111	AFD	1997 E One Pumper	Vehicles	23-Sep-1997	255,832.00	20	54,670.95	201,161.05
110	AFD	1997 E One Pumper	Vehicles	24-Jul-1997	255,832.00	20	56,808.72	199,023.28
109	AFD	1997 E One Pumper	Vehicles	16-Jun-1997	255,832.00	20	58,140.45	197,691.55
108	AFD	1997 E One Tanker	Vehicles	26-Nov-1997	183,617.00	20	37,628.91	145,988.09
117	AFD	1997 E One Tanker	Vehicles	26-Nov-1997	183,617.00	20	37,628.91	145,988.09
116	AFD	1997 E One Tanker	Vehicles	26-Nov-1997	183,617.00	20	37,628.91	145,988.09
115	AFD	1997 E One Tanker	Vehicles	26-Nov-1997	183,617.00	20	37,628.91	145,988.09
114	AFD	1997 E One Tanker	Vehicles	15-Sep-1997	33,255.94	7	20,415.26	12,850.68
175	AFD	1998 Chevy Yukon	Vehicles	15-Dec-1997	28,211.00	7	16,308.28	11,902.72
176	AFD	Utility tractor with loader	Vehicles	15-Jun-1998	22,935.00	7	11,524.59	11,310.41

Durango Fire and Rescue Authority
Fixed Asset Listing
FYE 12/31/01

Capitalization standards

Assets > \$5,000

Computed on straight-line depreciation

Asset Number	Contributing District	Asset Description	Asset Classification	Date Acquired	Cost	Estimated Life	Accum Deprec 12/31/2001	Book Value 12/31/2001
131	AFD	E One Tanker	Vehicles	31-Aug-1998	186,304.00	20	31,084.69	155,219.31
178	AFD	E One Tanker	Vehicles	31-Aug-1998	186,304.00	20	31,084.69	155,219.31
	AFD	Ambulance - Rescue 7	Vehicles	15-May-1998	161,319.00	20	29,302.60	132,016.40
	AFD	Ambulance - Rescue 2	Vehicles	15-May-1998	161,319.00	20	29,302.60	132,016.40
	AFD	Ambulance - Rescue 6	Vehicles	15-May-1998	161,319.00	20	29,302.60	132,016.40
	AFD	1999 Ford F550 Maint 1 truck	Vehicles	25-May-1999	30,138.65	10	7,852.56	22,286.09
	AFD	Engine #131 (Western Fire)	Vehicles	29-Sep-2000	303,000.00	20	19,010.14	283,989.86
	AFD	Dodge Pickup	Vehicles	15-Nov-2000	27,924.00	7	4,491.88	23,432.12
	AFD	2000 Ford F450 Pumper	Vehicles	30-Nov-2000	56,400.00	10	6,119.01	50,280.99
	AFD	Ford F450 4x4	Vehicles	07/15/01	32,348.00	10	1,497.76	30,850.24
	AFD	International/S&S Tanker 4	Vehicles	12/15/99	174,386.00	20	17,844.70	156,541.30
	AFD	Ford Excursion	Vehicles	04/15/01	30,284.00	7	3,081.74	27,202.26
	AFD	Great Bend 751 Backhoe	Vehicles	06/30/01	5,300.00	7	381.68	4,918.32
	AFD	FWD Backup Engine	Vehicles	10/24/73	9,250.00	10	9,250.00	-
	AFD	Chevrolet 4x4 Pickup Wildland	Vehicles	12/28/81	4,424.00	7	4,424.00	-
	AFD	CM Trailer Fire Prevention Wildland	Vehicles	06/30/98	5,150.00	10	1,806.03	3,343.97
144	DFD	1996 Ford Bronco 4X4 Utility	Vehicles	22-Feb-1996	19,286.00	7	16,145.89	3,140.11
151	DFD	2001 Jeep Chreokee 4X4 Utility	Vehicles	7-Feb-2001	20,276.00	7	2,595.01	17,680.99
501	DFD	2001 Ford 1Ton 4X4 Rescue Unit	Vehicles	1-May-2001	53,987.00	7	5,155.71	48,831.29
505	DFD	1980 GMC 1 Ton Rescue Unit; WI/1980 Onar	Vehicles	1-Sep-1980	33,612.00	10	33,612.00	-
506	DFD	1982 Seagraves Pumper Engine 1	Vehicles	15-Jul-1982	110,781.00	20	107,882.48	2,898.52
507	DFD	1986 Pierce Pumper Engine 2	Vehicles	5-Nov-1986	130,797.00	15	130,797.00	-
508	DFD	1988 Chevy 1 Ton Brush 4X4	Vehicles	10-Oct-1988	53,987.00	15	47,626.89	6,360.11
510	DFD	1997 E One 75' Ladder Truck	Vehicles	1-Oct-1997	429,772.00	20	91,370.70	338,401.30
	HCF	1999 Ford F350 Diesel 4X4 Pickup	Vehicles	26-Oct-1998	30,175.50	7	13,723.65	16,451.85
	HCF	1997 Wheeled Coach 4X4	Vehicles	30-Jun-1997	81,442.00	10	36,704.68	44,737.32
	HCF	Wheeled Coach Ambulance	Vehicles	20-Oct-1992	68,341.00	10	62,892.44	5,448.56
	HCF	2000 Ford Expedition (LEASED)	Vehicles	17-Apr-2000	30,665.00	7	7,477.22	23,187.78
E14	HCF	2000 General Safety Pumper/Tanker	Vehicles	31-Dec-1999	397,426.00	20	39,797.04	357,628.96
E15	HCF	2000 General Safety Pumper/Tanker	Vehicles	31-Dec-1999	397,426.00	20	39,797.04	357,628.96
E16	HCF	2000 General Safety Pumper/Tanker	Vehicles	31-Dec-1999	397,426.00	20	39,797.04	357,628.96
7	Mercy	92 Chevy Wheeled Coach	Vehicles	07/31/92	62,385.00	10	58,795.73	3,589.27
9	Mercy	96 Chevy Wheeled Coach	Vehicles	12/31/96	66,502.00	10	32,768.95	32,733.05
10	Mercy	2000 Ford Wheeled Coach	Vehicles	05/31/00	85,517.00	10	13,565.57	71,951.43

Durango Fire and Rescue Authority
 Fixed Asset Listing
 FYE 12/31/01

Capitalization standards
 Assets > \$5,000
 Computed on straight-line depreciation

<u>Asset Number</u>	<u>Contributing District</u>	<u>Asset Description</u>	<u>Asset Classification</u>	<u>Date Acquired</u>	<u>Cost</u>	<u>Estimated Life</u>	<u>Accum Deprec 12/31/2001</u>	<u>Book Value 12/31/2001</u>
					<u>8,386,537.90</u>		<u>2,518,731.76</u>	<u>5,866,806.14</u>

Durango Fire and Rescue Authority
 Fixed Asset Listing
 FYE 12/31/01

Capitalization standards
 Assets > \$5,000
 Computed on straight-line depreciation

Asset Number Contributing District

Asset Description

Asset Classification

Date Acquired

Cost

Estimated Life

Accum Deprec 12/31/2001

Book Value 12/31/2001

Sum of 12/31/013	Classification	Total		
AFD District	Computer & Office	3,646.22		
	Medical Equip	26,007.52		
	Other Equip	54,162.14		
	Radio Equip	5,353.15		
	Vehicles	4,001,837.99		
AFD Total		4,091,007.03		
DFD	Medical Equip	43,159.53		
	Other Equip	417,312.32		
	Vehicles	460,471.85		
DFD Total		920,943.70		
HCF	Medical Equip	28,751.21		
	Other Equip	15,589.92		
	Vehicles	1,162,712.38		
HCF Total		1,207,053.51		
Mercy	Vehicles	108,273.75		
Mercy Total		108,273.75		
Grand Total		5,866,806.14		

EXHIBIT D

Designation of Notices Locations

CITY OF DURANGO

AND

CITY MANAGER

CITY ATTORNEY

949 EAST 2ND AVE.

P.O. Box 3150

DURANGO, CO 81301

DURANGO, CO 81302

HERMOSA CLIFF FIRE
PROTECTION DISTRICT

AND

Trudy Klatt

Floyd Smith

PO Box 3024

Box 9

Durango, CO 81302

Bayfield, CO 81222

ANIMAS FIRE PROTECTION
DISTRICT

AND

Animas Fire Protection District

Kesten Newbald

142 Sheppard Drive

P.O. Drawer I

Durango, Co. 81302

Durango, Co. 81302

mediation, unless prevented by another party, shall be a condition precedent to any party commencing any legal proceeding.

8. Original Counterparts.

This Agreement may be executed in counterparts, each of which will be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Contracting Parties have caused this Agreement to be effective the date first above written.

CITY OF DURANGO

BY: 

MAYOR

ATTEST: 

**HERMOSA CLIFF FIRE
PROTECTION DISTRICT**

BY: 

PRESIDENT

ATTEST:

**ANIMAS FIRE PROTECTION
DISTRICT**

BY: John Higby
RESIDENT

ATTEST:

Bonnie L. Pietroni