

SALES AGREEMENT

THIS SALES AGREEMENT (this "Agreement") is made this ____ day of _____, 201_ ("Effective Date"), by and between Boise Mobile Equipment, Inc., an Idaho corporation ("BME"), and Town of Castle Rock,, a(n) municipal corporation ("Purchaser"). BME and Purchaser may collectively be referred to herein as the "Parties" and may individually be referred to herein as a "Party".

RECITALS

A. BME manufacturers fire trucks and other emergency vehicles and equipment; and

B. BME and Purchaser wish BME to manufacture and sell to Purchaser a Type 3 Fire Apparatus built on a Freightliner chassis ("Fire Apparatus") in accordance with the plans and specifications attached hereto as Exhibit A, which are made a part hereof ("Plans and Specs").

NOW THEREFORE, in consideration of the terms, covenants and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1 **MANUFACTURE AND SALE**

BME hereby agrees to manufacture and sell the Fire Apparatus to Purchaser substantially in accordance with the Plans and Specs (subject to any revisions thereto agreed upon by the Parties), and Purchaser agrees to purchase the same. In the event the Plans and Specs include plans and/or specifications from both BME and Purchaser, and a conflict arises, BME's plans and/or specifications shall control.

SECTION 2 **PRE-CONSTRUCTION MEETING AND COMPLETION PERIOD**

Within thirty (30) days from the Effective Date of this Agreement, the Parties must complete a pre-construction meeting at BME's place of business. At this meeting, any changes to the Plans and Specs shall be finalized. In the event of any changes to the Plans and Specs at this pre-construction meeting (or at any other time), the Parties shall enter into a Change Order substantially in the form of the Change Order attached hereto as Exhibit B, which is made a part hereof. Change Orders shall detail changes to the Plans and Specs, Purchase Price and/or completion date. Within a commercially reasonable time from the completion of the pre-construction meeting, BME shall order the Freightliner chassis from its manufacturer.

BME shall use commercially reasonable efforts to complete the Fire Apparatus within 180 days from BME's receipt of the Freightliner chassis. However, this completion date is not a date certain and BME shall not be in default of this Agreement if the Fire Apparatus is not completed within this 180 day period.

SECTION 3 **INSPECTION AND DELIVERY**

BME shall notify Purchaser in writing upon the completion of the Fire Apparatus. Purchaser shall have thirty (30) days from receipt of such completion notice to inspect the Fire Apparatus at BME's place of business ("Inspection Period"). Unless otherwise specified in the Plans and Specs, any costs and/or expenses incurred by Purchaser in conducting this inspection, including, without limitation, travel costs and expenses, shall be the sole responsibility of Purchaser.

Upon completion of this inspection, the Parties shall sign a Final Inspection Report substantially in the form of the Final Inspection Report attached hereto as Exhibit C, which is made a part hereof. In the event the Final Inspection Report lists items to be corrected by BME, these items shall be corrected by BME as soon as reasonably practicable. Once corrected, the Fire Apparatus shall be delivered to Purchaser. Unless otherwise specified in the Plans and Specifications, delivery of the Fire Apparatus to Purchaser shall occur at BME's place of business. Upon delivery of the Fire Apparatus: 1) Purchaser shall again sign the Final Inspection Report acknowledging that the correction items listed in the Final Inspection Report have been corrected to Purchaser's satisfaction, 2) BME shall deliver one copy of BME's current, applicable Owner's Manual to Purchaser and 3) BME shall fully explain and demonstrate to Purchaser the proper method of operating the Fire Apparatus. The date upon which Purchaser signs the Final Inspection Report acknowledging that the items are completed to its satisfaction shall be the "Acceptance Date".

In the event Purchaser does not complete the Fire Apparatus inspection within the Inspection Period, it shall be deemed that the Fire Apparatus is acceptable to Purchaser in all respects and the last day of the Inspection Period shall be deemed the "Acceptance Date".

SECTION 4 **PURCHASE PRICE AND PAYMENT TERMS**

The Purchase Price to be paid by Purchaser to BME for the Fire Apparatus is \$ 285,150.00 ("Purchase Price"). Unless otherwise specified in the Plans and Specs, the Purchase Price does not include sales taxes or delivery charges. Delivery charges shall be the responsibility of Purchaser and shall be paid to BME at the same time the Purchase Price is paid to BME. Sales taxes shall also be the responsibility of Purchaser but shall be paid to BME only if it is BME's responsibility to collect the same and remit them to the appropriate governmental agency. In such event, sales taxes shall be paid to BME at the same time the Purchase Price is paid to BME. If the Fire Apparatus is exempt from sales taxes, it is Purchaser's duty to furnish to BME proper proof thereof. If the sum of the truck is pre-paid there will be a \$4,000.00 discount.

The Purchase Price is due from Purchaser to BME in cash within thirty (30) days following the applicable Acceptance Date. In the event the Purchase Price is not paid in full within thirty (30) days from the applicable Acceptance Date, interest shall begin to accrue on any unpaid balance of the Purchase Price at the rate of eighteen percent (18%) per annum beginning thirty-one (31) days from the applicable Acceptance Date.

SECTION 5 **WARRANTIES**

All warranties associated with the Fire Apparatus are detailed in the Plans and Specs. There are no other warranties (either express or implied), representations or understandings other than those expressly contained in the Plans and Specs. All warranty periods commence on the Acceptance Date, unless the inspection does not occur within the Inspection Period, in which event all warranty periods commence on the last day of the Inspection Period. Notice of claimed warranty work must be provided to BME by Purchaser within the applicable warranty period. All warranty work will be performed at BME's place of business.

Any modifications by Purchaser to the Fire Apparatus voids all warranties.

Notwithstanding any of the foregoing and subject to applicable law: 1) Any implied warranty of merchantability or fitness for a particular purpose associated with the Fire Apparatus shall be limited in duration to the earlier of one (1) year or the period in which owned by Purchaser; and 2) BME shall not be liable for any incidental or consequential damages associated with the Fire Apparatus.

SECTION 6
ASSIGNMENT

Neither Purchaser nor BME may assign this Agreement, or any portion thereof, without the express written consent of the other.

SECTION 7
NOTICES

All notices or other communications given with respect to the subject matter of this Agreement shall be in writing, and shall be served on the parties addressed as follows:

If to BME:	Boise Mobile Equipment, Inc. Attn: Chad Moffat 900 W. Boeing Boise, Idaho 83705 (E) chad@bmeffire.com
If to Purchaser:	Town of Castle Rock Attn: Town Attorney 100 N. Wilcox Street Castle Rock, CO 80104
With copy to:	Castle Rock Fire Department Attn: Patrick Richardson 300 Perry Street Castle Rock, CO 80104 (E) PRichardson@crgov.com

Any such notices shall be either (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. Mail, (b) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered one (1) business day after deposit with such courier, (c) sent by personal delivery, in which case notice shall be deemed delivered upon delivery or (d) sent by e-mail, in which case it shall be deemed delivered on the e-mail date, assuming proof of delivery is obtained. The above addresses may be changed by written notice to the other Party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

SECTION 8
DEFAULT

Failure by either Party in performing any term, covenant or condition of this Agreement shall constitute a default hereunder.

SECTION 9
REMEDIES

In the event of a default of this Agreement by either Party, the non-defaulting Party shall have the right, at its discretion, to immediately terminate this Agreement upon written notice to the other and/or exercise any remedy afforded by law and/or equity including, without limitation, damages and equitable relief.

SECTION 10

CONFIDENTIALITY

Purchaser agrees that any and all BME information not already lawfully available to the public, including, without limitation, any information relating to BME and/or the Fire Apparatus, including all Plans and Specs, (whether now in existence or created subsequent to the effective date of this Agreement), including, without limitation, any process, method, design, procedure, engineering, technique, invention, improvement or scientific, technical, merchandising, marketing, cost, or management information, without regard to the method or manner in which such information is kept or stored by BME, which Purchaser may in any way acquire by reason of this Agreement and the rights granted pursuant hereto, is SECRET and CONFIDENTIAL, and is the proprietary information of BME and shall not be improperly released by Purchaser to any person or entity other than those owners, agents and/or employees of Purchaser who are engaged in this transaction and/or will use the Fire Apparatus. Finally, said information is hereby designated as "Trade secret" as defined by Idaho Code, Section 48-801(5) and is subject to the enforcement mechanisms (including without limitation injunctive relief) set forth in the "Idaho Trade Secrets Act".

The Confidential or Secret information imposed by this Agreement shall not apply to Purchaser's good faith determination that disclosure is compelled under the Colorado open records statutes, or such disclosure is made in compliance with the direction of a judicial determination that the Confidential or Secret information is a public record.

This Section shall survive the termination of this Agreement for whatever reason.

SECTION 11

MISCELLANEOUS

It is agreed that this Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado. The Parties agree that any litigation related to the performance of this Agreement shall be heard by the courts located in Douglas County, Colorado, and the Parties agree to submit to the jurisdiction and venue of such courts. This Agreement shall bind and inure to the benefit of the respective permitted successors and assigns of the Parties. This Agreement shall constitute the entire agreement between the Parties and any prior understandings or representations of any kind preceding the date of this Agreement shall not be binding upon the Parties. Any modification, amendment and/or waiver of this Agreement, or any portion thereof, shall be binding only if evidenced in writing, signed by the Parties. The Parties hereto agree to execute any further agreements and documents, and/or perform any other acts, reasonably necessary to effectuate the terms and intent of this Agreement. Each and every recital above is incorporated herein by this reference. Each individual executing this Agreement on behalf of an entity, hereby represents and warrants that his/her entity has duly and properly authorized the execution of this Agreement by such individual and that this Agreement is enforceable against his/her entity in accordance with its terms. The Parties have either (i) been represented by separate legal counsel, or (ii) have had the opportunity to be so represented. Thus, in all cases, the language herein shall be construed simply and in accordance with its fair meaning and not strictly for or against a Party, regardless of which Party prepared or caused the preparation of this Agreement.

In the event, it shall become necessary for either Party to this Agreement to retain legal counsel to enforce any term, condition, or covenant of this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs of suit, including any attorney fees and costs incurred in any bankruptcy or appellate proceeding.

If any term, condition or covenant of this Agreement shall be held invalid or unenforceable to any extent, the remaining terms, conditions, and covenants of this Agreement shall not be affected thereby and each of said terms, covenants, and conditions shall be valid and enforceable to the fullest extent permitted by law.

[End of Text]

IN WITNESS WHEREOF, each Party to this Agreement has caused it to be executed on the Effective Date.

BME:

Boise Mobile Equipment, Inc.,
an Idaho corporation

By: _____
Name: _____
Title: _____

PURCHASER:

Town of Castle Rock,
A Colorado municipal corporation

By: _____
Name: Jennifer Green
Title: Mayor

Approved as to form:

By: _____
Name: Robert J. Slentz
Title: Town Attorney

Exhibit A

Fire Apparatus Plans and Specifications

See attached.

Exhibit B
Change Order Form

See attached.

Exhibit C
Final Inspection Report

See attached.