



REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
February 11, 2021

Department Finance

Director Approval Lacey Lies

AGENDA ITEM Consider a lease/purchase agreement from Community National Bank for financing of a new street sweeper.

SUMMARY RECOMMENDATION City Staff recommends accepting the lease/purchase proposal.

BACKGROUND The City Commission approved the purchase of the 2021 ISUZU W/2020 Tier IV A4Storm sweeper on November 19, 2020 for a purchase price of \$149,994.00. The unit has been delivered to the City.

The City received the following lease/purchase proposals for financing \$149,994.00 over five years with semi-annual and annual payments:

FINANCING INSTITUTION	TERM	PMT FREQUENCY	RATE
Community National Bank	5 Years	Annual	1.78%
Community National Bank	5 Years	Semi-Annual	1.78%
Commercial Bank	5 Years	Semi-Annual	2.15%
FirstOak Bank	5 Years	Annual	2.50%
FirstOak Bank	5 Years	Semi-Annual	2.50%

The annual payments of \$21,927.38 will be funded by the 5 Mill Capital Improvement Fund. An annual lease/purchase payment was incorporated in the 2020 Approved Budget and six-year Capital Improvement Program. The City will make an initial principal paydown payment of \$44,200 on 2/12/2021. Average annual interest is \$782.94, or \$3,914.71 over the life of the lease-purchase.

SUGGESTED MOTION I move to accept the Lease/Purchase agreement from Community National Bank for the financing of the 2021 ISUZU W/2020 Tier IV A4Storm sweeper for \$149,994.00 as presented and authorize the Mayor to sign all documents related to the agreement.

SUPPORTING DOCUMENTS Bid Tab and Lease/Purchase Agreement

TABULATION - FINANCING PROPOSAL - STREET SWEEPER

VENDOR	INTEREST RATE
COMMUNITY NATIONAL BANK	1.78%
COMMERCIAL BANK	2.15%
FIRSTOAK BANK	2.50%

Property Lease Agreement

Lessee

Lessor

City of Independence 811 W Laurel Independence, KS 67301	Community National Bank & Trust 125 N Penn Ave, P.O. Box 687 Independence, KS 67301
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Lease Number : 1900002407

Quantity	Description of Leased Property	Description
1	2021 Isuzu NR 254 Cabover Series Chassie with Schwarze Industries Model A4 Storm sweeper	VIN: JALE5W161M7900267 SN: 20-A4000-788

Amount of Each Payment	Advance Payments	Initial Payment With Lease	Lease Term
Rental Payment \$21,927.38	First <u>1</u> Rental(s) in advance.	Total Advance \$ 44,200.00	Total Number of Rentals 5
Sales/Use Tax \$ -	Last <u>0</u> Rental(s) in advance.	Lease Fee \$ 31.00	Annual Rentals
Total Payment \$ 21,927.38		Initial Payment \$ 44,231.00	3/1/2021

Terms And Conditions Of Lease

1. LEASE. Lessor hereby leases to Lessee the personal property (the "Leased Equipment") described above, and in any schedules and Supplements to be attached to and become a part of this Lease. This Lease consisting of four (4) pages, correctly sets forth the entire agreement between Lessor and Lessee with respect to the use, possession and lease of the Leased Equipment. No agreements or understanding concerning the foregoing shall be binding on either of the parties unless specifically set forth in this Lease. The term "Lessor" shall include any assignee of the above-identified Lessor. THIS LEASE WILL NOT BE BINDING ON LESSOR UNTIL ACCEPTED BELOW. By execution of this Lease, the signer certifies that (s)he has read this Lease, INCLUDING THE FOLLOWING THREE (3) PAGES, AND THAT (S)HE IS DULY AUTHORIZED TO EXECUTE THIS LEASE ON LESSEE'S BEHALF. LESSEE APPOINTS LESSOR AS ATTORNEY-IN-FACT TO EXECUTE AND FILE UNIFORM COMMERCIAL CODE FINANCING STATEMENTS OR AMENDMENTS WITH RESPECT TO ANY OR ALL OF THE LEASED EQUIPMENT.

2. TERM AND RENTAL. The term of this Lease with respect to the Leased Equipment shall be as shown on the schedule set forth above, and shall commence on the date on which the Leased Equipment is delivered to and accepted by Lessee from the supplier or carrier, or other date as may be selected by Lessor. It is expressly understood that at all times the risk of damage to, or loss or destruction of the Leased Equipment shall be borne by Lessee and not by Lessor. The rent for the Leased Equipment shall be the amount stated above. If Lessee shall be in default of the payment of any sum of money to be paid under this Lease, Lessee shall pay a late charge equal to 10% of such unpaid amount due, plus any collection charges incurred by use of an independent collection agency, in the event such payment, or any part of the payment, remains unpaid for more than 10 days. Lessee shall pay Lessor rent, without deduction or offset, in the amounts and at the times shown on the schedule set forth above. Rent shall be payable at Lessor's office set forth above, or at such other place or to such other person as Lessor may, from time to time designate in writing. Lessee's obligations under this Lease after its acceptance of the Leased Equipment are not subject to cancellation, termination, modification, repudiation, excuse, set-off, or substitution, and are irrevocable and independent of Lessor's obligations.

3. WARRANTIES. To the extent allowed by law, LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEASED EQUIPMENT, INCLUDING, BUT NOT LIMITED TO, WARRANTIES WITH RESPECT TO THE MERCHANTABILITY OF, OR THE FITNESS OR SUITABILITY OF THE LEASED EQUIPMENT FOR, ANY PURPOSE OR USE, OR ITS DURABILITY, OR WITH RESPECT TO INFRINGEMENT OR THE LIKE, EXCEPT THAT (1) IF THE LEASED EQUIPMENT IS NEW, ANY MANUFACTURER'S WARRANTY WILL BE EXERCISED FOR THE MUTUAL BENEFIT OF LESSOR AND LESSEE AS THEIR INTERESTS APPEAR; AND (2) LESSOR MAKES A WARRANTY OF DESCRIPTION AND A WARRANTY OF NON-INTERFERENCE WITH LESSEE'S ENJOYMENT OF ITS LEASEHOLD INTEREST FROM ACTS OR OMISSIONS OF LESSOR. LESSEE ACKNOWLEDGES THAT THE LEASED EQUIPMENT IS OF A TYPE, SIZE, DESIGN AND CAPACITY SELECTED SOLELY BY LESSEE AS SUITABLE FOR ITS PURPOSE, AND THIS LEASE IS INTENDED TO QUALIFY AS A FINANCE LEASE AS THAT TERM IS USED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE. LESSEE UNDERSTANDS AND AGREES THAT NEITHER THE SUPPLIER NOR ANY SALES PERSON OR OTHER AGENT OF THE SUPPLIER IS LESSOR'S AGENT. NO SALES PERSON OR AGENT OF THE SUPPLIER IS AUTHORIZED TO WAIVE OR ALTER ANY TERMS OR CONDITIONS OF THIS LEASE, AND NO REPRESENTATION AS TO THE EQUIPMENT OR ANY OTHER MATTER BY THE SUPPLIER SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR ANY OTHER OBLIGATION UNDER THIS LEASE.

4. Additional Provisions

See the attached three (3) pages for additional terms and conditions which are a part of this lease, INCLUDING CLAUSES 5, 15 AND 19, WHICH PROHIBIT ANY TRANSFER OF LESSEE'S INTEREST UNDER THIS LEASE AND MAKE TRANSFER AN EVENT OF DEFAULT.

Unconditional Guaranty	Acknowledgment of Terms
FOR VALUE RECEIVED, and in consideration of and as an inducement to Lessor to enter into this lease, the undersigned "Guarantors," whether one or more, jointly and severally, unconditionally, irrevocably and absolutely guarantee payment by Lessee of all monies due or to become due under this Lease and any renewals of this Lease. The provision on the reverse side of this form designated as "Additionally Guaranty Provisions" are incorporated as reference as if they were fully set out at this point.	This Lease and the other evidences of this obligation are the final expression of the parties' agreement and cannot be canceled, rescinded, terminated or modified after acceptance of the Leased Equipment by Lessee except by a writing signed by Lessor and Lessee, nor can they be contradicted by evidence of any prior or contemporaneous oral agreement. The parties affirm that no unwritten oral agreement between them exists. Any additional nonstandard terms are included in a separate rider attached to the lease.
_____ date	The undersigned Lessee agrees to all terms and conditions set forth in this lease and on the attached three (3) pages
_____ date	LESSEE: City of Independence, KS
_____ date	Signed _____ Louis Ysusi, Mayor
_____ date	Signed _____
_____ date	Acceptance by Lessor Community National Bank & Trust, Independence, Kansas
Witness Name (Please Print)	Signed _____ Julie L. Voelker, President

Property Lease Agreement

5. TITLE; IDENTIFICATION; PERSONAL PROPERTY; NO TRANSFER OF LESSEE'S INTEREST. No right, title or interest shall pass to Lessee other than, and conditioned upon Lessee's fulfillment of the terms and conditions of this Lease, the right to maintain possession and use of the Leased Equipment for the full Lease term. The Leased Equipment shall remain Lessor's property. Lessor may require plates or markings to be affixed to or be placed on the Leased Equipment indicating its interest. Lessor and Lessee confirm their intent that the Leased Equipment always shall remain and be deemed as such, even if it later becomes attached or is affixed to real property. Lessee agrees to execute or have executed all agreements and other documents, in recordable form, by all parties having an interest in any real property to which any of the Leased Equipment is affixed, as Lessor, from time to time may reasonable request, with respect to the identity of the property. Lessee further consents to the recordation of all such agreements and documents. LESSEE AGREES NOT TO SELL, ASSIGN, SUBLET, PLEDGE, HYPOTHECATE, OTHERWISE ENCUMBER OR SUFFER A LIEN UPON OR AGAINST, OR OTHERWISE TRANSFER ANY INTEREST IN THIS LEASE OF THE LEASED EQUIPMENT. LESSEE AGREES NOT TO REMOVE THE LEASED EQUIPMENT FROM ITS PLACE OF INSTALLATION WITH LESSOR'S PRIOR WRITTEN CONSENT.

6. LESSEE'S ACCEPTANCE. Upon delivery, Lessee shall make all necessary inspections and tests of the Leased Equipment in order to determine whether the Leased Equipment conforms to specifications and is in good condition and repair. Lessee shall notify Lessor promptly, in writing of any defect or other proper objection to the type or condition of the leased Equipment. In all events, prior to placing the Leased Equipment in service, Lessee shall execute and deliver to Lessor a Delivery and Acceptance Supplement, in form and substance satisfactory to Lessor.

7. USE; INSPECTION. Lessee will cause the Leased Equipment to be operated in accordance with applicable manufacturer's manuals or instructions by, competent and fully qualified personnel only; in accordance with applicable governmental regulations, if any; and for business purposes only, Lessor shall have the right from time to time during normal business hours to enter upon Lessee's premises or elsewhere for the purpose of confirming the existence, condition, and proper maintenance of the Leased Equipment.

8. REPAIR OF LEASED EQUIPMENT. Lessee will keep the Leased Equipment in good repair and first-class mechanical condition without cost or liability to Lessor. Lessee shall not have authority, to incur expense for Lessor's account or in any way to encumber or subject to lien Lessor's leasehold or residual interest in the Leased Equipment. If a lien is asserted on the Leased Equipment for repair or maintenance, Lessor may discharge that lien and add the cost to amounts Lessee owes under this Lease as additional rent, payable on demand with interest the rate of 10% per annum from 30 days after demand, and failure to repay the same shall constitute an Event of Default under this Lease. All equipment, accessories, accessions, parts or replacements which become attached to or part of the Leased Equipment become Lessor's property. Lessee shall not make substantial alterations in the Leased Equipment without Lessor's prior written consent.

9. LICENSE FEES AND TAXES. Lessee will pay all fees for licensing, registration and certificates of title, and all taxes, charges or assessments incident to the ownership, use, operation and leasing of the Leased Equipment. Any taxes not included in the monthly payment will be billed by Lessor. Any such fees, taxes, charges, or assessments, if paid by Lessor shall be additional rent, payable on demand with interest at the rate of 10% per annum from 30 days after and demand, and failure to repay the same shall constitute an Event of Default under this Lease.

10. INSURANCE; LESSOR'S PAYMENT. Lessee at its sole cost and expense, shall procure, maintain and pay for (a) insurance on the Leased Equipment for loss, theft or damage, for the full replacement value as determined by Lessor, naming Lessor as a loss payee; and (b) public liability and property damage insurance, naming Lessor as additional insured. All such insurance shall be in form and amount and with companies satisfactory to Lessor. Lessee shall deliver the policies of insurance or duplicates of certificates of insurance to Lessor. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that it will give Lessor 30 days written notice before the policy shall be materially altered or canceled. Insurance proceeds, at Lessor's option, shall be applied toward (a) replacement, restoration or repair of the Leased Equipment, or (b) payment of Lessee's obligations under this Lease. Lessee appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and enforce all documents, checks or drafts for loss or damage under any such insurance. If Lessee fails to procure, maintain or pay for said insurance, or to pay any fees, assessments, charges or taxes as required in this Lease, Lessor shall have the right, but will not be obligated to obtain such insurance or make such payments, as the case may be. In that event, Lessee shall reimburse Lessor for such expenses upon demand, with interest at the rate of 10% per annum from 30 days after demand. Failure to repay the same shall constitute an Event of default under this Lease.

11. LOSS AND DAMAGE. Lessee assumes and shall bear all risk of damage to or loss, theft or destruction of the Leased Equipment from any cause ("Loss or Damage") including, without limitation, economic loss due to war or requisition of the Leased Equipment by any government agency, whether or not such Loss or Damage is covered by insurance. No such Loss or Damage shall relieve Lessee of any its obligations under this Lease. Lessee shall notify Lessor immediately of any Loss or Damage to the Leased Equipment. In the event of Loss or Damage to any unit of the Leased Equipment, Lessee at Lessor's option, shall; (a) repair or restore the Leased Equipment to good repair, condition and working order; (b) replace the Leased Equipment with similar equipment in good repair, condition and working order; or (c) pay Lessor in cash a mutually agreed upon appraised value for such unit at the time of Loss or Damage. Upon payment, this Lease will terminate only with respect to the Leased Equipment for which Lessee has so paid, and Lessee shall become entitled to said property "AS-IS, WHERE-IS" without any warranty, express or implied with respect to any matter.

12. LESSEE'S REPRESENTATIONS. Lessee represents, warrants and agrees that; (a) It has full power and authority and legal right to enter into and perform this Lease. The execution, delivery and performance of the Lease have been duly authorized by all necessary corporate or other legal action on the part or Lessee; will not require stockholder approval or consent of any trustee or holders of any indebtedness or obligations of Lessee; will not contravene any law, governmental rule, regulation or order binding on Lessee (or Lessee's Certificate of Incorporation or by-laws, if any); and will not contravene, constitute a default under, or result in the creation of any lien or encumbrance upon the property of Lessee under any indenture, mortgage, contract or other agreement to which Lessee is a party, or by which its subsidiaries may be bound or affected; (b) all consents and approvals of, the giving of notice to, registration with, and the taking of any other action in respect of any federal, state or foreign governmental authority or agency, necessary if at all to permit the transactions contemplated b this lease have been taken; (c) the Lease constitutes a legal, valid and binding obligation of Lessee enforceable against Lessee in accordance with its terms; (d) there are no pending or threatened actions or proceedings before any administrative agency which will materially adversely affect Lessee's condition, business or operations, or the condition business or operations of any of its subsidiaries, or Lessee's ability to perform its obligations under this lease; (e) the transaction contemplated by this Lease will raise no presumption of fraud and will be effective against all Lessee's creditors under applicable state and federal laws, including, without limitation, laws relating to fraudulent conveyances of bulk transfers; (f) it shall provide Lessor, upon request, with an opinion of counsel satisfactory to Lessor with respect to the foregoing matters.

13. INDEMNITY. Lessee shall indemnify and hold Lessor harmless from any and all claims, actions and damages including reasonable attorneys' fees and obligations. liabilities and liens{(including those arising or imposed without Lessor's fault or negligence, or in connection with latent or other defects, or any claim for patent, trademark or copyright infringement, or under the doctrine of "strict liability"), imposed upon, incurred by or asserted against Lessor, or its successors or assigns, arising out of the manufacture purchase lease possession, operation, condition, return or use of the Leased Equipment, or by operation of law. Lessee shall give Lessor prompt written notice if any matter indemnified against occurs, and agrees that upon written notice by Lessor of the assertion of such a claim. action damage, obligation, liability or lien, Lessee shall assume full responsibility for the defense of any such claim. This section shall survive termination of this Lease.

Property Lease Agreement

14. **DEFAULT; REMEDIES.** If Lessee shall fail to pay any installment of rent when due or to perform promptly any of the terms, covenants and conditions of this Lease, INCLUDING, WITHOUT LIMITATION, ASSIGNING, PLEDGING OR HYPOTHECATING LESSEE'S INTEREST AS PROVIDED IN CLAUSES 5 AND 15, or fail to perform any other agreement with Lessor and Lessor's opinion as to the existence of such failure shall be conclusive, then Lessor may, at its option, declare the remaining unpaid installments of rent immediately due and payable, and Lessee's right to continue in possession of the Leased Equipment shall cease, all without notice or demand. The same right shall exist if any of the following events occur with respect to Lease: death (if an individual) dissolution (if a partnership or corporation); death or suspension of the usual business activities of any member (if a partnership); complete or partial liquidation or suspension of Lessee's usual business; filing of a voluntary or involuntary petition under any provision of the Bankruptcy Code; application for or the appointment of a receiver of the person or property; assignment for the benefit of any creditors; entry of judgment or the filing or issuance of any order, warrant of attachment or execution; filing or issuance of a notice of lien warrant for restraint, or notice of levy for taxes; making or sending notice of an intended bulk sale; or commencement of any proceedings so enforce a judgment.. In any of such events, in addition to any other right or remedy provided by law, including Article 2A of the Uniform Commercial Code for any default, whether statutory or contractual, it shall be lawful for Lessor, and Lessee, authorizes and empowers Lessor, with the aid or assistance of any persons, to enter upon the premises or such other places as the Leased Equipment may be found, take possession of it and carry it away, all without process of law. Upon such repossession, Lessor shall have the following rights; (a) If, in Lessor's sole opinion, it would be impractical or impossible to rent the Leased Equipment, Lessor may sell the Leased Equipment at public or private sale, with Lessor having the right to purchase any or all of the Leased Equipment at such sale; pay all charges and expenses incurred by Lessor in connection with or incidental to (including a reasonable attorney's fee, if an attorney is used), storage, preparation for sale, and sale; and credit the remainder of the sale price of the Leased Equipment at the expressed termination date of the Lease term of each item of Leased Equipment so sold, to the unpaid balance of the rent, discounted to present value at that time using an annual rate of 10%. Lessee will remain liable for any deficiency. If suit is instituted to recover any rents or deficiency, a reasonable attorney's fee shall be added to the amount due. (b) In the alternative, Lessor may rent the Leased Equipment and credit the rental collected during the balance of the term of this Lease to the unpaid balance of rents under this Lease, after first deducting the costs and expenses of repossession (including a reasonable attorney's fee, if an attorney is used), storage until re-rented, reconditioning and repair of the Leased Equipment, and re-renting, with Lessee to remain liable for any deficiency.

15. **ASSIGNMENT BY LESSEE.** LESSEE SHALL NOT ASSIGN PLEDGE OR HYPOTHECATE THIS LEASE OR ANY INTEREST IN IT IN WHOLE OR IN PART, NOR SHALL LESSEE SUBLET OR LEND ANY LEASED EQUIPMENT WITHOUT LESSOR'S PRIOR WRITTEN CONSENT. LESSEE'S INTEREST MAY NOT BE ASSIGNED OR TRANSFERRED BY OPERATION OF LAW. CONSENT TO ANY SUCH ACT SHALL NOT BE DEEMED CONSENT TO ANY SUBSEQUENT SIMILAR ACT.

16. **ASSIGNMENT BY LESSOR.** Lessor may assign this Lease or grant a security interest in it or in the Leased Equipment or both, in whole or in part, without notice to Lessee. If Lessee is given notice of such assignment, it shall acknowledge receipt of the notice in writing, if requested. Each assignee or secured party shall have all Lessor's rights, but none of Lessor's obligations under this Lease. LESSEE SHALL NOT ASSERT AGAINST ASSIGNEE AND/OR SECURED PARTY ANY DEFENSE, COUNTERCLAIM OR OFFSET THAT LESSEE MAY HAVE AGAINST LESSOR. Regardless of any such assignment, Lessor agrees that shall enjoy quiet use of the Leased Equipment subject to the terms and conditions of this Lease, except for acts beyond Lessor's control. Subject to the above provisions, this Lease inures to the benefit of and is binding upon the heirs, legatees, personal representatives, successors and assigns of the parties to this Lease. Lessee agrees that no assignment by Lessor, nor any grant of a security interest in the Leased Equipment or in this Lease or the enforcement of such a security interest, shall be considered to be a transfer that impairs the prospect of obtaining return performance by, materially changes the duty of, or materially increases the burden or risk imposed on Lessee.

17. **FINANCIAL REPORTS.** Within 120 days after the end of its fiscal year, Lessee shall furnish Lessor, during the terms of this Lease, with annual financial statements and such other financial information as Lessor may from time to time request including, without limitation, reports filed with federal or state regulatory agencies. Lessee warrants and represents that all financial statements delivered to Lessor by or on Lessee's behalf, and any statements and data submitted to Lessor in connection with this Lease, are true and correct and fairly represent Lessee's financial condition for the periods involved.

18. **NOTICES.** All notices required or permitted under this lease shall be sufficient if delivered personally or mailed to the party at the address set forth in this Lease, or at such other address as either party may designate in writing from time to time. Any such notice shall be effective 48 hours after it has been deposited in the United States mail, duly addressed, and postage prepaid.

19. **NON-CANCELABLE LEASE; LESSEE'S OBLIGATIONS UNCONDITIONAL.** This Lease cannot be canceled except as expressly provided in this Lease. Lessee agrees that its obligations to pay all rent and any other amounts owing under this Lease shall be absolute and unconditional.

20. **LEASE EXPIRATION OPTIONS.** Provided the Lease has not been terminated and Lessee is not in default, Lessee shall have following options at the expiration of the Lease term.

(a) **Option to Purchase.** Lessee shall have the right to purchase all but not less than all, of the Leased Equipment on a "WHERE-IS-AS-IS" basis, at a price equal to the fair market value agreed upon by Lessor and Lessee. If Lessee and Lessor cannot agree, a qualified appraiser selected by Lessor and paid for by Lessee will determine the selling price. For purposes of this section, fair market value shall be determined on the basis of, and shall be equal to, the price which would be obtained in an arm's-length transaction between an informed and willing buyer-user (other than a buyer currently in possession or used equipment dealer) and an informed and willing seller under no compulsion to sell. In such determinations, costs of removal from the location of current use shall not be a deduction from such value, and the items of Leased Equipment shall be deemed to be in the condition under which they are required to be maintained pursuant to this Lease Agreement. Lessee shall give Lessor written notice not less than 90 days prior to the end of the original or any extended Lease term of its intent to exercise the purchase option provided for in this section.

(b) **Option to Renew.** Lessee shall have the option to extend the Lease term for an additional term as to all but not less than all of the Leased Equipment. If Lessee chooses this alternative, Lessee shall give Lessor written notice not less than 90 days prior to the end of the then current Lease term. Rental terms shall be determined by Lessor and the rental amount shall be based on the then fair market rental value as agreed to by Lessor and Lessee or by a qualified appraiser selected by Lessor and paid for by Lessee.

(c) **Surrender.** If neither of the above options is exercised by Lessee, Lessee shall return each unit of Leased Equipment to Lessor at any locations specified by Lessor, free of all advertising or insignia placed on the Leased Equipment by Lessee and in good condition, repair and working order, ordinary wear and tear resulting from its proper use, excepted, by delivering the Leased Equipment to such location, at Lessee's sole cost and expense, including prepaid freight and the cost of insurance for the Leased Equipment in an amount specified by Lessor.

If none of the above options is exercised prior to Lease maturity, Lessee shall be liable for additional monthly rentals which will accrue in the same amount as prior rentals.

21. **FAILURE OR INDULGENCE NOT A WAIVER.** No failure or delay on Lessor's part in exercising any power, right or privilege shall operate as a waiver, nor shall any single or partial exercise preclude other or further exercise of any other right, power or privilege. All rights and remedies existing under this lease are cumulative to, and not exclusive, of any rights or remedies otherwise available.

Property Lease Agreement

22. MISCELLANEOUS; NO CHANGE, WAIVER, DISCHARGE OR TERMINATION. If more than one person executes this Lease as Lessee, all of Lessee's obligations under this Lease shall be the joint and several obligations of all such persons. Wherever the context permits, Lessee's representations and covenants under this Lease shall survive the delivery and return of the Leased Equipment. Any provision of this Lease which may be determined by a competent authority to be prohibited or unenforceable in any jurisdiction, shall as to such jurisdiction, be ineffective, to the extent of such prohibition or unenforceability, without invalidating the remaining provisions of this lease, and any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction. No term or provision of this Lease may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by all parties to this Lease. The captions in this Lease are for convenience of reference only and shall not define or limit any of the terms or provisions of this Lease. As used in this Lease the term "Lease" shall include all exhibits, schedules and supplements related or attached to this Lease. This lease shall in all respects be governed by, and construed in accordance with, the laws at the state where accepted by Lessor, including all matters of construction, validity and performance. Time is of the essence in this Lease.

ADDITIONAL GUARANTY PROVISIONS. Guarantors waive diligence, right of setoff, presentment, protest, notice of dishonor, demand for payment, notice of acceptance of this Guaranty, notice of nonpayment at maturity, and all other notices of any nature to which Guarantors might otherwise be entitled in connection with this Guaranty. Guarantors further agree that without notice to any one or more of them, Lessor may change the terms and conditions of payment of any monies due or to become due under this Lease; grant to Lessee extensions or renewals of any such indebtedness or part of any indebtedness upon such terms and conditions as Lessor may deem acceptable; release one or more parties or agree not to sue them; or modify or change any term of the lease; and this Guaranty shall extend to and cover such changed, renewed or extended indebtedness or terms without regard to the number of times the same may have been changed, renewed or extended, and without release of any Guarantor or other effect on this Guaranty. In case of default in the payment of any such indebtedness when due, Lessor may enforce this Guaranty against Guarantors, or any one of them, without first resorting to any other claim or remedy, including without limitation, having recourse to or making demand upon Lessee; obtaining possession of the Leased Equipment; or resorting to any security, liens, or collateral or other rights or remedies pertaining to such default. Guarantors' joint and several obligations under this lease shall not be discharged, impaired or affected by any action or omission of Lessor, or anything which might otherwise act as a Legal or equitable discharge of any of the Guarantors. Lessor may transfer, discount or assign any or all of said rights as are granted to Lessor by this Guaranty. This Guaranty shall inure to the benefit of Lessor's successors, assigns and legal representatives.

Property Lease Agreement

Delivery and Acceptance

Lessee	Lessor
City of Independence 811 W Laurel Independence, KS 67301	Community National Bank & Trust 125 N Penn Ave, P.O. Box 687 Independence, KS 67301

Quantity	Description of Leased Property	Description
1	2021 Isuzu NR 254 Cabover Series Chassie with Cobra Platform	54F3EF600GWM11594 SN: 20-A4000-788

To Lessee: Do not sign this acceptance until you have actually received the above-described property.

Lessee acknowledges receipt of all items of Leased Equipment described above and on any attached schedules, and, after inspection, accepts same as being in good condition on the date shown below in accordance with all warranties, agreements and representations, if any, made to Lessee by Supplier.

Date Property Accepted: Lessee **City of Independence**

Signed _____

Insurance Authorization (to be completed by LESSEE)

This is to advise you that LESSEE'S authorized agent is:

Agent _____
 Agency _____
 Address _____
 City _____
 State _____
 Zip _____
 Phone _____

The undersigned authorizes said agent to provide Lessor with an (All Risk) Insurance Policy or Certificate covering the items listed on the Lease. This policy must be endorsed to show the Lessor as "Loss Payee" on all physical damage of all leased equipment, and "Additional Insured" on public liability, including bodily injury and property damage, with a copy of the endorsement forwarded to Lessor. The amount of Insurance coverage must be no less than the original equipment cost, with replacement value coverage, with a maximum deductible not to exceed \$1,000.00 per occurrence. Lessee is liable for all deductible amounts.

LESSEE **City of Independence**

Signed _____

Supplement to Property Lease Agreement

Lessee	Lessor
City of Independence 811 W Laurel Independence, KS 67301	Community National Bank & Trust 125 N Penn Ave, P.O. Box 687 Independence, KS 67301

Lease Number : **1900002407**

This Supplement is made to a certain Property Lease Agreement above referenced, by and between the parties thereto.

LESSOR AND LESSEE HEREBY AGREE AS FOLLOWS:

1. Upon expiration of the lease term set forth in the Lease(the "Initial Lease Term") and payment by Lessee of all rentals set forth in the Lease, and provided that no Event of "Default" (as defined in the Lease) shall have occurred and be continuing, Lessor shall transfer all of Lessors right, title and interest in and to all, but not less than all, of the equipment described in and covered by the Schedule (the "Property").
2. Notwithstanding any other provision herein, Lessee is obligated only to make payments under this Agreement as may be made from (i) funds budgeted and appropriated for that purpose during Lessee's current budget year, or, (ii) funds made available from any lawfully operated revenue producing source.
3. The amount or capital cost required to purchase the item if paid for by cash is **\$149,944.00** The annual average effective interest cost is **\$782.94**.
4. Except as amended hereby, the Lease shall retain in full force and effect, and are in all respects hereby ratified and affirmed

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly elected officers authorized as of this date.

Lessee: **City of Independence**

Lessor: Community National Bank & Trust
Independence, KS

by: _____
Louis Ysusi, Mayor

by: _____
Julie L. Voelker, President

date: _____

date: _____

Lessee	Lessor
City of Independence 811 W Laurel Independence, KS 67301	Community National Bank & Trust & Trust 125 N Penn Ave, P.O. Box 687 Independence, KS 67301

Lease Number : **1900002407**

**Semi-Annual Amortization - K.S.A. 10-1116c
5 Year Amortization**

Acquisition Cost	\$ 149,994.00
Annual Percentage Rate	1.780%
Annual Rental Payment	\$ 21,927.38

Due Date	Interest	Principal	Balance
12-Feb-21	\$ -	\$ 44,200.00	\$ 105,794.00
1-Mar-21	\$ 88.92	\$ 21,838.46	\$ 83,955.54
1-Mar-22	\$ 1,515.17	\$ 20,412.21	\$ 63,543.33
1-Mar-23	\$ 1,146.78	\$ 20,780.60	\$ 42,762.73
1-Mar-24	\$ 773.86	\$ 21,153.52	\$ 21,609.21
1-Mar-25	\$ 389.98	\$ 21,609.21	\$ -
	\$ 3,914.71	\$ 105,794.00	\$ 109,708.71

Schedule "A"

Lessee

Lessor

City of Independence 811 W Laurel Independence, KS 67301	Community National Bank & Trust 125 N Penn Ave, P.O. Box 687 Independence, KS 67301
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Lease Number : 1900002407

Quantity	Description of Leased Equipment	Serial Number
1	2021 Isuzu NR254 Cabover Series chassis with dual drive, diesel engine, automatic transmission with Schwarze Industries Model A4 Storm regenerative air sweeper complete with all of the standard features plus the following: Cummins 74hp Tier IVF diesel engine, 4.5 cy stainless steel hopper, dual gutter brooms with tilt, dual camera system, high pressure washdown system with hose reel, shroud suppression, 6" hand hose, worklights and strobe	VIN: JALE5W161M7900267 SN: 20-A4000-788

	LESSEE: City of Independence, KS Signed _____ Louis Ysusi, Mayor date:	
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Supplement to Equipment Lease Agreement

Lessee

Lessor

City of Independence 811 W Laurel Independence, KS 67301	Community National Bank & Trust 125 N Penn Ave. Independence, KS 67301
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Lease Number : 1900002407

This Supplement is made to a certain Equipment Lease Agreement above referenced, by and between the parties thereto.

LESSOR AND LESSEE HEREBY AGREE AS FOLLOWS:

1. Upon expiration of the lease term set forth in the Lease (the "Initial Lease Term") and payment by Lessee of all rentals set forth in the Lease, and provided that no Event of "Default" (as defined in the Lease) shall have occurred and be continuing, Lessor shall transfer all of Lessors right, title and interest in and to all, but not less than all, of the equipment described in and covered by the Schedule (the "Equipment").
2. Notwithstanding any other provision herein, Lessee is obligated only to make payments under this Agreement as may be made from (i) funds budgeted and appropriated for that purpose during Lessee"s curent budget year, or (ii) funds made available for any lawfully operated revenue producing source.
3. The amount or capital cost required to purchase the item if paid for by cash
4. Except as amended hereby, the Equipment Lease shall retain in full force and effect, and are in all respects hereby ratified and affirmed

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly elected officers authorized as of this date.

Lessee: City of Independence

Lessor: Community National Bank & Trust

By: _____
Louis Ysusi, Mayor

By: _____
Julie L. Voelker, Market President

Attested by: _____

Date: _____