

Board of Crawford County Commissioners

Commission Meeting Agenda

CRAWFORD COUNTY COURTHOUSE, COMMISSIONERS' BOARD ROOM
Girard, KS Friday, September 27, 2019, 10:00 AM.

I. Meeting called to order

a. Pledge of Allegiance

II. Business from a previous meeting

a. Approval of consent agenda

i. Consent agenda additions or deletions

1. Approval of the September 24, 2019 minutes of the Board of County Commissioners, and
2. Authorizing the Chairman to sign the previous week's vouchers.

b. Signing of motions from the previous meeting

Motion 19	308	That the consent agenda be approved including: Approval of the September 20, 2019 minutes
Motion 19	309	To recess this open session and go into a closed executive session for a period of not more than 15 minutes to discuss Non-Elected Personnel and to include the Board of County Commissioners, County Counselor Jim Emerson and Sheriff Danny Smith and to reconvene by 10:20 AM
Motion 19	310	To approve the service agreement with Control Service Company on the new heating and air conditioning system at the Judicial Center
Motion 19	311	To approve the bid from Craw-Kan for the new phone system at the Judicial Center in Pittsburg
Motion 19	312	To approve the bid from Mission Construction Co. Inc. for Project #019-C-4911-01 (Hickory Creek Bridge)
Motion 19	313	To recess this open session and go into a closed executive session for a period of not more than 15 minutes to discuss items that would be deemed privileged in the Attorney-Client Relationship and to include the Board of County Commissioners and County Counselor Jim Emerson and to reconvene by 10:52 AM
Motion 19	314	To recess this open session and go into a closed executive session for a period of not more than 10 minutes to discuss Non-Elected Personnel and to include the Board of County Commissioners and County Counselor Jim Emerson and to reconvene by 11:01 AM

Board of Crawford County Commissioners

III. New Business

- a. Scheduled public hearings and opening of announced bids
- b. Proclamations and orders of the Board
- c. Messages from the Crawford County Local Board of Health
- d. Messages from the public
- e. Messages from appointed officials
- f. **Messages from other governmental entities**
 - i. Mr. Devin Gorman, CVB Director Executive Director addressing CVB update.
- g. Messages from elected officials
- h. **New Business**
 - i. Mr. Pyle, County Clerk
 - ii. **Mr. Emerson, County Counselor**
 1. Presenting a Lease Purchase Agreement on Three (3) 2019 CAT Motorgraders.
 - iii. Chairman Moody, Commissioner
 - iv. Mr. Johnson, Commissioner
 - v. Mr. Blair, Commissioner

IV. Old Business

- a. **Old Business**
 - i. Mr. Pyle, County Clerk
 - ii. **Mr. Emerson, County Counselor**
 1. Presenting Resolution #2019-024
 - iii. Chairman Moody, Commissioner
 - iv. Mr. Johnson, Commissioner
 - v. Mr. Blair, Commissioner

V. Future Business and Announcements

- a. **Future Business**
- b. **Announcements**
 - i. **September 27, 2019** – All three Commissioners may be in attendance at the county shop after the Commission meeting for a retirement party for Mr. Greg Hite.

VI. Motion for adjournment

Individuals who wish to have their name listed on the official meeting agenda should please call the County Clerk's Office (620-724-6115) by 12:00 p.m. on the day preceding the meeting at which they wish to appear. Individuals are welcome to appear without their name on the agenda. Advance notification simply makes it easier for the County Clerk's Office to prepare the agenda. Thank you. If you are an individual with special needs, please contact the County Clerk's Office in advance of your attendance at the meeting so any necessary arrangements can be made.

**AUTHORITY TO AWARD CONTRACT
COMMITMENT OF COUNTY FUNDS**

9/20/2019

2 Copies to County
Project Number: 019 C-4911-01
STP-C491(101)

19-024

WHEREAS bids were received at Topeka, KS on 9/18/2019 for the performance of work covered by plans on the above numbered project, and

WHEREAS the bidder and the low bid or bids on work covered by this project were:

CONTRACTOR	TYPE OF WORK	AMOUNT
MISSION CONSTRUCTION CO INC	Crawford County: 580th St. between 20th & 30th St	\$375,662
ST. PAUL, KS		

WHEREAS bids are considered satisfactory and have been recommended by the Secretary of Transportation of the State of Kansas, hereinafter referred to as the SECRETARY, for consideration and acceptance of the work on this project as covered by such bid or bids.

**A combination of bid items and construction engineering less \$395,159 Federal funds
will require County matching funds in the amount of \$86,000.**

BE IT FURTHER RESOLVED that County funds in the amount of \$86,000 which are required for the matching of Federal funds are hereby pledged by the County to be remitted to the Chief of Fiscal Services of the Department of Transportation of the State of Kansas on or before 11/7/2019 for use by the SECRETARY in making payments for construction work and engineering on the above designated project with final cost being determined upon completion and audit of the project.

The County certifies that no known or foreseeable legal impediments exist that would prohibit completion of the project and that the project complies with all applicable codes, standards and/or regulations required for completion.

Adopted this _____ day of _____, 20____, at _____, Kansas.

Recommended for Approval:

County Engineer/Road Supervisor

_____, Chairman

Attest:

(Seal)

_____, Member

_____, Member

County Clerk



Board of Crawford County Commissioners, CVB Update September 27, 2019

Tourism Numbers

Tourism in Crawford County for 2019 is almost exactly on pace with 2018, which was a record setting year. You will see from the chart included on page 4 that year-to-year we are down just 17 total room night stays over 2018.

Despite a slower start to the year that featured less track and field meets, no Baja SAE Kansas, and no Kansas Shrine Bowl, tourism during the summer months was record breaking. Our second quarter (May-July) saw the highest number of hotel nights for any quarter in history. June had a total of 10,206 total room nights, the second highest month in history... the record highest month was following the 2011 Joplin tornado.

A few contributing factors for the record breaking summer numbers:

1. A wide variety of sporting activities, most notably baseball and softball tournaments almost nonstop with a number of state and regional tournaments bringing in visitors from all across the Midwest (North Dakota, Minnesota, Texas, etc.) The Jock's Nitch Softball Classic had approximately 70 teams participating.
2. Pittsburg State University Basketball and Football Camps in June – Amanda Davied's camp had 169 teams over two weeks (players stay in dorms, but families stay in hotels)
3. Claythorne Lodge North Central Regional Shooting Championships in June (U.S. Open to return to Claythorne in 2020).

**The CVB financially supported a number of these events in addition to contributing other services, hotel coordination, local logistics, welcome bags, etc.*

The Average Daily Rate (ADR) per room has been higher in 2019 (page 5), and Transient Guest Taxes (TGT) collections, which comprise the CVB budget, are over \$9,000 above 2018 despite the same number of rooms nights being filled. Historical monthly TGT collections are shown on page 6.

If occupancy stays on pace for 2019, we will see more than 100,000 room nights for the second consecutive year. You may remember that 2018 was the first year to achieve that mark.

A press release that ran on the front page of *The Morning Sun* and *Hometown Girard* is included on Page 9. KSN TV also ran a news story about the record breaking summer numbers.

Projects and Other Items of Note

Since my previous update in June 2019, we have been busy with both events and other projects aimed at growing tourism in Crawford County. Here are a few of the more notable projects that will have a long term impact on the CVB:

1. Simpleview CRM Software Implementation – We are continuing our implementation of Simpleview, an industry leading Customer Relationship Management (CRM) software. The software will allow the CVB to maintain records for attractions, groups, planners, events, event bids, and many other items within one system. The software is extremely robust and is used by CVBs nationwide, including Atlanta, Cincinnati, Dallas and the larger Kansas CVBs, such as Kansas City and Wichita. We are syncing our system with the Travel Kansas system, which uses Simpleview, in order to allow our listings and updates to flow directly into the State’s travel web site, saving us time and increasing our listings.
2. We have been working for months with Lance Markley, publisher of Farm Talk Newspaper, to try and secure a site within Crawford County to continue hosting the Four State Farm. He has been solicited by numerous other communities in the Four State area. We have had multiple meetings and I believe are close to finalizing a location that will keep them from leaving the area. An announcement is not ready to be made at the moment.
3. We have submitted official bids to host the NJCAA Indoor Track and Field (ITF) National Championships for 2022 as well as the continued hosting of the NJCAA Football Championship Game for 2021-2023. We were awarded the NJCAA ITF Nationals for 2021 earlier this year.

We are also working on bids to host the NCAA DII ITF National Championships for 2023-2026. We are currently set to host the DII nationals again in 2022.

4. We have issued RFPs for the 2020-2021 Crawford County Visitors Guide and a new “Tear Map” for the County. We distribute these maps at hotels, events, and in the office. We will be selecting vendors for both projects and beginning work soon with the goal of having the new Visitors Guide available within the first month or two of 2020. We will be working extensively on the Visitors Guide to create content, gather photos, and update all information within the guide.

Events

As mentioned above, summer was very busy and saw a wide variety of events taking place throughout the County, many of which the CVB assisted with through sponsorship grants, local coordination, lodging options, resources, welcome bags, staff time, and other services. These are just a few examples, but I am happy to provide specifics on any other events.

1. Baseball and Softball – The cities of Frontenac and Girard both hosted different Cal Ripken/Babe Ruth state and regional tournaments. The CVB assisted in the coordination and use of the Raider Sports Complex to allow us to host an American Legion AAA zone tournament at the same time another tournament was taking place at the complex. Jaycee Ballpark and Al Ortolani Field were being use for another baseball tournament and were unavailable.
2. World Class Hunting Expo – We have been assisting with the promotion and site location for the show. As a result of our assistance, they have included the CVB logo on all marketing materials as a sponsor of the event. We will also have an information booth at the show.
3. The CVB was a presenting sponsor for the Crawford County Fair and we had an informational booth at the Fair.

4. Gorilla Century Bike Race – Roger Lomshek will be providing an update, but the CVB provided a significant sponsorship for the race and we worked with Roger to conduct an online survey for riders, which has allowed us to gather data on how many room nights the event generated, plus other information pertinent to calculating the economic impact of the race.
5. NJCAA Football Championship – We have started work on the 2019 NJCAA Football Championship and are focusing heavily on local promotion of the event in order to sell more tickets. The main source of revenue for the CVB, which helps offset major expenses, is from ticket sales.

We have partnered with My Town Media for a comprehensive advertising package to promote the game through their networks and social media channels. We have also signed an agreement with KOAM for targeted display and video advertising. In addition, we will be utilizing our relationship with Sports in Kansas and our own social media channels to promote the game. Finally, we have created a stand-alone web site for the game and Chris is creating weekly updates to send to local media in order to increase promotion of the game.

Due to the success of last year's game broadcast, the game will be nationally televised once again on the CBS Sports Network. Best estimates of viewership of last year's game was 150,000-200,000+. It's fantastic exposure for Pittsburg, Crawford County, and Pittsburg State.

Commissioners will receive an invite to the game, which is set for Thursday, December 5 at 5:00 p.m. as well as the Celebration Banquet on December 4.

*Our current contract for the NJCAA Football Championship Game is for 2018-2020. After reviewing the 2018 game, I've had multiple conversations with NJCAA President Chris Parker and they have agreed to re-negotiate the remaining two years and allow the CVB to reduce our team stipends and the number of hotel rooms we are required to provide to each team. This re-negotiation will save the CVB over \$5,000 in expenses for 2019.

Other Notable Items

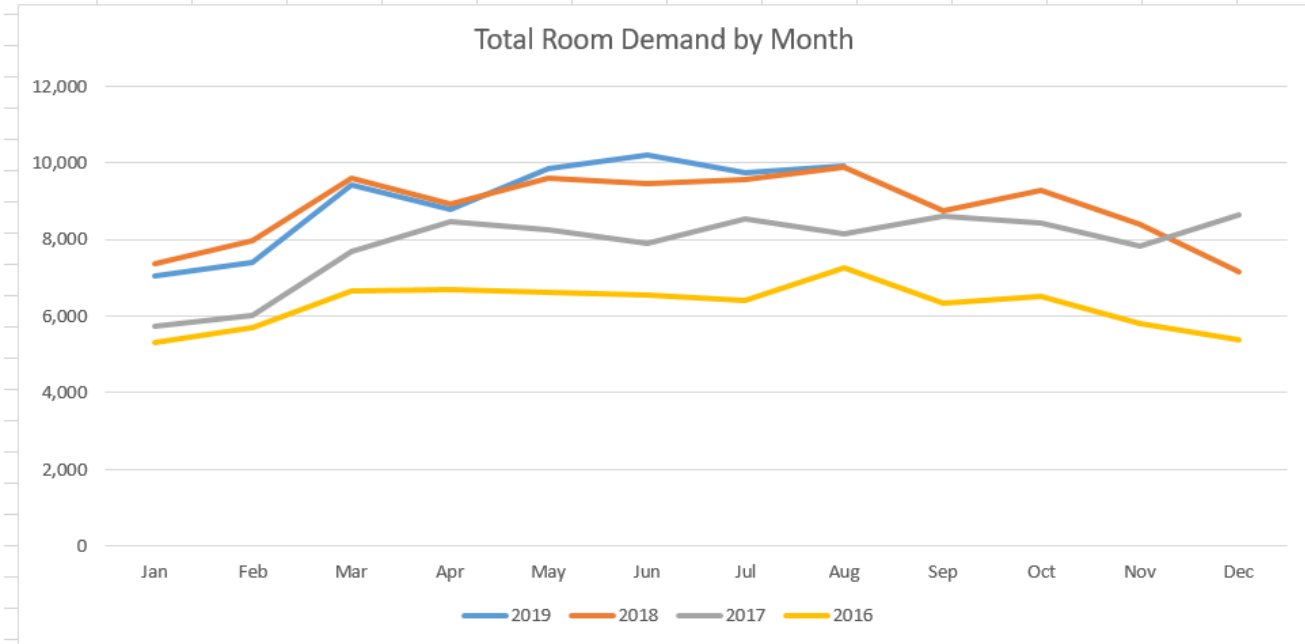
I attended the Tour Kansas Showcase event in Tulsa, OK along with 26 other Kansas communities. The show connected us with travel writers and bus tour operators. The following "one-sheet" shown on pages 7 and 8 was created for use at the show and has proven to be a useful marketing piece when promoting the area.

I also attended the S.P.O.R.T.S Relationship Conference along with 6 other Kansas CVBs, which connects communities with sporting event planners. I am hopeful that my meetings with some of the event planners will result in new events for Crawford County. It also helps maintain current relationships, such as being able to meet with the NJCAA.

Charts & Graphs

Crawford County Hotel Occupancy

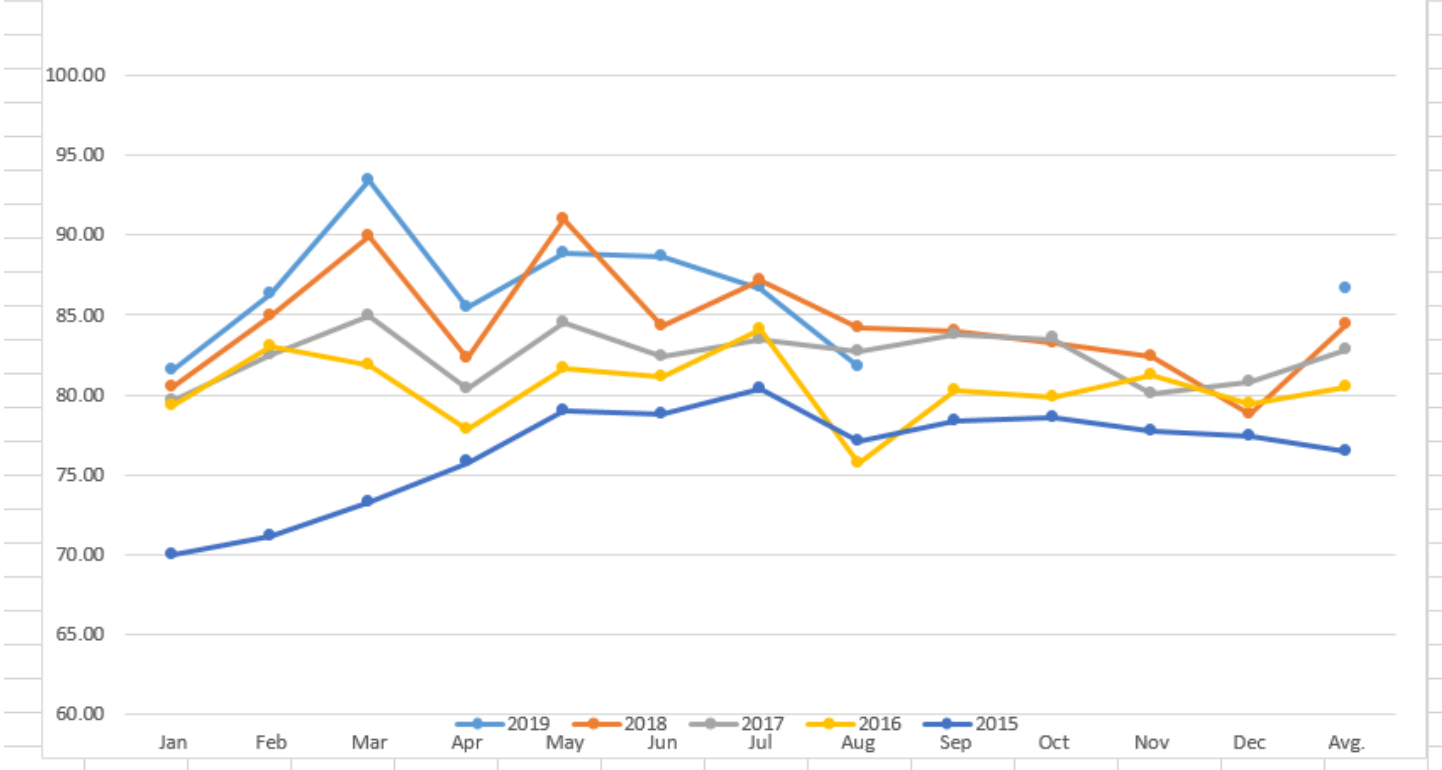
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg.	YTD
2019	7,032	7,407	9,435	8,792	9,827	10,206	9,733	9,904					9,042	72,336
2018	7,366	7,971	9,593	8,919	9,596	9,450	9,568	9,890	8,748	9,273	8,398	7,135	8,826	72,353
2017	5,720	6,011	7,690	8,454	8,265	7,880	8,517	8,125	8,594	8,408	7,833	8,638	6,472	
2016	5,307	5,700	6,669	6,694	6,624	6,542	6,411	7,242	6,342	6,510	5,820	5,370	5,337	



Crawford County Hotel Average Daily Rate (ADR)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg.
2019	81.59	86.35	93.40	85.43	88.85	88.62	86.69	81.74					86.58
2018	80.47	84.98	89.91	82.26	91.03	84.33	87.19	84.22	83.96	83.29	82.41	78.81	84.41
2017	79.61	82.51	84.93	80.40	84.54	82.42	83.46	82.75	83.75	83.51	80.10	80.78	82.79
2016	79.34	83.07	81.82	77.87	81.69	81.18	84.13	75.74	80.26	79.84	81.27	79.47	80.47
2015	70.05	71.14	73.29	75.77	79.00	78.82	80.40	77.10	78.37	78.59	77.69	77.39	76.46

Crawford County Hotel Average Daily Rate (ADR)





Great Location!



- Bartlesville, OK..... 111 miles**
- Dallas, TX..... 368 miles**
- Fayetteville, AR 112 miles**
- Kansas City, MO 124 miles**
- Oklahoma City, OK 237 miles**
- Springfield, MO 93 miles**
- Tulsa, OK 132 miles**
- Wichita, KS 157 miles**

Can't Miss Unique Experiences

Big Brutus

World's largest electric shovel honors the region's mining heritage.

- Take group photos inside the bucket that filled three railroad cars.
- New exhibit: Original 1920's shovel made from junk/scrap that inspired the design.



Kansas Crossing Casino

The hottest slots and table games, including Craps & Roulette.

- Live entertainment every Friday and Saturday night.
- Free Crossing Cash when you join the DynaMYte Club (player's card)!



Breweries and Coffee

Two new breweries are serving up unique, local craft beer, cider, and even mead! Local coffee roaster is a can't miss for coffee lovers.

- Enjoy exclusive tours and samplings.
- Close walking distance to downtown shopping and entertainment.

Pittsburg State

Home of the Gorillas, take a custom tour of campus based on your groups' interests: arts, historical architecture, sports, innovative technology education.

- Veterans Memorial features a retired replica of the Vietnam Memorial Wall that once toured the country.
- Get selfies with gorilla statues throughout campus and the community.

Fried Chicken

The best fried chicken you can find! Come and see why Crawford County is the "Fried Chicken Capital of Kansas."

- Featured on the Travel Channel's "Food Wars" show.
- The county's six chicken houses are one of the "8 Wonders of Kansas Cuisine"



Museums

Four museums tell stories of pioneers, immigrants, coal miners, bootleggers, and the struggle for both entrepreneurship and worker rights.

- Amazon Army: Making national headlines, thousands of women marched in 1921 to protest against unfair labor laws and practices in the coal mines.
- Newly renovated and newly opened museums!

Sample Itineraries

Crawford County Bucket List Tour

- Find peace and tranquility at the Veteran's Memorial with a Vietnam Memorial Wall replica that once toured the country.
- Tour "the castle" built in 1937, whose unique one-of-a-kind architecture has captured the imagination of passerbys for generations.
- Get a group photo inside the bucket of the world's largest electric shovel. A museum and other artifacts on site.
- Savor fried chicken still made the way it was generations ago.
- Give Slots, Craps and Roulette a try, or if gaming isn't your thing, Kansas Crossing has live entertainment nearly every Friday and Saturday: comedians, music, illusionists, and more.



Arts & Entertainment Tour

- Visit numerous murals and works of art throughout the county, from glimpses into the past, to true love.
- Stretch your legs and explore any of four art galleries.
- Have fun with local artists making jewelry or the always popular "Paint and Sip."
- Enjoy a local brewery or coffee shop and see where the magic happens.
- Enjoy live music or a play at a local "dive," event venue, or the casino, or catch a touring Broadway show at a state of the art \$33 million performance center.



Heritage Tours

- Visit one of four local museums and discover how the county was a buffer between Native Americans and settlers, became the thruway for Union and Confederate forces, then was shaped by coal mining while bootlegging kept families from starving.
- See more than 20 homes, businesses, churches, and other structures on the National and State Registers of Historic Places.
- Learn why Southeast Kansas was a focal point for socialism and about tensions between entrepreneurs and workers rights advocates.
- Travel an 1800's military trail and one of the first marked automobile highway systems; old Jefferson Highway.
- See firsthand how \$20 million in renovations have brought new life to historic buildings in downtown Pittsburg.

Annual Events & Nearby Points Of Interest

Annual Events

- International Food & Culture Fair (March)
- Spring ArtWalk Festival (April)
- Big Brutus Polka Fest (August)
- Festa Italiana (September)
- World Class Hunting Expo (September)
- Little Balkans Days Festival (Labor Day weekend)
- Fall ArtWalk Festival (August)

Nearby Points of Interest

- Dalton Defenders Museum, Coffeyville, KS
- Decades of Wheels, Baxter Springs, KS
- Fort Scott National Historic Site, Fort Scott, KS
- Keltoi Winery, Oronogo, MO
- Little House on the Prairie Museum, Independence, KS
- Lowell Milken Center for Unsung Heroes, Fort Scott, KS
- Martin and Osa Johnson Safari Museum, Chanute, KS
- Osage Mission Museum, St. Paul, KS
- Route 66 Visitors Center, Baxter Springs, KS

Find out what's happening at CrawfordCountyEvents.com

Let Us Help

Our Services:

FAM tours
Itinerary planning
Reservation assistance
Step-on-guide services
Welcome Bags
Merchant Discounts



Crawford County Convention & Visitors Bureau

Devin Gorman
Executive Director
dgorman@visitcrawfordcounty.com
(620) 231-1212
117 W. 4th St., Pittsburg, KS 66762



FOR MORE INFORMATION, CONTACT

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Executive Director, Crawford County Convention & Visitors Bureau

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(620) 231-1212

FOR IMMEDIATE RELEASE

Record-breaking summer is filling local hotel rooms

Pittsburg, Kan. – A busy summer in Crawford County has led to a record number of visitors, with June totals surpassing 10,000 room nights in a month for the second time in history. The record high was set after the 2011 Joplin tornado.

“Our lodging numbers this year are great, and they would be record-breaking across the board if last year hadn’t been so busy,” said Devin Gorman, Executive Director at the Crawford County Convention and Visitors Bureau. “Summer is actually our busiest time of year for tourism, and we know that our local businesses appreciate the influx of visitors.”

Through the first six months of 2019, hotel room demand was at 52,656, just shy of the recording breaking pace of 52,889 in 2018. The second quarter of 2019 saw 28,825 room nights filled – the highest quarterly total on record in Crawford County history.

Local, regional and state baseball and softball tournaments have been taking place seemingly every week, bringing in thousands of visitors from across the Midwest. The Jock’s Nitch Softball Classic attracted over 70 teams for this year’s tournament. A variety of basketball and football camps hosted at Pittsburg State University throughout June brought in hundreds of teams to Pittsburg. Even the 2019 North Central Regional Shooting Championships held at Claythorne Lodge in Columbus (Cherokee County), which featured over 600 shooters, brought visitors into Crawford County.

“These numbers show you how important every event is, and why we are fortunate to have so many local leaders willing to put in the time and effort to help bring these events to our area,” said Gorman. “A lot of these events are drawn here because we have the capacity and facilities. However, it’s our local organizers, volunteers, parents, coaches and others who put in the time and effort. When coming to Crawford County, visitors know they’re going to be treated right and have a great experience.”

Numbers are collected from reporting by Smith Travel Research

Master Tax-Exempt Lease/Purchase Agreement

Between: U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor")
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

And: Crawford County (the "Lessee")
111 E. Forest
PO Box 68
Girard, KS 66743
Attention: Jim Emerson
Telephone: 620-724-6390

Dated: October 15, 2019

ARTICLE I DEFINITIONS

The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"**Agreement**" means this Master Tax-Exempt Lease/Purchase Agreement, including all exhibits and schedules attached hereto.

"**Code**" is defined in Section 3.01(f).

"**Commencement Date**" is the date when the term of a Property Schedule and Lessee's obligation to pay rent thereunder commences, which date shall be set forth in such Property Schedule.

"**Event of Default**" is defined in Section 13.01.

"**Lease Payments**" means the Lease Payments payable by Lessee under Article VI of this Agreement and each Property Schedule, as set forth in each Property Schedule.

"**Lease Payment Dates**" means the Lease Payment dates for the Lease Payments as set forth in each Property Schedule.

"**Lease Term**" means, with respect to a Property Schedule, the Original Term and all Renewal Terms. The Lease Term for each Property Schedule executed hereunder shall be set forth in such Property Schedule, as provided in Section 4.02.

"**Lessee**" means the entity identified as such in the first paragraph hereof, and its permitted successors and assigns.

"**Lessor**" means the entity identified as such in the first paragraph hereof, and its successors and assigns.

"**Nonappropriation Event**" is defined in Section 6.06.

"**Original Term**" means, with respect to a Property Schedule, the period from the Commencement Date until the end of the budget year of Lessee in effect at the Commencement Date.

"**Property**" means, collectively, the property lease/purchased pursuant to this Agreement, and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article IX.

"**Property Schedule**" means a Property Schedule in the form attached hereto for Property Schedule 1. Subsequent Property Schedules pursuant to this Agreement shall be numbered consecutively, beginning with Property Schedule 2.

"**Purchase Price**" means the amount that Lessee may, in its discretion, pay to Lessor to purchase the Property under a Property Schedule, as provided in Section 11.01 and as set forth in the Property Schedule.

"**Renewal Terms**" means the renewal terms of a Property Schedule, each having a duration of one year and a term coextensive with Lessee's budget year.

"**State**" means the state where Lessee is located.

"**Vendor**" means the manufacturer or contractor of the Property as well as the agents or dealers of the manufacturer or contractor from whom Lessor or Lessee purchased or is purchasing all or any portion of the Property.

ARTICLE II

2.01 Property Schedules Separate Financings. Each Property Schedule executed and delivered under this Agreement shall be a separate financing, distinct from other Property Schedules. Without limiting the foregoing, upon the occurrence of an Event of Default or a Nonappropriation Event with respect to a Property Schedule, Lessor shall have the rights and remedies specified herein with respect to the Property financed and the Lease Payments payable under such Property Schedule, and except as expressly provided in Section 12.02 below, Lessor shall have no rights or remedies with respect to Property financed or Lease Payments payable under any other Property Schedules unless an Event of Default or Nonappropriation Event has also occurred under such other Property Schedules.

ARTICLE III

3.01 Covenants of Lessee. As of the Commencement Date for each Property Schedule executed and delivered hereunder, Lessee shall be deemed to represent, covenant and warrant for the benefit of Lessor as follows:

- (a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Property Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder.
- (b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent Lessee should merge with another entity under the laws of the State, Lessee agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned Lessee's rights and shall assume Lessee's obligations hereunder.

- (c) Lessee has been duly authorized to execute and deliver this Agreement and the Property Schedule by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Property Schedule, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the Property Schedule and the acquisition by Lessee of the Property thereunder. On or before the Commencement Date for the Property Schedule, Lessee shall cause to be delivered an opinion of counsel in substantially the form attached to the form of the Property Schedule as Exhibit 2.
- (d) During the Lease Term for the Property Schedule, the Property thereunder will perform and will be used by Lessee only for the purpose of performing essential governmental uses and public functions within the permissible scope of Lessee's authority.
- (e) Lessee will provide Lessor with current financial statements, budgets and proof of appropriation for the ensuing budget year and other financial information relating to the ability of Lessee to continue this Agreement and the Property Schedule in such form and containing such information as may be requested by Lessor.
- (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Lease Payments under the Property Schedule and will not use or permit the use of the Property in such a manner as to cause a Property Schedule to be a "private activity bond" under Section 141(a) of the Code. Lessee covenants and agrees that it will use the proceeds of the Property Schedule as soon as practicable and with all reasonable dispatch for the purpose for which the Property Schedule has been entered into, and that no part of the proceeds of the Property Schedule shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Property Schedule to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Property Schedule.
- (g) The execution, delivery and performance of this Agreement and the Property Schedule and compliance with the provisions hereof and thereof by Lessee does not conflict with or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease or other instrument to which Lessee is a party or by which it is bound by any law or any rule, regulation, order or decree of any court, governmental agency or body having jurisdiction over Lessee or any of its activities or properties resulting in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any property or assets of Lessee or to which it is subject.
- (h) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior notice to Lessor.

ARTICLE IV

4.01 Lease of Property. On the Commencement Date of each Property Schedule executed hereunder, Lessor will be deemed to demise, lease and let to Lessee, and Lessee will be deemed to rent, lease and hire from Lessor, the Property described in such Property Schedule, in accordance with this Agreement and such Property Schedule, for the Lease Term set forth in such Property Schedule.

4.02 Lease Term. The term of each Property Schedule shall commence on the Commencement Date set forth therein and shall terminate upon payment of the final Lease Payment set forth in such Property Schedule and the exercise of the Purchase Option described in Section 11.01, unless terminated sooner pursuant to this Agreement or the Property Schedule.

4.03 Delivery, Installation and Acceptance of Property. Lessee shall order the Property, shall cause the Property to be delivered and installed at the locations specified in the applicable Property Schedule and shall pay all taxes, delivery costs and installation costs, if any, in connection therewith. To the extent funds are deposited under an escrow agreement or trust agreement for the acquisition of the Property, such funds shall be disbursed as provided therein. When the Property described in such Property Schedule is delivered, installed and accepted as to Lessee's specifications, Lessee shall immediately accept the Property and evidence said acceptance by executing and delivering to Lessor the Acceptance Certificate substantially in the form attached to the Property Schedule.

ARTICLE V

5.01 Enjoyment of Property. Lessee shall during the Lease Term peaceably and quietly have, hold and enjoy the Property, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement. Lessor shall not interfere with such quiet use and enjoyment during the Lease Term so long as Lessee is not in default under the subject Property Schedule.

5.02 Location; Inspection. The Property will be initially located or based at the location specified in the applicable Property Schedule. Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Property.

ARTICLE VI

6.01 Lease Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Lease Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional, statutory or charter limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the faith and credit or taxing power of Lessee. Upon the appropriation of Lease Payments for a fiscal year, the Lease Payments for said fiscal year, and only the Lease Payments for said current fiscal year, shall be a binding obligation of Lessee; provided that such obligation shall not include a pledge of the taxing power of Lessee.

6.02 Payment of Lease Payments. Lessee shall promptly pay Lease Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Lessor in such amounts and on such dates as described in the applicable Property Schedule, at Lessor's address set forth on the first page of this Agreement, unless Lessor instructs Lessee otherwise. Lessee shall pay Lessor a charge on any delinquent Lease Payments under a Property Schedule in an amount sufficient to cover all additional costs and expenses incurred by Lessor from such delinquent Lease Payment. In addition, Lessee shall pay a late charge of five cents per dollar or the highest amount permitted by applicable law, whichever is lower, on all delinquent Lease Payments and interest on said delinquent amounts from the date such amounts were due until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

6.03 Interest Component. A portion of each Lease Payment due under each Property Schedule is paid as, and represents payment of, interest, and each Property Schedule hereunder shall set forth the interest component (or method of computation thereof) of each Lease Payment thereunder during the Lease Term.

6.04 Lease Payments to be Unconditional. SUBJECT TO SECTION 6.06, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULES AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR AS PROVIDED IN SECTION 10.02.

6.05 Continuation of Lease by Lessee. Lessee intends to continue all Property Schedules entered into pursuant to this Agreement and to pay the Lease Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Lease Payments during the term of all Property Schedules can be obtained. Lessee agrees that its staff will provide during the budgeting process for each budget year to the governing body of Lessee notification of any Lease Payments due under the Property Schedules during the following budget year. Notwithstanding this covenant, if Lessee fails to appropriate the Lease Payments for a Property Schedule pursuant to Section 6.06, such Property Schedule shall terminate at the end of the then current Original Term or Renewal Term. Although Lessee has made this covenant, in the event that it fails to provide such notice, no remedy is provided and Lessee shall not be liable for any damages for its failure to so comply.

6.06 Nonappropriation. If during the then current Original Term or Renewal Term, sufficient funds are not appropriated to make Lease Payments required under a Property Schedule for the following fiscal year, Lessee shall be deemed to not have renewed such Property Schedule for the following fiscal year and the Property Schedule shall terminate at the end of the then current Original Term or Renewal Term and Lessee shall not be obligated to make Lease Payments under said Property Schedule beyond the then current fiscal year for which funds have been appropriated. Upon the occurrence of such nonappropriation (a "Nonappropriation Event") Lessee shall, no later than the

end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property under said Property Schedule to Lessor. If Lessee fails to deliver possession of the Property to Lessor upon termination of said Property Schedule by reason of a Nonappropriation Event, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. In addition, Lessor may, by written instructions to any escrow agent who is holding proceeds of the Property Schedule, instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to Lessee's obligations under the Property Schedule and this Agreement. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

6.07 Defeasance of Lease Payments. Lessee may at any time irrevocably deposit in escrow with a defeasance escrow agent for the purpose of paying all of the principal component and interest component accruing under a Property Schedule, a sum of cash and non-callable securities consisting of direct obligations of, or obligations the principal of an interest on which are unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof, in such aggregate amount, bearing interest at such rates and maturing on such dates as shall be required to provide funds sufficient for this purpose. Upon such defeasance, all right, title and interest of Lessor in the Property under said Property Schedule shall terminate. Lessee shall cause such investment to comply with the requirements of federal tax law so that the exclusion from gross income of the interest component of Lease Payments on said Property Schedule is not adversely affected.

6.08 Gross-Up. If an Event of Taxability occurs with respect to a Property Schedule, the interest component of Lease Payments on the Property Schedule shall thereafter be payable at the Taxable Rate, and Lessee shall pay to Lessor promptly following demand an amount sufficient to supplement prior Lease Payments on such Property Schedule so that Lessor receives the interest component of such Lease Payments, retroactive to the date as of which the interest component is determined to be includible in the gross income of Lessor for federal income tax purposes, calculated at the Taxable Rate, together with any penalties and interest actually imposed on Lessor as a result of the Event of Taxability. For purposes of this Section, "Event of Taxability" means, with respect to a Property Schedule, (a) a final determination by the Internal Revenue Service or a court of competent jurisdiction that the interest component of Lease Payments on the Property Schedule is includible for federal income tax purposes in the gross income of Lessor, or (b) receipt by Lessor of a written opinion of a nationally recognized public finance lawyer or law firm to the effect that there exists substantial doubt whether the interest component of Lease Payments on the Property Schedule is excludible for federal income tax purposes from the gross income of Lessor, in each case due to any action or failure to take action by Lessee. "Taxable Rate" means the interest rate at which the interest component of Lease Payments on a Property Schedule was originally calculated, divided by 0.79.

ARTICLE VII

7.01 Title to the Property. Upon acceptance of the Property by Lessee and unless otherwise required by the laws of the State, title to the Property shall vest in Lessee, subject to Lessor's interests under the applicable Property Schedule and this Agreement.

7.02 Personal Property. The Property is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Property from any party having an interest in any such real estate or building.

7.03 Security Interest. To the extent permitted by law and to secure the performance of all of Lessee's obligations under this Agreement with respect to a Property Schedule, including without limitation all Property Schedules now existing and hereafter executed, Lessee grants to Lessor, for the benefit of Lessor and its successors and assigns, a security interest constituting a first lien on Lessee's interest in all of the Property under the Property Schedule, whether now owned or hereafter acquired, all additions, attachments, alterations and accessions to the Property, all substitutions and replacements for the Property, and on any proceeds of any of the foregoing, including insurance proceeds. Lessee shall execute any additional documents, including financing statements, affidavits, notices and similar instruments, in form and substance satisfactory to Lessor, which Lessor deems necessary or appropriate to establish, maintain and perfect a security interest in the Property in favor of Lessor and its successors and assigns. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest.

ARTICLE VIII

8.01 Maintenance of Property by Lessee. Lessee shall keep and maintain the Property in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate and maintain the Property in conformity with all laws and regulations concerning the Property's ownership, possession, use and maintenance, and shall keep the Property free and clear of all liens and claims, other than those created by this Agreement. Lessee shall have sole responsibility to maintain and repair the Property. Should Lessee fail to maintain, preserve and keep the Property in good repair and working order and in accordance with manufacturer's specifications, and if requested by Lessor, Lessee will enter into maintenance contracts for the Property in form approved by Lessor and with approved providers.

8.02 Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Property free of all levies, liens and encumbrances, except for the interest of Lessor under this Agreement. The parties to this Agreement contemplate that the Property will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Property will be exempt from all property taxes. The Lease Payments payable by Lessee under this Agreement and the Property Schedules hereunder have been established to reflect the savings resulting from this exemption from taxation. Lessee will take such actions necessary under applicable law to obtain said exemption. Nevertheless, if the use, possession or acquisition of the Property is determined to be subject to taxation or later becomes subject to such taxes, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Lessee shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property. Lessee shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the then current fiscal year of the Lease Term for such Property.

8.03 Insurance. At its own expense, Lessee shall maintain (a) casualty insurance insuring the Property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount equal to at least the outstanding principal component of Lease Payments, and (b) liability insurance that protects Lessor from liability in all events in an amount reasonably acceptable to Lessor, and (c) worker's compensation insurance covering all employees working on, in, near or about the Property; provided that Lessee may self-insure against all such risks. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. All such insurance shall be with insurers that are authorized to issue such insurance in the State. All such liability insurance shall name Lessor as an additional insured. All such casualty insurance shall contain a provision making any losses payable to Lessor and Lessee as their respective interests may appear. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification. Such changes shall not become effective without Lessor's prior written consent. Lessee shall furnish to Lessor, on or before the Commencement Date for each Property Schedule, and thereafter at Lessor's request, certificates evidencing such coverage, or, if Lessee self-insures, a written description of its self-insurance program together with a certification from Lessee's risk manager or insurance agent or consultant to the effect that Lessee's self-insurance program provides adequate coverage against the risks listed above.

8.04 Advances. In the event Lessee shall fail to either maintain the insurance required by this Agreement or keep the Property in good repair and working order, Lessor may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof or maintain and repair the Property and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the Lease Term for the applicable Property Schedule and shall be due and payable on the next Lease Payment Date and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date such amounts are advanced until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

ARTICLE IX

9.01 Damage or Destruction. If (a) the Property under a Property Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property under a Property Schedule or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessor and Lessee will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, unless Lessee shall have exercised its right to defease the Property Schedule as provided herein, or unless Lessee shall have exercised its option to purchase Lessor's interest in the Property if the Property Schedule so provides. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of Section 8.03 and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

9.02 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01, Lessee shall (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 6.02, or (b) defease the Property Schedule pursuant to Section 6.07, or (c) exercise its option to purchase Lessor's interest in the Property pursuant to the optional purchase provisions of the Property Schedule, if any. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after such defeasance or purchase may be retained by Lessee.

ARTICLE X

10.01 Disclaimer of Warranties. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE. Lessee acknowledges that it has made (or will make) the selection of the Property from the Vendor based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. Lessee understands and agrees that (a) neither the Vendor nor any sales representative or other agent of Vendor, is (i) an agent of Lessor, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Property Schedules, or the existence, furnishing, functioning or use of any item, product or service provided for in this Agreement or the Property Schedules.

10.02 Vendor's Warranties. Lessor hereby irrevocably assigns to Lessee all rights that Lessor may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Property, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property.

10.03 Use of the Property. Lessee will not install, use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement and the applicable Property Schedule. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Property. In addition, Lessee agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Property; provided that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Property or its interest or rights under this Agreement. Lessee shall promptly notify Lessor in writing of any pending or threatened investigation, inquiry, claim or action by any governmental authority which could adversely affect this Agreement, any Property Schedule or the Property thereunder.

10.04 Modifications. Subject to the provisions of this Section, Lessee shall have the right, at its own expense, to make alterations, additions, modifications or improvements to the Property. All such alterations, additions, modifications and improvements shall thereafter comprise part of the Property and shall be subject to the provisions of this Agreement. Such alterations, additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, on completion of any alterations, additions, modifications or improvements made pursuant to this Section, shall be of a value which is equal to or greater than the value of the Property immediately prior to the making of such alterations, additions, modifications and improvements. Lessee shall, at its own expense, make such alterations, additions, modifications and improvements to the Property as may be required from time to time by applicable law or by any governmental authority.

ARTICLE XI

11.01 Option to Purchase. Lessee shall have the option to purchase Lessor's entire interest in all of the Property subject to a Property Schedule and to terminate any restrictions herein on the Property under such Property Schedule on the last day of the Lease Term for a Property Schedule, if the Property Schedule is still in effect on such day, upon payment in full of the Lease Payments due thereunder plus payment of One (1) Dollar to Lessor. Upon exercise of the purchase option as set forth in this Section 11.01 and payment of the purchase price under the applicable Property Schedule, and performance by Lessee of all other terms, conditions and provisions hereof, Lessor shall deliver to Lessee all such documents and instruments as Lessee may reasonably require to evidence the transfer, without warranty by or recourse to Lessor, of all of Lessor's right, title and interest in and to the Property subject to such Property Schedule to Lessee.

11.02 Option to Prepay. Lessee shall have the option to prepay in whole the Lease Payments due under a Property Schedule, but only if the Property Schedule so provides, and on the terms set forth in the Property Schedule. Lessee shall give written notice to Lessor of its intent to purchase Lessor's interest in the Property at least sixty (60) days prior to the last day of the Lease Term for applicable Property Schedule.

ARTICLE XII

12.01 Assignment by Lessor. Lessor's right, title and interest in, to and under each Property Schedule and the Property under such Property Schedule may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in this Agreement and the Property Schedules.

12.02 Property Schedules Separate Financings. Assignees of the Lessor's rights in one Property Schedule shall have no rights in any other Property Schedule unless such rights have been separately assigned.

12.03 Assignment and Subleasing by Lessee. NONE OF LESSEE'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER THIS AGREEMENT AND IN THE PROPERTY MAY BE ASSIGNED, SUBLEASED OR ENCUMBERED BY LESSEE FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR.

12.04 Release and Indemnification Covenants. To the extent permitted by applicable law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss, claim and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest (collectively, "Losses") arising out of or resulting from the entering into this Agreement, any Property Schedules hereunder, the ownership of any item of the Property, the loss of federal tax exemption of the interest on any of the Property Schedules, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Property or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Property resulting in damage to property or injury to or death to any person; provided, however, that Lessee shall not be required to indemnify Lessor for Losses arising out of or resulting from Lessor's own willful or negligent conduct, or for Losses arising out of or resulting from Lessor's preparation of disclosure material relating to certificates of participation in this Agreement and any Property Schedule (other than disclosure material provided to Lessor by Lessee). The indemnification

arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement, or the applicable Property Schedule, or the termination of the Lease Term for such Property Schedule for any reason.

ARTICLE XIII

13.01 **Events of Default Defined.** Any of the following shall constitute an "Event of Default" under a Property Schedule:

- (a) Failure by Lessee to pay any Lease Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein;
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by Lessee in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or
- (e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

The foregoing provisions of Section 13.01 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to perform its agreements under this Agreement and the Property Schedule (other than the obligations on the part of Lessee contained in Article VI hereof) Lessee shall not be in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

A Nonappropriation Event is not an Event of Default.

13.02 **Remedies on Default.** Whenever any Event of Default exists with respect to a Property Schedule, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Without terminating the Property Schedule, and by written notice to Lessee, Lessor may declare all Lease Payments and other amounts payable by Lessee thereunder to the end of the then-current budget year of Lessee to be due, including without limitation delinquent Lease Payments under the Property Schedule from prior budget years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less;
- (b) Lessor may terminate the Property Schedule, may enter the premises where the Property subject to the Property Schedule is located and retake possession of the Property, or require Lessee, at Lessee's expense, to promptly return any or all of the Property to the possession of Lessor at such place within the United States as Lessor shall specify, and Lessor may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code in effect in the State; provided, however, that any proceeds from the disposition of the property in excess of the sum required to (i) pay off any outstanding principal component of Lease Payments, (ii) pay any other amounts then due under the Property Schedule, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee except with respect to unpaid costs and expenses incurred by Lessor in connection with the disposition of the Property;
- (c) By written notice to any escrow agent who is holding proceeds of the Property Schedule, Lessor may instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to payment of Lessee's obligations under the Property Schedule;
- (d) Lessor may take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and this Agreement.

Notwithstanding the foregoing, if the proceeds are insufficient to pay items (i) to (iii) in Section 13.02(b) in whole, Lessee shall remain obligated after application of proceeds to items (i) and (ii), to pay in whole the amounts for item (iii).

13.03 **No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

13.04 **Costs and Attorney Fees.** Upon the occurrence of an Event of Default by Lessee in the performance of any term of this Agreement, Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Lessee, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

ARTICLE XIV

14.01 **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses as specified on the first page of this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by Lessee.

14.02 **Arbitrage Certificates.** Unless a separate Arbitrage Certificate is delivered on the Commencement Date, Lessee shall be deemed to make the following representations and covenants as of the Commencement Date for each Property Schedule:

- (a) The estimated total costs, including taxes, freight, installation, and cost of issuance, of the Property under the Property Schedule will not be less than the total principal amount of the Lease Payments.
- (b) The Property under the Property Schedule has been ordered or is expected to be ordered within six months after the Commencement Date and the Property is expected to be delivered and installed, and the Vendor fully paid, within eighteen months from the Commencement Date. Lessee will pursue the completion of the Property and the expenditure of the net proceeds of the Property Schedule with due diligence.

- (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Lease Payments under the Property Schedule, or (ii) that may be used solely to prevent a default in the payment of the Lease Payments under the Property Schedule.
- (d) The Property under the Property Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Lease Payments under the Property Schedule.
- (e) There are no other obligations of Lessee which (i) are being sold within 15 days of the Commencement Date of the Property Schedule; (ii) are being sold pursuant to the same plan of financing as the Property Schedule; and (iii) are expected to be paid from substantially the same source of funds.
- (f) The officer or official who has executed the Property Schedule on Lessee's behalf is familiar with Lessee's expectations regarding the use and expenditure of the proceeds of the Property Schedule. To the best of Lessee's knowledge, information and belief, the facts and estimates set forth in herein are accurate and the expectations of Lessee set forth herein are reasonable.

14.03 Further Assurances. Lessee agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Lessor, to perfect, confirm, establish, reestablish, continue, or complete the interests of Lessor in this Agreement and the Property Schedules, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and the Property Schedules.

14.04 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

14.05 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14.06 Waiver of Jury Trials. Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Lessor or Lessee in the negotiation, administration, performance or enforcement hereof.

14.07 Amendments, Changes and Modifications. This Agreement may be amended in writing by Lessor and Lessee to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of all assignees shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedule.

14.08 Execution in Counterparts. This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14.09 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

14.10 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

14.11 Continuing Disclosure. Lessor acknowledges that, in connection with Lessee's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Lessee pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice of its incurrence of its obligations under this Agreement and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Agreement, in each case including a description of the material terms thereof (each such notice, an "EMMA Notice"). Lessee shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Lessor or the Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Lessee acknowledges and agrees that Lessor is not responsible in connection with any EMMA Notice relating to this Agreement for Lessee's compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: Crawford County
By:
Name: Tom Moody
Title: Chairman, BOCC

Attest:
By:
Name: Donald P. Pyle
Title: County Clerk

ADDENDUM (KANSAS)
Property Schedule to Master Tax-Exempt Lease/Purchase Agreement

THIS ADDENDUM, which is entered into as of October 15, 2019 between U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor") and Crawford County ("Lessee"), is intended to modify and supplement Property Schedule No. 1 (the "Property Schedule") to the Master Tax-Exempt Lease/Purchase Agreement between Lessor and Lessee dated as of October 15, 2019 (the "Master Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Agreement.

1. In addition to the representations, warranties and covenants of Lessee set forth in the Master Agreement, Lessee, as of the Commencement Date for the Property Schedule, represents, warrants and covenants for the benefit of Lessor as follows:

(a) The Property Schedule has been approved by a majority vote of the all members of the governing body of Lessee.

(b) The capital cost to purchase the Property under the Property Schedule, if paid for by cash, is \$ 681,744
- 70,000 (trade)
611,744

(c) The annual average effective interest cost under the Property Schedule is 1.99 %.

(d) The amount included in payments for service, maintenance, insurance or other charges, exclusive of capital cost and interest cost, is as follows:

- (i) Service: \$ 0
- (ii) Maintenance: \$ 0
- (iii) Insurance: \$ 0
- (iv) Other Charges: \$ 0

2. Lessor and Lessee acknowledge and agree that Lessee is obligated only to pay Lease Payments under the Property Schedule as may lawfully be made from funds budgeted and appropriated for that purpose during the then-current Original Term or Renewal Term, as applicable, or funds made available from any lawfully operated revenue producing source.

3. If Lessee is a school district, the following provisions shall apply:

Lessee hereby represents, warrants and covenants with Lessor that the Board of Education of Lessee, by resolution approved by a majority of members of the Board of Education, has elected to omit the mandatory contract provisions prescribed by the Kansas Department of Administration in form DA-146a, as amended, from the Master Agreement, the Property Schedule and any escrow agreement entered into in connection with the Property Schedule, and such provisions are hereby so omitted; provided, however, that this election does not authorize the omission from the Master Agreement, the Property Schedule or any such escrow agreement of the provisions of Kansas Statutes Annotated ("K.S.A.") § 72-1146 (related to indemnification and hold harmless provisions) or § 72-1147 (applicable law shall be Kansas law and applicable courts shall be Kansas courts), as amended. To the extent that the terms of the Master Agreement, the Property Schedule or any escrow agreement entered into in connection with the Property Schedule are in conflict with the terms of K.S.A. § 72-1146 or K.S.A. § 72-1147, the terms of K.S.A. § 72-1146 and K.S.A. § 72-1147 shall prevail.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: Crawford County
By:
Name: <i>Tom Moody</i>
Title: <i>Chairman, BOCC</i>

Attest:
By
Name: <i>Dovald P. Pyle</i>
Title: <i>County Clerk</i>

Property Schedule No. 1

Master Tax-Exempt Lease/Purchase Agreement

This **Property Schedule No. 1** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), dated as of October 15, 2019, between U.S. Bancorp Government Leasing and Finance, Inc., and Crawford County.

1. Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Lessee in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is October 15, 2019.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. Lessee shall not remove such property from the locations set forth therein without giving prior written notice to Lessor. The Lease Payment Schedule for this Property Schedule is set forth in Exhibit 1.
4. Opinion. The Opinion of Lessee's Counsel is attached as Exhibit 2.
5. Lessee's Certificate. The Lessee's Certificate is attached as Exhibit 3.
6. Proceeds. Exhibit 4 is intentionally omitted.
7. Acceptance Certificate. Exhibit 5 is intentionally omitted.
8. Additional Purchase Option Provisions. In addition to the Purchase Option provisions set forth in the Master Agreement, Lease Payments payable under this Property Schedule shall be subject to prepayment in whole at any time by payment of the applicable Termination Amount set forth in Exhibit 1 (Payment Schedule) and payment of all accrued and unpaid interest through the date of prepayment.

This Property Schedule No. 1 is subject to optional redemption before maturity at the sole option of the Lessee from any available monies at any time, in whole and not in part, on any date after November 15, 2020, at a redemption price equal to 100% of the outstanding principal amount of this Property Schedule, plus interest accrued to the date fixed for redemption, plus a prepayment indemnity ("Prepayment Fee") equal to the greater of zero, or that amount, calculated on any date of redemption ("Prepayment Date"), which is derived by subtracting: (a) the outstanding principal amount of the Property Schedule on such Prepayment Date from (b) the Net Present Value of the outstanding principal amount of the Property Schedule on such Prepayment Date; provided, however, that the Prepayment Fee shall not in any event exceed the maximum prepayment fee permitted by applicable law.

"**Net Present Value**" shall mean the amount which is derived by summing the present values of each prospective payment of principal (including mandatory sinking fund redemptions) and interest which, without such full or partial prepayment, could otherwise have been received by the Lessor over the shorter of the remaining contractual life of the Property Schedule. The individual discount rate used to present value each prospective payment of interest and/or principal shall be the Money Market Rate At Prepayment for the maturity matching that of each specific payment of principal and/or interest.

"**Money Market Rate At Prepayment**" shall mean that zero-coupon rate, calculated on the Prepayment Date, and determined solely by the Lessor, as the rate at which the Lessor would be able to borrow funds in Money Markets for the prepayment amount matching the maturity of a specific prospective Property Schedule payment, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation. A separate Money Market Rate At Prepayment will be calculated for each prospective interest and/or principal payment date.

"**Money Markets**" shall mean one or more wholesale funding markets available to and selected by the Lessor, including negotiable certificates of deposit, commercial paper, Eurodollar deposits, bank notes, federal funds, interest rate swaps or others.

In calculating the amount of such Prepayment Fee, the Lessor is hereby authorized by the Lessee to make such assumptions regarding the source of funding, redeployment of funds and other related matters, as the Lessor may deem appropriate. If the Lessee fails to pay any Prepayment Fee when due, the amount of such Prepayment Fee shall thereafter bear interest until paid at the rate per annum that would be applicable to this Property Schedule following a Rate Increase Trigger Event. The Lessor's internal records of applicable interest rates shall be determinative in the absence of manifest error.

The Lessee hereby acknowledges to the Lessor that the Lessee shall be required to pay the Prepayment Fee with respect to any portion of the principal balance paid before its scheduled due date or the date of a mandatory sinking fund redemption payment with respect thereto, whether voluntarily, involuntarily, or otherwise, including without limitation any principal payment made following default, demand for payment, collection proceedings, foreclosure, sale or other disposition of collateral, bankruptcy or other insolvency proceedings, or otherwise. Such Prepayment Fee shall at all times be an obligation as well as an undertaking by the Lessee to the Lessor whether arising out of a voluntary or mandated prepayment.

9. Private Activity Issue. Lessee understands that among other things, in order to maintain the exclusion of the interest component of Lease Payments from gross income for federal income tax purposes, it must limit and restrict the rights private businesses (including, for this purpose, the federal government and its agencies and organizations described in the Code § 501(c)(3)) have to use the Property. Each of these requirements will be applied beginning on the later of the Commencement Date or date each portion of the Property is placed in service and will continue to apply until earlier of the end of the economic useful life of the property or the date the Agreement or any tax-exempt obligation issued to refund the Property Schedule is retired (the "Measurement Period"). Lessee will comply with the requirements of Section 141 of the Code and the regulations thereunder which provide restrictions on special legal rights that users other than Lessee or a state or local government or an agency or instrumentality of a state or a local government (an "Eligible User") may have to use the Property. For this purpose, special legal rights may arise from a management or service agreement, lease, research agreement or other arrangement providing any entity except an Eligible User the right to use the Property. Any use of the Property by a user other than an Eligible User is referred to herein as "Non-Qualified Use". Throughout the Measurement Period, all of the Property is expected to be owned by Lessee. Throughout the Measurement Period, Lessee will not permit the Non-Qualified Use of the Property to exceed 10%.
10. Bank Qualification and Arbitrage Rebate. Attached as Exhibit 6.

11. Expiration. Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Master Agreement (including this Property Schedule and all ancillary documents) is not received by Lessor at its place of business by November 4, 2019.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: Crawford County
By:
Name: Tom Moody
Title: Chairman, BOCC

Attest:
By
Name: Donald P. Pyle
Title: County Clerk

EXHIBIT 1

Property Description and Payment Schedule

Re: **Property Schedule No. 1** to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and Crawford County.

THE PROPERTY IS AS FOLLOWS: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

PROPERTY LOCATION:

510 E. Antelope St.
Address

Girard, Ks 66743
City, State Zip Code

USE: Motor Graders - This use is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

Lease Payment Schedule

Total Principal Amount: \$611,744.00

Payment No.	Due Date	Lease Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for said Due Date)
1	15-Nov-2019	10,719.83	9,705.35	1,014.48	NA
2	15-Dec-2019	10,719.83	9,721.45	998.38	NA
3	15-Jan-2020	10,719.83	9,737.57	982.26	NA
4	15-Feb-2020	10,719.83	9,753.71	966.12	NA
5	15-Mar-2020	10,719.83	9,769.89	949.94	NA
6	15-Apr-2020	10,719.83	9,786.09	933.74	NA
7	15-May-2020	10,719.83	9,802.32	917.51	NA
8	15-Jun-2020	10,719.83	9,818.58	901.25	NA
9	15-Jul-2020	10,719.83	9,834.86	884.97	NA
10	15-Aug-2020	10,719.83	9,851.17	868.66	NA
11	15-Sep-2020	10,719.83	9,867.50	852.33	NA
12	15-Oct-2020	10,719.83	9,883.87	835.96	NA
13	15-Nov-2020	10,719.83	9,900.26	819.57	498,840.73
14	15-Dec-2020	10,719.83	9,916.68	803.15	488,626.56
15	15-Jan-2021	10,719.83	9,933.12	786.71	478,395.44
16	15-Feb-2021	10,719.83	9,949.59	770.24	468,147.36
17	15-Mar-2021	10,719.83	9,966.09	753.74	457,882.28
18	15-Apr-2021	10,719.83	9,982.62	737.21	447,600.18
19	15-May-2021	10,719.83	9,999.18	720.65	437,301.03
20	15-Jun-2021	10,719.83	10,015.76	704.07	426,984.80
21	15-Jul-2021	10,719.83	10,032.37	687.46	416,651.46
22	15-Aug-2021	10,719.83	10,049.00	670.83	406,300.99
23	15-Sep-2021	10,719.83	10,065.67	654.16	395,933.35
24	15-Oct-2021	10,719.83	10,082.36	637.47	385,548.52
25	15-Nov-2021	10,719.83	10,099.08	620.75	375,146.47
26	15-Dec-2021	10,719.83	10,115.83	604.00	364,727.17
27	15-Jan-2022	10,719.83	10,132.60	587.23	354,290.58

28	15-Feb-2022	10,719.83	10,149.41	570.42	343,836.69
29	15-Mar-2022	10,719.83	10,166.24	553.59	333,365.47
30	15-Apr-2022	10,719.83	10,183.10	536.73	322,876.88
31	15-May-2022	10,719.83	10,199.98	519.85	312,370.90
32	15-Jun-2022	10,719.83	10,216.90	502.93	301,847.49
33	15-Jul-2022	10,719.83	10,233.84	485.99	291,306.63
34	15-Aug-2022	10,719.83	10,250.81	469.02	280,748.30
35	15-Sep-2022	10,719.83	10,267.81	452.02	270,172.45
36	15-Oct-2022	10,719.83	10,284.84	434.99	259,579.07
37	15-Nov-2022	10,719.83	10,301.90	417.93	248,968.11
38	15-Dec-2022	10,719.83	10,318.98	400.85	238,339.56
39	15-Jan-2023	10,719.83	10,336.09	383.74	227,693.39
40	15-Feb-2023	10,719.83	10,353.23	366.60	217,029.56
41	15-Mar-2023	10,719.83	10,370.40	349.43	206,348.05
42	15-Apr-2023	10,719.83	10,387.60	332.23	195,648.82
43	15-May-2023	10,719.83	10,404.83	315.00	184,931.85
44	15-Jun-2023	10,719.83	10,422.08	297.75	174,197.11
45	15-Jul-2023	10,719.83	10,439.36	280.47	163,444.56
46	15-Aug-2023	10,719.83	10,456.67	263.16	152,674.19
47	15-Sep-2023	10,719.83	10,474.02	245.81	141,885.95
48	15-Oct-2023	10,719.83	10,491.39	228.44	131,079.83
49	15-Nov-2023	10,719.83	10,508.78	211.05	120,255.78
50	15-Dec-2023	10,719.83	10,526.21	193.62	109,413.78
51	15-Jan-2024	10,719.83	10,543.67	176.16	98,553.81
52	15-Feb-2024	10,719.83	10,561.15	158.68	87,675.82
53	15-Mar-2024	10,719.83	10,578.67	141.16	76,779.80
54	15-Apr-2024	10,719.83	10,596.21	123.62	65,865.70
55	15-May-2024	10,719.83	10,613.78	106.05	54,933.51
56	15-Jun-2024	10,719.83	10,631.38	88.45	43,983.19
57	15-Jul-2024	10,719.83	10,649.01	70.82	33,014.70
58	15-Aug-2024	10,719.83	10,666.67	53.16	22,028.03
59	15-Sep-2024	10,719.83	10,684.36	35.47	11,023.14
60	15-Oct-2024	10,719.83	10,702.06	17.77	0.00
TOTAL		643,189.80	611,744.00	31,445.80	

Interest Rate: 1.99%

Lessee: Crawford County
By:
Name: <i>Tom Moody</i>
Title: <i>Chairman, BOCC</i>

EXHIBIT A

Property Description

Three (3) 2019 CAT Motorgraders

Counselor

Jim Emerson

Crawford County Courthouse, 2nd Floor
PO Box 68
Girard, Kansas 66743
620-724-6390
620-724-6841 fax
jime@ckt.net



EXHIBIT 2

Lessee's Counsel's Opinion

October 15, 2019

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Crawford County
111 E. Forest
PO Box 68
Girard, KS 66743
Attention: Jim Emerson

RE: Property Schedule No. 1 dated as of October 15, 2019 to the Master Tax-Exempt Lease/Purchase Agreement dated October 15, 2019 between U.S. Bancorp Government Leasing and Finance, Inc. and Crawford County.

Ladies and Gentlemen:

We have acted as special counsel to Crawford County ("Lessee"), in connection with the Master Tax-Exempt Lease/Purchase Agreement, dated as of October 15, 2019 (the "Master Agreement"), between Crawford County, as lessee, and U.S. Bancorp Government Leasing and Finance, Inc. as lessor ("Lessor"), and the execution of Property Schedule No. 1 (the "Property Schedule") dated as of October 15, 2019, pursuant to the Master Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Property Schedule.

As to questions of fact material to our opinion, we have relied upon the representations of Lessee in the Master Agreement and the Property Schedule and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.


Based upon the foregoing, we are of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Master Agreement and the Property Schedule and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Property Schedule by Lessee has been duly authorized by all necessary action on the part of Lessee.
4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Master Agreement and the Property Schedule, the execution thereof and the transactions

5. contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
6. Lessee has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.
7. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Lessee of the Master Agreement and the Property Schedule.
8. The Master Agreement and the Property Schedule have been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.
9. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule.

Very truly yours,

By: 

Name: Jim Emerson

Title: County Counselor

Dated: 9/19/2019

EXHIBIT 3

Lessee's General and Incumbency Certificate

GENERAL CERTIFICATE

Re: **Property Schedule No. 1** dated as of October 15, 2019 to the Master Tax-Exempt Lease/Purchase Agreement dated October 15, 2019 between U.S. Bancorp Government Leasing and Finance, Inc. and Crawford County.

The undersigned, being the duly elected, qualified and acting Chairman, Board of County Commissioners
(Title of Person to Execute Lease/Purchase Agreement)
of the Crawford County ("Lessee") does hereby certify, as of October 15, 2019, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee, by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement") by the undersigned.

2. The meeting(s) of the governing body of the Lessee at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

3. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

4. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Lessee.

5. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

6. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of October 15, 2019.

Crawford County

By _____
Signature of Person to Execute Lease/Purchase Agreement

Tom Moody, Chairman BoCC
Print Name and Title of Person to Execute Lease/Purchase Agreement

EXHIBIT 4

Payment of Proceeds Instructions

Intentionally Omitted.

EXHIBIT 5

Acceptance Certificate

Intentionally Omitted.

EXHIBIT 6

Bank Qualification And Arbitrage Rebate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. 1** to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and Crawford County

PLEASE CHECK EITHER:

Bank Qualified Tax-Exempt Obligation under Section 265

Lessee hereby designates this Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the Commencement Date of this Property Schedule falls, in an amount not exceeding \$10,000,000.

or

Not applicable.

Arbitrage Rebate

Eighteen Month Exception:

Pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of this Property Schedule will be expended for the governmental purposes for which this Property Schedule was entered into, as follows: at least 15% within six months after the Commencement Date, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall compute rebatable arbitrage on this Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final Lease Payment due under this Agreement.

Consult tax counsel if there is any chance that the Eighteen Month Exception will not be met.

Lessee: Crawford County
By:
Name: Tom Moody
Title: Chairman, BOCC

*Please be sure to select ONE option above.

Language for UCC Financing Statements

Property Schedule No. 1

SECURED PARTY: U.S. Bancorp Government Leasing and Finance, Inc.

DEBTOR: Crawford County

This financing statement covers all of Debtor's right, title and interest, whether now owned or hereafter acquired, in and to the equipment leased to Debtor under Property Schedule No. 1 dated October 15, 2019 to that certain Master Tax-Exempt Lease Purchase Agreement dated as of October 15, 2019, in each case between Debtor, as Lessee, and Secured Party, as Lessor, together with all accessions, substitutions and replacements thereto and therefore, and proceeds (cash and non-cash), including, without limitation, insurance proceeds, thereof, including without limiting, all equipment described on Exhibit A attached hereto and made a part hereof.

Debtor has no right to dispose of the equipment.

Notification of Tax Treatment to Tax-Exempt Lease/Purchase Agreement

This **Notification of Tax Treatment** is pursuant to the Master Tax-Exempt Lease/Purchase Agreement dated as of October 15, 2019 and the related Property Schedule No. 1 dated October 15, 2019, between Lessor and Lessee (the "Agreement").

- Lessee agrees that this Property Schedule SHOULD be subject to sales/use taxes
- Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and Lessee has included our tax-exemption certificate with this document package
- Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and no tax-exemption certificate is issued to us by the State
- Lessee agrees that this Property Schedule is a taxable transaction and subject to any/all taxes
- Lessee agrees that this Property Schedule is subject to sales/use taxes and will pay those taxes directly to the State or Vendor

IN WITNESS WHEREOF, Lessee has caused this Notification of Tax Treatment to be executed by their duly authorized representative.

Lessee: Crawford County
By:
Name: <i>Tom Moody</i>
Title: <i>Chairman, BOCC</i>

Kansas Department of Revenue

Sales and Use Tax Entity Exemption Certificate

The Kansas Department of Revenue certifies this entity is exempt from paying Kansas sales and/or compensating use tax as stated below.

Kansas Exemption Number: KS0VH0JFL2

Expiration Date: 10/01/2020

The tax-exempt entity understands and agrees that if the tangible personal property and/or service are used other than as stated, or for any purpose that is not exempt from the tax, the tax exempt entity is liable for the state and local sales or use tax. The unlawful or unauthorized use of this certificate is expressly prohibited, punishable by fine and/or imprisonment. The certificate is issued for the sole use of the exempt entity as named.

Crawford County
111 E Forest
PO Box 249
Girard, KS 66743



EXEMPT ENTITY INFORMATION:

Authorization and scope:

- K.S.A. 79-3606(b) & (d) - State of Kansas, political subdivisions of the state of Kansas (Kansas cities, counties, townships, special districts), nonprofit hospitals, and blood, tissue, or organ banks.
- Exemption applies to all direct purchase, rental or lease of tangible personal property and services, except purchases made for any business activity specifically taxable and indirect purchases by a contractor for a real property project except as noted below.

Limitations:

- Only direct purchases are exempt through the use of this certificate.
- Except for state government, this entity qualifies for exemption on indirect purchases by a contractor through the issuance of a Project Exemption Certificate (PEC). Apply on-line at KDOR's web site: www.ksrevenue.org. The only State of Kansas agency allowed a PEC is a Kansas correctional institution. Indirect purchases by all other state agencies are subject to sales tax.
- This exemption does not apply to the purchase of any construction machinery, equipment or tools by a contractor used in constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the exempt entity.
- All purchases of goods and services used in a business that is specifically taxable by the Sales Tax Act are subject to tax. This includes operation of a utility, restaurant, and selling of goods or services at retail.

Board of Crawford County Commissioners
Exempt Entity Authorized Signature (Officer, Office Manager or Administrator)

48-6042132
Federal ID Number

Board of Crawford County Commissioners
Printed Name

7-26-2019
Date

RETAILER INFORMATION:

- To qualify for exemption, the certificate must have an expiration date in the future and be signed by an authorized individual.
- Payment must be made by the entity on their checking account or on a credit/debit card issued to the entity. Acceptance of cash, personal checks, or personal credit/debit cards is not allowed for a tax exempt purchase.
- The entity must have a Kansas exemption certificate. Exemption certificates issued by other states are not valid in Kansas.
- Retailers are required to maintain a copy of the purchaser's certificate in their records for at least 3 years from the date of purchase. Retailers must maintain a current certificate on file.
- Selling tax exempt goods or services that are not exempt by statute may result in the assessment of tax.
- A completed certificate may be used as a blanket exemption for future purchases when of the same type and for the same exempt purpose.

Seller's name and address

Description of goods and/or services purchased

For additional information on Kansas sales and use taxes see Publication KS-1510, *Kansas Sales Tax and Compensating Use Tax* and Publication KS-1520, *Kansas Exemption Certificates*, located at: www.ksrevenue.org Questions would be directed to Taxpayer Assistance at 785-368-8222.

Information Return for Tax-Exempt Governmental Bonds

(Rev. September 2018)

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Crawford County, Kansas		2 Issuer's employer identification number (EIN) 48-6042132	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) P.O. Box 68, 111 E. Forrest	Room/suite	5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Girard, Kansas 66743		7 Date of issue 10-15-2019	
8 Name of issue Crawford County, Kansas Motorgrader Lease-Purchase		9 CUSIP number none	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Jim Emerson, County Counselor		10b Telephone number of officer or other employee shown on 10a 620-724-6390	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education	11		
12 Health and hospital	12		
13 Transportation	13	611,744	00
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19a If bonds are TANs or RANs, check only box 19a <input type="checkbox"/>			
b If bonds are BANs, check only box 19b <input type="checkbox"/>			
20 If bonds are in the form of a lease or installment sale, check box <input checked="" type="checkbox"/>			

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/15/2024	\$ 611,744.00	\$ "N/A"	5 years	1.99 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount) N/A			
22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23		
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27		
28 Proceeds used to refund prior taxable bonds. Complete Part V	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds. N/A	
31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	_____ years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	_____ years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	_____
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	_____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0	
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	0	
b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0	
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____			
c Enter the EIN of the issuer of the master pool bond ▶ _____			
d Enter the name of the issuer of the master pool bond ▶ _____			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶			<input checked="" type="checkbox"/>
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶			<input type="checkbox"/>
41a If the issuer has identified a hedge, check here ▶ <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box ▶			<input type="checkbox"/>
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶			<input type="checkbox"/>
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶			<input type="checkbox"/>
45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ <input type="checkbox"/> and enter the amount of reimbursement ▶ _____			
b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	▶ _____ Signature of issuer's authorized representative	_____ Date	▶ Tom Moody, Chairman Type or print name and title		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("*Escrow Agreement*") is made as of October 15, 2019 by and among U.S. Bancorp Government Leasing and Finance, Inc. ("*Lessor*"), Crawford County ("*Lessee*") and U.S. BANK NATIONAL ASSOCIATION, as escrow agent ("*Escrow Agent*").

Lessor and Lessee have heretofore entered into that certain Master Tax-Exempt Lease/Purchase Agreement dated as of October 15, 2019 (the "*Master Agreement*") and a Property Schedule No. 1 thereto dated October 15, 2019 (the "*Schedule*" and, together with the terms and conditions of the Master Agreement incorporated therein, the "*Agreement*"). The Schedule contemplates that certain personal property described therein (the "*Equipment*") is to be acquired from the vendor(s) or manufacturer(s) thereof (the "*Vendor*"). After acceptance of the Equipment by Lessee, the Equipment is to be financed by Lessor to Lessee pursuant to the terms of the Agreement.

The Master Agreement further contemplates that Lessor will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment (the "*Purchase Price*"), being \$611,744.00, with Escrow Agent to be held in escrow and applied on the express terms set forth herein. Such deposit, together with all interest and other additions received with respect thereto (hereinafter the "*Escrow Fund*") is to be applied to pay the Vendor its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee); and, if applicable, to reimburse Lessee for progress payments already made by it to the Vendor of the Equipment.

The parties desire to set forth the terms on which the Escrow Fund is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The moneys and investments held in the Escrow Fund are for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor. Lessor, Lessee and Escrow Agent intend that the Escrow Fund constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor have a security interest in the Escrow Fund, and such security interest is hereby granted by Lessee to secure payment of all sums due to Lessor under the Master Agreement. For such purpose, Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Escrow Fund, the Lessor's interest therein.

2. On such day as is determined to the mutual satisfaction of the parties (the "*Closing Date*"), Lessor shall deposit with Escrow Agent cash in the amount of the Purchase Price, to be held in escrow by Escrow Agent on the express terms and conditions set forth herein.

On the Closing Date, Escrow Agent agrees to accept the deposit of the Purchase Price by Lessor, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto, as the Escrow Fund hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the Escrow

Fund from time to time shall be held or registered in the name of Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).

4. The cash comprising the Escrow Fund from time to time shall be invested and reinvested by Escrow Agent in one or more investments as directed by Lessee. Absent written direction from Lessee, the cash will be invested in the U.S. Bank National Association Money Market Deposit Fund. See Exhibit 1 Investment Direction Letter. Lessee represents and warrants to Escrow Agent and Lessor that the investments selected by Lessee for investment of the Escrow Fund are permitted investments for Lessee under all applicable laws. Escrow Agent will use due diligence to collect amounts payable under a check or other instrument for the payment of money comprising the Escrow Fund and shall promptly notify Lessee and Lessor in the event of dishonor of payment under any such check or other instruments. Interest or other amounts earned and received by Escrow Agent with respect to the Escrow Fund shall be deposited in and comprise a part of the Escrow Fund. Escrow Agent shall maintain accounting records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the Escrow Fund. The parties acknowledge that to the extent regulations of the Comptroller of Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions of the escrow, the parties waive receipt of such confirmations, to the extent permitted by law. The Escrow Agent shall furnish a statement of security transactions on its regular monthly reports. Attached as Exhibit 6 is the Class Action Negative Consent Letter to be reviewed by Lessee.

5. Upon request by Lessee and Lessor, Escrow Agent shall send monthly statements of account to Lessee and Lessor, which statements shall set forth all withdrawals from and interest earnings on the Escrow Fund as well as the investments in which the Escrow Fund is invested.

6. Escrow Agent shall take the following actions with respect to the Escrow Fund:

(a) Upon Escrow Agent's acceptance of the deposit of the Purchase Price, an amount equal to Escrow Agent's set-up fee, as set forth on Exhibit 2 hereto, shall be disbursed from the Escrow Fund to Escrow Agent in payment of such fee.

(b) Escrow Agent shall pay costs of the Equipment upon receipt of a duly executed Requisition Request (substantially in the format of Exhibit 3) signed by Lessor and Lessee. Lessor's authorized signatures are provided in Exhibit 5. Lessee's authorized signatures will be provided in Exhibit 3 of Master Lease Purchase Agreement. Escrow Agent will use best efforts to process requests for payment within one (1) business day of receipt of requisitions received prior to 2:00 p.m. Central Time. The final Requisition shall be accompanied by a duly executed Final Acceptance Certificate form attached as Exhibit 4 hereto.

(c) Upon receipt by Escrow Agent of written notice from Lessor that an Event of Default or an Event of Nonappropriation (if provided for under the Master Agreement) has occurred under the Agreement, all funds then on deposit in the Escrow Fund shall be paid to Lessor for application in accordance with the Master Agreement, and this Escrow Agreement shall terminate.

(d) Upon receipt by Escrow Agent of written notice from Lessor that the purchase price of the Equipment has been paid in full, Escrow Agent shall pay the funds then on deposit in the Escrow Fund to Lessor to be applied first to the next Lease Payment due under the Master Agreement, and second, to prepayment of the principal component of Lease Payments in inverse order of maturity without premium. To the extent the Agreement is not subject to prepayment, Lessor consents to such prepayment to the extent of such prepayment amount from the Escrow Fund. Upon disbursement of all amounts in the Escrow Fund, this Escrow Agreement shall terminate.

(e) This Escrow Agreement shall terminate eighteen (18) months from the date of this Escrow Agreement. It may, however, be extended by mutual consent of Lessee and Lessor in writing to Escrow Agent. All funds on deposit in the Escrow Fund at the time of termination under this paragraph, unless otherwise directed by Lessee in writing (electronic means acceptable), shall be transferred to Lessor.

7. The fees and expenses, including any legal fees, of Escrow Agent incurred in connection herewith shall be the responsibility of Lessee. The basic fees and expenses of Escrow Agent shall be as set forth on Exhibit 2 and Escrow Agent is hereby authorized to deduct such fees and expenses from the Escrow Fund as and when the same are incurred without any further authorization from Lessee or Lessor. Escrow Agent may employ legal counsel and other experts as it deems necessary for advice in connection with its obligations hereunder. Escrow Agent waives any claim against Lessor with respect to compensation hereunder.

8. Escrow Agent shall have no liability for acting upon any written instruction presented by Lessor in connection with this Escrow Agreement, which Escrow Agent in good faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made by Escrow Agent.

9. Escrow Agent may resign at any time by giving thirty (30) days' prior written notice to Lessor and Lessee. Lessor may at any time remove Escrow Agent as Escrow Agent under this Escrow Agreement upon written notice. Such removal or resignation shall be effective on the date set forth in the applicable notice. Upon the effective date of resignation or removal, Escrow Agent will transfer the Escrow Fund to the successor Escrow Agent selected by Lessor.

10. Lessee hereby represents, covenants and warrants that pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of the Agreement will be expended for the governmental purposes for which the Agreement was entered into, as follows: at least 15% within six months after the Commencement Date, such date being the date of deposit of funds into the Escrow Fund, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall, at its sole expense and cost, compute rebatable arbitrage on the Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final rental or Lease Payment due under the Agreement.

11. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with or for any moneys involved herein or affected hereby, Escrow Agent shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing Escrow Agent may refrain from making any delivery or other disposition of any moneys involved herein or affected hereby and in so doing Escrow Agent shall not be or become liable to the undersigned or any of them or to any person or party for its failure or refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to continue so to refrain and refuse so to act until:

(a) the rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the moneys involved herein or affected hereby; or

(b) all differences shall have been adjusted by Master Agreement and Escrow Agent shall have been notified thereof in writing signed by all of the persons interested.

12. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other party if delivered (a) personally, (b) by United States registered or certified mail, return receipt requested, postage prepaid, (c) by an overnight delivery by a service such as Federal Express or Express Mail from which written

confirmation of overnight delivery is available, or (d) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing.

13. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor.

14. This Escrow Agreement shall be governed by and construed in accordance with the laws in the state of the Escrow Agent's location. This Escrow Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties.

15. This Escrow Agreement and any written direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

U.S. Bancorp Government Leasing and Finance, Inc., as Lessor
By:
Name:
Title:
Address: 13010 SW 68 th Parkway, Suite 100 Portland, OR 97223

Crawford County, as Lessee
By:
Name: Tom Moody
Title: Chairman, BOCC
Address: 111 E. Forest PO Box 68 Girard, KS 66743

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent
By:
Name:
Title:
Address: U.S. Bank National Association 950 17 th Street, 12 th Floor Denver, CO 80202

EXHIBIT 1

U.S. BANK NATIONAL ASSOCIATION
MONEY MARKET ACCOUNT AUTHORIZATION FORM
DESCRIPTION AND TERMS

The U.S. Bank Money Market account is a U.S. Bank National Association ("U.S. Bank") interest-bearing money market deposit account designed to meet the needs of U.S. Bank's Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit and invest with U.S. Bank.

U.S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates are determined at U.S. Bank's discretion, and may be tiered by customer deposit amount.

The owner of the account is U.S. Bank as Agent for its trust customers. U.S. Bank's trust department performs all account deposits and withdrawals. Deposit accounts are FDIC Insured per depositor, as determined under FDIC Regulations, up to applicable FDIC limits.

AUTOMATIC AUTHORIZATION

In the absence of specific written direction to the contrary, U.S. Bank is hereby directed to invest and reinvest proceeds and other available moneys in the U.S. Bank Money Market Account. The U.S. Bank Money Market Account is a permitted investment under the operative documents and this authorization is the permanent direction for investment of the moneys until notified in writing of alternate instructions.

Crawford County

Company Name

Signature of Authorized Directing Party

Trust Account Number – includes existing and future sub-accounts unless otherwise directed

Chairman, BOCC

Title/Date

EXHIBIT 2

Schedule of Fees for Services as Escrow Agent Equipment Lease Purchase Escrow

CTS01010A	Acceptance Fee The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	WAIVED
CTS04460	Escrow Agent Annual fee for the standard escrow agent services associated with the administration of the account. Administration fees are payable in advance.	WAIVED
	Direct Out of Pocket Expenses Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	Extraordinary Services Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

Foley Equipment Company

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

Individual/sole proprietor or single-member LLC C Corporation S Corporation Partnership Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____
Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

1601 E 77th Street North

6 City, state, and ZIP code

Park City, KS 67147

7 List account number(s) here (optional)

Requester's name and address (optional)

Print or type.
See Specific Instructions on page 3.

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

				-			-			
--	--	--	--	---	--	--	---	--	--	--

OR

Employer identification number

4	8	-	0	5	0	5	1	0	9
---	---	---	---	---	---	---	---	---	---

Part II Certification

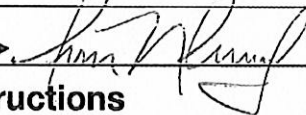
Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of U.S. person ▶



Date ▶ 9/19/2019

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

INSURANCE AUTHORIZATION AND VERIFICATION

Date: October 15, 2019

Property Schedule No: 1

To: Crawford County (the "Lessee")

From: U.S. Bancorp Government Leasing and Finance, Inc. (the
"Lessor")
1310 Madrid Street
Marshall, MN 56258

TO THE LESSEE: In connection with the above-referenced Property Schedule, Lessor requires proof in the form of this document, executed by both Lessee* and Lessee's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Lessor, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDER'S LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Lessor. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.

Lessee must carry GENERAL LIABILITY (and/or, for vehicles, Automobile Liability) in the amount of no less than \$1,000,000.00 (one million dollars).

Lessee must carry PROPERTY Insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the 'Insurable Value' \$611,744.00, with deductibles no more than \$10,000.00.

**Lessee: Please execute this form and return with your document package. Please fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements.*

By signing, Lessee authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

Agency/Agent:	Ryan Insurance Ray Ryan
Address:	2308 S. Broadway Pittsburg, Ks 66762
Phone/Fax:	620-231-3500
Email:	

Lessee: Crawford County	
By:	
Name:	Tom Moody
Title:	Chairman, BOCC

TO THE AGENT: *In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Lessor at 303-585-5985. This fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.*

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name of Agency: X _____

By: X _____
(Agent's Signature)

Print Name: X _____

Date: X _____

Insurable Value: \$611,744.00

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE NO.: 1