



Farmers & Merchants Bank of Colby

Do Not Fill
Equipment Lease Number
40040099
In This Space

Lessor Equipment Lease Agreement

Full Legal Name of Lessee (include Zip Code)

VENDER OF EQUIPMENT (include Complete address and Zip Code)

Lessee
Thomas County Landfill
300 N Court Ave.
Colby, KS 67701

Vender
Foley Equipment
205 E Horton Ave.
Colby, KS 67701

Contact Person Larry Jumper Phone Number 462-8139

Sales man Dustin Daniels Phone Number 462-3913

Equipment	Quantity	Serial Number	Equipment (Manufacturer, Type, Model No., Description)	Price	
		1	LT600138	2020 CATERPILLAR 816K	\$468,697.44
			Warranty	\$17,788.00	
	Location of equipment			Transportation (if any)	
	Street Address <u>1860 County Road 22</u>			Down Payment	
	Colby	Thomas	Kansas	67701	Less Trade (if any)
	City	County	State	Zip	Total Cost
					\$276,485.44

Terms	Lease Term Years	Number of Rental Payments	Rental Payments Will Be Made	Rental Payment Amount	Advance Rentals
		7	7	Monthly	Total Payments of \$44,717.96
			Quarterly	First Payment due on 12/10/2020	
			Bi-Annually	Second payment due on 12/10/2021	
			Annually <input checked="" type="checkbox"/>	and payable thereafter on the same days of	
			Other	each subsequent Year	
				until maturity date of 12/10/2026	

Terms and Conditions of lease

- Lease:** Lessor hereby leases to Lessee and Lessee hereby hires from Lessor the unit or units of equipment, machinery or other property described above ("Equipment") upon the terms and conditions set forth in this Equipment Lease Agreement ("Lease").
- Term:** The obligations under this Lease shall commence upon the written acceptance thereof by Lessor and shall end upon full performance and observance of each and every term, condition and covenant set forth herein. The rental term of the Equipment shall commence as of the date the first regular rental payment is due and shall terminate on the last day of the rental term stated above.
- Rent:** The rent for the Equipment shall be the amount stated above and shall be due and payable in accordance with the schedule set forth above. If Lessee shall be in default in the payment of any lease payment hereunder, Lessee shall pay Lessor, as additional rental, a late charge in the amount of 5% of the unpaid balance of such lease payment for each period the lease payment is delinquent. All rent shall be payable at the office of Lessor or its assigns (or at such other place as Lessor may from time to time designate in writing).
- Purchase Option:** If Lessee is not in default under this Lease at the expiration hereof, Lessee may purchase the Equipment from Lessor for \$1.00 of the Total Cost. If no entry is made immediately above, Lessee shall have no option to purchase or otherwise acquire title or ownership to any item of Equipment.
- Warranties:** LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER MATTER CONCERNING THE EQUIPMENT, LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE ARISING OUT OF OR IN CONNECTION WITH THE EQUIPMENT, ANY DEFECT THEREIN, ANY USE OR MAINTENANCE THEREOF OR ANY SERVICING OR ADJUSTMENT THERETO. Lessor makes no representations, express or implied, concerning the legal character of the transaction evidenced hereby for tax or other purposes. Lessor makes no representation as to whether this lease is more advantageous to Lessee than a purchase of similar equipment. Lessee should consult his or her individual tax advisor before entering into this transaction if this Lease is considered for potential tax advantages.
- Delivery and Installation:** Lessee has selected the type, quantity and supplier of each item of Equipment. In reliance on such selection and Lessee's execution of this Lease, Lessor has or will issue its Purchase Order for the Equipment. Lessee agrees to indemnify and hold Lessor harmless from and against any loss, liability, damage, claim or expense (including court costs and attorneys' fees) arising out of Lessee's failure to accept the Equipment or otherwise consummate the transaction contemplated hereby. Lessor shall have no liability for any failure by the supplier to fill the Purchase Order or meet the conditions thereof. Lessee, at its expense, will pay all transportation, packing, taxes, duties, installation, testing and other charges in connection with the delivery, installation and use of the Equipment.
- Use, Maintenance and Inspection:** Lessee agrees, by acceptance hereof, that the Equipment is in good and first class repair, order, operating condition and appearance and agrees to care for and maintain the Equipment during the term hereof. Lessee agrees, at its own cost and expense to provide all parts, supplies and repairs necessary therefore. All additions, attachments, accessories and repairs at any time made or place upon the Equipment shall become the property of Lessor. Lessee will not use, operate, maintain or store any of the Equipment improperly, carelessly or in violation of this Lease; nor use or operate the Equipment other than in a manner and for the use contemplated by the manufacturer thereof or otherwise than in the conduct of the lawful business of Lessee; nor use or operate the Equipment in violation of any ordinances, laws, statutes, regulations or requirement of any government authority or entity having or claiming jurisdiction. Lessor shall at any time during normal business hours have the right to inspect and examine the Equipment wherever it may be located.
- Assignment of Warranties:** Lessor hereby assigns to Lessee, for so long as Lessee renders faithful performance of its obligations hereunder, any manufacturer, factory, supplier, or dealer warranty, whether express or implied on the Equipment. Any recovery under such warranty shall be made payable jointly to Lessee and Lessor and all proceeds of such recovery shall be used to repair or replace the Equipment.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE A PART OF THIS LEASE

THE UNDERSIGNED AGREE TO ALL THE TERMS AND CONDITIONS SET FORTH AND ON THE REVERSE SIDE HEREOF, AND IN WITNESS THEREOF HEREBY EXECUTE THIS LEASE.

Lessor: Farmers and Merchants Bank of Colby

Date: December 10, 2019

Lessee: Thomas County Landfill

By: Jeremy Quint
Jeremy Quint - VP / Ag & Comm. Lender (title)

By: Brad Flipse
Brad Flipse Commissioner

By: Francis Britton
Francis Britton Commissioner

By: Mike Baughn
Mike Baughn Commissioner

9. Insurance: Lessee, at its expense, shall procure and maintain insurance, with such companies and under such policies as are satisfactory to Lessor, in the amounts and covering the risks that are customary in Lessee's business and industry. Each policy shall be in the joint name of Lessor and Lessee and shall provide that it may not be altered or cancelled without fifteen (15) days written notice to Lessor. Lessee shall furnish such evidence as Lessor may reasonably require regarding such insurance. The proceeds of any public liability or property damage insurance shall be payable first to Lessor to the extent of its liability, if any, with the balance payable to Lessee. The proceeds of any theft, fire, extended coverage, collision or any other insurance providing coverage of risks of loss to owners of an interest in the property covered by this Lease shall be payable solely to Lessor and shall be applied by Lessor toward the payment of the obligations of Lessee under paragraph 10 hereof, the balance of the proceeds to be in the property of Lessor, and Lessee hereby irrevocably appoints Lessor its attorney-in-fact to receive, endorse and apply such proceeds in accordance with this paragraph 9. With respect to policies covering theft, fire, extended coverage, collision or loss, Lessee shall cause the Equipment to be insured, at a minimum, in an amount equal to the applicable "Stipulated Loss Value" set forth in Addendum 1 attached hereto.

10. Loss and Damage: From and after the time the Equipment leaves the premises of the vendor of the Equipment and at all times thereafter, the risk of loss or damage to the Equipment from any and every cause whatsoever, whether or not such loss or damage is covered by insurance, shall be borne by Lessee and not Lessor. No loss or damage to the Equipment or to any part thereof shall relieve Lessee of any obligation under this Lease. In the event of loss or damage, Lessor shall have the option to require Lessee to: (a) repair or restore the Equipment to good condition and working order; or (b) replace the Equipment with similar Equipment in good repair, condition and working order (which replacement will be subject to this Lease); or (c) pay Lessor in cash the "Stipulated Loss Value" specified in Addendum 1 attached to this Lease. Upon payment of the "Stipulated Loss Value," this Lease shall terminate only with respect to the item of equipment covered thereby for which Lessee has paid, and Lessee shall become entitled to said Equipment in its then existing condition AS IS, WHERE IS, AND WITHOUT ANY WARRANTY OF LESSOR, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER WHATSOEVER.

11. Indemnity: Lessee agrees to defend at its own cost and to indemnify and hold harmless Lessor, its agents and employees, from and against any and all loss, liability, damage, claim or expense (including court costs and reasonable attorneys' fees), however caused, resulting directly or indirectly from or pertaining to the use, condition (including, without limitation, such loss, liability, damage, claim or expense arising from the death or injury to any agent or employee of Lessee or Lessor, or any third person, or damage to the property of Lessee or Lessor, their agents or employees, or any third person, firm or corporation), irrespective of whether such loss, liability, damage, claim or expense was actually or allegedly caused wholly or in part by the negligence of Lessor or any of its agents or employees.

12. Taxes, Licensing and Registration: Lessee will keep the Equipment free and clear of all levies, liens and encumbrances and, as additional rent during the term of this Lease, shall pay all assessments, license and registration fees, taxes (including sales, use, excise, personal property, ad valorem, stamp, documentary and other taxes) and all other governmental charges, fees, fines or penalties whatsoever, whether payable by Lessor or Lessee, on or relating to the Equipment or the use, registration, rental, shipment, transportation, delivery, ownership or operation thereof, and on or relating to this Lease, and Lessee shall file all returns required therefore and furnish copies thereof to Lessor at its request; provided however, that the foregoing shall not include any tax measured by Lessor's income.

13. Lessor's Performance of Lessee's Obligations: If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Equipment, Lessor may, at its option perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Equipment and Lessor's title thereto, including payments for satisfaction of liens, repairs, taxes, levies and insurance, and all sums so paid or incurred by Lessor, together with interest as provided below, and any reasonable legal fees incurred by Lessor in connection therewith, shall be additional rent under this Lease and payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of Lessee.

14. Net Lease: This Lease is a net lease and all rental payments shall be paid by Lessee irrespective of any set-off, counterclaim, recoupment, defense or other right which Lessee may have against the supplier of the Equipment or any other party.

15. Surrender: Upon the expiration or earlier termination of this Lease, Lessee shall return each item of Equipment to Lessor, free of all advertising or insignias placed thereon by Lessee, and in good condition, repair and working order, ordinary wear and tear expected. Such Equipment shall be surrendered by Lessee, at its sole cost and expense, to a place designated by Lessor.

16. Default: Lessee shall be in default under this Lease if (a) Lessee fails to pay when due any sum of money to be paid under this Lease and such failure continues thereafter for a period of ten (10) days, (b) Lessee fails to perform or observe any other covenant, condition or obligation required to be performed or observed by Lessee hereunder and has not fully remedied such failure within ten (10) days after the occurrence thereof, (c) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished, (d) any item of Equipment is lost, stolen, damaged or destroyed, Lessee sells or encumbers any item of Equipment or any item of Equipment is the subject of any levy, seizure or attachment, (e) Lessee dissolves, terminates its existence, discontinues business, becomes insolvent, permits a receiver to be appointed with respect to any item of equipment or makes an assignment for the benefit of creditors, (f) any proceedings under any bankruptcy, reorganization or arrangement laws are commenced by or against Lessee or (g) Lessor reasonably deems itself insecure as to the prospects of payment by Lessee of the amounts due hereunder or as to the continued existence of the Equipment in the condition and location required hereunder.

17. Remedies of Lessor: Upon the occurrence of a default by Lessee hereunder and at any time thereafter (subject to any applicable grace provisions) Lessor may exercise any one or more of the following remedies, as Lessor in its sole discretion shall elect: (a) declare all unpaid rentals under this Lease to be immediately due and payable; (b) terminate this Lease as to any or all items of Equipment, but no such termination shall be deemed to occur unless written notice to that express effect is given by Lessor to Lessee; (c) whether or not this Lease is terminated, take immediately possession of any or all of the Equipment, without notice or demand and without court order or process, and for such purpose, enter upon any premises without liability for so doing; (d) sell, lease or otherwise dispose of the Equipment, or any part thereof, at a public or private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee, and, if notice is required by law, any notice by Lessor to Lessee of any such sale, lease or other disposition not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (e) proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or recover damages for the breach thereof; and (f) exercise any and all rights accruing to a Lessor of personal property under any applicable law upon a default by a Lessee. In furtherance of the foregoing, Lessor shall be entitled to recover immediately as liquidated damages, and not as a penalty, a sum equal to the aggregate of the following; (i) all unpaid rentals or other sums which are due and payable for any item of Equipment up to the date delivered to or repossessed by Lessor; (ii) any expenses paid or incurred by Lessor in connection with the repossession, holding repair and subsequent sale, lease or other disposition of Equipment, including attorneys' fees and court costs; (iii) all unpaid rentals due and to become due under this Lease for any item of Equipment which Lessee fails to return to Lessor as provided above or which are converted or destroyed or which Lessor is unable to repossess; and (iv) an amount equal to the difference between (x) all unpaid rentals for Equipment returned to or repossessed by Lessor from the date thereof to the end of the original term of this Lease ("Unpaid Rentals") and (y) the then fair market rental value of such Equipment for such unexpired rental period ("Unexpired Rental Value"); provided, however, that the Unexpired Rental Value of each item of Equipment shall be deemed to be an amount equal to the proceeds of any sale thereof by Lessor lease thereof by Lessor for a period substantially similar to the unexpired rental period. If the Unexpired Rental Value of the Equipment exceeds the Unpaid Rentals, Lessor shall be entitled to the excess.

No right or remedy conferred upon or reserved to Lessor by this Lease shall be exclusive of any other right or remedy herein or by law provided; all rights and remedies or Lessor conferred on Lessor by this Lease or by law shall be cumulative and in addition to every other right and remedy available to Lessor.

In the event of any default, Lessee will pay to Lessor a reasonable sum as and for attorney's fees, the amount of any investment tax credit subject to recapture by virtue of the sale, lease or other disposition of any item of Equipment, such costs and expenses as shall have been expended or incurred by Lessor in the enforcement of any right or privilege hereunder and interest at the legal rate on each of the foregoing and on all sums not paid when due under any provisions of this Lease.

18. Assignment: Lessee shall not assign, pledge or hypothecate this Lease nor shall Lessee sublet or sell, transfer, assign or encumber the Equipment or any part thereof without the prior written consent of Lessor. Consent to any one of the foregoing acts shall not be deemed consent to any subsequent or similar act. Lessor may at any time assign all or any portion of its right, title and interest in, under and to this Lease, all of the rents and other sums as any time due or to become due or at any time owed or payable by Lessee under any of the provisions hereof and in and to the Equipment covered by this Lease. After written notice to the lessee of assignment, all sums thereafter payable by Lessee hereunder shall be paid by Lessee to such assignee. The term "Lessor" as used herein shall include any assignee or subsequent assignee then holding any right of the Lessor hereunder.

19. Ownership by Lessor: Title to the Equipment is and shall remain in Lessor. Lessee agrees that the Equipment is, and at all times shall remain, the sole and exclusive property of Lessor and the only interest Lessee shall have in the Equipment is that of a Lessee. The Equipment shall at all times be and remain personal property notwithstanding that any such Equipment may now or hereafter be affixed to realty. The Equipment shall be delivered to the location specified on the reverse side hereof and shall not thereafter be removed from such location without the written consent of Lessor. Lessor shall be permitted to display notice of its ownership of the Equipment by affixing onto each item of Equipment an identifying stencil of plate or any other indicia of ownership and Lessee will not alter, deface, or remove such ownership identification.

20. Jurisdiction: Lessor and Lessee agree that the law of the State of Kansas will be used to interpret the terms of this contract and further agree that the courts (State or Federal) in the State of Kansas shall have in personam jurisdiction over Lessor and Lessee.

21. Miscellaneous: Time is of the essence for this Lease. No waiver of any of Lessee's obligations, conditions or obligations hereunder shall be deemed to take place unless waived in a writing signed by Lessor and no such waiver shall be deemed a waiver of any subsequent breach of the same or any other obligation of this Lease. All notices required or permitted under this Lease shall be sufficient if delivered personally or mailed to the party at the address set forth on the reverse side hereof. The laws of the State of Kansas shall govern this Lease and all additional documents attendant hereto. This Lease and all such documents may not be altered or modified except in writing upon mutual consent of the parties. Lessee shall at the request of Lessor, but at least monthly, furnish Lessor complete financial statements and any additional information that Lessor may reasonably require. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Lessee shall execute and deliver to Lessor, upon Lessor's request, such instruments and assurances as Lessor deems necessary for the confirmation or perfection of Lessor's rights hereunder. The person or persons signing this Lease certify that they have full and complete authority to do so and that this Lease is a valid obligation of Lessee.

AGREEMENT TO PROVIDE INSURANCE

DATE AND PARTIES. The date of this Agreement to Provide Insurance (Agreement) is 12/10/2019 The parties and their addresses are:

OWNER: Thomas County Landfill
300 N Court Ave.
Colby, KS 67701

SECURED PARTY: FARMERS & MERCHANTS BANK OF COLBY
240 W. 4TH ST
PO BOX 797
COLBY, KS 67701

The pronouns "you" and "your" refer to the Secured Party. The pronouns "I," "me" and "my" refer to each person or entity signing this Agreement as Owner.

1. LOAN, LEASE, OR CONTRACT DESCRIPTION (Loan).

- A. Date: 12/10/2019
B. Loan Number: 40040099
C. Loan Amount: \$ 276,485.44
D. Additional Information:

2. AGREEMENT TO PROVIDE INSURANCE. As part of my Loan, I agree to do all of the following (in addition to any requirements specified in the Loan Documents).

- A. I will insure the Property as listed and with the coverages shown in the COVERAGES section.
B. I will have you named on the policy, with the status listed under the STATUS section.
C. I will arrange for the insurance company to notify you that the policy is in effect and your status has been noted.
D. I will pay for this insurance, including any fee for this endorsement.
E. I will keep the insurance in effect until the Property is no longer subject to your security interest. (I understand that the Property may secure debts in addition to any listed in the LOAN DESCRIPTION section.)

3. DESCRIPTION OF PROPERTY. The Property subject to this Agreement is described as follows:

2020 CATERPILLAR 816K Serial # LT600138

4. COVERAGES. I agree to insure the Property according to the following described risks, amount of coverage, and maximum deductible allowed.

If checked, all coverages will be for the full replacement value of the Property.

Homeowner's Coverage. [] H.O. [] Other (Describe)
Insurable Value: Deductible:
Automobile Coverage. [] Fire [] Theft [] Collision [] Comprehensive [] Liability [] Other
Insurable Value: Deductible:
Property Coverage. [] Fire [] Theft [] Collision [] Comprehensive [] Liability [] Other
Insurable Value: Deductible:

5. STATUS. Your status shall be listed on the insurance policy as follows.

[] Lienholder [] Certificate Holder [] Additional Insured [] Mortgagee [] Other
California Real Property: Hazard insurance exceeding the replacement value of the improvements on the property is not required as a condition of this loan.

6. ADDITIONAL TERMS.

7. INSURANCE COMPANY. The insurance policy covering the Property and the insurance company issuing the policy are as follows.

A. Policy Number: Effective From: To:
B. Insurance Company Name, Address, and Phone Number:

8. INSURANCE AGENCY AND AGENT. The insurance agency through which I have purchased, or intend to purchase, the required insurance is as follows:

A. Agent Name:
B. Agency Name, Address, and Phone Number:

9. SIGNATURES.

SIGNATURES FOR OWNER(S) AND AUTHORIZATION TO INSURANCE AGENT AND COMPANY. By signing below, I agree to the terms contained in this Agreement and acknowledge receipt of a copy of this Agreement. I request the listed insurance company and agency to provide the indicated coverage and list you on the policy with the indicated status. I also request the insurance company or its authorized agent to immediately confirm that the policy is in effect by signing this form and forwarding a copy of the policy to you.

X [Signature] Date 12/11/19
X [Signature] Date

SIGNATURE FOR SECURED PARTY AND REQUEST FOR CONFIRMATION. Upon receipt of this Agreement, the insurance company or agency named above is requested to confirm the policy coverages shown above.

X [Signature] Date 12-10-19

SIGNATURE FOR INSURANCE COMPANY AND CONFIRMATION. By signing below, Insurance Company confirms the existence of the insurance coverages agreed to be provided by our insured and that you will be notified not less than 10 days before cancellation.

X
(Name of Insurance Company) Date

ADDENDUM TO LEASE 40040099 DATED December 10, 2019


The following terms and conditions are being added to Lease # 40040099 to Lease one (1) 2020 CATERPILLAR 816K.

1. Lease Term: Non-Appropriations: In the event no funds or insufficient funds are appropriated and budgeted or are otherwise not available in any fiscal year for payments due under this Lease, Lessee will immediately notify Lessor of such occurrence and this Lease shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to Lessee, except as to the portions of payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available.

2. Lessee's Representation and Warranties: Lessee represents and warrants to Lessor that (a) Lessee is a fully constituted political subdivision or agency duly organized and existing under the Constitution and laws of the state where the Units will be located; (b) Lessee has the power to enter into and perform this Lease and has taken all necessary and appropriate action to authorize the execution, delivery and performance hereof; (c) this Lease constitutes a valid and legally binding and enforceable obligation of Lessee; (d) the interest payable by lessee hereunder is excludable from income for Federal income taxation purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "code"); and (e) Lessee has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year and reasonably believes that funds can be obtained sufficient to make all payments during the term of this Lease. Lessee represents that the use of the Units is essential to Lessee's proper, efficient and economic operation.

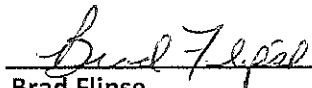
Lessor Signature:


Farmers and Merchants Bank of Colby


Jeremy Quint Loan Officer

Lessee Signature:

Thomas County Landfill


Brad Flipse Commissioner


Francis Britton Commissioner


Mike Baughn Commissioner

Lessee
Vender

**Thomas County Landfill
Foley Equipment**

PRINCIPAL \$ 276,485.44 INT. RATE 3.2000%
 PMT. \$ 44,717.96 TAX RATE 0.00%
 RESIDUAL \$ 1.05 TERMS 7.00
 LEASE DATE 12/10/2019

7 YEAR LEASE, 1 BALLOON

NO. OF DAYS	DATE:	INTEREST	PRINCIPAL	BALANCE	PAYMENT	TAX	TOTAL PMT.
	12/10/2019	BALANCE FWD.		276,485.44			
366	12/10/2020	8,871.77	35,846.19	240,639.25	44,717.96	0.00	44,717.96
365	12/10/2021	7,700.46	37,017.50	203,621.75	44,717.96	0.00	44,717.96
365	12/10/2022	6,515.90	38,202.06	165,419.69	44,717.96	0.00	44,717.96
365	12/10/2023	5,293.43	39,424.53	125,995.16	44,717.96	0.00	44,717.96
366	12/10/2024	4,042.89	40,675.07	85,320.09	44,717.96	0.00	44,717.96
365	12/10/2025	2,730.24	41,987.72	43,332.37	44,717.96	0.00	44,717.96
365	12/10/2026	1,386.64	43,331.32	1.05	44,717.96	0.00	44,717.96
0	12/10/2026	0.00	1.05	0.00	1.05	0.00	1.05
				36,541.33	276,485.44	0.00	313,026.77

Amortization Schedule serves only as a guide. Please contact Farmers & Merchants Bank at 460-3321 if you have questions on your remaining balance.

