

LEASE AGREEMENT WITH OPTION TO PURCHASE

THIS LEASE AGREEMENT WITH OPTION TO PURCHASE made and entered into this 15th day of March 2019, by and between BANKWEST OF KANSAS, 295 N. FRANKLIN AVENUE, P.O. BOX 327, COLBY, KANSAS 67701 (hereinafter referred to as the "Lessor"), and THOMAS COUNTY LANDFILL DEPARTMENT, THOMAS COUNTY COMMISSION, 300 NORTH COURT AVENUE, COLBY, KANSAS 67701 (hereinafter referred to as "Lessee").

WITNESSETH:

In consideration of the normal covenants and conditions hereinafter set forth, the parties agree as follows:

1. LEASE. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, the personal property set forth in the schedule (hereinafter referred to as "Schedule") executed by the parties concurrently herewith or at any time hereafter and made a part hereof, together with all repair and replacement parts, additions, substitutions, accessories, and accessions, and the like, now or hereafter incorporated therein and/or affixed to such personal property (hereinafter collectively referred to as the "Equipment").

Lessee alone has selected the Equipment and the supplier thereof. Lessor agrees to cause the Equipment to be ordered from the supplier, but Lessee agrees that Lessor shall not be liable for specific performance of this Lease or for damages if for any reason the supplier delays or fails to fill the order or meet the conditions thereof. Lessee agrees that it will make, at its own expense, all necessary inspections and tests of the Equipment to determine if the Equipment is in compliance with the provisions of any applicable purchase agreement or order, and, if in compliance, Lessee shall accept each such item of Equipment on behalf of the Lessor, as delivered by the supplier. Lessee shall execute an Acceptance Certificate with regard to each item of Equipment. Lessor hereby authorizes Lessee to add to this Lease the serial number and/or any descriptive matter necessary or helpful in identifying, each item of the Equipment so delivered. Any delay in such delivery shall not affect the validity of this Lease, except as provided in Section 10 hereof.

Regardless of whether Lessee has executed an Acceptance Certificate, if within forty-eight (48) hours after Lessee has received an item of Equipment, Lessee has not given Lessor written notice of a defect therein or of other proper objection thereto, Lessee agrees that it shall be conclusively presumed as between Lessor and Lessee, that Lessee has fully inspected the Equipment, that the Equipment is in full compliance with the terms of this Lease and is deemed to be in good condition and repair, and that the Lessee has accepted it as satisfactory in all respects for the purpose of this Lease, Lessee hereby agrees to indemnify, defend, and save harmless Lessor from all claims, damages, actions, expenses (including attorney fees) and liabilities of any kind arising out of or connected with the failure or refusal of Lessee to accept, or the delay of Lessee in accepting the Equipment.

2. TERM. The term of this lease shall commence upon the date that the Acceptance Certificate is signed and dated and shall terminate upon the expiration of a number of months, or other calendar periods, set forth in the Schedule for the date thereof, unless sooner terminated as hereinafter provided.
3. NO WARRANTIES BY LESSOR. LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO: THE CONDITION, DESIGN OR QUALITY OF THE EQUIPMENT; THE FITNESS OF THE

CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER RELATING THERETO; THE OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESSED OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. NO DEFECT OR UNFITNESS OF THE EQUIPMENT SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR OF ANY OTHER OBLIGATION UNDER THIS LEASE. THE LESSEE ALSO ACKNOWLEDGES THAT THE LESSOR HAS MADE NO REPRESENTATION OR WARRANTY OF ANY KIND, NATURE OR DESCRIPTION, EXPRESSED OR IMPLIED, WITH RESPECT TO THE OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT.

LESSOR SHALL HAVE NO LIABILITY TO LESSEE OR ANY PERSON WHOMSOEVER FOR ANY CLAIM, LOSS, DAMAGE OR EXPENSE (INCLUDING ATTORNEY FEES) OF ANY KIND OR NATURE, WHETHER SPECIAL, CONSEQUENTIAL, ECONOMIC OR OTHERWISE, CAUSED OR ALLEGED TO BE CAUSED DIRECTLY, INDIRECTLY, INCIDENTALLY, OR CONSEQUENTIALLY BY THE EQUIPMENT OR ANY PART THEREOF OR PRODUCTS THEREFROM, BY AND INADEQUACY OF THE EQUIPMENT OR DEFECT OR DEFICIENCY THEREIN, BY ANY INCIDENT WHATSOEVER ARISING IN STRICT LIABILITY OR OTHERWISE FROM LESSOR'S OR LESSEE'S NEGLIGENCE OR OTHERWISE BY THE USE OR MAINTENANCE THEREOF, OR FOR REPAIR, SERVICING OR ADJUSTMENT THERETO, OR FOR ANY INTERRUPTION OF SERVICE OR LOSS OF USE OF THE EQUIPMENT, OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED OR ARISING OUT OF THIS LEASE. LESSEE SHALL INDEMNIFY AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, COSTS, EXPENSES, DAMAGES, LOSSES, LIABILITIES INCURRED OR SUFFERED BY THE LESSOR, LESSEE, OR ANY OTHER PARTY IN CONNECTION WITH THE DELIVERY, OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT OR AS A RESULT OF ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT), FURTHER, LESSEE UNDERSTANDS AND AGREES THAT THERE SHALL BE NO ABATEMENT OF RENT DURING ANY PERIOD OF BREAKDOWN OR NONUSE OF THE EQUIPMENT.

4. RENTALS. During and for the original term hereof, and any renewal periods if any, Lessee hereby unconditionally agrees to pay Lessor, as and for rent of the Equipment, the total amount specified in the Schedule, being the monthly rent multiplied by the number of months plus \$1.00 residual buy-out included in the final rental payment. **The first rental payment will be due on March 15, 2020 and annually thereafter until paid in full as outlined in the Schedule.** All payments shall be made at the office of the Lessor as set forth herein, or as otherwise directed by the Lessor in writing.
5. NET LEASE – NO OFFSET. This lease is a net lease and all rent payments and other payments required to be paid by Lessee hereunder are absolute, unconditional and shall not be subject to any abatement, reduction, set-off, counterclaim, recoupment, defense or other right which Lessee may have against the supplier of the Equipment or any other party, including Lessor.
6. TAXES AND EXPENSES PAID BY LESSEE. Lessee, at its expense, shall obtain such licensing and registration of the Equipment as shall be at any time required by law and Lessee shall pay and discharge when due all license fees, registration fees, charges, taxes (Federal, State and Local) and assessments (and interest and penalty, if

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taxes are levied against Lessor, Lessor shall notify Lessee of such fact. Lessor shall have the right but not the obligation, to pay any such taxes, whether levied against Lessor or Lessee.

In such event, Lessee shall reimburse Lessor therefore within five (5) days after receipt of invoice, and in the event Lessee shall fail to make any such reimbursement when due, Lessor shall have all remedies provided herein with respect to the nonpayment of the rental hereunder. Lessee, at its expense, shall pay any and all other charges related to the Equipment, including but not limited to, its registration, rental, shipment, transportation, delivery, installation, operation and/or removal. If any such charges are levied against Lessor, Lessor shall notify Lessee of such fact. Lessor shall have the right, but not the obligation, to pay any such charges, whether billed to Lessor or Lessee. In such event, Lessee shall reimburse Lessor therefore within five (5) days after receipt of invoice, and for the failure to make such reimbursement when due, Lessor shall have all remedies provided herein with respect to the nonpayment of the rental hereunder.

7. **ERRORS IN ESTIMATED COST – CHANGE IN RENTAL.** As used herein, Actual Cost means the cost to Lessor of purchasing and delivering the Equipment to Lessee including taxes, transportation charges, and other charges. The amount of each rent payment as set forth in the Schedule is based on an estimate of Actual Cost, and if the Actual Cost of the Equipment differs from the estimate, then each rent payment shall be adjusted proportionally. Lessee hereby authorizes Lessor to correct this figure set forth in the Schedule when the Actual Cost is known, and to add to the amount of each rent payment any sales or other tax that may be imposed on or measured by rent payments.
8. **USE.** Lessee shall use the Equipment only for lawful purposes and those purposes intended by the manufacturer and shall comply with all laws, ordinances and regulations relating to the use, operation or maintenance of the Equipment. Further, Lessee shall exercise due and proper care in the use, repair and servicing of the Equipment and at all times and at its expense shall keep and maintain the Equipment in good working condition, order and repair. Lessee shall make no alteration to the Equipment without the prior written consent of the Lessor. All replacement parts incorporated in or affixed to the Equipment after the commencement of this Lease shall become the property of the Lessor.

Lessee covenants and agrees that the Equipment is, and at all times shall be and remain, personal property and at no time shall the Equipment become a fixture.

9. **PLACE OF USE; WAIVER OF LANDLORD'S LIEN.** Lessee shall keep the Equipment at its place of business as specified in the Schedule, which location must at all times be maintained in a manner consistent with the specifications and recommendations of the manufacturer of such Equipment. Lessee warrants that the Equipment will not be moved from the address as set forth as the location on the Schedule without Lessor's prior written consent. Lessee covenants and agrees not to allow the use of the Equipment by other than the employees of Lessee, or those persons working under the direct supervision of the Lessee's employees, and who have received proper training from Lessee's employee, while on Lessee's business and such employee(s) shall be trained to use Equipment in a manner consistent with the manufacturer's specifications and recommendations. Further, Lessee covenants and agrees not to rent or sublet the Equipment or any part thereof to others. If Lessee is the lessee or tenant of any premises in which the Equipment is at any time to be located, Lessee shall obtain from its Landlord, and deliver to Lessor, a written waiver of all liens against the Equipment prior to the time that the Equipment is installed or placed therein.

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Equipment. In the event of any such occurrence, Lessee, at the option of Lessor, shall at Lessee's expense (a) place the same in good repair, condition and working order, or (b) replace the same with like equipment of the same or later model in good repair, condition and working order, or (c) pay Lessor therefore in cash the "Stipulated Loss Value" as defined herein. The "Stipulated Loss Value" shall be the then existing fair market value of the Equipment. Upon such "Stipulated Loss Value" payment, this Lease shall terminate with respect to such item of Equipment so paid for, and Lessee thereupon shall become entitled to such item of Equipment as -is -where-is, without warranty, expressed or implied, with respect to any matter whatsoever.

11. **INSURANCE.** Lessee shall obtain and maintain for the entire term of this Lease, at its own expense, property damage and liability insurance against loss or damage to the Equipment including, without limitation, loss by fire (including so-called extended coverage, theft, collision and such other risks of loss as are customarily insured against on the type of Equipment leased hereunder and by businesses in which Lessee as an insured and Lessor as additional insured and loss payee thereof as their interest may appear, and shall contain a clause requiring the insurer to give Lessor certificates of insurance or other evidence satisfactory to Lessor that such insurance coverage is in effect during the entire term of this Lease. Lessee shall have no pro rata interest in any such policies or the proceeds thereof. Subject to the provision of Section 13 with regard to risk of loss, and without limiting such provisions in the case of any loss or damage covered by insurance, and only to the extent that such loss or damage is covered by such insurance, the proceeds of such insurance shall be applied at the option of Lessor (a) toward the replacement, restoration, or repair of any of the Equipment which may be lost, stolen, destroyed or damaged, or (b) toward the obligations of Lessee for rent hereunder, applied in inverse order in which the rent is to become due. In the event Lessor elects to apply insurance proceeds to the repair or to the replacement of damaged equipment, this Lease shall continue in full force and effect. In the event the Lessor elects to apply insurance proceeds to the payment of Lessee's obligations for rent hereunder, the Lessee's obligations for rent hereunder shall be reduced by the amount of such insurance proceeds, but, subject to the provisions hereof, the Lessee shall be liable to pay additional rents due. Such reduction of rents shall be allocated solely to the item or items lost, stolen, damaged or destroyed. Any amounts received by Lessee under such policies which are not used for the replacement, restoration or repair of said Equipment shall be paid to Lessor and shall reduce Lessee's obligation to pay rental hereunder pro tanto.

Lessee shall at all times carry and maintain public liability insurance, and any and all other insurance required hereunder, with responsible companies satisfactory to Lessor, in form and amount satisfactory to Lessor, insuring against liability which Lessee or Lessor any incur by reason of the operation of any of the Equipment. All such policies shall name Lessor as an additional insured.

Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make any claim for, to receive payment for, and to execute, negotiate and endorse any documents, checks or other instruments in connection with any event giving to a payment or claim pursuant to any insurance policy described herein. Additionally, in the event Lessee fails to obtain in a timely fashion as insurance required pursuant to this paragraph, then Lessor may obtain such, at Lessee's expense, and Lessee hereby appoints Lessor as Lessee's attorney-in-fact for such purpose.

12. **ESCROW.** Lessor may, at its option, at any time require Lessee to pay sufficient funds into a separate escrow account maintained by Lessor for Lessee's account, to assure the future payment of any insurance premiums, taxes, license fees or other assessments referred to herein

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Lease or the Equipment or to remove the Equipment from its place of installation without Lessor's prior written consent.

Lessee shall give Lessor immediate notice of any attachment or other judicial process, lien or encumbrance, affecting the Equipment and shall indemnify and save Lessor harmless from any loss or damage caused thereby. Lessee shall at its own expense, protect and defend the Lessor's interest in the Equipment against all persons claiming against or through Lessee.

14. **TERMINATION FOR NON-APPROPRIATION.** Notwithstanding anything herein to the contrary, if Lessee does not appropriate funds for any fiscal year of Lessee during the term hereof sufficient to pay the amounts due hereunder in such fiscal year and Lessee has exhausted all funds legally available for payments due under this Lease, Lessee may, by written notice given to Lessor not later than ten (10) days after adoption of the budget for such fiscal year, thereupon terminate this Lease. Upon such termination, Lessee shall return the Equipment to Lessor and pay all rents and other payments due to Lessor for periods prior to the date the Equipment is so returned to Lessor. If Lessee terminates this Lease under the provisions of this paragraph #14, Lessee may not, during the remaining term of this Lease, replace the Equipment subject to this Lease with like kind or similarly functional Equipment or acquire the use of replacement Equipment of any kind during the remaining term of this Lease.
15. **LATE CHARGES, ATTORNEY FEES, ETC.** Lessee shall pay Lessor with respect to any installment, or part thereof, that is delinquent more than ten (10) days, a service charge equal to five (5%) percent of the delinquent amount, or Twenty five and No/100 (\$25.00), whichever is less. In the event Lessor employs attorneys to enforce the obligations hereunder or to collect monies due hereunder and/or to recover the possession of the Equipment, Lessee shall pay to the Lessor all reasonable attorney fees incurred in connection therewith. Further, Lessee shall pay all of Lessor's costs of collection of any such monies or repossession of such Equipment, whether this Lease is placed in the hands of any attorney or not.
16. **FILING AS TRUE LEASE; SECURITY INTEREST.** Lessee shall execute any such documents for financing statements as Lessor deems to be necessary or advisable and shall otherwise cooperate to defend the interest of Lessor to the Equipment. Lessee agrees to pay all costs of preparing and filing any such documentation. With respect to any financing statements, and/or continuation statements, the terms "debtor", and "secured party", and "collateral" on such UCC filing forms shall also be read to mean "Lessee", "Lessor" and "Leased Equipment", respectively. Lessor and Lessee agree that this is a true Lease transaction. It is expressly agreed and understood that any filings of this Lease, and/or financing statements, and/or continuation statements, shall not be deemed to affect the nature of this Lease as a true and bona fide equipment lease, but rather to give notice to all interested parties of the Lessor's absolute interest in the property. However, because the judicial decisions in this area of law are uncertain, and on advice of legal counsel, the parties have filed (or recorded) a financing statement(s) and have paid tax, fees, or documentary stamps thereon. In the event a court of proper jurisdiction should at any time in the future determine that the transaction between Lessor and Lessee is not a true leasing transaction, then it shall be presumed that the Lessee has hereby granted the Lessor a security interest in such Equipment, and that such filings were made to perfect the security interest.

Finally, to further secure Lessee's obligations under this Lease, Lessee hereby grants a security interest to Lessor, perfected by possession, in all monies, accounts, balances and other properties of Lessee in Lessor's possession.

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18. NON-WAIVER. Lessor's failure at any time to require strict performance by Lessee of any of the provisions hereof shall not waive or diminish Lessor's rights thereafter to demand strict compliance therewith or with any other provisions herein. Waiver of any default shall not be deemed a waiver of any other default.

Lessor's rights hereunder are cumulative and not alternative.

19. POSSESSION. Lessor's covenants to and with Lessee that conditioned upon Lessee continually performing each and every condition hereof, Lessee shall peaceably and quietly hold, and use the Equipment, during the term without hindrance.

20. INDEMNITY. In addition to any other provisions herein, Lessee does hereby assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Lessor, its agents and servants and any assigns from and against any and all losses, damages, injuries, claims, demands and all expenses, legal or otherwise (including court costs and attorney fees), of whatsoever kind and nature arising on account of any reason whatsoever, including but not limited to, the selection, purchase, delivery, possession, maintenance, leasing, use, condition (including, without limitation, latent and other defects and whether or not discoverable by the Lessee or the Lessor) or resulting from the operation of the Equipment or any part thereof, and by whomsoever used or operated, during the continuation of the Lease. The indemnities and assumptions of liability contained in the Section shall continue in full force and effect notwithstanding the termination of this Lease, whether by expiration of time, by operation of law or otherwise. Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against, and Lessee shall be entitled to control the defense thereof.

21. DEFAULTS AND REMEDIES. The following events (each an "Event of Default") shall constitute Events of Default,

- a. Lessee fails to pay any rent or other amount herein provided, within ten (10) days, after the same is due and payable;
- b. Lessee fails to observe, keep or perform any provision of this Lease required to be observed, kept or performed by Lessee;
- c. Lessee ceases doing business as a going concern;
- d. A petition is filed by or against Lessee under the Bankruptcy Act or any amendment thereto (including a petition for reorganization or any arrangement;
- e. A receiver is appointed for Lessee or its property;
- f. Lessee commits an act of bankruptcy, becomes insolvent, or makes an assignment for the benefit of creditors;
- g. Lessee attempts to remove, sell or transfer the Equipment;
- h. Lessee, without Lessor's prior written consent, attempts to sublet the Equipment;
- i. Lessee is in default to Lessor or Lessor's Assignee (as hereafter defined) under the terms of any obligation.

Upon occurrence of any Event of Default and at any time thereafter so long as the same shall be continuing, Lessor may declare this Lease in default. Such declaration shall be made by written notice mailed to Lessee at the address specified as Lessee's address above. Upon the mailing of such notice, Lessee hereby authorizes Lessor at any time and from time to time to enter upon, with or without legal process, any premises where the Equipment may be located and take possession thereof at Lessee's expense. Additionally, upon the mailing of the notice declaring the Lease in default, Lessee, without further demand, shall pay to Lessor an amount equal to any unpaid rentals or other monies due on or before

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part of the Equipment subject, however, to its obligation to mitigate damages, and (iii) at Lessor's option, use Lessee's premises for any or all of the foregoing without cost, damages or possession of and selling the Equipment, then second (2nd) to any unpaid sums or monies due Lessor under the Lease, including unpaid rentals, costs and any indemnification then remaining unpaid, then third (3rd) to the liquidated damages due Lessor under this Lease, and any surplus funds shall be retained by Lessor.

No remedy provided herein is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other remedy referred to herein or otherwise available to Lessor at law or in equity.

Lessee shall pay Lessor all costs and expenses, including reasonable attorney's fees, incurred by Lessor in exercising any of its rights or remedies hereunder.

The exercise of any of the remedies provided herein shall not be deemed to constitute a termination of this Lease unless Lessor so notifies Lessee in writing.

22. ASSIGNMENT. Neither this Lease nor Lessee's rights hereunder shall be assignable by Lessee except with Lessor's written consent. Lessor shall have the unqualified right to assign this Lease or any part hereof.

For the purpose of this Lease, whenever a party receives an assignment and transfer of this Lease from Lessor that party shall herein be referred to as "Lessor's Assignee".

The right of Lessor's Assignee to receive the rentals hereunder, as well as any other right of Lessor's Assignee, shall not be subject to any defense, set-off, counterclaim, or recoupment of Lessee against Lessor of any kind whatsoever.

Following any such assignment, the term "Lessor" as used herein shall be deemed to mean and refer to Lessor's Assignee.

23. FINANCIAL STATEMENTS. On written request by Lessor, Lessee shall annually, within ninety (90) days after the close of Lessee's fiscal year, furnish to Lessor financial statements of Lessee (including a balance sheet as of the close of such year and income and surplus statements for such year) prepared in accordance with generally accepted accounting principles and certified by Lessee's independent public accountants. If required by Lessor, Lessee shall also provide quarterly financial statements of Lessee, similarly prepared for each of the first sixty (60) days following the end of the quarter. Further, if required by Lessor Lessee shall also provide quarterly written certification from that Lessee is not in default under any term of this Lease.

24. NATURE OF TRANSACTION. Lessee hereby acknowledges and represents that the lease transaction evidenced by this Agreement creates and shall continue to be, a true and bona fide equipment lease under all applicable laws of the State of Kansas. In the event that it were alleged and or determined for any purpose that the transaction evidenced by this Agreement is other than a true and bona fide equipment lease, Lessee shall indemnify, protect, save and keep harmless the Lessor from and against any and all losses, damages, injuries, claims, demands and other expenses, legal or otherwise (including court costs and attorney fees), or whatsoever kind or nature, as a result of such allegation or determination.

25. CHOICE OF LAW. This agreement shall be deemed to have been made and entered into and shall be governed by the laws of the State of Kansas.

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27. PROVISIONS BINDING. It is further understood and agreed that all rights and liabilities herein given or imposed on either of the parties hereto shall be binding upon the successors and assigns of the parties to this Lease, except as otherwise provided herein.
28. MISCELLANEOUS. All notices relating hereto shall be mailed to Lessor or Lessee at the respective addresses shown on the Schedule. This Lease is irrevocable for the full term hereof and for the aggregate rental herein reserved, and the rent shall not abate by reason of termination of Lessee's right of possession and/or taking of possession by Lessor or for any other reason. In the event this Lease is assigned by Lessor, Lessor's Assignee shall give Lessee notice of its address.
29. JOINT AND SEVERAL LIABILITY. If more than one Lessee is named in this Lease, the liability of each shall be joint and several.
30. DESCRIPTIVE HEADINGS. The descriptive headings of the various Sections of the Lease and any Schedule executed with reference thereto are inserted for convenience of reference, do not constitute a part of this Lease or any Schedule and no inference is to be drawn therefrom.
31. SEVERABILITY AS TO EQUIPMENT. Upon delivery to Lessee of less than all of the Equipment, this Lease shall be operative as to that part of the Equipment so delivered at the time of delivery, with rental and renewal rental reduced to that attributable to such part of the Equipment.
32. FURTHER ASSURANCES. Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may request in order to more effectively carry out the intent and purpose of the Lease.
33. DEFINITIONS. Where appropriate in this Lease, words used in the singular shall include the plural, and words used wither in the masculine or feminine or neuter shall include the other two genders.
34. ENTIRE AGREEMENT; WAIVER. This document and the Schedule constitute the entire agreement between the parties. This Lease cannot be modified except by a writing signed by all parties hereto. No supplier or agent thereof is authorized to bind Lessor or to waive or to modify any term hereof. No waiver by Lessor of any provision hereof shall constitute a waiver of any other matter.

LESSEE HAS READ AND APPROVED ALL PAGES COMPRISING THIS LEASE AND HEREUPON HAS ENTERED IN THIS LEASE.

AS OF THE DAY OF YEAR FIRST ABOVE WRITTEN.

LESSOR: BANKWEST OF KANSAS

BY: Michael J. Wiens, V.P.
MICHAEL J. WIENS, VP

LESSEE: THOMAS COUNTY LANDFILL DEPARTMENT, THOMAS COUNTY COMMISSION

BY: Michael Lynn Baughn
MICHAEL LYNN BAUGHN, CHAIRMAN

ACCEPTANCE CERTIFICATE

This has reference to the Lease Agreement with Option to Purchase dated 15TH day of March, 2019 ("Lease") between **BANKWEST OF KANSAS** as Lessor, and **THOMAS COUNTY LANDFILL DEPARTMENT, THOMAS COUNTY COMMISSION**, as Lessee. The terms used herein, which are defined in the Lease, shall have the same meanings as are provided therefore in the Agreement.

Lessee hereby represents, warrants and confirms to Lessor that the Equipment described below has been duly delivered to Lessee at the premises referred to in the Equipment Schedule, that the Lessee has duly inspected the Equipment and that Lessee hereby accepts the Equipment for all purposes of the Lease as being in accordance with specifications, properly installed and/or assembled, in good working order, repair and appearance and with out defect or inherent vice in condition, design, operation, or fitness for use, whether or not discoverable by Lessee as of the date, provided, however, that nothing contained herein or in the Lease Agreement shall in any way diminish or otherwise affect any right Lessee or Lessor may have with respect to the Equipment against the seller or any manufacturer of the equipment or any part thereof.

LESSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO: THE CONDITION, DESIGN, OR QUALITY OF THE EQUIPMENT; THE FITNESS OF THE EQUIPMENT FOR USE OR FOR A PARTICULAR PURPOSE; THE MERCHANTABILITY OF THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAWS, RULES, SPECIFICATIONS OR CONTRACTS PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS; THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR THE CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER RELATING THERETO; THE OPERATION, USE, OR PERFORMANCE OF THE EQUIPMENT; OR ANY OTHER REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT. NO DEFECT OR UNFITNESS OF THE EQUIPMENT SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR OF ANY OBLIGATION UNDER THIS LEASE. THE LESSEE ALSO ACKNOWLEDGES THAT THE LESSOR HAS MADE NO REPRESENTATION OR WARRANTY OF ANY KIND, NATURE OR DESCRIPTION, EXPRESS OR IMPLIED, WITH RESPECT TO THE OPERATION, USE OR PERFORMANCE OF THE EQUIPMENT.

LESSOR SHALL HAVE NO LIABILITY TO LESSEE OR ANY PERSON WHOMSOEVER FOR ANY CLAIM, LOSS, DAMAGE, OR EXPENSE (INCLUDING ATTORNEY FEES) OF ANY KIND OR NATURE, WHETHER SPECIAL, CONSEQUENTIAL, ECONOMIC OR OTHERWISE, CAUSED OR ALLEGED TO BE CAUSED DIRECTLY, INDIRECTLY, INCIDENTALLY OR CONSEQUENTIALLY BY THE EQUIPMENT OR ANY PART THEREOF OR PRODUCTS THEREFROM, BY ANY INADEQUACY OF THE EQUIPMENT OR DEFECT OR DEFICIENCY THEREIN, BY ANY INCIDENT WHATSOEVER ARISING IN STRICT LIABILITY OR OTHERWISE FROM LESSOR'S OR LESSEE'S NEGLIGENCE OR OTHERWISE, BY THE USE OR MAINTENANCE THEREOF, OR FOR REPAIR, SERVICING OR ADJUSTMENT THERETO, OR FOR ANY INTERRUPTION OF SERVICE OR LOSS OF USE OF THE EQUIPMENT, OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER, AND HOWSOEVER CAUSED, OR ARISING OUT OF THIS LEASE, LESSEE SHALL INDEMNIFY AND HOLD HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, COSTS, EXPENSES, DAMAGES, LOSSES, LIABILITIES INCURRED OR SUFFERED BY THE LESSOR.

SCHEDULE

LIST OF EQUIPMENT

2019 Western Star Recycle Truck --- VIN # 5KKHAXFE0KLKG3032 ---
MODEL ---4700 with Cummins L9 350 hp, Allison automatic, 14,700 front, 44,000#
rear, 80 gallon fuel tank, aluminum rims, chrome on cab.

ITEM # 25RLCOBRA --- Newway 25 Cobra with commercial hopper and floor,
extended seal, reeving winch, kick bar, extended load sill and extra valve for future
lifter, kick bar bumper, side door with ladder, wider steps on hopper, Viper slide
cylinders, undercoat body, undercoat carry rack, mid body lights, 2 sets work lights
on rear, color camera, air controls in the cab for eject and raise tailgate, nylon
sleeves on all hoses, hot shift PTO with pack on the go, lower rpm pump, barrel
carrier rack, mud flaps, fire extinguisher. Serial Number: 16490C-07-18.

ITEM # D6220-27K --- Tuck away cart tipper.

LOCATION OF EQUIPMENT: 2200 US-24, COLBY, KANSAS 67701.

TERMS

The term of the lease of said Equipment under the Agreement shall commence on the 15h
day of March, 2019 and, unless earlier terminated pursuant to the provisions of the
agreement, shall expire on the 15th day of March, 2024 as set forth below.

Lessee shall pay to Lessor in accordance with the terms of the Agreement **Four (4)**
consecutive rental payments of \$24,121.71 each and **ONE (1)** rental payment of
\$24,122.72 (includes the \$1.00 residual buy out.) Rental payments shall be made
annually. The first rental payment date shall be due **beginning March 15, 2020** with
subsequent rental payments due annually thereafter. The total amount to be paid is
\$120,609.56. A breakdown of the total amount is provided in the attached amortization
schedule. **The Rate for this Lease is 3.25%**. Lessee shall pay all sales or use taxes.

LESSOR: BANKWEST OF KANSAS

BY: Michael J. Wiens, V.P.
MICHAEL J. WIENS, VP

LESSEE: THOMAS COUNTY LANDFILL DEPARTMENT, THOMAS COUNTY
COMMISSION.

BY: Michael Lynn Baughn
MICHAEL BAUGHN, CHAIRMAN