

BOARD OF ALDERMEN AGENDA
MARCH 14, 2023
6:00 P.M.

1. ITEM I: CALL TO ORDER
2. SUBJECT: Start of Board Meeting
3. DISCUSSION: The Board is called to order.

Pledge of Allegiance and Prayer.

BOARD OF ALDERMEN AGENDA
MARCH 14, 2023
6:00 P.M.

1. ITEM II: ROLL CALL
2. SUBJECT: Calling of Roll
3. DISCUSSION:

Mayor Greg PARKER

Alderman Kyle WILLIAMS

Alderman Shawn BOLERJACK

Alderwoman Amanda DUNCAN

Alderwoman Kala SISCO

City Administrator Sally BURBRIDGE

City Clerk Tammy KOLLER

City Attorney James K. WEBER

Public Works Director Mark NASH

Chief of Police Joe CHASE

Other CITY STAFF if present

BOARD OF ALDERMEN AGENDA
MARCH 14, 2023
6:00 P.M.

1. ITEM III: CONSENT AGENDA
2. SUBJECT: All matters listed under the Consent Agenda are considered to be routine by the Board and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.
3. DISCUSSION:
 - (a) If no item is offered for discussion and removed from Consent Agenda, a motion and a second are required to accept the Consent Agenda.

MUNICIPAL DIVISION SUMMARY REPORTING FORM

Refer to instructions for directions and term definitions. Complete a report each month even if there has not been any court activity.

<u>I. COURT INFORMATION</u>		Municipality: CITY OF SALEM		Reporting Period: Feb 1, 2023 - Feb 28, 2023	
Mailing Address: DENT COUNTY COURTHOUSE, SALEM, MO 65560					
Physical Address: DENT COUNTY COURTHOUSE, SALEM, MO 65560				County: Dent County	
Telephone Number: (573)7293931		Fax Number:			
Prepared by: KRISTI CRAIG		E-mail Address:			
Municipal Judge:					
<u>II. MONTHLY CASELOAD INFORMATION</u>					
		Alcohol & Drug Related Traffic	Other Traffic	Non-Traffic Ordinance	
A. Cases (citations/informations) pending at start of month		3	33	48	
B. Cases (citations/informations) filed		0	0	0	
C. Cases (citations/informations) disposed					
1. jury trial (Springfield, Jefferson County, and St. Louis County only)		0	0	0	
2. court/bench trial - GUILTY		0	0	0	
3. court/bench trial - NOT GUILTY		0	0	0	
4. plea of GUILTY in court		0	0	0	
5. Violations Bureau Citations (i.e. written plea of guilty) and bond forfeiture by court order (as payment of fines/costs)		0	0	0	
6. dismissed by court		0	0	0	
7. <i>nolle prosequi</i>		0	0	0	
8. certified for jury trial (not heard in Municipal Division)		0	0	0	
9. TOTAL CASE DISPOSITIONS		0	0	0	
D. Cases (citations/informations) pending at end of month [pending caseload = (A+B)-C9]		3	33	48	
E. Trial de Novo and/or appeal applications filed		0	0	0	
<u>III. WARRANT INFORMATION (pre- & post-disposition)</u>					
1. # Issued during reporting period		0	<u>IV. PARKING TICKETS</u> <div style="display: flex; align-items: center;"> <input type="checkbox"/> Court staff does not process parking tickets </div>		
2. # Served/withdrawn during reporting period		0			
3. # Outstanding at end of reporting period		96			

MUNICIPAL DIVISION SUMMARY REPORTING FORM

<u>COURT INFORMATION</u>	Municipality: CITY OF SALEM	Reporting Period: Feb 1, 2023 - Feb 28, 2023
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V. DISBURSEMENTS

Excess Revenue (minor traffic and municipal ordinance violations, subject to the excess revenue percentage limitation)		Other Disbursements: Enter below additional surcharges and/or fees not listed above. Designate if subject to the excess revenue percentage limitation. Examples include, but are not limited to, arrest costs and witness fees.	
Fines - Excess Revenue	\$0.00	Sheriff-Other Co	\$33.75
Clerk Fee - Excess Revenue	\$0.00	Total Other Disbursements	\$33.75
Crime Victims Compensation (CVC) Fund surcharge - Paid to City/Excess Revenue	\$0.00	Total Disbursements of Costs, Fees, Surcharges and Bonds Forfeited	\$33.75
Bond forfeitures (paid to city) - Excess Revenue	\$0.00	Bond Refunds	\$0.00
Total Excess Revenue	\$0.00	Total Disbursements	\$33.75
Other Revenue (non-minor traffic and ordinance violations, not subject to the excess revenue percentage limitation)			
Fines - Other	\$0.00		
Clerk Fee - Other	\$0.00		
Judicial Education Fund (JEF) <input type="checkbox"/> Court does not retain funds for JEF	\$0.00		
Peace Officer Standards and Training (POST) Commission surcharge	\$0.00		
Crime Victims Compensation (CVC) Fund surcharge - Paid to State	\$0.00		
Crime Victims Compensation (CVC) Fund surcharge - Paid to City/Other	\$0.00		
Law Enforcement Training (LET) Fund surcharge	\$0.00		
Domestic Violence Shelter surcharge	\$0.00		
Inmate Prisoner Detainee Security Fund surcharge	\$0.00		
Restitution	\$0.00		
Parking ticket revenue (including penalties)	\$0.00		
Bond forfeitures (paid to city) - Other	\$0.00		
Total Other Revenue	\$0.00		

MUNICIPAL DIVISION SUMMARY REPORTING FORM

Refer to instructions for directions and term definitions. Complete a report each month even if there has not been any court activity.

<u>I. COURT INFORMATION</u>		Municipality: CITY OF SALEM		Reporting Period: Feb 1, 2023 - Feb 28, 2023	
Mailing Address: 112 E 5TH STREET, SALEM, MO 65560					
Physical Address: 112 E 5TH STREET, SALEM, MO 65560				County: Dent County	
Telephone Number:		Fax Number:			
Prepared by: KRISTI CRAIG		E-mail Address:			
Municipal Judge:					
<u>II. MONTHLY CASELOAD INFORMATION</u>					
		Alcohol & Drug Related Traffic	Other Traffic	Non-Traffic Ordinance	
A. Cases (citations/informations) pending at start of month		0	41	29	
B. Cases (citations/informations) filed		0	0	0	
C. Cases (citations/informations) disposed					
1. jury trial (Springfield, Jefferson County, and St. Louis County only)		0	0	0	
2. court/bench trial - GUILTY		0	0	0	
3. court/bench trial - NOT GUILTY		0	0	0	
4. plea of GUILTY in court		0	3	1	
5. Violations Bureau Citations (i.e. written plea of guilty) and bond forfeiture by court order (as payment of fines/costs)		0	0	0	
6. dismissed by court		0	0	0	
7. <i>nolle prosequi</i>		0	0	0	
8. certified for jury trial (not heard in Municipal Division)		0	0	0	
9. TOTAL CASE DISPOSITIONS		0	3	1	
D. Cases (citations/informations) pending at end of month [pending caseload = (A+B)-C9]		0	38	28	
E. Trial de Novo and/or appeal applications filed		0	0	0	
<u>III. WARRANT INFORMATION (pre- & post-disposition)</u>					
1. # Issued during reporting period		1	<u>IV. PARKING TICKETS</u>		
2. # Served/withdrawn during reporting period		4	<input type="checkbox"/> Court staff does not process parking tickets		
3. # Outstanding at end of reporting period		49			

MUNICIPAL DIVISION SUMMARY REPORTING FORM

<u>COURT INFORMATION</u>	Municipality: CITY OF SALEM	Reporting Period: Feb 1, 2023 - Feb 28, 2023
---------------------------------	-----------------------------	--

V. DISBURSEMENTS

Excess Revenue (minor traffic and municipal ordinance violations, subject to the excess revenue percentage limitation)		Other Disbursements: Enter below additional surcharges and/or fees not listed above. Designate if subject to the excess revenue percentage limitation. Examples include, but are not limited to, arrest costs and witness fees.	
Fines - Excess Revenue	\$205.00	No Data Available	
Clerk Fee - Excess Revenue	\$0.00	Total Disbursements of Costs, Fees, Surcharges and Bonds Forfeited	\$488.50
Crime Victims Compensation (CVC) Fund surcharge - Paid to City/Excess Revenue	\$0.00	Bond Refunds	\$0.00
Bond forfeitures (paid to city) - Excess Revenue	\$0.00	Total Disbursements	\$488.50
Total Excess Revenue	\$205.00		
Other Revenue (non-minor traffic and ordinance violations, not subject to the excess revenue percentage limitation)			
Fines - Other	\$259.50		
Clerk Fee - Other	\$0.00		
Judicial Education Fund (JEF) <input type="checkbox"/> Court does not retain funds for JEF	\$0.00		
Peace Officer Standards and Training (POST) Commission surcharge	\$0.00		
Crime Victims Compensation (CVC) Fund surcharge - Paid to State	\$0.00		
Crime Victims Compensation (CVC) Fund surcharge - Paid to City/Other	\$0.00		
Law Enforcement Training (LET) Fund surcharge	\$12.00		
Domestic Violence Shelter surcharge	\$0.00		
Inmate Prisoner Detainee Security Fund surcharge	\$12.00		
Restitution	\$0.00		
Parking ticket revenue (including penalties)	\$0.00		
Bond forfeitures (paid to city) - Other	\$0.00		
Total Other Revenue	\$283.50		

Salem Police Department

500 N Jackson St., Salem, MO 65560

Incident Time Analysis Report A

All times shown in Minutes : Seconds

Report By: All Categories

Date Range: From 02/01/2023 00:00 to 02/28/2023 23:59

Precinct/Sector/Geo/Ward: All Precincts, Sectors, ESZs, Geos, Wards

Category	SubCategory	#Incidents	Average Stacked Time	Average Response Time	Average On Scene Time	% of Total Incidents
911 HANG UP		1	0:32	1:57	14:17	0.23
ABANDONED VEHICLE		2		0:00	24:14	0.45
ACCIDENT		8	1:05	1:20	19:34	1.81
ALARM	COMMERCIAL	6	0:53	1:44	21:59	1.36
ALARM	RESIDENTIAL	1	0:28	0:00	29:39	0.23
AMBULANCE CALL		17	2:17	2:15	21:12	3.85
ANIMAL CALL		40	6:55	3:20	18:46	9.05
AREA CHECK		10	5:32	2:57	6:28	2.26
ASSAULT/FIGHT	IN PROGRESS	1	0:28	1:56	1:33	0.23
ASSAULT/FIGHT	NOT IN PROGRESS	3	1:48	3:45	34:03	0.68
ASSIST OTHER AGENCY		15	0:48	1:43	15:30	3.39
BURGLARY	IN PROGRESS	2	1:35	0:07	11:28	0.45
CALL FOR SERVICE		21	3:12	1:26	11:17	4.75
CHECK THE WELL BEING		12	4:08	5:10	9:10	2.71
CIVIL MATTER		8	2:46	1:14	9:22	1.81
COURT		1		0:00	108:48	0.23
DECEASED PERSON		1	2:39	0:05	33:52	0.23
DISTURBANCE	VERBAL	7	1:22	2:33	24:50	1.58
DOMESTIC	IN PROGRESS	14	1:17	0:52	18:09	3.17
DOMESTIC	NOT IN PROGRESS	1	1:15	3:18	13:19	0.23
DRUG OFFENSE		3	0:51	2:50	7:05	0.68
ESCORT		10	13:57	6:21	33:10	2.26
FIRE CALL		3	0:59	2:20	2:32	0.68
FOLLOW UP INVESTIGATION		30	1:14	0:32	24:13	6.79
FOUND PROPERTY		6	31:00	0:48	1:10	1.36
FRAUD		3		0:00	9:32	0.68
HARASSMENT		1		0:00	7:49	0.23
INFORMATION		11	2:29	0:53	25:56	2.49
JUVENILE PROBLEM		5	2:01	4:28	30:46	1.13
KEEP THE PEACE		1		0:00	43:38	0.23
LIFT ASSIST		3	0:35	4:06	6:38	0.68
MISC ADMIN DUTY		18	2:22	2:01	26:06	4.07
MISC OFFENSE		2	3:39	2:23	26:36	0.45
MISSING PERSON		2	10:12	0:00	7:24	0.45
MOTORIST ASSIST		6	1:11	0:22	10:09	1.36
NUISANCE VIOLATION		3	4:22	12:33	4:51	0.68
PARKING COMPLAINT		3	8:10	3:12	2:00	0.68
PATIENT TRANSFER		1	67:49	0:00	4:14	0.23
PEACE DISTURBANCE		1	2:36	3:22	4:43	0.23

Salem Police Department

500 N Jackson St., Salem, MO 65560

Incident Time Analysis Report A

All times shown in Minutes : Seconds

Report By: All Categories

Date Range: From 02/01/2023 00:00 to 02/28/2023 23:59

Precinct/Sector/Geo/Ward: All Precincts, Sectors, ESZs, Geos, Wards

Category	SubCategory	#Incidents	Average Stacked Time	Average Response Time	Average On Scene Time	% of Total Incidents
PEDESTRIAN CHECK		1		0:00	10:22	0.23
POWER OUTAGE		4	6:02			0.90
PRISONER TRANSPORT		1		0:00	62:03	0.23
PROPERTY DAMAGE		5	1:57	3:20	14:05	1.13
PURSUIT	VEHICLE	1	0:50	1:39	14:07	0.23
SEX OFFENSE		1				0.23
SHOPLIFTER		3	8:55	1:13	28:54	0.68
STEALING	IN PROGRESS	1	0:48	0:00	31:18	0.23
STEALING	NOT IN PROGRESS	7	2:10	0:21	22:10	1.58
STREET DEPT CALL OUT		2	1:10	31:02	20:39	0.45
SUICIDAL PERSON		3	1:27	2:17	32:32	0.68
SUSPICIOUS CIRCUMSTANCES		9	1:15	1:39	7:42	2.04
SUSPICIOUS SUBJECT		7	2:25	1:54	6:29	1.58
SUSPICIOUS VEHICLE		4	1:12	0:21	17:17	0.90
TOWED VEHICLE		1	2:08			0.23
TRAFFIC COMPLAINT		5	2:13	2:06	13:50	1.13
TRAFFIC STOP		63	1:25	0:00	7:47	14.25
TRESPASSING		8	1:15	1:01	11:17	1.81
UCR		12	38:07	4:25	11:27	2.71
WALK - IN		1		0:00	1:40	0.23
WALK THROUGH		9	3:25	0:29	19:36	2.04
WARRANT ATTEMPT		7	1:00	0:00	7:16	1.58
WATER SEWER PROBLEM		4	1:49	40:53	38:35	0.90

Total Incidents For Date Range **442**

Average Stacked Time **4:39** min : sec

Average Response Time **2:02** min : sec

Average On Scene Time **16:09** min : sec

CITY OF SALEM
CITY CLERK
400 N IRON ST
SALEM

MO 65560

MISSOURI DEPARTMENT OF REVENUE

02/16/23

WE HAVE INSTRUCTED THE CENTRAL BANK, JEFFERSON CITY, TO DISTRIBUTE YOUR
MONIES TOTALING \$ 19,170.55 BY ELECTRONIC FUNDS TRANSFER (ACH) TO

THE BANK OF SALEM 081503694 CITY OF SALEM-ENTERPRISE FUND/AC-0410117

MOTOR FUEL TAX	\$	13,176.64
MOTOR V SALES TAX	\$	4,015.58
MOTOR V FEE INCREASES	\$	1,978.33

FOR YOUR CREDIT AND USE ON 02/23/23.
IF YOU DO NOT RECEIVE YOUR DISTRIBUTION OR IF YOU HAVE QUESTIONS CONCERNING
THE AMOUNT OF YOUR DISTRIBUTION, PLEASE CONTACT THE MISSOURI DEPARTMENT
OF REVENUE AT (573) 751-2611.

Staff Summary Report

MEETING DATE: 3/14/2023
AGENDA ITEM: SALE OF CITY VEHICLES IN WATER DEPT.
ANGENDA TITLE: SALE OF CITY VEHICLES ON PURPLE WAVE

ACTION REQUESTED BY: PUBLIC WORKS DIRECTOR
ACTION REQUESTED: SALE OF 2 VEHICLES ON PURPLE WAVE
SUMMARY BY: MARK NASH

PROJECT DESCRIPTION / FACTS

THE WATER DEPT. WOULD LIKE TO SELL A 2014 FORD F-450 DUMP TRUCK VIN# 1FDUF4HYOEEB30335 AND A 2008 FORD F-150 PICK-UP VIN# 1FTRF14WO8KR54010.

PROCUREMENT

THE SALE PRICE OF THESE VEHICLES WOULD GO BACK INTO THE WATER DEPT.

FISCAL IMPACTS

THE SALE OF THESE VEHICLES WOULD HELP OFFSET A FUTURE PURCHASE.

SUPPORT DOCUMENTS: [List all additional documents that accompany this summary]

DEPARTMENT'S RECOMMENDED MOTION: ASK THE BOARD TO ALLOW SALE OF 2014 FORD F-450 DUMP TRUCK AND 2008 FORD F-150 PICK-UP

Staff Summary Report

MEETING DATE:	3/14/2023
AGENDA ITEM:	2018 DODGE RAM WAGON
ANGENDA TITLE:	PURCHASE DODGE RAM WAGON

ACTION REQUESTED BY:	PUBLIC WORKS DIRECTOR
ACTION REQUESTED:	PURCHASE VEHICLE FOR SERVICE WORK
SUMMARY BY:	MARK NASH

PROJECT DESCRIPTION / FACTS

THE CITY DOESN'T HAVE A VEHICLE THAT IS EQUIPPED TO CARRY THE NECESSARY TOOLS AND EQUIPMENT THAT A SERVICEMAN NEEDS TO DO IS JOB PROPERLY.

PROCUREMENT

THIS PRICE FOR THIS VEHICLE IS \$17,800

FISCAL IMPACTS

THE SALE OF A 2014 FORD F-450 DUMP TRUCK AND THE SALE OF THE 2008 F-150 PICK-UP WILL OFFSET THE PURCHASE PRICE OF THE DODGE RAM WAGON

SUPPORT DOCUMENTS:	[List all additional documents that accompany this summary]
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DEPARTMENT'S RECOMMENDED MOTION: ASK THE BOARD TO ACCEPT THE PURCHASE PRICE OF A 2018 DODGE RAM PROMASTER CITY WAGON FOR \$17,800

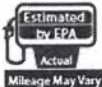


Call for Price

Stock #: V4545	Color: White
VIN#: ZFBERFAB5J6H62484	Transmission: Automatic
Year: 2018	Interior: Cloth
Make: RAM	Drive Train: FWD
Model: ProMaster City	Mileage: 99788
Trim: Wagon	State: MO
Engine: 2.4L L4	Vehicle Type: Van-Minivan

Contact Information:

Heavin Motors
 Heavin Motors
 205 West Scenic Rivers Boulevard
 Salem, MO 65560
 573-729-8100

21 City  28 Hwy
 Estimated by EPA
 Actual Mileage May Vary

Scan QR Code:



2018 RAM ProMaster City Wagon Vehicle Options

- | | |
|---|---|
| <ul style="list-style-type: none"> • ABS Brakes • AM/FM Radio • Driver Airbag • Passenger Airbag • Power Windows • Steel Wheels • Compact Spare Tire | <ul style="list-style-type: none"> • Air Conditioning • Backup Camera • Front Side Airbag • Power Door Locks • Side Head Curtain Airbag • Telescopic Steering Column • Front Wheel Drive |
|---|---|

2018 RAM ProMaster City Wagon Vehicle Description

Visit Heavin Motors online at www.heavinmotors.com to see more pictures of this vehicle or call us at 573-729-8100 today to schedule your test drive.

Vehicle Disclaimer

Staff Summary Report

MEETING DATE:	3/14/2023
AGENDA ITEM:	1932 General Firetruck
ANGENDA TITLE:	New and Miscellaneous

ACTION REQUESTED BY:

ACTION REQUESTED:

SUMMARY BY: City Clerk Koller

PROJECT DESCRIPTION / FACTS

The firetruck was sold to the Dent County Fire Protection on October 21, 1985, for \$10.00. On November 5th, 1985, an agreement was signed between the City of Salem and the Dent County Fire Protection District, in the event the firetruck was of no further use to the Fire District, it would be returned to the City. The Fire District has determined that the firetruck is of no further use and returned ownership to the City. The firetruck is not in working condition and parts, if they can be found, are expensive.

During the Board of Aldermen Meeting, October 25th, 2023, Public Works Director Nash recommended selling the truck as is due to the cost of maintenance and the lack of appropriate storage. Alderman Bolerjack moved to approve the sale of the firetruck, seconded by Alderman Williams. The carried in favor of the sale four to zero by roll call vote.

A request for bids was published in the Salem News on February 14, 2023 with a closing date of February 28, 2023.

Six (6) bids were received.

- Dustin Retz-Huntington Beach , California- \$4,800.00
- Lonnie Lundy-Salem, Missouri-\$1,932.00
- Gary Kolthoff-Salem, Missouri-\$ 1,501.00
- Erik Lowes-Leasburg, Missouri-\$3,176.00
- Frank Huitt-Rangely, Colorado-\$1,525.00
- Jack Davis Jr., Willow Springs, Missouri- \$2,500.00

DEPARTMENT'S RECOMMENDED MOTION: Move to accept the Bid from Dustin Retz, Huntington Beach, California for \$4,800.00.

Staff Summary Report

MEETING DATE:	3/14/2023
AGENDA ITEM:	1932 General Firetruck
ANGENDA TITLE:	New and Miscellaneous

ACTION REQUESTED BY:

ACTION REQUESTED:

SUMMARY BY: City Clerk Koller

PROJECT DESCRIPTION / FACTS

The firetruck was sold to the Dent County Fire Protection on October 21, 1985, for \$10.00. On November 5th, 1985, an agreement was signed between the City of Salem and the Dent County Fire Protection District, in the event the firetruck was of no further use to the Fire District, it would be returned to the City. The Fire District has determined that the firetruck is of no further use and returned ownership to the City. The firetruck is not in working condition and parts, if they can be found, are expensive.

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- Frank Huitt-Rangely, Colorado-\$1,525.00
- Jack Davis Jr., Willow Springs, Missouri- \$2,500.00

DEPARTMENT'S RECOMMENDED MOTION: Move to accept the Bid from Dustin Retz, Huntington Beach, California for \$4,800.00.

Staff Summary Report

MEETING DATE:	03/14/2023
AGENDA ITEM:	Resolution No. 8-2023
AGENDA TITLE:	Reading of Bills and Resolutions

ACTION REQUESTED BY:	Stacey Houston/ Sally Burbridge
ACTION REQUESTED:	Approve ESP completion forms and release of funds
SUMMARY BY:	Stacey Houston / Sally Burbridge

PROJECT DESCRIPTION / FACTS

Sally and Mark met with Alex from ESP to do a walk through of the buildings to verify the work in Schedule C, Scope of Work per the Energy Performance Contract with Energy Solutions Professionals, LLC had been completed.

The following has been removed from Schedule C- Scope of Work, that totals \$92,019.00:

- Removal of Tuck-pointing work on Old City Hall- \$10,422 (CO # 1)
- Removal of Health & Safety Assessment at Old City Hall- \$25,000 (CO # 2)
- Removal of Mold Inspection & Mitigation Allowance- \$25,000 (CO # 2)
- Removal of Remaining Contingency- \$31,597 (CO # 2)

With approvals of the Final Completion for the Scope of Work, this will close out the project and we request that the remaining funds \$92,019 to be used for electrical work to complete the Al Brown- Field Lighting project and the cost of mold remediation in the Parks & Rec shop.

PROCUREMENT

N/A

FISCAL IMPACTS

\$92,019.00 will free up the remaining contractual monies to be used for electrical work to complete the Al Brown- Field Lighting project and the cost of mold remediation in the Parks & Rec shop. This will not impact any budget line; the projects will be paid for through our funding through Signature Bank.

- | | |
|---------------------------|--|
| SUPPORT DOCUMENTS: | <ol style="list-style-type: none">1. Certificate of Substantial Completion,2. Certificate of Final Completion,3. ESP Schedule C- Scope of Work,4. Change Order #1,5. Change Order #26. Resolution authorizing the mayor to sign Certificates of Completion7. Resolution authorizing Signature Bank to reallocate the remaining funds to the designated projects. |
|---------------------------|--|

DEPARTMENT'S RECOMMENDED MOTION: Approve the Certificates of Substantial and Final Completion for the Scope of Work and the release of the remaining funds.

RESOLUTION NO. 8-2023

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN DOCUMENTS APPROVING THE FINAL COMPLETION FOR THE SCOPE OF WORK BETWEEN THE CITY OF SALEM, MISSOURI, AND ENERGY SOLUTIONS PROFESSIONALS, LLC (ESP).

WHEREAS, the scope of work per the Energy Performance Contract with Energy Solutions Professionals, LLC (ESP) has been completed.

WHEREAS, the Board of Aldermen of the City of Salem, Missouri desire to authorize the mayor to sign on behalf of the City of Salem, Missouri, the Certificate of Substantial Completion and Certificate of Final Completion.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI AS FOLLOWS:

Section 1.

The mayor is hereby authorized to sign the Certificates of Substantial and Final Completion proposed on behalf of the City of Salem, Missouri for as described in Attachment A attached hereto.

Section 2.

This Resolution shall be in full force and effect from and after the date of its passage and approval.

PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI, AND APPROVED BY THE MAYOR THIS 14th DAY OF MARCH 2023.

APPROVED:

Greg Parker
Mayor

ATTEST:

Tammy Koller
City Clerk

APPROVAL AS TO FORM:

James K. Weber
City Attorney

Certificate of Substantial Completion

City of Salem HVAC/Hartley

Sign off initials

Location	Scope Of Work	Substantial Completion	Client	ESCO
City Admin Building	All Contractaed work completed per scope	10/31/2022		
Old City Hall	All Contractaed work completed per scope	10/31/2022		
Salem Police Department	All Contractaed work completed per scope	10/31/2022		
The Armory	All Contractaed work completed per scope	10/31/2022		

The Scope of Work to which this Certificate applies has been inspected by authorized representatives of the Client and ESCO and found as itemized and dated above to be substantially complete.

A "Punch-List" of items to be completed or corrected is attached hereto. This list may not be all inclusive, and the failure to include an item in it does not alter the responsibility of the ESCO to complete all of the Scope of Work in accordance with this Contract. The items in the tentative list shall be completed or corrected by the ESCO within ____30____ days of the above date of Substantial Completion.

Esco Rep. Name (Printed)

Signature:

Date:

Customer Rep. Name(Printed)

Signature:

Date:

Certificate of Final Completion

City of Salem HVAC/Hartley

Sign off initials

Location	Scope Of Work	Final Completion	Client	ESCO
City Admin Building	All Contracted work completed per scope	11/30/2022		
Old City Hall	All Contracted work completed per scope	11/30/2022		
Salem Police Department	All Contracted work completed per scope	11/30/2022		
The Armory	All Contracted work completed per scope	11/30/2022		

The Scope of Work to which this Certificate applies has been inspected by authorized representatives of the Client and ESCO and found as itemized and dated above to be complete and finalized as such.

Esco Rep. Name (Printed)

Signature:

Date:

Customer Rep. Name(Printed)

Signature:

Date:

RESOLUTION NO. 9-2023

A RESOLUTION AUTHORIZING THE MAYOR TO REAUTHORIZE REMAINING FUNDS THROUGH SIGNATURE BANK ORIGINALLY DESIGNATED TO ENERGY SOLUTIONS PROFESSIONALS.

WHEREAS, the scope of work per the Energy Performance Contract with Energy Solutions Professionals, LLC (ESP) has been completed.

WHEREAS, the Board of Aldermen of the City of Salem, Missouri desire to reauthorize \$92,019.00 financed through Signature Bank to be used for electrical installation at Al Brown Field for sport lighting and mold remediation at the Parks and Recreation shop building.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI AS FOLLOWS:

Section 1.

The following have been removed from Schedule C-Scope of Work:

Tuck-Pointing work on Old City Hall-\$10,422.00

Health & Safety Assessment at Old City Hall-\$25,000.00

Mold Inspection & Mitigation Allowance-\$25,000.00

Remaining Contingency-\$31,597.00

Section 2.

The mayor is hereby authorized to reauthorize the remaining funds in the amount of \$92,019.00 on the behalf of the City of Salm, Missouri financed through Signature Bank.

Section 2.

This Resolution shall be in full force and effect from and after the date of its passage and approval.

PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI, AND APPROVED BY THE MAYOR THIS 14th DAY OF MARCH 2023.

APPROVED:

ATTEST:

Greg Parker
Mayor

Tammy Koller
City Clerk

APPROVAL AS TO FORM:

James K. Weber
City Attorney



Change Order

CO # **1**

Provider: Energy Solutions Professionals, LLC
c/o: VP Operations/President
9218 Metcalf, Suite 274
Overland Park, KS 66212

Project Name:
Client City of Salem
c/o: City Administrator
400 N. Iron St.
Salem, MO 65560

Energy Performance Contract

Original Contract Date: 11/30/2021

The following addition/deletion of scope shall be incorporated in the the Agreement dated as listed above. All of the terms and conditions of the Agreement remain in place unless explicitly described otherwise in this change order or previous change orders to the Agreement.

Project Scope Additions:

Project Budget Reallocations

- 1) Deduct from ECM #6
- 2)

\$	-
\$	(10,422.00)
\$	-
\$	(10,422.00)

Total Change Order Amount \$ (10,422.00)

Original Contract Amount:	\$ 1,461,539.00
Sum of Previous Change Orders:	\$ -
Contract Amount Prior to this Change Order:	\$ 1,461,539.00
Amount of this Change Order:	\$ (10,422.00)
Total Revised Contract Amount:	\$ 1,451,117.00
Revised Agreement substantial completion date (changed / unchanged):	5/30/2022

Energy Solutions Professionals, LLC

City of Salem

Date signed

Date Signed



Change Order

Provider: Energy Solutions Professionals, LLC
c/o: VP Operations/President
9218 Metcalf, Suite 274
Overland Park, KS 66212

Project Name:
Client City of Salem
c/o: City Administrator
400 N Iron St.
Salem, MO 65560

CO # 2

Energy Performance Contract

Original Contract Date:

11/30/2021

The following addition/deletion of scope shall be incorporated in the the Agreement dated as listed above. All of the terms and conditions of the Agreement remain in place unless explicitly described otherwise in this change order or previous change orders to the Agreement.

Project Scope Additions:

1)	\$	-
2)	\$	-
3)	\$	-
4)	\$	-
5)	\$	-
6)	\$	-
7)	\$	-
8)	\$	-
9)	\$	-
10)	\$	-
	\$	-

Project Budget Reallocations

1) Removal of Item #10-Health & Safety Assessment from Scope	\$	(25,000.00)
2) Removal of Item #22-PR Mold Inspection & Mitigation: Allowance from Scope	\$	(25,000.00)
3) Remaining Contingency removed from Original Scope	\$	(31,597.00)
	\$	(81,597.00)

Total Change Order Amount \$ (81,597.00)

Original Contract Amount: \$ 1,461,539.00

Sum of Previous Change Orders: \$ (10,422.00)

Contract Amount Prior to this Change Order: \$ 1,451,117.00

Amount of this Change Order: \$ (81,597.00)

Total Revised Contract Amount: \$ 1,369,520.00

Revised Agreement substantial completion date (changed / unchanged): 5/30/2022

Energy Solutions Professionals, LLC

City of Salem, MO

Date signed

Date Signed

SCHEDULE C

SCOPE OF WORK

General notes to all scope:

1. Work hours shall consist of Monday – Friday from 8:00 AM – 5:00 PM.
2. Comply with all local codes and regulations.
3. Acquire all required permits necessary to complete the work.
4. Exclude all sales taxes from the proposal to complete the scope of work as the project is tax exempt.
5. For the purposes of low voltage control wiring, plenum rate cable may be used in concealed areas provided it is tied up to avoid sagging. In exposed areas, conduit or wiremold must be used as consistent with raceway currently existing in the room/building.
6. Asbestos abatement if necessary, will be completed by others and is not included in this scope. ESCO will however assist in identifying specific locations that need to be abated by others to complete ESCO's work. (No monies have been included in the price of the project to cover abatement)

The list of ECMs is shown in the table below, followed by a description of the detailed scope of work.

ECM #	Energy Conservation Measure and Associated Building
1	Roofing
2	Building Envelope
3	Windows and Doors
4	Basement Doors, Enclose Stairwell, Drainage
5	Reframe Overhead Doors
6	Tuckpointing
7	HVAC
8	Health and Life Safety Assessment
9	Al Brown Ball Fields

ECM #1 – ROOFING

Parks/Rec & Water Building (Old Power Plant, Red Shaded Area)

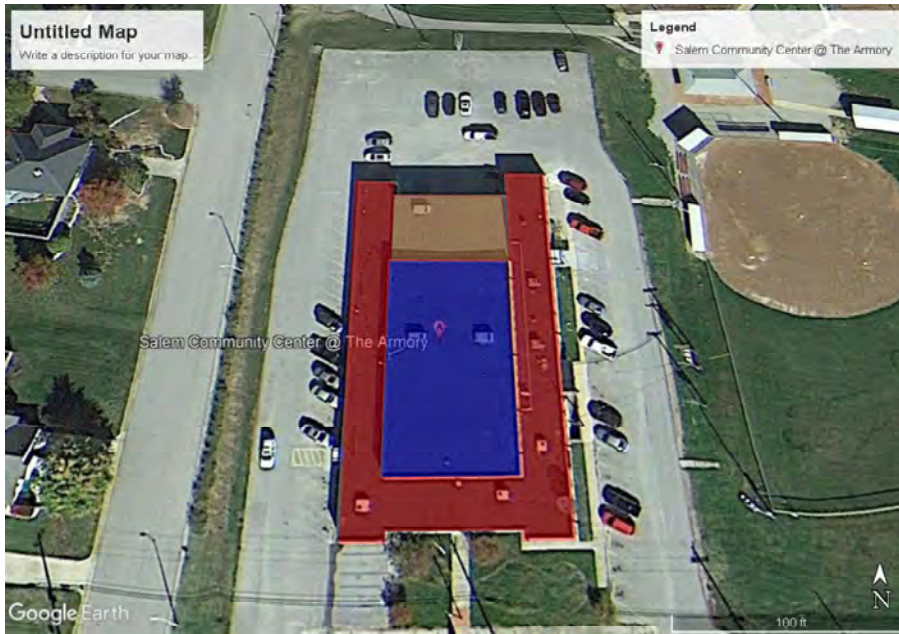
- Coordinate a “Site Safety” plan setting up safety markers and barriers as needed.
- Tear off old roofing down to wood deck. Replace any deteriorated decking at the cost listed below.

- Mechanically attach 5.2 in ISO insulation.
 - Mechanically attach 60 mil white Mule-Hide or GAF TPO over insulation.
 - Flash walls by fully adhering 60 mil TPO up and over.
 - Flash all penetrations according to manufacturer's specifications.
 - Terminate around perimeter using 1" aluminum termination bar.
 - Dispose of all debris and leave roof broom-swept clean.
- A 15-year manufacturer's warranty and 2-year workmanship guarantee are included.
- In addition to the above, replace any deteriorated decking at \$50 per sheet of ½", exterior grade, CDX plywood or \$3.50 per linear foot of 1x decking.



Community Center (Red, Blue, and Brown Shaded areas)

- Coordinate a "Site Safety" plan setting up safety markers and barriers as needed.
 - Clean and prepare existing roof for new roof lay over.
 - Mechanically attach 1 in ISO insulation.
 - Mechanically attach 60 mil white Mule-Hide or GAF TPO over insulation.
 - Flash walls by fully adhering 60 mil TPO up and over.
 - Flash all penetrations according to manufacturer's specifications.
 - Terminate around perimeter using 1" aluminum termination bar.
 - Dispose of all debris and leave roof broom-swept clean.
- A 20-year manufacturer's warranty and 2-year workmanship guarantee are included.



ECM #2 – BUILDING ENVELOPE

Administration Building

- Weatherstrip 4 exterior doors on 1st floor.
- Caulk will have a 50-year manufacturer's warranty.
- Door sealing materials consist of a heavy metal aluminum carrier, and a strip of Q-lon which is a formed & angle sponge wrapped in vinyl.
- Door sweeps will utilize a double fin film seal between a set of brushes, also embedded in a heavy aluminum carrier.

Community Center

- Weatherstrip 15 exterior doors.
- Caulk will have a 50-year manufacturer's warranty.
- Door sealing materials consist of a heavy metal aluminum carrier, and a strip of Q-lon which is a formed & angle sponge wrapped in vinyl.
- Door sweeps will utilize a double fin film seal between a set of brushes, also embedded in a heavy aluminum carrier.
- Mold Inspection and Mitigation

Parks and Rec Building

- Weatherstrip 1 exterior doors and 1 interior door.
- Caulk will have a 50-year manufacturer's warranty.
- Door sealing materials consist of a heavy metal aluminum carrier, and a strip of Q-lon which is a formed & angle sponge wrapped in vinyl.
- Door sweeps will utilize a double fin film seal between a set of brushes, also

- embedded in a heavy aluminum carrier.
- Roof and wall joint to be sealed with 2-part foam. 30 feet.
- Seal of air conditioner with weatherstrip and flexible cover.
- 2 overhead doors to be sealed on 4 sides.
- Mold Inspection and Mitigation

Police Department

- Weatherstrip 4 exterior doors.
- Caulk will have a 50-year manufacturer's warranty.
- Door sealing materials consist of a heavy metal aluminum carrier, and a strip of Q-lon which is a formed & angle sponge wrapped in vinyl.
- Door sweeps will utilize a double fin film seal between a set of brushes, also embedded in a heavy aluminum carrier.

Water and Electric Shop

- Weatherstrip 5 exterior doors and 3 interior doors.
- Caulk will have a 50-year manufacturer's warranty.
- Door sealing materials consist of a heavy metal aluminum carrier, and a strip of Q-lon which is a formed & angle sponge wrapped in vinyl.
- Door sweeps will utilize a double fin film seal between a set of brushes, also embedded in a heavy aluminum carrier.
- Seal of 2 air conditioners with weatherstrip and flexible cover.
- 6 overhead doors to be sealed on 4 sides.

Council Chambers and Auditorium

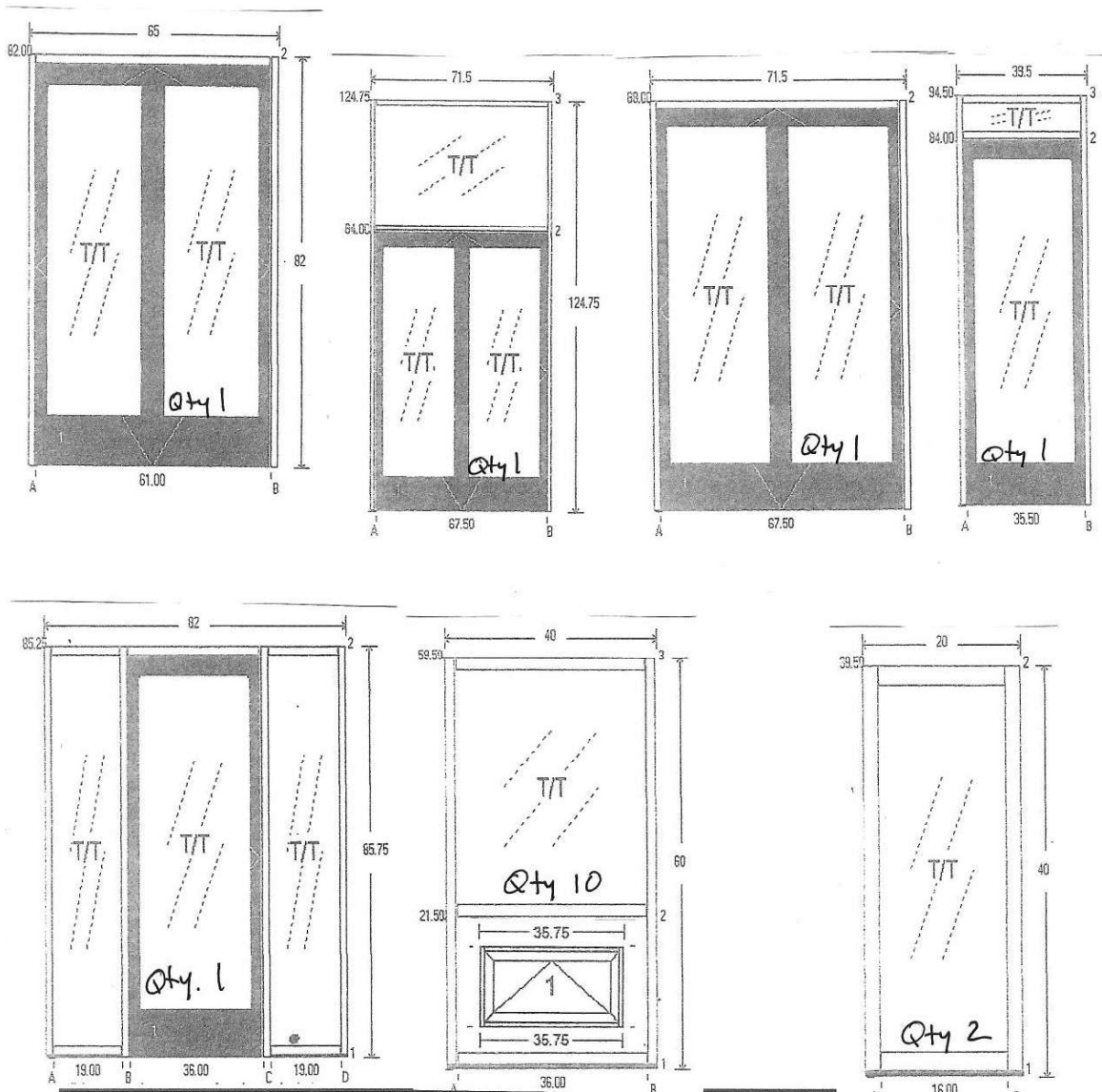
- Weatherstrip 12 exterior doors and 1 interior door.
- Caulk will have a 50-year manufacturer's warranty.
- Door sealing materials consist of a heavy metal aluminum carrier, and a strip of Q-lon which is a formed & angle sponge wrapped in vinyl.
- Door sweeps will utilize a double fin film seal between a set of brushes, also embedded in a heavy aluminum carrier.
- Roof and wall joint to be sealed with 2-part foam. 30 feet.
- Seal of air conditioner with weatherstrip and flexible cover.
- 2 overhead doors to be sealed on 4 sides.

ECM #3 – WINDOWS AND DOORS

Old City Hall - Council Chambers & Auditorium

- Replace 5 sets of aluminum doors.
 - White finish.
 - Rim Panics.

- Removable mullion bars.
- 1" low-e tempered glass.
- Medium stile
- 10" bottom rails.
- Heavy duty closers.
- Single door with 2 sidelights with ADA automatic operator and two remote buttons.
- Replace 10 fixed windows with awning windows below.
- Replace 2 fixed windows.



ECM #4 – BASEMENT DOORS, ENCLOSE STAIRWELL, DRAINAGE

Police Department - Basement stairwell:

ESP shall construct an enclosure above the existing basement stairwell:

- Construction will be 2x4 wooden studs 16" O.C. Metal paneling exterior.
- Metal paneling shall be 28-gauge rib panel, color choice by owner. 40-year paint warranty.
- Flashing to existing masonry included.
- Tyvek wrap between metal and
- Install one 1 ¾ x 7' x 3' hollow metal door and frame at the top of the stairs. 20ga.
- Replace existing basement stairwell hollow metals doors with new 20ga hollow metal doors. Sidelight shall be framed in with metal panel.

ESP shall do the following to address drainage on the north side of the building:

- Route both roof drains into the existing drainage box nearby using 6" drain tile.
- Regrade 220sft of greenspace between the drive way and building.
- Install 220sft of 4" 3500psi concrete in the greenspace.
 - Concrete shall be reinforced with rebar in a 2' grid and dowelled into the building.
 - Flashing & Sealant to prevent water infiltration between building and slab.
 - 4" rock base minimum.

ECM #5 – REFRAME OVERHEAD DOORS

Parks and Rec Building

Prepare the existing overhead doors at the Parks and Rec storage building

- Remove and replace rot wood with treated lumber.
- Install new metal trim as needed.
- Repair adjacent masonry around overhead doors.
- Repair/patch threshold as needed.

ECM #6 – TUCKPOINTING

Police Department

North side: Remove damaged mortar joints from brick and stone veneer to a depth of 5/8" of an inch. Tuckpoint the joints with dyed restoration mortar to match existing mortar. Vertical joints of the coping stone will be caulked with a limestone-colored caulk. Repair damaged limestone. Wash repaired areas with a masonry detergent.

East side: Infill chimney area with a red brick and colored mortar. Remove damaged mortar joint below coping stone. Tuckpoint the joint below coping stone

and caulk vertical joint in coping stone. Wash repaired areas with a masonry detergent.

South side: Remove damaged mortar joints from brick and stone veneer to a depth of 5/8" of an inch. Tuckpoint the joints with dyed restoration mortar to match existing mortar. Vertical joints of the coping stone will be caulked with a limestone-colored caulk. Repair damaged limestone. Wash repaired areas with a masonry detergent.

Community Center

Cut out damaged joints 3/4" deep using grinder and HEPA vacuum on the first and second level of the building. Tuck point joints with colored restoration mortar, wash with masonry restoration detergent.

Cut out and replace damaged brick throughout building. Wash with a masonry detergent.

Council Chambers/Auditorium

Remove existing angle irons and brick above the 3 large windows on the north side of the building. Replace with new irons and relay the original brick. Wash with a masonry detergent.

Cut out all mortar joints 3/4" deep using grinder and HEPA vacuum. Repoint with a colored type N mortar. Seal all repairs with silaxane sealer/waterproofer above large windows on south side various small locations on north and south side.

Demo southern chimney to roof line. Cap with a 4" concrete cap.

Parks and Rec Building (Old Power Plant)

Cut out mortar joints 3/4" deep using grinder and HEPA vacuum. Repoint joints with colored type N mortar. Wash with a masonry detergent. Apply a silaxane sealer/waterproofer.

FOUNDATION TO TOP OF THE WALL(Brick):

- South brick wall
- 20' of the southeast wall

TOP 4' OF WALL(Brick)

- East wall
- North wall
- West wall

Demo block above the south garage door to repair sagging lintels and block. Replace old lintels with new, 4x6x 3/8 irons. Relay with new block.

NW Corner Repair: Remove exterior 4" brick veneer from foundation to top of wall and from garage door to 12" around the corner. Relay corner with new brick. Wash with masonry detergent and seal with a silaxane sealer/waterproofer.

Cut out damage joints in the block portion of the building and also cut out cracked or damaged blocks. Repoint the damaged mortar joints and relay the removed block with new block.

* Painting of block/brick excluded.

ECM #7 – HVAC

Administration Offices

- Replace split systems with 14 SEER A/C and 92% eff single stage gas furnace (fuel switch to Natural Gas). York TM9E furnaces and York YCS condensers.
- Split twin system into two separate zones
- Add indoor air quality air cleaners (Ionization)
- Add WiFi thermostats to new units
- Electrical work included.

Police Station

- Replace split systems with 14 SEER A/C and 92% eff single stage gas furnace (fuel switch to Natural Gas). York TM9E furnaces and York YCS condensers.
- Add indoor air quality air cleaners (Ionization)
- Add WiFi thermostats to new units
- Electrical work included.

Community Center

- Replace 3 split systems with 14 SEER A/C and 92% eff single stage gas furnace (fuel switch to Natural Gas). York TM9E furnaces and York YCS condensers.
- Replace 3 existing RTUs with York PCG4036 units
- Install 6 Aprilaire model 1850 dehumidifiers to address humidity issues.
- Add indoor air quality air cleaners (Ionization)
- Add WiFi thermostats to new units
- Electrical work included.



Council Chambers/Auditorium

- Replace 3 split systems with 13 SEER A/C and 92% eff single stage gas furnace (fuel switch to Natural Gas). York TM9E furnaces and York YCS condensers.
- Replace 5 existing RTUs with 18 seer units with modulating heat and cooling.
- Add indoor air quality air cleaners (Ionization)
- Add WiFi thermostats to new units
- Electrical work included.

*Single phase equipment shall carry the following warranties on parts:

- All – 10 year
- Compressor – 10 year
- Heat Exchanger – Lifetime

*Three phase equipment shall carry the following warranties on parts:

- All – 1 year
- Compressors – 5 year
- Heat Exchanger – 10 year

ECM #8 – HEALTH AND LIFE SAFETY ASSESSMENT ALLOWANCE**Old City Hall**

ESP shall hire a licensed architect to conduct a life-safety study of the Council Chambers/Auditorium. The study shall consist of:

- ADA compliance evaluation.
- Fire safety evaluation.
- Electrical safety evaluation.
- Local code compliance.
- Occupant load study.
- A report prioritizing life safety improvements.
- Repairs within the allowance.

ECM #9 – AL BROWN BALL FIELDS

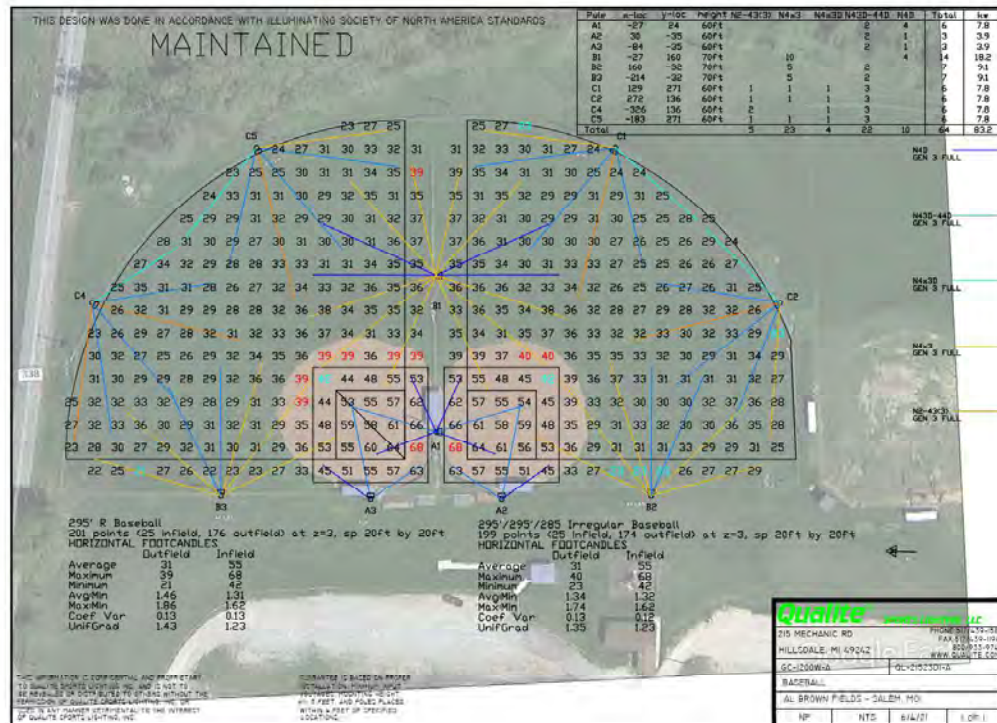
Al Brown Softball and Baseball Complex:

Lighted ball fields for older youth and adult ball playing are located on Hwy 32-72 West. Complex includes, concessions, two baseball / softball fields, and a multi-purpose field located to the south of the complex for soccer etc.

Current SOW is to install new poles, and LED lighting systems to serve the two baseball fields as pictured below.



1. Design LED Qualite Sports lighting system to achieve the photometric layout shown below.



2. Installation of the LED Qualite Sports Lighting package, QL#21523D1
 - Qualite QLED Gen 3 fixtures on stanchions, pre-aimed
 - Remote driver boxes with disconnect switches and surge protection
 - Wiring harness from pole top to driver boxes.
 - Wireless control system
 - Standard 25 Year Maintenance Free Warranty
 - 2 70' mounting height steel poles
 - 7 60' mounting height steel poles
 - Retrofit pole adder for B1 pole
 - Foundation design
 - Freight
 - Light Audit
3. Pole Installation
 - Drill caissons
 - Offload, assemble, erect and aim each light pole assembly
 - Stabilize the pole and fill to the conduit entry point
 - After trenching and backfill, soil will be used for final 18" fill around poles
4. Crane service to install light pole assemblies
5. Lighting controls, programming and operations testing

Exclusions:

1. If close access to the pole locations is limited, additional charges will be incurred. This applies to the caisson drilling as well. We assume that caisson drilling equipment and crane can drive right to the pole locations.

2. Permits and inspections are not included in the quote, and typically are not required.
3. We are assuming that soils conditions are normal in nature for the caisson drilling and do not require shoring, sleeves, casings, slurry, pumping, blasting, rock drilling or other special conditions. If these conditions are encountered additional funds will be required.
4. In some areas we may need to cross sidewalks, concrete drives and sod areas with equipment. All precautions will be used (timbers, cribbing etc.) but some concrete damage or sod and soil damage may occur. We will point out these locations prior to work in that area.
5. Sod and sprinkler repair or replacement is not included.
6. Any utility company charges are not included in this quote.
7. Trenching conduit and wire to the poles is by others.

Staff Summary Report

MEETING DATE:	March 14, 2023
AGENDA ITEM:	Resolution No. 10-2023
AGENDA TITLE:	Reading of Bills and Resolutions

ACTION REQUESTED BY:	City Administrator
ACTION REQUESTED:	Authorize the Mayor's Signature on the 179D Tax Deduction Allocation Form - 2022
SUMMARY BY:	Sally Burbridge

PROJECT DESCRIPTION / FACTS

November 27, 2021 Mayor Steelman signed an Energy Performance Contract with Energy Solutions Professionals, LLC (ESP).

With the approval of the Certificate of Completion for the work done (earlier in this agenda), ESP is requesting the City to sign off on the tax deduction incentives under §179D of the Internal Revenue Code regarding the Energy Policy Act of 2005 (EPAct 2005) and energy savings. This deduction has no value to the City of Salem as we do not pay federal taxes as a local government entity.

Please see the attached documents additional information.

PROCUREMENT

N/A

FISCAL IMPACTS

N/A

SUPPORT DOCUMENTS:	<ol style="list-style-type: none">1. Letter from ESP dated January 18, 20232. Section 179D Energy Efficient Commercial Buildings Deduction Allocation Form3. Excerpt from 179D of the Internal Revenue Code regarding the Energy Policy Act of 20054. Resolution approving Mayor's signature on the Allocation Form
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DEPARTMENT'S RECOMMENDED MOTION: Move and Approve the Mayor's Signature on the Section 179D Energy Efficient Commercial Buildings Deduction Allocation Form.

RESOLUTION NO. 10-2023

A RESOLUTION AUTHORIZING THE MAYOR TO SIGN SECTION 179D ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION ALLOCATION FORM BETWEEN THE CITY OF SALEM, MISSOURI, AND ENERGY SOLUTIONS PROFESSIONALS (ESP).

WHEREAS, Energy Solutions Professionals, LLC (ESP) is requesting permission for allocation of the tax deduction incentives under 179D of the Internal Revenue Code regarding the Energy Policy Act of 2005 (EPAct 2005) and energy savings.

WHEREAS, This deductions has no value to the City of Salem, Missouri.

WHEREAS, Per IRS definitions in Notice 2008-40, tax incentives can be allocated to Energy Solutions Professionals, LLC.

WHEREAS, the Board of Aldermen of the City of Salem, Missouri desire to authorize the mayor to sign on behalf of the City of Salem, Missouri, the 179D Tax Deduction Allocation Form-2022

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI AS FOLLOWS:

Section 1.

The mayor is hereby authorized to sign 179D Tax Deduction Allocation Form- 2022 on behalf of the City of Salem, Missouri for as described in Attachment A attached hereto.

Section 2.

This Resolution shall be in full force and effect from and after the date of its passage and approval.

PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI, AND APPROVED BY THE MAYOR THIS 14th DAY OF MARCH 2023.

APPROVED:

ATTEST:

Greg Parker
Mayor

Tammy Koller
City Clerk

APPROVAL AS TO FORM:

James K. Weber
City Attorney

January 18, 2023

City of Salem
Attn: Sally Burbridge
400 N. Iron
Salem, MO 65560

9218 Metcalf | Suite 274
Overland Park, KS 66212
o 913 381 2800
f 913 273 1499

**RE: City of Salem, MO
179D Tax Deduction Allocation Form - 2022**

Dear Sally:

Energy Solutions Professionals, LLC, is requesting permission for allocation of the tax deduction incentives under §179D of the Internal Revenue Code regarding the Energy Policy Act of 2005 (EPAct 2005) and energy savings. This deduction has no value to the City of Salem as you do not pay federal income taxes.

Per the IRS definitions in Notice 2008-40 and the fact that the government entity does not pay taxes, tax deduction incentives can be allocated to the person primarily responsible for the design of this project. We are requesting you verify that we are those responsible persons by signing this letter. After reviewing the enclosed form for accuracy, please sign and return it by scanning your signed copy and e-mailing it to tim@energyesp.com.

We congratulate you and appreciate that you and your organization have played a leading role in energy-saving initiatives. We are proud to be part of the effort and have enjoyed working with you.

If you have questions or desire further information regarding energy-saving features of the building, please feel free to contact me.

Sincerely,



Tim O'Kane, Vice President – Business Operations
Energy Solutions Professionals, LLC
913-381-2800 x116

SECTION 179D ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION
ALLOCATION FORM

January 18, 2023

This document serves to identify the allocation of designer efforts on the referenced projects.

Government Entity: City of Salem
 Attn: Sally Burbridge
 400 N. Iron
 Salem, MO 65560

Designer: Energy Solutions Professionals, LLC
 Attn: Tim O’Kane
 9218 Metcalf, Suite 274
 Overland Park, KS 66212

Building Name	Building Address	City, State, Zip	Year Placed in Service	Building Area (SF)	Cost of Property	Allocation % to Designer
City of Salem Admin Offices	400 N. Iron St.	Salem, MO 65560	2022	5,850	\$36,172	100%
City of Salem Police Station	500 N. Jackson	Salem, MO 65560	2022	10,000	\$44,101	100%
City of Salem Community Center	1200 W. Rolla Rd.	Salem, MO 65560	2022	20,000	\$151,062	100%
City of Salem Old City Hall	202 N. Washington	Salem, MO 65560	2022	10,000	\$397,204	100%

Note: The Cost of Property shown in the table above is only for the value of the improvements related to lighting, HVAC and/or building envelope work installed in that building.

The authorized owner representative is not responsible for certification of the energy efficient commercial building property. The taxpayer receiving the allocation (ESP) is solely responsible for obtaining the required certification and onsite verification and for ensuring their accuracy and substance.

Declaration of allocation:

“Under penalties of perjury, I declare that I have examined this allocation, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this allocation are true, correct, and complete.”

Signature of Government Representative

Printed Name



Signature of Designer



Printed Name

Excerpt from §179D of the Internal Revenue Code regarding the Energy Policy Act of 2005

SECTION 3. SPECIAL RULE FOR GOVERNMENT-OWNED BUILDINGS

.01 *In General.* In the case of energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D) that is installed on or in property owned by a Federal, State, or local government or a political subdivision thereof, the owner of the property may allocate the § 179D deduction to the person primarily responsible for designing the property (the designer). If the allocation of a § 179D deduction to a designer satisfies the requirements of this section, the deduction will be allowed only to that designer. The deduction will be allowed to the designer for the taxable year that includes the date on which the property is placed in service.

.02 *Designer of Government-Owned Buildings.* A designer is a person that creates the technical specifications for installation of energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D). A designer may include, for example, an architect, engineer, contractor, environmental consultant or energy services provider who creates the technical specifications for a new building or an addition to an existing building that incorporates energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D). A person that merely installs, repairs, or maintains the property is not a designer.

.03 *Allocation of the Deduction.* If more than one designer is responsible for creating the technical specifications for installation of energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D) on or in a government-owned building, the owner of the building shall—

- (1) determine which designer is primarily responsible and allocate the full deduction to that designer, or
- (2) at the owner's discretion, allocate the deduction among several designers.

.04 *Form of Allocation.* An allocation of the § 179D deduction to the designer of a government-owned building must be in writing and will be treated as satisfying the requirements of this section with respect to energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D) if the allocation contains all of the following:

- (1) The name, address, and telephone number of an authorized representative of the owner of the government-owned building;
- (2) The name, address, and telephone number of an authorized representative of the designer receiving the allocation of the § 179D deduction;
- (3) The address of the government-owned building on or in which the property is installed;
- (4) The cost of the property;
- (5) The date the property is placed in service;
- (6) The amount of the § 179D deduction allocated to the designer;
- (7) The signatures of the authorized representatives of both the owner of the government-owned building and the designer or the designer's authorized representative; and
- (8) A declaration, applicable to the allocation and any accompanying documents, signed by the authorized representative of the owner of the government-owned building, in the following form:

"Under penalties of perjury, I declare that I have examined this allocation, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this allocation are true, correct, and complete."

.05 Obligations of Designer. Before a designer may claim the § 179D deduction with respect to property installed on or in a government-owned building, the designer must obtain the written allocation described in section 3.04. A designer is not required to attach the allocation to the return on which the deduction is taken. However, § 1.6001-1(a) of the Income Tax Regulations requires that taxpayers maintain such books and records as are sufficient to establish the entitlement to, and amount of, any deduction claimed by the taxpayer. Accordingly, a designer claiming a deduction under § 179D should retain the allocation as part of the taxpayer's records for purposes of § 1.6001-1(a) of the Income Tax Regulations.

.06 Tax Consequences to Designer of Government-Owned Buildings. The maximum amount of the § 179D deduction to be allocated to the designer is the amount of the costs incurred by the owner of the government-owned building to place the energy efficient commercial building property in service. A partial deduction may be allocated and computed in accordance with the procedures set forth in sections 2 and 3 of Notice 2006-52. The designer does not include any amount in income on account of the § 179D deduction allocated to the designer. In addition, the designer is not required to reduce future deductions by an amount equal to the § 179D deduction allocated to the designer. Although reducing future deductions in this manner would provide equivalent treatment for designers that are allocated a § 179D deduction and building owners that are required to reduce the basis of their energy efficient commercial building property by the amount of the § 179D deduction they claim, § 179D does not provide for any reductions other than reductions to the basis of the energy efficient commercial building property.

.07 Tax Consequences to Owner of Public Building. The owner of the public building is not required to include any amount in income on account of the § 179D deduction allocated to the designer. The owner of the public building is, however, required to reduce the basis of the energy efficient commercial building property (or partially qualifying commercial building property) by the amount of the § 179D deduction allocated.

Staff Summary Report

MEETING DATE:	3/14/2023
AGENDA ITEM:	Lease agreement on digger- derrick truck
ANGENDA TITLE:	Lease agreement

ACTION REQUESTED BY:	PUBLIC WORKS DIRECTOR
ACTION REQUESTED:	Lease agreement for new truck for electric dept.
SUMMARY BY:	MARK NASH

PROJECT DESCRIPTION / FACTS

The prior digger – derrick truck was a 1996 Ford. The truck was red-tagged for multiple issues. The expense to make the truck usable was well over \$100,000. We sold that truck and leased a truck from a fleet company in Texas. The new Digger -Derrick truck was ordered about 2 years ago.

PROCUREMENT

This is a lease agreement is for \$4,721.35 per month with Terex Co.

FISCAL IMPACTS

THE LINE ITEM NUMBER IS 510-501-70183 Digger Truck Rental is \$5250 per month. The lease agreement is for \$4,721.35 per month.

SUPPORT DOCUMENTS: [List all additional documents that accompany this summary]

DEPARTMENT'S RECOMMENDED MOTION: ASK THE BOARD TO ACCEPT THE LEASE AGREEMENT WITH TEREX CORPORATION FOR \$4,721.35 PER MONTH FOR 5 YRS. AT THE END OF THE LEASE THE City of Salem HAS THE OPTION TO PURCHASE THE TRUCK AT ITS VALUE OR RETURN IT TO TEREX

RESOLUTION NO. 11-2023

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF SALEM, MISSOURI, AND HUNTINGTON NATIONAL BANK FOR THE LEASE OF A 2023 FREIGHTLINER WITH A 2022 TEREX C5048 DIGGER DERRICK.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI AS FOLLOWS:

Section 1.

The mayor is hereby authorized to execute an agreement for the lease of the equipment according to the terms and conditions set forth in the master lease attached hereto as "Attachment A".

Section 2.

Monthly rental payments in the amount of \$4,721.35 for a term of sixty (60) months for a total amount of \$308,377.00.

Section 3.

This resolution shall be in full force and effect from and after the date of its passage and approval.

PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI, AND APPROVED BY THE MAYOR THIS 14th DAY OF MARCH 2023.

APPROVED:

Greg Parker
Mayor

ATTEST:

Tammy Koller
City Clerk

APPROVED AS TO FORM:

James Weber
City Attorney



WATERTOWN, SD 57201
Phone 877-794-5284 Option 2
GBS.US.AR@terex.com
Remit To:
Terex Utilities
12210 Collections Center Drive
Chicago, IL 60693-0122

Invoice

Page: 1

Invoice Number: 5025735-IN
Invoice Date: 2/28/2023
Order Number: 5019180
Customer Number: 7804360
Order Date: 5/14/2021
Contract:

Sold To:
THE HUNTINGTON NATIONAL BANK
CITY OF SALEM MISSOURI
400 NORTH IRON STREET
Salem, MO 65560

Ship To:
CITY OF SALEM, MO
400 NORTH IRON STREET
Salem, MO 65560

Confirm To:

Customer P.O.	Ship VIA	Shipping Terms	Terms
QU16199		FCA:SP:WTN, SD	Net 30 Days

Unit Year		Chassis Year	2023	Odometer	
Unit Make	DIGGER DERRICK	Chassis Make	FREIGHTLINER	Miles	
Unit Model	C5048	Chassis Model	M2 106 4X2	License	
Unit Serial	2221276049	Chassis Vin	1FVACXFC5PHUA6731	Shop	Field
PTO Hours		Crew		Travel Hours	

Item Code		Unit	Shipped	Price	Amount
EQ NEW	Equipment New	EACH	1.00	217,440.00	217,440.00
C5048	DIGGER DERRICK	EACH	1.00	0.00	0.00
Serial Number:	2221276049	1.00			
65301061	INSTALL	EACH	1.00	0.00	0.00
Serial Number:	DK76049	1.00			
EQ CHASSIS	Equipment Chassis	EACH	1.00	76,311.00	76,311.00
65305700	CHASSIS,FREIGHTLINER CUSTOMER	EACH	1.00	0.00	0.00
Serial Number:	DK76049	1.00			
/65309658	CUSTOMER REQUEST CHANGE ORDER	EACH	1.00	3,090.00	3,090.00
	CO# 4234-0				
/65309658	CUSTOMER REQUEST CHANGE ORDER	EACH	1.00	4,943.00	4,943.00
	CO# 4234-0				
/65309658	CUSTOMER REQUEST CHANGE ORDER	EACH	1.00	1,008.00	1,008.00
	CO# 4889-0				
TCF EQUIP FINANCE, CITY OF SALEM QU16199 / SLOT-42727 FCA: SHIPPING POINT: WATERTOWN, SD All applicable tax to be paid direct at time of registration.					
/NA DIG SC	EQUIPMENT SURCHARGE	EACH	1.00	5,585.00	5,585.00

Remit Payment To:
Terex Utilities, Inc.
12210 Collections Center Drive, Chicago, IL 60693

MO

Net Invoice:	308,377.00
Less Discount:	0.00
Freight:	0.00
Sales Tax:	0.00
Invoice Total:	308,377.00

Warranty Start Form (WAR275)		Daimler Trucks North America LLC	
Single or Multiple Vehicle Registration for a Single Customer			
<ul style="list-style-type: none"> DTNA Dealers: Upload this completed and signed WAR275 form to DTNA in OWL; keep the signed form on file Body Builders and RV Dealers/Customers: Email this completed and signed WAR275 form to DTNA at: WarrantyDEP@Daimler.com; keep the signed form on file 			
Dealer		Dealer Name	Phone
		Four Star Freightliner, Inc	(334) 793-4455
DTNA Dealer Code	WBSD	Dealer Contact Name	Email
		Kimber Pierce	Kimberp@FourStarFreightliner.com
Vehicle		VIN (17 characters)	Distance at In-Service
FTL <input type="checkbox"/> STL <input type="checkbox"/> WST <input type="checkbox"/> TBB <input type="checkbox"/> FCCC <input type="checkbox"/>		1FVACXFC5PHUA6731	<input type="checkbox"/> MI <input type="checkbox"/> KM
FTL <input type="checkbox"/> STL <input type="checkbox"/> WST <input type="checkbox"/> TBB <input type="checkbox"/> FCCC <input type="checkbox"/>			<input type="checkbox"/> MI <input type="checkbox"/> KM
FTL <input type="checkbox"/> STL <input type="checkbox"/> WST <input type="checkbox"/> TBB <input type="checkbox"/> FCCC <input type="checkbox"/>			<input type="checkbox"/> MI <input type="checkbox"/> KM
FTL <input type="checkbox"/> STL <input type="checkbox"/> WST <input type="checkbox"/> TBB <input type="checkbox"/> FCCC <input type="checkbox"/>			<input type="checkbox"/> MI <input type="checkbox"/> KM
FTL <input type="checkbox"/> STL <input type="checkbox"/> WST <input type="checkbox"/> TBB <input type="checkbox"/> FCCC <input type="checkbox"/>			<input type="checkbox"/> MI <input type="checkbox"/> KM
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FTL <input type="checkbox"/> STL <input type="checkbox"/> WST <input type="checkbox"/> TBB <input type="checkbox"/> FCCC <input type="checkbox"/>			<input type="checkbox"/> MI <input type="checkbox"/> KM
FTL <input type="checkbox"/> STL <input type="checkbox"/> WST <input type="checkbox"/> TBB <input type="checkbox"/> FCCC <input type="checkbox"/>			<input type="checkbox"/> MI <input type="checkbox"/> KM
Customer		Name	Phone
		TEREX UTILITIES INC	Phone: (877) 794-528
Authorized Representative Name		X	
Email			
Address		500 OAKWOOD RD	
City WATERTOWN		State/Province SD	Country USA Zip 57201
The above vehicle(s) will be used for the following vocation / applications only (choose only one):			
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 25%;"> <input type="checkbox"/> Airport <input type="checkbox"/> Airport/Transit Shuttle <input type="checkbox"/> Armored Car Service <input type="checkbox"/> Charter/Shuttle/Transit <input type="checkbox"/> Church/Prison/Activity <input type="checkbox"/> Construction <input type="checkbox"/> Farm </div> <div style="width: 25%;"> <input type="checkbox"/> Fire Service <input type="checkbox"/> Heavy Haul Service <input type="checkbox"/> Inter-city Bus/Coach <input type="checkbox"/> Intra City Bus Service <input type="checkbox"/> Line Haul/Long Haul <input type="checkbox"/> Logging Service <input type="checkbox"/> Mining </div> <div style="width: 25%;"> <input type="checkbox"/> Mobile Lab Service <input type="checkbox"/> Oil Field <input type="checkbox"/> Para-transit Van Service <input type="checkbox"/> Pickup and Delivery/Short Haul <input type="checkbox"/> Recreation (specify one below) <input type="checkbox"/> Business <input type="checkbox"/> Personal <input type="checkbox"/> Refuse </div> <div style="width: 25%;"> <input type="checkbox"/> Rescue and Emergency <input type="checkbox"/> Road/Rail Service <input type="checkbox"/> School Bus Service <input type="checkbox"/> Shuttle Bus <input type="checkbox"/> Tour/Bus Coach - City <input type="checkbox"/> Tour Bus/Coach - Cross Country <input type="checkbox"/> Utility/Repair Maintenance <input type="checkbox"/> Wrecking Service </div> </div>			
Customer Certification: By signing below, I certify that the above vehicle(s) will be used only for the above selected vocation/application. I understand that all notices regarding the above vehicle(s), including warranty, recall, and field service campaign information, will be mailed to the above customer name and address. I acknowledge that I have received the applicable Owner's Warranty Information book, and I accept the terms and conditions set forth therein, including the Limited Warranty Disclaimer and Limitation of Liability. I certify that I have received the applicable Maintenance Manual(s), Operator's Manual(s) and Driver's Manual(s) for the above vehicle(s), or, in the case of vehicles manufactured by Thomas Built Bus, I have received the website address where these documents may be obtained. I have reviewed the Telematics Data Terms of Use in the Driver's Manual and hereby agree to those Terms of Use. If applicable, I have been instructed on correct fifth wheel operation. I acknowledge that the Federal Safety Standards and Emission stickers have been affixed to the driver's side doorframe of the above vehicle(s). I acknowledge that I have been offered Extended Coverage warranty options (if applicable).			
REQUIRED Information From Customer or Authorized Customer Representative			
Signature		Date	

The "Master Lease": Master Lease Number **0850082L** Dated **March 6, 2023**

"Lessee": **City of Salem Missouri, 400 North Iron Street, Salem, MO 65560**

Fax: E-mail:

"Lessor": **The Huntington National Bank, 11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305**

Fax: **(800) 844-3577**

E-mail: **EFCustomerService@huntington.com**

Master Lease Terms and Conditions

1. **LEASE.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the personal property and/or services described in an Equipment Schedule or Equipment Schedules (each, a "Schedule") to this Master Lease signed by Lessor and Lessee from time to time upon the terms and conditions set forth herein and in the Schedule (such property and services, together with all replacements, repairs, and additions incorporated therein or affixed thereto, being referred to herein as the "Equipment"). Lessee authorizes Lessor to add to any Schedule, or make necessary corrections to, any serial numbers or other identification of the Equipment when known. Each Schedule shall be considered a separate lease pursuant to the terms of this Master Lease. The term "this lease" as used herein shall mean a Schedule incorporating therein the terms and conditions set forth in this Master Lease. Capitalized terms shall have the meanings given to them in the Schedule or herein. In the event of a conflict between the terms of any Schedule and the terms of this Master Lease, the terms of the Schedule shall control. Notwithstanding any provision herein or in any Schedule to the contrary, Lessor shall have no obligation to purchase, fund or lease to Lessee any Equipment if (i) all of Lessor's requirements shall not have been satisfied on or before the date that Lessor's credit approval shall expire with respect to the lease of such Equipment, or (ii) any material adverse change in Lessee's condition or business shall have occurred as of the date of such proposed purchase, funding or lease from that considered by Lessor in connection with the credit approval for such lease. In the event that either of the foregoing shall occur, Lessor may, in its sole discretion, cancel the lease of the Equipment covered by the applicable Schedule, and Lessee shall purchase from Lessor any items of Equipment then subject to the lease within five days after Lessor's request to do so for a price equal to Lessor's cost of such items, plus any other amounts advanced by Lessor under such Schedule, plus all accrued but unpaid interim rent thereon, as provided for in paragraph 3 below. Lessee shall also pay any applicable sales and use tax on such sale.

2. **TERM.** The term of this lease with respect to each item of Equipment shall begin on the date it is accepted by Lessee and shall continue for the number of consecutive months from the Commencement Date shown in the related Schedule (the "Initial Term") unless earlier canceled, terminated or extended as provided herein. Lessee shall promptly inspect each item of Equipment upon delivery and, if acceptable in all respects, when the last item of Equipment is delivered, execute and deliver a certificate of acceptance, in form acceptable to Lessor. Lessee hereby authorizes Lessor to fill in the Commencement Date in the Schedule based upon the date appearing on the delivery and acceptance certificate. If the final item of Equipment is delivered and accepted on the first day through the 15th day of the month, the Commencement Date is the 15th day of the month; and if the final item of Equipment is delivered and accepted on the 16th day through the end of the month, the Commencement Date is the first day of the following month.

3. **RENT.** Lessee shall pay basic rent for the Initial Term of this lease, and any renewal term, in periodic installments each in the amount shown in the related Schedule as the Rent Payment. Installments shall be payable as set forth in the related Schedule. Lessee shall pay advance installments and any security deposit, each as shown in the related Schedule, on the date Lessee executes such Schedule. If the final cost of the Equipment (all amounts Lessor pays in connection with the purchase, delivery and installation of the Equipment, including any trade-up and buy out amounts, before application of any subsidies or like amounts) plus other amounts financed under the Schedule is more or less than the Total Cost shown in the Schedule (which is based on an estimate), the amount of each Rent Payment and the mandatory or optional fixed purchase price, if any, will be adjusted up or down to provide Lessor the same yield it would have obtained if such final cost had been the same as such Total Cost. The Schedule will be amended to reflect the final Total Cost and adjusted Rent Payment and, if applicable, purchase price. Lessee agrees to execute an amendment reflecting such adjustments; provided that Lessor's written notice to Lessee of adjustments of 10% or less shall be effective as an amendment, without Lessee's signature. The Rent Payment for this lease has been indexed to the Swap Rate. "Swap Rate" means, as of the applicable date, the "ICE Swap Rate - USD Rates SOFR 1100" as published by Intercontinental Exchange, Inc. on its website, www.theice.com, for a similar term to the Initial Term of this Lease (or, if no rate is quoted for a particular maturity, a rate will be interpolated by Lessor based on similar maturities), for the date that is three (3) business days prior to the applicable date (or, if no rate is quoted for such date, the next business day for which such rate is quoted); or, if such index is no longer available or so published, the rate determined by Lessor under a similar successor index chosen by Lessor in its sole discretion. If such Swap Rate as of the date that the final item of Equipment under this lease is accepted is more than the Swap Rate as of the date of the applicable Schedule, Lessor may increase the Rent Payment accordingly, and Lessee hereby agrees to sign an amendment reflecting such increase by no later than the Commencement Date of this lease. In addition to basic rent payable from the Commencement Date, Lessee agrees to pay interim rent with respect to each separate item of Equipment covered by a particular Schedule from the date it is delivered and accepted to the Commencement Date, at a daily rate equal to (i) Lessor's cost of such item specified in such Schedule or in an applicable invoice, multiplied by (ii) the Interim Rent Daily Factor specified in such Schedule. Interim rent accruing each calendar month shall be payable by the 10th day of the following month and in any event on the Commencement Date.

4. **PAYMENTS, LATE FEES AND SECURITY DEPOSIT.** Time is of the essence. If any installment of interim rent or basic rent or any other amount payable by Lessee hereunder is not paid within ten (10) days of the date when due, Lessor may impose a late fee of up to 10% of the amount of the installment, but in no event more than permitted by applicable law. Lessee may from time to time make telephonic requests for, and Lessee hereby authorizes, Lessor or its agents to make and draw checks or drafts on a checking account to be designated by Lessee, payable to Lessor or order, to pay rent and other amounts due hereunder, plus Lessor's standard per item fee for making and drawing such check or draft not to exceed the maximum amount permitted by law. Lessor may rely on any such request made by a person it believes has authority to make such request on behalf of Lessee. Payments received shall be applied by Lessor in such order of application as Lessor shall determine, in its sole discretion. Lessee has deposited or will deposit with Lessor the sum shown as "Security Deposit", if any, on each Schedule as a security deposit and not as advance rent. Upon the occurrence of any Event of Default, Lessor may, at its option, apply any security deposit to any amounts owed under this lease by Lessee, in which event Lessee shall promptly pay a sufficient amount to Lessor to restore the security deposit to the full amount specified in the Schedule. Following termination of this lease, Lessor shall return any remaining balance of the security deposit(s), if any, without interest, to Lessee if and only if Lessee has fulfilled all of its obligations under this lease.

5. **TAXES, FEES AND LESSOR'S EXPENSES.** In addition to the rent, Lessee agrees to promptly pay when due, or reimburse Lessor upon receipt of Lessor's invoice, all fees, assessments, charges and sales, use, property, excise and other taxes paid, payable or required to be collected by Lessor, however designated, which are levied or assessed by any governmental authority on the rent, this lease or the Equipment or its purchase, ownership, use, lease, sale or value, together with any penalties or interest in connection therewith. Lessor shall file all personal property tax returns and pay all such taxes when due and Lessee shall reimburse Lessor therefor and file all returns required to be filed by Lessee. Upon request by Lessor, Lessee shall prepare and file all tax returns relating to taxes for which Lessee is responsible hereunder which Lessee is permitted to file under the laws of the applicable taxing jurisdiction. Lessee shall promptly pay all costs, charges, expenses and obligations of every kind and nature incurred by or on behalf of Lessor regarding the importation, shipment, delivery, possession, use, lease, tax treatment, return, repossession, storage and transfer of any item of Equipment. In addition, Lessee agrees to pay Lessor a fee, in an amount determined by Lessor, not to exceed the maximum amount from time to time permitted by applicable law, for any check or automatic payment withdrawal request that is returned to Lessor because of insufficient funds available in Lessee's account or a stop payment. If Lessor, in its discretion, pays any tax, fee, charge or other amount described in this paragraph, Lessee shall reimburse Lessor, therefor on demand, together with Lessor's administrative and other costs of paying and invoicing such amounts and, if Lessee fails to pay Lessor any such amount within ten (10) days of such demand, Lessee shall pay interest thereon until paid at the rate of 18% per annum or the maximum rate allowable by law, whichever is less.

6. **LESSOR DISCLAIMER OF WARRANTIES.** LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF, THE ABSENCE OF ANY CLAIM OF INFRINGEMENT OR THE LIKE WITH RESPECT TO, OR ANY OTHER MATTER CONCERNING, THE EQUIPMENT AND EXPRESSLY DISCLAIMS ANY SUCH WARRANTIES OR ANY OTHER WARRANTIES IMPLIED BY LAW. LESSOR MAKES NO WARRANTIES WITH RESPECT TO ANY PATENT, COPYRIGHT, TRADEMARK, TRADE NAME OR TITLE RELATING TO THE EQUIPMENT OR LESSEE'S RIGHTS TO ANY SUCH INTELLECTUAL PROPERTY. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY THE EQUIPMENT OR BY ANY DEFECT THEREIN, OR BY THE USE OR MAINTENANCE OF, OR SERVICING OR ADJUSTMENT TO, THE EQUIPMENT AND, AS TO LESSOR, LEASES THE EQUIPMENT AS-IS AND WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND. LESSOR WILL NOT BE LIABLE FOR ANY LOSS OR INTERRUPTION OF OR DAMAGE TO LESSEE'S BUSINESS ON ACCOUNT OF ANY MECHANICAL FAILURE OR DELAY IN CONNECTION WITH THE FURNISHING OR USE OF THE EQUIPMENT. Lessee acknowledges that Lessor is not a dealer or manufacturer of Equipment of any kind and is not the seller of the Equipment, and that each unit of Equipment is of a type, size, design and capacity selected solely by Lessee. Lessee also acknowledges that Lessor supplies the Equipment without any obligation to install, test, erect, service or maintain the Equipment. If the Equipment is not properly installed, does not operate as represented or warranted by the manufacturer or seller thereof, or is unsatisfactory for any reason, Lessee shall make any claim on account thereof solely against the manufacturer or seller and no such occurrence shall relieve Lessee of any of its obligations under this lease. The only warranty applicable to any Equipment is the manufacturer's warranty, if any (in the case of new Equipment) and Lessor makes no warranty to Lessee. Lessee acknowledges receipt of the manufacturer's warranty with respect to any new Equipment. So long as Lessee is

not in default under this lease, Lessor assigns to Lessee any manufacturer's, seller's or other warranty, whether express or implied, on the Equipment and any claim that Lessor may have as owner of the Equipment against the manufacturer or supplier or any other person. All claims or actions on any warranty shall be made or prosecuted by Lessee, at its sole expense, and Lessor shall have no obligation whatsoever to make any claim on such warranty. Lessor is not liable for any modification, breach or rescission of any warranty or service agreement. Any agreement that Lessee may have with any third party, including any manufacturer or vendor, relating to services shall be separate and distinct from this lease and Lessor shall not have any obligations thereunder. Lessee acknowledges that this lease constitutes a "finance lease" under UCC Article 2A in all respects, and that Lessor's sole obligations to Lessee hereunder is not to interfere with Lessee's quiet enjoyment of the Equipment so long as Lessee is not in default hereunder. Subject to the foregoing sentence and to the extent permitted by law, Lessee unconditionally and irrevocably waives any and all rights and remedies against Lessor at law or in equity (including, without limitation, any rights and remedies granted Lessee under Article 2A of the Uniform Commercial Code and/or the right to reject any Equipment or repudiate this lease). Lessee agrees that Lessor assumes no liability for and makes no representation as to the treatment by Lessee of this lease, the equipment or the rent payments for financial statement or tax purposes. In the event that there is a material adverse change in Lessee's financial condition, as determined by Lessor, prior to Lessor's payment for any Equipment to be leased hereunder, Lessee agrees that Lessor shall have no obligation to purchase such Equipment and lease it to Lessee.

7. **DELIVERY, OWNERSHIP, LOCATION AND INSPECTION.** Lessee shall pay for all transportation, insurance and any other charges with respect to delivery and installation of the Equipment. The Equipment shall at all times remain the property of Lessor. Lessee shall have no right, title or interest in the Equipment, except as set forth herein. Lessee at its expense shall protect and defend the title and interest of Lessor and keep the Equipment free of all claims and liens other than claims and liens created by or arising through Lessor. The Equipment shall remain personal property regardless of its attachment to realty, and Lessee agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment. Lessee will provide a suitable place, within the continental United States, for the Equipment and shall not remove the Equipment from the Equipment Location without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessor may inspect the Equipment and Lessee's records relating to the Equipment at any time during regular business hours and to the extent required, Lessee shall take all actions and provide such support as may be necessary for Lessor to access restricted areas in order to inspect the Equipment.

8. **ADDITIONAL DOCUMENTS AND INFORMATION; COSTS AND EXPENSES.** Lessee shall execute and deliver to Lessor such other documents and provide such information as Lessor may reasonably deem necessary to evidence or protect Lessor's interests in the Equipment and Lessor's rights under this lease. Lessee authorizes Lessor to file such instruments as may be necessary to protect Lessor's interests in the Equipment (including financing statements and certificates of title) without Lessee's signature and if such signature is required by law, Lessee appoints Lessor as Lessee's attorney-in-fact to execute such items, in Lessee's name. To the extent permitted by applicable law, upon demand, Lessee will reimburse and pay Lessor's costs and expenses, including attorneys' fees and costs, with respect to the underwriting, documentation, making and any amendment and other modification of this lease and all related documents, including without limitation the costs of filing all financing statements and other perfection documents and all amendments thereto, and continuations, releases and terminations thereof, in all public offices in which Lessor may deem filing to be appropriate, obtaining and reviewing searches of filing offices and organizational records; obtaining, reviewing, negotiating and executing other documentation required by Lessor hereunder, requested by Lessee or otherwise deemed necessary or appropriate in connection with this lease and the related documents. Any document fee collected by Lessor in advance is intended to cover only Lessor's costs of filing an initial financing statement against Lessee and of preparing this lease and the standard documents related to this lease; and additional costs, reimbursable by Lessee, may be incurred in connection with the closing of this lease transaction or thereafter. Upon request by Lessor, Lessee shall verify in writing the location of the Equipment and provide Lessor with all records relating to the Equipment, including without limitation, maintenance information. Lessee shall furnish Lessor with such financial information as Lessor may from time to time request. Lessee hereby warrants and represents that all financial statements heretofore and hereafter delivered to Lessor by or on behalf of Lessee have been and will be prepared in accordance with generally accepted accounting principles consistently applied, and all statements and data submitted to Lessor in connection with this lease shall be complete and accurate in all respects.

9. **INDEMNITY.** Lessee shall hold Lessor harmless from, and pay to Lessor the amount of, any fine, penalties or other amounts for which Lessor is held liable as a result of, and any legal expenses Lessor has arising out of, the return, use, condition, ownership or operation of any item of Equipment, including any claims made under the strict liability doctrine, and as a result of any lien, encumbrance or claim made on the Equipment by anyone, including Lessee's employees and agents. Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, damages (including reasonable attorneys' fees), obligations, liabilities and liens (including any of the foregoing arising or imposed without Lessee's fault or negligence, or in connection with latent or other defects, or any claim for patent, trademark or copyright infringement or under the doctrine of "strict liability"), imposed or incurred by or asserted against Lessor or its successors or assigns, arising out of the manufacture, purchase, lease, possession, operation, condition, return or use of the Equipment, by operation of law or by Lessee's failure to comply with the terms of this lease. Upon written notice by Lessor of the assertion of any claim hereby indemnified against, Lessee shall assume full responsibility for the defense thereof.

10. **USE AND REPAIRS.** Lessee shall use the Equipment within its recommended capacities and only for the purpose(s) for which it was designed. Lessee shall comply with all laws, regulations and ordinances relating to the possession and use of the Equipment including, without limitation, job safety, health, fire and environmental laws applicable to the Equipment. Lessee will maintain the Equipment in good repair, condition and working order and will furnish all parts and services required therefor, all at its expense, ordinary wear and tear excepted. Lessee will use only manufacturer's approved fluids, replacement parts and components in the performance of any maintenance and repair of the Equipment. Lessee shall, at its expense, make all modifications and improvements to the Equipment required by law, and shall not make other modifications or improvements without the prior written consent of Lessor. All parts, modifications and improvements to the Equipment shall, when installed or made, immediately become the property of Lessor and part of the Equipment for all purposes.

11. **LOSS OR DAMAGE.** Lessee hereby assumes and shall bear the entire risk of loss, theft, damage or destruction of all or any item of the Equipment from any cause whatsoever; and no loss, theft, damage or destruction of all or any item of the Equipment shall relieve Lessee of its obligation to pay rent or of any other obligation under this lease, which shall continue in full force and effect, notwithstanding such loss, theft, damage or destruction. The risk of loss shall pass to Lessee on the earlier of (i) delivery of the Equipment to a carrier for shipment to Lessee or (ii) tender of the Equipment to Lessee. In the event of damage to any item of Equipment, Lessee shall immediately place the same in good repair (ordinary wear and tear excepted). Lessee shall promptly notify Lessor of any loss, theft, material damage or destruction of the Equipment and, if Lessor determines that any item of Equipment is lost, stolen, destroyed, worn out or damaged beyond repair as a result of ordinary use, neglect, abuse or any other cause whatsoever, Lessee, at the option of Lessor, will: (a) replace the same with similar Equipment in good repair, or (b) pay to Lessor: (i) all rent and other amounts due from Lessee hereunder with respect to such item but unpaid at the date of such payment plus (ii) all rent with respect to such item for the balance of the term of this lease not yet due at the time of such payment, discounted from the respective dates installment payments would be due, at the rate of 3% per annum, plus (iii) the greater of (x) ten percent of the Total Cost related to such item as set forth in the Schedule, or (y) Lessor's "Anticipated Residual Value" of such item of Equipment, as determined by the books of Lessor as of the Commencement Date of the applicable Schedule, or (z) the Mandatory Purchase Price of such item, if applicable. Upon payment of such amount in immediately available funds to Lessor, such item shall become the property of Lessee, Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest therein, the rent with respect to such item shall terminate, and the basic rental payments on the remaining items shall be reduced accordingly. Lessee shall pay any sales and use taxes due on such transfer. Any insurance or condemnation proceeds received shall be credited to Lessee's obligation under this paragraph, in such order of application as Lessor, in its sole discretion, may determine, and Lessor shall be entitled to any surplus.

12. **INSURANCE.** Lessee shall obtain and maintain on or with respect to the Equipment at its own expense (a) liability insurance insuring against liability for bodily injury and property damage with a minimum limit of \$1,000,000.00 combined single limit or such greater amount as may be set forth in any Schedule or as may be prescribed by any applicable state law specifying minimum insurance requirements, and (b) physical damage insurance insuring against loss or damage to the Equipment in an amount not less than the full replacement value of the Equipment. Lessee shall furnish Lessor with a certificate of insurance evidencing the issuance of a policy or policies to Lessee in at least the minimum amounts required herein naming Lessor as an additional insured thereunder for the liability coverage and as loss payee for the property damage coverage. Each such policy shall be in such form, including a maximum deductible, and with such insurers as may be satisfactory to Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 30 days' prior written notice of any alteration in the terms of such policy or the cancellation thereof, and a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirements hereof. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts for loss or damage under any such physical damage insurance policy. In the event Lessee fails to procure, maintain, pay for or provide Lessor with evidence of the insurance required by this lease, or to pay any fees, assessments, charges or taxes as required in this lease, Lessor shall have the right, but not be obligated, to obtain insurance covering Lessor's interest in the Equipment from an insurer of Lessor's choice, or pay said fees, assessments, charges and taxes, as the case may be. In that event, Lessee shall reimburse Lessor upon demand for the cost thereof, together with interest until paid at the rate of 18% per annum or the maximum rate allowable by law, whichever is less, and failure to pay the same shall constitute an Event of Default under this lease. At Lessor's discretion, Lessor may add all costs of acquiring and maintaining any insurance provided for herein, including without limitation all premiums therefor and all premium finance charges, documentation fees, tracking fees and all other fees and charges incurred by Lessor in connection therewith, plus fees for Lessor's services in placing and maintaining such insurance (all such premiums, costs, fees and charges are referred to herein, collectively, as the "Insurance Charge"), to the amounts due from Lessee under this lease. Lessee will pay the Insurance Charge in equal installments allocated to the remaining

Rental Payments due under this lease (plus interest on such allocation at 18% per annum or the maximum rate allowable by law, whichever is less). NOTHING IN THIS LEASE WILL CREATE AN INSURANCE RELATIONSHIP OF ANY TYPE BETWEEN LESSOR AND ANY OTHER PERSON.

13. RETURN OF THE EQUIPMENT. Unless Lessee purchases the Equipment or the term of this lease has been extended or renewed, each strictly in accordance with the terms and conditions set forth in this lease, upon the expiration or earlier cancellation or termination of this lease, Lessee shall, at its sole expense and risk, in accordance with applicable industry standards and manufacturers recommendations, de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. The Equipment shall be in the same condition as when received by Lessee, reasonable wear and tear resulting from normal and proper use excepted, capable and ready for reuse by another user without the need for repair or refurbishment (and, if applicable, in the condition set forth in the Schedule or any rider or addendum thereto), and shall be in good condition and working order as required by this lease, shall be free and clear of any liens, shall comply with all applicable laws and regulations and shall include all manuals, specifications, repair and maintenance records and similar documents. Lessee must be able to demonstrate that the Equipment can perform at its performance specifications according to the manufacturer's standards. If requested by Lessor, at least thirty (30) days prior to expiration or upon earlier termination of this lease, Lessee shall cause the manufacturer's representative or a qualified equipment maintenance provider acceptable to the Lessor to perform a comprehensive inspection of the Equipment. Following such inspection, a certification letter from the inspecting technician as to the working condition and performance of the Equipment in conformance with the manufacturer's performance specifications must be provided to the Lessor. The cost of the inspection, assessment and written certification shall be borne by the Lessee. If it is determined that maintenance or repairs are needed to meet the manufacturer's performance specifications, at Lessor's request Lessee shall cause such repairs and maintenance to be made at Lessee's expense or remit the cost of such maintenance or repairs to the Lessor as payment for extraordinary wear and tear of the Equipment. Until any Equipment is returned as required above, all terms of this lease shall remain in full force and effect with respect thereto including, without limitation, obligations to pay rent and to insure and repair such Equipment.

14. DEFAULT. Each of the following events shall constitute an "Event of Default" hereunder: (a) Lessee shall fail to pay any installment of rent or other payment required hereunder when due; (b) Lessee shall fail to observe or perform any other covenant or agreement to be observed or performed by Lessee hereunder and such failure continues for ten (10) days following written notice thereof by Lessor to Lessee; (c) Lessee or any guarantor of this lease or any partner of Lessee if Lessee is a partnership shall cease doing business as a going concern or make an assignment for the benefit of creditors; (d) Lessee or any guarantor of this lease or any partner of Lessee if Lessee is a partnership shall admit in writing an inability to pay debts as they come due, authorize or voluntarily file, or have filed against it involuntarily, a petition for liquidation, reorganization, adjustment of debt, or similar relief under the federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver, or liquidator shall be appointed of it or of all or a substantial part of its assets; (e) any individual Lessee, guarantor of this lease, or partner of Lessee if Lessee is a partnership shall die; (f) any representation or warranty made by Lessee or any guarantor of this lease in conjunction with this lease or financial or credit information submitted by or on behalf of Lessee or any guarantor of this lease shall prove to have been false or materially misleading when made; (g) an event of default shall occur under any other obligation Lessee or any guarantor of this lease owes to Lessor; (h) any material indebtedness of Lessee or any guarantor of this lease shall be accelerated following a default thereunder or, if any such indebtedness is payable on demand, payment thereof shall be demanded; (i) if Lessee or any guarantor of this lease is a corporation, partnership or limited liability company, more than 50% of the equity interests therein shall become owned by, or subject to control or the power to vote by, parties who had no such interest on the date this lease begins; (j) Lessee or any guarantor of this lease shall divide or shall consolidate with or merge into, or sell or lease all or substantially all of its assets to, any individual, corporation, or other entity; (k) Any guarantor shall repudiate, revoke or purport to revoke such guarantor's guaranty of this lease or shall fail to observe or perform any of the obligations of guarantor under such guaranty; or, (l) Lessee no longer occupies the premises where any Equipment subject to this lease is located, or the mortgagee or owner of such premises asserts the right to take possession thereof or to exercise eviction or other remedies under the mortgage or lease of the premises.

15. REMEDIES. Upon the occurrence of an Event of Default and at any time thereafter, Lessor may, with or without canceling or terminating this lease, exercise any one or more of the following remedies as Lessor in its sole discretion may lawfully elect: (a) Upon written notice to Lessee cancel or terminate this lease and any or all Schedules to this Master Lease; (b) Declare immediately due and payable and recover from Lessee, as liquidated damages and not as a penalty, an amount equal to the sum of (i) all rent and other amounts then due and unpaid plus (ii) all rent and any other payments to become due hereunder for the full term of this lease discounted from their respective due dates at the rate of 3% per annum, plus (iii) the greater of (A) ten percent (10%) of the Total Cost related to the Equipment as set forth in the applicable Schedule, or (B) Lessor's "Anticipated Residual Value" of the Equipment, as determined by the books of Lessor as of the Commencement Date of the applicable Schedule, or (C) the Mandatory Purchase Price of the Equipment, if applicable, and such sum of items (i) through (iii) ("Lessor's Damages") shall thereupon become immediately due and payable without further notice or demand; provided, however, that upon the occurrence of an Event of Default specified in paragraph 14 (d), such amount shall automatically become and be immediately due and payable without notice or demand of any kind and all rights of Lessee to use the Equipment shall terminate but Lessee shall be and remain liable as provided in this paragraph 15; (c) Proceed by appropriate court action to enforce performance by Lessee of the applicable covenants of this lease and/or recover damages for the breach thereof; (d) Whether or not this lease is canceled or terminated, repossess the Equipment wherever located, with or without notice to Lessee or legal process, and for this purpose Lessor and/or its agents may enter upon any premises of or under the control or jurisdiction of Lessee or any agent of Lessee, without liability therefor to Lessee, and remove the Equipment; or upon demand by Lessor, Lessee agrees to deliver the Equipment to Lessor in accordance with paragraph 13; (e) Lessor may recover interest on the unpaid balance of Lessor's Damages from the date it becomes payable until fully paid at the rate of the lesser of 18% per annum or the highest rate permitted by law, and may in any event recover legal fees and other expenses incurred by reason of an Event of Default or the exercise of any remedy hereunder, including expenses of inspection, repossession, repair, storage, transportation, testing, disassembly, crating, loading, cribbing charges, re-assembly and disposition of the Equipment; (f) Lessor may exercise any other right or remedy available to it by law or by agreement. In the event Lessor repossesses the Equipment, Lessor shall either retain the Equipment in full satisfaction of Lessee's obligation hereunder or use reasonable efforts to sell or lease each item of Equipment in such manner and upon such terms as Lessor may determine in its sole discretion. The proceeds of such sale or lease shall be applied to reimburse Lessor for Lessor's Damages and any additional amount due under clause (e) above. Lessor shall be entitled to any surplus and Lessee shall remain liable for any deficiency. No remedy given in this paragraph is intended to be exclusive, and each shall be cumulative but only to the extent necessary to permit Lessor to recover amounts for which Lessee is liable hereunder. No express or implied waiver by Lessor of any breach of Lessee's obligations hereunder shall constitute a waiver of any other breach of Lessee's obligations hereunder.

16. ASSIGNMENT. WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE WILL NOT SELL, ASSIGN, TRANSFER (VIA MERGER, DIVISION, OR OTHERWISE), SUBLET, PLEDGE, OR OTHERWISE ENCUMBER OR PERMIT A LIEN ARISING THROUGH LESSEE TO EXIST ON OR AGAINST ANY INTEREST IN THIS LEASE OR THE EQUIPMENT. Lessor may assign its interest in this lease and sell or grant a security interest in all or any part of the Equipment without notice to or the consent of Lessee. If Lessee is given notice of such assignment, it shall acknowledge receipt of that notice in writing. Each assignee or mortgagee from Lessor shall have all of the rights, but none of the obligations, of Lessor under this lease. Lessee shall not assert against any assignee and/or mortgagee any defense, counterclaim or offset that Lessee may have against Lessor. Lessee's obligation to pay rent to the assignee shall be absolute and unconditional and shall not be subject to any defense or offset.

17. NON-CANCELABLE AND UNCONDITIONAL OBLIGATION. This lease cannot be canceled or terminated except as expressly provided herein. This lease is a net lease and Lessee agrees that its obligation to pay rent and any other amounts payable hereunder is absolute and unconditional and shall not be subject to any abatement, reduction, setoff or defense of any kind. If any Schedule is deemed at any time to be a lease intended as security: (i) Lessee grants Lessor a security interest in the Equipment to secure its obligations under this lease and all other indebtedness at any time owing by Lessee to Lessor; (ii) Lessee agrees that upon the occurrence of an Event of Default, in addition to all of the other rights and remedies available to Lessor hereunder, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code; and (iii) such Schedule shall be construed in a manner so that interest, the applicable interest rate or other charge shall not exceed, in any event, the maximum amount of time price differential, rate, interest or amount allowed by applicable law, and any excess payment will be applied to the payments due under such Schedule as a prepayment of principal, and any remaining excess will be refunded to Lessee. and (iv) if Lessee is an individual and the principal amount of such Schedule is \$100,000 or more, such Schedule is made pursuant to Minn. Stat. Sec. 334.01; this lease is made under Minn. Stat. Sec. 334.022 if Lessee is an "organization" as defined therein.

18. INDEMNIFICATION FOR LOSS OF TAX BENEFITS. Lessor's loss of, or loss of the right to claim, or recapture of, all or any part of the federal or state income tax benefits Lessor anticipated as a result of entering into this lease and owning the Equipment is referred to herein as a "Loss." If for any reason this lease is not a true lease for federal or state income tax purposes, or if for any reason (even though this lease may be a true lease) Lessor is not entitled to depreciate the Equipment for federal or state income tax purposes in the manner that Lessor anticipated when entering into this lease, and as a result Lessor suffers a Loss, then Lessee agrees to pay Lessor, as additional Basic Rent under this lease, a lump-sum amount which, after the payment of all federal, state, and local income taxes on the receipt of such amount, and using the same assumptions as to tax benefits and other matters Lessor used in originally evaluating and pricing this lease, will in the reasonable opinion of Lessor maintain Lessor's net after-tax rate of return with respect to this lease at the same level it would have been if such Loss had not occurred. Lessor will notify Lessee of any claim that may give rise to indemnity hereunder. Lessor shall make a reasonable effort to contest any such claim but shall have no obligation to contest such claim beyond the administrative level of the Internal Revenue Service or other taxing authority. In any event, Lessor shall control all aspects of any settlement and contest. Lessee agrees to pay the legal fees and other out-of-pocket expenses incurred by Lessor in defending any such claim even if Lessor's defense is successful. Notwithstanding the foregoing, Lessee shall have no obligation to indemnify Lessor for any Loss caused solely by (a) a casualty to the Equipment if Lessee pays the amount Lessee is required to pay as a result of such casualty, (b) Lessor's sale of the Equipment other than on account of an Event of Default hereunder, (c) failure of Lessor to have sufficient income to utilize its anticipated tax benefits or to timely claim such tax benefits, and (d) a change in tax law (including tax rates) effective after the Lease begins. For purposes of this

paragraph, the term "Lessor" shall include any member of an affiliated group of which Lessor is (or may become) a member if consolidated tax returns are filed for such affiliated group for federal income tax purposes. Lessee's indemnity obligations under this paragraph shall survive cancellation and termination of the Lease.

19. **SURVIVAL OF INDEMNITIES, REPRESENTATIONS AND WARRANTIES; CROSS DEFAULT.** All representations, warranties and indemnities of Lessee made or agreed to in this lease and any certificates delivered in connection herewith shall survive expiration, cancellation or termination of this lease. Lessee hereby agrees that any default by Lessee in the payment of rent or performance of any other term or condition of any lease or loan between Lessee and Lessor, or under any Schedule, whether previously or hereafter entered into, shall at the option of Lessor constitute an Event of Default in all leases, loans or Schedules, including this lease.

20. **GOVERNING LAW AND CONSTRUCTION. THIS LEASE, AND ALL MATTERS ARISING FROM THIS LEASE, INCLUDING ALL INTEREST AND FINANCE CHARGES HEREUNDER, SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, FEDERAL LAW AND, TO THE EXTENT NOT PREEMPTED BY FEDERAL LAW, BY THE LAWS OF THE STATE OF MINNESOTA WITHOUT GIVING EFFECT TO CONFLICT OF LAW PROVISIONS. LESSEE HEREBY CONSENTS TO JURISDICTION AND VENUE OF THE FEDERAL OR STATE COURTS SITTING IN THE STATE OF MINNESOTA FOR PURPOSES OF RESOLVING ALL DISPUTES OF ANY NATURE WHATSOEVER REGARDING THE LEASE, OR ANY TRANSACTION CONTEMPLATED HEREBY, AND LESSEE HEREBY WAIVES OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF JURISDICTION OR VENUE IN THE FEDERAL OR STATE COURTS OF MINNESOTA. LESSOR AND LESSEE AGREE THAT A SUMMONS AND COMPLAINT COMMENCING AN ACTION OR PROCEEDING IN ANY SUCH COURT SHALL BE PROPERLY SERVED AND SHALL CONFIRM PERSONAL JURISDICTION IF SERVED PERSONALLY, BY CERTIFIED MAIL TO IT AT ITS ADDRESS DESIGNATED PURSUANT TO THE LEASE, OR AS OTHERWISE PROVIDED UNDER THE RESPECTIVE RULES OF THE STATE OR FEDERAL COURTS OF MINNESOTA. ANY PROVISION OF THIS LEASE WHICH MAY BE PROHIBITED OR UNENFORCEABLE IN ANY JURISDICTION SHALL NOT, AS TO SUCH JURISDICTION, INVALIDATE THE REMAINING PROVISIONS HEREOF AND SHALL NOT INVALIDATE OR RENDER UNENFORCEABLE SUCH PROVISION IN ANY OTHER JURISDICTION. LESSEE AGREES THAT, AT LESSOR'S SOLE ELECTION AND DETERMINATION, LESSOR MAY SELECT AN ALTERNATIVE FORUM, INCLUDING ARBITRATION OR MEDIATION, TO ADJUDICATE ANY DISPUTE ARISING OUT OF THIS LEASE. THE PARTIES HERETO, AFTER CONSULTING (OR HAVING HAD AN OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS LEASE, INCLUDING ANY LITIGATION REGARDING THE ENFORCEMENT OF THIS LEASE OR ANY RELATED AGREEMENTS.**

21. **LESSEE REPRESENTATIONS AND WARRANTIES.** Lessee represents and warrants to Lessor with regard to this lease that: (a) The execution, delivery and performance of this lease has been duly authorized by all necessary action on the part of Lessee and this lease constitutes a valid and binding obligation of Lessee enforceable against Lessee in accordance with its terms; (b) The individual executing this lease on behalf of Lessee is duly authorized; (c) Neither the execution or delivery by Lessee of this lease, nor the performance thereof by Lessee, conflicts with, results in a breach of or constitutes a default or violation of Lessee's applicable organizational documents, including, as applicable, its Certificate of Incorporation, By-Laws, articles of organization, operating agreement or partnership agreement, applicable law, court order or any agreement or other instrument to which Lessee is a party or by which it is bound; (d) Lessee is duly organized and in good standing in its state of organization, does not do business under a trade or assumed name, is duly qualified to do business in each jurisdiction where the Equipment is located and where such qualification is required; (e) Lessee's exact legal name is as shown above, and: (i) if Lessee is an individual, such legal name is exactly as stated on Lessee's valid and unexpired state driver's license, or alternative state identification, issued by Lessee's primary state of residence ("Lessee State ID"); or (ii) if Lessee is a legal entity, such legal name is as stated on Lessee's applicable organizational documents; and Lessee will not change its legal name, will not change its chief executive office or state of organization (if a legal entity) or its principal residence (if an individual), and will not permit its Lessee State ID to expire, become invalid, or fail to be properly renewed, (if an individual) without, in each case, giving Lessor at least 30 days' prior written notice of any such event, and, at any time during this Lease, Lessee will, upon request of Lessor, provide copies of its Lessee State ID (if an individual) or applicable organizational documents (if a legal entity); (f) Lessee, if an individual, is a citizen or lawful permanent resident of the United States; (g) No approval, consent or authorization is required from any governmental authority with respect to the execution, delivery or performance of this lease, or if any such approval, consent or authorization is required, it has been obtained; (h) Each item of Equipment is leased and will be used solely for business purposes, and the Equipment will not be used for personal, family or household purposes; and (i) Lessee shall not allow any Blocked Person(s) to have an ownership interest in or control of Lessee. "Blocked Person" means any person or entity (A) that is now or at any time on a list of Specially Designated Nationals issued by the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury or any sectoral sanctions identification list; (B) whose property or interests in property are blocked by OFAC or who is subject to sanctions imposed by law, including any executive order of any branch or department of the United States government, or (C) otherwise designated by the United States or any regulator having jurisdiction or regulatory oversight over Lessor, to be a person with whom Lessor is not permitted to extend credit to or with regard to whom, a debtor-creditor relationship may result in penalties against Lessor or limitations on Lessor's ability to enforce a transaction.

22. **MISCELLANEOUS.** This lease constitutes the entire agreement between Lessee and Lessor with respect to the subject matter hereof, including any commitments and representations made by Lessor, and there is no understanding or agreement, oral or written, which is not set forth herein. To the extent that Lessor previously made any commitment or representation, oral or written, all such commitments and representations are superseded and replaced by the terms of this lease. Except as expressly set forth herein, this lease may not be amended or modified except by a writing manually signed by Lessor and Lessee. This lease shall be binding upon and inure to the benefit of the parties hereto, their permitted successors and assigns. Any written notice hereunder to Lessee or Lessor shall be deemed to have been given when delivered personally, deposited with a nationally recognized overnight courier (with all fees pre-paid), delivered via facsimile or e-mail (with confirmation of transmission), or deposited in the United States mails, certified or registered mail, addressed to recipient at its address set forth above or at such other address as may be substituted therefor by notice given pursuant to the terms hereof. Lessee hereby agrees that Lessor, including its vendors, service providers, partners, affiliates, successors and assigns, may contact Lessee at any telephone number provided to Lessor, by placing voice telephone calls (including the use of automatic telephone dialing systems or prerecorded voice messaging) or, in the case of wireless telephones or other wireless devices, by sending email or automated (SMS) text messages. In the event there is more than one Lessee named herein or in any Schedule, the obligations of each shall be joint and several. Each party's electronic signature on this Master Lease, each Schedule and any related documents shall be unconditionally valid and legally enforceable, and each party agrees not to contest the validity or enforceability of any electronic signature (or the authority of the electronic signer to sign). This Master Lease, each Schedule and any related documents may, in Lessor's sole discretion, be delivered and/or reproduced by facsimile, optical scanning or other electronic means ("e-copy") and such e-copy or a printed version thereof shall be enforceable as an original and admissible as such in any court or other proceeding, provided that there shall be only one original of the Master Lease and each Schedule and it shall bear the original ink or electronic signature of Lessor and be marked "Original." To the extent that any Schedule constitutes chattel paper (as that term is defined by the Uniform Commercial Code), a security or ownership interest intended to be created through the transfer and possession of the Schedule can be done only by the transfer of the "Original" bearing the original ink or electronic signature of Lessor; provided that, if the "Paper Out" process shall have occurred, or if there shall simultaneously exist both the "Paper Out" printed version and an electronic version of this Master Lease or any Schedule, then the "Paper Out" printed version of such document bearing the legend "Original" applied by Lessor shall constitute the sole chattel paper original and authoritative version. If Lessor permits Lessee to deliver this lease or any related document to Lessor via facsimile or other electronic means, Lessee shall deliver to Lessor, promptly on request, such document bearing Lessee's original "wet ink" signature; provided that neither delivery nor failure to deliver the document bearing Lessee's original "wet ink" signature shall limit or modify the representations and agreements set forth above. Without limiting Lessor's right to make legally permitted disclosures, Lessee agrees that Lessor may disclose to equipment dealers, suppliers, and manufacturers, applicable franchisors, and prospective assignees of Lessor, financial, credit, account and other information about Lessee. Lessee hereby authorizes any person to release to Lessor credit, financial and account information relating to Lessee. Lessee authorizes, and represents that all Lessee's principals have authorized, Lessor to obtain such credit bureau reports and make such other credit inquiries with respect to Lessee and such principals as Lessor deems appropriate throughout the term of this lease; on written request, Lessor will identify any reporting agency used for such reports. Lessee shall execute and deliver to Lessor such other documents and provide such information, including information identifying the owners of Lessee and its affiliates and their respective ownership interests, as Lessor may reasonably deem necessary to comply with laws or regulations applicable to Lessor or Lessee, including laws and regulations requiring Lessor to obtain Lessee's certification of its beneficial owner(s) prior to making payment(s) to Lessee during or after the term of this lease. This lease shall not become effective or binding until executed by Lessor.

Under federal law, Lessor must obtain, verify and record identifying information for each person opening an account. Lessor will ask for Lessee's name, address, date of birth and other identifying information. Lessor may also ask for Lessee's driver's license or other identifying documents.

Lessor: The Huntington National Bank

By: _____

Title: _____

Lessee: City of Salem Missouri

By: _____

Greg Parker - Mayor



Equipment Schedule (Fair Market Value Purchase Option)

The "Lease": Equipment Schedule Number 001-0850082-100 Dated March 6, 2023 to Master Lease Number 0850082L Dated March 6, 2023
"Lessee"
City of Salem Missouri, 400 North Iron Street, Salem, MO 65560
"Lessor"
The Huntington National Bank, 11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305

This Equipment Schedule (this "Schedule") is entered into pursuant to and incorporates the terms of the Master Lease identified above (except as expressly modified by this Schedule) between Lessor and Lessee (the "Master Lease" and, together with this Schedule, this "Lease"). Upon the execution and delivery by Lessor and Lessee of this Schedule, Lessee's execution and delivery to Lessor of a Delivery and Acceptance Certificate for the Equipment described below, and satisfaction of all Lessor's requirements on or before the date that Lessor's credit approval shall expire with respect to this Lease, and so long as there has been no material adverse change in Lessee's condition or business from that considered by Lessor in connection with the credit approval for this Lease, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment upon the terms and conditions of this Lease. All capitalized terms not otherwise defined in this Schedule shall have the meanings assigned in the Master Lease.

SUMMARY OF TERM AND RENTAL PAYMENTS:

Commencement Date	Rent Payment Period	Initial Term	Each Rent Payment	Interim Rent Daily Factor	Advance Rent Payment	Security Deposit	Total Cost
	Monthly	60 Months	\$4,721.35 plus applicable taxes except financed sales tax included in Total Cost	N/A	N/A for Installment(s): N/A	N/A	\$308,377.00

EQUIPMENT, PERSONAL PROPERTY, SERVICES AND/OR SOFTWARE:

Description (including features)	Location
2022 Terex C5048 Digger Derrick s/n 221276049 mounted on 2023 Freightliner M2-106 chassis, VIN 1FVACXFC5PHUA6731	400 North Iron Street, Salem, MO 65560

Each Rent Payment shall be payable in arrears commencing on the date that is one Rent Payment Period after the Commencement Date and on the same day of each subsequent Month for the Initial Term and any renewal term.

The following additional provisions are applicable to the Equipment covered by this Lease only:

- So long as this Lease has not been canceled or terminated early and no Event of Default exists, upon expiration of the Initial Term ("Lease End"), Lessee may purchase all, but not less than all, of the Equipment for the Fair Market Value of the Equipment, plus all sales and use taxes arising on the sale of the Equipment. For purposes of this Lease, "Fair Market Value" of the Equipment at any time means the estimated amount that a willing buyer and a willing seller would pay for the Equipment on an installed basis, as mutually determined by Lessor and Lessee. If Lessor and Lessee are unable to mutually determine the Fair Market Value, at Lessee's request and expense, Lessor shall select and hire a third-party certified appraiser to determine the Fair Market Value, and such appraiser's determination shall be binding on the Lessor and Lessee. To exercise the foregoing purchase option, Lessee must give written notice thereof to Lessor at least 90 days and no more than 120 days prior to Lease End. If Lessee fails to give such notice, or if the parties cannot agree on the Fair Market Value of the Equipment by 45 days before Lease End, then the purchase option shall lapse. If the purchase option lapses, then at least 30 days before Lease End or the end of any renewal term, Lessee must give Lessor notice of its intent to return the Equipment and request return location instructions. If Lessee fails to give such notice, or gives notice but fails to return the Equipment in accordance with Section 13 of the Master Lease, this Lease will automatically renew, at the same rental and other terms set forth in this Lease, for additional successive non-cancelable one-month terms after the Initial Term until timely written notice of return and proper return of the Equipment is made.
- If Lessee gives timely notice of election to purchase the Equipment as provided in paragraph 1 and fails to timely pay the purchase price, then Lessor may, in its sole discretion, by written notice to Lessee (a) treat the Equipment as purchased and enforce payment of the purchase price, (b) declare a failure to meet the purchase conditions whereupon Lessee's interest in the Lease and Equipment shall be canceled automatically and Lessee shall return the Equipment in accordance with Section 13 of the Master Lease, or (c) treat the Lease as automatically renewed, at the same rental and other terms set forth in this Lease, for additional successive non-cancelable one-month terms after the Initial Term until timely written notice of return and proper return of the Equipment is made.
- Upon Lessee's exercise of the purchase option and Lessor's receipt of the purchase price plus applicable sales and use tax and any rent or other amount owing under this Lease, the Equipment will be deemed transferred to Lessee at its then location and, on Lessee's request at such time, Lessor will deliver to Lessee a bill of sale for the Equipment, "WHERE IS, AS IS" WITHOUT ANY WARRANTY AS TO TITLE OR WITH RESPECT TO THE EQUIPMENT, EXPRESS OR IMPLIED.

Lessor: The Huntington National Bank

By: _____

Title: _____

Lessee: City of Salem Missouri

By: _____

Greg Parker - Mayor



CERTIFICATE OF INCUMBENCY

LEASE NO. 001-0850082-100

DATED AS OF March 6, 2023

I, _____, do hereby certify that I am the duly elected or appointed and acting Clerk/Secretary of City of Salem Missouri (the "Lessee"), a political subdivision duly organized and existing under the laws of the State of _____, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names.

NAME	TITLE	SIGNATURE
<u>Greg Parker</u>	<u>Mayor</u>	_____
_____	_____	_____

IN WITNESS WHEREOF, I have duly executed this certificate this _____ day of _____, 20_____

Signed: _____

Title: _____

NOTE: The Clerk or Secretary of the Lessee should sign unless that person is also the signor of the documents in which case the President or some other Officer of the Lessee should execute this document.

RESOLUTION
LEASE NO. 001-0850082-100
DATED AS OF MARCH 6, 2023

A resolution authorizing the negotiation, execution, and delivery of Lease No. **001-0850082-100** dated **March 6, 2023** (the "Lease"), in principal amount not to exceed **\$308,377.00**, between **City of Salem Missouri, 400 North Iron Street, Salem, MO 65560** and **The Huntington National Bank, 11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305**; and prescribing other details in connection therewith.

WHEREAS, City of Salem Missouri, (the "Lessee") is a political subdivision duly organized and existing pursuant to the Constitution and laws of the State of ; and

WHEREAS, Lessee is duly authorized by applicable law to acquire such items of personal property as are needed to carry out its governmental functions and to acquire such personal property by entering into lease-purchase agreements; and

WHEREAS, Lessee hereby finds and determines that the execution of a Lease for the purpose of leasing with the option to purchase the property designated and set forth in the Lease is appropriate and necessary to the function and operations of the Lessee; and

WHEREAS, The Huntington National Bank, (the "Lessor") shall act as Lessor under said Lease; and

WHEREAS, the Lease shall not constitute a general obligation indebtedness of the Lessee within the meaning of the Constitution and laws of the State;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF City of Salem Missouri:

Section 1. The Lease, in substantially the form as presently before the governing body of the Lessee , is hereby approved, and the Mayor of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver the Lease and related documents in substantially the form as presently before the governing body of the Lessee, with such changes therein as shall be approved by such officer, and which Lease will be available for public inspection at the offices of Lessee.

Section 2. The Lessee shall, and the officers, agents and employees of the Lessee are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Lessee with respect to the Lease.

Section 3. The Lessee's obligations under the Lease shall be expressly subject to annual appropriation by Lessee; and such obligations under the Lease shall not constitute a general obligation of Lessee or indebtedness of Lessee within the meaning of the Constitution and laws of the State of .

Section 4. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized, ratified and approved.

Section 5. This resolution shall take effect immediately upon its adoption and approval.

CERTIFIED AS TRUE AND CORRECT this ____ day of _____, 20 ____.

Signature of Clerk, Secretary or Assistant Secretary

Printed Name of Clerk, Secretary or Assistant Secretary



Pay Proceeds Letter

The "Lease": Equipment Schedule Number 001-0850082-100 Dated March 6, 2023 to Master Lease Number 0850082L Dated March 6, 2023		
"Lessee"		
City of Salem Missouri, 400 North Iron Street, Salem, MO 65560		
"Lessor"		
The Huntington National Bank, 11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305		

The above-referenced Lessee and Lessor have entered into the Lease for the lease of certain equipment, personal property, services and/or software, as more particularly described in the Lease (the "Equipment"), subject to the satisfaction of certain conditions. Lessee and Lessor may have also entered into an Interim Funding Addendum (the "Interim Funding Addendum") and one or more other Addenda to the Lease, which Addenda are part of the Lease.

Lessee has reviewed and approved the invoice(s) referenced in the table below. Pursuant to the Lease, Lessee hereby irrevocably authorizes and requests Lessor to make payment of the invoice(s) to the vendor(s), licensor(s) or designee(s) of licensor(s) of the Equipment upon Lessor's receipt of (a) Lessee's signed Delivery and Acceptance Certificate with respect to the Equipment covered by the applicable invoice(s), or (b) an Interim Funding Addendum, signed by Lessee, requesting Lessor to make advance payment in respect of the Equipment covered by the applicable invoice(s) prior to delivery and acceptance thereof. In either case, subject to Lessor's acceptance of the Lease, Lessee agrees that all terms and conditions of the Lease, including without limitation any Interim Funding Addendum and any other Addenda to the Lease, are in full force and effect and Lessee shall make all payments when and as required thereby.

Payee	Invoice Number	Amount
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Terex Utilities Inc (T)		\$308,377.00
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	Total	\$308,377.00
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Date: _____

Lessee: City of Salem Missouri

By: _____

Greg Parker - Mayor



GOVERNMENT ENTITY ADDENDUM

The "Lease": Equipment Schedule Number 001-0850082-100 Dated March 6, 2023 to Master Lease Number 0850082L Dated March 6, 2023
"Lessee"
City of Salem Missouri, 400 North Iron Street, Salem, MO 65560
"Lessor"
The Huntington National Bank, 11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305

This Addendum is attached to and made a part of the above-referenced Lease between Lessee and Lessor. Any capitalized terms used but not defined in this Addendum shall have the meanings assigned in the Lease. All terms and conditions of the Lease shall remain in full force and effect except to the extent modified by this Addendum.

1. Lessee represents and warrants to Lessor that as of the date hereof, and throughout the term of the Lease: (a) Lessee is a political subdivision of the state or commonwealth in which it is located and is organized and existing under the constitution and laws of such state or commonwealth; (b) Lessee has complied, and will comply, fully with all applicable laws, rules, ordinances, and regulations governing open meetings, public bidding and appropriations required in connection with the Lease, the performance of its obligations under the Lease and the acquisition and use of the Equipment; (c) the person(s) signing the Lease and any other documents required to be delivered in connection with the Lease (collectively, the "Documents") have the authority to do so, are acting with the full authorization of Lessee's governing body, and hold the offices indicated below their signatures, each of which are genuine; (d) the Documents are and will remain a valid, legal and binding Lease, and are and will remain enforceable against Lessee in accordance with their terms; and (e) the Equipment is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of its authority and will be used during the term of the Lease only by Lessee and only to perform such function. Lessee further represents and warrants to Lessor that, as of the date each item of Equipment becomes subject to the Lease and any applicable schedule, it has funds available to pay all Lease payments payable thereunder until the end of Lessee's then current fiscal year, and, in this regard and upon Lessor's request, Lessee shall deliver in a form acceptable to Lessor a resolution enacted by Lessee's governing body, authorizing the appropriation of funds for the payment of Lessee's obligations under the Lease during Lessee's then current fiscal year.

2. To the extent permitted by applicable law, Lessee agrees to take all necessary and timely action during the Lease term to obtain and maintain funds appropriations sufficient to satisfy its payment obligations under the Lease (the "Obligations"), including, without limitation, providing for the Obligations in each budget submitted to obtain applicable appropriations, causing approval of such budget, and exhausting all available reviews and appeals if an appropriation sufficient to satisfy the Obligations is not made.

3. Notwithstanding anything to the contrary provided in the Lease, if Lessee does not appropriate funds sufficient to make all payments due during any fiscal year under the Lease and Lessee does not otherwise have funds available to lawfully pay the Lease payments (a "Non-Appropriation Event"), and provided Lessee is not in default of any of Lessee's obligations under such Lease as of the effective date of such termination, Lessee may terminate such Lease effective as of the end of Lessee's last funded fiscal year ("Termination Date") without liability for future payments or the early termination charge under such Lease, if any, by giving at least 60 days' prior written notice of termination ("Termination Notice") to Lessor.

4. If Lessee terminates the Lease prior to the expiration of the end of the Lease's initial term, or any extension or renewal thereof, as permitted under Section 3 above, Lessee shall (i) on or before the Termination Date, return the Equipment in accordance with the return requirements set forth in the Lease, (ii) provide in the Termination Notice a certification of a responsible official that a Non-Appropriation Event has occurred, (iii) deliver to Lessor, upon request by Lessor, an opinion of Lessee's counsel (addressed to Lessor) verifying that the Non-Appropriation Event as set forth in the Termination Notice has occurred, and (iv) pay Lessor all sums payable to Lessor under the Lease up to and including the Termination Date.

5. Lessee acknowledges and agrees that, in the event of the termination of the Lease and the return of the Equipment as provided for herein, Lessee shall have no interest whatsoever in the Equipment or proceeds thereof and Lessor shall be entitled to retain for its own account the proceeds resulting from any disposition or re-leasing of the Equipment along with any advance rentals, security deposits or other sums previously paid by Lessee pursuant to the terms of the Lease.

6. Any provisions in this Addendum that are in conflict with any applicable statute, law or rule shall be deemed omitted, modified or altered to the extent required to conform thereto, but the remaining provisions hereof shall remain enforceable as written.

Dated as of: March 6, 2023

Lessee: City of Salem Missouri

By: _____

Greg Parker - Mayor



Delivery and Acceptance Certificate

The "Lease": Equipment Schedule Number 001-0850082-100 Dated March 6, 2023 to Master Lease Number 0850082L Dated March 6, 2023
"Lessee"
City of Salem Missouri, 400 North Iron Street, Salem, MO 65560
"Lessor"
The Huntington National Bank, 11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305

This Certificate relates to the Equipment (the "Equipment") that is described in the Lease.

Pursuant to the Lease, Lessee acknowledges that Lessor has acquired the Equipment in connection with the Lease and Lessee has either received a copy of the purchase agreement with the vendor of the Equipment on or before signing the Lease or has approved such purchase. Lessee hereby represents, warrants and certifies that (i) all of the Equipment has been delivered to Lessee at the Equipment Location set forth in the Lease and has been installed, tested and inspected by Lessee or duly authorized representatives of Lessee, (ii) the Equipment Description set forth in the Lease is complete and correct, (iii) the Equipment is exactly what Lessee ordered, is in good working order, is satisfactory in all respects and has been accepted by Lessee under the Lease as of the Acceptance Date set forth below, and (iv) there has been no adverse change in the business or financial condition of Lessee or any guarantor of the Lease since the day the most recent financial statement of Lessee or any guarantor was submitted to Lessor. If Lessee has made a deposit to the Equipment vendor(s), by signing this Certificate, Lessee hereby transfers all of Lessee's right, title and interest in and to the Equipment to Lessor, except to the extent set forth in the Lease, whether or not the Lessee has been reimbursed for the deposit(s).

IMPORTANT: LESSEE SHOULD SIGN THIS CERTIFICATE ONLY AFTER LESSEE HAS RECEIVED AND IS COMPLETELY SATISFIED WITH THE EQUIPMENT. BY SIGNING THIS CERTIFICATE, LESSEE (1) IS IRREVOCABLY ACCEPTING THE EQUIPMENT, (2) BECOMES ABSOLUTELY AND IRREVOCABLY OBLIGATED TO LESSOR UNDER THE LEASE, AND (3) MAY NOT THEREAFTER REJECT THE EQUIPMENT, CANCEL OR TERMINATE THE LEASE OR DENY ANY STATEMENT MADE IN THIS CERTIFICATE, FOR ANY REASON WHATSOEVER.

Acceptance Date: _____

Lessee: City of Salem Missouri

By: _____

Greg Parker - Mayor

Lease Addendum-Return Conditions – Utility & Derrick Trucks

THIS ADDENDUM (the "Addendum") is made effective as of March 6, 2023, by and between The Huntington National Bank ("Lessor") and City of Salem Missouri ("Lessee").

By a certain Master Lease Number 0850082L Dated March 6, 2023, by and between Lessor and Lessee (the "Master Lease"), and Equipment Schedule Number 001-0850082-100 to the Master Lease dated as of March 6, 2023 (the "Equipment Schedule"), Lessor has agreed to lease certain Equipment to Lessee upon and subject to the terms and conditions set forth therein.

This Addendum is attached to and made a part of the Equipment Schedule identified above between Lessee and Lessor. All terms and conditions of the Lease shall remain in full force and effect, except to the extent modified hereby. Notwithstanding anything to the contrary contained in the Lease, and in addition to the terms and conditions contained therein, if Lessee does not exercise, or is precluded from exercising, any option to purchase the Equipment (as defined in the Equipment Schedule) that may be included in the Lease at the expiration or earlier cancelation or termination of the Equipment Schedule, then Lessee shall, at Lessee's sole cost and expense, return all, but not less than all, such Equipment in accordance with the terms of the Lease and the following:

I. Return Conditions:

Each item of the Equipment shall match the description and serial numbers set forth on the applicable schedule. Each item of the Equipment must all meet the following applicable conditions:

- (a) **General Return Condition:** The Equipment will be in a condition whereby it can pass an immediate state safety inspection and Department of Transport test and immediately be put into revenue service at its original designated function and capacity. With respect to each unit, no glass shall be broken, chipped or cracked, no upholstery shall have any cut, tear or burn, there shall be no damage to exterior or interior materials that exceed \$250 and all decals, numbers, customer identification, glue and adhesives shall have been removed from Equipment without damage to paint or Equipment. Frame and structural members including but not limited to loader arms, stick, booms, buckets, frame rails, all ground engaging tools and all attachments will be structurally sound, without breaks, bends, cracks or missing teeth. Cooling, heating and lubrication systems shall not be contaminated and there shall be no leaking between systems. No battery shall have any dead cells, cracked case or be inoperative. All units returned will be cleaned and cosmetically acceptable, with all rust and corrosion properly removed and/or treated. All material (i.e., dirt, refuse, asphalt, gravel, etc.) must be properly removed from the Equipment and disposed of in accordance with all applicable federal, state and local laws and regulations. All internal fluids such as lube oil and hydraulic fluids are to be filled at operating levels and all filler caps are to be secured. The Equipment will successfully pass an inspection based on OSHA standards and will meet current federal, state and local regulatory compliance standards. Prior to the return of the Equipment, Lessor or its agents shall inspect the Equipment to verify that the Equipment is being returned in compliance with the terms and conditions hereunder. If any deficiencies beyond those listed hereunder are determined, Lessee agrees to promptly make any repairs necessary in order to be in compliance with these terms and conditions.
- (b) **Tires:** All tires shall be of the same original size, type and manufacturer (or similar quality manufacturer if the original manufacturer no longer produces tires of that type) as upon delivery to Lessee. On each unit, the tires shall have no missing or damaged parts or gouges. Tires will not be re-treads and shall be in compliance and pass the DOT test.
- (c) **Drive Train:** If so equipped, the transmission/hydrostatic drive systems including but not limited to differentials, final drives, will be in good condition and operate quietly without vibrations or leaks.
- (d) **Undercarriage:** If so equipped, the undercarriage (including sprockets, links, idlers, bogies, carrier and track rollers, pins and bushings, track shoes/pads) shall have been maintained according to the manufacturer's specifications.
- (e) **Engine:** The engine must have been maintained in accordance with manufacturer's recommendations, including overhauling the engine as required. The engine will meet the current smoke emission standards and be free of oil, water, or other fluid leaks and pass a dynamometer test according to the manufacturer's specifications. If the test is not satisfactory, the lessee will complete the repairs required to complete a satisfactory test at the lessee's expense prior to the return of the Equipment. Determination of satisfaction of these specifications shall be made by subjecting the engine to standard industry testing to include (but not limited to) testing of the crankcase, manifold pressure, oil analysis and blowby tests. All tests shall be performed by a manufacturer authorized service center (but not by the Lessee.)

- (f) Brakes: The brakes shall have been maintained according to the manufacturer's specifications. The brakes shall hold the unit as specified by the original manufacturer without fading. There shall be no heat discoloration or warpage on brake cylinders, disks, wheels or pads. No drums or other braking components shall be damaged or cracked.
- (g) Booms: If so equipped, all booms shall be straight and true within original manufacturers specifications and tolerances. All standard rigging including sheaves, pendants, fairleads necessary for industry standard lift crane and boom trucks shall be returned with each machine.
- (h) Hydraulic Equipment: All hydraulic pumps, cylinders and hoses must be fully operational at rated capacity with no leaks.
- (i) Electronic Equipment: All electronic Equipment will be in good operating condition, work properly, and be securely mounted. All switches will be in proper working operation. Wiring will be mounted securely and cables will be routed correctly.
- (j) Radiator and cooling system will be free of leaks, punctures, or holes and be able to maintain the unit in normal operating temperature under the manufacturer's original specifications.
- (k) All air and fluid lines will be free of cracks, leaks and cuts and the controls will operate as designed.
- (l) Alarm/Safety System: Any and all alarm components will be operable including, but not limited to, slope alarm, travel alarm, motion alarm, strobe lights, beacons and service horn.
- (m) Documents and Records: Each such unit shall meet and conform to all applicable federal, state, and local health and safety laws and requirements, and, if applicable, have appropriate ANSI inspection certificates, permits and other certification necessary to operate the Equipment. Without limiting the foregoing, Lessee shall maintain and provide to Lessor written records of preventative maintenance and repairs, indicating date, and hour meter readings to show when such maintenance or repair work was performed.
- (n) Redelivery: Lessee shall provide for transportation of the Equipment in a manner consistent with the manufacturer's recommendations and practices to a location within the continental United States as Lessor shall direct and shall have the Equipment unloaded at such locations.
- (o) Storage: Lessee shall provide safe, secure storage for the Equipment for a period of up to 180 days after expiration or early termination of the Schedule at location(s) satisfactory to Lessor.
- (p) Usage: During the term of the Schedule, each item of the subject Equipment will be used no more than 12,000 miles per year. The Lessee shall pay to Lessor upon the return of the Equipment the sum of \$0.12 per mile in excess of the 12,000 per year upon return. Excess rental shall be due and payable by Customer upon receipt of an invoice therefore from HNB.

II. Inspections:

- (a) At Lessee's expense, at least ninety (90) days prior to, and not more than one hundred twenty (120) days prior to, lease expiration, each item of Equipment must be inspected by a manufacturer's authorized maintenance representative (but not the Lessee) or other qualified maintenance provider (acceptable to Lessor) to ensure the Equipment conforms to the return provisions outlined herein.
- (b) From ninety (90) days prior to the return of the Equipment, Lessee must make the Equipment available to Lessor's agent during regular working hours so walk-around appraisals/inspections can be conducted.
- (c) The results of the testing and appraisal, with necessary reconditioning, documenting that the Equipment meets the return conditions required herein are to be provided to Lessor sixty (60) days prior to the return of the Equipment.
- (d) Should Equipment fail to be returned within 10 days of the expiry of any Lease Term, Lessee agrees that Lessee must pay Lessor, on demand, rent for each day or part day until it has been returned, at a rate which is equal to the last rental payable immediately prior to the date on which the Lease Term properly expired. Lessee will indemnify Lessor against any costs incurred or losses (including consequential loss or loss of profits) sustained due to the Equipment not being returned at the expiry of the Lease Term. These costs or losses will include, but not be limited to, the cost of marketing activities relating to the sale of Equipment due to be returned and contractual obligations resulting from an agreement to sell Equipment which has not been returned by the Lessee on the expiry of any Lease Term.

Lessor: The Huntington National Bank

By: _____

Title: _____

Lessee: City of Salem Missouri

By: _____

Greg Parker - Mayor



Lease Addendum Motor Vehicles

The "Lease": Equipment Schedule Number 001-0850082-100 Dated March 6, 2023 to Master Lease Number 0850082L Dated March 6, 2023
"Lessee"
City of Salem Missouri, 400 North Iron Street, Salem, MO 65560
"Lessor"
The Huntington National Bank, 11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305

This Addendum is attached to and made a part of the above-referenced Lease between the above-named Lessee and Lessor. In addition to the provisions set forth in the Lease which are applicable to all Equipment, the following shall apply to any of the Equipment which constitutes motor vehicles intended for over-the-road, highway usage ("Motor Vehicles"):

1. The Motor Vehicles shall be operated only by appropriately licensed drivers to be selected, employed, controlled and paid by Lessee and who shall be conclusively presumed to be the agents of Lessee. The Motor Vehicles shall be operated in a safe and reasonable manner so as to prevent loss or damage to the Motor Vehicles or other property and injury to third parties. Lessee will, at its sole expense: (a) supply and replace all parts and tires for the Motor Vehicles and all gasoline, oil, grease and other items required in the operation of the Motor Vehicles; (b) prior to any operation of the Motor Vehicles, obtain all titles, registrations, registration plates, permits and licenses, including all renewals thereof, which are required for the lawful ownership, use and operation of the Motor Vehicles; (c) cause the Motor Vehicles to be titled and registered (i) in the name of Lessor as owner, or (ii) if the End of Lease Provision for the Lease is "Mandatory Purchase," in the name of Lessee as owner, with Lessor's first priority security interest noted on the title, or (iii) in such other manner as Lessor shall direct; (d) furnish all original certificates of title, lien registration notices and related documentation to Lessor; and (e) retain all certificates of registration (and, where required by applicable law, a copy of the Lease) in the Motor Vehicles. Lessor may furnish Lessee with appropriate powers of attorney for the sole and limited purpose of effecting said titling, registration and licensing. Lessee will pay when due, and will indemnify and hold Lessor and its assigns harmless from and against: (i) any license or other fees, liabilities, losses, damages, penalties, claims, actions, suits, costs and expenses, including legal expenses, of every kind and nature whatsoever, imposed on, incurred by, or asserted against Lessor or its agents, successors and assigns, in any way relating to or arising out of any power of attorney issued by Lessor to any person or persons designated by Lessee to apply on behalf of Lessor for applications for the licensing, titling or registration of the Motor Vehicles, or any odometer certification with respect to the Motor Vehicles; and (ii) all towing charges, parking tolls, fines, parking and speeding tickets and other civil and criminal motor vehicle violations (and all fines, penalties and interest applicable thereto) with respect to the Motor Vehicles. Lessee shall pay and shall file all returns with respect to all taxes, including highway use taxes, with respect to the Motor Vehicles, unless otherwise directed in writing by Lessor.

2. Notwithstanding anything to the contrary contained in the Lease, and in addition to the terms and conditions contained in the Lease and in any Return Condition Lease Addendum and any other Lease Addenda, if Lessee does not exercise, or is precluded from exercising, any option to purchase the Motor Vehicles at the expiration or earlier cancellation or termination of the Lease, then Lessee shall, at Lessee's sole cost and expense, return all, but not less than all, of the Motor Vehicles in accordance with the terms of the Lease, such Addenda and also the following: (i) with engine, transmission and drive axles within manufacturer's tolerances, including manifold and crankcase pressures, as measured by dynamometer test upon return at Lessee's expense; (ii) free of all rust and corrosion, clean and in good cosmetic condition, with all glass intact and unbroken, and all insignias and advertising removed and any damage from such removal repaired; (iii) with all systems capable of performing their intended design functions within manufacturer's specifications; and (iv) with all tires with matched tread design and size, in safe operating condition, with at least 50% of original tread remaining and no sidewall or casing damage or splits.

3. All capitalized terms used herein and not defined herein shall have the meanings set forth or referred to in the Lease or any Equipment Schedule thereto. Except as specifically set forth herein, all of the terms and conditions of the Lease, including without limitation any other Lease Addenda, shall remain in full force and effect and are hereby ratified and affirmed. The provisions of this Addendum are intended to supplement and not replace the provisions of the Lease and other Lease Addenda; provided that to the extent that any of the provisions of this Addendum conflict with any provisions contained in the Lease or any other Lease Addendum, the provisions of any Return Condition Addendum or any other Lease Addendum shall control over the conflicting provisions in this Addendum and the provisions of this Addendum shall control over the conflicting provisions in the Lease.

Lessee: City of Salem Missouri

By: _____

Greg Parker - Mayor



AUTHORIZATION FOR AUTOMATIC ELECTRONIC PAYMENT

By signing and completing this Authorization and returning it to The Huntington National Bank (together with its successors and assigns, "Creditor"), you authorize all payments due to Creditor under all existing and future agreements with Creditor (as amended or otherwise modified from time to time, the "Contracts") to be made from the designated account on the terms and conditions set forth herein.

Please make your regular payment until your invoice indicates that automatic electronic payment will be made.

Please complete the following (if any account information is not completed, you authorize Creditor to rely on the attached check or deposit slip to obtain the relevant information).

Name of Account Holder: _____

Authorized Signature: _____ Date: _____

Title of Signor (if Account Holder is NOT an individual): _____

Name of Financial Institution: _____

Account Number: _____ (Account is a Checking Account or Savings Account)

Bank Routing Number: _____ (usually found next to account number)

PLEASE ATTACH A VOIDED CHECK

(a deposit slip may be attached if account does not have checks)

Terms and Conditions: You authorize Creditor to initiate debit entries to your designated account for making your payments due to Creditor, including your regularly scheduled payment amount plus any past due amounts and any other outstanding fees and charges due and owing under your Contracts. Creditor typically will initiate such debit entries on your regularly scheduled due dates. If a due date falls on a weekend or holiday, Creditor may initiate the debit entries on either (i) the last business day prior to the due date or (ii) the first business day after the due date. If an attempted debit entry is returned for any reason, including insufficient funds, Creditor may assess a fee for each failed debit entry and may, but is not required to, attempt the debit entry up to two (2) more times. Creditor also may make credit entries to your designated account for purposes of adjusting debit entries made in error.

This authorization will remain in full force and effect until Creditor has received written notice of your intent to cancel this authorization in such time and in such manner as to afford Creditor a reasonable opportunity to act on such notice. Creditor may cancel or suspend your automatic payment at any time and require non-automatic payments. If Creditor suspends automatic payment at its discretion, it may subsequently resume automatic payment.

You represent that the designated account is used primarily for business and commercial purposes. You should immediately notify Creditor of any automatic payment error. If you desire to change the account from which automatic payments are made, you must timely notify Creditor and execute a new Authorization for Automatic Electronic Payment.

Payments under this Authorization will be made using the automated clearing house ("ACH") funds transfer system and will be made in accordance with this authorization, the ACH Rules and other applicable law in effect from time to time. This authorization does not alter or lessen your obligations under your Contracts with Creditor including but not limited to those provisions regarding the amount of the monthly payments, when payments are due, the application of payments, the assessment of late charges or the determination of delinquencies.

For Office Use Only (do not complete)

Contract No. _____ First ACH Date: _____



Insurance

Customer Name: City of Salem Missouri 400 North Iron Street Salem, MO 65560

Contract Number: 001-0850082-100

**TO HELP US EXPEDITE YOUR FINANCING, PLEASE PROVIDE US WITH A
CERTIFICATE OF INSURANCE THAT INCLUDES THE FOLLOWING:**

Equipment: Please state the following equipment description OR add the contract number 001-0850082-100. If equipment is a titled vehicle, please include the vehicle's full VIN number.

2022 Terex C5048 Digger Derrick s/n 2221276049 mounted on 2023 Freightliner M2-106 chassis, VIN 1FVACXFC5PHUA6731

Evidence of Property Insurance and Commercial Liability Coverage:

Minimum liability coverage of \$1,000,000.00 per occurrence or such greater minimum as may be prescribed by any applicable state law specifying minimum insurance requirements.

Minimum property damage coverage of \$308,377.00.

Deductible must be stated on the certificate and shall not exceed \$10,000 or 10% of the total cost of the equipment.

The Huntington National Bank, its successors and assigns must be named as Loss Payee and Additional Insured.

PLEASE SEND THE CERTIFICATE OF INSURANCE TO:

Sharon Smith-Plata at sharon.a.smithplata@huntington.com

If all other funding requirements are satisfied and we have not received a certificate of insurance or the information requested above is deficient or incomplete, or you would like us to obtain the certificate of insurance for you, please complete the remainder of the form which provides us with the necessary information and authorizes The Huntington National Bank or its assigns to contact your agent directly to request the required certificate of insurance.

PLEASE COMPLETE THE FOLLOWING IF UNABLE TO PROVIDE COMPLETED CERTIFICATE

Insurance Company Liability:	Agent Name:	Business Phone # Email Address:
Insurance Company Property:	Agent Name:	Business Phone # Email Address:

Acknowledged and Agreed

Lessee: City of Salem Missouri

By: _____

Greg Parker - Mayor

Thank you for your immediate attention.

**The Huntington National Bank
11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305**



Additional Information Regarding Your Account and the Equipment

The "Contract": Lease Number 001-0850082-100 dated March 6, 2023
"Lessee"
City of Salem Missouri, 400 North Iron Street, Salem, MO 65560
"Lessor"
The Huntington National Bank, 11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305

Equipment Description and Location:

Description (including features)	Location
2022 Terex C5048 Digger Derrick s/n 2221276049 mounted on 2023 Freightliner M2-106 chassis, VIN 1FVACXFC5PHUA6731	400 North Iron Street, Salem, MO 65560

***PLEASE COMPLETE ALL SECTIONS BELOW ***

Automated Clearing House ("ACH") Payments (check one box below):

- ☐ Previous contracts are on ACH, please continue ACH on this Contract.
- ☐ Do NOT setup this Contract on ACH (this option may be selected unless ACH is required by Lessor)
- ☐ Please setup ACH on this Contract (this option to be selected if you would like ACH to apply to this Contract or if Lessor requires ACH.)
If Lessor requires ACH, the box will automatically be checked.

Billing Address: 400 North Iron Street, Salem, MO, 65560

- ☐ The billing address stated above is correct.
- ☐ Change the billing address to the following address: _____

Lessee Fax #: _____

Lessee E-mail: _____

Equipment Location and Vehicle Titling Location:

- ☐ The Equipment will be located at the Equipment Location(s) stated above or on Exhibit A; provided that if any Equipment is motor vehicles, such vehicles will be titled in the titling office for the Equipment Location stated above or on Exhibit A.
- ☐ The Equipment will be located at: _____
(If multiple locations, attach a list indicating by item of Equipment the City, State and County where such item will be located)
and the vehicles will be titled in: _____ (State) _____ (City) _____ (County)
(If multiple vehicles titled in multiple states, attach a list indicating by VIN the State, City and County each vehicle will be titled)

Tax Status (LEASE TRANSACTIONS ONLY):

1. Sales/Use Tax: (check one)

- ☐ Subject to Sales and Use Tax. (Tax will be based on the state where the vehicle is titled and where other Equipment is located).
- ☐ Exempt from sales and use tax, for the following reason: _____
- ☐ Exemption Certificate Attached
- ☐ Valid Exemption Certificate already on file with Lessor.

If you are exempt from sales tax, you MUST provide exemption certificate or you will automatically be charged sales tax

2. Heavy Vehicle Use Tax: Some vehicles are liable for Heavy Vehicle Use Tax, filed on Federal Form 2290. Lessor does not file this return. If you determine the vehicle(s) is liable for this tax, you should include it on your own Form 2290. Failure to report a taxable vehicle may prevent you from obtaining licenses or tabs.

Personal Property Tax: If the Equipment is located in a state or locality that requires reporting of the Equipment on a personal property tax return, Lessor will report the Equipment on its own return and bill you for taxes due.

Acknowledged by:

Lessee: City of Salem Missouri

By: _____

Greg Parker - Mayor



Invoice

Date of Invoice: 03/06/2023
Application Number: 498816
Contract Number: 001-0850082-100

To: City of Salem Missouri
400 North Iron Street
Salem, MO 65560

Advance Payments/Security Deposit

Description	Contract Payment	Sales/Use Tax	Other	Amount
Beginning Payments in Advance	\$0.00	\$0.00		\$0.00
Last Payment in Advance	\$0.00	\$0.00		\$0.00
			\$0.00	\$0.00
Sub Total				\$0.00

Other Fees/Charges

Fee Description	Amount
Documentation Fee	\$350.00
Other Fees/Charges Sub Total	\$350.00

Invoice Total Due

Invoice Total Due	\$350.00
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Remit To: The Huntington National Bank
11100 Wayzata Blvd, Suite 700, Minnetonka, MN 55305

OPINION OF COUNSEL

(To be on Attorney's Letterhead)

Date: March 10, 2023

Lessee: City of Salem Missouri
400 North Iron Street
Salem, MO 65560

Lessor: The Huntington National Bank
11100 Wayzata Blvd, Suite 700
Minnetonka, MN 55305

Re: Schedule of Equipment No. 001-0850082-100 to Master Equipment Lease Purchase Agreement No. 0850082L, dated as of March 6, 2023, by and between City of Salem Missouri and The Huntington National Bank.

Ladies and Gentlemen:

I have acted as counsel to Lessee with respect to the Schedule of Equipment No. 001-0850082-100 to Master Equipment Lease-Purchase Agreement described above and the related escrow agreement, if any, and all attachments, exhibits and schedules thereto (together, the "Lease") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Lease. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is a public corporation and political subdivision of the State of (the "State") within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, is duly organized, existing and operating under the Constitution and laws of the State, and has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power. The full, true and correct legal name of Lessee is _____.

2. Lessee is authorized and has power under State law to enter into the Lease and lease the equipment with an option to purchase, and to carry out its obligations thereunder and the transactions contemplated thereby. No further approval, consent or withholding of objection is required from any Federal, State or local governmental authority with respect to the entering into or performance by the Lessee of the Lease and the transaction contemplated thereby.

3. The Lease and the other documents described above have been duly authorized, approved, executed and delivered by and on behalf of Lessee, and the Lease is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

4. Lessee has no authority (statutory or otherwise) to terminate the Lease prior to the end of its term for any reason other than pursuant to the terms of Section 3.03(a) and (b) of the Lease.

5. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable State and Federal laws.

6. The execution of the Lease and the appropriation of moneys to pay the payments coming due under the Lease do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

7. There is no litigation, action, suit, or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the organization or existence of Lessee; the authority of the Lessee or its officers; the proper authorization, approval and execution of the Lease and the other documents described above; the appropriation of monies to make Rental Payments under the Lease for the current fiscal year, or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

8. The equipment leased pursuant to the Lease constitutes personal property and when subject to use by Lessee will not be or become fixtures under applicable law.

9. The leasing of the equipment pursuant to the Lease is exempt from all sales, use and documentary stamp taxes against either Lessor or Lessee during the term of the Lease, and such equipment will be exempt from all state and local personal property or other ad valorem taxes.

This opinion of counsel may be relied upon by The Huntington National Bank and its successors and assigns.

Very truly yours,

Staff Summary Report

MEETING DATE:	3/14/2023
AGENDA ITEM:	Ordinance 3534
AGENDA TITLE:	Reading of Bills and Resolutions

ACTION REQUESTED BY:	Noah Wills
ACTION REQUESTED:	Approval of Quit Claim Deed
SUMMARY BY:	Jarred Brown, Building Inspector

PROJECT DESCRIPTION / FACTS

This alley was vacated by the City of Salem 1993 (Ord. 2820). The western half of the alley was deeded to the property owner to the west several years ago.

Deeding previously vacated alleys and streets to the adjacent property owners is consistent with the actions taken by the City of Salem in the past.

PROCUREMENT

FISCAL IMPACTS

None.

SUPPORT DOCUMENTS:	[List all additional documents that accompany this summary]
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DEPARTMENT'S RECOMMENDED MOTION:

Approval of Quit Claim Deed.

AN ORDINANCE TO AUTHORIZE THE MAYOR TO EXECUTE AND THE CITY CLERK ATTEST TO A QUIT CLAIM DEED BETWEEN THE CITY OF SALEM, MISSOURI, AND COUNTY OF DENT IN THE STATE OF MISSOURI

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI, AS FOLLOWS:

Section 1:

That the Mayor is hereby authorized to execute and the City Clerk to Attest to on behalf of the City of Salem, Missouri a Quit Claim Deed with the county of Dent, Missouri property described as follows:

DESCRIPTION:PART OF VACATED ALLEY THROUGH BLOCK 7 OF HAYES ADDITION

All of the Eastern 5 feet of vacated alley which lies West of and adjacent to Lot 29 in Block 7 of Hayes Addition to the City of Salem, Missouri, as shown on the official plat thereof filed in Plat Book 1, Page 23 of the Dent Count Survey Records.

NOTE:

The foregoing description is based on existing deed records and surveys and does not represent Any survey made by or under the direction of Ruble Surveying CO or the Undersigned Land S\ Surveyor. The Alley referred to in the above written description was vacated by City Ordinance No. 2820. The Description used in that Ordinance is in error, stating that the alley lies West of and Adjacent to Blocks 7 and * of Hayes Addition. The Alley actually runs through Blocks 7 and 8, as Shown on the Original Plat.

Section 2:

This Ordinance shall be in full force and effect from and after the date of its passage and approval.

PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI AND APPROVED BY THE MAYOR THIS 14TH DAY OF MARCH, 2023.

APPROVED:

ATTEST:

Greg Parker
Mayor

Tammy Koller
City Clerk

APPROVED AS TO FORM:

James K. Weber
City Attorney

Staff Summary Report

MEETING DATE:	3/14/2023
AGENDA ITEM:	Ordinance 3535
AGENDA TITLE:	Reading of Bills and Resolutions

ACTION REQUESTED BY:	Ricky Vanderpool
ACTION REQUESTED:	Approval of Quit Claim Deed
SUMMARY BY:	Jarred Brown, Building Inspector

PROJECT DESCRIPTION / FACTS

The property described is the eastern half of a portion of S. Oak Street was vacated by the City of Salem 1994 (Ord. 2833).

Deeding previously vacated alleys and streets to the adjacent property owners is consistent with the actions taken by the City of Salem in the past.

PROCUREMENT

FISCAL IMPACTS

None.

SUPPORT DOCUMENTS:	[List all additional documents that accompany this summary]
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DEPARTMENT'S RECOMMENDED MOTION:

Approval of Quit Claim Deed.

AN ORDINANCE TO AUTHORIZE THE MAYOR TO EXECUTE AND THE CITY CLERK ATTEST TO A QUIT CLAIM DEED BETWEEN THE CITY OF SALEM, MISSOURI, AND COUNTY OF DENT IN THE STATE OF MISSOURI

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI, AS FOLLOWS:

Section 1:

That the Mayor is hereby authorized to execute and the City Clerk to Attest to on behalf of the City of Salem, Missouri a Quit Claim Deed with the county of Dent, Missouri property described as follows:

DESCRIPTION:

All of the East 25 feet of South Oak Street lying West of Block 15 of Millsaps Addition to the City of Salem, Dent County, Missouri in Section Eighteen (18), Township Thirty-four (34) North, Range Five (5) West of the 5th P>M>.

Section 2:

This Ordinance shall be in full force and effect from and after the date of its passage and approval.

PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI AND APPROVED BY THE MAYOR THIS 14^H DAY OF MARCH, 2023.

APPROVED:

Greg Parker
Mayor

ATTEST:

Tammy Koller
City Clerk

APPROVED AS TO FORM:

James K. Weber
City Attorney

Staff Summary Report

MEETING DATE:	3/14/2023
AGENDA ITEM:	Ordinance 3536
AGENDA TITLE:	Reading of Bills and Resolutions

ACTION REQUESTED BY:	Briceno Properties LLC.
ACTION REQUESTED:	Approval of Quit Claim Deed
SUMMARY BY:	Jarred Brown, Building Inspector

PROJECT DESCRIPTION / FACTS

The property described is located in the Douglass Park Addition, and is a small portion of the original circular parcel that was utilized as a City Park until the 1920s. When the Missouri Highway Department took over maintenance of Highway 32, the highway was re-routed through the center of the park. Title searches for the property described in this ordinance were unsuccessful in determining when, if, and to whom this property had been conveyed.

This Quit Claim Deed would clear this property of any claim by the City of Salem, resolving any confusion hereafter.

PROCUREMENT

FISCAL IMPACTS

None.

SUPPORT DOCUMENTS:	[List all additional documents that accompany this summary]
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DEPARTMENT'S RECOMMENDED MOTION:

Approval of Quit Claim Deed.

AN ORDINANCE TO AUTHORIZE THE MAYOR TO EXECUTE AND THE CITY CLERK ATTEST TO A QUIT CLAIM DEED BETWEEN THE CITY OF SALEM, MISSOURI, AND COUNTY OF DENT IN THE STATE OF MISSOURI

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI, AS FOLLOWS:

Section 1:

That the Mayor is hereby authorized to execute and the City Clerk to Attest to on behalf of the City of Salem, Missouri a Quit Claim Deed with the county of Dent, Missouri property described as follows:

A tract of land located between the existing right-of-way line for Missouri Highways 32 and 19 and the Southwesterly line of lots 7 and 8, Block L, Douglass Park Addition to the City of Salem, Missouri, also being located in the Northwest Quarter of Section 19, Township 34 North, Range 5 West of the 5th Principal Meridian, Dent County Missouri, being described by Timothy Blair Wiswell, Missouri PLS – 2009000067, Olsson, LC-366, on February 10, 2023, as follows:

Commencing at the Northwest corner of said Lot 8, said point also being located on the East right-of-way line of Missouri Highway 19; thence on an assumed bearing of S05°07'07"E along said right-of-way line and the West line of said Lot 8, a distance of 73031 feet;

Thence S42°55'41"E continuing along said right-of-way line and said West line a distance of 16.41 feet to the point of beginning; Thence along the Southerly line of said lots 7 and 8, on a curve to the right, having a radius of 215.00 feet, a chord bearing of S44°20;04"E and a chord length of 210.17 feet, an arc length of 219.59 feet to a point on the north right-of-way line of Missouri Highway 32, said point also being the Southwest corner of said lot 7;

Thence N81°49'02"W along said right-of-way line, a distance of 8.22 feet;

Thence N42°55'41"W along the Northeasterly right-of-way line of said Missouri Highways 32 and 19, a distance of 203.71 feet to the point of beginning. Contains 4.421 square feet, 0.101 acres, more or less. Subject to easements, reservations and restrictions now of record.

Section 2:

This Ordinance shall be in full force and effect from and after the date of its passage and approval.

PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF SALEM, MISSOURI AND APPROVED BY THE MAYOR THIS 14^H DAY OF MARCH, 2023.

APPROVED:

Greg Parker
Mayor

ATTEST:

Tammy Koller
City Clerk

APPROVED AS TO FORM:

James K. Weber
City Attorney

BOARD OF ALDERMEN AGENDA
MARCH 14, 2023
6:00 P. M.

1. ITEM VI: REPORTS OF CITY OFFICIALS AND BOARDS AND COMMITTEES
2. SUBJECT: SALLY BURBRIDGE, CITY ADMINISTRATOR
 GREG PARKER, MAYOR
 MARK NASH, PUBLIC WORKS
 ALDERMAN REPORTS
3. DISCUSSION:

BOARD OF ALDERMEN AGENDA
MARCH 14, 2023
6:00 P.M.

1. ITEM VII: ADJOURNMENT
2. SUBJECT: Adjournment of Meeting
3. DISCUSSION:
 - (a) Recommend Board Adjourn.
 - (b) Recognize motion and second.
 - (c) Roll vote:

Alderwoman Amanda DUNCAN
Alderman Shawn BOLERJACK
Alderwoman Kala SISCO
Alderman Kyle WILLIAMS

-
-
-
- (d) Board Adjourned.