

# MASTER LEASE AGREEMENT

## Miscellaneous Mowing Equipment

This Agreement is entered into by and between the **City of Lincoln, Nebraska**, hereinafter referred to as "City" and **Nebraska National Bank**, hereinafter referred to as "Lessor".

**1. PROVISION OF EQUIPMENT.**

- 1.1 Lessor shall provide to the City Parks and Recreation Golf Division golf course maintenance equipment in accordance with Specification No. 083004 City of Tucson and the NIPA and Lessor which are attached hereto and made a part hereof.
- 1.2 In the event of conflict between the provisions of this agreement, the specifications, and the Lessor's proposal, the order of precedence shall be as follows: this agreement (including attachments and exhibits), the specifications, the Lessor's proposal.

**2. DELIVERY.**

- 2.1 Midwest Turf and Irrigation, Inc shall deliver the equipment at City of Lincoln, Nebraska's designated locations upon request and mutual agreement, throughout the five(5) year term of the lease.
- 2.2 All delivery shall be at no cost to the City.
- 2.3 The Superintendent of Administration of Lincoln Parks and Recreation Department shall be responsible for authorizing in writing all requested deliveries.

**3. TERM.**

- 3.1 The term of this agreement shall commence on the date of ratification by the City (on or about April 1, 2010, and continue for a period of **60 months**; provided, however, the City may terminate this agreement upon providing to the Lessor written notification of termination specifying that funds will not be appropriated for continued lease of the equipment.
  - 3.1.1 City agrees that its administration will, on an annual basis throughout the term of this lease, propose in its proposed budget the funding of this lease.
  - 3.1.2 At the time of execution of this agreement, Lessee asserts a reasonable belief that funds required for the full term of this agreement will be obtained on an annual basis. Despite such reasonable belief, City cannot guarantee the continued funding of this agreement, and reserves the right to terminate for lack of funding pursuant to section 3.1 of this agreement.
- 3.1 Such termination notification must be sent to Lessor at least 30 days prior to the proposed date of termination.
- 3.2 Upon expiration of the term of this agreement Lessor shall remove the equipment from City property, along with any of Lessor's supplies, at no cost to the City.

**4. COMPENSATION.**

- 4.1 The City shall make semi-annual payments to the Lessor Nebraska National Bank in the amount of \$\_\_\_\_\_ according to the schedule set forth in Lessor's proposal, which is attached hereto and marked as Exhibit 2 and made a part hereof by reference..

**5. TAXES.**

- 5.1 All taxes, including sales, income, use and property taxes associated with this Agreement, shall be paid by the Lessor and shall not be the responsibility of the City.

**6. TITLE TO EQUIPMENT.**

- 6.1 Title to the equipment shall remain with the Lessors at all times and the City shall have no right, title, or interest therein except as expressly set forth in this Agreement.
- 6.2 Risk of loss, except loss resulting from negligent operation by the City, its employees, or golf patrons shall be assumed by the Lessor.
- 6.3 At the end of this lease, all equipment will become the property of the City.

**7. CITY'S RESPONSIBILITIES.** The City agrees to:

- 7.1 Provide a delivery site at each of the designated locations;
- 7.2 With City's approval, permit Lessor's field maintenance staff to enter its premises at all reasonable times to service the equipment;
- 7.3 Provide suitable space for Lessor's field maintenance staff to service the equipment;
- 7.4 Provide suitable space for storage of a minimum stock of preventative maintenance supplies at each of the five sites;
- 7.5 Provide a designated key operator at each of the five sites for training in the use of the equipment and, in the event of personnel turnover, notify Lessor immediately for training of a new key operator;
- 7.6 Provide minor preventative maintenance for the equipment as may be agreed upon by the parties.
- 7.7 Upon expiration or termination of this agreement, permit Lessor to remove the equipment.
- 7.8 Provide insurance coverage, either by virtue of the City being self-insured or by obtaining and insurance policy, for physical damage to the equipment caused by or as a result of any person other than Lessor, Lessor's assigns, agents, or employees.

**8. ADD, DELETE AND RELOCATION OF EQUIPMENT.**

- 8.1 The Superintendent of Administration of Lincoln Parks and Recreation shall coordinate with the Lessor to determine the quantity of vehicles to be delivered and maintained at each site, their placement and movement, relocation, addition and deletion of equipment and supplies.

**9. SERVICING OF EQUIPMENT.**

- 9.1 Lessor warrants the equipment provided under this agreement will be maintained in proper functioning order during the term of this agreement.
- 9.2 Lessor makes no other warranties, express or implied, or of merchantability for this equipment.
- 9.3 If this equipment does not function properly during the contract term, it shall be repaired or replaced without charge to the City within 24 hours of notification.
- 9.4 Equipment which requires excessive service calls shall be replaced by the Lessor instead of being repaired, excessive being measured by the industry standard.
- 9.5 Lessor Midwest Turf and Irrigation, Inc is responsible for all maintenance and repair/replacement services of the equipment, without charge to the City for warranty work, except those services City may specifically agree to assume.
  - 9.5.1 At its own cost and expense, Lessor Midwest Turf and Irrigation, Inc will provide all necessary maintenance parts and supplies unless otherwise specifically agreed by the parties.
- 9.6 During normal working hours, a customer equipment service representative of the Lessor Midwest Turf and Irrigation, Inc will, at the City's request, provide equipment repair service on the City's premises.
  - 9.6.1 The request for repairs shall be acknowledged by the Lessor Midwest Turf and Irrigation, Inc within eight (8) hours after request is made by the City.
  - 9.6.2 For purposes of this agreement, normal working hours shall mean 7:00 a.m. to 3:00 p.m., seven days per week.
  - 9.6.3 The City agrees to make the equipment immediately available for scheduled maintenance and repair.
- 9.7 In the event that any repair or servicing requires removal of the equipment from the City's premises for a period of more than 24 hours, Lessor agrees to provide, at no cost to the

City, replacement equipment equal to the equipment being provided under this agreement, to deliver the same, and to maintain the same, until such time as the equipment provided under this agreement is repaired or serviced and returned.

**10. DEFAULT.**

- 10.1 If the City fails to pay any invoice within 60 days after receipt thereof or if the City fails to perform any of its other obligations under this agreement, or if the City attempts to sell, transfer or encumber the equipment provided hereunder, the Lessor, in addition to any other remedies that may be legally available to it, at its option, may terminate this agreement and immediately repossess all items of equipment.
- 10.1.1 On termination for City's default, the City shall permit the Lessor's representative to enter its premises to remove the equipment and shall pay all outstanding invoices for services actually rendered on or before the date of notice of termination. Lessee agrees to surrender the equipment promptly upon termination of this agreement without protest or legal order being obtained by Lessor.
- 10.2 If the Lessor fails to perform its obligations under this agreement, the City may, in addition to any other remedies legally available to it, do any one or more of the following:
- 10.2.1 In the event that Midwest Turf and Irrigation, Inc fails to properly service warranty work or maintain or repair the equipment, the City may obtain maintenance servicing or repairs from another factory trained source and deduct the cost thereof from future invoices; or
- 10.2.2 In the event that Lessor fails to provide additions, deletions or replacement equipment when required within the terms of this agreement and specification, the City may obtain substantially equal equipment from another source and charge the Lessor the cost of obtaining such replacement equipment over and above the amount such services and equipment would have cost the City under this agreement if the Lessor had not defaulted; or
- 10.2.3 The City may, at its option, terminate this agreement upon five days written notice to the Lessor, in which event Lessor shall immediately remove its equipment from the premises of the City.
- 10.3 Repeated failure on the part of the Lessor to provide repairs in a timely fashion or to provide supplies shall entitle the City to immediately terminate this agreement upon five (5) days written notice to the Lessor advising it of such termination.

**11. INDEMNIFICATION.**

- 11.1 The Lessor shall indemnify and hold harmless the City, its officers, agents, and employees from and against all claims, damages, losses, and expenses, including but not limited to, attorney fees arising out of or resulting from performance of this agreement, the results and any claims for damages whatsoever, including, without limitation, bodily injury, death, or any injury or destruction of tangible or intangible property including any loss of use resulting therefrom that is caused in whole or in part by Lessor or anyone directly or indirectly employed by Lessor.
- 11.2 This section shall not require Lessor to indemnify or hold harmless the City for any losses, claims, damages, or expenses arising out of or resulting from the sole negligence of the City, its employees, or golf patrons.

**12. FAIR EMPLOYMENT PRACTICES.**

- 12.1 In the performance of this agreement, the Lessor shall not discriminate against any employee (or applicant for employment) with respect to compensation, terms, advancement potential, conditions, or privileges or employment, because of such person's race, color, religion, sex, disability, national origin, ancestry, age, or marital status, pursuant to the requirements of Chapter 11.08 of the Lincoln Municipal Code and Neb. Rev. Stat. § 48-1122 (reissue 1998).

**13. INTEGRATION.**

- 13.1 This agreement represents the entire agreement between the parties and all prior negotiations and representations are hereby expressly excluded from this agreement.
14. **AMENDMENT.**
- 14.1 This agreement may be amended or modified only in writing signed by both the City and the Lessor.
15. **GOVERNING LAW.**
- 15.1 This agreement will be interpreted and governed in accordance with the Laws of the State of Nebraska.
16. **NON-ASSIGN ABILITY.**
- 16.1 Lessor may not assign this lease or service agreement or subcontract any portion thereof without the prior written consent of the City.
- 16.1.1 Lessor Nebraska National Bank may subcontract a portion of this agreement to First National Bank of Junction City, Kansas. Such subcontracting shall pertain solely to the financing of this agreement and shall not in anyway impact upon the delivery, service, or maintenance of the equipment as otherwise provided for herein. Lessee shall continue to make payments only to Nebraska National Bank.
- 16.2 Notwithstanding any assignment or subcontracting, Lessor shall continue to be obligated for the performance of the terms of this Agreement.
17. **NO REMEDY EXCLUSIVE.**
- 17.1 No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
18. **LIABILITY.**
- 18.1 Lessor Nebraska National Bank shall be jointly and severally liable under the terms of this agreement, and breach by one may result in termination of the agreement by the City as to both. Lessor Nebraska National Bank specifically has no obligation to provide service or maintenance.
20. **CITY AUDIT ADVISORY BOARD**
- 20.1 All parties of any City agreement shall be subject to audit pursuant to Chapter 4.66 of the Lincoln Municipal Code and shall make Available to a contract auditor, as defined therein, copies of all financial and performance related records and materials germane to the contract/order, as allowed by law.
21. **E-VERIFY**
- 21.1 In accordance with Neb. Rev. Stat. 4-108 through 4-114, the contractor agrees to register with and use a federal immigration verification system, to determine the work eligibility status of new employees performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324 a, otherwise known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee pursuant to the Immigration Reform and Control Act of 1986. The Contractor shall not discriminate against any employee or applicant for employment to be employed in the

performance of this section pursuant to the requirements of state law and 8 U.S.C.A 1324b. The contractor shall require any subcontractor to comply with the provisions of this section. For information on the E-Verify Program, go to [www.uscis.gov/everify](http://www.uscis.gov/everify).

**22. NOTICES.**

22.1 Any notice required or permitted to be sent by this agreement shall be sent to the following individuals at the following addresses unless the party to whom notice is to be sent advises the other party of a change:

22.1.1 to the City of Lincoln:  
Mr. Stephen M Hiller  
2740 A Street  
Lincoln, NE 68502

22.1.2 to the Lessor Nebraska National Bank:  
Mr. Douglas King  
President, Nebraska National Bank  
3110 North 2<sup>nd</sup> Avenue  
Kearney, NE 68848-0397

**IN WITNESS WHEREOF** the City and the Lessor have executed this agreement as of the day and year first written above. The persons signing below acknowledge that he/she is authorized to bind his/her entity to the terms of this agreement.

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**EXECUTION BY CITY OF LINCOLN, NEBRASKA**

ATTEST:

City of Lincoln, NEBRASKA

\_\_\_\_\_  
City of Lincoln Clerk

\_\_\_\_\_  
Mayor

**EXECUTION BY Lessor**

**Nebraska National Bank**

ATTEST:

By:

*B. L. [Signature]*  
\_\_\_\_\_  
Secretary

*[Signature]*  
\_\_\_\_\_  
Duly Authorized Official (Signature)



*VP*  
\_\_\_\_\_  
Legal Title of Official

**EXHIBIT 2**

**SCHEDULE OF RENT PAYMENTS**

Miscellaneous Mowing Equipment

**10 Semi-Annual payments in the amount of \$57,488.55 each due on the first day of months (June and October) in the years of (2010, 2011, 2012, 2013 and 2014).**



# Midwest Turf & Irrigation



14201 CHALCO VALLEY PARKWAY • OMAHA, NE 68138-6193  
(402) 895-8900 • FAX (402) 895-8913

February 23, 2010

City of Lincoln  
Steve Hiller  
2740 A Street  
Lincoln, NE 68502

Steve,

Please find pricing on the requested equipment.

Model	Description	Suggested List	National IPA Pricing	Quantity	Total
04357	<b>Greensmaster 3150Q</b>	\$24,199.00			
04611	11 Bladed DPA Cutting Units	\$6,576.00			
04625	Full Front Rollers	\$970.00			
04640	Rotating Rear Roller Brushes	\$2,054.00			
04634	Groomers	\$5,098.00			
105-8336	Light Kit	\$238.00			
		<u>\$39,135.00</u>	<u>\$30,603.00</u>	2	<u>\$61,206.00</u>
	<b>Option</b>				
*10175SD	CD Service Manual Service Manuals are only available in CD form (Includes all of the current service manuals for the commercial turf products)		\$45.00	2	\$90.00
	<b>Parts - Greenmower</b>				
	* Spare Tire & Rim Assembly		\$96.00	2	\$192.00
<b>Subtotal Greensmaster 3150Q</b>					<b>\$61,488.00</b>
03670	<b>Reelmaster 5410</b>	\$36,054.00			
03661	8 Bladed Cutting Units	\$13,325.00			
03668	Powered Rear Roller Brushes	\$2,560.00			
107-2993-03	Front Roller Scraper	\$138.00			
		<u>\$52,077.00</u>	<u>\$40,724.00</u>		<u>\$162,896.00</u>
	<b>Options</b>				
110-8860	ROPS	\$545.00	\$426.00	2	\$852.00
30359	Universal Mount Sunshade	\$670.00	\$524.00	2	\$1,048.00
	* Rear Tire & Wheel Assembly		\$114.00	2	\$228.00
85-4750	Hand Held Diagnostic	\$304.00	\$238.00	1	\$238.00
<b>Subtotal Reelmaster 5410</b>					<b>\$165,262.00</b>

Model	Description	Suggested List	National IPA Pricing	Quantity	Total
03170	Reelmaster 3100-D	\$20,499.00			
03172	27" Lift Arm Kits	\$940.00			
03181	27" 8 Bladed DPS C/U's	\$10,548.00			
		<u>\$31,987.00</u>	<u>\$25,013.00</u>	3	\$75,039.00
	<b>Options</b>				
03186	Rotating Rear Rdler Brushes up to 2' H.O.C.	\$1,698.00	\$1,328.00	1	\$1,328.00
	* Spare Front Tire & Rim Assembly		\$172.00	2	\$344.00
	* Rear Spare Tire & Rim Assembly		\$174.00	2	\$348.00

Note: The single point adjustment cutting units are not available

<b>Subtotal for Reelmaster 3100-D</b>					<b>\$77,059.00</b>
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30448	Groundsmaster 4000-D	\$61,754.00	\$46,254.00	2	\$92,508.00
	<b>Options</b>				
	* Front Tires & Wheel Assembly		\$209.00	2	\$418.00
	* Rear Tire & Wheel Assmely		\$136.00	2	\$272.00
	* Spare Castor Wheel Assembly		\$71.00	1	\$71.00
117-2722	Blades (7)	\$160.00	\$125.00	2	\$250.00
30359	Universal Mount Sunshade	\$670.00	\$524.00	1	\$524.00
30422	Leaf Mulching Kit	\$1,276.00	\$998.00	2	\$1,996.00

<b>Subtotal for Groundsmaster 4000-D</b>					<b>\$96,039.00</b>
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30626	Groundsmaster 328-D	\$18,613.00			
30722	72" Side Discharge Deck	\$4,653.00			
24-5780	Rear Weight Kit	\$359.00			
30625	Deluxe Seat kit	\$732.00			
30628	Seat Adaptor	\$123.00			
		<u>\$24,480.00</u>	<u>\$19,143.00</u>	2	<u>\$38,286.00</u>
	<b>Options</b>				
	* Front Tire & Wheel Assembly		\$158.00	1	\$158.00
	* Rear Tire & Wheel Assembly		\$84.00	1	\$84.00
	* Pneumatic Castor Wheel Assembly		\$54.00	1	\$54.00
30707	Armrest	\$158.00	\$123.00	2	\$246.00

<b>Subtotal for Groundsmaster 328-D</b>					<b>\$38,828.00</b>
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30344	Groundsmaster 3280-D	\$16,583.00			
30368	72" Side Discharge	\$4,788.00			
30313	Ar-Ride Seat Suspension	\$628.00			
30398	Milsco Seat	\$406.00			
30382	12V Power Port	\$139.00			
24-5780	Rear Weight Kit	\$359.00			
		<u>\$22,903.00</u>	<u>\$17,910.00</u>	\$2.00	<u>\$35,820.00</u>

Model	Description	Suggested List	National IPA Pricing	Quantity	Total
	<b>Options</b>				
	* Front Tire & Wheel Assembly		\$172.00	1	\$172.00
	* Spare Pneumatic Deck Wheel		\$49.00	1	\$49.00
*108-1958-03	Blades (3)	\$81.00	\$65.00	2	\$130.00
30707	Armrests	\$158.00			
108-9687	Armrest Adaptor	\$41.00			
		<u>\$199.00</u>	<u>\$155.00</u>	2	<u>\$310.00</u>
<b>Subtotal for Groundsmaster 3280-D</b>					<b>\$36,481.00</b>
30839	Groundsmaster 3500-D	\$37,726.00	\$29,501.00	1	\$29,501.00
	<b>Options</b>				
	* Spare Front Tire & Wheel Assembly		\$152.00	1	\$152.00
	* Spare Rear Tire & Wheel Assembly		\$136.00	1	\$136.00
<b>Subtotal for Groundsmaster 3500-D</b>					<b>\$29,789.00</b>
08705	SandPro 5040	\$17,620.00			
08751	Tooth Rake	\$1,292.00			
		<u>\$18,912.00</u>	<u>\$14,789.00</u>	1	\$14,789.00
	<b>Options</b>				
08755	Spiker	\$3,662.00	\$2,863.00	1	\$2,863.00
	SandPro 5040 Hydraulic Blade				
08705	Front Lift Frame Asm	\$1,583.00			
08713	Flex Blade	\$897.00			
		<u>\$2,480.00</u>	<u>\$1,939.00</u>	1	\$1,939.00
<b>Subtotal for SandPro 5040</b>					<b>\$19,591.00</b>
44538	ProForce Blower	\$7,857.00	\$6,144.00	4	\$24,576.00
<b>Subtotal for Pro Force Blower</b>					<b>\$24,576.00</b>
	* Redexim 1575 Seeder		\$13,302.00	1	\$13,302.00
<b>Subtotal for Redexim 1575 Seeder</b>					<b>\$13,302.00</b>
07366	Workman HDX	\$21,018.00	\$16,436.00	1	\$16,436.00
<b>Subtotal for Workman HDX</b>					<b>\$16,436.00</b>

The National IPA Program has a Support Plus Program that provides free goods for certain levels of equipment purchases. The Support Plus Program is based on Commercial Products only and may be applied toward new Toro Commercial Division products. Free goods dollar amounts are based on a single purchase order.

Toro Commercial Purchases	Free Goods
200,000-249,000	\$6,000.00
250,000-299,000	\$10,000.00
300,000-349,000	\$12,000.00
350,000-399,000	\$14,000.00
400,000-449,000	\$16,000.00
Over 500,000	\$20,000.00

NOTE: Any product listed with an \* does NOT count towards the Free Goods.

**The Listed TORO Commercial Turf Products and Accessories  
that apply towards the support Plus Program**

Quantity	Item	Items included in Free Goods Total	Items NOT included in Free Goods total	Free Goods
2	Greensmaster 3150Q	\$61,206.00	\$282.00	
4	Reelmaster 5410-D and Accessories	\$165,034.00	\$228.00	
3	Reelmaster 3100-D and Accessories	\$76,367.00	\$692.00	
2	Groundmaster 4000-D and Accessories	\$95,278.00	\$761.00	
2	Groundmaster 328-D and Accessories	\$38,532.00	\$296.00	
2	Groundmaster 3280-D and Accessories	\$36,130.00	\$351.00	
1	Groundmaster 3500-D	\$29,501.00	\$288.00	
4	ProForce Blower	\$24,576.00		
1	Workman HDX	\$16,436.00		
1	Redexim Seeder		\$13,302.00	
1	SandPro 5040			\$19,591.00
		\$543,060.00	\$16,200.00	\$19,591.00
			Grand Total	\$578,851.00

Qualified Level of Free Goods is \$20,000.00

<b>The City of Lincoln Qualifies for \$20,000 in Free Goods</b>	
Grand Total	\$578,851.00
SandPro 5040 (Free Goods)	-19,591.00
<b>Subtotals</b>	<b>\$559,260.00</b>
Free Goods remaining balance -	-\$409.00
Trade-Ins -	\$37,200.00
	<b>\$521,651.00</b>

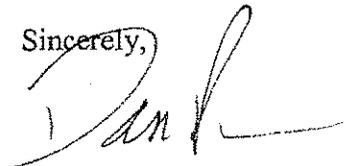
**Trade In's**

<b>Mahoney GC</b>	<b>Trade In Price</b>	<b>Quantity</b>	<b>Total</b>
Reelmaster 5400-D	\$4,000.00	2	\$8,000.00
Sand Pro3020	\$3,500.00	1	\$3,500.00
<b>Accessories</b>			
Pinspiker			
Box Blade			
Old Syle Rake			
	<u>\$900.00</u>	1	\$900.00
Reelmaster 3100-D	<u>\$2,000.00</u>	1	\$2,000.00
<b>Holmes GC</b>			
Reelmaster 5400-D	\$5,000.00	2	\$10,000.00
Groundsmaster 3500-D	\$7,000.00	1	\$7,000.00
Reelmaster 3100-D	\$2,000.00	1	\$2,000.00
Groundsmaster 345	\$2,300.00	1	\$2,300.00
Jacobsen 628D	\$1,500.00	1	\$1,500.00

<b>Total for Trade Ins</b>	<b>\$37,200.00</b>
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If you need more information, give us a call.

Sincerely,



Dan Parr  
Commercial Turf Sales