# **RESOLUTION R-20-47**

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH ENTERPRISE FLEET MANAGEMENT FOR ACQUISITION AND DISPOSAL OF VEHICLES.

WHEREAS, the City desires to engage the expertise of Enterprise Fleet Management to assist the City in fleet management (analysis, purchase, maintenance, and disposal).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLADSTONE, MISSOURI AS FOLLOWS:

**THAT,** the City Manager of the City of Gladstone, Missouri, is hereby authorized to enter into a contract with Enterprise Fleet Management for the leasing of certain vehicles for a total amount of \$44,900.00.

**FURTHER, THAT,** funds for such purpose are authorized from the General Fund and the Combined Waterworks and Sewerage System Funds Budget.

INTRODUCED, READ, PASSED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF GLADSTONE, MISSOURI THIS 28<sup>TH</sup> DAY OF SEPTEMBER 2020.

ean B. Moore, Mayor

ATTEST:

Ruth E. Bocchino, City Clerk



# Request for Council Action

RES ⊠# R-20-47

BILL □# City Clerk Only

**ORD # City Clerk Only** 

Date: 9/23/2020

Department: Finance

Meeting Date Requested: 9/28/2020

Public Hearing: Yes □ Date: Click here to enter a date.

Subject: Enterprise Fleet Leasing

Background: Staff is constantly looking for new ideas to improve on how we deliver City services and retain employees. New vehicles or capital purchases are often deferred to provide funding for other services, programs, or personnel costs. In the current fiscal year, the City Council provided funding for two (2) program vehicles for Code Enforcement (\$30,000) and 1 new truck for the CWSS Fund (\$31,500). Staff has been working with Enterprise Fleet Management to design a program that will allow the City to lease seven (7) vehicles for the annual cost of vehicles budgeted in FY21. The lease will replace five (5) 2009 Ford Escapes (3 from Code Enforcement, 2 from Public Works) and 2 aging pickup truck from the CWSS Fund with new GMC Sierra trucks. This plan will reduce the size of the fleet by two (2) vehicles. Enterprise will also manage the disposal of these vehicles. The agreement can be terminated at any time. Staff feels that there will be an opportunity for budget savings in replacing the aging vehicles and using the vast market knowledge and outlets from Enterprise Fleet Management. Other governmental entities that are using Enterprise Fleet Management are the City of Lenexa, Kansas City, Missouri School District, and most recently, the Cities of Smithville and Raymore.

<u>Budget Discussion</u>: Funds are budgeted in the amount of \$ 44,900 from the General and CWSS Fund. Ongoing costs are estimated to be \$44,900 annually pending contract renewal. Previous years' funding was \$

Public/Board/Staff Input: Resolution and fleet synopsis to follow the RCA.

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor

Dominic Accurso

JM

SW

Department Director/Administrator

City Attorney

City Manager









# **FLEET MANAGEMENT**

# FLEET SYNOPSIS | CITY OF GLADSTONE, MO



7010 N Holmes St Gladstone, MO 64118

# Piggyback The Sourcewell Awarded RFP #060618-EFM that addresses the following:

- Access to all fleet management services as applicable to the needs of the City
- Supports the City's need for fleet evaluation on a quarterly basis assessing costs and reviewing best practices

Enterprise Fleet Management, Inc.

600 Corporate Park Drive St. Louis, MO 63105 314-512-5000 Main 314-518-5583 Fax Brandon Scott
Account Executive
5359 Merriam Dr
Merriam, KS 66203
Cell: 816-591-5565
Brandon.J.Scott@efleets.com



# FLEET SYNOPSIS | CITY OF GLADSTONE, MO

# Impact of Partnership

## **BACKGROUND**

Location: Gladstone, MO Industry: City Government

Total Non-Emergency Vehicles Included in Analysis: 29

# THE SITUATION

The City of Gladstone is looking for a solution to better manage its aging fleet.

- 79% of the current light and medium duty fleet is over 10 years old.
- Older vehicles have higher fuel costs, maintenance costs, and tend to be unreliable.
- It would take over 10 years to cycle out the entire fleet at current acquisition rates.

### THE OBJECTIVES

Enterprise Fleet Management's proposal is to save City resources and budget dollars through a managed vehicle program.

- Utilize an open-end lease\* as a funding mechanism, allowing the City to acquire additional vehicles while avoiding
  a large capital budget outlay.
- Replace aged vehicles with newer models to increase fuel efficiency and reduce maintenance expense.
   Maintenance and repair expenses will be reduced as the age of vehicles is lowered and the integration of more fuel efficient vehicles will reduce carbon footprint.
- Establish a proactive replacement plan that maximizes potential equity at time of resale, reduces operational
  expenses, and increases safety.

\*An open-end lease means there are no early termination, mileage, or abnormal wear and tear penalties. Leases are written to a residual balance to preserve cash flow. The City receives flexibility of ownership, as well as net equity from sale at time of disposal.

# **CLIENT TESTIMONIAL**

"We were skeptical at first because the numbers looked too good to be true. Once we made the choice to work with Enterprise Fleet Management, it was exciting to have a new fleet of vehicles for our employees. When we saw savings over 22% on fuel costs, just by switching to newer vehicles, that alone was worth the change."

-Nick Arena, Asst. Municipal Services Director, City of Lenexa, KS

#### THE RESULTS

By partnering with Enterprise Fleet Management, it is estimated that the City will create a long-term sustainable cost savings of 45% while replacing the heavily aged fleet with newer, more reliable vehicles on a flexible four year cycle. This is expected to reduce Non-Emergency Response Vehicles maintenance costs by 75%.

Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold. Furthermore, the City will leverage Enterprise Fleet Management's ability to sell vehicles at an average of 109% of Black Book values.

By shifting from reactively replacing inoperable vehicles to planning vehicle purchases, the City of Gladstone, MO will be able to field newer, safer, and more efficient vehicles with reduced downtime in a cost-neutral or better manner.

Brandon Scott | (816) 591-5565 | Brandon.J.Scott@efleets.com



# SUPPORTING EVIDENCE | CITY OF GLADSTONE, MO

City of Gladstone - Fleet Profile

#### Fleet Replacement Schedule Fleet Profile Replacement Criteria \* Fiscal Year 2020 = 8 years old and older, or odometer over 100,000 Average Vehicle Type 2020 2021 2022 2023 Annual \* Fiscal Year 2021 = 6 years old and older, or odometer over 80,000 Age (years) Utilized Mileage \* Fiscal Year 2022 = 4 years old and older, or odometer over 60,000 Full-size Sedan 11,800 \* Fiscal Year 2023 = Remaining Vehicles Minivan-Passenger 5.2 3,500 0 0 0 1 Underutifized = Annual Mileage less than 2,598 1/2 Ton Van Cargo 13.3 2,600 Compact SUV 4x4 6.2 2,600 0 0 0 Mid Size SUV dv4 5.2 5,600 Vehicle Types Hybrid SUV 17 11 3 7,300 17 0 0 0 Compact Pickup Ext 4x2 11.3 900 0 0 0 0 Compact Pickup Ext 4x4 11.3 4.000 3 0 0 0 U2 Ton Pickup Reg 4x4 5.2 7 200 0 0 0 ■C28 ■ 99° ■TENE ■ 21° Totals/Averages 29 10.2 6,300 0 2 Model Year Analysis 23 Vehicles over 10 Years 20 2020 2008 2005 2000

# City of Gladstone - Fleet Planning Analysis



Fleet Costs Analysis

|                |            | Fleet Mix       |       |        |          |         | Fle     | et Cost  |             |                |              | Annual    |
|----------------|------------|-----------------|-------|--------|----------|---------|---------|----------|-------------|----------------|--------------|-----------|
| Fiscal<br>Year | Fleet Size | Annual<br>Needs | Owned | Leased | Purchase | Lease*  | (Owned) | (Leased) | Maintenance | Fuel           | Fleet Budget | Net Cash  |
| Аусгаде        | 29         | 4.0             | 29    | 0      | 92,693   | 9       | 4,000   |          | 47.126      | 17,400         | 153,220      | 0         |
| '20            | 27         | 22              | 5     | 22     | 0        | 109,599 | -23,000 | -68,737  | 17,915      | 18,491         | 54,268       | 98,951    |
| '21            | 27         | 21              | 4     | 23     | 0        | 113,855 | -2,000  | -68,737  | 16,735      | 18,540         | 78,393       | 74,826    |
| '22            | 27         | 24              | 0     | 27     | 9        | 136,048 | -14,000 | -75,141  | 12,015      | 18,738         | 77,660       | 75,559    |
| '23            | 27         | 22              | 0     | 27     | 0        | 136,048 | 0       | -89,935  | 12,015      | 18,738         | 76,866       | 76,353    |
| '24            | 27         | 24              | 0     | 27     | 0        | 136,048 | 0       | -79,460  | 12,015      | 18,738         | 87,341       | 65,878    |
| '25            | 27         | 23              | 0     | 27     | 0        | 136,048 |         | -86,429  | 12,015      | 18,738         | 80,372       | 72,847    |
| '26            | 27         | 24              | 0     | 27     | 0        | 136,048 |         | -75,141  | 12.015      | 18,738         | 91,660       | 61,559    |
| '27            | 27         | 22              | 0     | 27     | 0        | 136,048 |         | -89,935  | 12,015      | 18,738         | 76,866       | 76,353    |
|                |            |                 |       |        |          |         |         |          |             | B Year Savings | 0.00         | \$602,328 |



#### **Current Fleet Equity Analysis**

| YEAR   | 2020     | 2021    | 2022          | 2023        | 2024 | Under Utiller |
|--------|----------|---------|---------------|-------------|------|---------------|
| QTY    | 22       | 4       | 4             | 0           | 0    | 2             |
| Est \$ | \$1,000  | \$2,000 | \$3,500       | \$0         | \$0  | \$500         |
| TOTAL  | \$22,000 | \$2,000 | \$14,000      | 50          | \$0  | \$1,000       |
|        |          | Estimut | wl Current Ek | ed Equation | 61   | 9.000         |

\* Lease Rates are conservative estimates

\*\*Estimated Current Fleet Equity is based on the current fleet "sight unseen"

and can be adjusted after physical inspection

Lease Maintenace costs are exclusive of tires unless noted on the lease rate quote.

## **KEY OBJECTIVES**

Lower average age of the fleet

79% of the current light and medium duty fleet is over 10 years old. Resale of the aging fleet is significantly reduced

Reduce operating costs

Newer vehicles have increased fuel efficiency with new technology implementations

Maintain a manageable vehicle budget

Challenged by inconsistent yearly budgets Currently vehicle budget is underfunded

Confidential 3/23/2020 enterprise



# **MEDIA & CASE STUDY | CITY OF GLADSTONE, MO**

# CASE STUDY | CITY OF LENEXA



# The City of Lenexa see big savings with new fleet vehicles.

#### BACKGROUND

Location: Lenexa, KS Industry: Government Total vehicles: 72 vehicles

#### THE CHALLENGE

The City of Lexena was holding onto vehicles for 10 years and would only replace the vehicles if maintenance costs became too high or they were inoperable. As issues would arise, city managers would rush to get the vehicle fixed, find funds to cover the repair and make sure the employee was able to do his or her job. The process of maintaining an aged fleet with high and unpredictable maintenance costs became a grueling task for The City to manage.

#### THE SOLUTION

Enterprise Fleet Management presented the City of Lenexa with a proactive fleet management program. The solution would replace most of the light-duty vehicles within the first year of partnering with Enterprise, which would provide the city with a newer, more reliable fleet.

"We were skeptical at first because the numbers looked too good to be true. Once we made the choice to work with Enterprise Fleet Management, it was exciting to have a new fleet of vehicles for our employees. When we saw savings over 22% on fuel costs, just by switching to newer vehicles, that alone was worth the change."

- Nick Arena, Asst. Municipal Services Director

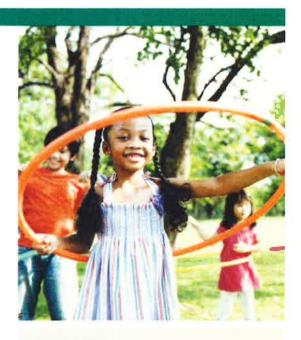
By replacing 45 light-duty vehicles in the first year, The City realized immediate operational savings, Enterprise Fleet Management helped acquire vehicles with volume incentives to lower the initial order and reduce the total cost of ownership for the City of Lenexa.

## THE RESULTS

The City now offers its employees vehicles that have up-to-date safety features and with overall improved reliability. This has helped improve the satisfaction of the workforce. The partnership has also helped The City standardize its fleet and utilize the best vehicles based on the equipment needed for the job. The program offers flexibility to replace units more frequently, in shorter cycles so it will continue to experience overall savings. With a newer fleet of vehicles, The City of Lenexa experienced a 22% decrease in fuel costs and a 70% decrease in unplanned maintenance expenses. Additionally, the new fleet strategy allows city employees to focus solely on their core responsibilities instead of vehicle maintenance issues.

To learn more, visit efleets.com or call 877-23-FLEET.

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# PROGRAM RESOURCES | CITY OF GLADSTONE, MO

#### SAFETY

-23 vehicles are older than 10 years of age and do not contain the most up to date safety features, such as Electronic Stability Control, airbag standardization, and anti-lock brake control.

-23 vehicles predate Electronic Stability Control (mandatory for all 2012 model year vehicles). According to the Highway Traffic Safety Administration, this is the most important safety feature since the seatbelt.

## **ACCOUNT MANAGEMENT**

The City of Gladstone will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Meeting with you at minimum 3 times per year: 2 of those are financial planning meetings. These are an Annual Client Review and a Fleet Analysis Meeting.
- Your Account Manager will provide ongoing analysis, which can include best makes/models, cents per mile, total cost of ownership, and replacement analysis.
- Monthly management reports consisting of a single invoice with all charges.

## **ANCILLARIES**

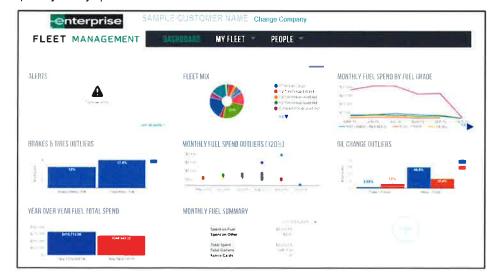
Enterprise Fleet Management has the ability to offer a total fleet solution should the City need further evaluation of the fleet. These can include:

- Maintenance Programs
- Fuel Cards
- Telematics Devices
- Physical Damage Coverage

## **TECHNOLOGY**

Enterprise Fleet Management's website provides vehicle tracking, reporting, and metrics. Our website can be customized to view a wide range of data to have a comprehensive and detailed look at all aspects of your fleet and the services provided. Our *Mobile App* also allows drivers a wide range of functions.

- Invoices To include lease, maintenance, and ancillaries all in one invoice
- Maintenance Utilization Review the life-to-date maintenance per vehicle
- Recall Information See which units are approaching the lease term and still have open recalls
- · License & Registration See which plate renewals are being processed by Enterprise; view status
- Alerts Set customizable alerts for oil changes, lease renewals, license renewals, and billing data
- Lifecycle Analysis See data regarding all transactions for the lifecycle of the entire fleet, with drill-down capability to any specific lease or transaction





# REFERENCES | CITY OF GLADSTONE, MO

# **CURRENT PARTNERS**

- City of Raymore, MO
- City of Smithville, MO
- City of Branson, MO
- City of Camdenton, MO
- City of Lake Ozark, MO
- · City of Lenexa, KS
- · City of Prairie Village, KS
- Saline County, MO
- Leavenworth County, KS
- Shawnee County, KS
- Geary County USD 475
- Haysville USD 261
- Olathe USD 233

## **REFERENCES**

Below is a list of three client/customer references including name, contact person, and telephone number.

Name: City of Smithville, MO

Business Phone #: (816) 532-3897

Contact Person(s): Nickie Lee, Assistant City Manager

Name: City of Lenexa, KS

Business Phone #: (913) 477-7810

Contact Person: Nick Arena – Assistant Municipal Services Director

Name: City of Raymore, MO

Business Phone #: (816) 892-3109

Contact Person: Mike Ekey - Assistant City Manager



R-20-47



# **GOVERNMENT CREDIT APPLICATION**

| Please complete all applicable items.  |                                |                                |                    |                  |
|--|--------------------------------|--------------------------------|--------------------|------------------|
| Company Name City of Gladstone, Mis  |                                |                                |                    |                  |
| Street Address 7010 N Holmes Street  |                                | City Gladstone                 |                    | Zip <u>64118</u> |
| E-mail dominica@gladstone.mo.us  | Phone i                        | <sub>4</sub> 816-436-2200      | Fax # 816-436-2228 |                  |
| Government Entity Type: State Co   | unty City Other:               | / — — wmov/29/8                |                    |                  |
| Type of Business   |                                | Duns Number 8069408            | 86                 |                  |
| Parent Company or Affiliates(Name & Addr   |                                |                                |                    |                  |
| PRIMARY CONTACT INFORMATION  |                                |                                |                    |                  |
| Name Dominic Accurso   |                                | dominica@gladstone.mo.us       | Phone #_816-4:     | 23-4121          |
| Fleet Manager Address 7010 N Holmes  | s, Gladstone, MO 64            | 118                            |                    |                  |
| FINANCIAL INFORMATION  |                                |                                |                    |                  |
| Are your books prepared by an outside Acc  | countant?                      | ■ No                           |                    |                  |
| Accountant Name  |                                | _                              | Phone              | #                |
| Accountant Name  |                                |                                |                    |                  |
| ENCLOSING WITH APPLICATION   |                                |                                |                    |                  |
| Three years of Financial Statements (with fo   | potnotes) 🔳 Audited            | d ☐ Opinioned ☐ Internal       |                    |                  |
| Published Annual Reports 🔳 Yes   | □No                            |                                |                    |                  |
| rubiisiieu Afiiluai Neporis (m) 163  | □ ···•                         |                                |                    |                  |
| _  | _                              |                                |                    |                  |
| Income Tax Returns (3 years)   | s No                           | o.us/documents/finance/        |                    |                  |
| Income Tax Returns (3 years) Ye Other Items Included: See website http:  | s No                           | o.us/documents/finance/        |                    |                  |
| Income Tax Returns (3 years) Ye Other Items Included: See website http: Federal ID Number: 44-6005624  | s No                           | o.us/documents/finance/        |                    |                  |
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| Income Tax Returns (3 years) Ye Other Items Included: See website http: Federal ID Number: 44-6005624 Fiscal Year End (Month): June 30   | s No                           | o.us/documents/finance/        | Acct#              | # of Vehicles    |
| Income Tax Returns (3 years) Ye Other Items Included: See website http: Federal ID Number: 44-6005624 Fiscal Year End (Month); June 30  CURRENT VEHICLE SUPPLIER   | s □ No<br>s://www.gladstone.mo |                                | Acct#              | # of Vehicles    |
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| Income Tax Returns (3 years) Ye Other Items Included: See website http: Federal ID Number: 44-6005624 Fiscal Year End (Month); June 30  CURRENT VEHICLE SUPPLIER   | s □ No<br>s://www.gladstone.mo |                                | Acct#              | # of Vehicles    |
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| Income Tax Returns (3 years) Ye Other Items Included: See website http: Federal ID Number: 44-6005624 Fiscal Year End (Month); June 30  CURRENT VEHICLE SUPPLIER   | s No<br>s://www.gladstone.mo   |                                | Acct#              | # of Vehicles    |
| Income Tax Returns (3 years) Ye Other Items Included: See website http: Federal ID Number: 44-6005624 Fiscal Year End (Month); June 30  CURRENT VEHICLE SUPPLIER  Principle Suppliers  Current Vehicle Suppliers | S No<br>s://www.gladstone.mo   | E-Mail Address                 |                    |                  |
| Income Tax Returns (3 years) Ye Other Items Included: See website http: Federal ID Number: 44-6005624 Fiscal Year End (Month): June 30  CURRENT VEHICLE SUPPLIER  Principle Suppliers                            | Phone #                        | E-Mail Address                 |                    |                  |
| Income Tax Returns (3 years) Ye Other Items Included: See website http: Federal ID Number: 44-6005624 Fiscal Year End (Month); June 30  CURRENT VEHICLE SUPPLIER  Principle Suppliers  Current Vehicle Suppliers | Phone #                        | E-Mail Address                 |                    |                  |
| Income Tax Returns (3 years) Ye Other Items Included: See website http: Federal ID Number: 44-6005624 Fiscal Year End (Month); June 30  CURRENT VEHICLE SUPPLIER  Principle Suppliers  Current Vehicle Suppliers | Phone #                        | E-Mail Address                 |                    |                  |
| Income Tax Returns (3 years)   | Phone #                        | E-Mail Address                 |                    |                  |
| Income Tax Returns (3 years)   | Phone #                        | E-Mall Address  E-Mall Address | Acct#              | # of Vehicles    |
| Income Tax Returns (3 years)   | Phone #                        | E-Mail Address  E-Mail Address | Acct#              | # of Vehicles    |

#### ACH AUTHORIZATION AGREEMENT

| Company Name City of Gladstone, Missouri                                     |                      | FEIN 44-6005624 |           |
|--|----------------------|-----------------|-----------|
| Street Address 7010 N Holmes   | City Gladstone       | Stale MO        | Zip 64118 |
| Contact Name Dominic Accurso   | Phone # 816-436-2200 | O Fax#          |           |
| Email Address dominica@gladstone.mo.us                                       |                      |                 |           |
|  |                      |                 |           |
| BANK INFORMATION  Bank Name Commerce Bank                                    | Checking Acc         | ount Only       |           |
| Bank Name Commerce Bank  | -                    |                 |           |
| BANK INFORMATION  Bank Name Commerce Bank  Street Address  Bank Contact Name | -                    | State           | Zip       |

# \*\*PLEASE ATTACH A VOIDED CHECK FOR THE ACCOUNT LISTED ABOVE\*\*

Upon approval of this Credit Application, I (we) hereby authorize Enterprise Fleet Management, Inc., hereinafter called "EFM", to initiate, if necessary, credit entries and adjustments for any debit entries in error, to my/our checking account indicated above and to further authorize the depository named above, hereinafter called "DEPOSITORY", to debit and/or credit the same to such account. I (we) covenant and agree to instruct any and all banks or other financial institution specified in this Credit Application and ACH authorization to process debits using the Automated Clearing House funds-transfer system.

This transaction will be completed in accordance with the following provisions:

- 1. The withdrawal will occur on the 20th of each month. If the 20th of each month falls on a weekend, amounts will be withdrawn on the next business day.
- 2. An electronic copy of the invoice and/or statement will be available on EFM's website (<a href="http://elrntlegtaccess.elleets:com">http://elrntlegtaccess.elleets:com</a>) by the 5th business day of each month. The Lessee will be expected to review the invoice/statement prior to the 15th of each month, The Lessee reserves the right to call EFM and dispute a charge by the 15th of the month. EFM will withdraw the entire invoice amount each month if no charges have been disputed by the 15th of each month. Upon request to EFM, a hard copy of an invoice or statement will be mailed to the lessee each month via the United States Postal Service.
- 3. For any amount owed by the Lessee to EFM that is not paid due to insufficient funds on the date the debit should occur, a \$25 non-sufficient funds transaction fee will be assessed. The transaction fee shall be paid by the Lessee to EFM on demand.
- 4, This authorization is to remain in full force and effect until EFM has received written notification from the Lessee of its termination in such time and in such manner as to afford EFM and DEPOSITORY a reasonable opportunity to act on it. Cancellation will also occur if EFM has sent the Lessee a ten day written notice for EFM's termination of the agreement, Cancellation requests for this agreement should be forwarded to:

#### ABBilling@elleels.com

#### STATEMENT OF POLICY AND PROCEDURES

Enterprise Fleet Management, Inc. and affiliates will use the information provided in this for the purpose of fleet and rental related services/programs.

Enterprise Fleet Management, Inc. reserves the right to return this application if all sections are not completed or determined misleading.

Enterprise Fleet Management, Inc. will conduct future inquiries on an annual basis as part of the annual credit review process or as fleet size increases, and reserves the right to ask for additional or updated financial information as the need warrants as part of the credit underwriting process.

AUTHORIZED SIGNERS FOR MOTOR VEHICLE LEASE(S)

| RESOLVED, The undersigned hereby certifies (I) that he/she City of Gladstone   | is the duly appointed (Title) for (Entity legal name) hereafter known as "The Entity", (ii) that he/she is authorized   |
|--|---|
| by The Entity to execute and deliver on behalf of The Entit<br>Lease Agreement between Enterprise and the Entity ) the | by to Enterprise Fleet Management, hereafter known as "Enterprise" ("Lessor") and the Master ("Lessee"), and (iii) that the following individuals are authorized and empowered on behalf of erprise Schedules to the Lease for individual motor vehicles, together with any other necessary |
| RESOLVED FURTHER, that:  |   |
| Scott Wingerson  | City Manager  |
| Print Name   | Title   |
| Dominic Accurso  | Director of Finance   |
| Print Name   | Title   |
| Print Name   | Tille   |
| Bond Rating: Rating A  | Agency: Federal ID#:  |
| RESOLVED FURTHER, that EFM is authorized to act upon the   | his authorization until written notice of its revocation is received by EFM.  |
| I do herby certify that the information contained in this Cree   | dit Application is accurate in all material aspects as required by law. Further, I do hereby certify  |
| Dominic Accurso  | Director of Finance   |
| Print Name   | Title   |
| 6/   | City of Gladstone, MO   |
| Signature  | Company Name  |
| 9/30/20  |   |
| Date   |   |

City Manager

For the purpose of seeking to secure credit from Enterprise Fleet Management, Inc. (together with its affiliates, successors, assigns and third party service providers, "EFM"), Credit Applicant (a) authorizes (1) EFM to run a credit report, investigate and verify the information in this Credit Agreement, and/or obtain financial and/or credit information from any person or entity with which Credit Applicant has or had financial dealings, including banks, lending institutions and trade or credit references, whother or not such person or entity is identified in this Credit Application, which information may include financial statements, lax returns, and banking records, (ii) EFM to contact any of Credit Applicant's current or former employers or creditors to verify any information contained herein or received in connection with this Credit Application if Credit Applicant is a sole proprietor, and (iii) any third party who may have relevant information to provide such information to EFM, (b) will notify EFM if there is any change in name, address, or any material adverse change (i) in any of the information contained in this Credit Application, (II) in Credit Applicant's financial condition, or (IIi) in Credit Applicant's ability to perform their respective obligations to EFM, and (c) represents and warrants that any and all information provided to EFM by Credit Applicant is true, correct and complete as of the date hereof. The tack of any notice of change in the representations and warranties included in this Credit Application shall be considered a continuing statement that the information provided in this Credit Application remains true, correct and complete.

As permitted by law, EFM may also release information about EFM's credit experience with Credit Applicant. Credit Applicant understands and agrees that all reports and records developed by EFM or any third party agent in connection with the foregoing Investigations are the sole property of EFM and will not be provided to Credit Applicant unless otherwise required by applicable law or agreed to by EFM in writing.

The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that Credit Applicant has the capacity to enter into a binding contract); because all or part of Credit Applicant's Income derives from any public assistance program; or because Credit Applicant has in good faith exercised any right under the Consumer Credit Protection Act. If this credit application is denied, Credit Applicant may have the right to a written statement of the specific reason(s) for the denial. To request to obtain the statement, Credit Applicant may contact EFM at: 600 Corporate Park Drive, ATTN: EFM Credit Department, St., Louis, MO 63105, within 60 days from the date Credit Applicant is notified of the denial. If applicable, within 30 days of EFM's receipt of the request, EFM will send Credit Applicant a written statement specifying the reason(s) for the denial.

The person signing below personally represents and warrants to EFM that he/she is authorized to make this application for credit on behalf of Credit Applicant.



# LIABILITY, CRIME AND EMPLOYEE FIDELITY COVERAGE, MOTOR VEHICLE PHYSICAL DAMAGE COVERAGE AND PROPERTY COVERAGE COVERAGE SUMMARY 2019-2020

| Member Entity:                      | Gladstone       |             |           |  |  |
|-------------------------------------|-----------------|-------------|-----------|--|--|
| Policy #:                           | MPR 010         |             |           |  |  |
| Membership Date:                    | 12/31/1984      |             |           |  |  |
| Coverage Period:                    | 7/1/2019        | То:         | 6/30/2020 |  |  |
| Retroactive Date for Wrongful Acts: | n/a             |             |           |  |  |
| Comment:                            |                 |             |           |  |  |
| Member Rep:                         | Scott Wingerson |             |           |  |  |
| Phone:                              | 816-423-4101    |             |           |  |  |
| Email:                              | scottw@glac     | lstone.mo.u | ıs        |  |  |

This **Member Entity**<sup>1</sup> has the following Coverages through MPR of Missouri in this Coverage Period. Only those coverages marked with an "x" are included. Coverages marked "NC" are NOT included.

| x  | General Liability                      | х  | Property                      |
|----|--|----|-------------------------------|
| x  | Auto Liability                         | х  | Boiler & Machinery Breakdown  |
| x  | Sewer Liability                        | х  | Inland Marine / EDP           |
| x  | Law Enforcement Liability/School Legal | х  | Motor Vehicle Physical Damage |
| x  | Public Official / Employment Liability | x  | Earthquake                    |
| х  | Crime                                  | х  | Flood                         |
| x  | Cyber Liability                        | NC | Utility Plant Property        |
| NC | School Official Liability/EPL          | NC | Utility Plant Liability       |

MPR of Missouri is created by authority granted by the laws of the State of Missouri to provide risk underwriting and risk management services to eligible entities per Mo. Rev. Stat. § 537.620. MPR of Missouri is a separate legal and administrative entity as permitted by Missouri law.

The **Member Entity** listed above is eligible for membership in MPR of Missouri. **Member Entity** agrees to be a member of MPR of Missouri and to avail itself of the benefits of membership.

<sup>&</sup>lt;sup>1</sup> All terms in bold in this document are used as defined in the Liability, Crime and Employee Fidelity Coverage Document or the Property Document,

#### Gladstone

Coverage Summary 2019-2020 Page 2

This Coverage Summary details certain obligations of MPR of Missouri and the **Member Entity**. Except for specific coverage limits or annual aggregates and **Member Entity** deductibles or retentions contained in this Coverage Summary, the provisions of the Bylaws; Liability, Crime and Employee Fidelity Coverage Document; Property Coverage Document; and MPR of Missouri rules and administrative procedures shall prevail in any dispute. The **Member Entity** agrees that any dispute between the **Member Entity** and MPR of Missouri shall be resolved in the manner stated in the Bylaws.

# Member Entity Obligations

The Member Entity is responsible for the payment of the deductibles listed below. The deductibles must be satisfied before MPR of Missouri has any obligation to make any payments on any Member or Member Entity's behalf. At MPR of Missouri's sole option, the Member Entity's deductible may be subtracted from any funds due the Member Entity. The deductibles apply on a liability event basis. The Member Entity deductibles are as follows:

# Member Deductibles

| \$10,000 | General Liability                      | \$2,500  | Property                            |
|----------|--|----------|-------------------------------------|
| \$10,000 | Auto Liability                         | \$2,500  | Boiler & Machinery Breakdown        |
| \$10,000 | Sewer Liability                        | \$2,500  | Inland Marine / EDP                 |
| \$10,000 | Law Enforcement Liability/School Legal | \$1,000  | Motor Vehicle Physical Damage       |
| \$10,000 | Public Official / Employment Liability | \$1,000  | Major Motor Vehicle Physical Damage |
| \$10,000 | Crime                                  | \$10,000 | Earthquake                          |
| \$5,000  | Cyber Liability                        | \$10,000 | Flood                               |
| NC       | School Officials/EPL                   | NC       | Utility Plant Property/Boiler       |
|          |  | NC       | Utility Plant Liability             |

#### MPR of Missouri Obligations

After the **Member Entity** has satisfied the deductible, MPR of Missouri shall be responsible for paying all remaining costs, including damages and indemnification to the Limits of Liability stated below. Limits of coverage include the **Member Entity's** deductible. Limits of Liability include allocated loss adjustment expenses.

Regardless of the number of subjects of coverage or the time period covered by any **claim** or **claims**, or the number of claimants, or the number of premium payments made, the limits of liability shall not be increased nor shall the limits of liability be cumulative from year to year.

## Limits of Liability-Liability, Crime and Employee Fidelity

| Coverage   | Limit of Liability                    |
|--|---------------------------------------|
| . Liability  |                                       |
| a. under Sovereign Immunity per accident or occurrence     | a. Per Section 537.600 RSMO., et seq. |
| b. under Sovereign Immunity per person                     | b. Per Section 537.600 RSMO., et seq. |
| c. not under Sovereign Immunity per accident or occurrence | c. \$5,000,000                        |
| d. not under Sovereign Immunity per person                 | d. \$5,000,000                        |

| 2. | Uninsured and Underinsured Motorists                      |                  |
|----|---|------------------|
|    | a. per person   | a. \$100,000     |
|    | b. per accident or occurrence                             | b. \$200,000     |
| 3. | Crime and Employee Fidelity                               | a. \$ 1,000,000  |
| 4. | Annual Member Program Liability Aggregate Limi            | it for 1-3 above |
|    | Subject to the applicable limit(s) set forth in 1-3 above | \$ 5,000,000     |
| 5. | Annual Program Liability Aggregate Limit                  | \$ 25,000,000    |

# Limits of Liability-Property

|    | Coverage                                       | Limit of Li  |  |  |  |
|----|--|--|--|--|--|
| 1. | Property                                       | Member Insured Values:<br>Schedule (SOV)   | Per Property   |  |  |
|    |  | Program Aggregate:   | \$ 500,000,000   |  |  |
| 2. | Motor Vehicle Physical Damage                  |  |  |  |  |
|    | a. MVPDA 1.b, infra                            | a. per vehicle   |  |  |  |
|    | b. As shown in Sublimits Section M             | b. per incident  |  |  |  |
| 3. | Sublimits of Liability                         |  |  |  |  |
|    | <b>A.</b> \$1,000,000                          | Per Incident for all (Utility Plants and opera   | tions excluded)  |  |  |
|    | <b>B.</b> \$1,000,000                          | Per Incident for all Ex Plants and operations ex   | cluded)  |  |  |
|    | <b>C.</b> \$1,000,000                          | Per Incident for Demo Cost of Construction   |  |  |  |
|    | <b>D.</b> \$500,000                            | Per Incident for all Valuable Papers and Records   |  |  |  |
|    | (1) \$200,000                                  | Per vehicle, for all Property in Transit   |  |  |  |
|    | <b>E.</b> (2) \$1,000,000                      | Per incident, for all <b>Prop</b>  | erty in Transit  |  |  |
|    | <b>F.</b> \$1,000,000                          | Per incident, for all Elect<br>Equipment, Media, Dat   |  |  |  |
|    | G. \$10,000,000                                | For Newly Acquired be of 60 days, if not remaissouri in that 60 Unnamed Location acquisitions in Catastro not Automatic – they MPR of Missouri as we to apply rates, terms a review. Catastrophe proview. Catastrophe proview as an flooding as defined Emergency Manageme | eported to MPR of days period, the limit applies. New ophe prone areas are shall be reported to ho reserves the right and conditions upon one areas include all dareas of 100-year by the Federa |  |  |
|    | H. \$25,000,000<br>(Flood Zone A \$10,000,000) | In the aggregate for membership for the per set forth in this Sublim sublimits apply to the  | any one period o<br>il of <b>Flood</b> , except a<br>it (J). All aggregate   |  |  |

| mbers combined. This sublimit shall be<br>for property within Special Flood Hazard<br>eas (SFHA) or areas of 100-year flooding<br>defined by the Federal Emergency<br>magement Agency. |
|--|
| the aggregate for any one period of mbership for the peril of Earthquake aggregate sublimits apply to the total ses for all members combined.  |
| ors and Omissions in Reporting.  |
| named Buildings/Offsite Storage cations,   |
| sonal Property of the <b>Member Entity's</b> icers and employees (including elected appointed officials) while on the mises of the <b>Member Entity</b> .                              |
|  |
| ls – Maximum \$25,000 per animal   |
| off premises – Maximum \$25,000 per Box  |
| nts Receivable   |
| /Egress  |
| Luthority  |
| gent Rental/Tax Revenue  |
| ty in the Course of Construction (Fram   |
| rs Risks excluded)   |
| led Period of Indemnity  |
| old Interest   |
| e Interruption (24 Hour Waiting Period)  |
| sional Fees (Excluding Public Adjustor<br>sured's Attorneys)   |
| rts – Maximum \$50,000 any single iten<br>ly specific amount of insurance as po<br>le on file with MPR Missouri  |
| ourse Outdoor Grounds  |
| alled Mobile Equipment (Only specifits of insurance as per schedule on file with of Missouri as, not to exceed \$10,000,000 once occurrence  |
| eduled Mobile Equipment  |
| rled Motor Vehicles (Only specifits of insurance as per schedule on file with of Missouri, not to exceed \$2,000,000 is occurrence   |
| s. Wet Rot, Dry Rot, Bacteria  |
| eduled (hired) vehicles, less than 30 da   |
| 1  |

| \$100,000,000   | Equipment Breakdown Limit                           |  |  |
|-----------------|---|--|--|
| \$1,000,000     | Business Interruption                               |  |  |
| \$1,000,000     | Extra Expense                                       |  |  |
| \$Excluded      | Soft costs  |  |  |
| \$1,000,000     | Contingent Business Interruption Rental/Tax Revenue |  |  |
| \$1,000,000     | Expediting Expenses                                 |  |  |
| \$1,000,000     | Hazardous Substances                                |  |  |
| \$1,000,000     | Spoilage  |  |  |
| \$250,000       | Spoilage  |  |  |
| \$1,000,000     | Demolition and Increased Cost of Construction       |  |  |
| \$1,000,000     | Service Interruption                                |  |  |
| \$1,000,000     | Newly Acquired Property                             |  |  |
| O. Per Schedule | Utility Plants                                      |  |  |

Coverage limits and deductibles are contingent upon Member Entity's Statement of Values – if property is not shown on the SOV at the time a claim arises, the deductible increases to the higher of \$10,000 or the deductible shown in this Coverage Summary, and all applicable limits are decreased to no more than \$500,000, notwithstanding any other provision herein or in the Coverage Summary or the SOV.

## Amendments

# 1. Motor Vehicle Physical Damage Coverage

Motor Vehicle Physical Damage Coverage is a separate coverage and only those sections in the Property Coverage Document that are specifically made applicable to Motor Vehicle Physical Damage Coverage shall pertain to this coverage. **Member Entities** are required to insure all motor vehicles with MPR of Missouri for motor vehicle damage. To be insured under the Property Coverage Document, the motor vehicle must be specifically listed on the **Member Entity's** auto schedule on file with MPR of Missouri within the most recent 60 days of acquisition.

Motor Vehicle is defined as autos, vehicles, contractor's equipment and mobile equipment that are specifically scheduled on the **Member Entity's** auto schedule on file with MPR of Missouri within the most recent 60 days of acquisition. This definition includes the equipment routinely carried on or in the motor vehicle.

MPR of Missouri will pay, subject to **Member Entity** deductible and Limits of Liability for Motor Vehicle Physical Damage stated in this Coverage Summary, for damage or loss of the **Member Entity**'s motor vehicles as defined in the Property Coverage Document or those motor vehicles of which the **Member Entity** obtained for use in public service for interim or emergency use without acquiring title to such vehicles, provided that a claim is filed during the **Period of Membership** in MPR of Missouri, subject to the following:

- a. the **Member Entity** must have selected Motor Vehicle Physical Damage, and the Coverage Summary must so indicate. MPR of Missouri may, at MPR of Missouri's sole option, replace and repair or pay the replacement cost value of the vehicle less the **Member Entity** deductible. The salvage value of the vehicle shall inure to MPR of Missouri.
- b. the maximum amount MPR of Missouri will pay, per motor vehicle, is the actual cash value of the vehicle immediately prior to the loss less the Member Entity deductible. The maximum amount MPR

of Missouri will pay for all motor vehicles involved in an incident is the Limits of Liability for Motor Vehicle Physical Damage contained in the Coverage Summary.

The Member Entity deductible for motor vehicle physical damage must be satisfied before MPR of Missouri will make any payment. The Member Entity deductible applies to each vehicle. MPR of Missouri will pay the replacement cost in excess of the Member Entity's deductible for the motor vehicle and damaged equipment that is normally carried on or in the motor vehicle. Replacement cost means the actual cost to repair or replace damaged or lost covered property with property of similar quality, age, value utility and usage. It does not mean identical equipment. If the Member Entity does not replace the motor vehicle, the most MPR of Missouri will pay is the actual cash value minus the Member Entity's deductible

MPR of Missouri will not pay for any loss or damage to a motor vehicle that is due to inadequate or improper maintenance, wear and tear, freezing, mechanical or electrical breakdown or failure, or tire repair or tire replacement.

Motor vehicles used in the business of transporting any hazardous material as defined by the U.S. Environmental Protection Agency are specifically excluded.

# 2. Major Motor Vehicle Physical Damage Coverage

Major Motor Vehicle Physical Damage Coverage is a separate coverage and only those sections in the Property Coverage Document that are specifically made applicable to Motor Vehicle Physical Damage Coverage shall pertain to this coverage. Major Motor Vehicle Physical Damage Coverage applies only to Major Motor Vehicles that have a minimum replacement cost of \$100,000 and are specifically listed on the **Member Entity's** auto schedule on file with MPR of Missouri within the most recent 60 days of acquisition.

Major Motor Vehicle means the **Member Entity**'s motorized ambulances, firefighting or public works equipment that have a replacement cost of at least \$100,000 and are licensed, or are eligible to be licensed, for travel on public roads. This definition includes the equipment routinely carried on or in the major motor vehicle.

The **Member Entity** deductible for motor vehicle physical damage must be satisfied before MPR of Missouri will make any payment. The **Member Entity** deductible applies to each vehicle. MPR of Missouri will pay the replacement cost, in excess of the **Member Entity**'s deductible for the motor vehicle and damaged equipment that is normally carried on or in the motor vehicle. Replacement cost means the actual cost to repair or replace damaged or lost covered property with property of similar quality, age, value utility and usage. It does not mean identical equipment.

If the Member Entity does not replace the Major Motor Vehicle, the most MPR of Missouri will pay is the actual cash value minus the Member Entity's deductible.

# 3. School Member Entity for Liability, Crime and Employee Fidelity Coverage

This Member entity:

NA is a public K-12 school or community college and is paying a casualty premium based on such activity

# 4. Utility Plant Coverage for Member Entities with Prior Coverage for Utility Plants

NA The Limits of Liability-Property 3. Sublimits A and B are amended to delete "(Utility Plants excluded)".

| Acknowledgements |                       |
|------------------|-----------------------|
|                  | (evreumouros)         |
| Member Entity    | Terry W. Norwood, CEO |
|                  | Midwest Public Risk   |

Gladstone Coverage Summary 2019-2020 Page 7



## **CONSIGNMENT AUCTION AGREEMENT**

| THIS AGREEMENT is entered into by and between Enterprise Fleet Management, Inc. a Missouri Corporation (hereinafter referred to as "Enterprise") and City of Gladstone, MO (hereinafter referred to as "CUSTOMER") on this 30 day of 50 day of 2020 (hereinafter referred to as the "Execution Date").  |  |  |  |
|---|--|--|--|
| RECITALS  |  |  |  |
| A. Enterprise is in the business of selling previous leased and rental vehicles at wholelsale auctions; and   |  |  |  |
| B. The CUSTOMER is in the business of <u>ally government</u>  |  |  |  |
| C. The CUSTOMER and Enterprise wish to enter into an agreement whereby Enterprise will sell at wholesale auction, CUSTOMER's vehicles set forth on Exhibit A, attached hereto and incorporated herein, as supplemented from time to time (collectively, the "Vehicles").  |  |  |  |
| NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, the parties agree as follows:  |  |  |  |
| TERMS AND CONDITIONS  |  |  |  |
| 1. Right to Sell: Enterprise shall have the non-exclusive right to sell any Vehicles consigned to Enterprise by a CUSTOMER within the Geographic Territory.   |  |  |  |
| 2. <u>Power of Attorney</u> : CUSTOMER appoints Enterprise as its true and lawful attorney-in-fact to sign Vehicle titles on behalf of CUSTOMER for transfer of same and hereby grant it power in any and all matters pertaining to the transfer of Vehicle titles and any papers necessary thereto on behalf of CUSTOMER. The rights, powers and authorities of said attorney-in-fact granted in this instrument shall commence and be in full force and effect on the Execution Date, and such rights, powers and authority shall remain in full force and effect thereafter until terminated as set forth herein.  |  |  |  |
| 3. <u>Assignments</u> : Vehicle assignments may be issued to Enterprise by phone, fax, or electronically.   |  |  |  |
| 4. Service Fee: For each Vehicle sold, the CUSTOMER shall pay Enterprise a fee of \$300 ("Service Fee") plus towing at prevailing rate  |  |  |  |
| 5. <u>Sales Process</u> : Enterprise shall use reasonable efforts sell each Vehicle. CUSTOMER may, at its discretion, place a Minimum Bid or Bid to be Approved (BTBA) on any Vehicle by providing prior written notification to Enterprise.  |  |  |  |
| 6. Time for Payment:  |  |  |  |
| (a) No later than ten (10) business days after the collection of funds for the sale of a Vehicle, Enterprise will remit to the CUSTOMER an amount equal to the Vehicle sale price minus any seller fees, auction fees, Service Fees, towing costs, title service fees, enhancement fees an any expenses incurred by Enterprise while selling Vehicle, regardless of whether the purchaser pays for the Vehicle.   |  |  |  |
| (b) Enterprise's obligations pursuant to Section 6(a) shall not apply to Vehicle sales involving mistakes or inadvertences in the sales process where Enterprise reasonably believes that fairness to the buyer or seller justifies the cancellation or reversal of the sale. If Enterprise has already remitted payment to CUSTOMER pursuant to Section 6(a) prior to the sale being reversed or cancelled, CUSTOMER agrees to reimburse Enterprise said payment in full. Enterprise will then re-list the Vehicle and pay CUSTOMER in accordance with this Section 6. Examples of mistakes or inadvertences include, but are not limited, to Vehicles sold using inaccurate or incomplete vehicle or title descriptions and bids entered erroneously. |  |  |  |

7. <u>Indemnification and Hold Harmless</u>: Enterprise and CUSTOMER agree to indemnify, defend and hold each other and its parent, employees and agents harmless to the extent any loss, damage, or liability arises from the negligence or willful misconduct of the other, its agents or employees, and for its breach of any term of this Agreement. The parties' obligations under this section shall survive termination of this

Agreement.

- 8. <u>Liens, Judgments, Titles and Defects</u>: CUSTOMER shall defend, indemnify and hold Enterprise its parent, employees and agents harmless from and against any and all claims, expenses (including reasonable attorney's fees), suits and demands arising out of, based upon, or resulting from any judgments, liens or citations that were placed on the Vehicle, defects in the Vehicle's title, or mechanical or design defects in the Vehicle.
- 9. <u>Odometer</u>: Enterprise assumes no responsibility for the correctness of the odometer reading on any Vehicle and the CUSTOMER shall defend, indemnify and hold Enterprise its parent, employees and agents harmless from and against any and all claims, expenses (including reasonable attorney's fees), suits and demands arising out of, based upon or resulting from inaccuracy of the odometer reading on any Vehicle or any odometer statement prepared in connection with the sale of any Vehicle, unless such inaccuracy is caused by an employee, Enterprise, or officer of Enterprise.
- 10. <u>Bankruptcy</u>: Subject to applicable law, in the event of the filing by CUSTOMER of a petition in bankruptcy or an involuntary assignment of its assets for the benefit of creditors, Enterprise may accumulate sales proceeds from the sale of all Vehicles and deduct seller fees, auction fees, Service Fees, towing costs, title service fees, enhancement fees and any expenses incurred by Enterprise while selling Vehicle from said funds. Enterprise will thereafter remit to CUSTOMER the net proceeds of said accumulated sales proceeds, if any.
- 11. Compliance with Laws: Enterprise shall comply with all federal, state, and local laws, regulations, ordinances, and statutes, including those of any state motor vehicle departments, department of insurance, and the Federal Odometer Act.
- 12. <u>Insurance</u>: CUSTOMER shall obtain and maintain in force at all times during the term of this Agreement and keep in place until each Vehicle is sold and title is transferred on each Vehicle, automobile third party liability of \$1,000.000 per occurrence and physical damage coverage on all Vehicles. This insurance shall be written as a primary policy and not contributing with any insurance coverage or self-insurance applicable to Enterprise.
- 13. <u>Term</u>: This agreement is effective on the Execution Date and shall continue until such time as either party shall notify the other party with thirty (30) days prior written notice to terminate the Agreement with or without cause.
- 14. <u>Modification</u>: No modification, amendment or waiver of this Agreement or any of its provisions shall be binding unless in writing and duly signed by the parties hereto.
- 15. <u>Entire Agreement</u>: This Agreement constitutes the entire Agreement between the parties and supersedes all previous agreements, promises, representations, understandings, and negotiations, whether written or oral, with respect to the subject matter hereto.
- 16. <u>Liability Limit</u>: In the event Enterprise is responsible for any damage to a Vehicle, Enterprise's liability for damage to a Vehicle in its possession shall be limited to the lesser of: (1) the actual cost to repair the damage to such vehicle suffered while in Enterprise's possession; or (2) the negative impact to the salvage value of such vehicle. Enterprise shall not be liable for any other damages to a Vehicle of any kind, including but not limited to special, incidental, consequential or other damages.
- 17. Attorney's Fees: In the event that a party hereto institutes any action or proceeding to enforce the provisions of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorney's fees and costs for legal services rendered to the prevailing party.
- 18. <u>Authorization</u>: Each party represents and warrants to the other party that the person signing this Agreement on behalf of such party is duly authorized to bind such party.

| "ENTERPRISE' Signature: | Jesse Sparks Jesse Sparks | "CUSTOMER'<br>Signature: | - Settler-        |
|-------------------------|---------------------------|--------------------------|-------------------|
| Printed Name:           | James Mangano             | Printed Name:            | Scott Wingerson   |
| Title:                  | Director Finance Manager  | Title:                   | City Manager      |
| Date Signed:            | October 1, 2020           | Date Signed:             | September 30 2020 |



#### AGREEMENT TO SELL CUSTOMER VEHICLES

THIS AGREEMENT is entered into by and among the entities set forth on the attached Schedule 1 (hereinafter each an "Enterprise Entity" and collectively the "Enterprise Entities") and Enterprise Fleet Management, Inc. (hereinafter referred to as "EFM") (the "Enterprise Entities" and "EFM" shall collectively be referred to as "Enterprise") on the one hand and City of Gladstone, MO (hereinafter referred to as "CUSTOMER"), on the other hand on this day of September 2010 (hereinafter referred to as the "Execution Date").

#### **RECITALS**

- A. Enterprise FM Trust and CUSTOMER have entered into an agreement whereby Customer has agreed to lease certain vehicles set forth in the agreement between Customer and Enterprise FM Trust;
- B. EFM is the servicer of the lease agreement between Enterprise FM Trust and Customer;
- C. Enterprise, from time to time, sells vehicles at wholesale auctions and other outlets; and
- D. The CUSTOMER and Enterprise wish to enter into an agreement whereby Enterprise will sell at wholesale, CUSTOMER's vehicles set forth on Exhibit A, attached hereto and incorporated herein, as supplemented from time to time (collectively, the "Vehicles").

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth, the parties agree as follows:

#### TERMS AND CONDITIONS

- 1. Right to Sell: Enterprise shall have the non-exclusive right to sell any Vehicles assigned to Enterprise by CUSTOMER, or under consignment from Customer to Enterprise, as the case may be dependent upon applicable law in the jurisdiction in which the Vehicle is to be sold. For Vehicles to be sold under assignment, Customer shall assign the title to Enterprise and deliver the assigned title to Enterprise with the Vehicle. For Vehicles to be sold under consignment, Customer shall execute a consignment agreement granting Enterprise power in any and all matters pertaining to the transfer of Vehicle titles and any papers necessary thereto on behalf of CUSTOMER.
- 2. Additional Documentation: Where necessary, CUSTOMER shall execute any and all additional documentation, required to effectuate the sale of Vehicle(s).
- 3. <u>Service Fee</u>: For each Vehicle sold, the CUSTOMER shall pay Enterprise an administrative fee of the lesser of \$\frac{300}{200} or the maximum permitted by law ("Service Fee").
- 4. <u>Sales Process</u>: Enterprise shall use reasonable efforts in its sole discretion to sell each Vehicle. CUSTOMER may, at its discretion, place a Minimum Bid or Bid to be Approved (BTBA) on any Vehicle by providing prior written notification to Enterprise. Enterprise shall have full discretion to accept any bid at or above the designated minimum bid or BTBA. Absent any such minimum bid or BTBA, Enterprise shall have full discretion to accept any bid on a Vehicle.

## 5. Time for Payment:

- (a) No later than twenty-one (21) business days after the collection of funds by Enterprise for the sale of a Vehicle, Enterprise will remit to the CUSTOMER an amount equal to the Vehicle sale price minus any seller fees, auction fees, Service Fees, towing costs, title service fees, enhancement fees and any expenses incurred by Enterprise while selling Vehicle, regardless of whether the purchaser pays for the Vehicle.
- (b) Enterprise's obligations pursuant to Section 6(a) shall not apply to Vehicle sales involving mistakes or inadvertences in the sales process where Enterprise reasonably believes in its sole discretion that fairness to the buyer or seller justifies the cancellation or reversal of the sale. If Enterprise has already remitted payment to CUSTOMER pursuant to Section 6(a) prior to the sale being reversed or cancelled, CUSTOMER agrees to reimburse Enterprise said payment in full. Enterprise will then re-list the Vehicle and pay CUSTOMER in accordance with this Section 6. Examples of mistakes or inadvertences include, but are not limited, to Vehicles sold using inaccurate or incomplete vehicle or title descriptions and bids entered erroneously.

- 6. <u>Indemnification and Hold Harmless</u>: Except as otherwise provided herein, CUSTOMER agrees to indemnify, defend and hold EFM and each Enterprise Entity and their parents and affiliated entities, employees and agents harmless to the extent any loss, damage, or liability arises from EFM or any Enterprise Entity's use or operation of a vehicle and for the negligence or willful misconduct of Customer, its agents or employees, and for its breach of any term of this Agreement. The parties' obligations under this section shall survive termination of this Agreement.
- 7. Risk of Loss: Notwithstanding anything to the contrary hereunder, CUSTOMER shall assume all risk of loss for damage to or loss of any Vehicle or any part or accessory regardless of fault or negligence of CUSTOMER, Enterprise, EFM or any other person or entity or act of God.
- 8. <u>Liens, Judgments. Titles and Defects</u>: CUSTOMER represents and warrants it holds full legal title to each such Vehicle, title to each such Vehicle is clean and not subject to being branded for any reason, or requires any form of additional disclosure to a purchaser and that there are no open recalls on each such Vehicle. CUSTOMER shall defend, indemnify and hold Enterprise, EFM, their parents, employees and agents harmless from and against any and all claims, expenses (including reasonable attorney's fees), suits and demands arising out of, based upon, or resulting from any judgments, liens or citations that were placed on the Vehicle, defects in the Vehicle's title, or mechanical or design defects in the Vehicle.
- 9. <u>Odometer</u>: Neither EFM nor Enterprise assume responsibility for the correctness of the odometer reading on any Vehicle and the CUSTOMER shall defend, indemnify and hold EFM, Enterprise, their parents, employees and agents harmless from and against any and all claims, expenses (including reasonable attorney's fees), suits and demands arising out of, based upon or resulting from inaccuracy of the odometer reading on any Vehicle or any odometer statement prepared in connection with the sale of any Vehicle, unless such inaccuracy is caused by EFM, Enterprise, their employees or officers.
- 10. <u>Bankruptcy</u>: Subject to applicable law, in the event of the filing by CUSTOMER of a petition in bankruptcy or an involuntary assignment of its assets for the benefit of creditors, EFM or Enterprise may accumulate sales proceeds from the sale of all Vehicles and deduct seller fees, auction fees, Service Fees, towing costs, title service fees, enhancement fees and any expenses incurred by EFM or Enterprise while selling Vehicle from said funds. EFM or Enterprise will thereafter remit to CUSTOMER the net proceeds of said accumulated sales proceeds, if any.
- 11. Compliance with Laws: EFM, Enterprise and CUSTOMER shall comply with all federal, state, and local laws, regulations, ordinances, and statutes, including those of any state motor vehicle departments, department of insurance, and the Federal Odometer Act.
- 12. <u>Insurance</u>: CUSTOMER shall maintain and provide proof of Automobile Liability Insurance until the later of title transfer to purchaser of Vehicle or transfer of sales proceeds to Customer covering liability arising out of maintenance, use or operation of any Vehicle (owned, hired and non-owned) under this Agreement, with limits of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage. EFM, Enterprise, and their subsidiarles and affiliates are to be named as Additional Insureds. This insurance shall be written as a primary policy and not contributing with any insurance coverage or self-insurance or other means of owner's financial responsibility applicable to EFM or Enterprise. CUSTOMER must waive and must require that its insurer waive its right of subrogation against EFM and Enterprise and their affiliates, employees, successors and permitted assigns on account of any and all claims CUSTOMER may have against EFM or Enterprise with respect to insurance actually carried or required to be carried pursuant to this Agreement.
- 13. <u>Term</u>: This agreement is effective on the Execution Date and shall continue until such time as either party shall notify the other party with thirty (30) days prior written notice to terminate the Agreement with or without cause.
- 14. <u>Modification</u>: No modification, amendment or waiver of this Agreement or any of its provisions shall be binding unless in writing and duly signed by the parties hereto.
- 15. <u>Entire Agreement</u>: This Agreement constitutes the entire Agreement between the parties and supersedes all previous agreements, promises, representations, understandings, and negotiations, whether written or oral, with respect to the subject matter hereto.
- 16. <u>Liability Limit</u>: EXCEPT TO THE EXTENT A PARTY HERETO BECOMES LIABLE FOR ANY DAMAGES OF THE TYPES DESCRIBED BELOW TO A THIRD PARTY AS A RESULT OF A THIRD PARTY CLAIM AND SUCH PARTY IS ENTITLED TO INDEMNIFICATION WITH RESPECT THERETO UNDER THE PROVISIONS OF THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY HEREUNDER BE LIABLE TO OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF GOODWILL, LOSS OF PROFITS OR REVENUES, LOSS OF SAVINGS AND/OR INTERRUPTIONS OF BUSINESS), EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 17. Attorney's Fees: In the event that a party hereto institutes any action or proceeding to enforce the provisions of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorney's fees and costs for legal services rendered to the prevailing party.

- 18. <u>Authorization</u>: Each party represents and warrants to the other party that the person signing this Agreement on behalf of such party is duly authorized to bind such party.
- 19. <u>Independent Contractor</u>: EFM and Enterprise shall perform the services hereunder as an independent contractor of Customer and no term of this Agreement shall be deemed or construed to render CUSTOMER and EFM or Enterprise as joint venturers or partners.
- 20. <u>Unsold Vehicles</u>: Should such Vehicle not sell, Customer shall pick up Vehicle within five (5) business days of being provided notice that the Vehicle has not been sold and, for Vehicles assigned to Enterprise by Customer, Enterprise shall assign title back to CUSTOMER.

| "ENTERPRISE'<br>Signature: | Jesse Sparks Jesse Sparks | "CUSTOMER'<br>Signature: | Sthe              |
|----------------------------|---------------------------|--------------------------|-------------------|
| Printed Name:              | James Mangano             | Printed Name:            | Scott Wingerson   |
| Title:                     | Director Finance Manager  | Title:                   | City Manager      |
| Date Signed:               | October 1, 2020           | Date Signed:             | September 30 2020 |

## Schedule 1

Enterprise Leasing Company of STL, LLC Enterprise Leasing Company of Georgia, LLC Enterprise Leasing Company of Florida, LLC Enterprise Leasing Company of KS LLC EAN Holdings, LLC Enterprise Leasing Company of Orlando, LLC Enterprise Leasing Company of Indianapolis, LLC Enterprise Rent-A-Car Company of Boston, LLC Enterprise Leasing Company of Denver, LLC Enterprise Leasing Company of Chicago, LLC Enterprise RAC Company of Maryland, LLC Enterprise Leasing Company of Philadelphia, LLC Enterprise RAC Company of Baltimore, LLC Enterprise Leasing Company of Minnesota, LLC Enterprise Leasing Company of Detroit, LLC Enterprise Leasing Co of Norfolk/ Richmond, LLC Enterprise Rent-A-Car Co of San Francisco, LLC ELRAC, LLC SNORAC, LLC

Enterprise Rent-A-Car Company of Sacramento, LLC Enterprise Rent-A-Car Company of Los Angeles, LLC Enterprise RAC Company of Cincinnati, LLC CLERAC, LLC Enterprise Rent-A-Car Company of Pittsburgh, LLC Enterprise Rent-A-Car Company of Wisconsin, LLC Enterprise Rent-A-Car Company of UT, LLC CAMRAC, LLC Enterprise Rent-A-Car Company of Rhode Island, LLC Enterprise Leasing Company of Phoenix, LLC Enterprise Leasing Company- Southeast, LLC Enterprise Leasing Company- West, LLC Enterprise Leasing Company- South Central, LLC PENRAC, LLC Enterprise Rent-A-Car Company of KY, LLC Enterprise Rent-A-Car Company - Midwest, LLC Enterprise RAC Company of Montana/Wyoming, LLC



#### AMENDMENT TO MASTER EQUITY LEASE AGREEMENT

THIS AMENDMENT ("Amendment") dated this 30 day of August, 2020 is attached to, and made a part of, the MASTER EQUITY LEASE AGREEMENT entered into on the \_\_\_\_ day of August, 2020 ("Agreement") by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor") and City of Gladstone ("Lessee"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 11(a), i of the Master Equity Lease Agreement is amended to read as follows:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with \$10,000 Deductible is required for each Vehicle capable of transporting more than 8 passengers):

State of Vehicle Registration

Coverage

Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont \$1,000,000 Combined Single Limit Bodily Injury and Property Damage - \$10,000 Deductible

Florida \$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - \$10,000 Deductible

All Other States \$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - \$10,000 Deductible

Section 11(a), ii of the Master Equity Lease Agreement is amended to read as follows:

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$1,000 per occurrence - Collision and \$1,000 per occurrence - Comprehensive).

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment to Master Equity Lease Agreement as of the day and year first above written.

| Suld -                         | Jesse Sparks   |  |  |
|--------------------------------|--|--|--|
| City of Gladstone (Lessee)     | Enterprise FM Trust (Lessor) By: Enterprise Fleet Management, Inc., its attorney in fact |  |  |
| By Scott Wingerson             | By   |  |  |
| Title: City Manager            | Title:_Finance Manager   |  |  |
| Date Signed: September 30 2020 | Date Signed:   |  |  |

- (g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.
- 4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.
- 5. COSTS, EXPENSES, FEES AND CHARGES: Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.
- 6. LICENSE AND CHARGES: Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.
- 7. REGISTRATION PLATES, ETC.: Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

#### 8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:

- (a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.
- (b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (I) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

#### 9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:

- (a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.
- (b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

Initials: EFM 995 Customer 175



## MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this day of September 2020, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

- 1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.
- 2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

#### 3. RENT AND OTHER CHARGES:

- (a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreclation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).
- (b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.
- (c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, If (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.
- (d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.
- (e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").
- (f) If Lessee falls to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

| 1 201 1   | FF1.4 | JDS Customer | 0A |
|-----------|-------|--------------|----|
| Initials: | FFM_  | Customer_    | 1/ |

- (c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.
- 10. RISK OF LOSS: Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

#### 11. INSURANCE:

- (a) Lessee agrees to purchase and maintain in force during the Term, Insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:
- (i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

| State of Vehicle Registration  | Coverage  |
|--|---|
| Connecticut, Massachusetts, Maine, New Hampshire, New Jersey,<br>New York, Pennsylvania, Rhode Island, and Vermont | \$1,000,000 Combined Single Limit Bodily Injury and Property Damage<br>- No Deductible  |
| Florida  | \$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible |
| All Other States   | \$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible |

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$500 per occurrence - Collision and \$250 per occurrence - Comprehensive).

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered

Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage walver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

- 12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.
- 13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.
- 14. DEFAULT; REMEDIES: The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative,

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue

at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

- 16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.
- 17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).
- 18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.
- 19. NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

| LESSEE:       | City of Gladstone   | LESSOR:    | Enterprise FM Trust                                    |
|---------------|---------------------|------------|--|
| Signature:    | odth.               | Ву:        | Enterprise Fleet Management, Inc. its attorney in fact |
| Ву:           | Scott Wingerson     | Signature: |  |
| Title:        | City Manager        | Ву:        | Jesse Sparks   |
| Address:      | 7010 N Holmes       | Title:     | Finance Manager  |
|               | Gladstone, MO 64118 | Address:   | 5359 Merriam Dr<br>Merriam, KS 66203                   |
| Date Signed   | September 30 2020   | Date Signe | October 1, 2020  |
| nitials: EFM_ | DS Customer ()      | Date Signe | u  |