Notice of Study Session

ABILENE PUBLIC LIBRARY

209 NW FOURTH STREET

November 1, 2021 - 4:00 pm

VIEW THIS CITY COMMISSION STUDY SESSION VIRTUALLY AT

www.abilenecityhall.com/watchlive

PURPOSE

The City Commission's study sessions are for the purpose of providing the commission the opportunity to study items in more detail.

OPEN FORUM

This is an opportunity to bring up items to be informally addressed. The Mayor may impose a time limit on open forum.

STUDY ITEMS

1. Emergency Snow Route – adding NW 7th/NW 8th from Buckeye to Water Treatment Plant
2. Discussion – Enterprise Fleet Management

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Dwight D. Eisenhower Municipal Building
419 N. Broadway Street, PO Box 519
Abilene, KS 67410

(785) 263-2550
www.abilenecityhall.com

CITY OF ABILENE
Item for City Commission Agenda

Meeting Date: 11/1/21, 11/8/21

Originating Department	Prepared By:	Approved For Agenda By: *(Office Use Only)*
Public Works	Lon	

AGENDA ITEM HEADING:

Proposed addition of NW 7th/8th from N. Buckeye to Water Treatment Plant to the Emergency Snow Routes

BACKGROUND:

Section 5-405 of the Abilene City Code establishes emergency snow routes within the city. Currently there are 12 such designated routes. With the completion of the NW 8th Street construction project in late 2020, and it's use as a major collector street, Public Works is proposing adding NW 7th - NW 8th in its entirety to our Emergency Snow Routes. This route connects Great Plains Manufacturing (Abilene West Plant) and the water treatment plant to N. Buckeye Avenue and it would receive the same priority level as the others.

Since the emergency snow routes are established by ordinance, adding NW 7th – NW 8th St. west of N. Buckeye Ave. would require an ordinance amending the current ordinance.

FISCAL NOTE:

Initial cost for the additional snow route signage would be about $800 and based on an average winter, our estimated cost for snow and ice control would increase about $2100 annually.

COMMISSION ACTION OPTIONS:

Approve ordinance amending City Code, Chapter V, Article 4, section 5-405

5-405. Emergency snow routes.

The following streets are hereby established as emergency snow routes within the city:

(a) Northwest Third Street from North Buckeye Avenue to Van Buren Street

(b) Northeast Tenth Street from North Buckeye Avenue to Brady Street

(c) Buckeye Avenue from the North city limits to the South city limits

(d) East First Street from Buckeye Avenue to East city limits

(e) North Brady Street from East First Street to Northeast Twenty-first Street

(f) North Fourteenth Street from the East City limits to Vine Street

(g) Washington Street from Northwest Third Street to Municipal Airport

(h) Northeast Twenty-first Street from North Brady Street to North Buckeye Avenue

(i) North Cedar Street from Northwest Third Street to Northwest Fourteenth Street

(j) Northwest Tenth Street from North Buckeye Avenue to North Cedar Street

(k) 1000 Block of North Brown Street

(l) Northeast 7th Street from Brady to Buckeye

The City Manager shall cause appropriate signs to be installed and maintained on each of said street designated emergency snow route.

(Ord. 3108; Code 2015)

CITY OF ABILENE
Item for City Commission Agenda

Meeting Date: 11/1/2021

Originating Department	Prepared By:	Approved For Agenda By: (Office Use Only)
Administration	Marcus Rothchild	

AGENDA ITEM HEADING:

Enterprise Fleet Management

BACKGROUND:

Over the past few years, the city has worked to improve our process of funding the equipment reserve to replace outdated vehicles and equipment. Staff continuously updates the asset inventory spreadsheet with important equipment information to help us track each item. We then take the estimated replacement cost by the expected lifespan to provide the equipment reserve allotment per year. The goal has been to develop a plan that will replace outdated equipment while leveling the impact to the annual budget. The Enterprise Fleet Management proposal provides a solution that works well within our current process while helping lower our annual transfer to equipment reserve and manage our vehicle fleet more efficiently. This program benefits from the city's ability to purchase vehicles at the government rates and then resell those vehicles when they have the most value rather than running them until they are dead or have very little value remaining.
This is not just a lease agreement; this is full-service fleet management program. This program includes vehicle acquisition, registration, maintenance, usage data, fuel card programs, remarketing, fleet analysis and optimization. The city will have a dedicated account team that will help manage and track our fleet needs. Enterprise Fleet Management has online tools, technologies, and automated processes to help city staff efficiently track the usage and maintenance of our vehicles.

Lease payments are figured based on the purchase price of the vehicle, the amount of time the vehicle will remain in the fleet and the depreciated value. Lease terms will range from 12-60 months depending on the specific vehicle and usage. Once the term is complete, Enterprise will sell the vehicle and the city will be able to use the proceeds to offset the lease payment of the replacement vehicle helping to lower costs as the program develops. This will help the city replace aged vehicles without expending the full amount of the purchase price to do so.

Enterprise can work with fleet vehicles that are 1-ton trucks or below. We've currently identified around 27-29 vehicles that could fit within this program. Of those vehicles identified, the average age is around 10 years old. If you separate out the police vehicles, the average age of the remaining vehicles increases to nearly 13 years. This program would shorten the vehicle life cycle down to 3 years while maximizing the potential equity of resale. Also, city vehicles historically have low mileage usage per year which can be a benefit when selling vehicles in an equity lease agreement.

At the study session on October 4th, concerns were raised about how this would affect the local dealerships. Due to state and government contracts and incentives, we are often limited on how many vehicles the City can purchase locally. Many contracts and incentives are only offered on specific makes and models that are not available through our local dealer. Currently, our police fleet does not have a local purchase option which is a significant portion of the fleet discussed in this agreement. This leaves only sixteen to eighteen qualifying vehicles to consider. The remaining vehicles currently have an average life span of 13 years, that means we're only replacing slightly more than one per year. Historically, we're only purchasing one vehicle every three to four years at Holm Automotive due to the nature of government purchasing. By partnering with Enterprise, we'll increase the number of vehicles that are being delivered annually to the city which in turn can potentially increase the number of cars delivered through our local dealers as well. Enterprise has mentioned that local dealerships are welcome to put their sticker on the vehicle when they are delivered so the city vehicles can still represent the local dealership while in service for the community.

CITY OF ABILENE

Item for City Commission Agenda

Meeting Date: 11/1/2021

Originating Department	Prepared By:	Approved For Agenda By: *(Office Use Only)*
Administration	Marcus Rothchild	

AGENDA ITEM HEADING:

Enterprise Fleet Management (Continued)

BACKGROUND:

Benefits of partnering with Enterprise Fleet Management:

- Newer Fleet (improve vehicle life cycle from 13 years to 3 years)
- Increased employee safety
  - Currently 6 vehicles predate anti-lock brake standardization (2007)
  - 15 vehicles predate electronic stability control standardization (2012)
  - 21 vehicles predate standardization of back up camera (2018)
- Reduced Maintenance
- Reduced fuel cost
- Leverage an open-ended lease to maximize cash flow opportunities and recognize equity
  - Use equity to offset future lease payments helping lower fleet costs year over year

Attached Items included with packet:

1. List of vehicles considered.
2. Fleet Synopsis from Enterprise Fleet Management
3. Master Equity Lease Agreement with Enterprise Fleet Management

FISCAL NOTE:

Vehicles and equipment are currently paid out of the equipment reserve funds. Lease payments would continue to be paid out of the equipment reserve and any equity recognized would be deposited back into the equipment reserve fund or credited to lower a future lease payment.

COMMISSION ACTION:

Consider authorizing the City Manager to sign a Master Equity Lease Agreement with Enterprise Fleet Management.

ID	YEAR	MAKE	ITEM	Type	Mileage or Hours (blank if not tracked as such)	DEPT
1	2021	Chevy	C-2500 pickup	Park Truck	536	Parks & Recreation
2	2019	Chevy	Chevy Colorado	Park Truck	3,299	Parks & Recreation
3	2015	Chevy	Chevy Aerial Lift/utility	C-3500	21,171	Street
4	2012	Chevy	Tahoe	SUV	76,977	Fire
5	2012	Chevy	C-1500 pickup	Park Truck	35,377	Parks & Recreation
6	2012	Chevy	Chevy Silverado Truck	1500 4WD	81,861	WTP
7	2010	Chevy	Chevy Flatbed	C-3500	47833	Street
8	2009	Chevy	Airport Courtesy Car	Impala	83,623	Airport
9	2008	Chevy	Chevy Flatbed	C-3500	67,675	Street
10	2007	Chevy	Chevy service truck	C-2500	139,322	Water
11	2006	Chevy	Chevy Trail Blazer	SUV	79773	Street
12	2001	Chevy	Airport Courtesy Car	Impala	118,409	Airport
13	1999	Chevy	Chevy shop truck	C-2500	101,255	Public Works
14	2020	Ford	Explorer	Patrol Car	7,708	Police
15	2020	Ford	Explorer	Patrol Car	7,761	Police
16	2018	Ford	Explorer	Patrol Car	32,817	Police
17	2018	Ford	Explorer	Patrol Car	19,971	Police
18	2017	Ford	Explorer	Patrol Car K-9	31,052	Police
19	2017	Ford	Explorer	Patrol Car	78,814	Police
20	2014	Ford	Explorer	Supervisor	38,000	Police
21	2014	Ford	Explorer	Supervisor	41,000	Police
22	2013	Ford	Explorer	SRO Unit	57,134	Police
23	2012	Ford	Explorer	Detective (unmarked)	70,352	Police
24	2010	Ford	Explorer	Supervisor	72,000	Police
25	2010	Ford	Ford SUV	Explorer	80,029	Public Works
26	2009	Ford	Ford service truck	F-250	72,130	Water
27	2001	Ford	Ford truck	F-150 4wd	128,615	WWTP
28	2002	Ford F150	Inspection Truck	Pickup	109,027	Community Development
29	2022	N/A	Half Ton Truck	Pickup Truck	N/A	Fire

enterprise

FLEET MANAGEMENT

PREPARED FOR:

City of Abilene, KS

Ken Olsen	314-825-2208	Kenneth.P.Olsen@efleets.com
FLEET CONSULTANT	PHONE	EMAIL

Executive Summary

Enterprise Fleet Management is a privately held, full-service fleet management business for government agencies and other organizations operating medium-sized fleets of 20 or more vehicles. Enterprise Fleet Management is an affiliate of Enterprise Holdings and owned by the Taylor family of St. Louis.

With more than 50 fully staffed offices in the U.S. and Canada, the local Enterprise Fleet Management teams of experts assemble customized fleet management programs that are just right for our clients. Our expertise covers the full spectrum of a vehicle's lifecycle, including acquisition, registration, maintenance, use reporting, fuel card programs, and remarketing, as well as fleet analysis and optimization. And with more than 630,000 fleet vehicles managed across North America, Enterprise supplies a vast variety of makes and models for all vehicle categories, from cars to light and medium-duty trucks, service vehicles, and emergency response police units.

The City of Abilene 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. Your Account Team is located in Kansas so we can quickly arrive in-person to address any of your needs. Your Client Strategy Manager will meet with the City 4 times per year at a minimum to discuss strategy, budget preparation, and operational excellence.

Enterprise Fleet Management uses a combination of online tools, technologies, and automated processes to give our clients complete oversight of their fleet, lower overall costs, and provide convenience for drivers and administrators. These resources complement our local account management teams and allow us to supplement local support with self-service capabilities.

Enterprise is prepared to assist in all aspects of the City of Abilene's fleet management structure. We have already designed a financial model that will guide your Account Team from the start. Enterprise will work with department heads to ensure we have the vehicles built and spec'd exactly as needed, we will have all aftermarket equipment confirmed, and the timeframe that the vehicles are needed to be delivered. Logistically, the new vehicles will be delivered to a local dealership, then to an aftermarket vendor if necessary, for equipment upfit, after delivery Enterprise will then pick up the aged city units and sell them on the city's behalf.

Enterprise has built a financial model designed around Abilene's fleet. Given the strong government acquisition power, low mileage patterns, and the Enterprise resale abilities, this financial model will allow the City to operate a newer, more efficient fleet at a lower budget and overall cost of ownership. This will also reduce the operational fuel and maintenance expenses, along with lowering the carbon footprint.

THE SITUATION

Current fleet age is negatively impacting the overall budget and fleet operations

- **56%** of the light and medium duty fleet is currently 10 years or older
- **70%** of the light and medium duty fleet is currently 6 years or older
- **10 years** is the current average age of the fleet
- **Over 13 years** – time it would take to cycle the entire fleet at current acquisition rates
- Older vehicles have higher fuel costs, maintenance costs and tend to be unreliable, causing increased downtime and loss of productivity.

THE OBJECTIVES

Identify an effective vehicle life cycle that maximizes potential equity at time of resale creating a conservative savings of over $497,192 in 10 years

- Shorten the current vehicle life cycle from 13 years to 3 years
- Provide a lower sustainable fleet cost that is predictable year over year
- Free up more than $285,000 in capital from the salvage of 27 vehicles in the first five years
- Significantly reduce Maintenance to an average monthly cost of $39 vs. current $95
- Reduce the overall fuel spend through more fuel-efficient vehicles
- Leverage an open-ended lease to maximize cash flow opportunities and recognize equity.

Increase employee safety with newer vehicles

- Currently:
    - 6 vehicles predate Anti-Lock Brake standardization (2007)
    - 15 vehicles predate Electronic Stability Control standardization (2012)
        - *ESC is the most significant safety invention since the seatbelt*
    - 21 vehicles predate standardization of back up camera (2018)

THE RESULTS

By partnering with Enterprise Fleet Management, it is estimated that the City will reduce their fuel costs by over 20%. The City will also reduce maintenance cost by approximately 59%. Leveraging an open-end lease maximizes cash flow and recognizes equity from vehicles sold. Furthermore, the City will leverage Enterprises Fleet Management's ability to sell vehicles at an average of 112% above Commercial Value Index. By shifting from a reactively replacing inoperable vehicles to planning vehicle purchases, Abilene will be able replace 48 of its oldest vehicles within the first five years, turning 100% of their vehicles into newer, safer, more efficient models.

FLEET ANALYSIS | City of Abilene

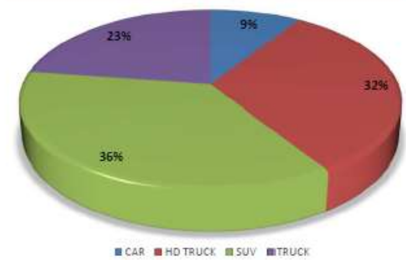
Fleet Profile / Fleet Replacement Schedule

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage	2022	2023	2024	2025	2026	Under-Utilized
Full-size Sedan	2	16.8	6,100	2	0	0	0	0	0
Mid Size SUV 4x4	7	9.3	6,100	3	3	0	0	1	0
Full Size SUV 4x4	1	9.8	7,900	1	0	0	0	0	0
1/2 Ton Pickup Reg 4x2	2	6.2	2,500	1	0	0	0	1	0
1/2 Ton Pickup Ext 4x2	1	19.8	5,500	1	0	0	0	0	0
1/2 Ton Pickup Ext 4x4	2	15.3	7,300	2	0	0	0	0	0
3/4 Ton Pickup Reg 4x2	4	12.9	6,100	3	0	0	0	1	0
1 Ton Pickup Reg 4x2	3	10.7	4,100	2	0	1	0	0	0
Mid Size SUV 4x4 ERV	5	3.7	9,100	0	0	1	3	1	0
Totals/Averages	27	10.1	6,300	15	3	2	3	4	0

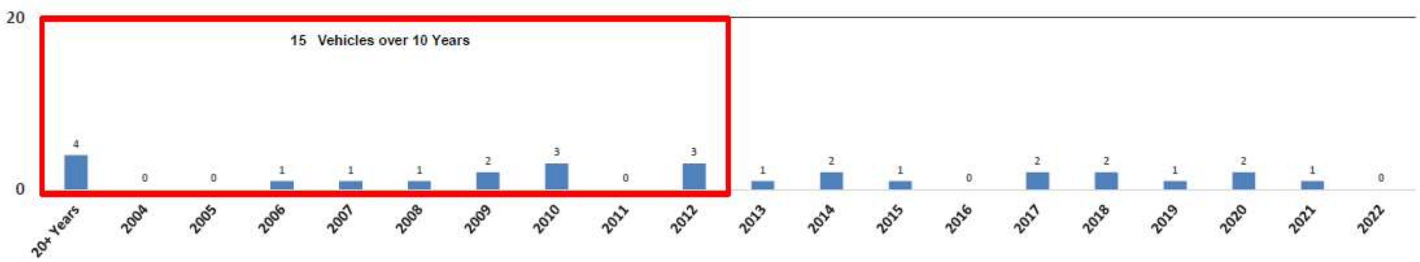
Replacement Criteria

- Fiscal Year 2022 = 10 years old and older, or odometer over 100,000
- Fiscal Year 2023 = 8 years old and older, or odometer over 80,000
- Fiscal Year 2024 = 6 years old and older, or odometer over 60,000
- Fiscal Year 2025 = 4 years old and older, or odometer over 40,000
- Fiscal Year 2026 = Remaining Vehicles
- Underutilized = Annual Mileage less than

Vehicle Types



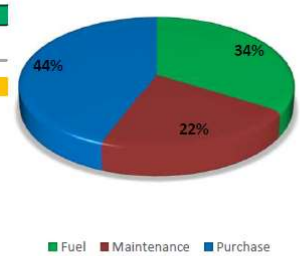
Model Year Analysis



Current Fleet	27	Fleet Growth	0.00%	Proposed Fleet	27
Current Cycle	13.50	Annual Miles	6,300	Proposed Cycle	2.63
Current Maint.	$94.50			Proposed Maint.	$39.28
Maint. Cents Per Mile	$0.18	Current MPG	10	Price/Gallon	$2.75

Fleet Costs Analysis

	Fleet Mix				Fleet Cost							Annual
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash
Average	27	2.0	27	0	61,076	0	-1,000		30,618	46,778	137,471	0
'22	27	15	12	15	0	94,051	-100,000	-46,198	20,679	41,580	10,112	127,359
'23	27	10	9	18	0	117,419	-44,100	-72,203	18,691	40,541	60,347	77,124
'24	27	12	7	20	0	141,172	-32,000	-105,089	17,365	39,848	61,296	76,174
'25	27	15	4	23	0	175,604	-36,050	-103,225	15,378	38,808	90,515	46,956
'26	27	17	0	27	0	185,121	-73,500	-66,789	12,727	37,422	94,981	42,490
'27	27	9	0	27	0	185,121		-146,418	12,727	37,422	88,851	48,620
'28	27	17	0	27	0	185,121		-100,886	12,727	37,422	134,383	3,088
'29	27	13	0	27	0	185,121		-121,473	12,727	37,422	113,797	23,674
'30	27	16	0	27	0	185,121		-118,415	12,727	37,422	116,855	20,616
'31	27	14	0	27	0	185,121		-128,890	12,727	37,422	106,380	31,091



10 Year Savings	$497,192	Avg. Sustainable Savings	$25,418

CASE STUDY | City of Abilene

CASE STUDY | CITY OF LENEXA

enterprise
FLEET MANAGEMENT

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.

Key Results

22% SAVINGS IN FUEL COSTS

REDUCED MAINTENANCE SPEND BY **70%**

6% TOTAL SAVINGS WITH FLEET AGE LESS THAN 5 YEARS

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

PROGRAM RESOURCES | City of Abilene

SAFETY

- 56% of all vehicles are older than 10 years of age and do not contain the most up to date safety features, such as electronic stability control and airbag standardization and anti-lock brake control.

ACCOUNT MANAGEMENT

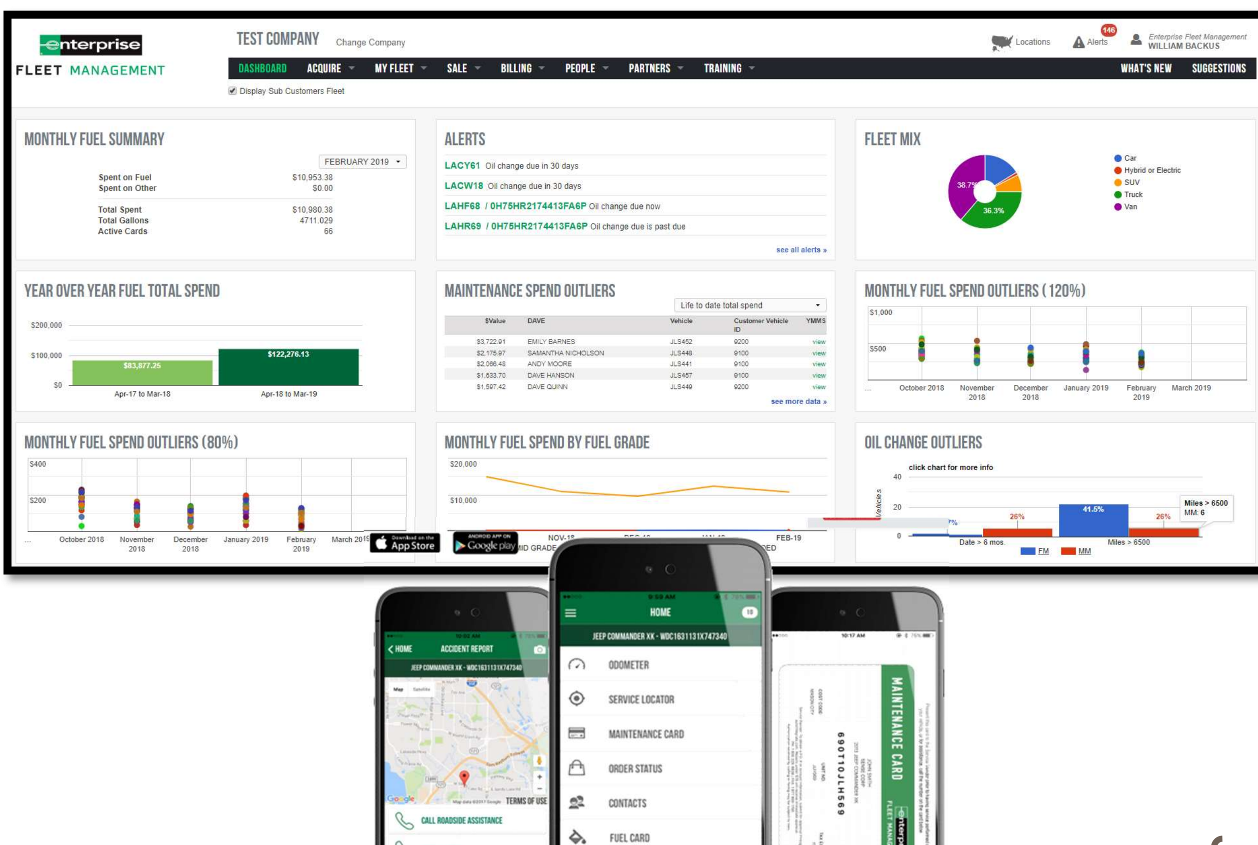
Abilene will have a dedicated, local account team to proactively manage and develop your fleet while delivering the highest level of customer service to facilitate your day-to-day needs.

- Your dedicated Account Manager meets with you 4 times at a minimum per year for both financial and strategic planning.
- Your Account Manager will provide on-going analysis – this will include most cost-effective vehicle makes/models, cents per mile, total cost of ownership, and fleet replacement analysis.

TECHNOLOGY

Enterprise Fleet Management's website provides vehicle tracking, reporting, and metrics. Our website can be customized to view a wide range of data so that you may have a comprehensive and detailed look at all aspects of your fleet and the services provided. Our Mobile App gives drivers all of the convenience and functionality they need.

- **Consolidated Invoices** - Includes lease, maintenance, and any additional ancillaries
- **Maintenance Utilization** - Review the life-to-date maintenance per vehicle
- **Recall Information** - See which units have open recalls
- **License & Registration** - See which plate renewals are being processed by Enterprise and 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 Abilene

LOCAL CURRENT PARTNERS

- **Unified Government of Wyandotte County, KS**
- **Shawnee County, KS**
- **City of Lenexa, KS**
- **City of Salina, KS**
- **Geary County, KS**
- **City of Prairie Village, KS**
- **City of Overland Park, KS**
- **City of Independence, MO**
- **City of Arkansas City, KS**
- **City of Wellington, KS**
- **Goddard USD 265**
- **Haysville USD 261**
- **KCK USD 500**
- **Geary County USD 475**
- **City of Branson, MO**
- **City of Lake Ozark, MO**
- **State of Missouri**
- **Ellis County, KS**
- **City of Valley Center, KS**
- **City of Smithville, MO**

REFERENCES:

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

1. County: **Geary County, KS**

Business Phone #: (785) 238-4407

Contact Person: Travis Lilly, Appraiser

2. City: **Shawnee County, KS**

Business Phone #: (785) 424-0495

Contact Person: Brent Hulsether, Fleet Manager

3. City: **City of Lenexa, KS**

Business Phone #: (913) 477-7880

Contact Person: Nick Arena, Municipal Services Director

COOPERATIVES:

SOURCEWELL

enterprise
FLEET MANAGEMENT

MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this _______ day of _________________, 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 depreciation 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 on the due date 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 fails 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.

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(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.

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(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, New York, Pennsylvania, Rhode Island, and Vermont	$1,000,000 Combined Single Limit Bodily Injury and Property Damage - 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 or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming 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 waiver 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

Initials: EFM JS________ Customer________ 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: ______________________

Signature: ______________________

By: ______________________

Title: ______________________

Address: ______________________

____

____

Date Signed: ______________, ________

LESSOR: Enterprise FM Trust
By: Enterprise Fleet Management, Inc. its attorney in fact

Signature: ______________________

By: Jesse Sparks

Title: Finance Director

Address: 5359 Merriam Drive
Merriam, KS 66203

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Date Signed: ______________, ________

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