

LEASE PURCHASE AGREEMENT

THIS LEASE is made and entered into as of this _____ day of _____ 2013, between the Board of County Commissioners of Sedgwick County, Kansas ("County") and the Board of County Commissioners sitting as the Governing Body for Fire District No. 1 ("Fire District").

RECITALS:

WHEREAS, County is a body corporate and politic and empowered pursuant to K.S.A. 19-101 with the authority to enter into contracts and to make decisions regarding real estate owned by the County; and

WHEREAS, Fire District is organized pursuant to K.S.A. 19-3601 *et. seq* and with the authority pursuant to K.S.A. 19-3601a to enter into contracts and acquire real property; and

WHEREAS, County owns certain real property with an address of 334 N. Main St., Haysville, KS, 67060, and with a legal description as set out below; and

Lot 2, Block A, Main Street Place 2nd Addition to Haysville, Sedgwick County, Kansas

WHEREAS, Fire District desires to enter into a lease/purchase agreement for said Property for use as a fire station under the terms of this lease-purchase agreement;

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises contained herein, the parties agree as follows:

Section 1. Lease. Fire District desires to lease the above described Property for use as a fire station and with the option to purchase said Property at the end of the lease period and County desired to lease the above said Property for use by the Fire District for a fire station and with the intent that at the conclusion of the term of the lease that such Property shall be owned by the Fire District.

Section 2. Term. This Agreement shall be for a term of 20 years beginning on the 1st day of January, 2014, and continuing for a period thereafter until the 31st day of December, 2033.

Section 3. Use Of Premises. Fire District shall use and occupy the Property subject to this lease purchase agreement for the purpose of housing Fire Station 34, and for such purposes and uses relating thereto.

Section 4. Consideration. As consideration for the use of a portion of the Property as described above, Fire District agrees to pay County as follows: quarterly lease payments of \$48,439.00, not later than the 10th day of January, April, July and October of each year.

Section 5. Capital Improvements. Any capital improvements to any portion of the Property as described above shall be subject to prior approval by County and will be at the sole expense of Fire District.

Section 6. Repairs and Maintenance. Fire District shall be responsible for keeping and maintaining the Property and all parts thereof, including the exterior of the buildings, in good condition and repair, including but not limited to the provision of all parts, mechanisms and devices required to keep the furnishings, equipment and personal property in good working condition.

Section 7. Utilities. Fire District shall be responsible for the payment of all deposits and charges for electricity, water, gas, telephone, air conditioning and heating, sewer charges, garbage and trash collection, and all other utilities and charges for services used by or furnished to the above Property.

Section 8. Taxes. Fire District shall be responsible for the payment of all taxes and other governmental levies that may be imposed on the Property by any governmental entity.

Section 9. Indemnification. To the extent permitted by the laws of Kansas and without waiver of any applicable immunities, Fire District shall hold harmless, defend and indemnify County and its officers, agents, and employees against all claims, demands, actions, and suits (including all attorney's fees and costs) brought against any of them arising out of any of the exercise of Fire District's use of the above described Property, however the amount of such indemnification by Fire District shall not exceed \$500,000 for any number of claims arising out of any single occurrence or incident. To the extent permitted by the laws of Kansas and without waiver of any applicable immunities, County shall hold harmless, defend and indemnify Fire District, its officers, agents, and employees against all claims, demands, actions, and suits (including all attorney's fees and costs) brought against any one of them arising out of any of the exercise of County's rights and duties hereunder, however the amount of such indemnification by County shall not exceed \$500,000 for any number of claims arising out of any single occurrence or incident.

Section 10. Mechanics Liens. To the extent permitted by the laws of Kansas and without waiver of any applicable immunities, Fire District shall hold County free and harmless and indemnify County against all claims for labor and materials in connection with improvements, repair or alterations to the Property and the cost of defending against such claims, including reasonable attorney's fees. Further, during any period that improvements, repairs or alterations are being constructed on the premises by anyone other than County, Fire District shall substantially comply with all of the provisions of K.S.A. 60-1111 insofar as bonding requirements are concerned. Fire District shall require each and every contractor to provide good and solvent surety in an amount not less than that required by law.

Section 11. Non-Assignability. Neither party shall assign this Agreement or any portion thereof without the prior written consent of the other party..

Section 12. Deed. Upon the completion of payments from Fire District to County pursuant to paragraph 4 above, County agrees to deed over the above described Property to Fire District

within 30 days of the last payment, and that Fire District shall own said Property in fee simple and free and clear of any liens or other encumbrances.

Section 13. Severability. Any provision of this Agreement held to be invalid, void, or unenforceable by a court of competent jurisdiction shall in no way effect or invalidate any other provision hereof and the parties shall remain obligated to each other with respect to performance of such remaining provisions.

Section 14. Quiet Enjoyment. Fire District upon its observing and keeping all covenants, agreements, and conditions of this Agreement on its part to be kept, shall quietly have and enjoy the Property during the term of this Agreement without hindrance or molestation by anyone claiming by and through or under County as such, subject, however, to the exceptions, reservations, and conditions of this Agreement.

Section 15. CASH BASIS AND BUDGET LAWS: It is the intent of the parties that the provisions of this Lease are not intended to violate the Kansas Cash Basis Law (K.S.A. 10-1101, et seq.) (the “Cash Basis Law”) or the Kansas Budget Law (K.S.A. 79-2925) (the “Budget Law”). Therefore, notwithstanding anything to the contrary herein contained, the Fire District’s obligations under this Lease are to be construed in a manner that assures that the Fire District is at all times not in violation of the Cash Basis Law or the Budget Law. Additionally, Fire District is obligated only to pay periodic payments or monthly installments as may be legally paid from either: (i) funds budgeted and appropriated for that purpose during Fire District’s current budget year; or (ii) funds made available from any lawful operated revenue producing source.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date hereof, acting through their duly authorized representatives.

[remainder of page intentionally left blank, with following page for signatures]

ATTEST:


BOARD OF COUNTY COMMISSIONERS
OF SEDGWICK COUNTY, KANSAS

KELLY B. ARNOLD, County Clerk

JAMES B. SKELTON, Chairman
Commissioner, Fifth District

Approved as to Form:

BOARD OF COUNTY COMMISSIONERS
OF SEDGWICK COUNTY, KANSAS
SITTING AS THE GOVERNING BOARD OF
SEDGWICK COUNTY FIRE DISTRICT #1



MICHAEL D. PEPOON
Assistant County Counselor
Sedgwick County, Kansas

JAMES B. SKELTON, Chairman