

Item # 4D
Date: 8/24/20

RESOLUTION NO. 027 (2026/2027)

**A RESOLUTION TO APPROVE LEASE AND PURCHASE AGREEMENT FOR
CEMETERY TRACTOR AND LOADER**

WHEREAS, as part of the ongoing equipment replacement program, each year the city leases a compact utility tractor with loader for use mainly at the Cemetery; and

WHEREAS, the lease is set up for 150 hours of use during a twelve month period; and

WHEREAS, this tractor is equipped with a loader and is used to backfill graves, operate attachments for the opening of cremation burials, snow removal, various tasks in the parks, etc.; and

WHEREAS, the lease payments to be made under the Lease Agreement shall not exceed \$4,000.00

WHEREAS, a copy of the proposed lease agreement and purchase agreement is attached hereto as Exhibit A.

WHEREAS, the City Council has examined the same and found the agreements to be in the best interest of the City, and that the same should be approved and accepted.

NOW, THEREFORE, be it resolved by the City Council of Nevada, Iowa that the Annual Lease Agreement and Purchase Agreement attached hereto is hereby approved and the Mayor and City Clerk are authorized and directed to execute the same and disperse funds.

Passed and approved August 24, 2026.

Ryan Condon, Mayor

Attest:

Erin Mousel, City Clerk



LEASE AGREEMENT

Date **09/01/2026**

Lease No. **2505481**

LESSEE'S NAME & ADDRESS

**City of Nevada
PO Box 530
Nevada, IA 50201**

LESSOR'S NAME & ADDRESS

**Van Wall Equipment
4170 NW Urbandale Dr
Urbandale, IA 50322-7915**

LESSEE'S NAME

City of Nevada

PLACE OF DELIVERY

1209 6th St, Nevada, IA 50201

QTY	MFG	MODEL	EQUIPMENT	PRODUCT ID NO.	HOURS
1	JD	4052R	Compact Tractor	1LV4052RVTT409626	0
1	JD	440R	Loader	1P0440RXATC084068	

LESSEE'S SSN OR TAX ID	COUNTY LOCATION	MAX HRS USE PER YEAR	EXCESS USE CHG PER HR	EQUIP. LOCATION IF OTHER THAN LISTED ABOVE
	Story	150		

AMOUNT OF EACH LEASE PAYMENT

No. Of Pmts.	Lease Payment	Use Tax (If Any)	Total of Each Payment
1	\$4,000	\$0	\$4,000

SECURITY DEPOSIT	DATE TERM BEGINS	DATE TERM ENDS	USE SEASON BEGINS
	09/01/2026	09/01/2027	

PAYMENT SCHEDULE⇒

PAYMENTS OTHER THAN MONTHLY - DUE DATES

Payment due: _____ day of each month except
Months of _____

- 1. TERM - LEASE PAYMENTS.** Lessor hereby leases the above Equipment (the "Equipment") to Lessee for a term of 12 months from the date of delivery of the Equipment, which date shall be evidenced by the execution of the Delivery Acknowledgment below and shall be shown above. Lessee agrees to pay to Lessor an advance lease payment of \$ 4,000.00 and 0 additional lease payments of \$ 0.00 each, for a total of \$ 4,000.00. In accordance with the payment schedule shown above. All lease payments not made when due shall bear interest from their due date until paid at the highest rate permitted by law. Any lease payment(s) received from Lessee may be applied, at Lessor's choice, to what Lessee owes under this Lease or under any other lease agreement between Lessee and Lessor, in spite of any instructions from Lessee.
- 2. OPTION TO PURCHASE**
Provided Lessee is not in default under any provision of this Lease Agreement (this "Lease"), Lessee shall have the option to purchase the Equipment at the expiration of the term of this Lease for the Option Purchase Price set forth in either 2.1 or 2.2, as indicated below.
 - 2.1** ☒ Lessee shall have the option to purchase the Equipment at the expiration of the term of this lease for the Option Purchase Price of: **N/A. This is a true lease**

- 2.2 ☐ Lessee shall have the option to purchase the Equipment at the expiration of the term of this Lease for its fair market value at the time the option is exercised. Fair market value will be determined by Lessor with reference to recent sales of used equipment of similar type and condition.

3. ASSIGNMENT

Lessee shall not, without the prior written consent of Lessor, (a) assign, transfer or pledge this Lease, the Equipment or any part thereof, or any interest therein, or (b) permit the Equipment or any part thereof to be used by anyone other than Lessee or Lessee's employees. Any assignment without such consent shall be void. Lessee's obligation to pay rent under this Lease shall not, as to any assignee of Lessor, be subject to any diminution arising out of any breach of any obligation of Lessor hereunder or other liability of Lessor to Lessee.

4. RETURN OF EQUIPMENT

Upon early termination of this Lease or if the above option to purchase is not exercised at the expiration of the term of this Lease, Lessee shall return the Equipment, at Lessee's expense, to Lessor at a place designated by Lessor no more than 50 miles from the place of delivery shown above. The Equipment, when returned, shall be in as good condition as it is when delivered to Lessee, reasonable wear thereof excepted.

5. EARLY TERMINATION

Provided Lessee is not in default under any provision of this Lease, Lessee may request that this Lease be terminated prior to the expiration of the term of this Lease with respect to the Equipment or any item thereof. If such request is made, Lessor and Lessee will use reasonable efforts to arrange for a sale to a third party. This Lease shall be continued until such a sale is consummated (or until the term of this Lease expires, whichever is earlier) and Lessee shall continue to make lease payments, Lessee shall return the Equipment to Lessor as provided in Section 4 and pay to Lessor the excess, if any, of the Termination Value on the date of sale over the net sale price (after deducting all costs and expenses incurred by Lessor in connection with the sale) received or to be received by Lessor.

6. DEFAULT

Lessee shall be in default under this Lease if any of the following events occur:

- 6.1 Lessee fails to make any lease payment or pay other sums due hereunder within ten (10) days after the same shall become due.
- 6.2 Lessee fails to maintain any insurance required hereunder in effect or fails to comply with the requirements of any such insurance.
- 6.3 Lessee, without Lessor's consent, attempts to assign this Lease or attempts to remove, sell, transfer, encumber, part with possession of or sublet any item of Equipment.
- 6.4 Lessee shall commit an act of bankruptcy or become insolvent or bankrupt, shall make an assignment for the benefit of creditors, shall cease doing business as a going concern, if bankruptcy, reorganization or insolvency proceedings are instituted by or against Lessee, or if Lessee shall suffer an adverse material change in his financial condition which causes Lessor to deem itself or any of the Equipment to be insecure.
- 6.5 Lessee fails to perform or observe any other covenant or condition herein and such failure continues for a period of ten (10) days after written notice thereof is sent to Lessee by Lessor.

7. REMEDIES OF LESSOR

Upon default of Lessee, under this Lease or under any other lease agreement between Lessee and Lessor, Lessor may, without notice to or demand upon Lessee, exercise any one or more of the following remedies:

- 7.1 Declare all unpaid rent for the full term of this Lease immediately due and payable, together with all expenses of collection by suit or otherwise, including reasonable attorney's fee.
- 7.2 Terminate this Lease immediately with respect to the Equipment or any portion thereof and/or terminate any other lease agreement between Lessee and Lessor.
- 7.3 Take possession of the Equipment (which Lessee shall surrender on demand).
- 7.4 Sell the equipment or any portion thereof at public or private sale and without demand on Lessee for payment or notice of intention to sell, retain the proceeds of any such sale, and, unless previously terminated under Section 7.2, terminate this Lease as of the date of such sale. If the proceeds, after deducting all costs and expenses incurred in connection with the recovery, repair, storage and sale of the Equipment and after deducting any lease payments and other obligations of Lessee due and unpaid hereunder on the date of the sale, including interest on past due lease payments, are less than the Termination Value on the date of termination, Lessee shall immediately pay Lessor the difference.
- 7.5 Exercise any other remedy provided by law, including the recovery of damages caused by Lessee's failure to perform or observe any covenant or condition of this Lease

8. NEW EQUIPMENT WARRANTY

Lessee acknowledges and agrees (a) that the Equipment was selected by Lessee; (b) that Lessee is satisfied that the same is suitable for its purpose; (c) that Lessor is not a manufacturer thereof nor a dealer in property or such kind; and (d) THAT LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE ANY REPRESENTATION OR WARRANTY OR COVENANT WITH RESPECT TO THE MERCHANTABILITY, AND CONDITION, QUALITY, DESCRIPTION, DURABILITY, OR SUITABILITY OF ANY SUCH UNIT IN ANY RESPECT OR IN CONNECTION WITH OR FOR THE PURPOSE AND USES OF LESSEE, Lessor hereby assigns to Lessee, to the extent assignable, any warranties, covenants, and representations of the vendor with respect to the Equipment, provided that any action taken by Lessee by reason thereof shall be at the sole expense of the Lessee and shall be consistent with Lessee's obligations pursuant to the terms of this agreement.

9. INSURANCE

9.1 Lessee, at its own expense, will carry public liability insurance having an endorsement for contractual liability on the Equipment with minimum liability limits in the amount of \$100,000 per person and \$300,000 per occurrence for bodily injury, including death, and in the minimum amount of \$50,000 per occurrence for property damage. Lessee will list Van-Wall Equipment, Inc. as the additional insured party.

9.2 Lessee, at its own expense, shall keep the Equipment insured against all risk of physical damage for no less than its actual cash value. Such insurance shall include a loss payable clause made out in favor of Lessor

9.3 Lessee shall deliver to Lessor Certificates or other evidence satisfactory to Lessor that insurance is maintained as required under Section 9.1 and 9.2. If Lessee fails to deliver such Certificates or other evidence of insurance to Lessor upon request, Lessor shall have the right, but shall not be obligated, to purchase such insurance and Lessee will reimburse Lessor for the cost thereof upon demand.

10. LOSS OR DAMAGE TO EQUIPMENT

All risk of loss or damage to the Equipment is assumed by Lessee until it is returned to Lessor at the expiration of the terms of this Lease or such earlier termination as may occur under the provisions of Section 5 and 7 of this Lease. If a damaged item is capable of being repaired for a cost less than its actual cash value, Lessee shall repair it at his own cost. The proceeds of any insurance, which may become available as a result of damage to the Equipment may be applied to the repair of the Equipment or to payment of any obligation of Lessee hereunder, at the sole discretion of Lessor. Inadequacy of such insurance proceeds to cover the cost of repairs does not excuse or diminish Lessee's obligation to repair. If any item is lost, stolen, destroyed or damaged beyond repair, insurance proceeds shall be paid over to Lessor. Any salvage shall be disposed of as the Insurance Company and/or Lessor may elect. If the sum of the insurance proceeds and the salvage proceeds, if any, is less than the Termination Value of the affected Equipment on the date of loss, Lessee shall promptly pay the difference to Lessor.

11. LIABILITY

Lessee assumes all risk and liability for and shall hold Lessor and its assigns harmless from all claims, liabilities or expenses for injuries or death to persons or loss or damage to property allegedly caused by the Equipment or arising out of the use, possession or transportation thereof. Lessee's liability hereunder shall not be limited to the amounts of insurance required under Section 9.

12. FEES AND PROPERTY TAXES

12.1 Lessor as owner is responsible for filing the requisite periodic reports with the appropriate taxing jurisdiction. If the location of the Equipment has been changed to another taxing jurisdiction or the exempt status of the Equipment has been changed, Lessee shall, in time for Lessor to file such a return or report, notify Lessor in writing regarding such changes at the following address:

VAN-WALL EQUIPMENT, INC.
4170 NW Urbandale, Dr
URBANDALE, IA 50322-7915

12.2 If Lessee fails to so furnish Lessor with the above information, Lessee agrees to promptly reimburse Lessor for any taxes, penalties, fines, or fees paid by Lessor arising from such failure.

12.3 Lessor as owner is responsible for the payment of all personal property taxes imposed on the Equipment. Lessee is responsible for the payment of all other taxes of any kind, and of all title fees, registration fees, license fees and all other similar charges of any kind imposed on the Equipment or its use. As stated in 12.1 above, Lessor, as owner shall file a personal property tax return, Lessee shall be responsible for all other returns and reports required by law or otherwise permitted. If Lessor is required to file any returns or reports or pay any fees or taxes for which Lessee is obligated hereunder, Lessee shall promptly reimburse Lessor for its payment of said fees and taxes and shall pay any additional sales or use tax imposed on such reimbursements.

12.4 If Lessee is required by the jurisdiction to file returns or reports and pay fees or taxes, but fails to pay such fees or taxes when due, Lessor shall have the right, but not the obligation, to pay such fees or taxes together with penalties or fines and Lessee will promptly reimburse Lessor for any amounts paid by Lessor.

12.5 In addition, the amount of any tax, fee, penalty or fine which is Lessee's responsibility but which Lessor pays, if not reimbursed to Lessor by Lessee within 30 days of demand by Lessor, shall bear interest at the highest contract rate permitted by law, from the time of payment by Lessor until paid by Lessee.

13. INTENDED USE OF EQUIPMENT

Lessee agrees that the Equipment will not be used for personal, family or household use.

14. SERVICE AND USE

Lessee agrees to care of the Equipment in a careful and prudent manner, to cause the Equipment to be operated and maintained in accordance with the manufacturers operator's manuals, maintenance manuals, technical manuals, and other instructions concerning operation and maintenance, and to perform all maintenance and make any and all repairs which may be necessary to keep the Equipment in as good condition as it is when delivered to Lessee, reasonable wear thereof excepted. All maintenance and repairs shall be made at Lessee's expense unless covered by warranty or by insurance as provided in Section 9. Lessee shall comply with and conform to all law and regulations relating to ownership, possession, use and maintenance of the Equipment and with all conditions of policies of insurance on the Equipment, Lessee will not install any accessory or device on the Equipment (except such as may be removed without in any way affecting the originally intended function or use of the Equipment). Lessor shall be entitled to inspect the Equipment at the location of Lessee during reasonable business hours. It is contemplated that the Equipment will not be operated for more than the maximum number of hours shown on the face hereof, and Lessee agrees to pay the excess use charge shown on the front of this Lease for each hour the Equipment is used in excess of such time. If there is an hour meter furnished, Lessee agree to keep it connected to the Equipment and in good working condition at all time and that it is to be used as the conclusive basis of the number of hours of operation.

15. CONSTRUCTION

This Lease shall not be construed as conveying to Lessee any right, title or interest in or to the Equipment or its proceeds except as Lessee. Except as provided in Section 2, all right, title and interest in and to the Equipment shall at all times remain in Lessor.

16. DESIGNATION OF OWNERSHIP

If at an time during the term hereof, Lessor supplies Lessee with labels, plates or other markings stating that the Equipment is owned by Lessor, Lessee shall affix and keep the same upon a prominent place on the Equipment, Lessor may request and Lessee agrees to execute Uniform Commercial Code Finance Statements, and such statement or their filing shall not be deemed to negate the construction of this Lease as a lease. Lessee agrees to execute any and all additional instruments necessary to perfect Lessor's interest in this Lease, the payments due hereunder and the Equipment.

17. SECURITY DEPOSIT

If a Security Deposit is shown on the front of this Lease, Lessee hereby deposits with Lessor such sum as security for the faithful performance by Lessee of the covenants and conditions of this Lease. Lessor may, but shall not be obligated to, apply the Security Deposit, or any portion thereof, to cure any default by Lessee, in which event Lessee shall promptly restore the Security Deposit to the full amount specified. Upon fulfillment by Lessee of all of the covenants and conditions of this Lease, including the obligation to reimburse Lessor for any amounts as set forth in Sections 12; Lessor shall return to Lessee the amount of the Security Deposit, without interest.

18. TERMINATION VALUE

Termination Value, as used in this Lease, shall be a sum equal to: (a) the total of all lease payments (excluding any sales tax included in such lease payments) which are not yet due on the date of the loss under Sections 10 or the date of sale under Sections 5 or 7; (b) plus the Residual Value which was used in calculation payments due hereunder; (c) minus the unearned finance income component included in the lease payments not yet due on such date, calculated using the "Sum of the Monthly Balances" method and treating any federal income tax credit retained by Lessor as a payment, Upon request, Lessor will advise Lessee of the amount of the Terminations Value to be used in computing Lessee's obligations under Sections 5, 7 or 10.

19. CONTROLLING LAW

Except at prohibited by the law of the state of Lessee's residence, the construction and validity of this Lease shall be controlled by the law of the state of Iowa, where this Lease is accepted and entered into.

20. ASSIGNMENT BY LESSOR

Lessee here by consents to the assignment by Lessor of all Lessor's rights hereunder to a chosen Finance Company of Lessor's choice. Lessee shall make payments hereunder to Lessor at the Finance Company's address until such time as the Finance Company notifies lessee of its intent to collect payment due from Lessee under the Lessee. Upon such notification, Lessee shall make payment to the Finance Company at its principal office location.

UNAPPROVED SERVICE OR MODIFICATION

All obligations of Doosan under this warranty shall be terminated:

- A. If service other than normal maintenance or normal replacement of maintenance items is performed by someone other than an authorized Doosan dealer or service center, or
- B. If Equipment is modified or altered in anyway not approved by Doosan, including but not limited to setting injections pump fuel delivery above Doosan specifications.

LESSEE'S
NAME

__City of Nevada__

LESSOR'S
NAME

__Van-Wall Equipment, Inc. __

(Lessee's Signature)

(Authorized Signature)

(Lessee's Signature)

DELIVERY ACKNOWLEDGMENTS

The Equipment subject to this Lease and Operator's Manuals were received on this date, and the sale operation and the proper servicing of the Equipment were explained to me. I have also received the written warranty applicable to the Equipment and understand that my rights are limited as set forth therein.

(Lessee's Signature)

Date

The Equipment subject to this Lease was carefully prepared for delivery. Inspected and adjusted according to factory recommendations before delivery to Lessee. Operation and service of the Equipment and the importance of following the instructions in the Operator's Manual were explained to Lessee.

Dealer Representative

Date