





VI. Title and Security Interest

Section 6.01. Title: Title to the Equipment shall vest in Lessee when Lessee acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Lessor in the event Lessee non-appropriates under Section 4.01 or in the event Lessee defaults under Section 9.01. Section 6.02. Security Interest. To secure the payment of all Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit "A". The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Lessee agrees that Lessor or its Assignee may execute such additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Lessee which Lessor deems necessary or appropriate to protect Lessor's interest in the Equipment and in this Agreement.

VII. Assignment

Section 7.01. Assignment by Lessor. All of Lessor's rights, title and/or interest in and to this Agreement may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Lessor at any time without the consent of Lessee. No such assignment shall be effective as against Lessee until the assignor shall have filed with Lessee written notice of assignment identifying the assignee. Lessee shall pay all Rental Payments due hereunder relating to such Equipment to or at the direction of Lessor or the assignee named in the notice of assignment.

VIII. Maintenance of Equipment

Section 8.01. Lessee shall keep the Equipment in good repair and working order. Lessor shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Lessee will be liable for all damage to the Equipment, other than normal wear and tear, caused by Lessee, its employees or its agents. Lessee shall pay for and obtain all permits, licenses and taxes necessary for the installation, operation, possession, storage or use of the Equipment. If the Equipment includes any lifted vehicles, then Lessee is responsible for obtaining such titles (if) from the State and also for ensuring that Lessor is listed as first (liability) on all of the titles. Lessee shall not during the term of this Agreement create, incur or assume any liens, claims or encumbrances of any kind with respect to the Equipment except those created by this Agreement. The Equipment is and shall at all times be and remain personal property. Lessee shall allow Lessor to examine and inspect the Equipment at all reasonable times.

Section 9.01. Events of Default defined. The following events shall constitute an "Event of Default" under this Agreement: (a) Failure by Lessee to pay any Rental Payment listed on Exhibit "B" for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit "B". (b) Failure to pay any other payment required to be paid under this Agreement at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Lessor that such payment must be made. If Lessee continues to fail to pay any payment after such period, then Lessor may, but will not be obligated to, make such payments and charge Lessee for all costs incurred plus interest at the highest lawful rate. (c) Failure by Lessee to observe and perform any warranty, covenant, condition, promise or duty under this Agreement for a period of thirty (30) days after written notice specifying such failure is given to Lessee by Lessor, unless Lessor agrees in writing to an extension of time. Lessor will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Lessee. Subsection (c) does not apply to Rental Payments and other payments discussed above. (d) Any statement, material omission, representation or warranty made by Lessee in or pursuant to this Agreement which proves to be false, incorrect or misleading on the date when made regardless of Lessee's intent and which materially adversely affects the rights or security of Lessor under this Agreement. (e) Any provision of this Agreement which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Lessor. (f) Lessee admits in writing its inability to pay its obligations. Lessee defaults on one or more of its other obligations. Lessee applies or consents to the appointment of a receiver to manage its affairs or makes a general assignment for the benefit of creditors. (g) With or without terminating this Agreement, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to be due at the end of the Budget Year to be immediately due and payable. (h) With or without terminating this Agreement, Lessor may require Lessee to redeliver any or all of the Equipment to Lessor to a location specified by Lessor. Such delivery shall take place within fifteen (15) days after the event of default occurs. If Lessee fails to deliver the Equipment, Lessor may enter the premises where the Equipment is located and take possession of the Equipment and charge Lessee for cost incurred. Notwithstanding that Lessor has taken possession of the Equipment, Lessee shall still be obligated to pay the remaining Rental Payments due up until the end of the then current Original Term or Renewal Term. Lessee will be liable for any damage to the Equipment caused by Lessee or its employees or agents. (i) Lessor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Section 9.03. No Remedy Excluding. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

X. Miscellaneous

Section 10.01. Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing. Section 10.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessee and Lessor and their respective successors and assigns. Section 10.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. Section 10.04. Amendments, Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Section 10.06. Captions. The captions or headings in this Agreement do not define, limit or describe the scope or intent of any provisions or sections of this Agreement. Section 10.07. Entire Writing. This Agreement constitutes the entire writing between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Agreement or the Equipment leased hereunder. Any terms and conditions of any purchase order or other documents submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement. Section 10.08. Designation as Qualified Tax-Exempt Obligation. Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Lessee hereby specifically designates the Agreement as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(C) of the Code, the Lessee hereby represents that the Lessee will not designate more than \$10,000,000 of obligations issued by the Lessee in the calendar year during which the Agreement is executed and including all subordinate entities of the Lessee within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Agreement is executed and delivered obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

Acceptance of Equipment Certification. By signing and attesting directly below, Lessee certifies that the Equipment described directly below in Exhibit A has been delivered and installed in accordance with Lessee's specifications. Lessee further certifies that they have conducted such inspection and/or testing of the Equipment as it deems necessary and hereby acknowledges that it accepts the Equipment for all intended purposes.

Resolution and Authorization. By signing and attesting directly below, Lessee hereby warrants and certifies that the Governing Body of the Lessee at either a special or regular meeting or through some other approved method of authorization has determined that the Agreement is in the best interests of the Lessee and the Governing Body did at such meeting or through some other approved method approve the entering into of the Agreement by the Lessee and specifically designated and authorized the individual(s) who have signed directly below to execute this Agreement on Lessee's behalf along with any related documents (including any escrow agreement) necessary to the consummation of the transaction contemplated by the Agreement.

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
Nick D. Deomas, Chairman  
By: [Signature]

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS  
Approved as to form by the  
NASSAU COUNTY ATTORNEY  
By: [Signature]

J. M. "Chip" Oxley, Jr.  
Typed Name and Title: J. M. "Chip" Oxley, Jr.  
EX-Officio Clerk  
Michael S. Mullin  
Typed Name and Title: Michael S. Mullin

**EXHIBIT A - DESCRIPTION OF EQUIPMENT**

RE: Lease With Option to Purchase Agreement dated as of January 6, 2000, between Kansas State Bank of Manhattan (Lessor) and Nassau County Board of County Commissioners (Lessee)

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

One (1) Above Ground Storage Tank

Location of Equipment: 2496 Eastwood Road Hilliard, Oh.

**EXHIBIT B - PAYMENT SCHEDULE**

Lessee: Nassau County Board of County Commissioners  
 Date of first payment: 01/13/00  
 Original Balance: \$19,899.00  
 Total Number of Payments: 60  
 Number of Payments per year: 12

**RENTAL PAYMENT SCHEDULE**

PMT #	DUE DATE	TOTAL PAYMENT	APPLIED TO INTEREST	APPLIED TO PRINCIPAL	*PURCHASE OPTION PRICE
1	13-Jan-00	\$421.33	\$0.00	\$421.33	Not Available
2	13-Feb-00	\$421.33	\$165.83	\$255.50	Not Available
3	13-Mar-00	\$421.33	\$163.65	\$257.68	Not Available
4	13-Apr-00	\$421.33	\$161.46	\$259.87	Not Available
5	13-May-00	\$421.33	\$159.25	\$262.08	Not Available
6	13-Jun-00	\$421.33	\$157.01	\$264.32	Not Available
7	13-Jul-00	\$421.33	\$154.76	\$266.57	\$19,636.96
8	13-Aug-00	\$421.33	\$152.49	\$268.84	\$19,311.36
9	13-Sep-00	\$421.33	\$150.21	\$271.12	\$18,984.17
10	13-Oct-00	\$421.33	\$147.90	\$273.43	\$18,655.39
11	13-Nov-00	\$421.33	\$145.57	\$275.76	\$18,325.00
12	13-Dec-00	\$421.33	\$143.22	\$278.11	\$17,993.01
13	13-Jan-01	\$421.33	\$140.85	\$280.48	\$17,659.39
14	13-Feb-01	\$421.33	\$138.47	\$282.86	\$17,324.15
15	13-Mar-01	\$421.33	\$136.06	\$285.27	\$16,987.28
16	13-Apr-01	\$421.33	\$133.63	\$287.70	\$16,648.76
17	13-May-01	\$421.33	\$131.18	\$290.15	\$16,308.59
18	13-Jun-01	\$421.33	\$128.71	\$292.62	\$15,966.77
19	13-Jul-01	\$421.33	\$126.22	\$295.11	\$15,623.28
20	13-Aug-01	\$421.33	\$123.71	\$297.62	\$15,278.11
21	13-Sep-01	\$421.33	\$121.17	\$300.16	\$14,931.26
22	13-Oct-01	\$421.33	\$118.62	\$302.71	\$14,582.72
23	13-Nov-01	\$421.33	\$116.04	\$305.29	\$14,232.48
24	13-Dec-01	\$421.33	\$113.44	\$307.89	\$13,880.53
25	13-Jan-02	\$421.33	\$110.82	\$310.51	\$13,526.87
26	13-Feb-02	\$421.33	\$108.17	\$313.16	\$13,171.48

\$12,814.37	\$315.82	\$105.51	\$421.33	13-Mar-02	27
\$12,455.51	\$318.51	\$102.82	\$421.33	13-Apr-02	28
\$12,094.90	\$321.22	\$100.11	\$421.33	13-May-02	29
\$11,732.53	\$323.96	\$97.37	\$421.33	13-Jun-02	30
\$11,368.40	\$326.71	\$94.62	\$421.33	13-Jul-02	31
\$11,002.49	\$329.50	\$91.83	\$421.33	13-Aug-02	32
\$10,634.79	\$332.30	\$89.03	\$421.33	13-Sep-02	33
\$10,265.31	\$335.13	\$86.20	\$421.33	13-Oct-02	34
\$9,894.02	\$337.98	\$83.35	\$421.33	13-Nov-02	35
\$9,520.92	\$340.86	\$80.47	\$421.33	13-Dec-02	36
\$9,146.01	\$343.76	\$77.57	\$421.33	13-Jan-03	37
\$8,769.27	\$346.69	\$74.64	\$421.33	13-Feb-03	38
\$8,390.69	\$349.64	\$71.69	\$421.33	13-Mar-03	39
\$8,010.26	\$352.62	\$68.71	\$421.33	13-Apr-03	40
\$7,627.98	\$355.62	\$65.71	\$421.33	13-May-03	41
\$7,243.84	\$358.65	\$62.68	\$421.33	13-Jun-03	42
\$6,857.82	\$361.70	\$59.63	\$421.33	13-Jul-03	43
\$6,469.92	\$364.78	\$56.55	\$421.33	13-Aug-03	44
\$6,080.13	\$367.89	\$53.44	\$421.33	13-Sep-03	45
\$5,688.44	\$371.02	\$50.31	\$421.33	13-Oct-03	46
\$5,294.85	\$374.18	\$47.15	\$421.33	13-Nov-03	47
\$4,899.33	\$377.36	\$43.97	\$421.33	13-Dec-03	48
\$4,501.88	\$380.58	\$40.75	\$421.33	13-Jan-04	49
\$4,102.50	\$383.82	\$37.51	\$421.33	13-Feb-04	50
\$3,701.17	\$387.08	\$34.25	\$421.33	13-Mar-04	51
\$3,297.88	\$390.38	\$30.95	\$421.33	13-Apr-04	52
\$2,892.63	\$393.70	\$27.63	\$421.33	13-May-04	53
\$2,485.40	\$397.05	\$24.28	\$421.33	13-Jun-04	54
\$2,076.19	\$400.43	\$20.90	\$421.33	13-Jul-04	55
\$1,664.98	\$403.84	\$17.49	\$421.33	13-Aug-04	56
\$1,251.77	\$407.28	\$14.05	\$421.33	13-Sep-04	57
\$836.54	\$410.75	\$10.58	\$421.33	13-Oct-04	58
\$419.29	\$414.25	\$7.08	\$421.33	13-Nov-04	59
(\$0.00)	\$417.77	\$3.56	\$421.33	13-Dec-04	60

Typed Name and Title: J. M. "Chip" Oxley, Jr., Ex-Officio Clerk

Agreed and Accepted By:

\*Assumes all Rental Payments due to date are paid