

AGREEMENT TO LEASE VEHICLES OR EQUIPMENT

THIS AGREEMENT TO LEASE VEHICLES OR EQUIPMENT ("*Lease*") is made and effective October 1, 2020, by and between Nassau County, Florida ("*Lessor*") and U.S. Water Services Corporation, a Florida corporation ("*Lessee*") (*Lessor* and *Lessee* are each, a "*Party*" and are collectively, the "*Parties*").

Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, certain tangible personal property of Lessor in the form of vehicles and equipment, which are used and useful in the operation of Lessor's water and wastewater systems.

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

1. Lease

Lessor hereby leases to Lessee for its exclusive use in accordance with the requirements provided in the Interlocal Agreement, and Lessee hereby leases from Lessor, the vehicle or equipment (also referred to in general as "*Vehicles*" or "*Equipment*") described in Exhibit A, attached to and incorporated into this Lease by reference.

2. Term

The term of this Lease will begin on October 1, 2020, and will terminate on the same date that the Interlocal Agreement between Lessor and Florida Governmental Utility Authority (FGUA), as may be amended from time to time ("*Agreement*"), terminates.

3. Rent and Deposit

The annual rent for the use of Vehicles and Equipment will be paid by Lessee in advance of use in the amount of \$10.00 per Vehicle or piece of Equipment at the beginning of each lease year, beginning on October 1, 2020 and payable to the Lessor, at 96135 Nassau Place, Suite 6, Yulee, Florida 32097.

- A. or at such other place as Lessor may designate from time to time.
- B. Lessee shall pay a deposit in the following amount prior to taking possession of the equipment:

Deposit Requirement is waived.

4. Use

Lessee shall use the Vehicles and Equipment in a careful and proper manner and shall comply with and conform to all national, state, municipal, police and other laws, ordinances, regulations, and contractual agreements between the Lessor and Lessee/FGUA in any way relating to the possession and safe use of the Vehicle or Equipment. It is the intent of the Lessee and the Lessor that this Lease is provided as adjunct to that Interlocal Agreement and the services to be provided to Lessor by Lessee under the Interlocal Agreement. All considerations under this Lease have been previously agreed upon and affect the pricing of services provided to the Lessor under the Operations Agreement. Lessee shall not use the Vehicles or Equipment for any other purpose than the performance of Lessee's obligations under the Operations Agreement.

5. Right to Lease/Sublease

To the extent allowed by applicable law, lessor warrants that lessor has the right to lease the vehicles and equipment as provided in this lease. Lessee may not sublease the vehicles and equipment to any third party without the prior written consent of the lessor.

6. General Maintenance, Repairs, and Replacement

Lessee shall, repair and maintain the Vehicles and Equipment in accordance with the pre-existing practices of Nassau County, including use of Nassau County fleet maintenance facilities to the extent possible for routine repairs and maintenance. Replacement costs associated with the Vehicles and Equipment will be paid by the Lessor. Should the useable service life of the vehicle or equipment be reached during the term of this lease, the Lessee shall inform the Lessor of such determination and the vehicle / equipment shall be functionally replaced by the Lessor.

7. Loss and Damage

Lessee hereby agrees to provide insurance as dictated by the Interlocal Agreement and Section 9 below. To the extent any loss to the Equipment or Vehicles, or personal injury or death to any person, is not covered by the insurance required under this Lease or the Operations Agreement, Lessee agrees to indemnify, defend and hold harmless Lessor for any and all loss or damage to the Equipment or Vehicles provided under this Lease and for any personal injury or death caused to any employee of Lessee or any third party in connection with Lessee's use of the Equipment and Vehicles.

8. Surrender

Upon the expiration or earlier termination of this Lease, Lessee shall return the Vehicles and Equipment to Lessor in good repair, condition and equal working order as was received, with exception of ordinary wear and tear resulting from proper use thereof, by delivering the Equipment and Vehicles, to the place Lessor specifies within the general area in which the Equipment or Vehicle was delivered to Lessee.

9. Insurance

Lessee shall procure and continuously maintain during the term of this Lease:

- A. All risk insurance against loss of, and damage to, Vehicle and Equipment for no less than the full fair market value of the vehicle/equipment, naming Lessor as an additional insured and loss payee, and;
- B. Combined public liability and property damage insurance-with limits as-approved" by Lessor, naming Lessor as additionally named insured and a loss payee.

The insurance will be in such form and with such company or companies that are reasonably acceptable to Lessor, will provide at least thirty (30) days advance written notice to Lessor of any cancellation, change or modification, and will provide primary coverage for the protection of Lessee and Lessor without regard to any other coverage carried by Lessee or Lessor protecting against similar risks. Lessee shall provide Lessor with an original policy or certificate evidencing such insurance. The insurance provisions in this Lease in no way modify the insurance requirements of the Operations Agreement, which are incorporated into this Lease by reference.

10. Taxes

Lessee shall keep the Equipment and Vehicles free and clear of all levies, liens and encumbrances. Lessor at Lessor's expense, will report, pay and discharge when due all license and registration fees.

11. Lessor's Payment

In case of a failure by Lessee to procure or maintain the insurance required by this Lease or to pay fees if specified in this Lease, Lessor will have the right, but not the duty, to procure the insurance or pay the required fees. In that event, the cost Lessee shall repay Lessor within 10 days of demand. Any failure of Lessee to pay required amounts will constitute an event of default and will result in an additional charge to Lessee of interest at ten percent (10%) per annum, or the maximum amount allowed by law, whichever is lower. In addition, Lessor reserves the right to any remedy provided in Section 12 of this Lease or under law or in equity.

12. Default

If Lessee fails to pay any lease or other amount herein provided within ten (10) days after due and payable, or if Lessee fails to observe, keep or perform any other provision of this Lease required to be observed, kept or performed by Lessee, Lessor will have the right to exercise any one or more of the following remedies:

- A. To declare the entire amount of lease hereunder immediately due and payable without notice or demand to Lessee.
- B. To take possession of the Vehicles and Equipment, without demand or notice, wherever same may be located, without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession.

C. To terminate this Lease.

D. To deduct any unpaid leases payments or other amounts herein provided from any monies payable to the Lessee for the provision of services under the Operations Agreement.

Notwithstanding any repossession or any other action that Lessor may take, Lessee will be and remain liable for the full performance of all obligations on the party of the Lessee to be performed under this Lease. All of Lessor's remedies are cumulative and may be exercised concurrently or separately.

13. Bankruptcy

Neither this Lease nor any interest in the Lease is assignable or transferable by operation of law. If any proceeding under the Bankruptcy Act, as amended, is commenced by or against the Lessee, or if the Lessee is adjudged insolvent, or if Lessee makes any assignment for the benefit of its creditors, or if a writ of attachment or execution is levied on the equipment and is not released or satisfied within ten (10) days thereafter, or if a receiver is appointed in any proceeding or action to which the Lessee is a party with authority to take possession or control of the Vehicles and Equipment, Lessor will have and may take immediate possession of the Vehicles and Equipment; and this Lease will, at the option of the Lessor, without notice, immediately terminate and shall not be treated as an asset of Lessee after the exercise of the option.

14. Ownership

The Equipment and Vehicles are, and will at all times remain, the sole and exclusive property of Lessor; and the Lessee has no right, title or interest in the Equipment or Vehicles, except as expressly set forth in this Lease.

15. Additional Documents

If Lessor requests, Lessee shall execute and deliver to Lessor any documents Lessor deems necessary or desirable for purposes of recording or filing to protect the interest of Lessor in the Equipment or Vehicles, including, but not limited to, maintenance records of Vehicle/Equipment when such maintenance is the responsibility of Lessee.

16. Entire Agreement

Except as specifically provided in this Lease about the Operations Agreement, this Lease constitutes the entire agreement between the parties on the subject matter hereof, and may not be amended, altered or changed except by a further writing signed by the parties to this Lease.

17. Notices

Service of all notices under this Agreement will be sufficient if given personally or mailed certified return receipt requested, postage prepaid, at the addresses below, or to such address as such party may designate in writing from time to time.

If to Lessor:

Nassau County, Florida
Attn: Michael Mullin
96135 Nassau Place, Suite 6
Yulee, FL 32097

If to Lessee:

U.S Water Services Corporation
Attn: Christopher Saliba
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652

18. Assignment

Lessee may not assign this Lease or its interest in the Vehicles or Equipment without the prior written consent of Lessor. Lessor may not assign the Lease or the Vehicles or Equipment covered by this Lease to any party other than the Lessee unless mutually agreed upon by both Lessor and Lessee, with consideration of Vehicle/Equipment replacement.

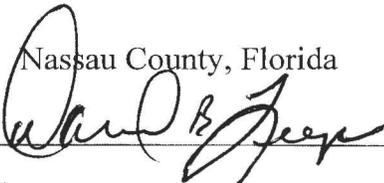
19. Headings

Headings used in this Lease are provided for convenience only and should not be used to construe meaning or intent.

20. Governing Law

All acts to be performed under the Lease are payable in Nassau County, Florida. The Lease will be governed by and enforced in accordance with the laws of the State of Florida.

THE SIGNATURES AND WITNESSES OF THE PARTIES TO THIS AGREEMENT TO LEASE EQUIPMENT:

LESSOR: Nassau County, Florida
By: 
Name and Title: Daniel B. Leeper, Chairman
Date: September 14, 2020

ATTEST:
Sign: 
Name and Title: John A. Crawford, Ex-Officio Clerk
Date: 9/14/2020

MES
09-15-20

LESSEE: U.S. Water Services Corporation
Sign: 
Name and Title: GARY DEREMER, CEO + President
Date: _____

EXHIBIT A
Equipment/Vehicles

YEAR	EQUIPMENT DESCRIPTION	VEHICLE ID NUMBER
2005	Ford F-150	NAU-157
2005	Ford F-150	NAU-158
2013	Ford F-150	NAU-253
2017	Ford F-150	NAU-259
2017	Ford F-150	NAU-260
2017	Ford F-150	NAU-261
2017	Ford F-150	NAU-262
2017	Ford F-150	NAU-263
2007	Chevrolet Colorado	NAU-099
2004	Ford F-450 Crane Truck	NAU-312
2018	Caterpillar 305 Excavator	
	Econoline Tandem Axle Trailer	
	Tandem Axle Dump Trailer	
	Toro 54" Zero-turn mower	