

TERRILL L. HILL
MAYOR - COMMISSIONER

MARY LAWSON BROWN
VICE MAYOR - COMMISSIONER

RUFUS J. BOROM
COMMISSIONER

JUSTIN R. CAMPBELL
COMMISSIONER

JAMES NORWOOD, JR.
COMMISSIONER



CITY of *Palatka* FLORIDA

Regular meeting 2nd and 4th Thursdays each month at 6:00 p.m.

TERRY K. SUGGS
CITY MANAGER

BETSY JORDAN DRIGGERS
CITY CLERK

MATTHEW D. REYNOLDS
FINANCE DIRECTOR

JAMES A. GRIFFITH
INTERIM CHIEF OF POLICE

MICHAEL LAMBERT
CHIEF FIRE DEPT.

DONALD E. HOLMES
CITY ATTORNEY

September 11, 2015

**TO COMMISSIONERS: MARY LAWSON BROWN, RUFUS BOROM,
JUSTIN CAMPBELL AND JAMES NORWOOD, Jr.:**

You are hereby notified that a Workshop Meeting of the Palatka City Commission is called to be held on Tuesday, September 15, 2015, at the Palatka Golf Club, 1715 Moseley Avenue, Palatka, to commence at 5:30 p.m.

The purpose of the workshop meeting is to discuss Golf Course Sustainability.

/s/ Terrill L. Hill

Terrill L. Hill, MAYOR

We hereby acknowledge receipt of the foregoing Notice of a Special Called Workshop Meeting on the 11th day of September, 2015.

/s/ Mary Lawson Brown

COMMISSIONER

/s/ Justin Campbell

COMMISSIONER

/s/ James Norwood, Jr.

COMMISSIONER

/s/ Rufus Borom

COMMISSIONER

PERSONS WITH DISABILITIES REQUIRING ACCOMMODATIONS IN ORDER TO PARTICIPATE IN THIS MEETING SHOULD CONTACT THE CITY CLERK'S OFFICE AT 329-0100 AT LEAST 24 HOURS IN ADVANCE TO REQUEST ACCOMMODATIONS.

Golf Course – Historical Data

	FY15*	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06	FY05
Revenue	\$685,342*	\$726,115	\$713,153	\$594,595	\$613,217	\$624,461	\$774,986	\$755,928	\$751,903	\$762,180	\$711,672
Expenses	\$(840,888)*	\$(846,858)	\$(829,833)	\$(838,327)	\$(845,128)	\$(780,650)	\$(717,208)	\$(934,573)	\$(897,502)	\$(810,680)	\$(681,076)
P/L	\$(155,546)*	\$(120,743)	\$(116,680)	\$(243,732)	\$(231,911)	\$(156,188)	\$57,778	\$(178,644)	\$(145,599)	\$(48,500)	\$30,597
Transfer from Better Place	\$168,999	\$152,355	\$141,399	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Debt	\$1168,999	\$(152,355)	\$1141,399	\$1181,890	\$1181,890	\$1181,890	\$1181,890	\$1120,378	\$1134,982	\$1136,335	\$1128,547
Total P/L with Debt	\$(324,545)	\$(273,098)	\$(258,079)	\$(425,622)	\$(413,802)	\$(338,079)	\$(124,112)	\$(299,022)	\$(280,581)	\$(184,834)	\$(97,951)

*FY2015 revenue and expense figures are through 9/14/2015.

There will be further revenue and expenditures that will be posted. Approximately \$40,000 of city's share of USDA grant project is not included in the expenses as these numbers are meant to show the annual operating revenues and expenditures of the course.

RESOLUTION No. 2015-11-15

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA; AUTHORIZING A LEASE AGREEMENT BETWEEN E-Z-GO AND PALATKA GOLF CLUB; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST A LEASE-PURCHASE AGREEMENT WITH PNCF, LLC, DBA PNC EQUIPMENT FINANCE IN THE AMOUNT OF \$223,953.66 TO FINANCE THE LEASE OF FIFTY-FOUR (54) 2015 EZGO TXT 48 V ELECTRIC GOLF CARTS; AND OTHER ACTION IN CONNECTION WITH THE DELIVERY OF SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Palatka, Florida (the "City") has authorized the renewal of a lease between Palatka Golf Club and EZGo Division of Textron, Inc. for fifty-four golf carts; and

WHEREAS, the City has determined to finance the lease of said golf carts through PNC Equipment Finance, as agent for EZGO, in the amount of \$223,953.66 over a term of fifty-four (54) months.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA:

Section 1. EZGO LEASE AGREEMENT AUTHORIZED: That a lease agreement between EZGO and the Palatka Golf Club is hereby authorized to be renewed and executed in a manner consistent with Florida law;

Section 2. PNC EQUIPMENT FINANCE AGREEMENT AUTHORIZED: That Lease Number 188014000 between PNC Equipment Finance and the City of Palatka in the amount of \$223,953.66 is hereby awarded as per the Terms of Agreement, Resolution and Certificate of Incumbency attached hereto as Exhibit A;

Section 3. DELIVERY OF NOTE AUTHORIZED. The Mayor and the City Clerk, on behalf of the City, are hereby authorized and directed to execute the Lease when prepared and deliver the same to PNC Equipment Finance. The Mayor, City Clerk, attorney for the City, and City Manager are each designated agents of the City in connection With the issuance and delivery of the Lease and Financing Agreements, and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts, including but not limited to the Lease Agreement and Resolution and Certificate of Incumbency, on behalf of the City which are necessary or desirable in connection with the execution and delivery of the Lease and which are not inconsistent with the terms and provisions of this resolution.

Section 4. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 26TH day of February, 2015.

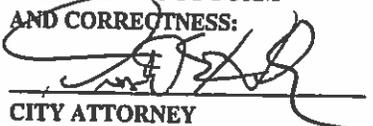
CITY OF PALATKA


By: Its MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM
AND CORRECTNESS:


CITY ATTORNEY

Vicki Young

From: aheartz@pga.com
Sent: Monday, September 14, 2015 11:20 AM
To: Vicki Young
Subject: RE: Rounds

yes

-----Original Message-----

From: "Vicki Young" <vyoung@palatka-fl.gov>
Sent: Monday, September 14, 2015 11:07am
To: "Andy Heartz" <ahartz@pga.com>
Subject: RE: Rounds

I know Mr. Suggs is going to ask – these totals are broken down by fiscal year, correct?

October 1, 2010 – September 30, 2011	17,359
October 1, 2011 – September 30, 2012	17,458
October 1, 2012 – September 30, 2013	20,389
October 1, 2013 – September 30, 2014	24,125
October 1, 2014 – present	22,809

Thanks, Andy.

Vicki

From: ahartz@pga.com [<mailto:ahartz@pga.com>]
Sent: Monday, September 14, 2015 10:09 AM
To: Vicki Young
Subject: Rounds

2010 17,359

2011 17,458

2012 20,389

2013 24,125



CITY COMMISSION AGENDA ITEM

SUBJECT:

RESOLUTION authorizing the execution of a two year extension to the Agreement for Management Services for the Palatka Golf Course between BWGD Palatka, Inc. and the City of Palatka, FL - Adopt

SUMMARY:

The City issued an RFP for management services at the Palatka Golf Course in 2010 and selected Bobby Weed Group Design of Ponte Vedra Beach, FL and entered into a contract with them in March of 2010. The contract is set to expire in September and the parties have been meeting in 2014 to discuss and negotiate a possible extension to the current agreement. The proposed extension is a two year agreement and it clarifies the duties and responsibilities of the parties based upon our experiences and challenges over the past four and a half years, and it amended or deleted several other provisions which were not in the City's best interest or provided significant barriers to a potential lease or sale of the facility in the future.

RECOMMENDED ACTION:

Adopt the resolution authorizing the execution of a two year extension to the Agreement for Management Services for the Palatka Golf Course between BWGD Palatka, Inc. and the City of Palatka, Florida

ATTACHMENTS:

Description	Type
<input type="checkbox"/> Resolution	Resolution
<input type="checkbox"/> BWGD Contract	Cover Memo

REVIEWERS:

Department	Reviewer	Action	Date
City Manager	Czymbor, Michael	Approved	8/29/2014 - 3:10 PM
City Clerk	Driggers, Betsy	Approved	8/29/2014 - 3:40 PM
City Manager	Czymbor, Michael	Approved	9/2/2014 - 10:57 AM
Finance	Reynolds, Matt	Approved	9/3/2014 - 12:08 PM
City Clerk	Driggers, Betsy	Approved	9/3/2014 - 12:24 PM

*attended 2 yrs beg 10-11/14
9/11/14*

RESOLUTION No. 2014-10-116

A RESOLUTION OF THE CITY OF PALATKA, FLORIDA,
AUTHORIZING THE EXECUTION OF A TWO YEAR
EXTENSION TO THE AGREEMENT FOR MANAGEMENT
SERVICES FOR THE PALATKA GOLF COURSE BETWEEN
BWGD PALATKA, INC. AND THE CITY OF PALATKA,
FLORIDA

WHEREAS, the City of Palatka in 2010 issued a Request for Proposal for Golf Course Management Services and selected Bobby Weed Golf Design (BWGD) of Ponte Vedra Beach, Florida and entered into a multi-year agreement on March 1, 2010 with an expiration date of September 30, 2014; and

WHEREAS, the Agreement was amended in August 2010 to address some hiring and staffing issues; and

WHEREAS, BWGD Palatka, Inc. and City staff have been meeting and negotiating an agreement extension for the past several months and have tentatively agreed to a proposed two year extension; and

WHEREAS, the Palatka City Commission has determined that entering into the agreement extension with BWGD for management services of the Palatka Golf Course is in the best interest of the City of Palatka.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Palatka, Florida:

1. That the Management Services Agreement Between BWGD Palatka, Inc. and the City of Palatka is hereby approved; and
2. That the City Manager and City Clerk are hereby authorized to execute the Agreement which expires on September 30, 2016.

PASSED AND ADOPTED by the City Commission of the City of Palatka, Florida this 11th day of September 2014.

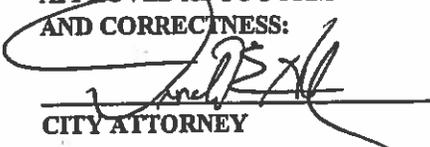
CITY OF PALATKA


By: Its MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM
AND CORRECTNESS:


CITY ATTORNEY



Terms and Conditions of an Agreement Between:

(Hereafter referred to as "Agreement")

**BWGD Palatka, Inc.
P.O. Box 328
Ponte Vedra Beach, FL 32004
T: (904) 910-2876
(904) 614-2010**

**bweed@bobbyweed.com
cmonti@bobbyweed.com**

(Hereafter referred to as "Company")

and

**City of Palatka, Florida
201 North Second St.
Palatka, FL 32177
T: (386) 329-0100
F: (386) 329-0106**

mczymbor@palatka-fl.gov

(Hereafter referred to as "City")

(City and Company hereafter referred to as, each a "Party", collectively, "Parties")

for

Palatka Golf Club

(Hereafter referred to as "Golf Course" or "Project")

October 1, 2014

(Hereafter referred to as the "Effective Date")

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- e) The Company shall complete the Services as an independent contractor to the City. Neither Party shall be an employee of, partner of, nor joint venturer with the other and neither Party so hold itself out. By providing these periodic evaluations of the Work and completing the Services, the Company shall not be responsible for the acts or omissions of the City, or any of the City's subcontractor's, agents or employees, or any persons or entity not employed by the Company performing any of the Work as recommended by the Company in the completion of the Services.

1.5 Company's Supplemental Services

The Company shall provide only those Services specifically enumerated in Attachment A. The Company may agree to provide Supplemental Services to the City after execution of this Agreement, without invalidating the Agreement. The Company shall not provide any Supplemental Services without the prior written consent and approval of the Company and the City regarding scope of work and fees.

Article II -- Company's Compensation

a.1 Compensation

The City shall compensate the Company for the Services by payment of a Monthly Stipulated Sum. Payments shall be made upon presentation of Company's Invoices, which shall be submitted first upon the Effective Date and thereafter upon the 1st day of each calendar month following the Effective Date up to and including September 1, 2016, as follows:

Service	Method	Stipulated Sum
Basic Services	Monthly Stipulated Sum	\$ 6,750.

a.2 Payment Terms

All amounts due the Company under this Agreement are due ten (10) days from the invoice date. Late payments shall be subject to Interest Charges. The Interest Rate shall

- c) The City may terminate this Agreement upon six (6) months written notice should it enter into a binding agreement to lease or sell the Golf Course to a third party. Monthly Stipulated Sums payable to the Company for its Services shall be paid through the date of termination.
- d) This Agreement will terminate should the Parties enter into a binding agreement for the Company to lease the Golf Course from the City, with such termination to be effective as of the date of the parties' execution of such lease.
- e) This Agreement will terminate should the Parties enter into a binding agreement for the Company to purchase the Golf Course from the City, with such termination to be effective as of the date of the closing of the Company's purchase of the Golf Course.
- f) This Agreement will terminate upon sixty (60) days written notice on any anniversary of the Effective Date should the golf course be closed or if sufficient budgeted funds are not available for the subsequent fiscal period. Should the Agreement terminate pursuant to this Article 4.1.v, the Company shall be due all Monthly Stipulated Sums up to the date of termination.

4.3 Disputes

The Parties shall endeavor to settle unresolved claims and disputes between them by mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party. The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

4.4 Instruments of Service

Drawings, specifications, and other documents prepared by the Company are Instruments of Service for use solely with respect to the Project. All original materials, reports documents, drawings, specifications, computations, sketches, test data, photographs and renderings related to the services and work performed hereunder shall be the property of the City.

4.8 Force Majeure

Neither Party is required to perform any term or covenant of this Agreement so as performance is delayed or prevented by force majeure, which includes Acts of God, strikes, lockouts, material or labor restriction by any governmental authority, civil riot, floods and any cause not reasonably within the Parties' control that the Parties cannot, by exercising due diligence, overcome in whole or in part.

4.9 Extent and Amendment of Agreement

This Agreement represents the entire Agreement between the Parties with respect to the subject matter hereof, superseding all previous oral or written communications, representations, or agreements and shall be binding on and shall inure to the benefit of the successors and assigns of each Party. This Agreement may be modified only by a writing signed by both Parties. This Agreement may be signed by one or more counterparts, each of which shall constitute an original.

4.10 Severability

In the event that any term or provision of this Agreement is found to be void, invalid or unenforceable for any reason, that term or provision shall be deemed to be stricken from this Agreement, and the balance of the Agreement shall survive and remain enforceable.

4.11 Assignment; Binding Effect

Neither the City nor the Company shall assign or transfer their interest in this Agreement without the prior written consent of the other. This Agreement shall be binding upon and inure to the benefit of the Company, the City, and their respective successors and assigns.

4.12 Notice

The Parties shall have been deemed to give notice to the other Party when such notice is sent by Registered Mail, Federal Express or United Parcel Service to the address indicated on page one (1) of this Agreement.

Attachment A – Company’s Scope of Services

The Company shall provide the services enumerated below with its own personnel.

1.6 General Authority

Company shall have the authority to supervise and direct the complete operation of the Golf Course, including the staff; coordination of play; scheduling of events; maintenance of the course; marketing and promotion of the course; operation and maintenance of all maintenance equipment and golf carts; and sales of merchandise, food, and beverages, subject however to the stipulation and condition that restaurant/food operations will, during the term of this agreement, be assumed by a third party vendor with whom the City has contracted.

The Parties acknowledge that Company’s authority as described above shall not extend to the maintenance and operation of the following components, which are essential to the operation of the course:

- a) Pump station, pump house, zee pipe, reclaimed storage pond and reclaimed transfer piping to the pond,

Coordinating for the budgeting and maintenance of these components shall remain the responsibility of the City. Company agrees to assist City in good faith in City’s dispensation of its duties with respect to these components to ensure uncompromised maintenance and operation of the course.

1.7 Operating Program

No later than June 1st of each year, the Company shall prepare, propose and deliver to the City a complete Operating Budget for the subsequent fiscal year that details:

- a) A proposed operating budget of all expenses for the upcoming fiscal year and a projection of anticipated monthly rounds played and revenues;
- b) A recommended program of capital improvements for the upcoming year, including each proposed activity, description, justification or need for each activity and the estimated cost;
- c) A market and marketing plan for the Golf Course that includes a market analysis, comparative facility study, and summary of programs, promotions and other strategies recommended for achieving the Golf Course’s revenue targets and other financial goals.

necessary or advisable for the operation and maintenance of the Golf Course. Company shall have the authority to (i) hire the types and number of personnel that, within its reasonable discretion, it deems appropriate for the operation and management of the Golf Course, (ii) supervise employees, (iii) determine the structure of employee compensation (including benefits, incentives and bonuses), (iv) structure staff coverage, working hours and schedules and (v) establish necessary job descriptions, hiring guidelines, policies and procedures, all consistent with the Program approved by the City. Company's employees shall perform their duties in an efficient, professional and courteous manner. All employees hired by the Company shall be the employee of the Company and NOT the employee of the City. The Company will not have the authority to select, hire, discharge or supervise any employee of the City.

3.6 Reporting

On a weekly basis, Company shall submit to the City a report that includes, but is not limited to:

- Rounds played,
- Golf revenue,
- Food and beverage revenue,
- Merchandise revenue,
- Other, miscellaneous revenue,
- Total revenue

On a quarterly basis, Company shall submit to the City a written, illustrated report that summarizes the facility's operation over the previous calendar quarter including, but not limited to, details on the following attributes:

- a) Rounds played,
- b) Golf revenue,
- c) Food and beverage revenue,
- d) Merchandise revenue,
- e) Total revenue,
- f) Pre-booked events and tournaments,
- g) Clubhouse expenses,
- h) Maintenance expenses,
- i) Historical comparisons of the above data to previous time periods,
- j) Marketing and promotional efforts,
- k) Non-routine expenses or events,
- l) Capital improvements,
- m) Detailed Inventory reconciliation report,
- n) Cost of goods sales report,
- o) Analysis and summary of the above items, including recommendations for revision and adjustment.



C03

August 13, 2012

City of Palatka
Attn: Woody Boynton
210 North Second Street
Palatka, FL 32177

Dear Mr. Boynton:

Enclosed are the fully executed copies of the Lease-Purchase Agreement, and related documents between City of Palatka and PNC Equipment Finance, LLC.

It has been our pleasure to work with you, and we look forward to working with you in the future.

Sincerely,

A handwritten signature in cursive script that reads 'Tracy Sparks'.

Tracy Sparks
Documentation Specialist
PNC Equipment Finance, LLC

Tom
Aerator

Lease-Purchase Agreement

Dated as of June 25, 2012
 Lease Number 164879000

Lessor: PNC Equipment Finance, LLC
 995 Dalton Avenue
 Cincinnati, OH 45203

Lessee: LESSEE FULL LEGAL NAME
 City of Palatka
 210 North Second Street
 Palatka, FL 32177

FEDERAL TAX ID
 596000401

Equipment Description See attached Certificate of Acceptance for Equipment Description

Rent Payment Schedule Lease Term is for 48 months, with Rent payments due monthly; quarterly; semi-annual; annually;
 each in the amounts set forth in the attached Schedule of Payments.

Lessee shall pay Rent payments exclusively from legally available funds in U.S. currency to Lessor in the amounts and on the dates set forth herein, without notice or demand.

TERMS AND CONDITIONS

1. **LEASE.** Subject to the terms of this Lease, Lessee agrees to lease from Lessor the equipment (the "Equipment") described in the attached Certificate of Acceptance when Lessor accepts this Lease. Lessee agrees to be bound by all the terms of this Lease.
2. **DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery. When Lessee receives the Equipment, Lessee agrees to inspect it and to verify by telephone or in writing such information as Lessor may require. Delivery and installation costs are Lessee's responsibility. If Lessee signed a purchase contract for the Equipment, by signing this Lease Lessee assigns its rights, but none of its obligations under the purchase contract, to Lessor.
3. **RENT.** Lessee agrees to pay Lessor Rent (plus applicable taxes) in the amount and frequency stated above. If Lessee's Rent payments are due in Advance, Lessee's first Rent payment is due on the date Lessee accepts the Equipment under the Lease. Lessor will advise Lessee as to (a) the due date of each Rent payment, and (b) the address to which Lessee must send payments. Rent is due whether or not Lessee receives an invoice from Lessor. Lessee will pay Lessor any required advance rent when Lessee signs this Lease. Lessee authorizes Lessor to change the Rent by not more than 15% due to changes in the Equipment configuration, which may occur prior to Lessor's acceptance of this Lease. Restrictive endorsements on checks Lessee sends to Lessor will not reduce Lessee's obligations to Lessor. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.
NON-APPROPRIATION OF FUNDS. Lessee intends to remit all Rent and other payments to Lessor for the full Lease Term if funds are legally available. In the event Lessee is not granted an appropriation of funds at any time during the Lease Term for the Equipment subject to this Lease and operating funds are not otherwise available to Lessee to pay the Rent and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to Lessor, and the non-appropriation did not result from an act or omission by Lessee, Lessee shall have the right to return the Equipment in accordance with Section 16 of the Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee, except as the portion of Rent for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of Lessee's fiscal year, Lessee's chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by Lessee, and (c) Lessee has exhausted all funds legally available for the payment of Rent.
4. **UNCONDITIONAL OBLIGATION.** LESSEE AGREES THAT IT IS UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE IN ALL FISCAL YEARS IN WHICH FUNDS HAVE BEEN APPROPRIATED NO MATTER WHAT HAPPENS, EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF LESSEE HAS TEMPORARY OR PERMANENT LOSS OF ITS USE. LESSEE IS NOT ENTITLED TO ANY REDUCTION OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THIS LEASE FOR ANY REASON WHATSOEVER.
5. **DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO LESSEE IN "AS-IS" CONDITION. LESSEE AGREES THAT LESSOR HAS NOT MANUFACTURED THE EQUIPMENT AND THAT LESSEE HAS SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSEE HAS NOT RELIED ON ANY STATEMENTS LESSOR OR ITS EMPLOYEES HAVE MADE. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. Lessee is aware of the name of the Equipment manufacturer and will contact the manufacturer for a description of their warranty rights. If the manufacturer has provided Lessor with a warranty, Lessor assigns its rights to such warranty to Lessee and Lessee may enforce all warranty rights directly against the manufacturer of the Equipment. Lessee agrees to settle any dispute regarding performance of the Equipment directly with the manufacturer of the Equipment.
6. **TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where Lessee is located, Lessee shall have title to the Equipment immediately upon delivery and shall be deemed to be the owner of the Equipment as long as Lessee is not in default under this Lease. In the event of a default, title to the Equipment shall revert to Lessor free and clear of any rights or interest Lessee may have in the Equipment. Lessor shall not have a security interest in any of the Equipment under the Uniform Commercial Code of the State of Florida. Nothing in the Lease shall be interpreted to create a security interest in the Equipment under the Uniform Commercial Code of the State of Florida.

- agreement of Lessee to return the Equipment to Lessor, to transfer legal or beneficial title to the Equipment to Lessor or to repossess or foreclose on any Equipment.
7. **USE, MAINTENANCE AND REPAIR.** Lessee will not move the Equipment from the Equipment Location without Lessor's advance written consent. Lessee will give Lessor reasonable access to the Equipment Location so that Lessor can check the Equipment's existence, condition and proper maintenance. Lessee will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions, and keep it eligible for any manufacturer's certification and/or standard full service maintenance contract. At Lessee's own cost and expense, they will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Lessee will not make any permanent alterations to the Equipment.
 8. **TAXES.** Lessee agrees to pay Lessor, when invoiced, all taxes (including any sales, use and personal property taxes), fines, interest and penalties relating to this Lease and the Equipment (excluding taxes based on Lessor's net income). Lessee agrees to file any required personal property tax returns and, if Lessor asks, Lessee will provide Lessor with proof of payment. Lessor does not have to contest any tax assessments.
 9. **INDEMNITY.** Lessor is not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by Lessee or any other person caused by the transportation, installation, manufacture, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. To the extent permitted by law, Lessee agrees to reimburse Lessor for and defend Lessor against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues even after this Lease has expired, for acts or omissions which occurred during the Lease Term.
 10. **IDENTIFICATION.** Lessee authorizes Lessor to insert or correct missing information on this Lease, including Lessee's official name, serial numbers and any other information describing the Equipment. Lessor will send Lessee copies of such changes. Lessee will attach to the Equipment any name plates or stickers Lessor provides.
 11. **LOSS OR DAMAGE.** Lessee is responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is shipped to Lessee until it is returned to Lessor. If any item of Equipment is lost, stolen or damaged, Lessee will promptly notify Lessor of such event. Then, at Lessor's option, Lessee will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay Lessor an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If Lessee has satisfied their obligations under this Section 11, Lessor will forward to Lessee any insurance proceeds which Lessor receives for lost, damaged, or destroyed Equipment. If Lessee is in default, Lessor will apply any insurance proceeds Lessor receives to reduce Lessee's obligations under Section 14 of this Lease.
 12. **INSURANCE.** Lessee agrees to (a) keep the Equipment fully insured against loss, naming Lessor as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than Lessor may tell Lessee, naming Lessor as additional insured, until Lessee has met all their obligations under this Lease. Lessor is under no duty to tell Lessee if Lessee's insurance coverage is adequate. The policies shall state that Lessor is to be notified of any proposed cancellation at least 30 days prior to the date set for cancellation. Upon Lessor's request, Lessee agrees to provide Lessor with certificates or other evidence of insurance acceptable to Lessor. If Lessee does not provide Lessor with evidence of proper insurance within 10 days of Lessor's request or Lessor receives notice of policy cancellation, Lessor may (but Lessor is not obligated to) obtain insurance on Lessor's interest in the Equipment at Lessee's expense. Lessee will pay all insurance premiums and related charges.
 13. **DEFAULT.** Lessee will be in default under this Lease if any of the following happens: (a) Lessor does not receive any Rent or other payment due under this Lease within 10 days after its due date, (b) Lessee fails to perform or observe any other promise or obligation in this Lease and does not correct the default within 10 days after Lessor sends Lessee written notice of default, (c) any representation, warranty or statement Lessee has made in this Lease shall prove to have been false or misleading in any material respect, (d) any insurance carrier cancels or threatens to cancel any insurance on the Equipment, (e) the Equipment or any part of it is abused, illegally used, misused, lost, destroyed, or damaged beyond repair, (f) a petition is filed by or against Lessee under any bankruptcy or insolvency laws, or (g) Lessee defaults on any other agreement between it and Lessor (or Lessor's affiliates).
 14. **REMEDIES.** Upon the occurrence of a default, Lessor may, in its sole discretion, do any or all of the following: (a) provide written notice to Lessee of default, (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by Lessee to Lessor under this Lease, plus (ii) all Rent payments remaining through the end of the then current fiscal year, discounted at the higher of 3% or the lowest rate allowed by law (collectively, the "Net Book Value") and (c) require Lessee to immediately return the Equipment to Lessor. Lessor has the right to require Lessee to make the Equipment available to Lessor for repossession during reasonable business hours or Lessor may repossess the Equipment, so long as Lessor does not breach the peace in doing so, or Lessor may use Lessor or the Equipment for trespass, damage or any other reason. If Lessor takes possession of the Equipment Lessor may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although Lessee agrees that Lessor has no obligation to sell the Equipment, if Lessor does sell the Equipment, Lessor will reduce the Net Book Value by the amounts Lessor receives. Lessee will immediately pay Lessor the remaining Net Book Value. Lessee agrees (a) that Lessor only needs to give 10 days advance notice of any sale and no notice of advertising, (b) to pay all of the costs Lessor incurs to enforce Lessor's rights against Lessee, including attorney's fees, and (c) that Lessor will retain all of Lessor's rights against Lessee even if Lessor does not choose to enforce them at the time of Lessee's default.
 15. **LESSEE'S OPTION AT END OF LEASE.** Provided Lessee is not in default, upon expiration of the Lease Term Lessee has the option to purchase all but not less than all of the Equipment for **\$1.00** (plus all sales and other applicable taxes).
 16. **RETURN OF EQUIPMENT.** If (a) default occurs, or (b) a non-appropriation of funds occurs in accordance with Section 3, Lessee will immediately return the Equipment to any location(s) in the continental United States and aboard any carriers(s) Lessor may designate. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than Lessee named in this Lease, without the need for any repair or refurbishment. All Equipment must be free of markings. Lessee will pay Lessor for any missing or defective parts or accessories. Lessee will continue to pay Rent until the Equipment is received and accepted by Lessor.
 17. **REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants to Lessor that as of the date of this Lease, and throughout the Lease Term: (a) Lessee is the entity indicated in this Lease; (b) Lessee is a State or a fully constituted political subdivision or agency of the State in which Lessee is located; (c) Lessee is duly organized and existing under the Constitution and laws of the State in which Lessee is located; (d) Lessee is authorized to enter into and carry out Lessee's obligations under this Lease, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with this Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered by Lessee in accordance with all applicable laws, rules, ordinances, and regulations, the Documents are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of Lessee's governing body, and hold the offices indicated below their signature, each of which is genuine; (f) the

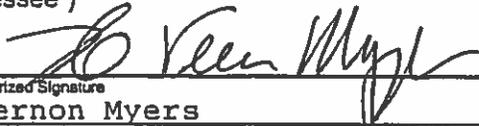
- . Term and shall take all necessary action to include in Lessee's annual budget any funds required to fulfill their obligations for each fiscal year during the Lease Term; (h) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (i) Lessee's obligations to remit Rent under this Lease constitutes a current expense and not a debt under applicable state law and no provision of this Lease constitutes a pledge of Lessee's tax or general revenues, and any provision which is so constructed by a court of competent jurisdiction is void from the inception of this lease; (j) all payments due and to become due during Lessee's current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease/purchase of the Equipment; (k) Lessee shall not do or cause to be done any act which shall cause, or by omission of any act allow the interest portion of any Rent payment to become includible in Lessor's gross income for Federal income taxation purposes under the Internal Revenue Code of 1986, as amended, (the "Code"); (l) Lessee shall maintain a complete and accurate record of all assignments of this Lease in the form sufficient to comply with the book entry requirements of Section 149(a) of the Code and the regulations prescribed there under from time to time; (m) Lessee shall comply with the information reporting requirements of Section 149(e) of the Code; such compliance shall include, but not be limited to, the execution of IRS Form 8038-G or 8038-GC; and (n) all financial information Lessee has provided to Lessor is true and accurate and provides a good representation of Lessee's financial condition.
- Lessor acknowledges that (a) no Lease will be a general obligation of Lessee, (b) no Lease will be payable from a pledge of ad valorem taxes, and (c) no Lease shall constitute a pledge of either the full faith and credit of Lessee or the taxing power of Lessee.
18. **LESSEE'S PROMISES.** In addition to the other provisions of this Lease, Lessee agrees that during the term of this Lease (a) Lessee will promptly notify Lessor in writing if it moves Lessee's principal office or it changes its name or legal structure, (b) Lessee will provide to Lessor such financial information as may reasonably request from time to time, and (c) Lessee will take any action Lessor reasonably requests to protect Lessor's rights in the Equipment and to meet Lessee's obligations under this Lease.
19. **ASSIGNMENT. LESSEE WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** Lessee will not attach any of the Equipment to any real estate. Upon Lessor's reasonable request and at Lessee's cost, Lessee will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment.
20. **ASSIGNMENT BY LESSOR.** This Lease, and the rights of Lessor hereunder and in and to the Equipment, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assigns at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Lease on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assigns. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assigns to protect their interests in the Equipment and in this Lease.
21. **COLLECTION EXPENSES, OVERDUE PAYMENT, TERMINATION.** Lessee agrees that Lessor can, but does not have to, take on Lessee's behalf any action which Lessee fails to take as required by this Lease, and Lessor's expenses will be in addition to that of the Rent which Lessee owes Lessor. If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law. Upon thirty (30) days prior written notice by Lessee to Lessor, and so long as there is no Event of Default then existing, Lessee shall have the option to purchase all, but not less than all, of the Equipment covered by the Lease on any Rent Payment due date by paying to Lessor all Rent Payments then due (including accrued interest, if any) plus the Termination Value amount set forth on the Payment Schedule to the applicable Lease for such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall release its Lien on such Equipment and Lessee shall retain its title to such Equipment "AS-IS, WHERE-IS," without representation or warranty by Lessor, express or implied, except for a representation that such Equipment is free and clear of any Liens created by Lessor.
22. **AGREED LEASE RATE FACTOR.** Lessee understands that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Lease, Lessee acknowledges that is has chosen to lease the Equipment from Lessor for the Lease Term and that Lessee has agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. If it is determined that Lessee's payments under this Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will Lessor charge or receive or will Lessee pay any amounts in excess of the legal amount.
23. **MISCELLANEOUS.** This Lease contains the entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THIS LEASE.** If a court finds any provision of Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. **THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.** Lessee authorizes Lessor (or Lessor's agent) to (a) obtain credit reports, (b) make such other credit inquires as Lessor may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, Lessor may charge Lessee a fee of \$250.00 to cover Lessor's documentation and investigation costs.
24. **NOTICES.** All of Lessee's written notices to Lessor must be sent by certified mail or recognized overnight delivery service, postage prepaid, to Lessor at Lessor's address stated in this Lease, or by facsimile transmission to Lessor's facsimile telephone number, with oral confirmation of receipt. All of Lessor's notices to Lessee may be sent first class mail, postage prepaid, to Lessee's address stated in this Lease. At any time after this Lease is signed, Lessee or Lessor may change an address or facsimile telephone number by giving notice to the other of the change.
25. **WAIVERS. LESSOR AND LESSEE EACH AGREE TO WAIVE, AND TO TAKE ALL REQUIRED STEPS TO WAIVE, ALL RIGHTS TO A JURY TRIAL.** To the extent Lessee is permitted by applicable law, Lessee waives all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to Lessee's rights to: (a) cancel or repudiate this Lease; (b) reject or revoke acceptance of the Equipment; (c) recover damages from Lessor for any breach of warranty or for any other reason; (d) grant a security interest in any Equipment in Lessee's possession. To the extent Lessee is permitted by applicable law, Lessee waives any rights Lessee now or later may have under any statute or otherwise which requires Lessor to sell or otherwise use any Equipment to reduce Lessor's damages, which requires Lessor to provide Lessee with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of Lessor's rights or remedies. **ANY ACTION LESSEE TAKES AGAINST LESSOR FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT, WHICH CAUSED IT.** Lessor will not be liable for specific performance of this Lease or for any losses, damages, delay or failure to deliver Equipment.
26. **SMALL ISSUER STATEMENT.** Lessee hereby certifies to Lessor and its assigns that: a) Lessee designates the Lease as a "Qualified Tax-Exempt Obligation" for the purposes of Section 265(b)(3) of the Code; b) Lessee will own and operate the Equipment in the performance of its public purposes; and the Equipment will not be subject to the use or control of any other entity; c) Lessee will not designate more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations during the current calendar year as "Qualified Tax-Exempt Obligation" Lessee reasonably expects to issue no more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations

either issued or designated as "Qualified Tax-Exempt Obligations" includes tax-exempt obligations issued by all subordinate entities of Lessee, as provided in Section 265 (b) (3) (E) of the Code.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS LEASE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. THE TERMS OF THIS LEASE MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT BETWEEN LESSEE AND LESSOR. LESSEE AGREES TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. LESSEE AGREES THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

LESSEE CERTIFIES THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND LESSEE'S APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON LESSOR OR EFFECTIVE UNLESS AND UNTIL LESSOR EXECUTES THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF THE LESSEE.

City of Palatka
("Lessee")

X 
Authorized Signature

Vernon Myers
Print Name

Mayor
Title

06/28/2012
Date

210 North Second Street
Palatka, FL 32177

PNC Equipment Finance, LLC
("Lessor")

X 
Authorized Signature

Sandy Watson
Print Name

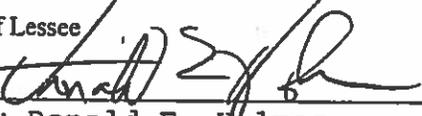
Team Leader
Title

995 Dalton Ave.
Cincinnati OH 45203

OPINION OF COUNSEL

I have acted as counsel to the above-referenced Lessee (the "Lessee") with respect to this Lease-Purchase Agreement by and between the Lessee and Lessor (the "Lease"), and in this capacity have reviewed the original or duplicate originals of the Lease and such other documents as I have deemed relevant. Based upon the foregoing, I am of the opinion that: (A) Lessee is a state or a fully constituted political subdivision or agency of a state within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended; (B) the execution, delivery and performance of the Lease by Lessee has been duly authorized by all necessary action on the part of Lessee; (C) the Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights, and does not constitute a debt of Lessee which is prohibited by state law; (D) the authorization, approval and execution of the Lease and all other proceedings of Lessee related to the transactions contemplated thereby have been performed in accordance with all open-meeting laws, public bidding laws, and all other applicable state laws. The undersigned certifies that (s)he is an attorney duly authorized to practice law in the State of Florida.
The foregoing opinions are limited to the laws of such State and federal laws of the United States.

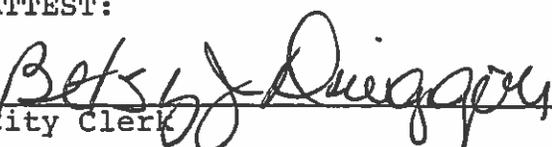
Attorney of Lessee

By: 

Print Name: Donald E. Holmes

Law firm: Holmes & Pickens, PA

ATTEST:


City Clerk

Quantity	Description	Serial No.
1	Toro Pro Core 648, together with all attachments, tooling, accessories, appurtenance and additions thereto.	312000749

or see attached Equipment Schedule

Lessee, through its authorized representative, hereby certifies to Lessor that:

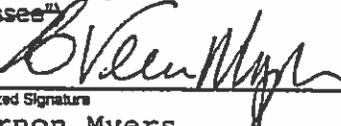
1. The Equipment has been delivered to the location where it will be used, which is the Equipment Location given in the Lease-Purchase Agreement ("Lease");
2. All of the Equipment has been inspected and is (a) complete, (b) properly installed, (c) functioning, and (d) in good working order;
3. Lessee accepts the Equipment for all purposes under the Lease as of August 10, 2012 (the "Acceptance Date"), which is the date on which the Equipment was delivered and installed;
4. The Equipment is of a size, design, capacity and manufacture acceptable to Lessee and suitable for Lessee's purposes; and
5. Lessee is not in default under the Lease, no Non-Appropriation of Funds (as described in the Lease) has occurred, and all of Lessee's statements and promises set forth in the Lease are true and correct.

Lessor is hereby authorized to insert serial numbers on the Lease.

THIS CERTIFICATE OF ACCEPTANCE IS SIGNED THIS 10th DAY OF August, 2012.

City of Palatka

("Lessee")

x 

Authorized Signature

Vernon Myers

Print Name

Mayor

Title:

06/28/2012

Date

210 North Second Street
Palatka, FL 32177

SCHEDULE OF PAYMENTS

Lease Number 164879000

Attached to and made a part of that certain Lease-Purchase Agreement dated as of June 25, 2012 by and between PNC Equipment Finance, LLC, as Lessor, and City of Palatka, as Lessee.

Rent payments are payable as follows:

Payment Number	Date	Payment	Interest	Principal	Balance	Termination*
1	8/10/12	\$485.47	\$0.00	\$485.47	\$20,658.51	\$21,071.68
2	9/10/12	\$485.47	\$87.17	\$398.30	\$20,260.21	\$20,665.41
3	10/10/12	\$485.47	\$85.49	\$399.98	\$19,860.23	\$20,257.43
4	11/10/12	\$485.47	\$83.80	\$401.67	\$19,458.56	\$19,847.73
5	12/10/12	\$485.47	\$82.10	\$403.37	\$19,055.19	\$19,436.29
6	1/10/13	\$485.47	\$80.40	\$405.07	\$18,650.12	\$19,023.12
7	2/10/13	\$485.47	\$78.69	\$406.78	\$18,243.34	\$18,608.21
8	3/10/13	\$485.47	\$76.98	\$408.49	\$17,834.85	\$18,191.55
9	4/10/13	\$485.47	\$75.25	\$410.22	\$17,424.63	\$17,773.12
10	5/10/13	\$485.47	\$73.52	\$411.95	\$17,012.68	\$17,352.93
11	6/10/13	\$485.47	\$71.78	\$413.69	\$16,598.99	\$16,930.97
12	7/10/13	\$485.47	\$70.04	\$415.43	\$16,183.56	\$16,507.23
13	8/10/13	\$485.47	\$68.28	\$417.19	\$15,766.37	\$16,081.70
14	9/10/13	\$485.47	\$66.52	\$418.95	\$15,347.42	\$15,654.37
15	10/10/13	\$485.47	\$64.76	\$420.71	\$14,926.71	\$15,225.24
16	11/10/13	\$485.47	\$62.98	\$422.49	\$14,504.22	\$14,794.30
17	12/10/13	\$485.47	\$61.20	\$424.27	\$14,079.95	\$14,361.55
18	1/10/14	\$485.47	\$59.41	\$426.06	\$13,653.89	\$13,926.97
19	2/10/14	\$485.47	\$57.61	\$427.86	\$13,226.03	\$13,490.55
20	3/10/14	\$485.47	\$55.81	\$429.66	\$12,796.37	\$13,052.30
21	4/10/14	\$485.47	\$53.99	\$431.48	\$12,364.89	\$12,612.19
22	5/10/14	\$485.47	\$52.17	\$433.30	\$11,931.59	\$12,170.22
23	6/10/14	\$485.47	\$50.34	\$435.13	\$11,496.46	\$11,726.39
24	7/10/14	\$485.47	\$48.51	\$436.96	\$11,059.50	\$11,280.69
25	8/10/14	\$485.47	\$46.66	\$438.81	\$10,620.69	\$10,833.10
26	9/10/14	\$485.47	\$44.81	\$440.66	\$10,180.03	\$10,383.63
27	10/10/14	\$485.47	\$42.95	\$442.52	\$9,737.51	\$9,932.26
28	11/10/14	\$485.47	\$41.09	\$444.38	\$9,293.13	\$9,478.99
29	12/10/14	\$485.47	\$39.21	\$446.26	\$8,846.87	\$9,023.81
30	1/10/15	\$485.47	\$37.33	\$448.14	\$8,398.73	\$8,566.70
31	2/10/15	\$485.47	\$35.44	\$450.03	\$7,948.70	\$8,107.67
32	3/10/15	\$485.47	\$33.54	\$451.93	\$7,496.77	\$7,646.71
33	4/10/15	\$485.47	\$31.63	\$453.84	\$7,042.93	\$7,183.79
34	5/10/15	\$485.47	\$29.72	\$455.75	\$6,587.18	\$6,718.92
35	6/10/15	\$485.47	\$27.79	\$457.68	\$6,129.50	\$6,252.09
36	7/10/15	\$485.47	\$25.86	\$459.61	\$5,669.89	\$5,783.29
37	8/10/15	\$485.47	\$23.92	\$461.55	\$5,208.34	\$5,312.51
38	9/10/15	\$485.47	\$21.98	\$463.49	\$4,744.85	\$4,839.75
39	10/10/15	\$485.47	\$20.02	\$465.45	\$4,279.40	\$4,364.99
40	11/10/15	\$485.47	\$18.06	\$467.41	\$3,811.99	\$3,888.23
41	12/10/15	\$485.47	\$16.08	\$469.39	\$3,342.60	\$3,409.45
42	1/10/16	\$485.47	\$14.10	\$471.37	\$2,871.23	\$2,928.65

44	2/10/16	\$485.47	\$10.12	\$475.35	\$1,922.52	\$1,960.97
45	3/15/16	\$485.47	\$8.11	\$477.36	\$1,445.16	\$1,474.06
46	4/10/16	\$485.47	\$6.10	\$479.37	\$965.79	\$985.11
47	5/15/16	\$485.47	\$4.08	\$481.39	\$484.40	\$494.09
48	6/10/16	\$485.47	\$2.04	\$483.43	\$0.97	\$1.00

*As provided in Section 21 of the Lease-Purchase Agreement.

City of Palatka

("Lessee")

X *Vernon Myers*
 Authorized Signature

Vernon Myers
 Print Name

Mayor
 Title:

210 North Second Street
 Palatka, FL 32177

PNC Equipment Finance, LLC

("Lessor")

By: *David Watson*

Title Team Leader

995 Dalton Ave.
 Cincinnati OH 45203

ATTEST:

Betsy Duggan
 City Clerk

RESOLUTION AND CERTIFICATE OF INCUMBENCY
Lease Number 164879000

Lessee: City of Palatka

Amount \$21,143.98

WHEREAS, Lessee, a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State or Commonwealth ("the State") is authorized by the laws of the State to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more Lease-Purchase Agreements or lease schedules ("Leases") in the principal amount not exceeding the amount stated above for the purpose of acquiring the property ("Equipment") to be described in the Leases is appropriate and necessary to the functions and operations of the Lessee.

WHEREAS, PNC Equipment Finance, LLC ("Lessor") shall act as Lessor under said Leases.

NOW, THEREFORE, Be It Ordained by the Governing Body of the Lessee:

Section 1. Either one of the Mayor OR City Clerk (each an "Authorized Representative") acting on behalf of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver one or more Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Lease as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Leases are hereby authorized.

Section 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Leases on behalf of the Lessee.

Section 3. The aggregate original principal amount of the Leases shall not exceed the amount stated above and shall bear interest as set forth in the Leases and the Leases shall contain such options to purchase by the Lessee as set forth therein.

Section 4. The Lessee's obligations under the Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Lease and the Lessee's obligations under the Leases shall not constitute general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

Section 5. As to each Lease, the Lessee reasonably anticipates to issue not more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the fiscal year in which each such Lease is issued and hereby designates each Lease as a qualified tax-exempt obligation for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 6. This resolution shall take effect immediately upon its adoption and approval.

SIGNATURES AND TITLES OF AUTHORIZED REPRESENTATIVES : AUTHORIZED LEASE SIGNORS ONLY

<u>Vernon Myers</u>	<u>Mayor</u>
Name	Title
<u>Betsy J. Driggers</u>	<u>City Clerk</u>
Name	Title


Signature

Signature

ADOPTED AND APPROVED on this 28 June, 2012

Section 7. I, the undersigned Secretary/Clerk identified below, does hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee, a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names. The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

LESSEE: City of Palatka

Signature of Secretary/Clerk of Lessee

[SEAL]

Print Name: Betsy Driggers
Official Title: City Clerk
Date: 06/28/2012

RESOLUTION NO. 9-21

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA, AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE/EQUIPMENT FINANCE AGREEMENT WITH PNC EQUIPMENT FINANCE, LLC; AUTHORIZING THE LEASE/PURCHASE OF AERATION EQUIPMENT FOR THE PALATKA GOLF CLUB THEREUNDER; AUTHORIZING THE EXECUTION OF SUCH OTHER DOCUMENTS AS MAY BE NECESSARY TO COMPLETE THE TRANSACTIONS CONTEMPLATED HEREBY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by the City Commission of the City of Palatka, Florida (the "City") as follows:

Section 1. Findings. It is hereby ascertained, determined and declared that:

(a) The City deems it necessary, desirable and in the best financial interest of the City and its inhabitants that it enter into an agreement with PNC Equipment Finance, LLC (the "Obligee"), to provide for the lease and purchase of aeration equipment essential to the governmental, municipal or public purposes or functions of the City or to the services the City provides its inhabitants.

(b) The City has an immediate need for aeration equipment for the welfare of its citizens, and it is in the best financial interest of the City that the Equipment be acquired pursuant to the Lease/Purchase Agreement.

(c) The City is authorized and empowered by the Constitution and laws of the State of Florida, including particularly Chapter 166, Florida Statutes, and other applicable provisions of law (the "Act").

(d) The City is authorized and empowered by the Act to enter into transactions such as those contemplated by the Government Obligation Contract and to fully perform its obligations thereunder in order to acquire the Equipment.

(e) The aeration equipment and lease financing is being purchased pursuant to State of Florida contract pricing; therefore no separate competitive bid process is required.

Section 2. Authorization of Execution and Delivery of Government Obligation Contract. The Lease/Purchase Agreement, substantially in the form attached hereto, with such omissions, insertions and variations as may be approved on behalf of the City by the Mayor, such approval to be evidenced conclusively by the Mayor's execution thereof, is hereby approved and authorized. The City hereby authorizes and directs the Mayor and City Clerk to execute and attest the Lease/Purchase Agreement and deliver the same to the Lessor. All of the provisions of the Lease/Purchase Agreement, when executed, dated and delivered by or on behalf of the City as authorized herein and by or on behalf of the Lessor, shall be deemed to be part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

Section 3. Authorization of Leases of the Equipment. The lease of the Equipment pursuant to the contract agreement, as set forth on and described in the Lease Agreement (together with the Equipment described and associated therewith under Exhibit A), is hereby approved. The City hereby authorizes and directs the Mayor and City Clerk to execute and attest and deliver the same to the Lessor. All of the Schedules, as well as the Certificate of Acceptance, when executed,

dated and delivered by or on behalf of the City as authorized herein and by or on behalf of the Lessor, shall be deemed to be part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

Section 4. General Authority. The Mayor, the City Clerk and the officers, attorneys and other agents and employees of the City are hereby authorized to do all acts and things required of them by this Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Lease/Purchase Agreement and Exhibits, and they are hereby authorized to execute and deliver all certificates and documents which shall reasonably be required by the Lessor to effectuate the transactions described herein, including without limitation the documents described in Exhibit A, the Payment Schedule, the Certificate of Acceptance and Certificate of Incumbency.

Section 5. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of the Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements and provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution, and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof.

Section 6. Effective Date. This Resolution shall become effective immediately upon its passage.

PASSED AND ADOPTED by the Palatka City Commission this 14th day of June, 2012.

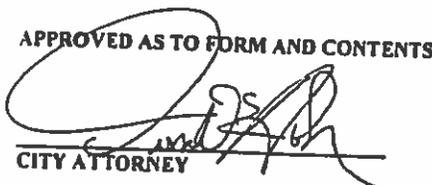
CITY OF PALATKA

By: 
Its MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM AND CONTENTS:


CITY ATTORNEY

REQUEST FOR INSURANCE COVERAGE

June 26, 2012

**City of Palatka
210 North Second Street
Palatka, FL 32177**

**Re: Insurance Coverage Requirements for Equipment Financing Transaction between
PNC Equipment Finance, LLC and City of Palatka**

Before funding your transaction, **PNC Equipment Finance, LLC** requires evidence of appropriate insurance coverage on the equipment described in your transaction documents. Please forward this request to your insurance company, agent or broker as soon as possible and ask for the evidence of insurance to be sent to the address below.

PNC Equipment Finance, LLC will have an insurable interest in the following equipment:

Quantity	Description
1	Toro Pro Core 648 w/ attachments

As a condition to entering into the equipment financing transaction, **PNC Equipment Finance, LLC** requires the following at all times during the term of the transaction:

1. All of the equipment must be insured for its full insurable value on a 100% replacement cost basis.
2. **PNC Equipment Finance, LLC** must be named as lender loss payee under a property insurance policy insuring all risks to the equipment, including fire, theft, and other customary coverage under an "extended coverage" endorsement, with a deductible not to exceed \$10,000 per occurrence.
3. **PNC Equipment Finance, LLC** must receive evidence that a comprehensive general liability insurance policy is in place with a minimum coverage of \$1,000,000.00. **PNC Equipment Finance, LLC** must be named as an additional insured under the liability policy.
4. Each property insurance policy must contain a lender's loss payable clause, or special endorsement, in which the insurer agrees that any loss will be payable in accordance with the policy terms, notwithstanding any act or negligence of the insured.

5. Each policy must provide for thirty (30) days written notice to PNCEF prior to any cancellation, non-renewal or amendment of the policy.
6. All additional insurance requirements as specified below:

The evidence of insurance can consist of a Certificate of Insurance form, Evidence of Insurance form, Memorandum of Insurance, binder for insurance, declarations page, or the actual policy and endorsements, in each case naming **PNC Equipment Finance, LLC** as follows:

PNC Equipment Finance, LLC, and its successors and assigns, as lender loss payee
 995 Dalton Avenue
 Cincinnati, OH 45203
 Attn: Insurance Department

When completed, the evidence of insurance should be provided to the following address:

PNC Equipment Finance, LLC
 995 Dalton Avenue
 Cincinnati, OH 45203
 Christy Dole fax#866-744-5045

If you would like **PNC Equipment Finance, LLC** to follow up with your insurance agent, please provide the following information and return with your document package.

Agent: John Ligon, Acct. Rep

Insurance Carrier: Florida League of Cities

Address: P.O. Box 530065

Policy Number: FMIT 448

Orlando FL 32853-0065

Effective Date: 10/1/11

Expiration Date: 9/30/12

Phone #: 407-425-9142

Fax #: 407-425-9378

Equipment Schedule A
For
Lease #164879000

E28

Quantity	Description	Serial No.
1	Toro Pro Core 648 w/ attachments	312000749
3	Needle Tine Head Set	
1	Guard Turf, 5 Tine, Long	
2	Guard-Turf 5 Tine, Short	
3	4 Tine 3/4" Head Set	
1	Guard Turf, 4-Tine, Long	
2	Guard Turf, 4-Tine, Short	
30	Tine Needle, 8MM x 7.38	
24	Tine-Hollow	
24	Tine Side Eject	
1	Windrower Kit	
1	Rear Roller Kit	
24	Tine Hollow	
24	Tine Side Eject	
1	Rear Roller Kit	

Form **8038-GC**

(Rev. May 2009)

Department of the Treasury
Internal Revenue Service

Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales

Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G

Part I Reporting Authority Check box if Amended Return

1 Issuer's name
City of Palatka

2 Issuer's employer identification number

3 Number and street (or P.O. box if mail is not delivered to street address)
210 North Second Street

4 City, town, or post office, state, and ZIP code
Palatka, FL 32177

5 Report number (For IRS Use Only)
Re: 164879000

6 Name and title of officer or legal representative whom the IRS may call for more information

7 Telephone number of officer or legal representative
()

Part II Description of Obligations Check one: a single issue or consolidated return

8a Issue price of obligation(s) (see instructions)..... **8a \$21,143.98**

b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format
(for example, 01/01/2009) (see instructions) ▶ / /

9 Amount of the reported obligations(s) on line 8a that is:

a	For leases for vehicles	
b	For leases for office equipment	
c	For leases for real property	
d	For leases for other (see instructions)	
e	For bank loans for vehicles	
f	For bank loans for office equipment	
g	For bank loans for real property	
h	For bank loans for other (see instructions)	
i	Used to refund prior issues(s)	
j	Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	
k	Other	

10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box.....

11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions).....

12 Vendor's or bank's name:

13 Vendor's or bank's employer identification number:

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ *Vernon Myers* ▶ **Vernon Myers/ Mayor**

Issuer's authorized representative Date Type or print name and title

Paid Preparer's Use Only

Preparer's Signature ▶ Date Check if self-employed Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code ▶ EIN

Phone no. ()

General Instructions
Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form
Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File
Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.
Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.
An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues.
For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.
Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File
To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.
To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.
Late filing. An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev. Proc. 2002-48, 2002-2 C.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under Section 3 of Rev. Proc. 2002-48." Attached to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* below.

Where To File
File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Other Forms That May Be Required
For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Form 8038-GC Receipt Acknowledgement
If you wish to request an acknowledgement receipt of this return by the IRS you must provide the following:



2 copies
to Matt
3/3/15
for execution

January 29, 2015

Lease Number 188014000

City of Palatka
210 North Second Street
Palatka, FL 32177

Enclosed are the necessary documents needed to complete your lease transaction. Please review, sign and return the following:

- Lease -Purchase Agreement - Please have the Authorized Signor execute the documents and provide their title
- Opinion of Counsel - Please have your attorney sign and provide the name of the law firm, if applicable
- Certificate of Acceptance - At the point of delivery, fill out this form and return the original to us. We will be unable to disburse funds until we receive this signed form.
- Schedule of Payments - Please sign and provide the title of the signor.
- Resolution-Certificate of Incumbency- List your Authorized Representative(s) and their title(s) in the body of the Resolution. Have the Authorized Representatives provide their names, title and signatures(s) on the lines which appear under the Authorized Representative Signature Section near the bottom of the Resolution. Finally, have the Secretary or appropriate Trustee attest to the information of the Authorized Representative(s) by signing and printing his/her name, title and date on the last signature line provided. The person who validates the signature should not sign the Lease Agreement. The Resolution must reflect the title(s) of the individual(s) who have authorization to sign the documents.
- Insurance Request Form - Fill in your insurer's information and sign. Please contact your insurer, prior to delivery, to obtain a certificate of insurance. Please enclose the certificate with the signed documentation or have the insurer fax the certificate directly to me.
- IRS Form 8038-G - Please sign, date and include the title of the signor
- Copy of Vendor Invoices - Vendor should send invoices directly to PNC with "Ship To" and "Bill To" in Lessee's name.
- Sales Tax Exemption Certificate - Please return a copy with the documents.
- ★ Minutes of Governing Body (approving the purchase & finance of equipment) - Please return a copy with the documents.

Please return the documents to PNC Equipment Finance, LLC, Attn: Beth Sandusky 995 Dalton Avenue, Cincinnati, OH 45203 in the postage paid envelope enclosed.

PNC Equipment Finance, LLC, in its sole discretion, reserves the right to adjust the payment factors in the enclosed documentation to reflect any changes in market conditions up to the date of funding.

Our goal is to ensure that you receive the lowest payment available. Therefore, it is important that the documents are completed and returned by February 28, 2015.

If you have any questions please contact Courtney Goodman at 513-455-2633.

Sincerely,

Beth Sandusky
Documentation Specialist

golf
carts

Lease-Purchase Agreement

E04

Dated as of January 29, 2015Lease Number 188014000

Lessor: PNC Equipment Finance, LLC
995 Dalton Avenue
Cincinnati, OH 45203

Lessee: LESSEE FULL LEGAL NAME
City of Palatka
210 North Second Street
Palatka, FL 32177

FEDERAL TAX ID
596000401

Equipment Description See attached Certificate of Acceptance for Equipment Description

Rent Payment Schedule Lease Term is for 54 months, with Rent payments due monthly; quarterly; semi-annual; annually;
each in the amount set forth in the attached Schedule of Payments.

Lessee shall pay Rent payments exclusively from legally available funds in U.S. currency to Lessor in the amounts and on the dates set forth herein, without notice or demand.

TERMS AND CONDITIONS

- LEASE.** Subject to the terms of this Lease, Lessee agrees to lease from Lessor the equipment (the "Equipment") described in the attached Certificate of Acceptance when Lessor accepts this Lease. Lessee agrees to be bound by all the terms of this Lease.
- DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery. When Lessee receives the Equipment, Lessee agrees to inspect it and to verify by telephone or in writing such information as Lessor may require. Delivery and installation costs are Lessee's responsibility. If Lessee signed a purchase contract for the Equipment, by signing this Lease Lessee assigns its rights, but none of its obligations under the purchase contract, to Lessor.
- RENT.** Lessee agrees to pay Lessor Rent (plus applicable taxes) in the amount and frequency stated above. If Lessee's Rent payments are due in Advance, Lessee's first Rent payment is due on the date Lessee accepts the Equipment under the Lease. Lessor will advise Lessee as to (a) the due date of each Rent payment, and (b) the address to which Lessee must send payments. Rent is due whether or not Lessee receives an invoice from Lessor. Lessee will pay Lessor any required advance rent when Lessee signs this Lease. Lessee authorizes Lessor to change the Rent by not more than 15% due to changes in the Equipment configuration, which may occur prior to Lessor's acceptance of this Lease. Restrictive endorsements on checks Lessee sends to Lessor will not reduce Lessee's obligations to Lessor. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.
NON-APPROPRIATION OF FUNDS. Lessee intends to remit all Rent and other payments to Lessor for the full Lease Term if funds are legally available. In the event Lessee is not granted an appropriation of funds at any time during the Lease Term for the Equipment subject to this Lease and operating funds are not otherwise available to Lessee to pay the Rent and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to Lessor, and the non-appropriation did not result from an act or omission by Lessee, Lessee shall have the right to return the Equipment in accordance with Section 16 of the Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee, except as the portion of Rent for which funds shall have been appropriated and budgeted. At least 30 days prior to the end of Lessee's fiscal year, Lessee's chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by Lessee, and (c) Lessee has exhausted all funds legally available for the payment of Rent.
- UNCONDITIONAL OBLIGATION.** LESSEE AGREES THAT IT IS UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE IN ALL FISCAL YEARS IN WHICH FUNDS HAVE BEEN APPROPRIATED NO MATTER WHAT HAPPENS, EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF LESSEE HAS TEMPORARY OR PERMANENT LOSS OF ITS USE. LESSEE IS NOT ENTITLED TO ANY REDUCTION OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THIS LEASE FOR ANY REASON WHATSOEVER.
- DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO LESSEE IN "AS-IS" CONDITION. LESSEE AGREES THAT LESSOR HAS NOT MANUFACTURED THE EQUIPMENT AND THAT LESSEE HAS SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSEE HAS NOT RELIED ON ANY STATEMENTS LESSOR OR ITS EMPLOYEES HAVE MADE. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. Lessee is aware of the name of the Equipment manufacturer and will contact the manufacturer for a description of their warranty rights. If the manufacturer has provided Lessor with a warranty, Lessor assigns its rights to such warranty to Lessee and Lessee may enforce all warranty rights directly against the manufacturer of the Equipment. Lessee agrees to settle any dispute regarding performance of the Equipment directly with the manufacturer of the Equipment.
- TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where Lessee is located, Lessee shall have title to the Equipment immediately upon delivery and shall be deemed to be the owner of the Equipment as long as Lessee is not in default under this Lease. In the event of a default, title to the Equipment shall revert to Lessor free and clear of any rights or interest Lessee may have in the Equipment. Lessor shall not have a security interest in any of the Equipment under the Uniform Commercial Code of the State of Florida. Nothing in the Lease shall be interpreted or construed as granting Lessor a security interest in or other lien or encumbrance on any Equipment. Notwithstanding anything to the contrary in the Lease, Lessor waives and releases any right that it may have at law or in equity to specific or compulsory performance of any agreement of Lessee to return the Equipment to Lessor, to transfer legal or beneficial title to the Equipment to Lessor or to repossess or foreclose on any Equipment.

7. **USE, MAINTENANCE AND REPAIR.** Lessee will not move the Equipment from the Equipment Location without Lessor's advance written consent. Lessee will give Lessor reasonable access to the Equipment Location so that Lessor can check the Equipment's existence, condition and proper maintenance. Lessee will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions, and keep it eligible for any manufacturer's certification and/or standard full service maintenance contract. At Lessee's own cost and expense, they will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Lessee will not make any permanent alterations to the Equipment.
8. **TAXES.** Lessee agrees to pay Lessor, when invoiced, all taxes (including any sales, use and personal property taxes), fines, interest and penalties relating to this Lease and the Equipment (excluding taxes based on Lessor's net income). Lessee agrees to file any required personal property tax returns and, if Lessor asks, Lessee will provide Lessor with proof of payment. Lessor does not have to contest any tax assessments.
9. **INDEMNITY.** Lessor is not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by Lessee or any other person caused by the transportation, installation, manufacture, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. To the extent permitted by law, Lessee agrees to reimburse Lessor for and defend Lessor against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues even after this Lease has expired, for acts or omissions which occurred during the Lease Term.
10. **IDENTIFICATION.** Lessee authorizes Lessor to insert or correct missing information on this Lease, including Lessee's official name, serial numbers and any other information describing the Equipment. Lessor will send Lessee copies of such changes. Lessee will attach to the Equipment any name plates or stickers Lessor provides.
11. **LOSS OR DAMAGE.** Lessee is responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is shipped to Lessee until it is returned to Lessor. If any item of Equipment is lost, stolen or damaged, Lessee will promptly notify Lessor of such event. Then, at Lessor's option, Lessee will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay Lessor an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If Lessee has satisfied their obligations under this Section 11, Lessor will forward to Lessee any insurance proceeds which Lessor receives for lost, damaged, or destroyed Equipment. If Lessee is in default, Lessor will apply any insurance proceeds Lessor receives to reduce Lessee's obligations under Section 14 of this Lease.
12. **INSURANCE.** Lessee agrees to (a) keep the Equipment fully insured against loss, naming Lessor as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than Lessor may tell Lessee, naming Lessor as additional insured, until Lessee has met all their obligations under this Lease. Lessor is under no duty to tell Lessee if Lessee's insurance coverage is adequate. The policies shall state that Lessor is to be notified of any proposed cancellation at least 30 days prior to the date set for cancellation. Upon Lessor's request, Lessee agrees to provide Lessor with certificates or other evidence of insurance acceptable to Lessor. If Lessee does not provide Lessor with evidence of proper insurance within ten days of Lessor's request or Lessor receives notice of policy cancellation, Lessor may (but Lessor is not obligated to) obtain insurance on Lessor's interest in the Equipment at Lessee's expense. Lessee will pay all insurance premiums and related charges.
13. **DEFAULT.** Lessee will be in default under this Lease if any of the following happens: (a) Lessor does not receive any Rent or other payment due under this Lease within ten days after its due date, (b) Lessee fails to perform or observe any other promise or obligation in this Lease and does not correct the default within ten days after Lessor sends Lessee written notice of default, (c) any representation, warranty or statement Lessee has made in this Lease shall prove to have been false or misleading in any material respect, (d) any insurance carrier cancels or threatens to cancel any insurance on the Equipment, (e) the Equipment or any part of it is abused, illegally used, misused, lost, destroyed, or damaged beyond repair, (f) a petition is filed by or against Lessee under any bankruptcy or insolvency laws, or (g) Lessee defaults on any other agreement between it and Lessor (or Lessor's affiliates).
14. **REMEDIES.** Upon the occurrence of a default, Lessor may, in its sole discretion, do any or all of the following: (a) provide written notice to Lessee of default, (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by Lessee to Lessor under this Lease, plus (ii) all Rent payments remaining through the end of the then current fiscal year, discounted at the higher of 3% or the lowest rate allowed by law (collectively, the "Net Book Value") and (c) require Lessee to immediately return the Equipment to Lessor. Lessor has the right to require Lessee to make the Equipment available to Lessor for repossession during reasonable business hours or Lessor may repossess the Equipment, so long as Lessor does not breach the peace in doing so, or Lessor may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. Lessee will not make any claims against Lessor or the Equipment for trespass, damage or any other reason. If Lessor takes possession of the Equipment Lessor may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although Lessee agrees that Lessor has no obligation to sell the Equipment, if Lessor does sell the Equipment, Lessor will reduce the Net Book Value by the amounts Lessor receives. Lessee will immediately pay Lessor the remaining Net Book Value. Lessee agrees (a) that Lessor only needs to give ten days advance notice of any sale and no notice of advertising, (b) to pay all of the costs Lessor incurs to enforce Lessor's rights against Lessee, including attorney's fees, and (c) that Lessor will retain all of Lessor's rights against Lessee even if Lessor does not choose to enforce them at the time of Lessee's default.
15. **LESSEE'S OPTION AT END OF LEASE.** Provided Lessee is not in default, upon expiration of the Lease Term Lessee shall purchase all but not less than all of the Equipment for **\$56,700.00** (plus all sales and other applicable taxes).
16. **RETURN OF EQUIPMENT.** If (a) default occurs, or (b) a non-appropriation of funds occurs in accordance with Section 3, Lessee will immediately return the Equipment to any location(s) in the continental United States and aboard any carriers(s) Lessor may designate. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than Lessee named in this Lease, without the need for any repair or refurbishment. All Equipment must be free of markings. Lessee will pay Lessor for any missing or defective parts or accessories. Lessee will continue to pay Rent until the Equipment is received and accepted by Lessor.
17. **REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants to Lessor that as of the date of this Lease, and throughout the Lease Term: (a) Lessee is the entity indicated in this Lease; (b) Lessee is a State or a fully constituted political subdivision or agency of the State in which Lessee is located; (c) Lessee is duly organized and existing under the Constitution and laws of the State in which Lessee is located; (d) Lessee is authorized to enter into and carry out Lessee's obligations under this Lease, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with this Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered by Lessee in accordance with all applicable laws, rules, ordinances, and regulations, the Documents are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of Lessee's governing body, and hold the offices indicated below their signature, each of which is genuine; (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of Lessee's authority and shall be used during the Lease Term only by Lessee and only to perform such function; (g) Lessee intends to use the Equipment for the entire Lease Term and shall take all necessary action to include in Lessee's annual budget any funds required to fulfill their obligations for each fiscal year during the Lease Term; (h) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (i) Lessee's obligations to remit Rent under this Lease constitutes a current expense and not a debt under applicable state law and no provision of this

- Lease constitutes a pledge of Lessee's tax or general revenues, and any provision which is so constructed by a court of competent jurisdiction is void from the inception of this lease; (j) all payments due and to become due during Lessee's current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease/purchase of the Equipment; (k) Lessee shall not do or cause to be done any act which shall cause, or by omission of any act allow the interest portion of any Rent payment to become includible in Lessor's gross income for Federal income taxation purposes under the Internal Revenue Code of 1986, as amended, (the "Code"); (l) Lessee shall maintain a complete and accurate record of all assignments of this Lease in the form sufficient to comply with the book entry requirements of Section 149(a) of the Code and the regulations prescribed there under from time to time; (m) Lessee shall comply with the information reporting requirements of Section 149(e) of the Code; such compliance shall include, but not be limited to, the execution of IRS Form 8038-G or 8038-GC; and (n) all financial information Lessee has provided to Lessor is true and accurate and provides a good representation of Lessee's financial condition.
18. Lessor acknowledges that (a) no Lease will be a general obligation of Lessee, (b) no Lease will be payable from a pledge of ad valorem taxes, and (c) no Lease shall constitute a pledge of either the full faith and credit of Lessee or the taxing power of Lessee.
 19. **LESSEE'S PROMISES.** In addition to the other provisions of this Lease, Lessee agrees that during the term of this Lease (a) Lessee will promptly notify Lessor in writing if it moves Lessee's principal office or it changes its name or legal structure, (b) Lessee will provide to Lessor such financial information as may reasonably request from time to time, and (c) Lessee will take any action Lessor reasonably requests to protect Lessor's rights in the Equipment and to meet Lessee's obligations under this Lease.
 20. **ASSIGNMENT. LESSEE WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** Lessee will not attach any of the Equipment to any real estate. Upon Lessor's reasonable request and at Lessee's cost, Lessee will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment.
 21. **ASSIGNMENT BY LESSOR.** This Lease, and the rights of Lessor hereunder and in and to the Equipment, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assigns at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Lease on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assigns. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assigns to protect their interests in the Equipment and in this Lease.
 22. **COLLECTION EXPENSES, OVERDUE PAYMENT, TERMINATION.** Lessee agrees that Lessor can, but does not have to, take on Lessee's behalf any action which Lessee fails to take as required by this Lease, and Lessor's expenses will be in addition to that of the Rent which Lessee owes Lessor. If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law. Upon 30 days' prior written notice by Lessee to Lessor, and so long as there is no Event of Default then existing, Lessee shall have the option to purchase all, but not less than all, of the Equipment covered by the Lease on any Rent Payment due date by paying to Lessor all Rent Payments then due (including accrued interest, if any) plus the Termination Value amount set forth on the Payment Schedule to the applicable Lease for such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall release its Lien on such Equipment and Lessee shall retain its title to such Equipment "AS-IS, WHERE-IS," without representation or warranty by Lessor, express or implied, except for a representation that such Equipment is free and clear of any Liens created by Lessor.
 23. **AGREED LEASE RATE FACTOR.** Lessee understands that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Lease, Lessee acknowledges that it has chosen to lease the Equipment from Lessor for the Lease Term and that Lessee has agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. If it is determined that Lessee's payments under this Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will Lessor charge or receive or will Lessee pay any amounts in excess of the legal amount.
 24. **MISCELLANEOUS.** This Lease contains the entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THIS LEASE.** If a court finds any provision of Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. **THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.** Lessee authorizes Lessor (or Lessor's agent) to (a) obtain credit reports, (b) make such other credit inquiries as Lessor may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, Lessor may charge Lessee a fee of \$250.00 to cover Lessor's documentation and investigation costs.
 25. **NOTICES.** All of Lessee's written notices to Lessor must be sent by certified mail or recognized overnight delivery service, postage prepaid, to Lessor at Lessor's address stated in this Lease, or by facsimile transmission to Lessor's facsimile telephone number, with oral confirmation of receipt. All of Lessor's notices to Lessee may be sent first class mail, postage prepaid, to Lessee's address stated in this Lease. At any time after this Lease is signed, Lessee or Lessor may change an address or facsimile telephone number by giving notice to the other of the change.
 26. **ANTI-MONEY LAUNDERING/INTERNATIONAL TRADE COMPLIANCE.** Lessee represents and warrants to Lessor, as of the date of this Lease, the date of each advance of proceeds under the Lease, the date of any renewal, extension or modification of this Lease, and at all times until the Lease has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; or (ii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Lease will not be used to fund any unlawful activity; (c) the funds used to repay the Lease are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States.
- As used herein: "Compliance Authority" means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; "Covered Entity" means Lessee, its affiliates and subsidiaries and direct and indirect owners; "Sanctioned Country" means a country subject to a sanctions program maintained by any Compliance Authority; and "Sanctioned Person" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.
27. **USA PATRIOT ACT NOTICE.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each lessee that opens an account. What this means: when the Lessee opens an account, Lessor will ask for the business name, business address, taxpayer identifying number and other information that will allow the Lessor to identify

Lessee, such as organizational documents. For some businesses and organizations, Lessor may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

- 28. **WAIVERS. LESSOR AND LESSEE EACH AGREE TO WAIVE, AND TO TAKE ALL REQUIRED STEPS TO WAIVE, ALL RIGHTS TO A JURY TRIAL.** To the extent Lessee is permitted by applicable law, Lessee waives all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to Lessee's rights to: (a) cancel or repudiate this Lease; (b) reject or revoke acceptance of the Equipment; (c) recover damages from Lessor for any breach of warranty or for any other reason; (d) grant a security interest in any Equipment in Lessee's possession. To the extent Lessee is permitted by applicable law, Lessee waives any rights Lessee now or later may have under any statute or otherwise which requires Lessor to sell or otherwise use any Equipment to reduce Lessor's damages, which requires Lessor to provide Lessee with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of Lessor's rights or remedies. **ANY ACTION LESSEE TAKES AGAINST LESSOR FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT, WHICH CAUSED IT.** Lessor will not be liable for specific performance of this Lease or for any losses, damages, delay or failure to deliver Equipment.
- 29. **SMALL ISSUER STATEMENT.** Lessee hereby certifies to Lessor and its assigns that: a) Lessee designates the Lease as a "Qualified Tax-Exempt Obligation" for the purposes of Section 265(b)(3) of the Code; b) Lessee will own and operate the Equipment in the performance of its public purposes; and the Equipment will not be subject to the use or control of any other entity; c) Lessee will not designate more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations during the current calendar year as "Qualified Tax-Exempt Obligation", Lessee reasonably expects to issue no more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations during the current calendar year; and d) For purposes of Paragraph 3 herein above, the amount of tax-exempt obligations stated as either issued or designated as "Qualified Tax-Exempt Obligations" includes tax-exempt obligations issued by all subordinate entities of Lessee, as provided in Section 265 (b) (3) (E) of the Code.
- 30. **IMPORTANT INFORMATION ABOUT PHONE CALLS.** By providing telephone number(s) to Lessor, now or at any later time, Lessee authorizes Lessor and its affiliates and designees to contact Lessee regarding Lessee account(s) with Lessor or its affiliates, whether such accounts are Lessee individual accounts or business accounts for which Lessee is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Lessee consents that any phone call with Lessor may be monitored or recorded by Lessor.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS LEASE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. THE TERMS OF THIS LEASE MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT BETWEEN LESSEE AND LESSOR. LESSEE AGREES TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS LEASE. LESSEE AGREES THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

LESSEE CERTIFIES THAT ALL THE INFORMATION GIVEN IN THIS LEASE AND LESSEE'S APPLICATION WAS CORRECT AND COMPLETE WHEN THIS LEASE WAS SIGNED. THIS LEASE IS NOT BINDING UPON LESSOR OR EFFECTIVE UNLESS AND UNTIL LESSOR EXECUTES THIS LEASE. THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF THE LESSEE.

City of Palatka
("Lessee")

X 

Authorized Signature

Terrill Hill

Print Name

Mayor

Title:

3/2/2015

Date

210 North Second Street
Palatka, FL 32177

PNC Equipment Finance, LLC
("Lessor")

X _____
Authorized Signature

Print Name

Title:

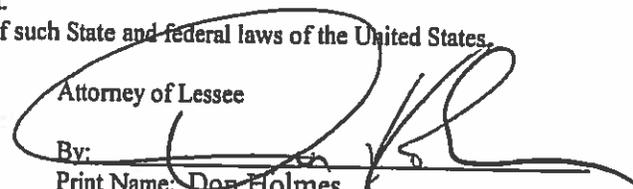
995 Dalton Ave.
Cincinnati OH 45203

OPINION OF COUNSEL

I have acted as counsel to the above-referenced Lessee (the "Lessee") with respect to this Lease-Purchase Agreement by and between the Lessee and Lessor (the "Lease"), and in this capacity have reviewed the original or duplicate originals of the Lease and such other documents as I have deemed relevant. Based upon the foregoing, I am of the opinion that: (A) Lessee is a state or a fully constituted political subdivision or agency of a state within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended; (B) the execution, delivery and performance of the Lease by Lessee has been duly authorized by all necessary action on the part of Lessee; (C) the Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as limited by laws of general application affecting the enforcement of creditors' rights, and does not constitute a debt of Lessee which is prohibited by state law; (D) the authorization, approval and execution of the Lease and all other proceedings of Lessee related to the transactions contemplated thereby have been performed in accordance with all open-meeting laws, public bidding laws, and all other applicable state laws. The undersigned certifies that (s)he is an attorney duly authorized to practice law in the State of Florida.

The foregoing opinions are limited to the laws of such State and federal laws of the United States.

Attorney of Lessee

By: 

Print Name: Don Holmes

Law firm: Holmes and Young

SCHEDULE OF PAYMENTS

Lease Number 188014000

Attached to and made a part of that certain Lease-Purchase Agreement dated as of January 29, 2015 by and between PNC Equipment Finance, LLC, as Lessor, and City of Palatka, as Lessee.

Rent payments are payable as follows:

Payment Number	Payment Date	Rent Payment	Interest Component	Principal Component	Termination Amount*
1		\$3,396.60	\$606.54	\$2,790.06	\$227,798.51
2		\$3,396.60	\$598.98	\$2,797.62	\$224,916.96
3		\$3,396.60	\$591.41	\$2,805.19	\$222,027.61
4		\$3,396.60	\$583.81	\$2,812.79	\$219,130.44
5		\$3,396.60	\$576.19	\$2,820.41	\$216,225.42
6		\$3,396.60	\$568.55	\$2,828.05	\$213,312.53
7		\$3,396.60	\$560.89	\$2,835.71	\$210,391.74
8		\$3,396.60	\$553.21	\$2,843.39	\$207,463.05
9		\$3,396.60	\$545.51	\$2,851.09	\$204,526.43
10		\$3,396.60	\$537.79	\$2,858.81	\$201,581.86
11		\$3,396.60	\$530.05	\$2,866.55	\$198,629.31
12		\$3,396.60	\$522.29	\$2,874.31	\$195,668.77
13		\$3,450.60	\$514.50	\$2,936.10	\$192,644.59
14		\$3,450.60	\$506.55	\$2,944.05	\$189,612.22
15		\$3,450.60	\$498.58	\$2,952.02	\$186,571.64
16		\$3,450.60	\$490.58	\$2,960.02	\$183,522.81
17		\$3,450.60	\$482.56	\$2,968.04	\$180,465.73
18		\$3,450.60	\$474.53	\$2,976.07	\$177,400.38
19		\$3,450.60	\$466.46	\$2,984.14	\$174,326.72
20		\$3,450.60	\$458.38	\$2,992.22	\$171,244.73
21		\$3,450.60	\$450.28	\$3,000.32	\$168,154.40
22		\$3,450.60	\$442.15	\$3,008.45	\$165,055.70
23		\$3,450.60	\$434.01	\$3,016.59	\$161,948.61
24		\$3,450.60	\$425.84	\$3,024.76	\$158,833.11
25		\$3,504.60	\$417.64	\$3,086.96	\$155,653.54
26		\$3,504.60	\$409.28	\$3,095.32	\$152,465.36
27		\$3,504.60	\$400.90	\$3,103.70	\$149,268.55
28		\$3,504.60	\$392.49	\$3,112.11	\$146,063.07
29		\$3,504.60	\$384.07	\$3,120.53	\$142,848.93
30		\$3,504.60	\$375.61	\$3,128.99	\$139,626.07
31		\$3,504.60	\$367.14	\$3,137.46	\$136,394.48
32		\$3,504.60	\$358.64	\$3,145.96	\$133,154.15
33		\$3,504.60	\$350.12	\$3,154.48	\$129,905.03
34		\$3,504.60	\$341.58	\$3,163.02	\$126,647.12
35		\$3,504.60	\$333.01	\$3,171.59	\$123,380.38
36		\$3,504.60	\$324.42	\$3,180.18	\$120,104.80
37		\$3,558.60	\$315.81	\$3,242.79	\$116,764.72

38		\$3,558.60	\$307.03	\$3,251.57	\$113,415.61
39		\$3,558.60	\$298.22	\$3,260.38	\$110,057.42
40		\$3,558.60	\$289.39	\$3,269.21	\$106,690.13
41		\$3,558.60	\$280.54	\$3,278.06	\$103,313.73
42		\$3,558.60	\$271.66	\$3,286.94	\$99,928.18
43		\$3,558.60	\$262.76	\$3,295.84	\$96,533.46
44		\$3,558.60	\$253.83	\$3,304.77	\$93,129.55
45		\$3,558.60	\$244.88	\$3,313.72	\$89,716.42
46		\$3,558.60	\$235.90	\$3,322.70	\$86,294.04
47		\$3,558.60	\$226.91	\$3,331.69	\$82,862.40
48		\$3,558.60	\$217.88	\$3,340.72	\$79,421.46
49		\$3,612.60	\$208.83	\$3,403.77	\$75,915.57
50		\$3,612.60	\$199.62	\$3,412.98	\$72,400.20
51		\$3,612.60	\$190.37	\$3,422.23	\$68,875.31
52		\$3,612.60	\$181.10	\$3,431.50	\$65,340.86
53		\$3,612.60	\$171.81	\$3,440.79	\$61,796.85
54		\$3,612.60	\$162.49	\$3,450.11	\$58,243.23
55		\$56,700.00	\$153.17	\$56,546.83	\$0.00

*As provided in Section 21 of the Lease-Purchase Agreement.

City of Palatka
("Lessee")

X

Authorized Signature

Terrill Hill

Print Name

Mayor

Title:

210 North Second Street
Palatka, FL 32177

PNC Equipment Finance, LLC
("Lessor")

By: _____

Title _____

995 Dalton Ave.
Cincinnati OH 45203

RESOLUTION AND CERTIFICATE OF INCUMBENCY
Lease Number 188014000

Lessee: City of Palatka

Amount \$223,953.66

WHEREAS, Lessee, a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State or Commonwealth ("the State") is authorized by the laws of the State to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more Lease-Purchase Agreements or lease schedules ("Leases") in the principal amount not exceeding the amount stated above for the purpose of acquiring the property ("Equipment") to be described in the Leases is appropriate and necessary to the functions and operations of the Lessee.

WHEREAS, PNC Equipment Finance, LLC ("Lessor") shall act as Lessor under said Leases.

NOW, THEREFORE, Be It Ordained by the Governing Body of the Lessee:

Section 1. Either one of the Mayor OR City Clerk (each an "Authorized Representative") acting on behalf of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver one or more Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Lease as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Leases are hereby authorized.

Section 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Leases on behalf of the Lessee.

Section 3. The aggregate original principal amount of the Leases shall not exceed the amount stated above and shall bear interest as set forth in the Leases and the Leases shall contain such options to purchase by the Lessee as set forth therein.

Section 4. The Lessee's obligations under the Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Lease and the Lessee's obligations under the Leases shall not constitute general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

Section 5. As to each Lease, the Lessee reasonably anticipates to issue not more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the fiscal year in which each such Lease is issued and hereby designates each Lease as a qualified tax-exempt obligation for purposes of Section 285(b) of the Internal Revenue Code of 1986, as amended.

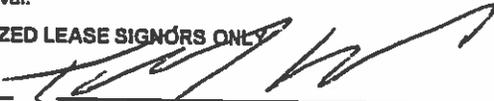
Section 6. This resolution shall take effect immediately upon its adoption and approval.

SIGNATURES AND TITLES OF AUTHORIZED REPRESENTATIVES : AUTHORIZED LEASE SIGNORS ONLY

Terrill Hill
Name

Mayor
Title

Signature



Betsy Driggers
Name

City Clerk
Title

Signature



ADOPTED AND APPROVED on this February 26, 2015

Section 7. I, the undersigned Secretary/Clerk identified below, does hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee, a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names. The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

LESSEE: City of Palatka

Betsy Driggers
Signature of Secretary/Clerk of Lessee

[SEAL]

Print Name: Betsy Driggers

Official Title: City Clerk

Date: February 26, 2015

REQUEST FOR INSURANCE

January 29, 2015
City of Palatka
210 North Second Street
Palatka, FL 32177

RE: Lease #188014000 ("Lease Agreement")

Please complete this form and return it to PNC Equipment Finance, LLC along with a copy of your Certificate of Insurance and Insurance Binder, naming PNC Equipment Finance, LLC as lender loss payee and additional insured, as evidence that you have obtained the necessary insurance as required by your Lease Agreement.

As part of the Lease Agreement, you have agreed to keep in effect an "All Risk (or broad form of)" extended coverage property insurance policy covering the equipment for its full replacement value. You are also required to carry a comprehensive general liability insurance policy or other similar form of third party liability coverage with combined single limits of \$1,000,000 per occurrence and \$2,000,000 in aggregate limits. The property insurance policy shall name PNC Equipment Finance, LLC and its successors and/or assigns (ISAOA) as sole Lender Loss Payee and the general liability insurance policy shall name PNC Equipment Finance, LLC and its successors and/or assigns (ISAOA) as an Additional Insured. In addition, such policies shall have a provision stating that the policy cannot be changed or cancelled without 30 days prior written notice to PNC Equipment Finance, LLC:

If you fail to obtain insurance or provide evidence thereof to us, you agree that we may, but shall not be obligated to, obtain such insurance on your behalf and charge you for all costs and expenses associated therewith. Without limiting the forgoing, you specifically agree that if we obtain insurance on your behalf, you will be required to pay a monthly insurance charge. The monthly insurance charge will include reimbursement for premiums advanced to the insurer, finance charges (which will typically be at a rate higher than the rate used to determine your equipment rental amount), billing and tracking fees, administrative expenses and other related fees. We shall receive a portion of the insurance charges, which may include a profit from such finance, billing, tracking, administrative and other charges.

Please provide the pertinent policy information below in addition to sending PNC Equipment Finance, LLC, copies of the appropriate insurance documents requested above. Thank you for your assistance in this matter.

PLEASE COMPLETE ALL OF THE INFORMATION BELOW.

INSURANCE AGENT INFORMATION:

Name: Florida League of Cities

Address: 125 E. Colonial Dr.

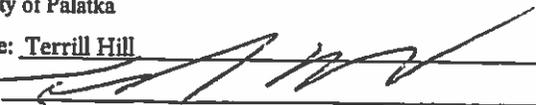
Orlando, Florida 32801

Phone Number: (407) 425-9142

Fax Number: (407) 425-9378

Lessee: City of Palatka

Print Name: Terrill Hill

Signature: 

Title: Mayor

Date: February 26, 2015

Insurance Carrier: Florida Municipal Insurance Trust

Policy Number: #0448

Effective Date: 10/1/2014

Expiration Date: 9/30/2015

Please return this form to:

PNC Equipment Finance, LLC

995 Dalton Avenue

Cincinnati, OH 45203

Attn: _____

Or by Fax: _____



AMENDMENT

This Amendment ("Amendment"), dated and effective as of the 29th day of January, 2015 supplements and is made a part of Lease #188014000 ("Lease") between City of Palatka ("Lessee") and PNC Equipment Finance, LLC ("Lessor").

In consideration of the mutual covenants contained herein and other valuable consideration received, and with the intent to be legally bound, the parties agree as follows:

Section 12: Insurance: So long as the end of term in Section 15 is a purchase upon termination, or a Dollar Out, the following terms: "and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than Lessor may tell Lessee, naming Lessor as additional insured," of this section are hereby deleted from the lease.

All other terms and conditions of the Lease shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date above written.

City of Palatka

PNC Equipment Finance, LLC

Authorized Signature

Authorized Signature

Terrill Hill

Printed Name

Printed Name

Mayor

Title

Title

I hereby certify that the following is a true and correct copy of an excerpt from the Minutes of a regular Palatka City Commission Meeting held on February 26, 2015.


Betsy J. Driggers, City Clerk

7. RESOLUTION accepting a proposal for trade-in of the current fleet of fifty-four (54) golf carts towards the purchase of fifty-four (54) new EZ-Go golf carts, and authorizing the execution of all documents associated with a fifty-four-(54) month lease agreement with PNC Equipment Financing to effectuate the transaction – Adopt – The Clerk read a resolution entitled A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PALATKA, FLORIDA; AUTHORIZING A LEASE AGREEMENT BETWEEN E-Z-GO AND PALATKA GOLF CLUB; AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AND ATTEST A LEASE-PURCHASE AGREEMENT WITH PNCEF, LLC, DBA PNC EQUIPMENT FINANCE IN THE AMOUNT OF \$223,953.66 TO FINANCE THE LEASE OF FIFTY-FOUR (54) 2015 EZGO TXT 48 V ELECTRIC GOLF CARTS; AND OTHER ACTION IN CONNECTION WITH THE DELIVERY OF SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE. Mr. Czymbor said this was tabled on February 12 for additional information requested by Commissioner Borom. Bobby Weed, BWGD, has provided a memo describing why it is necessary to replace the fleet every four years. Mr. Weed and Andy Hertz, Course manager, were present for questions. Commissioner Brown asked County Commissioner and Chairman of the BOCC Karl Flagg, who was present in the audience, if he could ask the County if they would be interested in paying for golf carts, as County residents are using them.

Mayor Hill said he has visited the Golf Course since this discussion. Out of 54 leased carts, 8 or 9 are down due mostly to battery issues. They have rented 15 extra carts for the month of March. This year the extra expense for the rental is higher as they plan to keep them for a few weeks into April. Typically, they can operate off of 40 carts. Mr. Hertz said all carts were operational until October; they have postponed getting new batteries because when they trade in carts they get carts with new batteries. For many tournaments with 100 players they need 50 carts. 54 carts is a small fleet for an 18-hole golf course. Mayor Hill said he ran the numbers and looked at expenditures. Mr. Hertz said they rent extra carts for the entire month of March. They have been working off 40 carts. Mayor Hill said the revenue is off 20% from last year. Mr. Reynolds said they are 20% below what was budgeted. Mr. Hertz said it is not accurate to say they revenue is down by 20% from last year. Mr. Reynolds said it is the difference between YTD actual versus budgeted amount. The golf course is much more seasonal than other funds. The highest play months are January/Feb through April/May. It may look like revenues are substantially lower than they should have been, the next few months make up for that. Discussion ensued regarding operable carts. Mr. Hertz said 54 carts is not a huge number. They have tournaments every weekend and sometimes 100 rounds of golf are played a day.

Mr. Weed said carts go out every day sometimes for 36 holes. They have taken every measure to extend the life of their carts. They have the lowest maintenance cost of anyone for carts. The other day they had 175 players. This is their season into May, and this is when they make their money. 54 carts is the least amount of any leased fleet of any municipal course in Florida. Giving carts a break and rotating them gives them the best performance. At four years of age the batteries, brakes and steering start going out. As the City's paid consultant, it is their recommendation that the City accept this most favorably negotiated deal, which is the lowest negotiated deal afforded to any municipality. They started this process in November. They have renegotiated with the dealer and a very good lease is on the table. They may only need 45 carts for a few months, but in other months they will need more. They've cut everything they can cut. Rounds are going up because staff is doing a good job. They will come closer to

breaking even this year than during any other year. If they can meet revenue projections, which are very aggressive, it is their goal to break even. They need all those carts going out in order to do that. This is the best deal going for the City. Otherwise they will keep renting carts and spending money. The City is under contract to buy a used fleet of four-year old carts. He sent a memo this past week to answer all these questions.

Commissioner Borom said he struggles with passing these costs off to taxpayers. Other municipalities are not turning profits on golf courses. The City is constantly putting money into the golf course. Mr. Weed said they have a budgeted line item for golf carts. This proposal puts them under the budgeted line item. He can't speak to the overall projections for year-end. They are meeting their budget for January and February. They feel confident with their projections. He can't speak to conjecture, but is speaking to the golf cart lease. This is a budgeted item; they have gone underneath the budgeted amount.

Commissioner Brown said the golf course used to take care of itself. The City went into debt when it built a new clubhouse. The County agreed to help, but then an election took place and the new commissioners denied the City help. They have talked about selling it and leasing it in the past. No one was buying or leasing golf courses. The spiral is slowing down and BWGD is pulling the City out of the red. The course is an asset for the City. They can start early looking for another way to do this next time. They have a grant to redo the kitchen and parts of the clubhouse. If there aren't enough people to play golf, the restaurant will get them back on track.

Discussion ensued regarding money coming from the General Fund to make golf course restaurant improvements. Commissioner Borom said they need to move forward with a plan and a deadline. Mayor Hill said the "bleeding" has slowed down due to Mr. Weed's work. He has heard people complaining about the golf carts. He believes there is an opportunity to reduce the fleet. This is the cost of doing business at the golf course. If they don't replace the fleet they will have higher maintenance costs.

Mr. Holmes noted the contract to lease/purchase the current fleet of 54 carts expires in June. At that time the City either has to turn the carts in or purchase them for \$1750 each. The new contract is with the same company. He asked if the number of carts being leased factors into the negotiation. Mr. Weed said they are turning in 54 and receiving 54. If they go lower on the number of carts purchased they will have to re-negotiate the lease contract.

Commissioner Norwood said they are making a significant investment with the new restaurant. The Course is up in revenue by 10% and down in expenditures by 10%. BWGD is doing what they were asked to do. He moved to adopt the resolution to lease 54 carts as proposed so the course can continue to trend upward and become solvent in the hopes that the course will become self-sufficient, noting they are on track to have their best year at the Course, even without the restaurant in place. Commissioner Brown seconded the motion and said the golf course is an asset for the city and helps with economic development. They need recreational facilities. Commissioner Borom said he had a conversation with One Stop and Bohannon Batteries from a partnership standpoint in helping the City reduce costs for maintenance. He hasn't seen the numbers on carts that don't make two rounds of golf. He would like time to gather more information from local dealers.

Mayor Hill said he is in no way saying they don't need golf carts to run a golf course. They do need to explore the option of scaling back. Golf Carts are necessary for operation of a golf course. There being no further discussion or comment, a roll-call vote was taken, which yielded the following results: Commissioners Brown, Norwood and Mayor Hill, yes; Commissioners Borom and Campbell, no. The motion carried three in favor, opposed by Commissioners Borom and Campbell.