

CITY OF HIGH POINT

AGENDA ITEM



Title: EZGO Contract Extension

From: Lee Tillery –Parks and Recreation Director

Meeting Date: September 21, 2020

Public Hearing: N/A

Advertising Date: N/A

Advertised By: N/A

Attachments: Attachment A – EZGO Contract Extension Offer
Attachment B – EZGO Cart Renewal – Specialty Carts
Attachment C – EZGO Cart Renewal – TXT Carts

PURPOSE:

The extension of our golf cart lease program for both Oak Hollow and Blair Park golf courses with EZGO, Inc. for three years beginning October 2020.

BACKGROUND:

The golf cart lease program has been very successful the last twelve years and this contract with EZGO will allow us to continue this program for the next three years. The proposed extension reflects the same lease rate as our current contract (2017-2020) with no rate increase through 2023. The proposal also includes a new fleet of 2021 Model TXT 48 electric carts with USB ports for both courses, along with three utility/beverage carts. Finally, the agreement includes a detailed service contract that covers routine maintenance, as well as any major repair needs throughout the duration of the contract.

BUDGET IMPACT:

Funds for these services are included in the Parks and Recreation operating budget. Annual costs for both courses is \$124,505 with the total contract reflecting the three year lease of \$373,515.

RECOMMENDATION / ACTION REQUESTED:

Staff recommends City Council approve three year contract extension EZGO in the amount of \$373,515 beginning October 2020.



7-7-2020

City of High Point

RE: EZGO Golf Cars

To whom it may concern,

EZGO will be willing to extend the present contract for another three year term utilizing the present year rates without an increase over the three year term.

Regards,

Dennis Brouillard

EZGO Sales



City of High Point Current Fleet/Vehicles:

<u>Qty</u>	<u>Model</u>	<u>Mo. Payment</u>
120	2018 TXT 48Volt Fleet	\$9733.20
2	2018 TXT Gas Freedom	\$162.22
1	2018 800XG Picker	\$160.00
1	2018 800XG Bev Unit	\$160.00
1	2018 Shuttle 4 Gas	\$160.00

**Equipped as follows: Top, Split Windshield, Hub Caps, Message Holders, 2 Sand Bottles, No. Decals, Bag Cover, Club Logo, Battery Fill Systems, and Sweater Basket.

City of High Point NEW 2021 Fleet/Vehicles: (Equipped Same w/ USB Port)

<u>Qty</u>	<u>Model</u>	<u>Mo. Payment</u>
120	2021 TXT 48Volt Fleet	\$9733.20
2	2021 TXT Gas Freedom	\$162.22
1	2021 800XG Picker	\$160.00
1	2021 800XG Bev Unit	\$160.00
1	2021 Shuttle 4 Gas	\$160.00

Benefits to City of High Point w/ New Fleet: (No Price Change – Extending Current Contract)

- New 2021 Model TXT 48 Volt Electric Carts
- New 2021 Model TXT Gas Cart w/ EFI Engine (improved gas mileage)
- New Cushman Styling and Bev Insert
- USB Ports included standard for all Golf Carts

Brouillard, Dennis

From: Lohman, Amy L <amy.lohman@pnc.com>
Sent: Thursday, July 02, 2020 9:01 AM
To: Brouillard, Dennis
Cc: Sauermelch, Brian
Subject: Lease Documents - City of High Point
Attachments: City of High Point, NC 1163199-1 (1 of2).pdf; City of High Point, NC 1163199-1 (2 of2).pdf; City of High Point, NC 1163199-2 (1of2).pdf; City of High Point, NC 1163199-2 (2of2).pdf; MLA City of High Point.tiff

Hi Dennis,

Good Morning. Again my sincerest apologies for the delay. A few things to note with the paperwork:

The City has a master lease agreement on file and these are the new lease rental schedules for the replacements. Please note there are two copies of each lease schedule C. Both need to be printed, wet signed, and returned to us. Once the schedules are commenced (after cars are delivered), we will return the wet signed counterparts two's to the City for their records. This particular document package is not one we use any longer for a variety of reasons, but we were able to get legal's approval to do so after much discussion in hopes that this will also help the City expedite the process. They will notice on the new schedules that there is some added language in addendum form to compensate for changes in law over time. We have also attached the original Master Lease Agreement. The new schedules roll up to it, so the previously agreed upon changes are also still in effect.

As always, the cover letter enclosed details out what is included as well as what is needed.

Thank you kindly!

Amy Lohman

AVP – Account Executive
Golf Division

PNC Vendor Finance

995 Dalton Ave.
Cincinnati, OH 45203
513-455-9595 (office)
866-865-8318 (fax)
amy.lohman@pnc.com
www.pnc.com/ef

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<http://pages.e.pnc.com/globalunsub/>

PNC, 249 Fifth Avenue, Pittsburgh, PA 15222; pnc.com

July 1, 2020
City of High Point, NC
211 South Hamilton Street
High Point, NC 27260

RE: Lease Number 1163199-1

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

- **Lease Schedule C** - Please have the Authorized Signor execute both counterparts and provide their title. We will return counterpart 2 of 2 fully executed once the lease commences.
- **Final Receipt Certificate** - At the point of delivery, fill out this form and return the original to us. We will not be unable to disburse funds until we receive this signed form.
- **Payment Schedule A-1** - Please sign and provide the title of the signor.
- **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** - Please contact your insurer, prior to delivery, to obtain a certificate of insurance. Please enclose the certificate with the signed documentation.
- **CDD Addendum** - Please have the Authorized Signor execute the documents and provide their title.
- **Customer Information Form** - Please complete and return.
- **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: Brian Sauermelch 655 Business Center Dr, Horsham, PA 19044 in the postage paid envelope enclosed.

If you have any questions please contact me at brian.sauermelch@leaserv.com.

Sincerely,
Brian Sauermelch
Commercial Transaction Coordinator

LEASE SCHEDULE C**(NON-TAX-EXEMPT RENTAL WITH FMV PURCHASE OPTION)**

Dated as of July 1, 2020,

This Lease Schedule No. 1163199-1 (this "*Schedule*") relates to the Master Equipment Lease-Purchase Agreement referenced below and, together with the terms and conditions of the Master Lease incorporated herein by reference (subject to Paragraph 6 below), constitutes a Lease. Unless otherwise defined herein, capitalized terms will have the same meaning ascribed to them in the Master Lease. All terms and conditions of the Master Lease (except as otherwise provided in Paragraph 6 below) are incorporated herein by reference.

Master Equipment Lease-Purchase Agreement dated July 26, 2017.

1. *Equipment Description.* As used in the Lease, "*Equipment*" means all of the property described in the Payment Schedule attached to this Schedule and all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.
2. *Rent Payments; Lease Term.* The Rent Payments to be paid by Lessee to Lessor, the Commencement Date of this Lease and the Lease Term of this Lease are set forth on the Payment Schedule attached to this Schedule.
3. *Essential Use; Current Intent of Lessee.* Lessee represents that (a) the use of the Equipment is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens, (b) the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority and will not be used in a trade or business of any person or entity, and (c) the useful life of the Equipment is not less than the stated full Lease Term of this Lease. Lessee has determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future. Lessee currently intends for the full Lease Term: to use the Equipment; to continue this Lease; and to make Rent Payments so long as funds are appropriated by its governing body for the succeeding fiscal year.
4. *ACCEPTANCE OF EQUIPMENT.* AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT (a) LESSEE HAS RECEIVED AND INSPECTED ALL EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE IS"; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.
5. *Re-Affirmation of the Master Lease Representations, Warranties and Covenants.* Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Lease (particularly Sections 6.1 and 16 thereof) are true and correct as though made on the date of execution of this Schedule.

6. *Override of Certain Master Lease Provisions.* Notwithstanding any provision in the Master Lease to the contrary:
- (a) Lessee does not acquire or purchase ownership of the Equipment pursuant to this Lease, but is renting the use of the Equipment during the term of this Lease subject to the purchase option herein granted;
 - (b) Rent Payments under this Lease do not include the accrual of an interest portion;
 - (c) Lessor shall be solely responsible to pay the Purchase Price with respect to the Equipment subject to this Lease and shall not be obligated to reimburse Lessee for all or any portion of such Purchase Price;
 - (d) Title to all Equipment under this Lease is vested in Lessor, subject to Lessee's rights under this Lease (including the purchase option herein granted); and
 - (e) Paragraph 15 of the Master Lease shall not be incorporated into, or constitute a portion of, this Lease.
7. *Delivery of Equipment to Lessor on Final Rent Payment Date.* Unless Lessee exercises its option in accordance with Paragraph 8 of this Schedule, Lessee shall deliver the Equipment to or at the direction of Lessor on the Final Rent Payment Date in accordance with Section 21 of the Master Lease (as incorporated by reference into this Lease), after which Lessee shall have no further right, title or interest in or to the Equipment.
8. *Purchase Option.* (a) For good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and so long as no default shall have occurred and be continuing, Lessee may, at Lessee's option, purchase the Equipment leased pursuant to this Lease on an "as is, where is" basis, without representation or warranty, express or implied, at the end of the Initial Term at a price equal to the Fair Market Value thereof, plus applicable taxes. "Fair Market Value" shall be equal to the value which would be obtained in an arms-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion to sell, and in such determination, costs of removal of the Equipment from its location of current use shall not be a deduction from such value. If Lessee and Lessor cannot agree on the Fair Market Value thereof, such value shall be determined by appraisal at the sole expense of Lessee. Appraisal shall be a procedure whereby two recognized independent appraisers, one chosen by Lessee and one by Lessor, shall mutually agree upon the amount in question. If the appraisers are unable to agree upon the amount in question, a third recognized independent appraisers' evaluation shall be binding and conclusive on Lessee and Lessor.

If Lessee desires to exercise the option herein granted, Lessee shall deliver written notice to Lessor stating that Lessee thereby exercises such option for purchase to be effective and payable on the Final Rent Payment Date, which notice shall be delivered by Lessee to Lessor at least one hundred twenty (120) days prior to the Final Rent Payment Date. If Lessor has received such notice of exercise but has not received payment in full of the

Purchase Option Price on or before the Final Rent Payment Date, Lessee shall be deemed to have elected not to purchase the Equipment subject to this Lease, in which event Lessee shall be required to deliver the Equipment to Lessor in accordance with Section 21 of the Master Lease (as incorporated by reference in this Lease).

(b) Lessee's purchase option granted in this Paragraph 8 shall be and is expressly subject and subordinate to Lessor's right, title and interest in and to the Equipment and its rights as Lessor under this Lease.

(c) Upon satisfaction of the conditions specified in this Paragraph 8 for Lessee's purchase of the Equipment subject to this Lease, Lessor shall transfer, "as-is, where-is," without recourse or warranty, express or implied, of any kind whatsoever, all of Lessor's right, title and interest in and to such Equipment to Lessee.

(d) As used herein, (i) "Final Rent Payment Date" means _____.

City of High Point, NC,
as Lessee

PNC Equipment Finance, LLC,
as Lessor

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Counterpart No. 1 of 2 manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

PAYMENT SCHEDULE A-1

Attached to and made a part of that certain Lease Schedule No. 1163199-1 dated as of July 1, 2020 by and between PNC Equipment Finance, LLC, as lessor, and City of High Point, NC, as lessee.

Commencement Date: _____

1. EQUIPMENT LOCATION & DESCRIPTION:

Quantity	Description	Equipment Location	Serial No.
1	Shuttle 2+2	211 South Hamilton Street High Point, NC 27260	
1	Cushman 800XG Beverage	211 South Hamilton Street High Point, NC 27260	
1	Cushman 800XG Picker	211 South Hamilton Street High Point, NC 27260	

Together with all attachments, tooling, accessories, appurtenances, and additions thereto.

2. LEASE PAYMENT SCHEDULE:

- (a) Number of Rent Payments: 36 months
- (b) Rent Payment cycle: Monthly
- (c) Rent Payment commences on: _____
- (d) Amount of Rent Payments: \$480.00, plus applicable taxes

CITY OF HIGH POINT, NC,
as Lessee

PNC Equipment Finance, LLC,
as Lessor

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CERTIFICATE OF INCUMBENCY

I, the undersigned, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of City of High Point, NC ("*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 Lessee holding the offices set forth opposite their respective names and are authorized on behalf of Lessee to enter into that certain Master Equipment Lease-Purchase Agreement dated July 26, 2017 (the "*Master Lease*") and separate Lease Schedules relating thereto from time to time as provided in the Master Lease (collectively, the "*Schedules*"), each between Lessee and PNC Equipment Finance, LLC, as lessor.

Name	Title	Signature
Name	Title	Signature
Name	Title	Signature

IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of Lessee on this ____ day of _____, 20__.

LESSEE: City of High Point, NC

[SEAL]

(Secretary/Clerk)

Print Name: _____

Official Title: _____

(other than the person signing the documents)

FORM OF OPINION OF LESSEE'S COUNSEL**(PLEASE FURNISH THIS TEXT ON ATTORNEY'S LETTERHEAD)**

July 1, 2020

PNC Equipment Finance, LLC
655 Business Center Drive, Suite 250
Horsham, PA 19044

Re: Master Equipment Lease-Purchase Agreement
dated July 26, 2017 and Lease Schedules thereto

Ladies and Gentlemen:

As counsel for City of High Point, NC ("*Lessee*"), I have examined the Master Equipment Lease-Purchase Agreement duly executed by Lessee and dated July 26, 2017 (the "*Master Lease*"), which has been incorporated by reference into Lease Schedule No. 1163199-1 dated July 1, 2020 (the "*Original Lease Schedule*"), each between Lessee and PNC Equipment Finance, LLC, as lessor ("*Lessor*"), the *Schedule A-1* attached to the Original Lease Schedule (the "*Original Payment Schedule*") and the proceedings taken by the governing body of Lessee to authorize on behalf of Lessee the execution and delivery of the Master Lease, the Original Lease Schedule, the Original Payment Schedule and all additional lease schedules and related payment schedules to be entered into pursuant to the Master Lease (each of which is herein referred to as an "*Additional Lease Schedule*") and to be executed and delivered by the same authorized officers on behalf of Lessee in substantially the same manner and in substantially the same form as the Original Lease Schedule. The Original Lease Schedule, which incorporates by reference the terms and conditions of the Master Lease, and the related Original Payment Schedule are herein collectively referred to as the "*Lease*." Any Additional Lease Schedule, which incorporates by reference the terms and conditions of the Master Lease, and the related payment schedule are herein collectively referred to as an "*Additional Lease*."

Based upon the foregoing examination and upon an examination of such other documents and matters of law as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is duly organized and legally existing as a political subdivision, municipal corporation or similar public entity under the Constitution and laws of the State of North Carolina with full power and authority to enter into, and perform its obligations under, the Lease and each Additional Lease.

2. The Lease and each Additional Lease have each been duly authorized and have been or, with respect to each Additional Lease, will be, duly executed and delivered by Lessee. Assuming due authorization, execution and delivery thereof by Lessor, the Lease constitutes, and each Additional Lease will constitute, the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with their respective terms, except to the extent limited by State and federal law affecting creditor's remedies and by bankruptcy, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights.
3. Lessee has complied with any applicable property acquisition laws and public bidding requirements in connection with the Lease, each Additional Lease and the transactions contemplated thereby.
4. To the best of my knowledge, there is no litigation or proceeding pending or threatened before any court, administrative agency or governmental body that challenges: the organization or existence of Lessee; the authority of its officers; the proper authorization, approval and execution of the Lease, any Additional Lease or any documents relating thereto; the appropriation of monies to make payments under the Lease or any Additional Lease; or the ability of Lessee otherwise to perform its obligations under the Lease or any Additional Lease and the transactions contemplated thereby.
5. The resolution adopted by Lessee's governing body authorizing the execution and delivery of the Master Lease, the Original Lease Schedule, the Additional Lease Schedules and certain other matters was adopted at a meeting that was held in compliance with all applicable laws relating to the holding of open and public meetings.
6. The entering into and performance of the Lease and each Additional Lease do not and will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment (as such term is defined in the Master Lease) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound.
7. The correct legal name of Lessee for purposes of the Uniform Commercial Code in effect in the State is City of High Point, NC.

This opinion may be relied upon by purchasers and assignees of Lessor's interests in the Lease and each Additional Lease.

Very truly yours,

Attorney

**FORM OF
AUTHORIZING RESOLUTION/EXTRACT OF MINUTES**

At a duly called meeting of the governing body of City of High Point, NC, held in accordance with all applicable legal requirements, including open meeting laws, on the ____ day of _____ 20____, the following resolution was introduced and adopted:

A RESOLUTION OF THE GOVERNING BODY OF CITY OF HIGH POINT, NC AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT WITH PNC EQUIPMENT FINANCE, LLC, AS LESSOR, AND SEPARATE LEASE SCHEDULES THERETO FOR THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT WITHIN THE TERMS HEREIN PROVIDED; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, City of High Point, NC (the "*Lessee*"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State/Commonwealth of North Carolina is authorized by the laws of the State/Commonwealth of North Carolina 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, the governing body of the Lessee (the "*Board*") has determined that a true and very real need exists for the acquisition, purchase and financing of certain property consisting of Golf Cars and Shuttles (collectively, the "*Equipment*") on the terms herein provided; and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into that certain Master Equipment Lease-Purchase Agreement (the "*Master Lease*") with PNC Equipment Finance, LLC, as lessor (the "*Lessor*"), substantially in the proposed form presented to the Board at this meeting, and separate Lease Schedules thereto substantially in the form attached to the Master Lease; and

WHEREAS, the Board deems it for the benefit of the Lessee and the efficient and effective administration thereof to enter into the Master Lease and the separate Lease Schedules relating thereto from time to time as provided in the Master Lease for the purchase, acquisition, financing and leasing of the Equipment to be therein more specifically described on the terms and conditions provided therein and herein;

NOW, THEREFORE, BE IT AND IT IS HERBY RESOLVED BY THE GOVERNING BODY OF THE LESSEE AS FOLLOWS:

Section 1. It is hereby found and determined that the terms of the Master Lease (including the form of Lease Schedule and Payment Schedule attached thereto), in the form presented to this meeting, are in the best interests of the Lessee for the acquisition, purchase, financing and leasing of the Equipment.

Section 2. The form, terms and provisions of the Master Lease (including the form of Lease Schedule and Payment Schedule attached thereto) are hereby approved in the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the _____ [insert title of officials] of the Lessee (the "Authorized Officers") executing the same, the execution of such documents being conclusive evidence of such approval. The Authorized Officers of the Lessee are each hereby authorized and directed to sign and deliver the Master Lease, each Lease Schedule thereto, each Payment Schedule relating thereto and any related exhibits attached thereto if and when required; *provided, however*, that, without further authorization from the governing body of the Lessee, (a) the aggregate amount of the Rent Payments under all Leases entered into pursuant to the Master Lease shall not exceed \$17,280.00, and (b) the maximum term under any Lease entered into pursuant to the Master Lease shall not exceed 36 months. The Authorized Officers may sign and deliver Leases to the Lessor on behalf of the Lessee pursuant to the Master Lease on such terms and conditions as they shall determine are in the best interests of the Lessee up to the maximum aggregate amount of the Rent Payments and the maximum term provided above. The foregoing authorization shall remain in effect for a period of three years from the date hereof during which the Authorized Officers are authorized to sign and deliver Leases pursuant to the Master Lease on the terms and conditions herein provided and to be provided in each such Lease.

Section 3. The Authorized Officers and other officers and employees of the Lessee shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Master Lease and each Lease Schedule (including, but not limited to, the execution and delivery of the certificates contemplated therein, including appropriate arbitrage certifications) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Master Lease and each Lease Schedule.

Section 4. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the Board of the Lessee this _____, 20____.

The undersigned further certifies that the above Resolution has not been repealed or amended and remains in full force and effect and further certifies that the Master Lease (including the form of Lease Schedule and Payment Schedule attached thereto) are the same as presented at said meeting of the governing body of Lessee, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same.

Date: _____ 20__

[SEAL]

(Secretary/Clerk)

INSURANCE COVERAGE DISCLOSURE**PNC Equipment Finance, LLC, LESSOR****City of High Point, NC, LESSEE****RE: INSURANCE COVERAGE REQUIREMENTS**

2. In accordance with the Lease Schedule dated July 1, 2020, to the Master Equipment Lease-Purchase Agreement dated July 26, 2017 and identified in the Lease Schedule, Lessee certifies that it has instructed the insurance agent named below (please fill in name, address and telephone number):

to issue:

- a. All Risk Physical Damage Insurance on the leased Equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming PNC Equipment Finance, LLC and/or its assigns as Lender Loss Payee.

Coverage Required: Full insurable value on a 100% replacement cost basis.

2. Public Liability Insurance evidenced by a Certificate of Insurance naming PNC Equipment Finance, LLC and/or its assigns as an Additional Insured.

Minimum Coverage Required:

\$1,000,000.00 per person
 \$2,000,000.00 aggregate bodily injury liability
 \$1,000,000.00 property damage liability

Proof of insurance coverage will be provided to PNC Equipment Finance, LLC, 655 Business Center Drive, Suite 250 Horsham, PA 19044, prior to the time that the property is delivered to Lessee.

OR

2. Pursuant to the Master Lease, Lessee represents and warrants, in addition to other matters under the Lease, that it is lawfully self-insured as more fully described in the attached letter.

LESSEE: City of High Point, NC

By _____

Name: _____ Title: _____

SELF-INSURANCE LETTER**[TO BE TYPED ON LESSEE'S LETTERHEAD]**

July 1, 2020

PNC Equipment Finance, LLC
655 Business Center Drive, Suite 250
Horsham, PA 19044

Re: Master Equipment Lease-Purchase Agreement
dated as of July 26, 2017 and Lease Schedule thereto dated July 1, 2020

Ladies and Gentlemen:

Under the above-referenced Lease Schedule, City of High Point, NC, as lessee ("*Lessee*"), is required to maintain certain insurance policies with respect to the Equipment subject thereto, *provided* that insurance policies are not required if Lessee has an actuarially sound self-insurance program that is acceptable to PNC Equipment Finance, LLC. This letter is for the purpose of describing Lessee's self-insurance program.

[Describe self-insurance program for property damage - whether a self-insurance fund or contingency fund is maintained; and whether there is an excess policy in which case an insurance authorization letter must be attached.]

[Describe self-insurance program for public liability risks - whether a self-insurance fund or contingency fund is maintained; whether the Lessee's public liability exposure is capped pursuant to a Tort Claims Act; and whether the Lessee maintains an excess liability policy, in which case an insurance authorization letter must be attached.]

Please do not hesitate to contact me if you have any questions concerning the self-insurance described in this letter.

Very truly yours,

City of High Point, NC, as Lessee

By: _____
Name: _____
Title: _____

INSURANCE INFORMATION

Please provide the following information to your insurance company to help expedite receipt of the necessary coverage:

ITEMS WHICH NEED TO BE REFLECTED ON INSURANCE CERTIFICATE:

- PNC EQUIPMENT FINANCE, LLC MUST BE NAMED LENDER LOSS PAYEE AND ADDITIONAL INSURED
- 30 Days Notice of Cancellation
- Not Less than \$2,000,000.00 limits on liability
- Certificate must reflect a short equipment description
- Certificate must reflect an expiration date

Certificate Holder Information:

PNC Equipment Finance, LLC
its successors and/or all assigns
655 Business Center Drive, Suite 250
Horsham, PA 19044

Please send copy of certificate to Brian Sauermelch at Brian.sauermelch@leaserv.com

The original should be mailed to the same at:

PNC Equipment Finance, LLC
655 Business Center Drive, Suite 250
Horsham, PA 19044

FINAL RECEIPT CERTIFICATE

LEASE SCHEDULE NO. 1163199-1

Dated: July 1, 2020

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease-Purchase Agreement ("Master Lease") identified in said Lease Schedule, which have been executed and delivered by the undersigned Lessee ("Lessee") and PNC Equipment Finance, LLC ("Lessor"). This Certificate amends and supplements the terms and conditions of the Lease Schedule and is hereby made a part of the Lease Schedule. Unless otherwise defined herein, capitalized terms defined herein, capitalized terms defined in the Master Lease or the Lease Schedule shall have the same meaning when used herein.

Notwithstanding anything to the contrary, express or implied, in the Master Lease (including the Schedules attached thereto), Lessee agrees as follows:

1. **ACCEPTANCE OF EQUIPMENT.** AS OF THE ACCEPTANCE DATE STATED BELOW AND AS BETWEEN LESSEE AND LESSOR, LESSEE HEREBY AGREES THAT: (A) LESSEE HAS RECEIVED AND INSPECTED ALL OF THE EQUIPMENT DESCRIBED IN THE LEASE SCHEDULE ("EQUIPMENT"); (B) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATION; (C) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (D) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.

ACCEPTANCE DATE: _____

2. **RENT PAYMENTS.** LESSEE HEREBY CONFIRMS THAT LESSEE WILL COMMENCE PAYMENT OF THE RENT PAYMENTS FOR THE EQUIPMENT IN THE AMOUNTS SPECIFIED IN LEASE SCHEDULE WITH THE FIRST RENT PAYMENT BEING DUE ON _____.

City of High Point, NC,
("Lessee")

By: _____

Title: _____

Addendum to Master Lease Agreement

This Addendum to Master Lease Agreement dated as of July 1, 2020, is made to that certain Master Lease Agreement dated July 26, 2017, together with any prior amendments, (collectively, "**Agreement**") entered into between PNC Equipment Finance, LLC, a Delaware limited liability company ("**Lessor**"), with an office located at 655 Business Center Drive, Suite 250, Horsham, PA 19044 and CITY OF HIGH POINT, NC, with its principal office located at 211 SOUTH HAMILTON ST HIGH POINT, NC 27260, ("**Lessee**").

Preliminary Statement

Lessor and Lessee agree to include a Beneficial Ownership Certification provision and an Electronic Signatures and Records provision in the Agreement.

Agreement

In consideration of the foregoing, it is agreed that the Agreement is amended as follows:

1. **AMENDMENT:** The Agreement is amended by adding the following provisions as Sections ____ and ____

"____. **BENEFICIAL OWNERSHIP CERTIFICATION:** Lessee represents and warrants, as of the date hereof, and as of the date of execution of each Rental Schedule hereunder, that the information in the Certification of Beneficial Owner(s) ("**Certification of Beneficial Owners**") executed and delivered to Lessor on or prior to the date of this Agreement, if any, as updated from time to time in accordance with this Agreement, is true, complete and correct as of the date hereof and as of the date any such update is delivered. Lessee agrees that from the date of execution of this Agreement until this Agreement and all Rental Schedules have been terminated, Lessee will provide: (i) confirmation of the accuracy of the information set forth in the most recent Certification of Beneficial Owners provided to Lessor, as and when requested by Lessor; (ii) a new Certification of Beneficial Owners in form and substance acceptable to Lessor when the individual(s) identified as a controlling party and/or a direct or indirect individual owner on the most recent Certification of Beneficial Owners provided to Lessor have changed; and (iii) such other information and documentation as may reasonably be requested by Lessor from time to time for purposes of compliance by Lessor with applicable laws (including without limitation the USA Patriot Act and other "know your customer" and anti-money laundering rules and regulations), and any policy or procedure implemented by Lessor to comply therewith.



____. **ELECTRONIC SIGNATURES AND RECORDS:** Notwithstanding any other provision herein, the Lessee agrees that this Agreement, the Rental Schedules, any amendments thereto, and any other information, notice, signature card, agreement or authorization related thereto (each, a "**Communication**") may, at Lessor's option, be in the form of an electronic record. Any Communication may, at Lessor's option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by Lessor of a manually-signed, paper Communication which has been converted into electronic form (such as a scanned into PDF format) for transmission, delivery and/or retention."

2. **REAFFIRMATION:** Except as otherwise provided herein, the remaining terms and provisions of the Agreement are hereby ratified and reaffirmed. The Addendum only applies prospectively from the date of this Addendum stated above.

The foregoing Addendum has been duly executed by the authorized officers of the undersigned as of the day and year first set forth above.

Lessor: PNC Equipment Finance, LLC

Lessee: CITY OF HIGH POINT, NC

Signature: 	Signature: 
Print Name:	Print Name:
Title:	Title:
Date:	Date:



Lease # 1163199-1

Please provide the following information. By providing such information, you will enable us to ensure prompt payment of your vendor and the correct processing of your lease transaction.

Thank you.

Lessee Information

Full Business Legal Name: CITY OF HIGH POINT, NC		Federal Tax ID Number: 566000231	
Invoices should be directed to:	Attention:		
Address	City:	State:	Zip:

Preferred Method of Payment: (Please check)

<input type="checkbox"/> Monthly Invoice (Mail)		
Invoices should be directed to:	Attention:	
Address	City:	
	Email:	
<input type="checkbox"/> Monthly Invoice (Email)		
Billing Contact:		

Contact Information

In order to verify receipt of equipment and review terms and conditions of the lease, please provide contact information for one or more staff that can assist in this process.

Contact 1:	Phone:
Email:	
Contact 2:	Phone:
Email:	

I hereby attest the above information is accurate.

Signature 	Date
Email:	



July 1, 2020

City of High Point, NC
211 South Hamilton Street
High Point, NC 27260

RE: Lease Number 1163199-2

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

- **Lease Schedule C** - Please have the Authorized Signor execute both counterparts and provide their title. We will return counterpart 2 of 2 fully executed once the lease commences.
- **Final Receipt Certificate** - At the point of delivery, fill out this form and return the original to us. We will not be unable to disburse funds until we receive this signed form.
- **Payment Schedule A-1** - Please sign and provide the title of the signor.
- **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** - Please contact your insurer, prior to delivery, to obtain a certificate of insurance. Please enclose the certificate with the signed documentation.
- **CDD Addendum** - Please have the Authorized Signor execute the documents and provide their title.
- **Customer Information Form** - Please complete and return.
- **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: Brian Sauermelch 655 Business Center Dr, Horsham, PA 19044 in the postage paid envelope enclosed.

If you have any questions please contact me at brian.sauermelch@leaserv.com.

Sincerely,
Brian Sauermelch
Commercial Transaction Coordinator

LEASE SCHEDULE C**(NON-TAX-EXEMPT RENTAL WITH FMV PURCHASE OPTION)**

Dated as of July 1, 2020,

This Lease Schedule No. 1163199-2 (this "*Schedule*") relates to the Master Equipment Lease-Purchase Agreement referenced below and, together with the terms and conditions of the Master Lease incorporated herein by reference (subject to Paragraph 6 below), constitutes a Lease. Unless otherwise defined herein, capitalized terms will have the same meaning ascribed to them in the Master Lease. All terms and conditions of the Master Lease (except as otherwise provided in Paragraph 6 below) are incorporated herein by reference.

Master Equipment Lease-Purchase Agreement dated July 26, 2017.

1. *Equipment Description.* As used in the Lease, "*Equipment*" means all of the property described in the Payment Schedule attached to this Schedule and all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.
2. *Rent Payments; Lease Term.* The Rent Payments to be paid by Lessee to Lessor, the Commencement Date of this Lease and the Lease Term of this Lease are set forth on the Payment Schedule attached to this Schedule.
3. *Essential Use; Current Intent of Lessee.* Lessee represents that (a) the use of the Equipment is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens, (b) the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority and will not be used in a trade or business of any person or entity, and (c) the useful life of the Equipment is not less than the stated full Lease Term of this Lease. Lessee has determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future. Lessee currently intends for the full Lease Term: to use the Equipment; to continue this Lease; and to make Rent Payments so long as funds are appropriated by its governing body for the succeeding fiscal year.
4. *ACCEPTANCE OF EQUIPMENT.* AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT (a) LESSEE HAS RECEIVED AND INSPECTED ALL EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE IS"; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.
5. *Re-Affirmation of the Master Lease Representations, Warranties and Covenants.* Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Lease (particularly Sections 6.1 and 16 thereof) are true and correct as though made on the date of execution of this Schedule.

6. *Override of Certain Master Lease Provisions.* Notwithstanding any provision in the Master Lease to the contrary:
- (a) Lessee does not acquire or purchase ownership of the Equipment pursuant to this Lease, but is renting the use of the Equipment during the term of this Lease subject to the purchase option herein granted;
 - (b) Rent Payments under this Lease do not include the accrual of an interest portion;
 - (c) Lessor shall be solely responsible to pay the Purchase Price with respect to the Equipment subject to this Lease and shall not be obligated to reimburse Lessee for all or any portion of such Purchase Price;
 - (d) Title to all Equipment under this Lease is vested in Lessor, subject to Lessee's rights under this Lease (including the purchase option herein granted); and
 - (e) Paragraph 15 of the Master Lease shall not be incorporated into, or constitute a portion of, this Lease.
7. *Delivery of Equipment to Lessor on Final Rent Payment Date.* Unless Lessee exercises its option in accordance with Paragraph 8 of this Schedule, Lessee shall deliver the Equipment to or at the direction of Lessor on the Final Rent Payment Date in accordance with Section 21 of the Master Lease (as incorporated by reference into this Lease), after which Lessee shall have no further right, title or interest in or to the Equipment.
8. *Purchase Option.* (a) For good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, and so long as no default shall have occurred and be continuing, Lessee may, at Lessee's option, purchase the Equipment leased pursuant to this Lease on an "as is, where is" basis, without representation or warranty, express or implied, at the end of the Initial Term at a price equal to the Fair Market Value thereof, plus applicable taxes. "Fair Market Value" shall be equal to the value which would be obtained in an arms-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion to sell, and in such determination, costs of removal of the Equipment from its location of current use shall not be a deduction from such value. If Lessee and Lessor cannot agree on the Fair Market Value thereof, such value shall be determined by appraisal at the sole expense of Lessee. Appraisal shall be a procedure whereby two recognized independent appraisers, one chosen by Lessee and one by Lessor, shall mutually agree upon the amount in question. If the appraisers are unable to agree upon the amount in question, a third recognized independent appraisers' evaluation shall be binding and conclusive on Lessee and Lessor.

If Lessee desires to exercise the option herein granted, Lessee shall deliver written notice to Lessor stating that Lessee thereby exercises such option for purchase to be effective and payable on the Final Rent Payment Date, which notice shall be delivered by Lessee to Lessor at least one hundred twenty (120) days prior to the Final Rent Payment Date. If Lessor has received such notice of exercise but has not received payment in full of the

Purchase Option Price on or before the Final Rent Payment Date, Lessee shall be deemed to have elected not to purchase the Equipment subject to this Lease, in which event Lessee shall be required to deliver the Equipment to Lessor in accordance with Section 21 of the Master Lease (as incorporated by reference in this Lease).

(b) Lessee's purchase option granted in this Paragraph 8 shall be and is expressly subject and subordinate to Lessor's right, title and interest in and to the Equipment and its rights as Lessor under this Lease.

(c) Upon satisfaction of the conditions specified in this Paragraph 8 for Lessee's purchase of the Equipment subject to this Lease, Lessor shall transfer, "as-is, where-is," without recourse or warranty, express or implied, of any kind whatsoever, all of Lessor's right, title and interest in and to such Equipment to Lessee.

(d) As used herein, (i) "Final Rent Payment Date" means _____.

City of High Point, NC,
as Lessee

PNC Equipment Finance, LLC,
as Lessor

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Counterpart No. 1 of 2 manually executed and serially numbered counterparts. To the extent that this Lease constitutes chattel paper (as defined in the Uniform Commercial Code), no security or ownership interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

PAYMENT SCHEDULE A-1

Attached to and made a part of that certain Lease Schedule No. 1163199-2 dated as of July 1, 2020 by and between PNC Equipment Finance, LLC, as lessor, and City of High Point, NC, as lessee.

Commencement Date: _____

1. EQUIPMENT LOCATION & DESCRIPTION:

Quantity	Description	Equipment Location	Serial No.
2	TXT Gas Freedom	211 South Hamilton Street High Point, NC 27260	
120	TXT 48V	211 South Hamilton Street High Point, NC 27260	

Together with all attachments, tooling, accessories, appurtenances, and additions thereto.

2. LEASE PAYMENT SCHEDULE:

- (a) Number of Rent Payments: 36 months
- (b) Rent Payment cycle: Monthly
- (c) Rent Payment commences on: _____
- (d) Amount of Rent Payments: \$9,895.42, plus applicable taxes

CITY OF HIGH POINT, NC,
as Lessee

PNC Equipment Finance, LLC,
as Lessor

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CERTIFICATE OF INCUMBENCY

I, the undersigned, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of City of High Point, NC ("*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 Lessee holding the offices set forth opposite their respective names and are authorized on behalf of Lessee to enter into that certain Master Equipment Lease-Purchase Agreement dated July 26, 2017 (the "*Master Lease*") and separate Lease Schedules relating thereto from time to time as provided in the Master Lease (collectively, the "*Schedules*"), each between Lessee and PNC Equipment Finance, LLC, as lessor.

Name	Title	Signature
Name	Title	Signature
Name	Title	Signature

IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of Lessee on this ____ day of _____, 20__.

LESSEE: City of High Point, NC

[SEAL]

(Secretary/Clerk)

Print Name: _____

Official Title: _____

(other than the person signing the documents)

FORM OF OPINION OF LESSEE'S COUNSEL**(PLEASE FURNISH THIS TEXT ON ATTORNEY'S LETTERHEAD)**

July 1, 2020

PNC Equipment Finance, LLC
655 Business Center Drive, Suite 250
Horsham, PA 19044

Re: Master Equipment Lease-Purchase Agreement
dated July 26, 2017 and Lease Schedules thereto

Ladies and Gentlemen:

As counsel for City of High Point, NC ("*Lessee*"), I have examined the Master Equipment Lease-Purchase Agreement duly executed by Lessee and dated July 26, 2017 (the "*Master Lease*"), which has been incorporated by reference into Lease Schedule No. 1163199-2 dated July 1, 2020 (the "*Original Lease Schedule*"), each between Lessee and PNC Equipment Finance, LLC, as lessor ("*Lessor*"), the *Schedule A-1* attached to the Original Lease Schedule (the "*Original Payment Schedule*") and the proceedings taken by the governing body of Lessee to authorize on behalf of Lessee the execution and delivery of the Master Lease, the Original Lease Schedule, the Original Payment Schedule and all additional lease schedules and related payment schedules to be entered into pursuant to the Master Lease (each of which is herein referred to as an "*Additional Lease Schedule*") and to be executed and delivered by the same authorized officers on behalf of Lessee in substantially the same manner and in substantially the same form as the Original Lease Schedule. The Original Lease Schedule, which incorporates by reference the terms and conditions of the Master Lease, and the related Original Payment Schedule are herein collectively referred to as the "*Lease*." Any Additional Lease Schedule, which incorporates by reference the terms and conditions of the Master Lease, and the related payment schedule are herein collectively referred to as an "*Additional Lease*."

Based upon the foregoing examination and upon an examination of such other documents and matters of law as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is duly organized and legally existing as a political subdivision, municipal corporation or similar public entity under the Constitution and laws of the State of North Carolina with full power and authority to enter into, and perform its obligations under, the Lease and each Additional Lease.

2. The Lease and each Additional Lease have each been duly authorized and have been or, with respect to each Additional Lease, will be, duly executed and delivered by Lessee. Assuming due authorization, execution and delivery thereof by Lessor, the Lease constitutes, and each Additional Lease will constitute, the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with their respective terms, except to the extent limited by State and federal law affecting creditor's remedies and by bankruptcy, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights.
3. Lessee has complied with any applicable property acquisition laws and public bidding requirements in connection with the Lease, each Additional Lease and the transactions contemplated thereby.
4. To the best of my knowledge, there is no litigation or proceeding pending or threatened before any court, administrative agency or governmental body that challenges: the organization or existence of Lessee; the authority of its officers; the proper authorization, approval and execution of the Lease, any Additional Lease or any documents relating thereto; the appropriation of monies to make payments under the Lease or any Additional Lease; or the ability of Lessee otherwise to perform its obligations under the Lease or any Additional Lease and the transactions contemplated thereby.
5. The resolution adopted by Lessee's governing body authorizing the execution and delivery of the Master Lease, the Original Lease Schedule, the Additional Lease Schedules and certain other matters was adopted at a meeting that was held in compliance with all applicable laws relating to the holding of open and public meetings.
6. The entering into and performance of the Lease and each Additional Lease do not and will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment (as such term is defined in the Master Lease) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound.
7. The correct legal name of Lessee for purposes of the Uniform Commercial Code in effect in the State is City of High Point, NC.

This opinion may be relied upon by purchasers and assignees of Lessor's interests in the Lease and each Additional Lease.

Very truly yours,

Attorney

**FORM OF
AUTHORIZING RESOLUTION/EXTRACT OF MINUTES**

At a duly called meeting of the governing body of City of High Point, NC, held in accordance with all applicable legal requirements, including open meeting laws, on the ____ day of _____ 20 ____, the following resolution was introduced and adopted:

A RESOLUTION OF THE GOVERNING BODY OF CITY OF HIGH POINT, NC AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT WITH PNC EQUIPMENT FINANCE, LLC, AS LESSOR, AND SEPARATE LEASE SCHEDULES THERETO FOR THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT WITHIN THE TERMS HEREIN PROVIDED; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THERewith; AND AUTHORIZING ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, City of High Point, NC (the "*Lessee*"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State/Commonwealth of North Carolina is authorized by the laws of the State/Commonwealth of North Carolina 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, the governing body of the Lessee (the "*Board*") has determined that a true and very real need exists for the acquisition, purchase and financing of certain property consisting of Golf Cars and Shuttles (collectively, the "*Equipment*") on the terms herein provided; and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into that certain Master Equipment Lease-Purchase Agreement (the "*Master Lease*") with PNC Equipment Finance, LLC, as lessor (the "*Lessor*"), substantially in the proposed form presented to the Board at this meeting, and separate Lease Schedules thereto substantially in the form attached to the Master Lease; and

WHEREAS, the Board deems it for the benefit of the Lessee and the efficient and effective administration thereof to enter into the Master Lease and the separate Lease Schedules relating thereto from time to time as provided in the Master Lease for the purchase, acquisition, financing and leasing of the Equipment to be therein more specifically described on the terms and conditions provided therein and herein;

NOW, THEREFORE, BE IT AND IT IS HERBY RESOLVED BY THE GOVERNING BODY OF THE LESSEE AS FOLLOWS:

Section 1. It is hereby found and determined that the terms of the Master Lease (including the form of Lease Schedule and Payment Schedule attached thereto), in the form presented to this meeting, are in the best interests of the Lessee for the acquisition, purchase, financing and leasing of the Equipment.

Section 2. The form, terms and provisions of the Master Lease (including the form of Lease Schedule and Payment Schedule attached thereto) are hereby approved in the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the _____ [insert title of officials] of the Lessee (the "Authorized Officers") executing the same, the execution of such documents being conclusive evidence of such approval. The Authorized Officers of the Lessee are each hereby authorized and directed to sign and deliver the Master Lease, each Lease Schedule thereto, each Payment Schedule relating thereto and any related exhibits attached thereto if and when required; *provided, however*, that, without further authorization from the governing body of the Lessee, (a) the aggregate amount of the Rent Payments under all Leases entered into pursuant to the Master Lease shall not exceed \$356,235.12, and (b) the maximum term under any Lease entered into pursuant to the Master Lease shall not exceed 36 months. The Authorized Officers may sign and deliver Leases to the Lessor on behalf of the Lessee pursuant to the Master Lease on such terms and conditions as they shall determine are in the best interests of the Lessee up to the maximum aggregate amount of the Rent Payments and the maximum term provided above. The foregoing authorization shall remain in effect for a period of three years from the date hereof during which the Authorized Officers are authorized to sign and deliver Leases pursuant to the Master Lease on the terms and conditions herein provided and to be provided in each such Lease.

Section 3. The Authorized Officers and other officers and employees of the Lessee shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Master Lease and each Lease Schedule (including, but not limited to, the execution and delivery of the certificates contemplated therein, including appropriate arbitrage certifications) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Master Lease and each Lease Schedule.

Section 4. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the Board of the Lessee this _____, 20__.

The undersigned further certifies that the above Resolution has not been repealed or amended and remains in full force and effect and further certifies that the Master Lease (including the form of Lease Schedule and Payment Schedule attached thereto) are the same as presented at said meeting of the governing body of Lessee, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same.

Date: _____ 20__

[SEAL]

(Secretary/Clerk)

INSURANCE COVERAGE DISCLOSURE**PNC Equipment Finance, LLC, LESSOR****City of High Point, NC, LESSEE****RE: INSURANCE COVERAGE REQUIREMENTS**

2. In accordance with the Lease Schedule dated July 1, 2020, to the Master Equipment Lease-Purchase Agreement dated July 26, 2017 and identified in the Lease Schedule, Lessee certifies that it has instructed the insurance agent named below (please fill in name, address and telephone number):

to issue:

- a. All Risk Physical Damage Insurance on the leased Equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming PNC Equipment Finance, LLC and/or its assigns as Lender Loss Payee.

Coverage Required: Full insurable value on a 100% replacement cost basis.

2. Public Liability Insurance evidenced by a Certificate of Insurance naming PNC Equipment Finance, LLC and/or its assigns as an Additional Insured.

Minimum Coverage Required:

\$1,000,000.00 per person
 \$2,000,000.00 aggregate bodily injury liability
 \$1,000,000.00 property damage liability

Proof of insurance coverage will be provided to PNC Equipment Finance, LLC, 655 Business Center Drive, Suite 250 Horsham, PA 19044, prior to the time that the property is delivered to Lessee.

OR

2. Pursuant to the Master Lease, Lessee represents and warrants, in addition to other matters under the Lease, that it is lawfully self-insured as more fully described in the attached letter.

LESSEE: City of High Point, NC

By _____

Name: _____ Title: _____

SELF-INSURANCE LETTER**[TO BE TYPED ON LESSEE'S LETTERHEAD]**

July 1, 2020

PNC Equipment Finance, LLC
655 Business Center Drive, Suite 250
Horsham, PA 19044

Re: Master Equipment Lease-Purchase Agreement
dated as of July 26, 2017 and Lease Schedule thereto dated July 1, 2020

Ladies and Gentlemen:

Under the above-referenced Lease Schedule, City of High Point, NC, as lessee ("*Lessee*"), is required to maintain certain insurance policies with respect to the Equipment subject thereto, *provided* that insurance policies are not required if Lessee has an actuarially sound self-insurance program that is acceptable to PNC Equipment Finance, LLC. This letter is for the purpose of describing Lessee's self-insurance program.

[Describe self-insurance program for property damage - whether a self-insurance fund or contingency fund is maintained; and whether there is an excess policy in which case an insurance authorization letter must be attached.]

[Describe self-insurance program for public liability risks - whether a self-insurance fund or contingency fund is maintained; whether the Lessee's public liability exposure is capped pursuant to a Tort Claims Act; and whether the Lessee maintains an excess liability policy, in which case an insurance authorization letter must be attached.]

Please do not hesitate to contact me if you have any questions concerning the self-insurance described in this letter.

Very truly yours,

City of High Point, NC, as Lessee

By: _____
Name: _____
Title: _____

INSURANCE INFORMATION

Please provide the following information to your insurance company to help expedite receipt of the necessary coverage:

ITEMS WHICH NEED TO BE REFLECTED ON INSURANCE CERTIFICATE:

- PNC EQUIPMENT FINANCE, LLC MUST BE NAMED LENDER LOSS PAYEE AND ADDITIONAL INSURED
- 30 Days Notice of Cancellation
- Not Less than \$2,000,000.00 limits on liability
- Certificate must reflect a short equipment description
- Certificate must reflect an expiration date

Certificate Holder Information:

PNC Equipment Finance, LLC
its successors and/or all assigns
655 Business Center Drive, Suite 250
Horsham, PA 19044

Please send copy of certificate to Brian Sauermelch at Brian.sauermelch@leaserv.com

The original should be mailed to the same at:

PNC Equipment Finance, LLC
655 Business Center Drive, Suite 250
Horsham, PA 19044

FINAL RECEIPT CERTIFICATE

LEASE SCHEDULE NO. 1163199-2

Dated: July 1, 2020

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease-Purchase Agreement ("Master Lease") identified in said Lease Schedule, which have been executed and delivered by the undersigned Lessee ("Lessee") and PNC Equipment Finance, LLC ("Lessor"). This Certificate amends and supplements the terms and conditions of the Lease Schedule and is hereby made a part of the Lease Schedule. Unless otherwise defined herein, capitalized terms defined herein, capitalized terms defined in the Master Lease or the Lease Schedule shall have the same meaning when used herein.

Notwithstanding anything to the contrary, express or implied, in the Master Lease (including the Schedules attached thereto), Lessee agrees as follows:

1. **ACCEPTANCE OF EQUIPMENT.** AS OF THE ACCEPTANCE DATE STATED BELOW AND AS BETWEEN LESSEE AND LESSOR, LESSEE HEREBY AGREES THAT: (A) LESSEE HAS RECEIVED AND INSPECTED ALL OF THE EQUIPMENT DESCRIBED IN THE LEASE SCHEDULE ("EQUIPMENT"); (B) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATION; (C) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (D) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.

ACCEPTANCE DATE: _____

2. **RENT PAYMENTS.** LESSEE HEREBY CONFIRMS THAT LESSEE WILL COMMENCE PAYMENT OF THE RENT PAYMENTS FOR THE EQUIPMENT IN THE AMOUNTS SPECIFIED IN LEASE SCHEDULE WITH THE FIRST RENT PAYMENT BEING DUE ON _____.

City of High Point, NC,
("Lessee")

By: _____

Title: _____



Lease # 1163199-2

Please provide the following information. By providing such information, you will enable us to ensure prompt payment of your vendor and the correct processing of your lease transaction.

Thank you.

Lessee Information

Full Business Legal Name: CITY OF HIGH POINT, NC		Federal Tax ID Number: 566000231	
Invoices should be directed to:		Attention:	
Address	City:	State:	Zip:

Preferred Method of Payment: (Please check)

<input type="checkbox"/> Monthly Invoice (Mail)		
Invoices should be directed to:		Attention:
Address	City:	
<input type="checkbox"/> Monthly Invoice (Email)		Email:
Billing Contact:		

Contact Information

In order to verify receipt of equipment and review terms and conditions of the lease, please provide contact information for one or more staff that can assist in this process.

Contact 1:	Phone:
Email:	
Contact 2:	Phone:
Email:	

I hereby attest the above information is accurate.

Signature 	Date
Email:	

Addendum to Master Lease Agreement

This Addendum to Master Lease Agreement dated as of July 1, 2020, is made to that certain Master Lease Agreement dated July 26, 2017, together with any prior amendments, (collectively, "**Agreement**") entered into between PNC Equipment Finance, LLC, a Delaware limited liability company ("**Lessor**"), with an office located at 655 Business Center Drive, Suite 250, Horsham, PA 19044 and CITY OF HIGH POINT, NC, with its principal office located at 211 SOUTH HAMILTON ST HIGH POINT, NC 27260, ("**Lessee**").

Preliminary Statement

Lessor and Lessee agree to include a Beneficial Ownership Certification provision and an Electronic Signatures and Records provision in the Agreement.

Agreement

In consideration of the foregoing, it is agreed that the Agreement is amended as follows:



1. **AMENDMENT:** The Agreement is amended by adding the following provisions as Sections ____ and ____

"____. **BENEFICIAL OWNERSHIP CERTIFICATION:** Lessee represents and warrants, as of the date hereof, and as of the date of execution of each Rental Schedule hereunder, that the information in the Certification of Beneficial Owner(s) ("**Certification of Beneficial Owners**") executed and delivered to Lessor on or prior to the date of this Agreement, if any, as updated from time to time in accordance with this Agreement, is true, complete and correct as of the date hereof and as of the date any such update is delivered. Lessee agrees that from the date of execution of this Agreement until this Agreement and all Rental Schedules have been terminated, Lessee will provide: (i) confirmation of the accuracy of the information set forth in the most recent Certification of Beneficial Owners provided to Lessor, as and when requested by Lessor; (ii) a new Certification of Beneficial Owners in form and substance acceptable to Lessor when the individual(s) identified as a controlling party and/or a direct or indirect individual owner on the most recent Certification of Beneficial Owners provided to Lessor have changed; and (iii) such other information and documentation as may reasonably be requested by Lessor from time to time for purposes of compliance by Lessor with applicable laws (including without limitation the USA Patriot Act and other "know your customer" and anti-money laundering rules and regulations), and any policy or procedure implemented by Lessor to comply therewith.

____. **ELECTRONIC SIGNATURES AND RECORDS:** Notwithstanding any other provision herein, the Lessee agrees that this Agreement, the Rental Schedules, any amendments thereto, and any other information, notice, signature card, agreement or authorization related thereto (each, a "**Communication**") may, at Lessor's option, be in the form of an electronic record. Any Communication may, at Lessor's option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by Lessor of a manually-signed, paper Communication which has been converted into electronic form (such as a scanned into PDF format) for transmission, delivery and/or retention."

2. **REAFFIRMATION:** Except as otherwise provided herein, the remaining terms and provisions of the Agreement are hereby ratified and reaffirmed. The Addendum only applies prospectively from the date of this Addendum stated above.

The foregoing Addendum has been duly executed by the authorized officers of the undersigned as of the day and year first set forth above.

Lessor: PNC Equipment Finance, LLC		Lessee: CITY OF HIGH POINT, NC	
Signature:		Signature:	
Print Name:		Print Name:	
Title:		Title:	
Date:		Date:	