



TOWN OF HAYMARKET TOWN COUNCIL

CONTINUATION MEETING ~ AGENDA ~

Denise Andrews, Interim Clerk
<http://www.townofhaymarket.org/>

15000 Washington St
Haymarket, VA 20169

Wednesday, March 15, 2017

6:00 PM

Council Chambers

1. Call to Order

2. Agenda Items

A. Discussion: Police Department Vehicle Lease

B. Enter into Closed Session

CLOSED SESSION PURSUANT TO 2.2-3711 A (1) Discussion of assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; specifically employees of the Town, and

Pursuant to 2.2-3711A (7) Consultation with legal counsel or briefing by staff about probable litigation involving a contract for services to the Town as consultation or briefing in open meeting would adversely affect the Town's negotiating or litigating posture.

C. Certification of the Closed Session

3. Adjournment



HAYMARKET POLICE DEPARTMENT



To: Kimberly Murray, Honorable Mayor Leake and Town Council
 From: Chief Kevin Lands
 Date: 3-2-2017
 Subject: New Vehicle Purchase Proposal

Background: When residents or visitors enter our town, usually the very first contact they have or see is a Town of Haymarket Police Officer and often times it will be while he is driving a police vehicle. Since this is often the first impression of the town that people see, I think it is very important for that image to be a positive one that brings to mind professionalism. The condition of the vehicles and the graphics on them are important pieces in this.

Right now the Haymarket Police Department has six vehicles of different makes and models, four different colors and three different graphic schemes. My goal is to uniform the police department vehicles by having all six be the same make, model, color and graphics scheme.

Purpose: To unify the fleet and upgrade the existing outdated stock of vehicles that are costing the town in maintenance and upkeep. The current outdated fleet is costing around \$15,000 a year. The replacement fleet, in my estimate, will cost somewhere between \$5,000 to \$10,000.

Budgetary Impact: In order to accomplish this within the perimeters of the FY 2016/17 budget, the Town had allocated \$40,000 in the FY 2016/17 Capital Improvement Program budget for the purchase of one police vehicle for the Police Department and the funds are requested to instead be used to purchase the police equipment needed to upfit five new police vehicles to be purchased through a lease agreement program. Instead of purchasing one police vehicle a year for the next five years, the Town may enter into a lease agreement to finance five new police vehicles and split the payments over a five year period. This will allow the Town to receive five new vehicles at once and have a uniform fleet. The annual payment of \$31,520 will be realized through cost savings in other department categories where efficiencies of service have been identified and costs streamlined.

Staff Recommendation: Police Equipment (cages, radio consoles, emergency lights and sirens, radars, etc) for 5 vehicles is \$40,000 (This will be paid for with the \$40,000 already allocated to the police department for vehicle purchase in the current budget and will not need to be financed into the loan.)

Vehicle costs are \$29,878 apiece. The total for five vehicles is \$149,390. This will be paid for by a loan through VACO at an interest rate of approx. 1.97%. It will be a five year loan with a yearly payment of \$31,520 split into bi annual payments of \$15,760.22 due each September and March with the first payment of \$15,760.22 being due in September of the FY 2017/18 budget.

By entering into a leasing agreement instead of buying the vehicles outright, the lease does not count as debt to the Town and requires no General Obligation Pledge. Instead it only requires an appropriation of funds each year by the Town in the Public Safety budget. A lease also allows the Town to “walk away” from the payments should something occur financially or otherwise. There is no penalty for doing this and there no mileage or wear and tear clause.

At the end of the five year lease, the Town has the option of purchasing the vehicles for a \$1 fee. In the past, I have purchased the vehicles and then sold them as used in order to purchase new ones. In this scenario, you would pay the largest amount the first time you purchase new vehicles because you need five. However, in five years, when it comes time to purchase again, you would be able to sell all five and with proceeds, be able to pay for two or two and a half of the new five you would have to buy. This would then reduce the next lease to approx. half of the first five year lease.

The current police vehicles will be sold with the exception of the 2013 Ford Interceptor Sedan which will be used as a spare/part time officer vehicle and the 2000 Chevy Trailblazer which will be decommissioned and turn over to Town Administration to use for travel to work meeting and conferences.

Draft Motion: I move to adopt the Resolution to Approve the Allocation of FY16/17 Funds for Police Vehicle Equipment as presented March 6, 2017 and the Resolution Approving Financing Terms for Lease Purchase of Five Police Vehicles as presented March 6, 2017.



HAYMARKET POLICE DEPARTMENT



To: Kimberly Murray, Honorable Mayor Leake and Town Council
 From: Chief Kevin Lands
 Date: 3-2-2017
 Subject: New Vehicle Purchase Proposal (Buy vs. Leasing)

What is Municipal Leasing?

Municipal leasing is a specialized type of VERY LOW INTEREST lease-to-own financing available under IRS rules that can be used (only) by qualifying state, county and local governments, special districts & authorities to acquire essential-use assets including equipment, vehicles, aircraft, hardware, software and real property. Unlike a commercial lease, under a municipal lease, ownership (title) passes to the government entity upon delivery and there are no usage restrictions, lease-end returns, residuals or buy-outs.

Which Government Entities Qualify for a Municipal Lease?

“Municipal Leasing” is an umbrella term covering financing for state, county and municipal governments, special districts & authorities—for use by law enforcement, public safety, fire, rescue, EMS, public works, roads, public schools, community colleges & universities and more. (Very broadly--if your agency is funded by public tax dollars or assessments, it most likely qualifies)

Acquire More This Year, Spend Less This Year. Here’s How It Works:

The dollar amount appropriated this year (and anticipated to be available in subsequent years), allows your agency to put 3-5 times as much new equipment into service today by spreading the total cost over multiple budget years. It’s a "Pay As You Go," tool i.e. lease payments are spent as they are appropriated, year-by-year, rather than paying in advance for every new asset. Our government clients tell us “it just makes financial sense...”

Tax Exempt Municipal Leasing--Your Lowest Cost, Non-Debt Financing Tool. Here's Why:

Municipal lease rates are always lower than comparable commercial rates. Special IRS provisions enacted many years ago encourage low-interest lending to government entities by waiving certain federal taxes that financial institutions would otherwise pay. Hence the phrase, “tax-exempt.” (which is unrelated to state/local sales, use or other taxes). .

Advantages of Municipal Lease

1. Low, tax-exempt rates
2. Easy and convenient documentation
3. No processing fees
4. Master lease agreement available for multiple-unit purchases
5. No excess wear-and-tear issues
6. No mileage restrictions
7. Service contracts can be included
8. Municipality titled as owner at time of purchase
9. Annual, semi-annual, or quarterly payment options
10. Immediate acquisition of vehicles at current prices
11. Preserves cash flow – 100% financing available
12. This police car acquisition model is “pay-as-you-go” lease-to-own financing. It can give your department tremendous additional buying power to meet its public mandate *today*, with the funds that are available *today*, instead of deferring essential purchases or trying to “bank” the funds for the future. (Which is a losing proposition as inflation often outpaces your savings yields, actually making “waiting” the *more* expensive option!)
13. In the past our budget forced you to look for just one new cars every year--when you really need several times that amount? This program takes the same budget dollars and will allow the Town to add five new vehicles this year for every one vehicle we "would have" purchased for cash.
14. No end of lease buyouts or residuals
15. Install any equipment or modify vehicle as necessary
16. Includes 100% of your upfit equipment from any vendor, in the lease amount (Laptops, radars, radios, video, shotguns, consoles, cages, lights, graphics, sirens)

LEASING	BUYING
Financial life equals useful life.	Your company's book value is often not in line with market value at time of disposal.
A leasing program provides the discipline to enforce standards and reduce vehicle acquisition costs and administrative costs.	Vehicle diversity and lack of standards increase both vehicle acquisition costs and administrative cost.
Replacing leased vehicles is cost effective and simple.	Upgrading owned vehicles is capital intensive and cumbersome.
A fleet leasing program eliminates excess.	Purchasing intensifies vehicle fleet build-up.
Lessor assumes disposal responsibility, maximizing returns with automotive expertise.	Disposal of vehicles is time consuming, expensive, and lacks the application of automotive expertise.
Low monthly lease fee	Capital Intensive
Leasing allows cash flow flexibility.	High budgeting and forecasting costs.
Vehicles are cycled under a carefully planned program, reducing maintenance expenses, improving corporate image and driver morale.	Vehicles often retained beyond optimum life, resulting in higher maintenance costs and poor image, reducing driver morale.



TOWN OF HAYMARKET POLICE

VEHICLE ASSESSMENT

2017



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Assignments

Car Number	Vehicle Type	Officer
1	2013 Ford Interceptor sedan	Chief Lands
2	2006 Dodge Charger	Officer Breeden
3	2016 Ford Interceptor SUV	Officer O'Neal
4	2009 Dodge Charger	Officer J.T. Davis
5	2009 Dodge Charger	Officer J.M. Davis
6	2011 Dodge Charger	Sergeant Shaver
7	2002 Chevrolet Trailblazer LS	Utility

Mile Usage Example

Mileage documented by fuel invoice from 01/31/2017 - 02/27/2017

- Car 1: 2,098 miles / 17 working days = 123.4 miles per day
- Car 2: 734 miles / 12 working days = 61.16 miles per day
- Car 3: 694 miles / 14 working days = 49.57 miles per day
- Car 4: 958 miles / 13 working days = 73.69 miles per day
- Car 5: 1,373 miles / 17 working days = 80.76 miles per day
- Car 6: 825 miles / 11 working days = 75 miles per day

Total mileage was divided by the number of days that vehicle was in use during the time period.

Vehicle Information

Car 1

Vehicle:

- 2013 Ford interceptor sedan eco-boost

Paint/ Graphics:

- Black unmarked

Assignment:

- Chief Lands

At time of last inspection

Mileage:

- 52195
- Non-calibrated speedometer

Mechanically:

- No recent complaints that I am aware of
- Within the last month the vehicle had been serviced for required Ford recalls

Cosmetic:

- Surface rust to the push bumper cross bar where aftermarket holes are present from where a mechanical spotlight used to be mounted
- Body damage on the passenger side doors and damage to the right fender next to trunk opening.
- Tail lights show evidence of retaining moisture

Car 2

Vehicle:

- 2006 Dodge Charger 5.7L

Paint/ Graphics:

- Gray
- 4th generation non-reflective subdued graphics

Assignment:

- Officer Breeden

At time of last inspection

Mileage:

- 165164
- Calibrated speedometer

Mechanically:

- Suspension, steering or front end components are possibly failing due to metallic noises being generated during operation
- It has a vibration at low speed
- The transmission is in need of replacement estimated cost: \$4,546.52
- Sporadically shuts off and immediately back on at slow and highway speeds, as if it's having an electronic malfunction of some sort
- The vehicle recently had the ECU replaced if I'm not mistaken
- Right side marker light inoperable

Cosmetic:

- Showing rust around the rear quarter panel's and wheel wells

Car 3

Vehicle:

- 2016 ford police interceptor SUV naturally aspirated

Paint/ Graphics:

- Ford shadow black with Chrysler grey two tone
- 5th generation reflective markings

Assignment:

- Officer O'Neal

At time of last inspection

Mileage:

- 12928
- Calibrated speedometer

Mechanically:

- No mechanical issues have been reported to me at this time

Cosmetic:

- Damage to the right front wheel well and finder trim

Car 4

Vehicle:

- 2009 Dodge Charger 5.7L

Paint/ Graphics:

- White
- 4th generation non-reflective red white and blue graphics

Assignment:

- Officer J.T. Davis

At time of last inspection

Mileage:

- 95215
- Calibrated speedometer

Mechanically:

- Currently no mechanical issues have been reported
- The vehicle recently has undergone its 3rd motor transplant

Cosmetic:

- Driver seat showing excessive wear
- Push bumper brackets are bent
- Rust showing on wheel wells

Car 5

Vehicle:

- 2009 Dodge Charger 5.7L

Paint/ Graphics:

- White
- 4th generation non-reflective red white and blue graphics

Assignment:

- Officer J.M. Davis

At time of last inspection

Mileage:

- 105212
- Calibrated speedometer

Mechanically:

- Malfunctioning Light and siren control head
- In need of verifying oil change status due to resent timing change repair

Cosmetic:

- Rust showing on wheel wells
- Interior detailing

Car 6

Vehicle:

- 2011 Dodge Charger 5.7

Paint/ Graphics:

- Ford shadow black with Chrysler grey two tone
- 5th generation reflective markings

Assignment:

- Sergeant Shaver

Mileage:

- 64247
- Calibrated speedometer

Mechanically:

- The vehicles battery can no longer maintain a charge if sitting longer than an hour with aftermarket accessories activated. Battery has been tested and was advised that it appears within acceptable parameters.
- Within the last year the vehicle required engine rods and other top end components replaced
- 2ed fuel pump

Cosmetic:

- Two hubcaps need to be replaced
- The graphic on the passenger side doors have become delaminated

Car 7

Vehicle:

- 2002 Chevrolet trailblazer LS

Paint/ Graphics:

- Gold unmarked

Assignment:

- Utility

Mileage:

- 130628
- Non-calibrated speedometer

Mechanically:

- Primarily soft or deteriorated suspension feeling

Cosmetic:

- Damage to the rear tailgate and bumper cover

Haymarket Police Fleet Maintenance and Repair History

January 01, 2014 to March 7, 2017

Total Billable Amount by all Venders:

\$45,052.58

Dulles Motor Cars

Car 6 2011 Dodge \$1,124.52

Piedmont Tire and Auto

Total Billable amount: \$40,889.60

Car 1 2013 Ford \$2,192.31

Car 2 2006 Dodge \$6,688.67

Car 3 2016 Ford \$65.41

Former Car 3 2004 Ford Crown Victoria \$2,226.89

Car 4 2009 Dodge \$14,400.30

Car 5 2009 Dodge \$7,747.54

Car 6 2011 Dodge \$6,070.98

Car 7 2002 Chevrolet \$1,497.50

Safford Chrysler Jeep Dodge

Car 6 2011 Dodge \$2,916.71

Sheehy Ford of Warrenton

Car 1 2013 Ford \$121.75

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

Estimated Maintenance Forecast
For 2016/2017 Ford Interceptor Utilities

Vender Piedmont Tire and Auto

All prices include labor

<u>Oil Changes</u>	<u>\$49.95 per vehicle</u>
<u>Brake pads</u>	<u>\$139.95 per vehicle</u>
<u>Brake pads and rotors</u>	<u>\$250.92 per vehicle</u>
<u>Tires mounted and balanced</u>	<u>\$245.69 per tire</u>

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

Forecasted Resale Vehicle Trade in Value

NADA Trade-In Values

<u>Car 2 2006 Dodge Charger</u>	<u>\$2,325</u>
<u>Car 4 2009 Dodge Charger</u>	<u>\$4,325</u>
<u>Car 5 2009 Dodge Charger</u>	<u>\$3,925</u>
<u>Car 6 2011 Dodge Charger</u>	<u>\$9,600</u>

Wholesaler Cash Offer

<u>Car 2 2006 Dodge Charger</u>	<u>\$1,000</u>
<u>Car 4 2009 Dodge Charger</u>	<u>\$3,000</u>
<u>Car 5 2009 Dodge Charger</u>	<u>\$3,000</u>
<u>Car 6 2011 Dodge Charger</u>	<u>\$7,000</u>

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

TOWN OF BLUEFIELD

CONTRACT NUMBER 091412 ITEM# 2- 2016 POLICE INTERCEPTOR UTILITY

CONTRACT DATE: NOVEMBER 05, 2012 THROUGH NOVEMBER 06, 2015

CUSTOMER: HAYMARKET

INCLUDES 1 EXTRA KEY AND DELIVERY

SERIES

1	K8A	Utility Police Interceptor AWD	\$ 25,450.00	\$ 25,450.00
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EXTERIOR

	153	License Plate Bracket	N/C	
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LAMPS

1	17T	Cargo Dome Lamp	\$ 50.00	\$ 50.00
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1	43D	Dark Car Feature (Courtesy Lamp Disable)	\$ 20.00	\$ 20.00
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	51P	Spot Lamp Prep Kit	\$ 135.00	\$ -
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	51R	Spot Lamp, LED Bulb	\$ 395.00	\$ -
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	51S	Dual Spot Lamp, LED Bulbs	\$ 620.00	\$ -
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EQUIPMENT

1	18X	100 Watt Siren/Speaker	\$ 290.00	\$ 290.00
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1	60A	Pre-Wiring Grille Lamp, Siren Speaker	\$ 50.00	\$ 50.00
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	21L	<i>Front Warning Auxiliary Light (Driver Side RED) (Passenger side BLUE)</i>	\$ 540.00	\$ -
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	21W	<i>Forward Indicator Pocket Warning Light - Warn, Park, Turn (Driver Side RED) (Passenger side BLUE)</i>	\$ 630.00	\$ -
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	66B	Tail Lamp Lighting Solution - Two (2) Rear Integrated LED Lights (In Tail Lamps)	\$ 425.00	\$ -
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	66C	Rear Lighting Solution -Std Red/Blue Configuration - (2) Backlight Flashing LED Lights (Mounted to Lift Gate Lid Glass) -Two (2) Lift Gate Bottom Edge Flashing LED Lights	\$ 425.00	\$ -
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	VSO/66C/XC2	Rear Lighting Solution -Opt Blue/Blue Configuration - (2) Backlight Flashing LED Lights (Mounted to Lift Gate Glass) -Two (2) Lift Gate Bottom Edge Flashing LED Lights	\$ 465.00	\$ -
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	67U	Ultimate Wiring Package	\$ 510.00	\$ -
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	67G	Cargo Wiring Upfit Package - Rear Console Plate, Wiring Overlay and Vehicle Engine Harness, Whelen Lighting PCC8R Control Head, Light Controller/Relay Center Wiring, Whelen Specific Cable Connects, Pre-wiring for Grille LED Lights, Siren and Speaker.	\$ 1,210.00	\$ -
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	47C	Police Wire Harness Connector Kit - Front	\$ 100.00	\$ -
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	21P	Police Wire Harness Connector Kit - Rear	\$ 118.00	\$ -
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	63B	Side Marker Lights in Sideview Mirrors Std Blue/Red	\$ 225.00	\$ -
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	VSO/63B/XCC	Side Marker Lights in Sideview Mirrors Opt Blue/Blue	\$ 260.00	\$ -
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SAFETY

	549	Heated Mirrors	\$ 55.00	\$ -
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1	595	Remote keyless Entry	\$ 258.00	\$ 258.00
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1	76R	Reverse Sensing System	\$ 275.00	\$ 275.00
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	942	Daytime Running Lights	\$ 43.00	\$ -
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1	86L	Auto Headlamps	\$ 120.00	\$ -
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TOWN OF BLUEFIELD

CONTRACT NUMBER 091412 ITEM# 2- 2016 POLICE INTERCEPTOR UTILITY

CONTRACT DATE: NOVEMBER 05, 2012 THROUGH NOVEMBER 06, 2015

CUSTOMER: HAYMARKET

INCLUDES 1 EXTRA KEY AND DELIVERY

		InterMotive = Surveillance System - Dealer Installed	\$ 391.99	\$ -
	76D	Underbody Deflector Plate	\$ 335.00	\$ -
	55B	BLIS, Blind Spot with Cross Traffic Alert - Requires Rearview Camera 21B	\$ 490.00	\$ -
AUDIO/VIDEO				
	87R	Rear View Camera - IN REARVIEW MIRROR	\$ -	\$ -
1	53M	SYNC-Voice Communication System (Blue Tooth)	\$ 295.00	\$ 295.00
	61R	(4) Remappable Switches on Steering Wheel, Less Voice	\$ 155.00	\$ -
	61S	(4) Remappable Switches Steering Wheel, With Voice	\$ 155.00	\$ -
BODY				
	68Z	Roof Rack & Side Rails	\$ 100.00	\$ -
FLOORING/SEATS				
	16C	Carpeted Flooring	\$ 120.00	\$ -
	88F	Second Row Cloth Seats	\$ 57.00	\$ -
	85R	Rear Console Floor Plate	\$ 32.00	\$ -
DOORS/WINDOWS/COMFORT AND CONV				
	52P	Hidden Door Lock Plunger, Rear Door Handle Inoperable	\$ 160.00	\$ -
1	18W	Rear Window Power Delete, Operable From Driver	\$ 25.00	\$ 25.00
1	68G	Rear Door Handles Inoperable/ Locks Inoperable	\$ 35.00	\$ 35.00
	65U	Interior Upgrade Package: - 1st & 2nd Row Carpet Flooring w/ Front and Rear Mats - Cloth Seats & Center Floor Console (Less Shifter) Includes Console, Top Plate & Two Cup Holders	\$ 390.00	\$ -
	87P	Power passenger seat (6-way) w/manual recline) (late availablility)	\$ 315.00	\$ -
WHEELS				
	65L	18" Full Size Wheel Covers	\$ 60.00	\$ -
MISC				
	16D	Badge Delete (No Charge)	NO CHARGE	
1	17A	Auxiliary Rear Air Conditioning	\$ 600.00	\$ 600.00
KEYS				
	59B,D,E,F,J	Fleet Keyed Alike	\$ 50.00	\$ -
			TOTAL	\$ 27,468.00

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

Additional Factory Options (Not on Contract)

			TOTAL	\$ 27,468.00
	41H	Engine Block Heater	\$ 33.50	\$ -
1	51Y	Driver Side Spot Light - Incandesent Bulb	\$ 193.50	\$ 193.50
VINYL WRAP				
	91A	Roof Vinyl, RH/LH Vinyl Doors	\$ 733.00	\$ -
	91C	Roof Vinyl, RH/LH Front Doors Vinyl	\$ 700.00	\$ -
BODY				
	90D	Ballistic Door Panel, Driver Door Only	\$ 1,550.00	\$ -

TOWN OF BLUEFIELD

CONTRACT NUMBER 091412 ITEM# 2- 2016 POLICE INTERCEPTOR UTILITY

CONTRACT DATE: NOVEMBER 05, 2012 THROUGH NOVEMBER 06, 2015

CUSTOMER: HAYMARKET

INCLUDES 1 EXTRA KEY AND DELIVERY

	90E	Ballistic Door Panels, Driver & Passenger	\$ 3,075.00	\$ -
	19L	Lockable Gas Cap	\$ 19.00	\$ -
	593	Perimeter Anti-Theft System	\$ 118.00	\$ -
EQUIPMENT				
Additional Dealer Installed Options (Not on Contract)				
		1 Additional Keys (Fob pricing currently unavailable)	\$ 8.00	\$ -
1		1 Additional Key Fobs	\$ 30.00	\$ 30.00
		TWO TONE PAINT	\$ 1,200.00	\$ -
		35% Window Tint Sides and Rear	\$ 255.00	\$ -
		50% Window Tint Sides and Rear	\$ 275.00	\$ -
		Tremco Anti-Theft Device	\$ 142.14	\$ -
400		DELETE DELIVERY FOR CPU	\$ (1.80)	\$ (720.00)
TOTAL INCLUDING ADDITIONAL OPTIONS			TOTAL	\$ 26,971.50
TOTAL INCLUDING ADDITIONAL OPTIONS			TOTAL	\$ 26,971.50

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

The City of Tacoma, Washington compiled the most comprehensive study of take home or personally assigned vehicles versus a fleet. They used the outside consulting firm of Mercury Associates and the lead analyst was a professor from the University of North Carolina keeping it relatively local. The study compared a fleet vs a pool of vehicles over an eight year period. The following is a condensed summary of the findings:

- Overall operating costs were about 30% less for the assigned vehicles when compared to the pool vehicles.
- Pooled vehicles tended to last just under ½ as long as the assigned vehicles. Example used in the study pool vehicles were found to need replacement at about 23 months where the assigned vehicles were being replaced at about 60 months. Although the numbers would shift slightly in Haymarket the end result would be about the same.
- One of the most significant reductions for assigned vehicles was due to lower accident and damage repair costs. The City of Tacoma study found that pooled vehicles sustained approximately 49% less damage and repair costs over the span of the study.
- The study also reported reduced preparation time for beginning and ending a tour of duty. Conversely the assigned vehicles resulted in a savings of about 28 minutes per day per officer. Equating that to our shifts...that would be 28 minutes multiplied by 2 shifts per day = 56 minutes per day of down time to prepare for work. Over a year the savings equals about 340 hours of time not patrolling or providing police services. In other words it ends up costing our department almost one month of coverage every year.
- Officers who take vehicles home are able to respond for an emergency and return to the town much faster and safer. Example would be during the Louisa Earthquake. The Town of Louisa had a 100% response and return to the town for all off duty officers within an hour. Actually all but one officer was able to begin rescue services and patrols within 30 minutes. In that respect take home vehicles can serve as an insurance policy for the town.
- In the end the study found it was better to assign cars as opposed to relying on a pool.

In summarizing the Tacoma study, an assigned vehicle program is much more advantageous to the town than pool vehicles. Reiterating the main reasons I would like to focus on the following: there is less maintenance, less damage, and the time saved in switching out pool vehicles and equipment.

Hampton Virginia Police Department also did a study that supported their take home fleet and assigned vehicle program. Their study showed that both maintenance costs and operating costs were lower for the take home/assigned police vehicle versus police vehicles. Again, it confirmed the Tacoma study denoting that assigned or take home police vehicles produced a 16% savings in maintenance and repairs over the pool vehicles. Hampton also found a 15% saving in overall operating costs. The studies seem to all point to human nature as a contributing factor in the reduced damage and overall better care for assigned vehicles. That is the feeling of ownership. In short, we all tend to take care of our, perceived or actual, belongings better than an item we have no feeling of ownership in.

Police Fleet Management

Each jurisdiction has police vehicles with varying ages and mileages. What impact does the age of the police vehicle have on maintenance costs? What impact does the average mileage driven have on maintenance costs? Are there age and mileage thresholds where maintenance costs increase?

ICMA's Center for Performance Measurement's (CPM) fleet survey contains data on the number of police vehicles, their average age, the annual mileage driven, and questions on the maintenance costs of vehicles.

RESULTS

The average age of the police fleet does not appear to be a factor in maintenance costs. Many would suspect that the older a vehicle is, the higher the vehicle maintenance costs are. However, among CPM participants, maintenance costs per vehicle are not shown to increase as the average age of the police vehicles increases. It is possible that age has an impact, but because CPM jurisdictions are replacing their vehicles regularly, the impact of age is not demonstrated.

The average number of miles driven per year is shown to have an impact on maintenance costs. Up to an average of 20,000 miles driven per vehicle, there does not appear to be a large difference in maintenance expenditures. However, after the threshold of 20,000 miles driven per vehicle, *other maintenance costs per vehicle* become much larger. This appears in both FY2009 and FY2010.

As a reminder, *preventive maintenance* includes daily maintenance and inspection services performed by assigned drivers/operators, as well as the systematic inspection and servicing of motor equipment at intervals compatible with manufacturers' recommendations for lubrication and mechanical services (e.g., oil change, fan belt adjustment, replacing cracked hoses, safety and emissions inspections).

Other maintenance is unscheduled maintenance that arises from a trouble report or emergency road call. It is also maintenance (other than body repair) required due to vehicle misuse/abuse, regardless of whether reimbursement was sought or received. Accident or body damage repairs and capital expenditures are not included in total maintenance expenditures.

Seeing how the average miles driven per vehicle affects maintenance expenditures is important when considering how a jurisdiction's fleet may be used. Based on this data, jurisdictions may want to track mileage of individual police vehicles and compare to the 20,000 mile threshold. If similar trends prevail within their police fleets, participants may wish to consider ways to reduce the *other maintenance expenditures* that are incurred by police vehicles with higher annual mileage.

Although similar patterns appear in other vehicle categories, they are strongest in the police vehicles category, due to the greater number of miles police vehicles tend to be driven.

To learn more about ICMA's Center for Performance Measurement, visit icma.org/performance.

How Often Should Squad Cars Be Replaced?

Most North Shore departments wait until 100,000 miles, but Fox Point gets rid of squads at around 65,000 miles.

As tight as municipal budgets are these days, one would think that local police departments would hang on to their squad cars and other vehicles as long as possible before getting rid of them.

And in most area communities, that's exactly what happens.

Shorewood, Whitefish Bay, Bayside and Mequon departments typically wait until their police vehicles have at least 100,000 miles before replacing them.

But the Fox Point Police Department retires its cars much earlier — usually when they hit about 65,000 miles. And while Police Chief Tom Czaja says his department is saving money by doing so, his North Shore counterparts aren't sure that's the case.

“The average Fox Point vehicle has about 65,000 miles before we trade it in,” said Czaja. “One of the reasons we turn them in is because squads seem to have problems. Transmissions go out or something like that, and the cost to repair them, either with a new component or a used one, outweighs the cost of just auctioning them off.”

Czaja said his cars are replaced after every two years, and keeping them longer would actually cost the department more because of repair expenses .

"Our budget is cut down to the line considering the state budget right now," explained Czaja. "I'm really being conservative when it comes to spending as little as possible.

"We just had one squad with 65,000 when the transmission went," he added. "We sold it at auction with a bad transmission in it. In past years, we've had other problems where manifolds crack, too."

Others question Fox Point's policy

But other North Shore departments continue operating their squads until they at least have 100,000 miles on the odometer.

"You'd be hard-pressed to find any other agency that does what they're doing," said Bayside Police Chief Bruce Resnick, who said his department doesn't even think of getting rid of cars until they have at least 100,000 miles on them. "If it was smart, why wouldn't everyone be doing it? If the police cars at the auction have low mileage, usually they're totaled from an accident or something."

Whitefish Bay Police Chief Robert Jacobs said his department used to get rid of its squads after two years, usually when they had about 85,000 miles. But that's changed.

"We now trade the vehicles in based on mileage and state of repair," he said. "And patrol vehicles are more likely to be three years old and have approximately 125,000 on the odometer when replaced."

Jacobs added that he didn't have an opinion on Fox Point's policy of trading cars in sooner.

In Mequon, Police Chief Steve Graff said his department puts its vehicles up for auction based on mileage.

"Seeing as we have 47 square miles to cover, it takes about two years to accumulate 100,000 miles per car," he said. "But we don't just get rid of them because it has been two years. I have to be fiscally responsible to the taxpayers, yet make sure that the officers have reliable and safe vehicles."

Graff added: "I think 65,000 miles would be a bit premature to change over the squads."

Other costs can add up

Graff and other area police chiefs noted that when a department gets rid of a vehicle, it not only has to deal with purchasing a new one but also has to spend money on setting up that new squad with lights, radios and more.

"In addition to the cost of replacing the vehicles, the stripping of equipment and outfitting the new vehicles with marking is in the \$3,000 to \$3,500 range," Resnick said. "This is another reason to keep the vehicles longer."

The same view was echoed by Shorewood Police Chief David Banaszynski, who said his department

keeps its squads until they hit the 100,000-mile mark.

When the department gets rid of an old car and purchases a new one, it has to take numerous pieces of equipment — like the radio, the lights, the sirens and gun rack — out of the old squad and reinstall them in the new one.

"This is very expensive and time consuming," Banzynski said. "If we sold the old squad with 65,000 miles, we might get more (in an auction), but would it cover all of the cost and time? I doubt it."

Size of coverage area a factor

Czaja said the size of a municipality needs to be taken into consideration when looking at when a department should replace its squad cars.

He noted that vehicle rotations done by most North Shore communities are around two years, and that the mileage of those cars can vary based on the size of the community.

"Fox Point is 2.8 square miles; Mequon is 52 square miles," Czaja said. "So when you take a look at that, Shorewood is larger than Fox Point and Whitefish Bay is larger than Fox Point. When you have a larger area to patrol, you'll naturally have (more) miles."

Czaja said if the department replaces a transmission, for example, that costs about \$3,400, which is more than one-third of the department's

\$10,000 maintenance budget.

Although Czaja mentioned that transmission problems can start to crop up after a car hits 65,000 miles, a representative from in Fox Point who said he has worked on squad cars said problems associated with that low mileage are unusual.

Resnick, the Bayside chief, said his department has its squad cars' transmission fluid replaced by a company that then adds a transmission warranty up to 150,000 miles. Resnick said it costs a few hundred dollars, but the department never needs to buy a replacement transmission.

Regardless the concerns raised by others, Czaja said he is confident he is doing the right thing for Fox Point and its taxpayers.

“Sometimes we think about auctioning them off after another year of use, but the vehicles could have 75,000 miles on them at that point,” said Czaja. “In reality, we’re saving money.”

Replacement Mileage Creeping Up for Public Safety Agencies

Shrinking budgets and improved vehicle performance are two reasons law enforcement agencies drive fleet vehicles farther and longer than ever before.

Today's law enforcement fleet managers are forced to keep vehicles to the 100,000-mile level and beyond, a figure many industry experts agree is an appropriate mileage level. However, it was a figure unheard of a decade ago.

Most fleets prefer to keep fleet vehicle mileage levels in the 75,000-mile range. The perception is that the older a vehicle, the more expensive it is to maintain, particularly given the nature of the law enforcement profession and the job itself, which often includes highspeed chases and vehicles driven particularly hard.

Today's Vehicle More Durable

But today's vehicles are more durable said Rich Cichon, vice president of Metrochecker cab service in Chicago. Cichon has consulted with numerous law enforcement officials and is a former member of General Motors, Ford, and DaimlerChrysler law enforcement fleet advisory boards. He said with just a few service routine changes, a vehicle can maintain its productivity to 200,000 miles.

The San Diego Police Department drives fleet vehicles well past the 100,000-mile level, not out of choice but necessity, said Police Fleet Administrator John Alley. He would prefer to turn over vehicles at 80,000 miles because he feels at higher mileages, major service issues and expenses, such as transmission and engine problems, frequently occur.

"We, like other agencies throughout California, have been forced to cut in many areas," Alley said. "So, we might wait longer than in past years to turn (fleet vehicles) over. We would prefer to maintain a level of 80,000 miles when possible."

Alley said his priority for newer vehicles is in the patrol area where command, utility, undercover, and administrative vehicles are often older. Out of 1,600 fleet vehicles, approximately 550 in the San Diego P.D. fleet are black-and-white patrol units.

"We'll rotate older fleet vehicles to our administrative pool," he said.

Paul Lauria, president of Mercury Associates, a fleet consulting firm in Gaithersburg, Md., said most fleet managers focus more on vehicle age rather than a set mileage mark, particularly with law enforcement vehicles often engaged in pursuit activities.

"Because of better engine design and higher-quality parts inherent with today's vehicles, you should expect that you can drive today's cars longer," Lauria said. "Cars with the police package are extremely well equipped.

"But what we have to remember is that law enforcement vehicles are driven extremely hard and are more likely to have issues earlier than other fleet cars."

Enforcement Agencies Hesitant

For this reason, many law enforcement agencies are understandably hesitant to risk driving their vehicles too long. Fleet usage is often mission-critical and the costs of unpredictable performance associated with high-mileage vehicles are greater than the cost of purchasing vehicles more frequently.

Law enforcement agencies are also under pressure to compete with each other for talented officers, and the more often an officer receives a new fleet vehicle the better. Lauria said there is an unabashed comparison of fleet vehicle use by departments and, in some cases, peer pressure as much as budgetary concerns can affect final fleet vehicle use decisions. "There are politics involved in the process, no question," Lauria said.

The Massachusetts State Police must justify new-vehicle costs and need to the state, said Sgt. Mark Caron, fleet administrator.

For many years, Massachusetts drove hundreds of fleet vehicles well over 100,000 — and sometimes as high as 200,000 — miles. The state is now in the final term of a five-year plan that helps turn over vehicles after they hit the 100,000-mile mark to increase officer safety.

"We purchase vehicles in bulk and did our homework to help lawmakers realize why this was a need," Caron said. "We re-evaluate each car after 100,000 miles and will continue to use some based on past performance, but after each five-year period, we are in the market for hundreds of new vehicles."

Caron expects the state legislature will renew the program for another five years during 2007. In Montgomery County, Texas, a constant battle is waged each year over the budget for fleet vehicles, a common battle for agencies throughout Texas and across the country. Lt. Dan Norris said fleet budget decisions are made one year at a time, although when possible, the 100,000-mile level is the maximum service mileage level.

Yet given the budgetary realities, that procedure is not always feasible, admits Norris. "There is a process we need to go through to determine how long fleet vehicles are driven, and we accept that," he said. "It's not a decision that we can make in a vacuum by ourselves, and factors such as budget, availability, and more are part of the equation."

Older Units Add to Bottom Line

Agencies, such as the San Diego Police Department, that must use higher mileage vehicles have trouble convincing politicians and elected officials that older vehicles could actually be contributing more red to the department's bottom line.

Alley referred to the practice as "deferred capital maintenance. "More fleet vehicle value is lost in depreciation than elected officials realize. To help maintain performance as long as possible, Alley suggests practicing micro- and macro- vehicle rotation. Lower-mileage units are occasionally switched to high-mileage duties and vice-versa.

"It helps to balance out the fleet in terms of vehicle turnover needs," Alley said. "It's a way to efficiently maximize a vehicle's best years."

The Charles County, Md., Sheriff's Office assumes a four-year vehicle life when preparing budgets, said Bruce MacLean, fleet manager and Ford Motor Police Fleet Advisory Board member.

MacLean said most vehicles are removed by 120,000 miles, but each vehicle is assessed individually. Fleet vehicles are driven an average of 25,000-30,000 miles each year.

In addition, the number of vehicle makes and models Charles County operates has risen in recent years. The fleet uses Ford Crown Victorias, but also ATVs, motorcycles, import-badged sedans, and vans for specialty units.

"Simply put, cars are much better engineered today, and with proper maintenance, last longer than even five years ago," MacLean said. "At one time, a police car with 100,000 miles was pretty much unheard of, but engineering, parts quality, technician quality, and manufacturing improvements have all played a part in increasing vehicle life."

Some agencies do turn over fleet vehicles more frequently. Tom Reedy, public information officer for Denton County Sheriff's Department in Denton, Texas, said patrol vehicles in his county are driven to 75,000 miles before assessment, while other vehicles are driven up to 85,000 miles.

"Our officers are tough on their vehicles for obvious reasons, but 75,000 is not a drop-dead number," said Reedy. "If we can, we like to replace 25 percent of our fleet each year, but a car can be driven over the average mileage level if it has a clean service record."

[Image]

The Charles County, Md., Sheriff's Office runs its fleet vehicle an average of 25,000-30,000 miles each year and assumes a four-year vehicle life when preparing budgets.

Use Lifecycle Costing

Lt. Curtis Exley with the Idaho State Police in Coeur d'Alene believes a method of lifecycle costing should be applied to help agencies determine how long a fleet vehicle should be used and whether 100,000 miles is an acceptable level.

Exley believes that, considering the cost and frequency of vehicle rotation or replacement, law enforcement agencies can find better strategies for developing lifecycle estimates, including vehicle replacement, operation, and maintenance.

"Developing these strategies can improve vehicle operating and overall agency efficiencies, reducing unnecessary equipment costs," Exley said.

Exley concludes that with proper maintenance, fleet vehicles can be driven well over 100,000 miles since the wear and tear on most parts is routine, and they can be replaced, if needed, at a

low cost.

Since public agency needs, objectives, and financial and operating capabilities differ, each agency can analyze the advantages and disadvantages of its equipment maintenance methods to determine which best contributes cost-effectively to the agency.

After all, economic life is equally important to the role of fleet management. Economic life relates to the total stream of costs associated with the specific vehicle over a period of time. Therefore, it impacts both capital and operating budgets.

The economic life of a vehicle, said Exley, refers to the length of time the average total vehicle cost is at a minimum. Total unit expense encompasses all costs associated with vehicle ownership. A vehicle's initial purchase price does not always accurately or completely indicate its cost.

"While the price of a new vehicle represents the expenditure to acquire the automobile, several component factors determine the cost," Exley said. "The identification and analysis of these cost components form the basis of lifecycle costing."

That's why Exley said agencies should apply lifecycle costing to determine when they should rotate or replace a vehicle. He defines lifecycle costing as a method for projecting and evaluating the costs of one particular vehicle with another similar, yet alternative, vehicle. The optimum time to replace a vehicle is when its total costs, averaged over the vehicle's lifetime, are at a minimum. This concept, referred to as a vehicle's economic life expectancy, includes such costs as depreciation, operating expenses, maintenance, and downtime. Agencies can reasonably expect that some cost components will increase during the vehicle's economic life, whereas others will decline.

Most Remarket Units at Auction

The question of what to do with used fleet vehicles is debated continually. Some decisions are based on resale values. The majority of agencies interviewed sell vehicles at county or local auctions. Most fleet administrators indicated their preferred method of remarketing high-mileage vehicles was through employee or public auctions or salvage yards.

Narita Holmes, former purchasing agent and current fleet consultant for the Ector County Sheriff's Department in Texas, said auctions can be a great way to sell older fleet vehicles to cab companies who desire such police package features as double side-view mirrors.

"Increased resale value can help pay for new vehicles," said Holmes. "You want to look at quality in the short-term and depreciation in the long-term if you plan to resell the vehicles."

Indeed, Ector County and other agencies make purchase decisions with resale value in mind. County vehicles with auto door locks, fabric seats, and other desirable, inexpensive options often generate a good return.

Before a car is offered for sale, the Ector County vehicle maintenance department makes minor repairs that could positively affect resale price. Examples include plugging holes in hoses, fixing radio problems, or adding fresh exterior striping.

"It's similar to selling a home when you put some new carpeting in a room or two and add a fresh coat of paint," said Holmes. "It may not have a major effect on the final price, but every little bit helps."

Norris said an in-house service department in Montgomery County handles fleet vehicle maintenance. The number of new vehicles purchased each year is based on the current fiscal budget. In general, vehicles are sold at a county auction after reaching an average 120,000 miles in use.

At auction, vehicles generally are sold for \$3,000 to \$7,500, said Norris. Fleet vehicles sold at auctions often are purchased at or near Kelley Blue Book value. Even if they sell for below that standard value, the county spends very little to promote the auction.

"We see private citizens, car buffs, and business owners buying the vehicles, pretty much anyone who is looking for a good car and a good bargain," said Norris. "The auction buyers know that our vehicles are well maintained and have many features and additions that aren't standard in most vehicles."

Holmes said Ector County prefers auctions because they can drive up the price of a car, allowing the department to realize up to and beyond Kelley Blue Book value.

Dealers often give a trade-in value comparable to Kelley Blue Book values for police vehicles because they know the car has been maintained. But if an agency desires cash instead of a

trade-in from a dealer, they often can expect a few thousand dollars less than from selling to a private buyer.

"It makes sense to us to sell at an auction because there is very little work we have to do to prepare or to publicize it," said Reedy. "There's always a high demand for vehicles with the full police package."

All Charles County Sheriff's Department fleet cars are also sold at an auction, MacLean said. The proceeds are returned to the county's general fund and may ultimately be used for new vehicle purchases.

"We return all markings and equipment and clean them up well before they are picked up by our contractor for sale," MacLean said.

Up to 98 percent of all cabs bought by private companies in Chicago are purchased from law enforcement agencies, Cichon estimates. An additional \$1,000 in new tires and front-end parts is all he adds to these vehicles once they become part of a cab fleet. Since many of his cabs are driven up to or more than 500 miles per day during three shifts, he adds a new quart of oil every two days, eliminating the need for actual oil changes.

Proposed #	Current Assignment	Car ID#	Year	Make	Model	Mileage	Replace Y/N	Wholesale	Yearly mileage	Repairs 1/14-3/17	Yearly Repairs
1	Breeden	2	2006	Dodge	Charger	165,164	Y	\$1,000.00	16k	\$6,689	Cars 2,5,4,6
2	JM Davis	5	2009	Dodge	Charger	105,212	Y	\$3,000.00	15k	\$7,748.00	
3	JT Davis	4	2009	Dodge	Charger	95,212	Y	\$3,000.00	14k	\$14,400	
4	Shaver	6	2011	Dodge	Charger	64,217	Y	\$7,000	13k	\$10,113.00	
5	Lands						Y New	\$14,000		\$38,950.00	\$13K
	O'Neal	3	2016	Ford	SUV	12,928	N		13k	\$65.00	
	Chief / Spare	1	2013	Ford	Sedan	52,195	N		18k	\$2,315.00	
	PD / Town	7	2002	Chevrolet	Trailblazer	130,628	N		n/a	\$1,498.00	

INDEX TO LEGAL DOCUMENTS
BANK-QUALIFIED, APPROPRIATION-BASED
TAX-EXEMPT MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED MARCH _____, 2017 BY AND BETWEEN
SIGNATURE PUBLIC FUNDING CORP.
And
TOWN OF HAYMARKET

Lease Documents:

- Tab 1: Master Equipment Lease-Purchase Agreement;
- Tab 2: Exhibit A - Equipment Schedule;
- Tab 3: Exhibit B - Acceptance Certificate;
- Tab 4: Exhibit C-1 - Insurance Coverage Request;
- Tab 5: Exhibit C-2 - Self-Insurance Rider (if applicable);
Exhibit C-3 - Questionnaire for Self Insurance (If applicable);
- Tab 6: Exhibit D - Essential Use Certificate;
- Tab 7: Exhibit E - Incumbency Certificate;
- Tab 8: Exhibit F - Form of Opinion of Lessee's Counsel;
- Tab 9: Exhibit G - Bank Qualified Designation;
- Tab 10: Exhibit H - Tax Certificate;
- Tab 11: Exhibit I - Reserved;
- Tab 12: Exhibit J: - Form of Sample Resolution of Lessee;
- Tab 13: UCC-1 - Financing Statement with attached Schedule A;
- Tab 14: Form 8038-G;
- Tab 15: Closing Memorandum/Payment Proceeds Direction; and
- Tab 16: Vendor Invoices, MSOs and Title Applications.



SIGNATURE
PUBLIC FUNDING

SIGNATURE PUBLIC FUNDING CORP.

MASTER LEASE AGREEMENT NO. _____

This MASTER LEASE AGREEMENT (the "Agreement"), dated as of March _____, 2017 is made and entered into by and between SIGNATURE PUBLIC FUNDING CORP., a New York corporation, as lessor (the "Lessor"), and Town of Haymarket, a body corporate and politic of the State of Virginia, which is a political subdivision as defined under the Code, as lessee ("Lessee").

In consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. The following terms have the meanings specified below.

"Acceptance Certificate" means each Acceptance Certificate delivered by Lessee as part of an Equipment Schedule certifying as to the delivery, installation and acceptance of Equipment.

"Agreement" means this Master Lease Agreement and all Equipment Schedules hereto.

"Agreement Date" means the date first written above.

"Code" means the Internal Revenue Code of 1986, as amended, together with Treasury Regulations promulgated from time to time thereunder.

"Default Rate" means the lesser of 12% per annum, or the maximum rated permitted by law.

"Equipment" means all items of property described in Equipment Schedules and subject to this Agreement.

"Equipment Group" means each group of Equipment listed in a single Equipment Schedule.

"Equipment Schedule" means each sequentially numbered schedule executed by Lessor and Lessee with respect to Equipment Group.

"Escrow Account" means the equipment acquisition account, if any, established by Lessor and Lessee with the Escrow Agent pursuant to the Escrow Agreement.

"Escrow Agent" means the escrow agent and, if applicable, any successor escrow agent identified under the Escrow Agreement for any applicable Lease hereunder.

"Escrow Agreement" means the Escrow Fund and Account Control Agreement, substantially in the form of Exhibit I hereto, or another mutually agreeable form of escrow agreement to be executed by Lessor, Lessee and the Escrow Agent upon the first funding of an Equipment Schedule using the procedure described in Section 2.4.

"Events of Default" means those events described in Section 12.1.

"Fiscal Year" means each 12-month fiscal period of Lessee.

"Funding Date" means, with respect to each Lease, the date Lessor makes payment to the Vendor(s) named in the related Equipment Schedule or reimburses Lessee for the purchase price of the related Equipment Group or, if the procedure described in Section 2.4 is utilized, the date Lessor deposits funds equal to such purchase price into the Escrow Account.

"Interest" means the portion of a Rental Payment designated as and comprising interest as provided in a Payment Schedule.

"Lease" means, with respect to each Equipment Group, this Agreement and the Equipment Schedule relating thereto, which together shall constitute a separate contract between Lessor and Lessee relating to such Equipment Group.

"Lease Date" means, with respect to each Lease, the date so designated in the related Equipment Schedule.

"Lease Term" means, with respect to each Equipment Group, the period during which the related Lease is in effect as specified in Section 3.1.

"Net Proceeds" means any insurance proceeds or condemnation awards paid with respect to any Equipment remaining

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Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

after payment therefrom of all expenses incurred in the collection thereof.

"Non-Appropriation" means the failure of Lessee, Lessee's governing body, or, if applicable, the governmental entity from which Lessee obtains its operating and/or capital funds to appropriate money for any Fiscal Year sufficient for the continued payment and/or performance by Lessee of all of Lessee's obligations under this Agreement, as evidenced by the passage of an ordinance or resolution prohibiting Lessee from performing its obligations under this Agreement with respect to any Equipment and/or budget, and from using properly appropriated and/or legally available funds to pay any Rental Payments due under this Agreement during any Fiscal Year.

"Payment Date" means each date upon which a Rental Payment is due and payable as provided in a Payment Schedule.

"Payment Schedule" means the schedule of Rental Payments attached to an Equipment Schedule.

"Principal" means the portion of any Rental Payment designated as and comprising principal as provided in a Payment Schedule.

"Prepayment Price" means the amount so designated and set forth opposite a Payment Date in a Payment Schedule indicating the amount for which Lessee may purchase the related Equipment Group as of such Payment Date after making the Rental Payment due on such Payment Date.

"Rental Payment" means each payment due from Lessee to Lessor on a Payment Date.

"Specifications" means the bid specifications and/or purchase order pursuant to which Lessee has ordered any Equipment from a Vendor.

"State" means the state or commonwealth in which Lessee is situated.

"Vendor" means each of the manufacturers or vendors from which Lessee has ordered or with which Lessee has contracted for the manufacture, delivery and/or installation of the Equipment.

Section 1.2. Exhibits.

- Exhibit A: Equipment Schedule including Payment Schedule.
- Exhibit B: Acceptance Certificate.
- Exhibit C-1: Confirmation of Outside Insurance.
- Exhibit C-2: Self-Insurance Rider and Lessor Consent (if applicable).
- Exhibit C-3: Questionnaire for Self Insurance (If applicable),
- Exhibit D: Essential Use Certificate (unless waived).
- Exhibit E: Incumbency Certificate.
- Exhibit F: Form of Opinion of Counsel to Lessee.
- Exhibit G: Bank-Qualified Designation (if applicable).
- Exhibit H: Tax and Arbitrage Certificate.
- Exhibit I: Escrow Fund and Account Control Agreement (together with Disbursement request Form).
- Exhibit J: Form of Resolution of the Governing Body of Lessee relating to each Lease.

Questionnaire for Self-Insurance and Addendum to Equipment Schedule Relating to Self-Insurance.

ARTICLE II. LEASE OF EQUIPMENT

Section 2.1. Acquisition of Equipment. Prior to the addition of any Equipment Group, Lessee shall provide Lessor with a description of the equipment proposed to be subject to a Lease hereunder, including the cost and vendor of such equipment, the expected delivery date and the desired lease terms for such equipment, and such other information as the Lessor may require. If Lessor, in its sole discretion, determines the proposed equipment may be subject to a Lease hereunder, Lessor shall furnish to Lessee a proposed Equipment Schedule relating to the Equipment Group for execution by Lessee and then Lessor. By execution hereof, Lessor has made no commitment to lease any equipment to Lessee.

Section 2.2. Disbursement. Lessor shall have no obligation to make any disbursement to a Vendor or reimburse Lessee for any payment made to a Vendor for an Equipment Group (or, if the escrow procedure described in Section 2.4 hereof is utilized, consent to a disbursement by the Escrow Agent) until five (5) business days after Lessor has received all of the following in form and substance satisfactory to Lessor: (a) a completed Equipment Schedule executed by Lessee; (b) an Acceptance Certificate in the form included with Exhibit B hereto; (c) a resolution or evidence of other official action taken by or on behalf of the Lessee to authorize the acquisition of the Equipment Group on the terms provided in such Equipment Schedule; (d) a Tax Agreement and Arbitrage Certificate in the form of Exhibit H (as applicable) attached hereto; (e) evidence of insurance with respect to the Equipment Group in compliance with Article VII of this Agreement;

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(f) Vendor invoice(s) and/or bill(s) of sale relating to the Equipment Group, and if such invoices have been paid by Lessee, evidence of payment thereof and evidence of official intent to reimburse such payment as required by the Code; (g) financing statements naming Lessee as debtor and/or the original certificate of title or manufacturer's certificate of origin and title application, if any, for any Equipment which is part of such Equipment Group and is subject to certificate of title laws; (h) a completed and executed Form 8038-G or 8038-GC, as applicable, or evidence of filing thereof with the Secretary of Treasury; (i) an opinion of counsel to the Lessee substantially in the form of Exhibit F hereto, and (j) any other documents or items reasonably required by Lessor.

Section 2.3. Lease; Possession and Use. Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor, upon the terms and conditions set forth herein. Lessee shall have quiet use and enjoyment of and peaceably have and hold each Equipment Group during the related Lease Term, except as expressly set forth in this Agreement.

Section 2.4. Escrow Procedure. If Lessor and Lessee agree that the cost of an Equipment Group is to be paid from an Escrow Account: (a) Lessor and Lessee shall execute an Escrow Agreement substantially in the form of Exhibit I or such other form as may be mutually agreeable by the parties thereto; (b) Lessor and Lessee shall execute an Equipment Schedule relating to such Equipment Group; and (c) Lessor shall deposit an amount equal to the cost of the Equipment Group into the Escrow Account. All amounts deposited by Lessor into the Escrow Account shall constitute a loan from Lessor to Lessee secured by proceeds in such Escrow Account and, when such funds are used to acquire the Equipment, shall be repaid by the Rental Payments due under the related Lease.

ARTICLE III. TERM

Section 3.1. Term. This Agreement shall be in effect from the Agreement Date until the earliest of (a) termination under Section 3.2 or (b) termination under Section 12.2; provided, however, no Equipment Schedules shall be executed after any Non-Appropriation or Event of Default. Each Lease with respect to an Equipment Group shall be in effect for a Lease Term commencing upon the Lease Date and ending as provided in Section 3.4.

Section 3.2. Termination by Lessee. In the sole event of Non-Appropriation, this Agreement and each Lease hereunder shall terminate, in whole, but not in part, as to all Equipment effective upon the last day of the Fiscal Year for which funds were appropriated, in the manner and subject to the terms specified in this Article. Lessee may affect such termination by giving Lessor a written notice of termination and by paying to Lessor any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. Lessee shall endeavor to give notice of such termination not less than ninety (90) days prior to the end of the Fiscal Year for which appropriations were made, and shall notify Lessor of any anticipated termination. In the event of termination of this Agreement as provided in this Section, Lessee shall comply with the instructions received from Lessor in accordance with Section 12.3. Lessor agrees that it shall not deliberately cause an event of Non-Appropriation so as to permit Lessee to terminate this Agreement or any Lease hereunder in order to acquire any other equipment or obtain funds directly or indirectly to perform essentially the same application for the Equipment is intended.

Section 3.3. Effect of Termination. Upon termination of this Agreement as provided in Section 3.2, Lessee shall not be responsible for the payment of any additional Rental Payments coming due in succeeding Fiscal Years, but if Lessee has not complied with the instructions received from Lessor in accordance with Section 12.3, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments that would thereafter have come due if this Agreement had not been terminated and which are attributable to the number of days after which Lessee fails to comply with Lessor's instructions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required.

Section 3.4. Termination of Lease Term. The Lease Term with respect to any Lease will terminate upon the occurrence of the first of the following events: (a) the termination of this Agreement by Lessee in accordance with Section 3.2; (b) the payment of the Prepayment Price by Lessee pursuant to Article V; (c) an Event of Default by Lessee and Lessor's election to terminate such Lease pursuant to Article XII; or (d) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee pursuant to such Lease.

ARTICLE IV. RENTAL PAYMENTS

Section 4.1. Rental Payments. The Lessee agrees to pay the Rental Payments due as specified in the Payment Schedule set forth on any Equipment Schedule hereto, the form of which is attached as Exhibit A. A portion of each Rental Payment is paid as interest as specified in the Payment Schedule of each lease, and the first Rental Payment will include interest accruing from the Funding Date. Lessor is authorized to insert the due date of the first Rental Payment in the Payment Schedule. All Rental Payments shall be paid to Lessor, or to such assignee(s) Lessor has assigned as stipulated in Article XI, at such places as Lessor or such assignee(s) may from time to time designate by written notice to Lessee. Lessee shall pay the Rental Payments with lawful money of the United States of America from moneys legally available therefor.

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Section 4.2. Current Expense. The obligations of Lessee, including its obligation to pay the Rental Payments due in any Fiscal Year of a Lease Term, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or other moneys (other than moneys lawfully appropriated from time to time by or for the benefit of Lessee for this Agreement and the Net Proceeds of the Equipment) to the payment of any Rental Payment or other amount coming due hereunder.

Section 4.3. Unconditional Rental Payments. Notwithstanding Lessee's right to terminate as provided in Section 3.2, Lessee's obligation to make Rental Payments shall be absolute and unconditional. Also, any other payments required hereunder shall be absolute and unconditional. Lessee shall make these payments when due and shall not withhold any of these payments pending final resolution of any disputes. The Lessee shall not assert any right of set-off or counterclaim against its obligation to make these payments. Lessee's obligation to make Rental Payments or other payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment. The Lessee shall be obligated to continue to make payments required of it by this Agreement if title to, or temporary use of, the Equipment or any part thereof shall be taken under exercise of the power of eminent domain.

ARTICLE V. OPTION TO PREPAY

Section 5.1. Option to Prepay. Lessee shall have the option to prepay its obligations under any Lease in whole but not in part on any Payment Date on or after the Prepayment Option Commencement Date for the then applicable Prepayment Price (which may include a prepayment fee) as set forth in the related Payment Schedule, provided there has been no Non-Appropriation or Event of Default.

Section 5.2. Exercise of Option. Lessee shall give notice to Lessor of its intention to exercise its option not less than thirty (30) days prior to the Payment Date on which the option will be exercised and shall pay to Lessor not later than such Payment Date an amount equal to all Rental Payments and any other amounts then due or past due under the related Lease (including the Rental Payment due on the Payment Date on which the option shall be effective) and the applicable Prepayment Price set forth in the related Payment Schedule. In the event that all such amounts are not received by Lessor on such Payment Date, such notice by Lessee of exercise of its option to prepay shall be void and the related Lease shall continue in full force and effect.

Section 5.3. Release of Lessor's Interest. Upon receipt of the Prepayment Price in good funds with respect to any Equipment Group, the Lease with respect to such Equipment Group shall terminate and Lessee shall become entitled to such Equipment Group AS IS, WHERE IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that such Equipment Group shall not be subject to any lien or encumbrance created by or arising through Lessor.

ARTICLE VI. REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.1. Representations and Warranties of Lessee. Lessee represents and warrants as of the Agreement Date and as of each Lease Date as follows:

- (a) Lessee is a state or political subdivision of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into this Agreement, each Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations under this Agreement and each Lease.
- (b) The execution and delivery of this Agreement and each Lease have been duly authorized by all necessary action of Lessee's governing body and such action is in compliance with all public bidding and other State and federal laws applicable to this Agreement, each Lease and the acquisition and financing of the Equipment by Lessee.
- (c) This Agreement and each Lease have been duly executed and delivered by and constitutes the valid and binding obligation of Lessee, enforceable against Lessee in accordance with their respective terms.
- (d) The execution, delivery and performance of this Agreement and each Lease by Lessee shall not (i) violate any State or federal law or local law or ordinance (including, without limitation, any public bidding, open meeting, notice, and procurement requirements), or any order, writ, injunction, decree, or regulation of any court or other governmental agency or body applicable to Lessee, or (ii) conflict with or result in the breach or violation of any term or provision of, or constitute a default under, any note, bond, mortgage, indenture, agreement, deed of trust, lease or other obligation to which Lessee is bound.
- (e) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement or any Lease or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement or any Lease.
- (f) Lessee will furnish Lessor (i) within 180 days after the end of each Fiscal Year of Lessee, a copy of its

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Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

audited financial statements for such Fiscal Year, which audited financial statements shall include a balance sheet, a statement of revenues, expenses and changes in fund balances for budget and actual, a statement of cash flows, notes, schedules and any attachments to the financial statements; (ii) no later than 10 days prior to the end of each Fiscal Year (commencing with the current Fiscal Year), a copy of Lessee's current budget or other proof of appropriation for the ensuing Fiscal Year; (iii) promptly after Lessor's written request, a copy of any interim updates or modifications to Lessee's adopted budget and such other information relating to Lessee's ability to continue the Lease Term of each Lease for such Fiscal Year as may be reasonably requested by Lessor; and (iv) promptly, but not later than 30 days after such information is available, after Lessor's written request, such other financial statements and information as Lessor may reasonably request, including, without limitation, any information relating to the measurement and verification of proposed or guaranteed energy savings. The financial statements described in clause (f)(i) shall be accompanied by an unqualified opinion of Lessee's auditor. Credit information relating to Lessee may be disseminated among Lessor and any of its affiliates and any of their respective successors and assigns.

(g) Lessee or Lessee's governing body has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments during the current Fiscal Year, and such moneys will be applied in payment of all Rental Payments due and payable during such current Fiscal Year.

(h) Lessee has an immediate need for, and expects to make immediate use of, the Equipment, which need is not temporary or expected to diminish during the applicable Lease Term. Lessee presently intends to continue each Lease hereunder for its entire Lease Term and to pay all Rental Payments relating thereto.

Section 6.2. Covenants of Lessee. Lessee agrees that so long as any Rental Payments or other amounts due under this Agreement remain unpaid:

(a) Lessee shall not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or regulation or in a manner contrary to that contemplated by this Agreement. Lessee shall obtain and maintain all permits and licenses necessary for the installation and operation of the Equipment. Lessee shall not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition would change or impair the originally intended functions, value or use of such Equipment.

(b) Lessee shall provide Lessor access at all reasonable times to examine and inspect the Equipment and provide Lessor with such access to the Equipment as may be reasonably necessary to perform maintenance on the Equipment in the event of failure by Lessee to perform its obligations hereunder.

(c) Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or other claim with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided. Lessee shall promptly, at its own expense, take such actions as may be necessary duly to discharge or remove any such claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such claim.

(d) The person or entity in charge of preparing Lessee's budget will include in the budget request for each Fiscal Year the Rental Payments to become due during such Fiscal Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Fiscal Year sufficient to pay all Rental Payments coming due therein. Lessor acknowledges that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform. Lessee acknowledges that this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the applicable Lease Terms.

(e) Lessee shall assure that its obligation to pay Rental Payments is not directly or indirectly secured by any interest in property, other than the Equipment, and that the Rental Payments will not be directly or indirectly secured by or derived from any payments of any type or any fund other than Lessee's general purpose fund.

(f) Upon Lessor's request, Lessee shall provide Lessor with current financial statements, budgets, and proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue this Agreement and each Lease as may be reasonably requested by Lessor.

(g) Lessee shall promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

Section 6.3. Tax Related Representations, Warranties and Covenants.

(a) *Incorporation of Tax Agreement and Arbitrage Certificate.* As of each Lease Date and with respect to each Lease, Lessee makes each of the representations, warranties and covenants contained in the Tax Agreement and Arbitrage Certificate delivered with respect to such Lease. By this reference each such Tax Agreement and Arbitrage Certificate is incorporated in and made a part of this Agreement.

(b) *Event of Taxability.* If Lessor either (i) receives notice, in any form, from the Internal Revenue Service or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor, that Lessor may not exclude any Interest paid under any Lease from its Federal gross income (each an "Event of Taxability"), the Lessee shall pay to Lessor upon demand (x) an amount which, with respect to Rental Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the Interest due through the date of such event), will restore to Lessor its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of Rental Payments and reinvestment at the after-tax yield rate) on the transaction evidenced by such Lease through the date of such event and (y) as additional Rental Payments to Lessor on each succeeding Payment Date such amount as will maintain such after-tax yield to Lessor.

ARTICLE VII. INSURANCE AND RISK OF LOSS

Section 7.1. Liability and Property Insurance. Lessee shall, at its own expense, procure and maintain continuously in effect during each Lease Term: (a) public liability insurance for death or injuries to persons, or damage to property arising out of or in any way connected to the Equipment sufficient to protect Lessor and/or assigns from liability in all events, with a coverage of not less than \$1,000,000 per occurrence and either \$3,000,000 aggregate for non-titled Equipment or \$5,000,000/ aggregate for titled Equipment unless specified differently in the related Equipment Schedule, and (b) insurance against such hazards as Lessor may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Equipment or the applicable Prepayment Price of each Equipment Group.

Section 7.2. Workers' Compensation Insurance. If required by State law, Lessee shall carry workers' compensation insurance covering all employees on, in, near or about the Equipment, and upon request, shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

Section 7.3. Insurance Requirements.

(a) *Insurance Policies.* All insurance policies required by this Article shall be taken out and maintained with insurance companies acceptable to Lessor and shall contain a provision that thirty (30) days prior to any change in the coverage the insurer must provide written notice to the insured parties. No insurance shall be subject to any co-insurance clause. Each insurance policy shall name Lessor and/or its assigns as an additional insured party and loss payee regardless of any breach of warranty or other act or omission of Lessee and shall include a lender's loss payable endorsement for the benefit of Lessor and/or its assigns. Prior to the delivery of Equipment, Lessee shall deposit with Lessor evidence satisfactory to Lessor of such insurance and, prior to the expiration thereof, shall provide Lessor evidence of all renewals or replacements thereof.

(b) *Self Insurance.* With Lessor's prior consent, Lessee may self-insure the Equipment by means of an adequate insurance fund set aside and maintained for that purpose which must be fully described in a letter delivered to Lessor in form acceptable to Lessor.

(c) *Evidence of Insurance.* Lessee shall deliver to Lessor upon acceptance of any Equipment evidence of insurance which complies with this Article VII with respect to such Equipment to the satisfaction of Lessor, including, without limitation, the confirmation of insurance in the form of Exhibit C-1 attached hereto together with Certificates of Insurance, when available, or the Questionnaire for Self-Insurance Rider and Lessor Consent in the form of Exhibit C-2 attached hereto, as applicable.

(d) *Payment and Performance Bond.* If requested by Lessor, which will be solely in circumstances where the Equipment will not be fully delivered and accepted at the time of funding yet partial payment therefor has been or will be made by Lessor or from an Escrow Account, a payment and performance or other type of surety bond and dual obligee rider ("Bond") is required in form and substance and with such insurer as may be required by Lessor, and Lessee will keep such Bond in effect (or require the Vendor to keep such Bond in effect) and provide Lessor with a evidence of such Bond (and any applicable renewals thereof) at all times until the final Acceptance Certificate is delivered to the Lessor. No disbursements from the Escrow Account will be permitted without evidence of such Bond having been delivered to the Lessor.

Section 7.4. Risk of Loss. To the extent permitted by applicable laws of the State, as between Lessor and Lessee, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance relating to any Lease hereunder, for loss or damage to any Equipment and for injury to or death of any person or damage to any property. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees to release, defend, and hold harmless Lessor from all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses, including reasonable attorneys' fees, imposed on, incurred by or asserted against Lessor that relate to or arise out of this Agreement, including but not limited to, (a) the selection, manufacture, purchase, acceptance or rejection of Equipment or the ownership of the Equipment, (b) the delivery, lease, possession, maintenance, use, condition, return or operation of the Equipment, (c) the condition of the Equipment sold or otherwise disposed of after possession by Lessee, (d) the conduct of Lessee, its officers, employees and agents, (e) a breach of Lessee of any of its covenants or obligations hereunder, (f) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not

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limited to investigation, removal, cleanup and remedial costs, and (g) any strict liability under the laws or judicial decisions of any state or the United States. This provision shall survive the termination of this Agreement. Nothing in this Section 7.4 shall be deemed to obligate Lessee to spend any monies with regards to the matters set forth herein that are not properly appropriated, designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.) and/or otherwise legally available. Nothing herein shall be deemed to (a) create an unconstitutional or illegal obligation on the part of the Lessee and (b) be a waiver of any constitutional or statutory waivers, rights, immunities, or privileges, Any provision or requirement of the Agreement which is determined or to be illegal, invalid, or unconstitutional shall be stricken solely to the extent of such invalidity with the remainder of the provisions of the Agreement to be in full force and effect.

Section 7.5. Destruction of Equipment. Lessee shall provide a complete written report to Lessor immediately upon any loss, theft, damage or destruction of any Equipment and of any accident involving any Equipment. Lessor may inspect the Equipment at any time and from time to time during regular business hours. If all or any part of the Equipment is stolen, lost, destroyed or damaged beyond repair or taken by an exercise of eminent domain ("Damaged Equipment"), Lessee shall within thirty (30) days after such event either: (a) replace the same at Lessee's sole expense with equipment having substantially similar Specifications and of equal or greater value to the Damaged Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor's approval, whereupon such replacement equipment shall be substituted in the applicable Lease and the other related documents by appropriate endorsement or amendment; or (b) pay the applicable Prepayment Price of the Damaged Equipment determined as set forth in the related Equipment Schedule. Lessee shall notify Lessor of which course of action it will take within fifteen (15) days after the loss occurrence. If, within forty-five (45) days of the loss occurrence, (a) Lessee fails to notify Lessor; (b) Lessee and Lessor fail to execute an amendment to the applicable Equipment Schedule to delete the Damaged Equipment and add the replacement equipment or (c) Lessee has failed to pay the applicable Prepayment Price, then Lessor may, at its sole discretion, declare the applicable Prepayment Price of the Damaged Equipment, to be immediately due and payable from the Net Proceeds and any other legally available or proper appropriated funds. The Net Proceeds of insurance with respect to the Damaged Equipment shall be made available by Lessor to be applied to discharge Lessee's obligation under this Section.

ARTICLE VIII. OTHER OBLIGATIONS OF LESSEE

Section 8.1. Maintenance of Equipment. Lessee shall notify Lessor in writing prior to moving the Equipment to another address and shall otherwise keep the Equipment at the address specified in the related Equipment Schedule. Lessee shall, at its own expense, maintain the Equipment in proper working order and shall make all necessary repairs and replacements to keep the Equipment in such condition including compliance with State and federal laws. Any and all replacement parts must be free of encumbrances and liens. All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Equipment and as such, shall be subject to the terms of this Agreement.

Section 8.2. Taxes. Lessee shall pay all taxes and other charges which are assessed or levied against the Equipment, the Rental Payments or any part thereof, or which become due during the Lease Term, whether assessed against Lessee or Lessor, except as expressly limited by this Section. Lessee shall pay all utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body that may be secured by a lien on the Equipment. Lessee shall not be required to pay any federal, state or local income, succession, transfer, franchise, profit, excess profit, capital stock, gross receipts, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

Section 8.3. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may take such action to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the Default Rate from the date of the advance to the date of repayment.

ARTICLE IX. TITLE

Section 9.1. Title. Except as may be modified on any Schedule hereto or solely if and to the extent as required by any laws of the State, during the Lease Term, ownership and legal title of all Equipment and all replacements, substitutions, repairs and modification shall be in Lessee and Lessee shall take all action necessary to vest such ownership and title in Lessee. Lessor does not own the Equipment and by this Agreement and each Lease is merely financing the acquisition of such equipment for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control or have possession of the Equipment and has no control over the Lessee or the Lessee's operation, use, storage or maintenance of the Equipment.

Section 9.2. Security Interest. Lessee hereby grants to Lessor a continuing, first priority security interest in and to the Equipment, all repairs, replacements, substitutions and modifications thereto and all proceeds thereof (including without limitation any Net Proceeds, warranty payments and guaranteed energy or other savings payments) and in the Escrow

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Account (if any) in order to secure Lessee's payment of all Rental Payments and the performance of all other obligations. Lessee hereby authorizes Lessor to prepare and file such financing statements and other such documents to establish and maintain Lessor's valid first priority lien and perfected security interest. Lessee will join with Lessor in executing such documents and will perform such acts as Lessor may request to establish and maintain Lessor's valid first priority lien and perfected security interest. If requested by Lessor, Lessee shall obtain a landlord and/or mortgagee's consent and waiver with respect to the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment, and maintain such markings during the Lease Term, to clearly disclose Lessor's security interest in the Equipment. Upon termination of a Lease through exercise of Lessee's option to prepay pursuant to Article V or through payment by Lessee of all Rental Payments and other amounts due with respect to an Equipment Group, Lessor's security interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request (at the sole cost and expense) to evidence the termination of Lessor's security interest in such Equipment Group.

Section 9.3. Modification of Equipment. Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will change or impair the originally intended value, function or use of the Equipment.

Section 9.4. Personal Property. Except as permitted by Lessor in writing in connection to any Equipment Schedules, the Equipment is and shall at all times be and remain personal property and not fixtures.

ARTICLE X. WARRANTIES

Section 10.1. Selection of Equipment. Each Vendor and all of the Equipment have been selected by Lessee. Lessor shall have no responsibility in connection with the selection of the Equipment, the ordering of the Equipment, its suitability for the use intended by Lessee, the acceptance by any Vendor or its sales representative of any order submitted, or any delay or failure by such Vendor or its sales representative to manufacture, deliver or install any Equipment for use by Lessee.

Section 10.2. Vendor's Warranties. Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Vendor's warranties, guarantees and patent indemnity protection, express or implied issued on or applicable to an Equipment Group, and Lessee may obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Vendor's warranties or obligations on behalf of itself or Lessee.

Section 10.3. Disclaimer of Warranties. LESSEE ACKNOWLEDGES THAT THE EQUIPMENT IS OF A SIZE, DESIGN, CAPACITY, AND MANUFACTURE SELECTED BY LESSEE. LESSEE ACKNOWLEDGES THAT IT SELECTED THE EQUIPMENT WITHOUT ASSISTANCE OF LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR IS NOT A MANUFACTURER OF THE EQUIPMENT OR A DEALER IN SIMILAR EQUIPMENT, AND DOES NOT INSPECT THE EQUIPMENT BEFORE DELIVERY TO LESSEE. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EQUIPMENT OR LESSEE'S USE OF THE EQUIPMENT.

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ARTICLE XI. ASSIGNMENT AND SUBLEASING

Section 11.1. Assignment by Lessor. Lessor, without Lessee's consent, may assign and reassign all of Lessor's right, title and/or interest in and to this Agreement or any Lease, including, but not limited to, the Rental Payments and other amounts payable by Lessee and Lessor's interest in the Equipment, in whole or in part to one or more assignees or subassignee(s) by Lessor at any time. No such assignment shall be effective as against Lessee unless and until written notice of the assignment is provided to Lessee. When presented with a notice of assignment, Lessee will acknowledge in writing receipt of such notice for the benefit of Lessor and any assignee. Lessee shall keep a complete and accurate record of all such assignments.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Agreement nor any Lease or any Equipment may be assigned, subleased, sold, transferred, pledged or mortgaged by Lessee.

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ARTICLE XII. EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The occurrence of any of the following events shall constitute an Event of Default under this Agreement and each Lease:

- (a) Lessee's failure to pay, within ten (10) days following the due date thereof, any Rental Payment or other amount required to be paid to Lessor (other than by reason of Non-Appropriation).
- (b) Lessee's failure to maintain insurance as required by Article VII.
- (c) With the exception of the above clauses (a) & (b), Lessee's failure to perform or abide by any condition,

agreement or covenant for a period of thirty (30) days after written notice by Lessor to Lessee specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of time prior to its expiration.

(d) Lessor's determination that any representation or warranty made by Lessee in this Agreement was untrue in any material respect upon execution of this Agreement or any Equipment Schedule.

(e) The occurrence of an Event of Taxability and Lessee's failure to comply with the provisions of Section 6.3(b).

(f) The filing of a petition in bankruptcy by or against Lessee, or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation of Lessee.

Section 12.2. Remedies on Default. Upon the occurrence of any Event of Default, Lessor shall have the right, at its option and without any further demand or notice to one or more or all of the following remedies:

(a) Lessor, with or without terminating this Agreement or any Lease, may declare all Rental Payments immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable, together with interest at the Default Rate, but solely from properly appropriated, legally available, or other funds designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.).

(b) Lessor, with or without terminating this Agreement or any Lease, may repossess any or all of the Equipment by giving Lessee written notice to deliver such Equipment in the manner provided in Section 12.3; or in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where such Equipment is kept and take possession of such Equipment and charge Lessee for all actual and reasonable accrued costs incurred, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession except those resulting from Lessor's gross negligence or willful misconduct. If the Equipment or any portion has been destroyed, Lessee shall pay the applicable Prepayment Price of the destroyed Equipment as set forth in the related Payment Schedule, but solely from properly appropriated, legally available, or other funds designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.). Regardless of the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due during the Fiscal Year.

(c) If Lessor terminates this Agreement and/or any Lease and, in its discretion, takes possession and disposes of any or all of the Equipment, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Prices of the Equipment Groups; (v) the balance of any Rental Payments owed by Lessee during the Fiscal Year then in effect; and (vi) interest on any of the foregoing at the Default Rate. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv), (v) and (vi) have been met shall be paid to Lessee.

(d) Lessor may take any other remedy available, at law or in equity, with respect to such Event of Default, including those sounding in mandamus, specific performance/enforcement, or otherwise requiring Lessee to perform any of its obligations or to pay any moneys due and payable to Lessor, and Lessee shall pay the actual reasonable attorneys' fees and other costs and expenses incurred by Lessor in enforcing any remedy permitted and exercise hereunder together with interest at the Default Rate.

(e) Each of the foregoing remedies is cumulative and may be enforced separately or concurrently. All monetary damages and/or payment remedies set forth in this Section 12, shall be payable solely from properly appropriated, legally available, or other funds designated for such purposes (e.g. insurance proceeds, warranty payments, self-insurance, reserve or sinking funds, etc.). In no event shall the rights and remedies herein constitute a debt, illegal or unconstitutional undertaking of the Lessee or its governing body.

Section 12.3. Return of Equipment: Release of Lessee's Interest. Upon termination of any Lease prior to the payment of all related Rental Payments or the applicable Prepayment Price (whether as result of Non-Appropriation or Event of Default), Lessee shall, within ten (10) days after such termination, at its own expense: (a) perform any testing and repairs required to place the related Equipment in the condition required by Article VIII; (b) if deinstallation, disassembly or crating is required, cause such Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) return such Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to return such Equipment in the manner designated, Lessor may repossess the Equipment without demand or notice and without court order or legal process and charge Lessee the costs of such repossession. Upon termination of this Agreement in accordance with Article III or Article XII hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor. Lessee shall have no further interest therein. Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

Section 12.4 Late Charge. Lessor shall have the right to require late payment charge for each Rental or any other amount due hereunder which is not paid within 10 days of the date when due equal to the lesser of 5% of each late payment or the legal maximum. For any Rent Payment and other amount not paid within 30 days of the due date, Lessor shall have the right to resume interest thereof at the Default Rate which shall accrue from the due date. This Section is only applicable to the extent it does not affect the validity of this Agreement.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

Section 13.1. Notices. All written notices to be given under this Agreement shall be given by mail to the party entitled thereto at its address specified beneath each party's signature, or at such address as the party may provide to the other parties hereto in writing from time to time. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered or certified form, with postage fully prepaid, or, if given by other means, when delivered at the address specified in this Section 13.1.

Section 13.2. Binding Effect. This Agreement and each Lease hereunder shall be binding upon and shall inure to the benefit of Lessor and Lessee and their respective successors and assigns. Specifically, as used herein the term "Lessor" means any person or entity to which Lessor has assigned its right to receive Rental Payments under any Lease.

Section 13.3. Severability. In the event any provision of this Agreement or any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.4. Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous writings, understandings, agreements, solicitation documents and representations, express or implied. This Agreement may be amended or modified only by written documents duly authorized, executed and delivered by Lessor and Lessee.

Section 13.5. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or Clauses hereof.

Section 13.6. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement. Lessee hereby authorizes Lessor to file any financing statement or supplements thereto as may be reasonably required for correcting any inadequate description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement

Section 13.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13.8. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in any Equipment Schedule, in no event shall this Agreement or any Lease hereunder require the payment or permit the collection of Interest or any amount in the nature of Interest or fees in excess of the maximum amount permitted by applicable law. Any such excess Interest or fees shall first be applied to reduce Principal, and when no Principal remains, refunded to Lessee. In determining whether the Interest paid or payable exceeds the highest lawful rate, the total amount of Interest shall be spread through the applicable Lease Term so that the Interest is uniform through such term.

Section 13.9. Lessee's Performance. A failure or delay of Lessor to enforce any of the provisions of this Agreement or any Lease shall in no way be construed to be a waiver of such provision.

Section 13.10. Waiver of Jury Trial. Except as prohibited by the laws and/or constitution of the State, Lessor and Lessee hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Agreement.

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Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXECUTION PAGE OF MASTER LEASE AGREEMENT

LEASE NUMBER _____

IN WITNESS WHEREOF, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Agreement to be executed in its name by its duly authorized officer.

TOWN OF HAYMARKET, Lessee

SIGNATURE PUBLIC FUNDING CORP. Lessor

By: _____
Name: Kimberly Murray
Title: Town Manager
Date: _____

By: _____
Name: Donald S. Keough
Title: Senior Managing Director
Date: _____

Address: 15000 Washington Street, Suite 100
Haymarket, VA 20169

Address: 600 Washington Avenue, Suite 305
Towson, MD 21204

Telephone: 703-753-2600
Facsimile: [LESSEE FAX NO.]

Telephone: 410-704-0027
Facsimile: 646-927-4005

Invoices:

E-mail please [30] days prior to: kmurray@townofhaymarket.org

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

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 person who opens an account. You acknowledge and agree to cooperate with any information that may be requested by us in order to comply with the United States Patriot Act, OFAC and/or BSA regulations. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Counterpart No. _____ of two manually executed and serially numbered counterparts. To the extent that this Master Agreement constitutes chattel paper (as defined in the applicable 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.

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT A: LEASE SCHEDULE

EQUIPMENT SCHEDULE 001 DATED MARCH _____, 2017

This Equipment Schedule 001 dated as of March _____, 2017 ("Equipment Schedule") is made to and part of that certain Master Equipment Lease-Purchase Agreement dated as of March _____, 2017 (the "Master Agreement," and together with the Equipment Schedule, the "Lease"), and the terms, conditions and provisions of the Master Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules or if they are expressly superseded in this Equipment Schedule) are hereby incorporated into this Equipment Schedule by reference and made a part hereof. This Lease is a separate and individual instrument of lease.

1. DESCRIPTION OF THE EQUIPMENT:

Equipment shall consist of those units or items of equipment as set forth below and/or as may be accepted by the Lessee and financed hereunder, together with all embedded software, replacements, additions, attachments, substitutions, modifications, upgrades, and improvements thereto (collectively the "Equipment") pursuant to that "Vendor Contract" (as described below) between each respective "Vendor" and Lessee, which is and financed by this Lease.

Quantity	Equipment Description (with VIN and MSN)	Unit Cost	Total Cost	Vendor Name and Contract/Invoice	Location
5	Ford Utility Police Interceptors AWD		149,390.00	Sheehy Ford of Richmond	See below.
	Closing Costs				
	TOTAL LEASE PROCEEDS:		149,390.00		

2. EQUIPMENT LOCATION: HAYMARKET POLICE DEPARTMENT.

3. PAYMENT SCHEDULE: The Rental Payments shall be made for the Equipment as follows:

PAYMENT NUMBER	DATE DUE	TOTAL RENTAL PAYMENTS DUE	INTEREST COMPONENT	PRINCIPAL COMPONENT	PREPAYMENT PRICE*
	Loan Date	0.00	0.00	0.00	150,883.90
1	09/30/17	15,760.22	1,471.49	14,288.73	136,452.28
2	03/30/18	15,760.22	1,330.75	14,429.47	121,878.52
3	09/30/18	15,760.22	1,188.62	14,571.60	107,161.20
4	03/30/19	15,760.22	1,045.09	14,715.13	92,298.92
5	09/30/19	15,760.22	900.15	14,860.07	77,290.25
6	03/30/20	15,760.22	753.77	15,006.45	62,133.74
7	09/30/20	15,760.22	605.96	15,154.26	46,827.93
8	03/30/21	15,760.22	456.69	15,303.53	31,371.37
9	09/30/21	15,760.22	305.95	15,454.27	15,762.55
10	03/30/22	15,760.22	153.73	15,606.49	(0.00)
Grand Totals		157,602.20	8,212.20	149,390.00	

* Assumes that all rental payments and other amounts due on and prior to that date have been paid.

4. INTEREST RATE: 1.97%

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

5. **COMMENCEMENT DATE:** March _____, 2017. Interest, if any, accruing from the Commencement Date to the actual date of funding shall be retained by Lessor as additional consideration for entering into this Equipment Schedule.

6. **SCHEDULED LEASE TERM:** 5 Years.

7. **OPTIONAL PREPAYMENT COMMENCEMENT DATE:** September 30, 2017.

8. **FISCAL YEAR:** Lessee's current Fiscal Year extends from July 1, 2016 through June 30, 2017.

9. Lessee hereby represents, warrants, and covenants that (i) its representations, warranties, and covenants set forth in the Master Equipment Lease-Purchase Agreement (particularly Paragraph 7 thereof) are true and correct as though made on the date of execution of this Equipment Schedule, and (ii) sufficient funds have been appropriated by Lessee for the payment of all Rental Payments due under this Lease during Lessee's current Fiscal Year. Funds for making Rental Payments are expected to come from the General Fund of the Lessee.

10. **ESSENTIAL USE:** The Equipment will be used by the Police Department for the specific purpose of: replacement of (5) Police Cars. The Equipment is essential for the functioning of the Lessee and is immediately needed by the Lessee, and such need is neither temporary, nor expected to diminish during the Lease Term. The Equipment is expected to be used by the Lessee for a period in excess of the Lease Term.

[Signature Pages to Follow.]

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

IN WITNESS WHEREOF, LESSOR AND LESSEE HAVE EXECUTED THIS EQUIPMENT SCHEDULE AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE

TOWN OF HAYMARKET,
as Lessee

SIGNATURE PUBLIC FUNDING CORP.,
as Lessor

By: _____
Name: Kimberly Murray
Title: Town Manager

By: _____
Name: Donald S. Keough
Title: Senior Managing Director

Counterpart No. ____ of two manually executed and serially numbered counterparts. To the extent that this Equipment Schedule constitutes chattel paper (as defined in the applicable 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.

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT B

ACCEPTANCE CERTIFICATE

The undersigned, as Lessee under Schedule No. 001 dated as of March _____, 2017 (the "Schedule") to that certain Master Equipment Lease-Purchase Agreement dated as of March _____, 2017 (the "Master," and together with the Schedule, the "Lease"), acknowledges receipt in good condition those certain units of the Equipment described in the Lease and more specifically listed on Annex I hereto as of the Acceptance Date set forth below. Capitalized terms used herein without definition shall be given their meaning in the Lease.

1. The units of Equipment listed on Annex I hereto represent a portion of the Equipment listed on the Schedule and to be acquired under the Lease. By its execution hereto, the Lessee represents and warrants that: (1) the Equipment listed on Annex I hereto has been delivered, installed and accepted on the date hereof; and (2) it has conducted such inspection and/or testing of the Equipment listed on Annex I hereto as it deems necessary and appropriate and hereby acknowledges that it unconditionally and irrevocably accepts the Equipment listed in Annex I hereto for all purposes. Lessee confirms that it will commence or continue to make Rental Payments in accordance with the terms of the Lease. Copies of invoices, proof of payment (if applicable), reimbursement resolutions (if applicable), and purchase orders and/or agreement have been attached with Annex I hereto. As applicable, the following documents are attached hereto and made a part hereof: (a) Original Invoice(s) and (b) Copies of Certificate(s) of Ownership, MSOs, or Certificates of Title, designating Lessor as first position lienholder, and (c) any other evidence of filing or documents attached hereto

2. Lessee hereby certifies and represents to Lessor as follows: (i) the representations and warranties in the Lease are true and correct as of the Acceptance Date; (ii) the Equipment is covered by insurance in the types and amounts required by the Lease; (iii) no Event of Default or Non-Appropriation, as those terms are defined in the Lease, and no event that with the giving of notice or lapse of time or both, would become an Event of Default or a Non-Appropriation, has occurred and is continuing on the date hereof; and (iv) sufficient funds have been appropriated by Lessee for the payment of all Rental Payments due under the Lease during Lessee's current Fiscal Year.

3. Lessee hereby authorizes and directs Lessor to fund the acquisition cost of the Equipment by paying, or directing the payment by the Escrow Agent (if applicable) of, the invoice prices to the Vendor(s), in each case as set forth above, or by reimbursing Lessee in the event such invoice prices have been previously paid by Lessee.

IF REQUEST IS FINAL REQUEST, CHECK HERE . 4. **Final Acceptance Certificate.** The undersigned hereby certifies that the items of Equipment described above, together with the items of Equipment described in and accepted by Certificates of Acceptance and Disbursement Requests previously filed by Lessee with Lessor constitute all of the Equipment subject to the Lease. Lessee certifies that upon payment in accordance with paragraph 3 above, or direction to the Escrow Agent (if applicable) to make payment, Lessor shall have fully and satisfactorily performed all of its covenants and obligations under the Lease.

Accepted and certified this ____ day of _____, 20__ ("Acceptance Date")

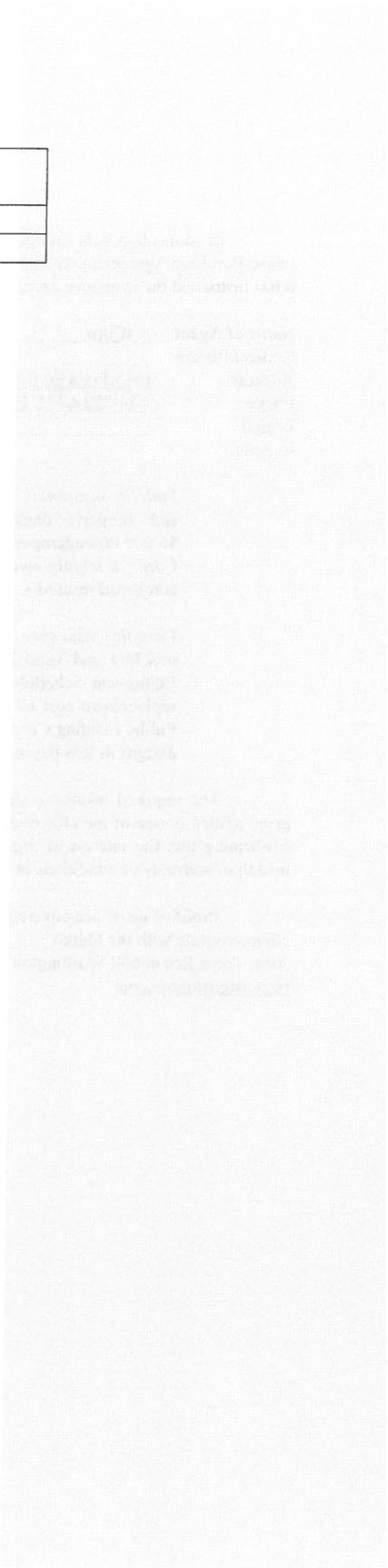
TOWN OF HAYMARKET, as Lessee

By: _____
Name: Kimberly Murray
Title: Town Manager

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

ANNEX I TO ACCEPTANCE CERTIFICATE

Payee	Vendor/ Manufacturer	Invoice or PO No.	VIN or MSN	Equipment Description	Location	Cost



Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT C-1

INSURANCE CERTIFICATION

In connection with Equipment Schedule 001 dated March _____, 2017 to that certain Master Equipment Lease-Purchase Agreement dated March _____, 2017, Town of Haymarket, as lessee (the "Lessee") certifies that it has instructed the insurance agent named below (please fill in name, address, and telephone number):

Name of Agent: VaCorp _____
Contact Person: _____
Address: 1315 Franklin Road, SW, Roanoke, VA 24016
Phone: 844-822-6772, Fax: 540-345-5330
E-mail: _____
to issue: _____

Liability Insurance. Lessee is required to maintain public liability insurance, personal injury and property damage with minimum policy limits of \$1,000,000/occurrence and \$5,000,000/aggregate. The policy should be endorsed to name Signature Public Funding Corp., a wholly-owned subsidiary of Signature Bank, and its successors and assigns as additional insured's.

Casualty Insurance. Lessee is required to maintain all risk extended coverage, malicious mischief and vandalism insurance for the Equipment described in the above-referenced Equipment Schedule in an amount not less than the greater of \$153,871.70 or the full replacement cost of the Equipment. Such insurance shall be endorsed to name Signature Public Funding Corp., a wholly-owned subsidiary of Signature Bank, and its successors and assigns as loss payees with respect to such Equipment.

The required insurance should also be endorsed to give Signature Public Funding Corp. at least 30 days prior written notice of the effective date of any material alteration or cancellation of coverage, and an endorsement confirming that the interest of Signature Public Funding Corp. shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee.

Proof of insurance coverage will be provided to Signature Public Funding Corp. prior to and/or commensurate with the March _____, 2017. Proof of coverage will be mailed to: Signature Public Funding Corp., Attn: Tonia Lee at 600 Washington Avenue, Suite 305, Towson, MD 21204 or sent via e-mail to tlee@signatureny.com

Very truly yours,

TOWN OF HAYMARKET, as Lessee

By: _____
Name: Kimberly Murray
Title: Town Manager

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT C-2

SELF-INSURANCE RIDER AND LESSOR CONSENT

Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204

March _____, 2017

Re: Schedule No. 001 dated March _____, 2017 to that certain Master Equipment
Lease-Purchase Agreement dated March _____, 2017 (collectively, the "Lease")

In connection with the above-referenced Lease, Town of Haymarket, as lessee (the "Lessee") certifies that it participates in an actuarially sound self-insurance program for property damage and public liability risks. The Self-Insurance Questionnaire attached hereto is true and correct, and no Event of Default or Non-Appropriation, as such terms are defined in the Lease, has occurred and is continuing.

The following is attached (check all that apply):

- Letter from risk manager describing self-insurance program
- Other evidence of Lessee's participation in self-insurance program

Signature Public Funding Corp., as lessor (the "Lessor") agrees that the self-insurance program as described by Lessee in this Certificate and the attached Questionnaire and related documents is acceptable in lieu of the coverage for property damage and public liability risks required under the Lease, including §13 of the Master.

TOWN OF HAYMARKET,
as Lessee

SIGNATURE PUBLIC FUNDING CORP.,
as Lessor

By: _____
Name: Kimberly Murray
Title: Town Manager

By: _____
Name: Donald S. Keough
Title: Senior Managing Director

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT C-3

QUESTIONNAIRE FOR SELF-INSURANCE TO SELF-INSURANCE RIDER AND LESSOR CONSENT

To and part of that Self-Insurance Rider and Lessor Consent to Equipment Schedule No. 001 dated as of March _____, 2017 to that certain the Master Lease Agreement dated March _____, 2017 (collectively, the "Lease"). The terms capitalized herein but not defined herein shall have the meanings assigned to them in the Lease.

1. Property Insurance.

a. Lessee is self-insured for damage or destruction to the Equipment.

YES NO (circle one)

If yes, the dollar amount limit for property damage to the Equipment under the Lessee's self-insurance program is \$_____.

b. The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for property damage to the Equipment as indicated above.

YES NO (circle one)

If yes, the umbrella policy provides coverage for all risk property damage.

YES NO (circle one)

If yes, the dollar limit for property damage to the Equipment under such umbrella policy is \$_____.

2. Liability Insurance.

a. Lessee is self-insured for liability for injury or death of any person or damage or loss of property arising out of or relating to the condition or operation of the Equipment.

YES NO (circle one)

If yes, the dollar limit for such liability claims under the Lessee's self-insurance program is \$_____.

b. The Lessee maintains an umbrella insurance policy for claims in excess of Lessee's self-insurance limits for liability including injury or death of persons or damage to property as indicated above.

YES NO (circle one)

If yes, the umbrella policy provides coverage for liabilities for injury and death to persons as well as damage or loss of property arising out of or relating to the condition or operation of the Equipment.

YES NO (circle one)

If yes, the dollar amount of the umbrella policy's limits for such liability coverage is \$_____.

3A. Self Insurance Fund.

a. Lessee maintains a self-insurance fund.

YES NO (circle one)

If yes, please complete the following:

Monies in the self-insurance fund are subject to annual appropriation.

YES NO (circle one)

The total amount maintained in the self-insurance fund to cover Lessee's self-insurance liabilities is \$_____.

b. Amounts paid from the Lessee's self-insurance fund are subject to limitations for each claim.

YES NO (circle one)

If yes, the dollar amount of limit per claim is \$_____.

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

3B. No Self Insurance Fund.

a. If Lessee does not maintain a self-insurance fund, please complete the following:
Lessee obtains funds to pay claims for which it has self-insured from the following sources:

b. The limitations on the amounts payable for claims from the above sources are as follows:

4. Authority.

a. The following entity or officer has authority to authorize payment for claim:

b. In the event the entity or officer named in the prior response denies payment of a claim, does the claimant have recourse to another administrative officer, agency or the courts?

YES NO (circle one)
If yes, to whom does the claimant have recourse?

5. Certificates of Insurance.

Attached hereto are copies of certificates of insurance with respect to policies maintained by Lessee.

EXHIBIT D

ESSENTIAL USE CERTIFICATE

March _____, 2017

Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204

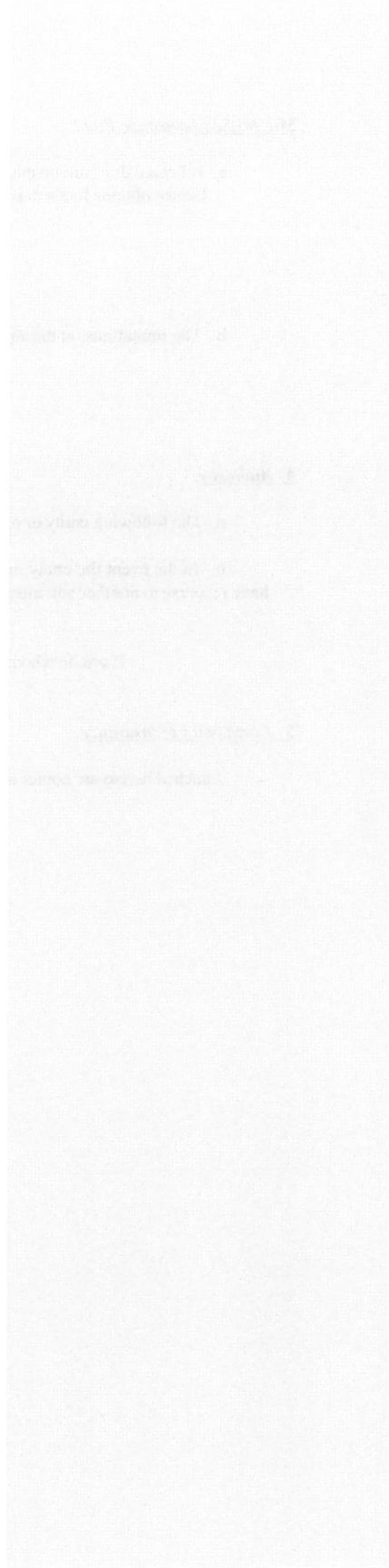
Re: Equipment Schedule No. 001 dated March _____, 2017 to that certain
Master Equipment Lease-Purchase Agreement dated March _____, 2017

I, Kimberly Murray, appointed, or designated representative of and Town Manager of the Town of Haymarket, as lessee (the "Lessee"), is qualified to answer the questions set forth below regarding the Equipment to be acquired by Lessee in connection with the above-referenced Lease Agreement:

- 1. *What is the specific use of the Equipment?*
- 2. *What increased capabilities will the Equipment provide?*
- 3. *Why is the Equipment essential to your ability to deliver governmental services?*
- 4. *Does the Equipment replace existing equipment?
(If so, please explain why you are replacing the existing equipment)*
- 5. *Why did you choose this specific Equipment?*
- 6. *For how many years do you expect to utilize the Equipment?*

Very truly yours,
TOWN OF HAYMARKET, as Lessee

By: _____
Name: Kimberly Murray
Title: Town Manager



Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT E

INCUMBENCY CERTIFICATE

I, [Attester Name], do hereby certify that I am the [Attester Title] of the Town of Haymarket, which is a body corporate and politic duly established and validly existing as a political subdivision of the State under the Constitution and laws of the State, and that I have custody of the records of such entity.

I hereby certify that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the District holding the offices set forth opposite their respective names. I further certify that:

- (i) The signatures set opposite their respective names and titles are their true and authentic signatures, and
- (ii) Such officers have the authority on behalf of such entity to:
 - a. Enter into that certain Equipment Schedule No. 001 dated March _____, 2017 to that certain Master Equipment Lease-Purchase Agreement dated March _____, 2017 (collectively, the "Lease Agreement"), between the Town of Haymarket and Signature Public Funding Corp., as lessor, and
 - b. Execute Certificates of Acceptance, Disbursement Request Forms, and all other certificates documents, and agreements relating to the Lease Agreement.

NAME	TITLE	SIGNATURE
Kimberly Murray	Town Manager	_____

IN WITNESS WHEREOF, I have duly executed this Certificate on behalf of the Town of Haymarket.

March _____, 2017

[Attester Name], [Attester Title]

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT F
OPINION OF LESSEE'S COUNSEL

March _____, 2017

Signature Public Funding Corp.
600 Washington Avenue, Suite 305
Towson, Maryland 21204

Re: Equipment Schedule No. 001 dated March _____, 2017 to that certain
Master Equipment Lease-Purchase Agreement dated March _____, 2017

Ladies and Gentlemen:

As counsel to the Town of Haymarket (the "*Lessee*"), I have examined the Master Equipment Lease-Purchase Agreement dated March _____, 2017 and Equipment Schedule No. 001 thereto dated March _____, 2017 (collectively, the "*Lease Agreement*"), between the Lessee and Signature Public Funding Corp., as lessor ("*Lessor*"), the Certificate of Acceptance (collectively, the "*Transaction Documents*"), and the proceedings taken by the Governing Body of the Lessee to authorize on behalf of the Lessee the execution and delivery of the Lease Agreement and various certificates delivered in connection therewith. 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. The Lessee is a [describe entity type], which is a body corporate & politic duly established and validly existing as a political subdivision of the State of Virginia under the Constitution and laws of the State of Virginia with full power and authority to enter into the Transaction Documents.

2. The Transaction Documents have each been duly authorized, executed, and delivered by the Lessee and are in full compliance with all local, state and federal laws. Assuming due authorization, execution and delivery thereof by Lessor, the Transaction Documents constitute legal, valid, and binding obligations of the Lessee, enforceable against the Lessee in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally. The execution of the Transaction Documents and the appropriation of monies due under the Lease Agreement will not result in the violation of any constitutional, statutory or limitation relating to the manner, form or amount of indebtedness which may be incurred by the Lessee.

3. The Equipment to be leased pursuant to the Lease Agreement constitutes personal property and, when subjected to use by the Lessee, will not be a fixture under applicable law.

4. The Lessee has complied with all applicable statutes, laws, rules, regulations, notice and public bidding requirements, including, without limitation, [insert statutes if applicable], in connection with the Transaction Documents and the transactions contemplated thereby. The resolution adopted by the Governing Body of the Lessee authorizing the execution and delivery of the Transaction Documents 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. No approval, consent or withholding of objections is required from any State, federal or local governmental authority or instrumentality with respect to the entry into or performance by Lessee of its obligations under the Transaction Documents, except as have already been obtained.

5. No litigation or proceeding is pending or, to the best of my knowledge, threatened to restrain or enjoin the execution, delivery, or performance by the Lessee of the Transaction Documents or in any way to contest the validity of the Transaction Documents, to contest or question the creation or existence of the Lessee or the governing body of the Lessee or the authority or ability of the Lessee to execute or deliver the Transaction Documents or to comply with or perform its obligations thereunder. There is no litigation pending or, to the best of my knowledge,

threatened seeking to restrain or enjoin the Lessee from annually appropriating sufficient funds to pay the rental payments or other amounts contemplated by the Lease Agreement. The entering into and performance of the Transaction Documents do not and will not violate any judgment, order, law, or regulation applicable to the 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 the Lessee or on the Equipment (as such term is defined in the Lease Agreement) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement, or other instrument to which the Lessee is a party or by which it or its assets may be bound.

6. The Lessee has covenanted to comply with any continuing requirements that may be necessary to preserve the exclusion from gross income for purposes of federal income taxation under the Internal Revenue Code of 1986, as amended ("Code"), of the portion of the Rental Payments designated as interest. In the event that the Lessee continuously complies with its covenants under the Transaction Documents and so long as the amounts payable to the Lessor are derived from the Rental Payments made by the Lessee, the portion of the Rental Payments designated as interest is not includible in gross income for federal income tax purposes under the current law. No opinion is expressed as to the tax treatment of payments made to the Lessor from sources other than from Rental Payments made by the Lessee. The Lease Agreement and the obligation to pay Rental Payments thereunder as represented by the Lease Agreement are not "specified private activity bonds" as such term is defined in the Code and the portion of the Rental Payments designated as interest is not includible as an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. However, the portion of Rental Payments designated as interest and received by the Lessor may be subject to an alternative minimum tax. Except as set forth in paragraphs 6 and 7 herein, we express no opinion regarding other federal tax consequences arising with respect to the Lease Agreement.

7. The Lessee has validly designated the Lease as a "qualified tax exempt obligation" as defined in and for the purposes of Section 265(b)(3) of the Code.

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

Respectfully submitted,

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT G

BANK-QUALIFIED DESIGNATION

The TOWN OF HAYMARKET, as lessee, (the "Lessee") under Equipment Schedule No. 001 dated as of March _____, 2017 to that certain Master Equipment Lease-Purchase Agreement dated as of March _____, 2017 (collectively, the "Lease") to which this Designation is attached, hereby designates the Lease as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Lessee hereby represents that the Lessee reasonably anticipates that the Lessee and other entities that the Lessee controls will not issue tax-exempt obligations (including the Lease) the aggregate principal amount of which exceed \$10,000,000 during the calendar year in which the Lease is executed and delivered and interest commences to accrue thereunder.

This Designation is attached to and made a part of the Lease and inures to the benefit of the Lessor and its successors and/or assigned.

EXECUTED as of this ___ day of March, 2017.

TOWN OF HAYMARKET, as Lessee

By: _____
Name: Kimberly Murray
Title: Town Manager

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT H

TAX & ARBITRAGE CERTIFICATE

Dated: March _____, 2017

The following certificate is delivered in connection with the execution and delivery of Equipment Schedule No. 001 dated March _____, 2017 to that certain Master Equipment Lease-Purchase Agreement dated March _____, 2017 (collectively, the "Lease Agreement"), entered into between the Town of Haymarket (the "Lessee") and Signature Public Funding Corp. (the "Lessor"). Capitalized terms used herein have the meanings defined in the Lease Agreement.

Section 1. In General.

- 1.1. This Certificate is executed for the purpose of establishing the reasonable expectations of Lessee as to future events regarding the financing of certain equipment (the "Equipment") to be acquired by Lessor and leased to Lessee pursuant to and in accordance with the Equipment Schedule executed under the Agreement (together with all related documents executed pursuant thereto and contemporaneously herewith, the "Financing Documents"). As described in the Financing Documents, Lessor shall apply \$149,390.00 (the "Principal Amount") toward the acquisition of the Equipment and closing costs, and Lessee shall make Rental Payments under the terms and conditions as set forth in the Financing Documents.
- 1.2. The individual executing this Certificate on behalf of Lessee is an officer of Lessee delegated with the responsibility of reviewing and executing the Financing Documents, pursuant to the resolution or other official action of Lessee adopted with respect to the Financing Documents, a copy of which has been delivered to Lessor.
- 1.3. The Financing Documents are being entered into for the purpose of providing funds for financing the cost of acquiring, equipping and installing the Equipment which is essential to the governmental functions of Lessee, which Equipment is described in the Equipment Schedule.
- 1.4. Lessee will timely file for each payment schedule issued under the Lease a Form 8038-G (or, if the invoice price of the Equipment under such schedule is less than \$100,000, a Form 8038-GC) relating to such Lease with the Internal Revenue Service in accordance with Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code").
- 1.5. The Equipment Schedule No. is a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. As such, the Lessee hereby represents that the Lessee reasonably anticipates that the Lessee and other entities that the Lessee controls will not issue tax-exempt obligations (including the Equipment Schedule) the aggregate principal amount of which exceed \$10,000,000 during the calendar year in which Equipment Schedule is executed and delivered and interest commences to accrue thereunder.

Section 2. Non-Arbitrage Certifications.

- 2.1. The Rental Payments due under the Financing Documents will be made with monies retained in Lessee's general operating fund (or an account or subaccount therein). No sinking, debt service, reserve or similar fund or account will be created or maintained for the payment of the Rental Payments due under the Financing Documents or pledged as security therefor.
- 2.2. There have been and will be issued no obligations by or on behalf of Lessee that would be deemed to be (i) issued or sold within fifteen (15) days before or after the date of issuance of the Financing Documents, (ii) issued or sold pursuant to a common plan of financing with the Financing Documents and (iii) paid out of substantially the same source of funds as, or deemed to have substantially the same claim to be paid out of substantially the same source of funds as, the Financing Documents.
- 2.3. Lessee does not and will not have on hand any funds that are or will be restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, as a substitute, replacement or separate source of financing for the Equipment.
- 2.4. No portion of the Principal Amount is being used by Lessee to acquire investments which produce a yield materially higher than the yield realized by Lessor from Rental Payments received under the Financing Documents.

2.5. The Principal Amount does not exceed the amount necessary for the governmental purpose for which the Financing Documents were entered into. Such funds are expected to be needed and fully expended for payment of the costs of acquiring, equipping and installing the Equipment.

2.6. Lessee does not expect to convey, sublease or otherwise dispose of the Equipment, in whole or in part, at a date which is earlier than the final Payment Date under the Financing Documents.

Section 3. Disbursement of Funds; Reimbursement to Lessee.

3.1 It is contemplated that the entire Principal Amount will be used to pay the acquisition cost of Equipment to the Vendors or manufacturers thereof or for any financial advisory or closing costs, provided that, if applicable, a portion of the principal amount may be paid to Lessee as reimbursement for acquisition cost payments already made by it so long as the conditions set forth in Section 3.2 below are satisfied.

3.2. Lessee shall not request that it be reimbursed for Equipment acquisition cost payments already made by it unless each of the following conditions have been satisfied:

- (a) Lessee adopted a resolution or otherwise declared its official intent in accordance with Treasury Regulation § 1.150-2 (the "Declaration of Official Intent"), wherein Lessee expressed its intent to be reimbursed from the proceeds of a borrowing for all or a portion of the cost of the Equipment, which expenditure was paid to the Vendor not earlier than sixty (60) days before Lessee adopted the Declaration of Official Intent;
- (b) The reimbursement being requested will be made by a written allocation before the later of eighteen (18) months after the expenditure was paid or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;
- (c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of a type properly chargeable to a capital account under general federal income tax principles; and
- (d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an artifice or device under Treasury Regulation § 1.148-10 to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements.

Section 4. Use and Investment of Funds; Temporary Period.

4.1. Lessee has incurred or will incur, within six (6) months from the date of issuance of the Financing Documents, binding obligations to pay an amount equal to at least five percent (5%) of the Principal Amount toward the costs of the Equipment. An obligation is not binding if it is subject to contingencies within Lessee's control. The ordering and acceptance of the items of Equipment will proceed with due diligence to the date of final acceptance of the Equipment.

4.2. An amount equal to at least eighty-five percent (85%) of the Principal Amount will be expended to pay the cost of the Equipment by the end of the three-year period commencing on the date of this Certificate. No portion of the Principal Amount will be used to acquire investments that do not carry out the governmental purpose of the Financing Documents and that have a substantially guaranteed yield of four (4) years or more.

4.3. (a) Lessee covenants and agrees that it will rebate an amount equal to excess earnings on the Principal Amount deposited under the Escrow Agreement to the Internal Revenue Service if required by, and in accordance with, Section 148(f) of the Code, and make the annual determinations and maintain the records required by and otherwise comply with the regulations applicable thereto. Lessee reasonably expects to cause the Equipment to be acquired by March _____, 2017 but not later than April 30, 2017.

(b) Lessee will provide evidence to Lessor that the rebate amount has been calculated and paid to the Internal Revenue Service in accordance with Section 148(f) of the Code unless (i) the entire Principal Amount is expended on the Equipment by the date that is the six-month anniversary of the Financing Documents or (ii) the Principal Amount is expended on the Equipment in accordance with the following schedule: At least fifteen percent (15%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within six months from the date of issuance of the Financing Documents; at least sixty percent (60%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within 12 months from the date of issuance of the Financing Documents; and one hundred percent (100%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment prior to eighteen (18) months from the date of issuance of the Financing Documents.

(c) Lessee hereby covenants that (i) Lessee is a governmental unit with general tax powers; (ii) the Lease is not a "private activity bond" under Section 141 of the Code; (iii) at least ninety-five percent (95%) of the Principal Amount is used for the governmental activities of Lessee; and (iv) the aggregate principal amount of all tax-exempt obligations (including the Lease) issued by Lessee and its subordinate entities, if any, during the current calendar year is not reasonably expected to exceed \$5,000,000. Accordingly, the rebate requirements of Section 148(f) of the Code are treated as being met, in lieu of the spending exceptions set forth in paragraph (b) above.

Section 5. Escrow Account.

Intentionally Omitted for Schedule 001.

Section 6. No Private Use; No Consumer Loan.

6.1. Lessee will not exceed the private use restrictions set forth in Section 141 of the Code. Specifically, Lessee will not permit more than 10% of the Principal Amount to be used for a Private Business Use (as defined herein) if, in addition, the payment of more than ten percent (10%) of the Principal Amount plus interest earned thereon is, directly or indirectly, secured by (i) any interest in property used or to be used for a Private Business Use or (ii) any interest in payments in respect of such property or derived from any payment in respect of property or borrowed money used or to be used for a Private Business Use.

6.2. In addition, if both (A) more than five percent (5%) of the Principal Amount is used as described above with respect to Private Business Use and (B) more than five percent (5%) of the Principal Amount plus interest earned thereon is secured by Private Business Use property or payments as described above, then the excess over such five percent (5%) (the "Excess Private Use Portion") will be used for a Private Business Use related to the governmental use of the Equipment. Any such Excess Private Use Portion of the Principal Amount will not exceed the portion of the Principal Amount used for the governmental use of the particular project to which such Excess Private Use Portion is related. For purposes of this paragraph 6.3, "Private Business Use" means use of bond proceeds or bond financed-property directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and excluding use as a member of the general public.

6.4. No part of the Principal Amount or interest earned thereon will be used, directly or indirectly, to make or finance any loans to non-governmental entities or to any governmental agencies other than Lessee.

Section 7. No Federal Guarantee.

7.1. Payment of the principal or interest due under the Financing Documents is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof.

7.2. No portion of the Principal Amount or interest earned thereon shall be (i) used in making loans the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the financing under the Financing Documents to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 8. Miscellaneous.

8.1. Lessee shall keep a complete and accurate record of all owners or assignees of the Financing Documents in form and substance satisfactory to comply with the registration requirements of Section 149(a) of the Code unless Lessor or its assignee agrees to act as Lessee's agent for such purpose.

8.2. Lessee shall maintain complete and accurate records establishing the expenditure of the Principal Amount and interest earnings thereon for a period of five (5) years after payment in full under the Financing Documents.

8.3. To the best of the undersigned's knowledge, information and belief, the above expectations are reasonable and there are no other facts, estimates or circumstances that would materially change the expectations expressed herein.

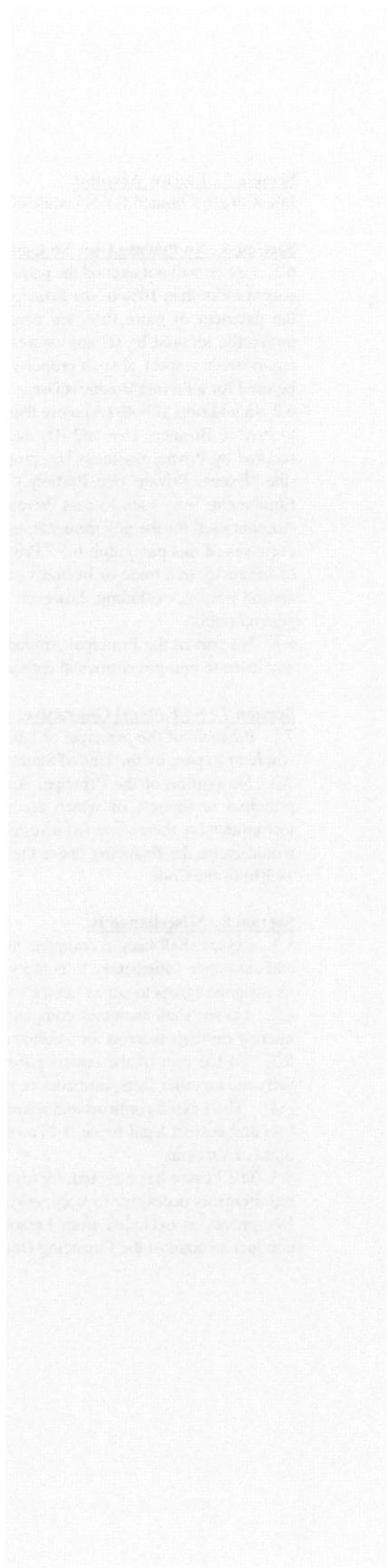
8.4. The Lessee confirms and acknowledges that its true and correct tax identification number is: 54-0736928 and full, true and correct legal name is "Town of Haymarket." Lessee confirms that it is located in County of Prince Williams, State of Virginia.

8.5. The Lessee has adopted, by resolution, separate written procedures regarding ongoing compliance with federal tax requirements necessary to keep, ensure and maintain the interest portions of the Rental Payments under the Financing Documents as excluded from Lessor's gross income for federal income tax purposes, and will, on an annual basis, conduct an audit of the Financing Documents to ensure compliance with such procedures.

IN WITNESS WHEREOF, this Tax & Arbitrage Certificate has been executed on behalf of Lessee as of March _____, 2017.

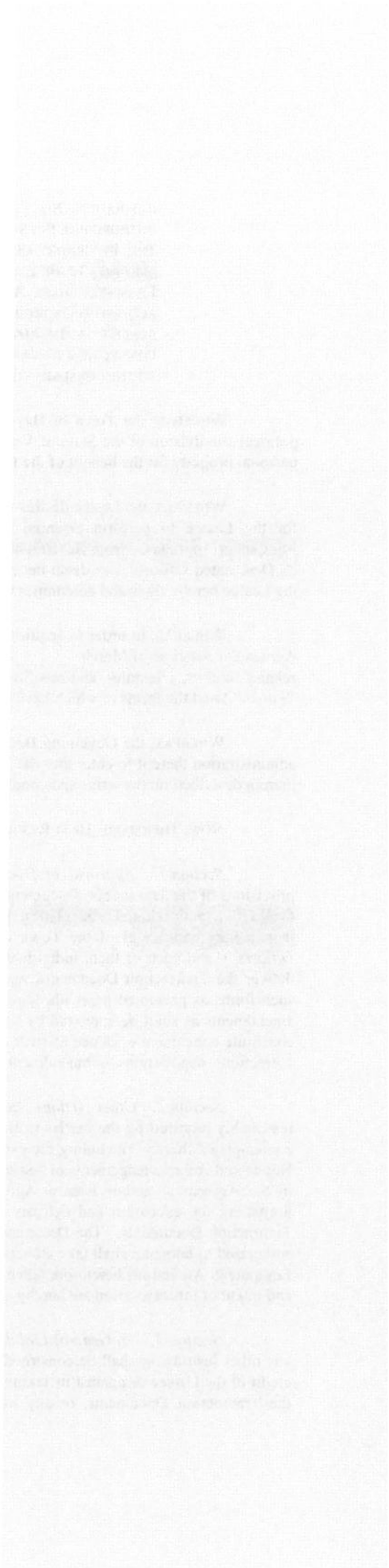
TOWN OF HAYMARKET,

By: _____
Name: Kimberly Murray
Title: Town Manager



Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

EXHIBIT I:
ESCROW FUND AND ESCROW AGREEMENT
RESERVED



Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

FORM OF RESOLUTION

RESOLUTION NO. [] OF THE GOVERNING BODY OF THE TOWN OF HAYMARKET, AUTHORIZING, PURSUANT TO THE [INSERT STATUTE] (COLLECTIVELY, "AUTHORIZING LAW"), THE INCURRING OF LEASE OBLIGATIONS IN ANY AMOUNT NOT TO EXCEED \$[LEASE AMOUNT] TO BE EVIDENCED BY THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT, AND AN EQUIPMENT SCHEDULE WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING, AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, the Town of Haymarket (the "Lessee"), a body politic and corporate duly organized and existing as a political subdivision of the State of Virginia, is authorized by the laws of the State of Virginia to purchase, acquire, and lease personal property for the benefit of the Lessee and those it provides services to and to enter into contracts with respect thereto;

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment constituting personal property necessary for the Lessee to perform essential governmental functions; including without limitation various [Insert description of Equipment] [purchased from [Insert names of vendors if known, otherwise modify resolution] and all other equipment Lessee or its Designated Officers may deem necessary and/or desirable (the "Equipment") in an amount not more than \$149,390.00, and the Lessee hereby finds and determines that the realistic estimated useful life of the Equipment is at least [YEARS (XX)] years

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into a Master Equipment Lease Purchase Agreement dated as of March _____, 2017 (together with the Equipment Schedule dated as of March _____, 2017 and all related exhibits, schedules, and certificates attached thereto, the "Lease Agreement") with Signature Public Funding Corp. (the "Lessor") and the forms of which have been presented to the Governing Body of the Lessee at this meeting;

WHEREAS, the Governing Body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Transaction Documents for the purchase, acquisition, and leasing of the Equipment to be therein described on the terms and conditions therein provided;

NOW, THEREFORE, BE IT RESOLVED AND ENACTED by the Governing Body of the Town of Haymarket as follows:

Section 1. Approval of Documents. The Governing Body of the Lessee hereby approves the form, terms and provisions of the Transaction Documents in substantially the forms presented to this meeting and authorizes and directs [Name], the [Title], and [Name], the [Title], [Insert other names and titles as desired and/or necessary—should match names on incumbency certificate] of the Town of Haymarket, and such other persons as he/she/they may delegate (the "Designated Officers"), and each of them individually, for and in the name of and on behalf of the Lessee, to execute, attested, seal, and deliver the Transaction Documents, and any related Certificate, Exhibits, or other documents attached thereto substantially in such forms as presented herewith, together with such changes, modification, negotiations, insertions, revisions, corrections, or amendments as shall be approved by the officer executing them. The execution of the foregoing by a Designated Officer shall constitute conclusive evidence of such officer's and the Governing Body's approval of any such changes, insertions, revisions, corrections, negotiations, or amendments to the respective forms of agreements presented to this meeting.

Section 2. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Transaction Documents to carry out, give effect to, and consummate the transactions contemplated thereby (including the execution and delivery of Certificates of Acceptance and Disbursement/Payment Requests, Notice and Acknowledgements of Assignments, and any tax certificate and agreement, each with respect to and as contemplated in the Agreement and/or Escrow Agreement) 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 Transaction Documents. The Designated Officers and all other officers and employees of the Lessee are hereby directed and authorized to take and shall take all action necessary or reasonably required in order to select, purchase, and take delivery of the Equipment. All actions heretofore taken by officers, employees, and agents of the Lessee that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

Section 3. No General Liability. Nothing contained in this Resolution No. [], the Transaction Documents, nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution No. [], the Transaction Documents, or any other instrument or document executed in connection therewith impose any pecuniary

liability upon the Lessee or any charge upon its general credit or against its taxing power, payable from the general and current revenues of the Lessee/except to the extent that the rental payments payable under the Transaction Documents are special limited obligations of the Lessee as provided therein.

Section 4. Appointment of Authorized Lessee Representatives. The Designated Officers are each hereby designated to act as authorized representatives of the Lessee for purposes of the Transaction Documents until such time as the Governing Body of the Lessee shall designate any other or different authorized representative for purposes of the Transaction Documents.

Section 5. Severability. 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 No. [_____].

Section 6. Repealer. All bylaws, orders, and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

Section 7. Qualified Tax Exempt Obligations. The Lessee, and its Governing Body, designate its obligations under the Lease Agreements as "qualified tax exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 8. Effective Date. This Resolution [_____] shall be effective immediately upon its approval and adoption.

The foregoing Resolution was duly passed and adopted at a meeting of the [Town Council] (the "Governing Body") of Town of Haymarket held on [Month] [____], [Year], by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Presiding Officer

ATTEST:

By: _____
[Attester Name], [Attester Title]

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

CLOSING MEMORANDUM

\$149,390.00 LEASE OF FIVE (5) FORD UTILITY POLICE INTERCEPTORS AWD
PURSUANT TO SCHEDULE NO. 001 DATED MARCH _____, 2017 TO THAT CERTAIN
MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT DATED MARCH _____, 2017
BETWEEN TOWN OF HAYMARKET, AS LESSEE, AND
SIGNATURE PUBLIC FUNDING CORP., AS LESSOR

Pre-Closing: All documents will be executed and two (2) blue ink originals will be overnighted to Signature Public Funding Corp., Attn: Ms. Tonia Lee, 600 Washington Avenue, Suite 305, Towson, Maryland 21204, for delivery no later than 9:00 am on the morning of March 24, 2017 and held in trust until such time as the wires and original documents are released by the Parties.

Closing: By wire transfer and pending receipt of original, executed Lease Documents, on the morning of March _____, 2017, Lessor is authorized by Lessee to wire the following Total Lease Proceeds as defined below, pursuant to the Wire Instructions as follows:

Bank Name: _____
ABA No: _____
Account No: _____
Account Name: _____
F/B/O: _____
Attn: _____
Amount of Wire: \$ _____
Reference: _____

TOTAL DISBURSEMENT: \$ _____

and each of the Parties will confirm by e-mail receipt of funds and then the release of all original documents held in trust, when such funds and/or documents are in the possession of each of the Parties. Lessor is further authorized by the Lessee to retain the Legal/Doc Fees after the Total Equipment Cost has been wired.

TOWN OF HAYMARKET

By: _____
Name: Kimberly Murray
Title: Town Manager

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

Resolution Approving Allocation of FY16/17 Funds for Police Vehicle Lease Agreement

WHEREAS: The Mayor and Town Council of the Town of Haymarket, Virginia (“Town”) have previously determined to allocate funds in the 2016/2017 Capital Improvement Program budget in the amount of \$40,000 to purchase a new police vehicle (the “Funds”), and the Town Manager is now presenting a proposal to use those Funds to enter into a lease agreement to acquire five new police vehicles as described herein; and WHEREAS: The Town has already allocated \$40,000 in the FY2016/2017 Capital Improvement Program budget for the purchase of one police vehicle for the Town of Haymarket Police Department (the “Police Department”); and

WHEREAS: The Town determined that it would be advantageous to enter into a lease agreement to acquire five new police vehicles all at once, and to divide the lease payments over a five year period, instead of purchasing one police vehicle each year for the next five years; and

WHEREAS: In addition to requesting funds for the lease of five new vehicles, the Police Department requests funds to purchase the police equipment needed to upfit the five new police vehicles acquired through the lease agreement; and

WHEREAS: This lease agreement will be less expensive and will result in lower payments for the town over the next five years than the previously contemplated purchase of one police vehicle per year, will reduce the interest payments and allow the Town to keep all of the police equipment for resale or use if the Town decides to terminate the lease at anytime during the five year term, and will allow the Town to purchase the leased vehicles for one dollar (\$1.00) at the end of the lease term.

THEREFORE BE IT RESOLVED, as follows:

1. The adoption of this resolution authorizes the Police Department to use the \$40,000 that is budgeted and appropriated in the 2016/2017 Capital Improvement Program budget for the purchase of a new vehicle to instead be used to enter into a lease agreement to acquire five new police vehicles, to divide the lease payments over a five year period and to purchase the police equipment needed to upfit five new police vehicles.

2. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2017.

By: _____
(Denise Andrews, Interim Town Clerk)
SEAL

By: _____
(David Leake, Mayor)

Resolution Approving Financing Terms for Lease Purchase of Five Police Vehicles

WHEREAS: The Mayor and Town Council of the Town of Haymarket, Virginia (“Town”) has previously determined to undertake the lease purchase of new police vehicles (the “Project”), and the Town Manager has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Town hereby determines to finance the Project through Signature Public Funding Corporation (“Signature”), in accordance with the Master Lease Agreement between Signature Public Funding Corporation and the Town of Haymarket. The amount financed shall not exceed \$150,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.97%, and the financing term shall not exceed five (5) years from closing.

2. All financing contracts and all related documents for the closing of the financing (the “Financing Documents”) shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Town Manager is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Town Manager is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Town Manager shall approve, with the Town Manager’s release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document’s final form.

4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Town intends that the adoption of this resolution will be a declaration of the Town’s official intent to reimburse expenditures for the project that is to be financed from the proceeds of the Signature’s Funding described above. The Town intends that funds that have been advanced, or that may be advanced, from the Town’s general fund, or any other Town fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this _____ day of _____, 2017

By: _____
(Denise Andrews, Interim Clerk)

By: _____
(David Leake, Mayor)

Attachment: Police Vehicle Packet (3102 : Discussion: Police Department Vehicle Lease)

