

**Vestavia Hills
City Council Agenda
amended
September 25, 2017
6:00 PM**

1. Call to Order
2. Roll Call
3. Invocation – Todd Lafferty, Pastor of Mobilization at Shades Mountain Baptist Church
4. Pledge Of Allegiance
5. Announcements and Guest Recognition
6. Proclamation – Family Week – September 24-30, 2017
7. Financial Reports – George Sawaya, Asst. Finance Director
8. City Manager’s Report
9. Councilors’ Reports
10. Approval of Minutes – None

Old Business

New Business

11. Resolution Number 4987 – A Resolution Approving An Wine License For Chuck E Cheese; John Cardinale, Thomas Leverton, and David Deck, Executives; Carla Brown, Manager, Representing (*public hearing*)
12. Resolution Number 4988 – A Resolution Authorizing The Mayor And City Manager To Execute And Deliver Agreements With Regions Bank For Lease/Purchase Of Capital Equipment

New Business (Unanimous Consent Requested)

First Reading (No Action Taken At This Meeting)

13. Ordinance Number 2730 – Rezoning and Conditional Use For Outdoor Recreation – 2221 and 2301 Old Columbiana Road; Lots 1 & 2, Polhemus Addition to Vestavia Hills; Continental Equity Corp. and Russell Polhemus, LLC, Owners (*public hearing rescheduled to October 9*)
14. Citizen Comments
15. Motion For Adjournment

PROCLAMATION

WHEREAS, children are our future and society's greatest asset, and committed families shape and guide children by preparing them for obstacles and encouraging them to overcome life's demanding challenges; and

WHEREAS, children who spend significant time with both parents show lower risks of suicide, dropout, teen pregnancy, incarceration, and drug abuse; however the importance of children having two parents is diminishing in society as approximately 40,000 Alabama children a year experience court ordered visitation with one parent for only two to six days a month; and

WHEREAS, social scientists agree that shared parenting should be the norm for children of all ages, and strong and engaged families help build a strong Alabama; and

WHEREAS, Family Day in Alabama promotes the importance of family interaction and stresses that children need both parents, and during Family Day and Week we honor the devotion of parents and call on community and state leaders to support shared parenting because of its benefits for children;

NOW, THEREFORE, I, Ashley C. Curry, by virtue of the authority vested in me as Mayor of the City of Vestavia Hills in the State of Alabama, do hereby proclaim September 25, 2017 as Family Day and September 24 – 30, 2017 as

FAMILY WEEK

in Vestavia Hills and encourage our citizens to join together in observing this week by engaging in activities that honor and strengthen our city's and state's families.

IN WITNESS WHEREOF, I have
hereunto set my hand and caused the Seal
of the City of Vestavia Hills to be affixed
this the 25th day of September, 2017.

Ashley C. Curry
Mayor

RESOLUTION NUMBER 4987

**A RESOLUTION APPROVING ALCOHOL LICENSE
FOR CEC ENTERTAINMENT, INC., D/B/A CHUCK
E. CHEESES 330; JOHN CARDINALE, THOMAS
LEVERTON AND DAVID DECK, EXECUTIVES**

WHEREAS, the City Council of the City of Vestavia Hills, Alabama, approves the alcohol license for CEC Entertainment, Inc., d/b/a Chuck E. Cheeses 330, located at 500 Olde Towne Road, Vestavia Hills, Alabama, for the sale of 060 - Retail Table Wine (on- or off-premise); John Cardinale, Thomas Leverton and David Deck, executives.

APPROVED and ADOPTED this the 25th day of September.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

INTEROFFICE MEMORANDUM

DATE: September 21, 2017

TO: Dan Rary, Police Chief

FROM: Rebecca Leavings, City Clerk

RE: Alcohol License Request – 060 - Retail Table Wine (on- or off-premise)

Please find attached information submitted by John Cardinale, Thomas Leverton and David Deck who request an alcohol license to sell 060 - Retail Table Wine (on- or off-premise) at the CEC Entertainment, Inc., d/b/a Chuck E. Cheeses 330,500 Olde Towne Road , Vestavia Hills, Alabama.

I am scheduling this case to be heard by the City Council on 25th day of September at 6:00 PM (Monday). Please advise me of your recommendation for this license. If you have any questions, please contact me.

Reply

I have reviewed the available background information on the above referenced applicant and submit the following to the City Council:

	<i>Application cleared by P.D. This indicates that there are NO convictions for drug trafficking, convictions regarding arrest involving danger to children, weapon charges, violent felony crimes against persons, felony sexual offenses or habitual alcohol related arrests</i>
	<i>Needs further review. This indicates that the Police Chief has found records of some convictions of alcohol related arrests</i>
	<i>Does not recommend. This indicates that the Police Chief has found records of convictions for drug trafficking, convictions regarding arrest involving danger to children, weapon charges, violent felony crimes against persons, felony sexual offenses or habitual alcohol related arrests</i>

Reviewed:  _____



STATE OF ALABAMA
ALCOHOLIC BEVERAGE CONTROL BOARD
ALCOHOL LICENSE APPLICATION
Confirmation Number: 20170914082949565



Type License: 060 - RETAIL TABLE WINE (ON OR OFF PREMISES) State: \$150.00 County: \$75.00

Type License: State: County:

Trade Name: **CHUCK E CHEESES 330** Filing Fee: \$50.00

Applicant: **CEC ENTERTAINMENT INC** Transfer Fee:

Location Address: 500 OLDE TOWN RD VESTAVIA HILLS, AL 35216

Mailing Address: 1707 MARKET PLACE BLVD STE 200 IRVING, TX 75063

County: JEFFERSON Tobacco sales: NO Tobacco Vending Machines:

Type Ownership: CORPORATION

Book, Page, or Document info: 31757

Date Incorporated: 12/16/1996 State incorporated: KS County Incorporated: SHAWNEE

Date of Authority: 08/22/2017 Alabama State Sales Tax ID: 520017442

Federal Tax ID: 480905805

Name:	Title:	Date and Place of Birth:	Residence Address:
JOHN CARDINALE 08669856 - TX	PRESIDENT	10/01/1959 DENTON TEXAS	7032 LAKE EDGE DR DALLAS, TX 75230
THOMAS LEVERTON 19193759 - TX	CEO DIRECTOR	01/31/1972 RICHMOND VIRGINIA	6408 RIVERSIDE DR PLANO, TX 75024
DAVID DECK 00165492 - TX	ASSISTANT SECRETARY	11/05/1970 ROCKLEDGE FLORIDA	3720 CAMEROON LN MCKINNEY, TX 75071

Has applicant complied with financial responsibility ABC RR 20-X-5-.14? YES

Does ABC have any actions pending against the current licensee? NO

Has anyone, including manager or applicant, had a Federal/State permit or license suspended or revoked? NO

Has a liquor, wine, malt or brewed license for these premises ever been denied, suspended, or revoked? NO

Are the applicant(s) named above, the only person(s), in any manner interested in the business sought to be licensed? YES

Are any of the applicants, whether individual, member of a partnership or association, or officers and directors of a corporation itself, in any manner monetarily interested, either directly or indirectly, in the profits of any other class of business regulated under authority of this act? NO

Does applicant own or control, directly or indirectly, hold lien against any real or personal property which is rented, leased or used in the conduct of business by the holder of any vinous, malt or brewed beverage, or distilled liquors permit or license issued under authority of this act? NO

Is applicant receiving, either directly or indirectly, any loan, credit, money, or the equivalent thereof from or through a subsidiary or affiliate or other licensee, or from any firm, association or corporation operating under or regulated by the authority of this act? NO

Contact Person: MARIBEL ALAMILLO

Business Phone: 972-258-5481

Fax:

Home Phone: 972-258-5481

Cell Phone: 972-258-5481

E-mail: MALAMILLO@CECENTERTAINMENT.COM

PREVIOUS LICENSE INFORMATION:

Trade Name: CHUCK E CHEESE VESTAVIA

Applicant: CEC ENTERTAINMENT INC

Previous License Number(s)

License 1: 000822837

License 2:



STATE OF ALABAMA
ALCOHOLIC BEVERAGE CONTROL BOARD
ALCOHOL LICENSE APPLICATION
Confirmation Number: 20170914082949565



If applicant is leasing the property, is a copy of the lease agreement attached? **YES**
 Name of Property owner/lessor and phone number: **NATIONAL RETAIL PROPERTIES LP 999-999-9999**
 What is lessors primary business? **REALESTATE**
 Is lessor involved in any way with the alcoholic beverage business? **N/A**
 Is there any further interest, or connection with, the licensee's business by the lessor? **N/A**

Does the premise have a fully equipped kitchen? **YES**
 Is the business used to habitually and principally provide food to the public? **YES**
 Does the establishment have restroom facilities? **YES**
 Is the premise equipped with services and facilities for on premises consumption of alcoholic beverages? **YES**

Will the business be operated primarily as a package store? **NO**
 Building Dimensions Square Footage: **10372** Display Square Footage:
 Building seating capacity: **506** Does Licensed premises include a patio area? **NO**
 License Structure: **SINGLE STRUCTURE** License covers: **ENTIRE STRUCTURE**
 Location is within: **CITY LIMITS** Police protection: **CITY**

Has any person(s) with any interest, including manager, whether as sole applicant, officer, member, or partner been charged (whether convicted or not) of any law violation(s)?

Name:	Violation & Date:	Arresting Agency:	Disposition:
JOHN CARDINALE	DRIVING WHILE INTOXICATED 02/20/2010	DALLAS POLICE DEPARTMENT	CONVICTED - 15 MONTH PROBATION AND 1,000 FINE



STATE OF ALABAMA
ALCOHOLIC BEVERAGE CONTROL BOARD
ALCOHOL LICENSE APPLICATION
Confirmation Number: 20170914082949565



Initial each

Signature page

In reference to law violations, I attest to the truthfulness of the responses given within the application.

In reference to the Lease/property ownership, I attest to the truthfulness of the responses given within the application.

In reference to ACT No. 80-529, I understand that if my application is denied or discontinued, I will not be refunded the filing fee required by this application.

In reference to Special Retail or Special Events retail license, I agree to comply with all applicable laws and regulations concerning this class of license, and to observe the special terms and conditions as indicated within the application.

In reference to the Club Application information, I attest to the truthfulness of the responses given within the application.

In reference to the transfer of license/location, I attest to the truthfulness of the information listed on the attached transfer agreement.

In accordance with Alabama Rules & Regulations 20-X-5-.01(4), any social security number disclosed under this regulation shall be used for the purpose of investigation or verification by the ABC Board and shall not be a matter of public record.

The undersigned agree, if a license is issued as herein applied for, to comply at all times with and to fully observe all the provisions of the Alabama Alcoholic Beverage Control Act, as appears in Code of Alabama, Title 28, and all laws of the State of Alabama relative to the handling of alcoholic beverages.

The undersigned, if issued a license as herein requested, further agrees to obey all rules and regulations promulgated by the board relative to all alcoholic beverages received in this State. The undersigned, if issued a license as herein requested, also agrees to allow and hereby invites duly authorized agents of the Alabama Alcoholic Beverage Control Board and any duly commissioned law enforcement officer of the State, County or Municipality in which the license premises are located to enter and search without a warrant the licensed premises or any building owned or occupied by him or her in connection with said licensed premises. The undersigned hereby understands that he or she violate any provisions of the aforementioned laws his or her license shall be subject to revocation and no license can be again issued to said licensee for a period of one year. The undersigned further understands and agrees that no changes in the manner of operation and no deletion or discontinuance of any services or facilities as described in this application will be allowed without written approval of the proper governing body and the Alabama Alcoholic Beverage Control Board.

I hereby swear and affirm that I have read the application and all statements therein and facts set forth are true and correct, and that the applicant is the only person interested in the business for which the license is required.

Applicant Name (print): David A. Deck, Assistant Secretary for CEC Entertainment, Inc.

Signature of Applicant:

Notary Name (print): Maribel Alamillo

Notary Signature:

Commission expires: 08/20/2019

Application Taken:

App. Inv. Completed:

Forwarded to District Office:

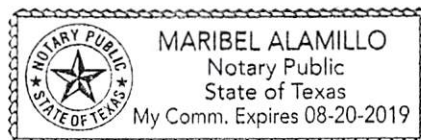
Submitted to Local Government:

Received from Local Government:

Received in District Office:

Reviewed by Supervisor:

Forwarded to Central Office:



RESOLUTION NUMBER 4988

**A RESOLUTION AUTHORIZING THE MAYOR AND CITY MANAGER
TO EXECUTE AND DELIVER AGREEMENTS WITH REGIONS BANK
FOR LEASE/PURCHASE OF CAPITAL EQUIPMENT**

**BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY
OF VESTAVIA HILLS, ALABAMA, AS FOLLOWS:**

1. The Mayor and City Manager are hereby authorized to execute and deliver two agreements with Regions Bank for the lease/purchase of capital equipment; and
2. A copy of said agreements are marked as Exhibit A and Exhibit B respectively and are attached to and incorporated into this Resolution Number 4988 as though written fully therein; and
3. This Resolution Number 4988 shall become effective immediately upon adoption and approval.

ADOPTED and APPROVED this the 25th day of September, 2017.

Ashley C. Curry
Mayor

ATTESTED BY:

Rebecca Leavings
City Clerk

Date of Lease: September 27, 2017

Lease No. 001-0015470-001

[ALABAMA]

EQUIPMENT LEASE-PURCHASE AGREEMENT

Lessor: REGIONS EQUIPMENT FINANCE CORPORATION

Address: P.O. Box 11407, Birmingham, Alabama 35246-1001

Lessee: CITY OF VESTAVIA HILLS

Address: 1032 MONTGOMERY HIGHWAY, VESTAVIA, AL 35216

Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor, the items of Equipment (the "Equipment") described in Exhibit A attached to this Equipment Lease-Purchase Agreement (the "Lease"), upon the following terms and conditions:

1. Delivery and Acceptance. Lessee, or if Lessee so requests, Lessor, shall cause the Equipment to be delivered to Lessee at the location specified in Exhibit A (the "Equipment Location"). Lessee shall pay all transportation and other costs, if any, incurred in connection with the delivery of the Equipment. Lessee shall accept the Equipment as soon as it has been delivered and is operational, or in the event that the manufacturer or vendor allows a pre-acceptance test period, as soon as the test period has expired. Lessee shall evidence its acceptance of the Equipment by executing and delivering to Lessor an acceptance certificate ("Acceptance Certificate") in the form attached hereto as Exhibit B upon receipt of the Equipment.

2. Term. This Lease is effective upon the execution hereof by Lessee and Lessor. The term of this Lease commences on the date the Equipment is accepted pursuant to Section 1 above and, unless earlier terminated as expressly provided for in this Lease, terminates absolutely, without further obligation on the part of the Lessee, at the end of the fiscal year in which this Lease is executed and at the end of each succeeding fiscal year for which it may be renewed as hereinafter provided. The term of this Lease will automatically renew for an additional period of one year at the end of each fiscal year unless Lessee gives written notice to Lessor of its intent to terminate the Lease not less than 60 days prior to the end of the fiscal year. If not sooner terminated, the Lease will continue until the Expiration Date set forth in Exhibit C attached hereto (the "Lease Term"). **THIS EQUIPMENT LEASE CANNOT BE CANCELED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN.**

3. Rent. Lessee hereby agrees to pay to Lessor or its assignee the lease payments (the "Lease Payments"), including the interest portion, equal to the aggregate amounts specified in Exhibit C; provided, however, that the Lessee shall be obligated to make such Lease Payments during any fiscal year to the extent that such Lease Payments may be made from current revenues lawfully budgeted and appropriated for such purpose during such year. The Lease Payments are payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and commence on the first Lease Payment date as set forth in Exhibit C and thereafter on the dates set forth in Exhibit C. Any payments received later than ten days from the due date will bear interest from the due date at the rate of 3% in excess of the rate set forth on Exhibit C or the highest rate permitted by law, whichever is

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less. Except as specifically provided in Section 4 hereof, and to the extent permitted by applicable law, the obligation to make the Lease Payments is absolute and unconditional in all events and is not subject to any set-off, defense, counterclaim or recoupment for any reason whatsoever. Any and all payment(s) received by Lessor hereunder shall be applied to amounts due hereunder at Lessor's sole discretion notwithstanding any contrary instruction or instrumentation by Lessee. Unless Lessor decides, in its sole discretion, to apply any and all payments(s) received from Lessee in a different manner, then any payments shall be applied in the following order of priority: (i) to repay any reimbursement items due Lessor from Lessee pursuant to the provisions of this Lease; (ii) to pay for any amounts owed by Lessee by virtue of its indemnification obligations under Section 16 hereof; (iii) to any accrued interest owed in connection with a late Lease Payment; (iv) to any accrued interest with respect to any Lease Payments then due; and then (iv) to reduce the principal component(s) of the Lease Payment(s) as and when due hereunder.

Lessee reasonably believes that funds can be obtained sufficient to make all Lease Payments during the Lease Term and hereby covenants that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which the Lease Payments may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. It is Lessee's intent to make Lease Payments for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that the use of the Equipment is essential to its proper, efficient and economic operation.

The total obligation of Lessee for the fiscal year of execution is the sum of the **quarterly** payments for such fiscal year as set forth on Exhibit C. The total obligation of Lessee in each fiscal year renewal term is the sum of the **quarterly** payments during such fiscal year renewal term as set forth on Exhibit C. A schedule of Lessee's total obligation for the fiscal year of execution and for each fiscal year in which this Lease is renewed is attached hereto as Exhibit C.

4. Nonappropriation of Funds. In the event no funds or insufficient funds are appropriated and budgeted, or funds are otherwise not available out of current revenues of Lessee by any means whatsoever, in any fiscal period for Lease Payments due under this Lease, then Lessee will immediately notify Lessor or its assignee of such occurrence and this Lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Lease Payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. In the event of such termination, Lessee hereby agrees to peaceably and immediately surrender possession of the Equipment to Lessor or its assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor and to execute any and all documents necessary or convenient to memorialize the relinquishment of all of Lessee's rights, title and or interest in such Equipment to Lessor or its successors and assigns. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment.

Notwithstanding the foregoing, Lessee hereby agrees (i) that it will not cancel this Lease under the provisions of this Section if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Equipment or other equipment performing functions similar to the Equipment for the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter, and (ii) that it will not, during a period of three (3) years after such termination occurs, appropriate funds or otherwise give priority in the application of funds to any other functionally similar equipment. This section will not be construed so as to permit Lessee to terminate this Lease in order to acquire any other equipment or to allocate funds directly or

indirectly to perform essentially the same function for which the Equipment is intended.

Notwithstanding any provision to the contrary contained in this Lease, it is expressly understood and agreed that Lease Payments to be made in each fiscal year shall be payable only out of current revenues of Lessee for that fiscal year lawfully budgeted and appropriated during such year.

5. Limitation on Warranties and Disclaimer. Lessee acknowledges and agrees that the Equipment is of a size, design and capacity selected by Lessee, that Lessor is neither a manufacturer nor a vendor of such equipment, and that LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO, AND LESSOR SHALL NOT BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE EQUIPMENT INCLUDING THE MAINTENANCE , INSTALLATION, OPERATION, OR REPAIR THEREOF. Lessee acknowledges that it has selected the equipment based upon its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. As between the Lessor and Lessee, all Equipment is or will be accepted by the Lessee "as is" after inspection by Lessee, and nothing herein shall be construed to affect, extinguish, limit or otherwise modify Lessee's rights and remedies between Lessee and any manufacturer or servicer.

Lessor hereby assigns to Lessee during the Lease Term, so long as no Event of Default (as hereinafter defined) has occurred and is continuing, all manufacturer's warranties, if any, express or implied with respect to the Equipment, and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's expense.

6. Authority and Authorization. Lessee represents, covenants and warrants, and as requested by Lessor, will deliver an opinion of counsel to the effect that: (i) Lessee is a fully constituted political subdivision, agency or public corporation of the State of Alabama; (ii) the execution, delivery and performance by Lessee of this Lease has been duly authorized by all necessary action on the part of Lessee; (iii) this Lease has been executed on behalf of the Lessee by its duly authorized officers; and (iv) this Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms. Lessee hereby agrees that (i) it will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect; (ii) it has complied with all bidding requirements where necessary and by due notification presented this Lease for approval and adoption as a valid obligation on its part; and (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period.

7. Title. Upon acceptance of the Equipment by Lessee hereunder, title to the Equipment will vest in Lessee; subject to reversion to Lessor (i) in the event of termination of this Lease by Lessee pursuant to Section 4 hereinabove; or (ii) upon the occurrence of an Event of Default hereunder related to said Equipment, and as long as such Event of Default is continuing. Lessee (i) shall not sell, assign, subject or otherwise dispose of, or permit legal process or encumbrance upon or against any interest in, this Lease or the Equipment; (ii) shall keep the Equipment free of liens and give immediate written notice to Lessor of any such process or encumbrance; and (iii) shall, at its sole expense, protect and defend Lessor's title and interest against all persons claiming against or through Lessee and, to the extent permitted by applicable law, indemnify and

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hold Lessor harmless from and against any loss caused thereby. Lessee shall affix to the Equipment any markings requested by Lessor or execute any and all documents reasonably requested to be signed by Lessee to memorialize Lessor's interest in such Equipment.

Lessee, irrevocably, hereby designates, makes, constitutes and appoints Lessor (and all persons designated by Lessor) as Lessee's true and lawful attorney (and agent-in-fact) with power, at such time of default or nonappropriation or times thereafter as Lessor in its sole and absolute discretion may determine, in Lessee's or Lessor's name, to endorse the name of Lessee upon any Bill of Sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment in order to vest title in Lessor and transfer possession to Lessor.

8. Security Interest. In order to secure all of its obligations hereunder, Lessee hereby (i) grants to Lessor a first and prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and in any proceeds therefrom, (ii) agrees that this Lease or a memorandum of lease may be filed as a financing statement evidencing such security interest, (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest, and (iv) agrees to pay all fees and charges necessary for filing or recording such instruments or establishing or maintaining such security interest. Lessee hereby acknowledges that only Lessor's original of this Lease constitutes chattel paper for purposes of the Alabama Uniform Commercial Code. No security interest can be perfected by possession of any other counterpart or of the Equipment.

9. Personal Property. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee shall, at Lessee's expense, furnish a landlord or mortgagee waiver with respect to the Equipment.

10. Use; Repairs. Lessee shall use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies and regulations relating to, and shall pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance. Lessee, at its expense, will keep the Equipment in good repair, good operating condition and working order, according to the manufacturer's recommended guidelines or the equivalent and meet any and all recertification requirements and shall furnish proof of such maintenance, if requested by Lessor, and shall furnish all needed servicing and parts, which parts shall become the property of Lessor and part of the Equipment. Lessor shall have no responsibility in any of these matters or for the making of any improvements or additions to the Equipment, as further discussed in Section 11 below. If the Equipment is such as is customarily covered by a maintenance agreement, Lessee shall, at its expense, furnish Lessor upon its reasonable request with a maintenance agreement with a party satisfactory to Lessor.

11. Alterations. Lessee shall not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment. Any alteration to the Equipment which cannot be readily removed without damage to the Equipment will become part of the Equipment and the property of Lessor. Notwithstanding the foregoing, any upgrade, addition or modification added by the Lessee as required by law or under any manufacturer's or service's recommendations will, without further action, become a part of the Equipment and the sole property of Lessor.

12. Location; Inspection. The Equipment will not be removed from, or if the Equipment consists of rolling stock, its permanent base will not be changed from, the Equipment Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor is entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

13. Liens and Taxes. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes for which Lessee is responsible or liable under this Lease, Lessee shall reimburse Lessor therefor immediately upon demand from Lessor. Lessee hereby agrees to cooperate with Lessor in filing all tax returns and informational statements, if any, required by any federal, state, and/or local governmental agency.

14. Risk of Loss: Damage; Destruction. Lessee hereby assumes all risk of loss of or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Lease Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee shall immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee, at Lessor's option, shall: either (a) replace the same with like equipment in good repair; or (b) on the next Lease Payment date, pay Lessor: (i) all amounts then owed by Lessee to Lessor under this Lease, including the Lease Payment due on such date; and (ii) an amount equal to the applicable Concluding Payment set forth in Exhibit C. In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Lease Payment and the Concluding Payment to be made by Lessee with respect to the Equipment which has suffered the event of loss. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payments of, negotiate with insurance carrier(s), bring lawsuits, settle claims or suits, and execute and endorse all documents, checks or drafts issued with respect to any loss, damage, destruction, to, or theft of, the Equipment and/or under any insurance policy relating to the Equipment.

15. Insurance. Lessee shall, at its expense, maintain at all times during the Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be satisfactory to Lessor, or, with Lessor's prior written consent, may self-insure against any or all such risks. In no event will the insurance limits be less than the amount of the then applicable Concluding Payment with respect to such Equipment. Each insurance policy will name Lessee as an insured and Lessor or its assigns as an additional insured and loss payee, and will contain a clause requiring the insurer to give Lessor at least 30 days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or its assigns as their interests may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee shall deliver to Lessor a certificate evidencing such insurance. In the event that Lessee has been permitted to self-insure, Lessee shall furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee shall promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto. Lessee shall furnish a certificate of insurance or other evidence satisfactory to Lessor that the required insurance coverage is in effect. Lessor has no duty to ascertain the existence of or to examine the insurance policies to advise Lessee if the insurance coverage does not comply with the requirements of this Section.

In the event Lessee fails to maintain the full insurance coverage on the Equipment as required by this Lease or fails to keep the Equipment in good repair and operating condition, Lessor may, but is not obligated to, purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements which are necessary and provide for payment thereof; and all amounts so advanced therefore by Lessor are considered additional rent for the then current Lease Payments, which amounts Lessee hereby agrees to pay, together with interest thereon at the rate of three (3%) per cent per annum in excess of the rate set forth on Exhibit C or at the highest rate permitted by applicable law, whichever is less.

Lessee hereby consents to Lessor's release, upon its failure to obtain appropriate insurance coverage, of any and all information necessary to obtain insurance with respect to the Equipment and/or Lessor's interest therein. Lessor retains the right to substitute its own insurance for any insurance obtained by Lessee in accordance with this Section upon reasonable notice to Lessee with an insurer or through an agent or broker of its choice, at Lessee's sole cost.

16. Indemnification. To the extent permitted by applicable law, Lessee hereby indemnifies and agrees to defend and hold Lessor and any successor, assignee or secured party of Lessor, harmless from and against all claims, costs, expenses (including, but not limited to, attorneys' fees and expenses), damages, losses, judgments and liabilities of any nature whatsoever that may be imposed on, incurred by, or asserted against an indemnified party with respect to any item of Equipment or its purchase, acceptance, delivery, ownership, leasing, possession, maintenance, use, operation or transportation, or arising out of this Lease or the transactions contemplated hereby, whether or not other parties are involved, including, without limitation, (a) claims for injury to or death of persons and for damage to property, (b) claims relating to patent, copyright or trademark infringement, and (c) claims relating to latent or other defects in the Equipment whether or not discoverable by Lessor. Lessee hereby agrees to give Lessor prompt notice of any such claim or liability. Any payment made hereunder to Lessor shall include the amount of any taxes required to be paid by Lessor as the result of the receipt of such payment. The provisions of this Section 16 survive the termination of this Lease.

17. Purchase Option. Upon 30 days prior written notice from Lessee to Lessor, and on the condition that there is no Event of Default, or an event which with notice or lapse of time, or both, could become an Event of Default, then existing, Lessee will be entitled to purchase Lessor's interest in, to the extent thereof, the Equipment on the Lease Payment dates set forth in Exhibit C by paying to Lessor, on such date, the Lease Payment then due together with the Concluding Payment amount set forth opposite such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that Lessor shall warrant to Lessee that the Equipment is free and clear of any liens created by Lessor. Unless Lessee exercises an option to purchase the Equipment or renews the terms of this Lease as provided in any Exhibit to this Lease and except as otherwise provided in this Lease, upon expiration of the Term as to each item of Equipment or upon demand of Lessor pursuant to this section, Lessee, at its own risk and expense, including, but not limited to the expense of maintaining all insurance thereon, shall either (a) provide adequate and suitable storage space at the place where the Equipment was delivered hereunder or to which it was moved in accordance with this Lease, and shall permit Lessor to store such Equipment free of charge, and at the risk of Lessee for public liability and physical damage exposure, for a period not to exceed one hundred eighty (180) days, during which period Lessee shall provide Lessor reasonable access thereto; or (b) immediately assemble, prepare for shipment, and return the Equipment to Lessor in the same condition as delivered, ordinary wear and tear excepted, and meeting all recertification requirements, with all damaged or missing parts replaced, at such location within the United States as Lessor designates. Lessee hereby agrees to provide to Lessor written notice at least one hundred eighty (180) days prior to the end of the Term of the Lease if Lessee intends to

return the Equipment to Lessor (the "Return Notice"). In the event Lessee fails to deliver to Lessor the Return Notice at least one hundred eighty (180) days prior to the end of the Term of the Lease, the Term will be extended automatically for one hundred eighty (180) days and Lessee shall continue to pay Lease Payments as agreed to by the Lessor and Lessee at such time.

18. Assignment. Without Lessor's prior written consent, Lessee shall not (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Equipment or any interest in this Lease or the Equipment, or (ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees or agents. Lessee shall remain primarily liable on this Lease. Lessor may assign its right, title and interest in and to this Lease, the Equipment and any other documents executed with respect to this Lease and/or grant or assign a security interest in this Lease and the Equipment, in whole or in part. Lessee hereby agrees that any such assignment shall not materially change Lessee's duties or obligations under this Lease. Any such assignees shall have all the rights of Lessor under this Lease. No assignment or reassignment of any of Lessee's right, title or interest in this Lease or the Equipment will be effective unless and until Lessor consents to such assignment and Lessor receives a duplicate original counterpart of the document by which the assignment or reassignment is made, disclosing the name and address of each such assignee. DURING THE LEASE TERM LESSEE SHALL KEEP A COMPLETE AND ACCURATE RECORD OF ALL SUCH ASSIGNMENTS IN FORM NECESSARY TO COMPLY WITH SECTION 149(a) OF THE INTERNAL REVENUE CODE OF 1986, OR ANY SUCCESSOR PROVISION THERETO, AND THE REGULATIONS, PROPOSED OR EXISTING, FROM TIME TO TIME PROMULGATED THEREUNDER. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the successors and assigns of the parties hereto. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee shall acknowledge such assignments in writing if so requested.

19. Events of Default. The term "Event of Default", as used herein, means the occurrence of any one or more of the following events:

- (a) Lessee fails to make any Lease Payment (or any other payment including insurance premiums required hereunder) when due in accordance with the terms of this Lease;
- (b) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure is not cured within 20 days after written notice thereof by Lessor; or
- (c) The discovery by Lessor that any statement, representation or warranty made by Lessee in this Lease or in any writing ever delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect;
- (d) Lessee shall attempt to abandon, remove, sell, encumber or sublet any item of Equipment or to assign any rights under or interest in this Lease; or
- (e) Lessee fails to appropriate sufficient funds to pay all Lease Payments due or to become due for the then-current fiscal year; or
- (f) Lessee shall become insolvent or make an assignment for the benefit of creditors, or a trustee or receiver shall be appointed for Lessee or for a substantial part of its assets, or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee; or

(g) Lessee shall suffer a material adverse change in its financial conditions or operations;
or

(h) Lessee shall be in default under any other agreement with Lessor or any of its affiliates or any other lender.

20. Remedies. Upon the occurrence of an Event of Default, and so long as such Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies:

(a) the Lessor may, at its option, declare all installments of the Lease Payments, payable until the end of the Term of the Lease, to be immediately due and payable, whereupon the same shall become immediately due and payable. If Lessor elects to exercise the remedy afforded in this Section 20(a) and accelerates all Lease Payments payable until the end of the Term of this Lease, the amount then due and payable by the Lessee as accelerated rents shall be the sum of (1) the aggregate Lease Payments due until the end of the Term of this Lease, (2) the Concluding Payment specified as due at the end of the Term of this Lease, less the net amount realized by the Lessor upon disposition of the Equipment, and (3) any other amounts which may be owing to the Lessor pursuant to this Lease;

(b) the Lessor may, without demand or legal process, take possession of the Equipment with or without terminating this Lease and without any liability to the Lessee for such repossession, and lease or sell the Equipment;

(c) release or sell any or all of the Equipment at a public or private sale on such terms and notices as Lessor deems reasonable and, in addition to reclaiming the total proceeds received from such lease or sale, recover from Lessee damages, not as a penalty, but liquidated for all purposes and in an amount equal to the sum of (i) any accrued and unpaid Lease Payments, and other amounts due hereunder, as of the later of (A) the date of the Event of Default, (B) the date that Lessor has obtained possession of the Equipment or (C) such other date as Lessee has made an effective tender of possession of the Equipment back to Lessor ("Default Date"); plus Lease Payments (at the periodic rate provided for in this Lease) for the additional period (but in no event longer than six (6) months) that it takes Lessor to resell or re-let all of the Equipment, plus interest at the rate per annum charged by the Internal Revenue Service for the late payment of tax; (ii) the difference between the monthly Lease Payments for the remainder of the Term as they become due and the net proceeds, if any, of any reletting of the Equipment after deducting all of Lessor's expenses in connection with such reletting, including without limitation, all repossession costs, broker's commissions, attorney's fees and expenses, and alteration costs and expenses of preparing the Equipment for reletting; and (iii) any indemnity under Section 16 hereunder, if then determinable, plus interest at the same rate per annum charged by the Internal Revenue Service for the late payment of tax, LESS the amount received by Lessor upon such public or private sale or re-lease of such items of Equipment, if any; and

(d) the Lessor may require the Lessee to furnish copies of all books and records of the Lessee pertaining to the Equipment; and

(e) the Lessor may exercise any other right, remedy or privilege which may be available to it under applicable laws of the State of Alabama or any other applicable laws including, without limitation, the rights of a secured party under the Alabama Uniform Commercial Code, or proceed by appropriate court action to enforce the terms of this Lease or to recover damages for the breach of this

Lease or to rescind this Lease as to any or all of the Equipment.

In addition, Lessee will remain liable for all covenants and, to the extent permitted by applicable law, indemnities under this Lease and for all legal fees and other costs and expenses, including court costs and reasonable attorney's fees, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor. A cancellation hereunder shall occur only upon notice by Lessor and only as to such Items of Equipment as Lessor specifically elects to cancel, and this Lease shall continue in full force and effect as to the remaining items of Equipment, if any. Lessee shall be liable for and shall pay to Lessor all attorneys' fees and expenses and other costs incurred by Lessor in exercising Lessor's remedies, including placing any Equipment in the condition required by Section 10 hereof. If this Lease is deemed at any time to be one intended as security as set forth in Section 8, Lessee hereby agrees that the Equipment shall secure, in addition to the indebtedness herein, all other indebtedness at any time owing by Lessee to Lessor. No remedy referred to in this Lease is intended to be exclusive, but each shall be in addition to any other remedy referred to or otherwise available to Lessor at law or in equity. No express or implied waiver by Lessor of any Default will constitute a waiver of any other Default by Lessor or a waiver of any of Lessor's rights and no delay by Lessor in enforcing any right or requiring performance of any provisions of this Lease by Lessee will be a waiver of such right or affect the right of Lessor to enforce such provision.

Notwithstanding any provision of this Section to the contrary, the Lessee may terminate this Lease as provided in Section 4, and the Lessee shall not be liable under this Lease for any Lease Payments in excess of the amount otherwise due under Section 3.

21. Notices. All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to mailing if mailed in accordance with this Section.

22. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

23. Governing Law. This Lease shall be construed in accordance with, and governed by the laws of, the State of Alabama.

24. Delivery of Related Documents. Lessee shall execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease. At the request of Lessor, Lessee shall furnish Lessor annual audited financial statements of Lessee within 270 days after the end of Lessee's fiscal year.

25. Entire Agreement: Waiver. This Lease, together with the Acceptance Certificate and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitute the entire agreement between the parties with respect to the lease of the Equipment, and this Lease shall not be modified, amended, altered or changed except with the written consent of Lessee and Lessor. Any provision of this Lease found to be invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of this Lease. The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

26. Decrease in Deductibility of Interest Expense. The Lessee hereby acknowledges that the

Lease Payments were calculated assuming that a financial institution that accepted an assignment of Lessor's interest on the date of delivery of this Lease could deduct 80% of such financial institution's interest expense allocable to this Lease. If (i) the Lessor, or any assignee of the Lessor or its assigns, is a financial institution for purposes of Section 265 of the Internal Revenue Code of 1986 (the "Code"), (ii) the deductible portion of such financial institution's interest expense allocable to this Lease is decreased for any reason (including without limitation a change in applicable law or the fact that this Lease does not qualify as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code), and (iii) such decrease would have been effective if such financial institution had acquired its interest in the Lease on the date of delivery of this Lease, then for each whole percentage point of decrease (below 80%) in the portion of allocable interest expense allowed as a deduction, the interest rate used to calculate the Lease Payments shall increase in an amount sufficient to provide Lessor with the exact same rate of return as initially calculated assuming that the Lease Payments payable to Lessor by Lessee are "qualified tax-exempt obligations."

The interest rate adjustment required by this Section shall be made each time that the allowable deduction for allocable interest expense decreases and shall be effective as of the date such decrease becomes effective for the financial institution that is at the time Lessor (or an assignee of Lessor or its assigns). No such adjustment in the interest rate shall be effective during any period when the Lessor (or an assignee of Lessor or its assigns) is not a financial institution for purposes of Section 265 of the Code.

Any adjustment required by this Section shall increase the amount of interest payable as a part of each Lease Payment affected, but shall not change the principal component of any Lease Payment.

27. Covenant Regarding Tax-Exempt Interest. The Lessee represents and warrants that the interest portion of each Lease Payment will not be includible in gross income of the Lessor. The Lessee hereby covenants and agrees that it will not take any action, or fail to take any action, if such action or failure to act would cause the interest portion of each Lease Payment to be or become includible in gross income of the Lessor for purposes of federal income taxation. Without limiting the generality of the preceding sentence, the Lessee hereby covenants and agrees that, to the extent necessary for the interest portion of each Lease Payment to be so excludable from gross income,

(a) the Equipment shall not be used in any private business use; the Lease Payments shall not be secured by, or derived from, property used in a private business use; no portion of the proceeds of this Lease shall be used to make or finance loans to persons other than governmental units; and proceeds of this Lease shall not be used in any manner that would cause this Lease to be or become a "private activity bond", as defined in Section 141 of the Code; and

(b) the Lessee shall submit to the Secretary of the Treasury a statement or report with respect to the execution and delivery of this Lease as required by Section 149(e) of the Code.

If Lessor determines in good faith (which determination shall be supported by an opinion of nationally recognized bond counsel) or if the Internal Revenue Service shall claim in writing that the interest portion of the Lease Payments is includible in the gross income of Lessor or any former Lessor ("Taxable"), then the interest rate hereunder shall be adjusted to the Prime Rate plus 1.0%, determined daily according to the Prime Rate in effect for such date, effective as to the earliest date that such interest was Taxable. Any additional amount of interest due for the period prior to the date Lessee was notified that interest was Taxable and began making payments at the adjusted rate shall be paid by Lessee, at the option of Lessor, (i) within thirty (30) days after the date Lessee is notified of the amount due, or (ii) on such other payment schedule as shall be satisfactory to Lessor. "Prime Rate" shall mean the rate of interest announced by Regions Bank (the "Bank")

as its prime rate, with the understanding that the Bank's prime rate is one of its base rates established from time to time for lending purposes and is not necessarily the best or lowest rate offered by the Bank and is evidenced by the recording thereof after its announcement in such internal publication or publications as the Bank may designate.

28. Representations of Lessee. Lessee hereby represents and warrants that: (i) Lessee is a duly constituted, organized and validly existing political subdivision existing under the laws of the State of Alabama and is authorized to lease personal property and to sell or lease or otherwise dispose of personal property; (ii) Lessee has full power, authority, and legal right to execute, deliver and perform the agreements on its part contained in this Lease; (iii) the person or persons executing this Lease on behalf of Lessee have been duly authorized under the laws of the State of Alabama and a duly adopted resolution of Lessee's governing body is in full force and effect on the date hereof to execute this Lease on behalf of Lessee and to obligate Lessee hereunder; (iv) Lessee has taken all necessary steps or complied with all procedures required for the authorization and execution of this Lease; (v) all Lease Payments which are to be made hereunder will be paid out of funds which are legally available for such purpose; (vi) Lessee has obtained or made, or does not require, the approval of or the giving of notice to any Federal, State, local or foreign governmental authority in order to enter into this Lease; (vii) Lessee is not required to submit this Lease to Lessee's electorate for approval; (viii) Lessee, by entering into this Lease, does not violate any law binding on Lessee or contravene any indenture, credit Lease, or any other agreement under which Lessee is a party or by which it is bound; (ix) this Lease constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms; (x) there are no pending or threatened actions or proceedings before any court, administrative agency or other tribunal or body or judgments which may materially adversely affect Lessee's financial condition or operations; (xi) the Equipment is personal property and is not now nor will it become either real property or a fixture or inventory; (xii) the use of the Equipment is essential, necessary, useful, and appropriate to the lawful purposes of Lessee and in the discharge of its duties as a governmental body; (xiii) the Lease application (if any) is true and is not misleading; (xiv) the execution of this Lease does not constitute a default in any other agreement of Lessee; (xv) there is not existing, and Lessee will not directly or indirectly create, incur, assume or suffer to exist, any mortgage, security interest, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment, title thereto or any interest therein, except the respective rights of Bank and Lessee under this Lease and further excepting any mortgage, security interest, pledge, lien or encumbrance granted by Bank; (xvi) the Equipment is of size, design, capacity and manufacture selected by Lessee and will be suitable for Lessee's purposes; (xvii) Lessee will cause to be done, executed, acknowledged and delivered all such further acts, instruments, conveyances and assurances as Bank shall require for accomplishing the purposes of this Lease; (xviii) Lessee, upon delivery of the Equipment under this Lease, shall cause said Equipment to be duly registered, and at all times thereafter to remain duly registered, in the name of Bank, or at Bank's request shall furnish to Bank such information as may be required to enable Bank to make application for such registration, and shall promptly furnish to Bank such information as may be required to enable Bank to timely file any reports required to be filed by it under this Lease with any governmental authority; (xix) Lessee has complied with insurance provisions of Section 15; (xx) Lessee will execute or file any reports or tax forms required by State or Federal authorities; (xxi) Lessee and its governing body reasonably believe that Lessee shall have sufficient available funds during each fiscal year through the maximum term to elect to appropriate monies to make the Lease Payments hereunder; and (xxii) all actions of the governing body of the Lessee and its members concerning this Lease have been taken in accordance with the laws of the State of Alabama.

29. Arbitration. Lessee hereby represents to Lessor that its business and affairs constitute substantial interstate commerce and that it contemplates using the Equipment in substantial interstate commerce. Except as otherwise specifically set forth below, any action, dispute, claim, counterclaim or controversy ("Dispute" or "Disputes"), between or among Lessor, Lessee or any guarantor, including any claim

based on or arising from an alleged tort, shall be resolved by arbitration as set forth below. As used herein, Disputes shall include all actions, disputes, claims, counterclaims or controversies arising in connection with this Lease (including all Exhibits and other addenda), any extension of or amendments to this Lease, any security or collateral given to Lessor, any action taken (or any omission to take any action) in connection with any of the foregoing, any part, present and future agreement between or among Lessor, Lessee or any guarantor (including this Lease and any related guaranty agreement), and any past, present or future transactions between or among Lessor, Lessee or any guarantor.

To the extent permitted by applicable law, all Disputes shall be resolved by binding arbitration in accordance with Title 9 of the U.S. Code and the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") in Birmingham, Alabama. Defenses based on statutes of limitations, estoppel, waiver, laches and similar doctrines, that would otherwise be applicable to an action brought by a party, shall be applicable in any such arbitration proceeding, and the commencement of an arbitration proceeding with respect to this Lease shall be deemed the commencement of an action for such purposes.

Whenever an arbitration is required hereunder, the arbitrator shall be selected in accordance with the Commercial Arbitration Rules of the AAA. The AAA shall designate a panel of 10 potential arbitrators knowledgeable in the subject matter of the Dispute. Each of Lessor and Lessee shall designate, within thirty (30) days of the receipt of the list of potential arbitrators, one of the potential arbitrators to serve, and the two arbitrators so designed shall select a third arbitrator from the eight remaining potential arbitrators. The panel of three arbitrators shall determine the resolution of the Dispute.

30. No Agency. Lessee hereby acknowledges and agrees that neither the manufacturer, the supplier, nor any salesman, representative or other agent of the manufacturer or supplier, is an agent of Lessor. No salesman, representative or agent of the manufacturer or supplier is authorized to waive or alter any term of condition of this Lease and no representation as to the Equipment or any other matter by the manufacturer or supplier shall in any way affect Lessee's duty to pay Lease Payments and perform its other obligations as set forth in this Lease.

31. Finance Lease. Lessee hereby acknowledges that for purposes of the Alabama Uniform Commercial Code (the "UCC") this Lease is a finance lease and Lessor is not an agent of the manufacturer or vendor of the equipment. Lessee hereby acknowledges that Lessee has selected the supplier of the equipment and directed Lessor to purchase the equipment from the supplier. Lessee hereby acknowledges that it is entitled under Article 2A of the UCC to all warranties and other rights provided to Lessee by the supplier of the equipment and to contact the supplier for an accurate and complete statement of any such express warranties and other rights and any disclaimers or limitations of such rights or of remedies.

32. Waivers of Lessee. To the extent permitted by Alabama law, Lessee hereby waives any and all rights and remedies conferred by the UCC, including, without limitation, any rights to (a) cancel or repudiate the Lease, (b) reject or revoke acceptance of the Equipment, (c) recover damages from the Lessor for breach of warranty or for any other reason, (d) claim a security interest in any rejected Equipment in the Lessee's possession or control, (e) deduct from rent all or any part of any claimed damages resulting from the Lessor's default under the Lease, (f) accept partial delivery of the Equipment, (g) "cover" by making any purchase or lease of substitute equipment, (h) recover from the Lessor or any assignee of the Lessor any general, special, incidental or consequential damages for any reason whatsoever, and (i) specific performance, replevin or the like for any of the Equipment. The Lessee also waives any statutory right it may have now or in the future to require the Lessor to sell or re-lease the Equipment or otherwise to mitigate damages.

33. Additional Provisions. Any additional provisions and modifications, if any, to the standard language of this Lease are set forth in Exhibit D attached hereto.

**LESSEE:
CITY OF VESTAVIA HILLS**

By: _____

Title: _____

Attest:

By: _____

Title: _____

LESSOR:

REGIONS EQUIPMENT FINANCE CORPORATION

By: _____

Title: _____

REGIONS EQUIPMENT FINANCE CORPORATION

PAY PROCEEDS LETTER

COMPANY: CITY OF VESTAVIA HILLS
Equipment Lease Purchase Agreement
DATED: September 27, 2017

Regions Equipment Finance Corporation
1900 Fifth Avenue North
Suite 2400
Birmingham, Alabama 35203

Re: The Schedule, executed by **CITY OF VESTAVIA HILLS** (the "Company") and either Regions Equipment Finance Corporation ("Regions") (the Schedule, as it incorporates the terms of the Master Agreement is hereinafter referred to as the "Agreement").

With reference to the Agreement, you are hereby authorized to disburse proceeds in the amount of **\$340,650.00** by check, funds transfer or deposit, in such amounts and with such payees as are listed below:

- 1. Payee: **CITY OF VESTAVIA HILLS**
Ref. No.: **3 YR EQUIP - ESCROW**
Amount: **\$340,650.00**

Check

Funds Transfer to Account No. **0256626916** in Payee's Name at **REGIONS BANK 062000019**;
Notification Information:

Should the closing occur at a later date, the proceeds should be adjusted accordingly.

COMPANY: CITY OF VESTAVIA HILLS

BY: _____

ITS: _____

**EXHIBIT A
TO
EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED September 27, 2017
BETWEEN REGIONS EQUIPMENT FINANCE CORPORATION
AND
CITY OF VESTAVIA HILLS**

Description of Equipment

<u>Quantity</u>	<u>Description</u>	<u>Serial No.</u>
1	FORD INTERCEPTOR PATROL CAR	TBD
1	FORD INTERCEPTOR PATROL CAR	TBD
1	FORD INTERCEPTOR PATROL CAR	TBD
1	FORD INTERCEPTOR PATROL CAR	TBD
1	FIRE DEPT VEHICLE - TBD	TBD
1	FORD EXPLORER	TBD
1	FORD F-150 4X4	TBD

Equipment Location

1032 MONTGOMERY HIGHWAY, VESTAVIA, AL 35216

“Equipment” as defined and described hereinabove, also includes any related software (embedded therein or otherwise), all tooling, tools, repair parts and spare parts used or useful in respect of the foregoing, and all alterations, substitutions, additions, modifications, attachments, accessories and accessions to any of the foregoing, together with all supplier agreements, warranty agreements, extended services agreement and other instruments and documents that relate to the acquisition, installation, maintenance or warranty of any Equipment and all books and records relating to the Equipment, including all of the following: operating manuals, training manuals, service records, in whatever form, including digital and electronic form.

Identified by:

Lessor: _____

Lessee: _____

9/11/2017
001-0015470-001

**EXHIBIT C
TO
EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED September 27, 2017
BETWEEN REGIONS EQUIPMENT FINANCE CORPORATION
AND
CITY OF VESTAVIA HILLS**

Commencement Date: **September 27, 2017**

Expiration Date: **September 27, 2020**

Interest Rate: **1.59%**

Total Obligation of **CITY OF VESTAVIA HILLS**
for fiscal year of execution
and each renewal year thereafter:

Fiscal Year

Total Obligation

Concluding
Payment

SEE ATTACHED AMORT SCHEDULE

Identified by:

Lessor: _____

Lessee: _____

9/11/2017
001-0015470-001

Loan Amortization

Exhibit A - Resolution No. 4988

date	funding	payment	interest @ 1.5900	principal	balance
Sep-27-17	340,650.00				340,650.00
Dec-27-17		29,126.30	1,354.08	27,772.21	312,877.79
Mar-27-18		29,126.30	1,243.69	27,882.61	284,995.18
Jun-27-18		29,126.30	1,132.86	27,993.44	257,001.74
Sep-27-18		29,126.30	1,021.58	28,104.71	228,897.03
Dec-27-18		29,126.30	909.87	28,216.43	200,680.59
Mar-27-19		29,126.30	797.71	28,328.59	172,352.00
Jun-27-19		29,126.30	685.10	28,441.20	143,910.81
Sep-27-19		29,126.30	572.05	28,554.25	115,356.56
Dec-27-19		29,126.30	458.54	28,667.75	86,688.80
Mar-27-20		29,126.30	344.59	28,781.71	57,907.09
Jun-27-20		29,126.30	230.18	28,896.12	29,010.98
Sep-27-20		29,126.30	115.32	29,010.98	0.00
	340,650.00	349,515.56	8,865.56	340,650.00	

**EXHIBIT D
TO
EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED September 27, 2017
BETWEEN REGIONS EQUIPMENT FINANCE CORPORATION
AND
CITY OF VESTAVIA HILLS**

Additional Provisions and Modifications to Standard Terms

None.

Identified by:
Lessor: _____
Lessee: _____

9/11/2017
001-0015470-001

(To be written on Lessee's Letterhead)

ESSENTIAL USE LETTER

Dated: _____

Regions Equipment Finance Corporation

P.O. Box 11407

Birmingham, Alabama 35246-1001

Re: Equipment Lease-Purchase Agreement dated **September 27, 2017**

Gentlemen:

This letter is being written with respect to the use of the equipment (the "Equipment") to be leased to the undersigned pursuant to the above-referenced Equipment Lease-Purchase Agreement. The Equipment will be used by

(Department or Division Using Equipment)

for the following purposes:

(State how and for what purposes the Equipment will be used)

The undersigned hereby represents that the use of the Equipment is essential and necessary to its proper, efficient and economic operation of its governmental functions and its purchase is pursuant to a legitimate public purpose.

Very truly yours,

CITY OF VESTAVIA HILLS

By: _____

Title: _____

9/11/2017
001-0015470-001

INCUMBENCY CERTIFICATE

I, _____, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of **CITY OF VESTAVIA HILLS**, a political subdivision or agency or public corporation duly organized and existing under the laws of the State of Alabama (“Lessee”), that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of Lessee holding the offices set forth opposite their respective names. 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 Lessee to enter into that certain Equipment Lease-Purchase Agreement dated **September 27, 2017**, between Lessee and **Regions Equipment Finance Corporation**, as evidenced by the copy of the resolution of the Lessee attached hereto.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
_____	_____	_____

IN WITNESS WHEREOF, this certificate has been executed by the undersigned and the seal of Lessee has been affixed.

Dated: _____

Secretary/Clerk

[SEAL]

9/11/2017
001-0015470-001

RESOLUTION

WHEREAS, the governing body of **CITY OF VESTAVIA HILLS** (the "Lessee") has determined that in order for the Lessee to better accomplish its public purposes, the Lessee needs to acquire the use of the Equipment described in the schedule attached to or set forth in the Equipment Lease-Purchase Agreement (the "Lease") attached hereto; and

WHEREAS, the Lessee has determined that the most economical and efficient means of acquiring the use of said Equipment is pursuant to a lease-purchase of the Equipment pursuant to the Lease; and

WHEREAS, a copy of the Lease has been presented to, considered and approved by the governing body of the Lessee.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE LESSEE, as follows:

1. The Lessee is hereby authorized to enter into the Lease between the Lessee and **Regions Equipment Finance Corporation**, as Lessor, with all riders, certificates, schedules, and amendments thereto, substantially in the form attached hereto, and the execution and delivery of the Lease is hereby approved, authorized, ratified and confirmed.

2. The _____ and each and any of them without the others is hereby authorized to execute and deliver the Lease on behalf of the Lessee in substantially the form presented to the governing body of Lessee at this meeting with such changes or additions thereto or deletions therefrom as the officer executing the same shall approve, which approval shall be conclusively evidenced by his or her execution of the Lease. The _____ and each and any of them without the others is hereby authorized to execute and deliver on behalf of the Lessee such agreements, indemnities, purchase orders, leases, bills of sale, certificates or other instruments or obligations as they or any one of them may deem necessary or appropriate to the accomplishment of the Lease, and the execution and delivery of any such agreement, instrument or obligation prior to the date hereof by any such officer is in all respects hereby confirmed, ratified and approved. The _____ is hereby authorized and directed to affix the corporate seal to such instruments and to attest the same.

3. The proper officers of the Lessee are authorized and directed to do or cause to be done all such other acts and things, to make all payments, including rent payments, required pursuant to the Lease and related documents, and to execute all such documents, certificates and instruments as in his, her or their judgment may be necessary or advisable in order to carry out the foregoing Resolutions and the Lessee's obligations under the Lease, or any amended, renewed or supplemental lease; and all actions heretofore taken by the officers of the Lessee in connection with the acquisition of the Equipment and negotiation of the Lease are hereby approved, ratified and confirmed in all respects.

4. The Lessee hereby designates the Lease to be a "qualified tax exempt obligation" under the provisions of Section 265(b)(3) of the Internal Revenue Code, as amended.

5. The Lessee and the proper officers of the Lessee understand Section 15 of the Lease ("Insurance") and hereby agree to provide property and liability damage in accordance with the terms of the Lease.

9/11/2017
001-0015470-001

(To be written on Counsel's Letterhead)

OPINION OF COUNSEL

Dated: _____

Regions Equipment Finance Corporation
P.O. Box 11407
Birmingham, Alabama 35246-1001

Re: Equipment Lease-Purchase Agreement dated **September 27, 2017**

Ladies and Gentlemen:

I have acted as Counsel to **CITY OF VESTAVIA HILLS** ("Lessee") with respect to that certain Equipment Lease-Purchase Agreement (the "Lease") dated **September 27, 2017**, by and between **Regions Equipment Finance Corporation** and Lessee. I have reviewed the Lease and such other documents, records and certificates of Lessee and appropriate public officials as I have deemed relevant and am of the opinion that:

1. Lessee is a political subdivision or agency of the State of Alabama;
2. The execution, delivery and performance by Lessee of the Lease have been duly authorized by all necessary action on the part of Lessee and no other necessary approval or consent is required in order for the Lease to be a legal, valid and binding obligation of Lessee enforceable in accordance with its terms; and
3. The Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms.
4. All necessary approvals, consents, and franchises (if applicable) have been obtained for the acquisition and operation of the equipment financed pursuant to the terms of the Lease.
5. Lessee has complied with all competitive bid law provisions of Alabama law applicable to the Lease and the equipment financed thereby.

This opinion is rendered to and may be relied upon by **Regions Equipment Finance Corporation**, and or its successors and assigns and its legal counsel.

Very truly yours,

(Attorney for the Lessee)

CERTIFICATE OF APPROPRIATION

I, _____, _____ of **CITY OF VESTAVIA HILLS** ("Lessee") hereby certify that all lease payments due by Lessee under that certain Equipment Lease-Purchase Agreement dated as of **September 27, 2017**, between Lessee and **Regions Equipment Finance Corporation**, as Lessor, for the fiscal year ending **2017**, are within such fiscal year's budget for Lessee and within an available, unexhausted and unencumbered appropriation for Lessee.

IN WITNESS WHEREOF, this certificate has been executed on behalf of Lessee by the undersigned officer.

Dated: _____.

CITY OF VESTAVIA HILLS

By: _____

Name: _____

Title: _____

NOTICE AND CONSENT TO ASSIGNMENT

September 27, 2017

**CITY OF VESTAVIA HILLS
1032 MONTGOMERY HIGHWAY
VESTAVIA, AL 35216**

Attention:

Re: Equipment Lease-Purchase Agreement date **September 27, 2017**, between **CITY OF VESTAVIA HILLS** (“Lessee”) and **Regions Equipment Finance Corporation (REFCO)**, an affiliated entity of Regions Bank.

Addressee:

Please be advised that **Regions Equipment Finance Corporation (REFCO)**, an affiliated entity of Regions Bank (“Lessor”) has assigned all its rights, title and interest in and to the above referenced Equipment Lease- Purchase Agreement (the” Lease”), the Equipment leased thereunder, and the right to receive payments thereunder to **Regions Bank** (the “ Assignee”).

All payments due under the Lease should be made to the Assignee at the following address:

Regions Bank
C/O Regions Equipment Finance
P.O. Box 11407
Birmingham, Alabama 35246-1001

Please acknowledge your acceptance of the assignment, your recordation of the assignment pursuant to the assignment provisions of the Lease, and your agreement to make the payment due under the Lease to the Assignee by the signature of a duly authorized officer in the space provided on the enclosed counterpart of this letter and return it to us at the address shown above.

Sincerely,

REGIONS EQUIPMENT FINANCE CORPORATION, an affiliated entity of Regions Bank.

By: _____

Title: _____

ACKNOWLEDGE AND ACCEPTED:

CITY OF VESTAVIA HILLS

By: _____

Title: _____

**CERTIFICATE WITH RESPECT TO TAX-EXEMPT
INTEREST AND QUALIFIED TAX-EXEMPT OBLIGATIONS**

I, the _____ of **CITY OF VESTAVIA HILLS** (“Lessee”), am duly charged with the authority for executing that certain Equipment Lease-Purchase Agreement dated as of **September 27, 2017** (the “Lease”) by and between Lessee and **Regions Equipment Finance Corporation** and do hereby certify as follows:

1. This certificate is executed for the purpose of establishing (i) that the interest component of each Lease Payment will not be included in gross income of the Lessor for purposes of federal income taxation and (ii) that the Lease qualifies as a qualified tax-exempt obligation of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (the “Code”).

2. Lessee is a political subdivision of the State of Alabama.

3. The Agreement is being issued in Calendar year ending **2017** (the “Calendar Year”).

4. All proceeds of the Lease will be used to acquire the Equipment on the date of acceptance thereof by the Lessee, and Lessee shall never invest, or have the opportunity to invest, any proceeds of the Lease. None of the proceeds shall be used to reimburse Lessee for any expenditure made prior to sixty (60) days from the date of this Certificate.

5. The Lessee has not established any sinking fund or other similar fund for the payment of the Lease Payments.

6. No portion of the gross proceeds of the Lease will be used to make or finance loans to persons other than governmental units or be used in any trade or business carried on by any person other than a governmental unit.

7. No portion of the payment of principal of, or interest on, the Lease is directly or indirectly (i) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (ii) to be derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used for a private business use.

8. Lessee has designated the Lease as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code, pursuant to a resolution adopted by the governing body of Lessee, on **September 27, 2017**.

9. In the Calendar Year, Lessee has designated **\$340,650.00** of tax-exempt obligations (including the Lessee’s obligations under the Lease) as qualified tax-exempt obligations. Including the Lease, Lessee will not designate more than \$10,000,000 of obligations issued during the Calendar Year as qualified tax-exempt obligations.

10. Lessee reasonably anticipates that the total amount of tax-exempt obligations (other than private activity bonds, as defined in Section 265 of the Code) to be issued by Lessee and all subordinate entities during the Calendar Year will not exceed \$10,000,000.

11. For purposes of this certificate, the amount of tax-exempt obligations stated as either issued, designated as qualified tax-exempt obligations or reasonably anticipated to be issued includes tax-exempt obligations issued by all subordinate entities of Lessee, as provided in Section 265(b)(3)(E) of the Code.

12. This certificate is based on facts and circumstances in existence on this date.

IN WITNESS WHEREOF, this certificate has been executed on behalf of Lessee by the undersigned officer.

Dated: **September 27, 2017**

CITY OF VESTAVIA HILLS:

NAME: _____

TITLE: _____

FUNDING AGREEMENT

THIS AGREEMENT is made and entered into this 27th day of September, 2017 by and among **Regions Equipment Finance Corporation**, an Alabama Corporation, as Lessor (“Lessor”), **CITY OF VESTAVIA HILLS**, as Lessee (“Lessee”), and **Regions Bank** as Funding Agent (“Funding Agent”).

WITNESSETH:

WHEREAS, Lessor and Lessee are parties to that certain Lease dated of even date herewith (the “Lease”), a copy of which is attached hereto as Exhibit “A” and made a part hereof; and

WHEREAS, in connection with the Lease, Lessor has agreed to purchase Equipment, as defined therein and as selected by Lessee, and to lease such Equipment to Lessee pursuant to the terms specified therein; and

WHEREAS, Lessee has agreed to select the vendors, related services, and Equipment to be purchased by Lessor, and to lease the same from Lessor pursuant to the terms of the Lease; and

WHEREAS both Lessor and Lessee desire the Funding Agent to act as such hereunder.

NOW, THEREFORE, in consideration of the premises which shall be deemed an integral part of this Agreement and not as mere recitals thereto, and in consideration of the mutual agreements and covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound thereby, agree as follows:

1. Deposits.

(a) Within five business days of the date of this Agreement, Lessor shall deposit or cause to be deposited with Funding Agent the amount of **Three Hundred Forty Thousand Six Hundred Fifty Dollars & Zero Cents** (\$340,650.00) for the purpose of funding the purchase of the Equipment and services related thereto as provided in the Lease, and for such other purposes as stated herein.

(b) Lessee represents and warrants that the amount provided for in subparagraph (a) above is sufficient to purchase and install the Equipment and to procure the related services. It is the intention of the Lessor and the Lessee to complete such purchase, installation and procurement pursuant to purchase orders issued by Lessor for the goods, services and Equipment selected by, delivered to, and accepted by Lessee. In the event the initial deposit provided for in subparagraph (a) above is inadequate to complete the purchase and installation of the Equipment, to make the same operational, and to procure services related to the Equipment as provided for in the Lease, then Lessee shall deposit or cause to be deposited with Funding Agent an amount sufficient to complete such purchase, installation and procurement. The

amounts payable by Lessee are to be payable solely from Lessee's available funds, as defined in the Lease.

(c) In the event the initial deposit provided for in subparagraph (a) above is greater than the amount required to complete the purchase and installation of the Equipment, as well as procurement of services related to the Equipment as provided for in the Lease, then after the completion of the purchase and installation of the Equipment as evidenced by the Lessee's Final Acceptance Certificate as provided for in Section 5(d) hereof, Funding Agent shall pay the balance of the deposited funds to Lessor, who shall apply monthly such balance or the remaining portions thereof to the monthly amounts due from Lessee pursuant to the Lease, until the balance of such deposited funds are depleted fully.

(d) Subject to the terms and conditions of this Agreement, legal and equitable rights to all deposited funds shall remain in Lessor. Funding Agent shall hold, safeguard, administer, and disburse the deposited funds in accordance with the provisions hereof.

2. Term. The term of this Agreement shall commence on the date hereof and shall continue thereafter until the disbursement of the entire deposited funds held by Funding Agent as provided herein.

3. Disbursement of Deposited Fund.

(a) Funding Agent hereby covenants and agrees to disburse the deposited funds, with interest accrued thereon, if any, in accordance with this Agreement, unless otherwise specifically instructed in writing by Lessor and Lessee jointly.

(b) If Funding Agent receives conflicting instructions regarding disbursement of all or part of the deposited funds or otherwise determines that it is appropriate to seek a determination of entitlement to the deposited funds or any part thereof, then it may, at its option, interplead the balance of the deposited funds or such portion thereof then held by the Funding Agent to the custody of any court of competent jurisdiction, as determined by Funding Agent to have jurisdiction, together with such legal pleadings as it may deem appropriate, and thereupon be discharged from all further duties and liabilities under this Funding Agreement.

4. Status and Actions of Funding Agent. The acceptance by the Funding Agent of its duties hereunder is subject to the following terms and conditions, which all parties hereto agree shall govern and control with respect to the right, duties and liabilities of the Funding Agent:

(a) Funding Agent has a business relationship with Lessor. Both are owned by a single holding company. Because of this relationship, use of Funding Agent in this capacity may provide Lessor a financial or other benefit.

(b) Funding Agent acts hereunder as a depository. Funding Agent shall not be responsible or liable in any manner for the sufficiency, correctness, genuineness, validity or sufficiency of any of the executed agreements, documents or other items or for any

claim or action by any person, firm, corporation or trustee concerning the right or power of any depositor to make any transfer or the validity of the transfer of any part of the deposited amount to the Funding Agent;

(c) Funding Agent shall be entitled to act upon, without any independent duty to investigate, any certificate, statement, notice, demand, request, consent, waiver, receipt, agreement or other instrument whatever, not only in reliance upon its due execution and the validity and effectiveness of its provisions, but also as to the accuracy and completeness of any information therein contained, which Funding Agent shall in good faith believe to be genuine and to have been signed or presented by a proper person or persons, and shall be protected in so acting.

(d) Funding Agent shall be entitled to request and receive from any party hereto such documents in addition to those provided for herein as Funding Agent may deem necessary to resolve any questions of fact involved in the provisions hereof.

(e) Funding Agent is authorized to and may, at the joint expense of Lessor and Lessee, consult counsel of its choice in respect to any dispute or conflict, or in respect to the construction of any of the provisions hereof, or in respect to any question relating to its duties or responsibilities under this Agreement, and shall incur no liability and shall be fully protected for any action taken or omitted in good faith on advice of such counsel.

(f) Funding Agent may, but shall be under no obligation to, advance any of its own funds in connection with the maintenance or administration of this Agreement, to institute or defend any action, suit or legal proceeding in connection herewith, or to take any other action likely to involve Funding Agent in expense. The Lessor and Lessee shall indemnify the Funding Agent and hold it harmless against the cost and expense (including without limitation, attorney's fees and expenses) of any such defense or action.

(g) If deemed appropriate by Funding Agent, Funding Agent shall be entitled to demand and receive jointly from Lessor and Lessee such funds as Funding Agent shall deem necessary to institute the interpleader actions described herein.

(h) Funding Agent is not a party to and is not bound by any agreement between any one or more of the parties hereto, except this Funding Agreement, unless otherwise expressly stated herein. Funding Agent shall not be bound by any amendment to this Agreement or by any other agreement between Lessor and Lessee unless Funding Agent shall have executed such amendment or agreement;

(i) Funding Agent shall have only such duties and responsibilities as are expressly set forth in this Agreement, being purely ministerial in nature, and it shall have no responsibility in respect to any of the deposited funds other than faithfully to follow the instructions herein contained.

(j) Funding Agent may resign and be discharged from its duties hereunder at any time by giving notice of such resignation to Lessor and Lessee specifying a date when

such resignation shall take effect (which date shall be no fewer than fifteen (15) days after the date of delivery of such notice). Upon receipt of such notice, the Lessor shall appoint a successor funding agent, such successor to become Funding Agent hereunder upon the resignation date specified in the subject notice, at which time the resigning Funding Agent shall transfer the balance of the deposited funds to the successor Funding Agent, together with a statement detailing the history of all deposits, earnings, and disbursements. Any funding agent which shall succeed Funding Agent shall be a person or entity possessing trust powers in the State of Alabama; and

(k) Funding Agent shall not be held liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything that it may do or refrain from doing in connection herewith. Funding Agent shall be indemnified and held harmless, jointly and severally, by Lessor and Lessee against any and all claims, costs, expenses, damages and other liabilities incurred by it hereunder, including attorneys' fees and costs, whether or not litigation is commenced, except for those resulting from its own willful misconduct or gross negligence.

The provisions of this Section 4 shall survive the termination of this Agreement.

5. Instructions to Funding Agent.

(a) Use of Deposited Funds. Deposited funds shall be used for the purpose of funding the purchase of the Equipment and services related thereto (including installing such Equipment and making the same operational), as provided in the Lease, and for such other purposes as stated herein.

(b) Investment of Deposited Funds. The Funding Agent shall invest the deposited funds, at the written instruction of Lessee, in United States Treasury Bills, or Government Agency obligations, any fund secured by United States Treasury Bills, money market funds, or other interest-bearing or non-interest bearing bank accounts (including without limitation interest-bearing or non-interest bearing bank accounts of Regions Bank), with any remainder being deposited and maintained in an interest-bearing or non-interest bearing demand account with the Funding Agent (as directed by the Lessee), until disbursement of the entire deposited funds. Earnings, if any, on the deposited funds will be added to the deposit and shall become a part thereof. Income and expenses of the deposited funds will be taxed and reported in accordance with applicable income tax laws. The Funding Agent will pay from the deposited funds tax liabilities, if any, payable by the Funding Agent relative to the deposited funds.

(c) Acceptance, Acceptance Certificate and Notices of Rejection. Lessee will inspect each Item, and either accept or reject delivery and installation. Lessee shall inform Lessor, Funding Agent, and the vendor of the rejected goods or services of Lessee's rejection of any Item, by providing a written notice of rejection to the Lessor, Funding Agent and such vendor following the delivery, installation or rendering of the rejected goods or services. Lessee's acceptance after having such right of inspection shall constitute Lessee's acknowledgement that: (i) each Item is of the size, design, capacity,

specification and manufacture selected by Lessee; (ii) Lessee is satisfied that such Item is suitable for its purpose and such Item is fit for its intended use; (iii) Lessor is neither a manufacturer of such Items nor a dealer therein; (iv) Funding Agent is neither a manufacturer of such Items nor a dealer therein; (v) Lessee waives any and all defenses which it may have against Lessor or Funding Agent arising from the Item including, but not limited to, the operation, delivery, installation or condition; and (vi) Lessee accepts said Equipment **AS IS, WHERE IS AND WITH WAIVER OF ALL WARRANTIES AS SET FORTH IN THE MASTER LEASE.**

(d) Lessee will sign a Certificate of Acceptance acknowledging acceptance of delivery and installation, and warranting that the items are being deployed in conformity with this Agreement and the Lease. Each Acceptance of Certificate shall include a description of the items being accepted, including, but not limited to, references to serial numbers, Schedule Number, and Purchase Order Number, and a statement as to whether the Acceptance Certificate includes, or does not include, all Items contained in the referenced Schedule and Purchase Order. Acceptance Certificate to accomplish the foregoing shall be completed by Lessee, using the form of Acceptance Certificate attached hereto as Exhibit B, or such other form as Lessor may subsequently provide for such purpose. Upon completion of the delivery and installation of all of the Items contained in all of the Schedules to the Lease, Lessee shall issue a Final Acceptance Certificate to Lessor and to Funding Agent, indicating such completion.

(e) **Payment of Vendors** Upon receiving Acceptance Certificate, as defined in subparagraph (d) above, Funding Agent shall pay from the available deposited funds the providers of Equipment and related services pursuant to the terms and conditions specified in the Purchase Orders, unless otherwise mutually directed in writing by Lessor and Lessee jointly. Lessee shall, to the extent and limits permitted by applicable law, indemnify and hold harmless Funding Agent and Lessor for and against any and all claims, and all costs, fees, charges, expenses, damages, interest charges, claims, losses and liabilities in connection with or arising out of payment of invoices following the receipt of Acceptance Certificates as provided herein. Funding Agent shall provide to Lessor and to Lessee copies of documentation evidencing each payment by Funding Agent.

(f) **Other Payments.** Funding Agent shall also pay from the deposited funds other fees, charges and expenses as authorized herein or as mutually directed in writing by the Lessor and Lessee jointly. Funding Agent shall provide to Lessor and to Lessee copies of documentation evidencing each payment by Funding Agent.

(g) **Statement of Account.** Funding Agent shall provide statements to Lessor and to Lessee, no less frequently than once each calendar quarter, accounting for the deposits and disbursements of deposited funds.

(h) For purposes of subparagraphs (c) through (g) above, Purchase Orders, notices of rejection, Acceptance Certificates, evidence of payments, and statements sent to Lessor shall be sent to the attention of:

ERICAL BOOKER

Regions Equipment Finance Corporation
1900 5th Avenue North, 24th Floor
Birmingham, AL 35203

or such other person as Lessor may designate in writing from time to time.

For purposes of subparagraphs (c) and (d) above, Purchase Orders, notices of rejection, and Certificates of Acceptance sent to Funding Agent shall be sent to the attention of:

David Germany, Regions Bank
1900 5th Ave N
Birmingham, AL 35203

or such other person as Funding Agent may designate in writing from time to time.

For purposes of subparagraphs (e) through (g) above, evidence of payments and statements sent to Lessee shall be sent to the attention of:

City of Vestavia Hills (Lessee)
Attn: Melvin Turner
1032 Montgomery Highway
Vestavia Hills, AL 35216

or such other person as Lessee may designate in writing from time to time.

6. Expenses and Compensation. For the services that it is to render hereunder, Funding Agent shall receive a fee in the amount of 30 basis points (.003) of the funds held, per Twelve Month Period, for all routine services, plus all out-of-pocket costs (including, but not limited to, attorneys' fees and expenses, wire transfer fees, and mailing and delivery expenses) incurred by Funding Agent in the administration of this Agreement. Funding Agent shall deduct all fees, expenses and charges incurred in the discharge of its duties from the funds deposited with Funding Agent. Fees and routine expenses shall be born by Lessee. Exceptional expenses and charges may be apportioned between the Lessor and the Lessee in any manner that Funding Agent considers equitable. Funding Agent's apportionment of expenses and charges shall be binding and conclusive upon all parties.

7. Interpleader Action Authorized. In the event of disagreement about the interpretation of this Agreement, or about the rights and obligations or the propriety of any action contemplated by the Funding Agent hereunder or upon the occurrence of the events described in Section 4(j) above, Funding Agent may, at its sole discretion, file an action in interpleader. The Lessor and Lessee shall indemnify the Funding Agent, jointly and severally, for all costs, including reasonable attorney's fees, in connection with the aforesaid interpleader action.

8. Default.

(a) In the event Lessee defaults in the performance of any of the terms of this Agreement or there is a default under the Lease, Lessor, shall, in a writing delivered to Funding Agent and Lessee, notify Funding Agent and Lessee of such default. Lessee shall have fifteen (15) days after the receipt of the aforesaid notice of default to cure same (or cause the same to be cured) and, in a writing acknowledged by Lessor and delivered to Funding Agent, notify Funding Agent of the cure of such default. If a default by Lessee hereunder is not cured by Lessee within the fifteen-day curative period specified above, Funding Agent shall deliver the deposited funds to Lessor within five (5) days after the expiration of the aforesaid fifteen-day curative period.

(b) In the event that there is a dispute between Lessor and Lessee as to the existence of a default by Lessee in the performance of any of the terms of this Agreement or the Lease, or as to whether a default by Lessee has been cured as herein provided, Funding Agent shall, in its sole discretion, exercise one of the following options:

- (1) continue to hold the deposited funds pending resolution of such dispute between Lessor and Lessee; or
- (2) commence an interpleader action and deliver the deposited funds and any other assets, if any, being held by Funding Agent into the clerk of the court and be released from all obligations and liabilities created by this Agreement with respect to the deposited funds so delivered to the court.

9. Taxes. Lessee agrees to pay for any and all taxes that may be imposed on Funding Agent, excluding federal, state and local taxes imposed on, or measured by, the net income of Funding Agent, as a result of the services provided for herein.

10. Notices. All notices required or desired to be given hereunder shall be deemed sufficient if delivered personally or by certified mail, return receipt requested, and addressed as follows:

Regions Equipment Finance Corporation
Attention: Erical Booker
Regions Equipment Finance Corporation.
1900 5th Avenue North, 24th Floor
Birmingham, AL 35202

Funding Agent
David Germany, Regions Bank
1900 5th Ave N
Birmingham, AL 35203

City of Vestavia Hills (Lessee)
Attn: Melvin Turner
1032 Montgomery Highway

Vestavia Hills, AL 35216

or to such other address as the party for which such notice is intended shall have previously indicated by notice to the other parties hereto similarly given. In addition to the foregoing, a party may give notice by electronic mail provided however such notice shall not be deemed received until the addressee confirms in writing such receipt either by electronic reply or by written response otherwise delivered in accordance with these notice procedures.

11. Attorneys' Fees. Lessee shall pay for all legal fees and out-of-pocket expenses of counsel to Lessor arising out of the execution and any subsequent modification of this Agreement. Lessor and Lessee hereby agree that in the event it should become necessary for either party to employ an attorney to enforce against the other any of its rights hereunder, then the prevailing party shall be entitled to reimbursement of all costs and expenses, including attorneys' fees, which may be reasonably incurred or paid at any time or times by it in connection therewith, including, without limitation, attorneys' fees and costs at trial court and appellate court levels.

12. Rules of Construction.

12.1 Entire Agreement. This Agreement, including all exhibits and schedules hereto as referenced herein, constitutes the entire agreement between the parties hereto pertaining to the subject matters hereof, and supersedes all negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the parties in connection with the subject matters hereof, provided, however, that nothing herein shall be deemed to affect adversely Lessor's rights, powers and privileges as provided in the Lease. Except as otherwise herein provided, no covenant, representation or condition not expressed in this Agreement, or in an amendment hereto made and executed in accordance with the provisions of subsection 12.2 of this section, shall be binding upon the parties hereto or shall affect or be effective to interpret, change or restrict the provisions of this Agreement.

12.2 Amendments. No change, modification or termination of any of the terms, provisions, or conditions of this Agreement shall be effective unless made in writing and signed or initialed by all parties hereto.

12.3 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Indiana.

12.4 Separability. If any section or provision of this Agreement or the application of such section or provision is held invalid, the remainder of the Agreement and the application of such section or provision to persons or circumstances, other than those with respect to which it is held invalid, shall not be affected thereby.

12.5 Headings and Captions. The titles or captions of sections contained in this Agreement are provided for convenience of reference only and shall not be considered a part hereof for purposes of interpreting or applying this Agreement; and, therefore, such titles or captions do not define, limit, extend, explain, or describe the scope or extent of this Agreement or any of its terms provisions, representations, warranties, conditions, etc., in any manner or way whatsoever.

12.6 Gender and Number. All pronouns and variations thereof shall be deemed to refer to the masculine, feminine or neuter and to the singular or plural as the identity of the person or entity or persons or entities may require.

12.7 Binding Effect on Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

12.8 Continuance of Agreement. The rights, responsibilities and duties of the parties hereto and the representations, warranties, covenants and agreements herein contained shall survive the Closing and the execution hereof, shall continue to bind the parties hereto, and shall continue in full force and effect until each and every obligation of the parties hereto, pursuant to this Agreement and any document or agreement incorporated herein by reference, shall have been fully performed.

12.9 Remedies. All remedies shall be cumulative and not alternative.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above-written.

Lessee: CITY OF VESTAVIA HILLS

By: _____

Title _____

STATE OF ALABAMA)

:

COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this ____ day of September, 2017 by _____ (Name), the _____ (Title) of Lessee on behalf of Lessee.

(SEAL)

Notary Public
My Commission expires:_____

Lessor: Regions Equipment Finance Corporation

By: _____

Title: _____

STATE OF ALABAMA)

:

COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this ____ day of September, 2017 by _____ the _____ of Regions Equipment Finance Corporation, a corporation, on behalf of Lessor.

(SEAL)

Notary Public
My Commission expires: _____

Regions Bank as Funding Agent

By: _____

Title: _____

STATE OF ALABAMA)

:

COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this ____ day of September, 2017 by _____, the _____ of Funding Agent, on behalf of Funding Agent.

(SEAL)

Notary Public
My Commission expires: _____

EXHIBIT B

FORM OF DISBURSEMENT REQUEST

Date: _____

1. The amount of the requested disbursement: _____

2. The method of disbursement:

Official Check (made payable to: _____)

Mailed to: _____

_____ Bank Account Transfer to Acct #: _____

Acct name: _____

Wire Transfer Bank Name: _____ ABA#: _____

Credit Acct Name: _____

Credit Acct #: _____

Special Instructions: _____

3. A brief description of the purpose of the payment: _____

4. The undersigned certifies as follows:

(1) Payment of the disbursement for the purpose requested will not cause the undersigned to be in violation of any of its representations, warranties or covenants under the EQUIPMENT LEASE PURCHASE AGREEMENT dated September 27, 2017 (the "Contract") including, but not limited to its covenants in the Contract.

(2) The amounts requested to be disbursed were properly incurred in connection with the acquisition of the Equipment and were not subject of any previous request for disbursement.

(3) The Equipment for which the disbursement is requested has been finally accepted by the Borrower.

5. Attached hereto are the following: Bills, receipts, invoices, or other documents evidencing the amounts and purposes for which the disbursement is requested.

City of Vestavia Hills

Regions Equipment Finance Corporation

By: _____

(Title)

By: _____

(Title)

Original Loan Amount: \$340,650.00

(Date)

REGIONS EQUIPMENT FINANCE CORPORATION

AUTHORIZED REPRESENTATIVES

COMPANY: CITY OF VESTAVIA HILLS

You, **CITY OF VESTAVIA HILLS (“Company”)**, and the undersigned (“Regions”) have entered into one or more financing arrangements pursuant to which you have executed with us or in our favor one or more loan agreements, leases, promissory notes, security agreements or other instruments (herein, your “Financing Documents”). This letter is intended to modify your Financing Documents, supersedes any terms thereof in conflict therewith, and is incorporated by reference therein and made part thereof. Specifically, we are requesting that you designate a person or persons, to be listed below, to act as your “authorized Representative” in making requests to Regions for, giving to Regions, and receiving from Regions, audit confirmations, payoffs, account history, funding confirmations and other customer data in connection with your Financing Documents (“Customer Inquiries”), with the understanding that Regions may rely on and respond to such Customer Inquiries when delivered by any such Authorized Representative without necessity of any further verification or inquiry. Such authorized Representatives (or any data set forth below concerning such persons) may be changed by Customer only by written notice to Regions, specifically referring to the Financing Documents affected, and shall not become effective until actual receipt of such notice and its acceptance in writing by Regions and, then, only as to the Financing Documents so identified by you. Customer understands the risks and potential for misuse that exists in Customer’s making of Customer Inquiries through Authorized Representatives, assumes all consequences thereof and agrees to indemnify, save and hold harmless Regions in regard thereto. At any time and from time to time, Regions may, but shall not be requested to, establish testing procedures with Customer in regard to verifications of Customer Inquiries delivered (or received) in this manner, and Customer shall comply with all such procedures at Regions’ request.

Authorized Representatives

Name	Title	Telephone Number	Email Address	Signature Specimen

Company: CITY OF VESTAVIA HILLS

By: _____

Print Name: _____

Title: _____

RCEF: REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC REFCO: REGIONS EQUIPMENT FINANCE CORPORATION

By: Regions Equipment Finance Corporation

Its: Manager

By: _____

By: _____

Title: _____

Title: _____

Form **8038-G**

Information Return for Tax-Exempt Governmental Obligations

(Rev. September 2011)

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name CITY OF VESTAVIA HILLS		2 Issuer's employer identification number (EIN) 63 6002218	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) 1032 MONTGOMERY HIGHWAY		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) VESTAVIA, AL 35216		Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code		7 Date of issue 9/27/2017	
8 Name of issue		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	
15	Environment (including sewage bonds)	15	
16	Housing	16	
17	Utilities	17	
18	Other. Describe ►	18	
19	If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>
	If obligations are BANs, check only box 19b		<input type="checkbox"/>
20	If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	9/27/2020	\$ 340,650.00	\$ 0	1.64 years	1.59 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest	22	
23	Issue price of entire issue (enter amount from line 21, column (b))	23	
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	
25	Proceeds used for credit enhancement	25	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	
27	Proceeds used to currently refund prior issues	27	
28	Proceeds used to advance refund prior issues	28	
29	Total (add lines 24 through 28)	29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded years

33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)

34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 83773S

Form **8038-G** (Rev. 9-2011)

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a		
b Enter the final maturity date of the GIC ▶ _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool obligation ▶ _____			
c Enter the EIN of the issuer of the master pool obligation ▶ _____			
d Enter the name of the issuer of the master pool obligation ▶ _____			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(II) (small issuer exception), check box			▶ <input type="checkbox"/>
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box			▶ <input type="checkbox"/>
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box			▶ <input type="checkbox"/>
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box			▶ <input type="checkbox"/>
44 If the issuer has established written procedures to monitor the requirements of section 148, check box			▶ <input type="checkbox"/>
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement			
b Enter the date the official intent was adopted ▶ _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____ Signature of issuer's authorized representative		▶ _____ Date	
	▶ _____ Type or print name and title			
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature	
	Date		Check <input type="checkbox"/> if self-employed PTIN	
	Firm's name ▶ _____		Firm's EIN ▶ _____	
Firm's address ▶ _____		Phone no. _____		

PATRICK H. BOONE
ATTORNEY AND COUNSELOR AT LAW
NEW SOUTH FEDERAL SAVINGS BUILDING, SUITE 705
215 RICHARD ARRINGTON, JR. BOULEVARD NORTH
BIRMINGHAM, ALABAMA 35203-3720

TELEPHONE (205) 324-2018
FACSIMILE (205) 324-2295

September 18, 2017

Via Hand Delivery

Mr. Melvin Turner, III
Finance Director
Vestavia Hills Municipal Center
P. O. Box 660854
Vestavia Hills, Alabama 35266-0854

In Re: Equipment Lease-Purchase Agreement Between Regions Equipment Finance Corporation
and City of Vestavia Hills
Lease No. 001-0015470-001

Dear Mr. Turner:

On September 14, 2017, you sent to me via electronic mail a copy of proposed Equipment Lease-Purchase Agreement by and between Regions Equipment Finance Corporation ("Lessor") and the City of Vestavia Hills, Alabama ("Lessee") together with the following attachments:

1. Pay Proceeds Letter.
2. Exhibit A describing the equipment.
3. Exhibit C Amortization Schedule.
4. Exhibit D Additional Provisions and Modifications to Standard Terms.
5. Essential Use Letter.
6. Incumbency Certificate.
7. Resolution to be approved and adopted by the City Council.
8. Opinion of Counsel Letter.
9. Certificate of Appropriation.
10. Notice and Consent to Assignment.

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11. Certificate with Respect To Tax Exempt Interest And Qualified Tax Exempt Obligations.
12. Funding Agreement.
13. Exhibit B Form of Disbursement Request.
14. Authorized Representatives.
15. Internal Revenue Code Form 8038-G.

You have requested that I review the Agreement and attachments (“Agreement”) and provide you with my written legal opinion. This letter legal opinion is written and submitted in accordance with your request.

I. FACTS

The City of Vestavia Hills, Alabama wishes to purchase certain equipment and has determined that the most economical and efficient means of acquiring the use of said equipment is pursuant to a Lease-Purchase Agreement. Invitations for competitive bids were sent to sixteen (16) banks and other lending institutions. A total of thirteen (13) proposals were received. The City found and determined that the lowest and best quote was submitted by Regions Bank/Regions Equipment Finance Corporation.

Regions Equipment Finance Corporation has submitted a proposed Equipment Lease-Purchase Agreement and fifteen (15) attachments (“the Agreement”) by and between Regions Equipment Finance Corporation (“Lessor”) and the City of Vestavia Hills, Alabama (“Lessee”), which will enable the City to purchase the following equipment:

<u>Quantity</u>	<u>Description</u>	<u>Serial No.</u>
1	Ford Interceptor Patrol Car	TBD
1	Ford Interceptor Patrol Car	TBD
1	Ford Interceptor Patrol Car	TBD
1	Ford Interceptor Patrol Car	TBD
1	Fire Department Vehicle-TBD	TBD
1	Ford Explorer	TBD
1	Ford F-150 4x4	TBD

The Agreement provides that the Lessee shall pay to the Lessor the principal sum of \$340,650.00, together with interest at the rate of 1.59 percent (1.59%) in quarterly installments each in the amount of \$29,126.36 over a three-year period. The Lessor will assign the Agreement to Regions Bank as “Funding Agent.”

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II. MY LEGAL OPINION

It is my legal opinion that the Agreement and 15 attachments meet the requirements of Alabama law. Therefore, from a legal standpoint, I recommend the approval, execution and delivery of the Agreement and all attachments.

I do, however, want to address several issues in preparation for consideration of the Agreement by the City Council at its meeting on September 25, 2017.

III. TERM

Municipalities in Alabama may enter into a Lease-Purchase Agreement for a term of five (5) years: Title 41-16-57(f), *Code of Alabama, 1975*, provides as follows:

“(f) Contracts for the purchase of personal property or contractual services shall be let for periods not greater than three years. Contracts for the leasing of motor vehicles by local governing bodies shall be let for periods not greater than five years. Lease-purchase contracts for capital improvements and repairs to real property shall be let for periods not greater than 10 years and all other lease-purchase contracts shall be let for periods not greater than 10 years.”

IV. INDEMNIFICATION

Sections 16, 3(ii), 7 and 20 require the City, as Lessee, to indemnify Regions Equipment Finance Corporation, as “Lessor,” and Regions Bank, as “Funding Agent.” Ordinarily, I would not issue a legal opinion, orally or in writing, that the City can legally indemnify third parties. However, Title 41-16A-5(9), *Code of Alabama, 1975*, provides that a lease-purchase contract may contain terms and provisions such as:

“(9) Covenants of the governmental entity to indemnify, hold harmless, and/or defend the grantor party with respect to any or all of the transactions contemplated by the alternative financing contract and/or in connection with the subject property;”

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Page 4

V. SALES TAX

Municipalities in Alabama are not legally required to pay sales taxes. Title 40-23-4(a), *Code of Alabama 1975*, reads in pertinent part as follows:

"§40-23-4. Exemptions; Certain Sales.

(a) There are exempted from the provisions of this division and from the computation of the amount of the tax levied, assessed, or payable under this division the following:

(11) The gross proceeds of sales of tangible personal property to the State of Alabama, to the counties within the state and to incorporated municipalities in the State of Alabama.

(15) The gross proceeds of the sale or sales of tangible personal property to county and city school boards, independent school boards, and all educational institutions and agencies of the State of Alabama, the counties within the state, or any incorporated municipalities of the State of Alabama."

Title 40-12-222(b), *Code of Alabama, 1975*, provides in pertinent part as follows:

"(b) Notwithstanding the above, nothing shall prohibit a lessor subject to a state or local privilege or license tax from passing such amounts on to a lessee by adding such taxes to the leasing price or otherwise, provided, however, that all such amounts passed on to the lessee shall be includable in the gross proceeds derived from the lease of tangible personal property which shall be subject to the privilege or license tax owed by the lessor.

Provided, however, the authority to pass on such amounts of the privilege or license tax granted in this subsection shall not apply to the leasing or renting of tangible personal property to the State of Alabama, a municipality, or county in the state, unless the flat amount collected by the lessor includes both the tax and the leasing fee."

VI. OPTIONS

The Supreme Court of Alabama has held that municipalities are prohibited by law from entering into option agreements and any option entered into by a municipality is void (*City of Tuskegee v. Sharp*, 292 Ala. 14, 288 So.2d 122 (1973); and *Johnson v. City of Sylacauga*, 293 Ala. 429, 304 So.2d 586 (1974)).

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Section 17 of the Agreement gives the City a purchase option, which I simply consider to mean that the City “shall have the right to prepay the indebtedness in full and in advance of maturity” at any time. Therefore, I am not concerned about option language in the Agreement.

VII. WARRANTIES BY CITY

The Equipment Lease-Purchase Agreement requires the City to make certain warranties to the Lessor. Some of those warranties are discussed below.

A. SECTION 6(i). THE CITY IS A POLITICAL SUBDIVISION OR AGENCY OR DEPARTMENT OF A STATE. The City of Vestavia Hills, Alabama is a municipal corporation incorporated under the *Constitution* and laws of the State of Alabama. The City was incorporated as a municipality on November 8, 1950 pursuant to the authority of Chapter 2, Article 1, Title 37 of the 1940 *Code of Alabama* by virtue of Order of Incorporation rendered on November 8, 1950 by Jefferson County Probate Judge Tom Garner in Jefferson County Probate Court case number 25507. The Order of Incorporation is filed for recorded in the office of the Judge of Probate of Jefferson County, Alabama in Probate Minute Book 49 on page 183.

Municipal corporations are political subdivisions of the state, created as convenient agencies for exercising such government powers of state as may be entrusted to them. *City of Birmingham v. Norton*, 255 Ala. 262.

B. SECTION 27. THE INTEREST PORTION OF THE LEASE PAYMENTS SHALL BE EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES: Section 103 of the *Internal Revenue Code* (26 USC §103(a) and (c)), read as follows:

“§103. Interest on State and Local Bonds

(a) Exclusion.—Except as provided in subsection (b), gross income does not include interest on any State or local bond.

(c) Definitions.—For purposes of this section and part IV—

(1) State or local bond.—The term “State or local bond” means an obligation of a State or political subdivision thereof.”

C. SECTION 6: THE CITY HAS COMPLIED WITH ALL BIDDING REQUIREMENTS: The Alabama Competitive Bid Law applicable to municipalities is set forth at Title 41-16-50 (a), *Code of Alabama, 1975*, provides in pertinent parts as follows:

“(a) With the exception of contracts for public works whose competitive bidding requirements are governed exclusively by Title 39, all expenditure of funds of whatever nature for labor, services, work, or for the purchase of materials, equipment, supplies, or other personal property involving fifteen thousand dollars (\$15,000) or more, and the lease of materials, equipment, supplies,

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or other personal property where the lessee is, or becomes legally and contractually, bound under the terms of the lease, to pay a total amount of fifteen thousand dollars (\$15,000) or more, by or on behalf of any...governing bodies of the municipalities of the state ...shall be made under contractual agreement entered into by free and open competitive bidding, on sealed bids, to the lowest responsible bidder."

The City invited competitive bids as required by the above statute.

D. SECTION 6(ii). THE ENTERING INTO AND PERFORMANCE OF THIS LEASE ARE AUTHORIZED UNDER THE LAWS AND CONSTITUTION OF ALABAMA. Municipalities in Alabama, by virtue of Title 11-40-1, *Code of Alabama, 1975*, may contract and be contracted with. The Supreme Court of Alabama has held that the City Council is authorized to enter into contracts for the City (*City of Prichard v. Moulton*, 277 Ala. 231 (1964)). The City Council must approve the contract (*Town of Boligee v. Greene County Water and Sewer Authority*, 77 So.3rd 1166 (2011)) by ordinance or resolution (*Van Antwerp, et al v. Board of Commissioners of the City of Mobile, et al*, 115 So. 239 (1928)). The contract must be in writing (Title 11-47-5, *Code of Alabama, 1975*) and signed by the Mayor (Title 11-43-83, *Code of Alabama, 1975*) and the City Manager (Title 11-43-21(7) and Title 11-43A-48, *Code of Alabama, 1975*).

E. SECTION 6(iv). THIS LEASE IS A LEGAL, VALID AND BINDING OBLIGATION ENFORCEABLE WITH ITS TERMS. Municipalities in Alabama, by virtue of Title 11-40-1, *Code of Alabama, 1975*, may sue and be sued.

F. PROPOSED RESOLUTION "QUALIFIED TAX EXEMPT OBLIGATION":

"4. The Lessee hereby designates the Lease to be a "qualified tax exempt obligation" under the provisions of Section 265(b)(3) of the Internal Revenue Code, as amended."

G. CERTIFICATE WITH RESPECT TO TAX-EXEMPT INTEREST AND QUALIFIED TAX EXEMPT OBLIGATIONS:

"8. Lessee has designated the Lease as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code, pursuant to a resolution adopted by the governing body of Lessee, on **September 27, 2017**.

9. In the Calendar Year, Lessee has designated **\$340,650.00** of tax-exempt obligations (including the Lessee's obligations under the Lease) as qualified tax-exempt obligations. Including the Lease, Lessee will not designate more than \$10,000,000 of obligations issued during the Calendar Year as qualified tax-exempt obligations."

September 18, 2017

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It is my understanding that the City Council will consider a resolution to approve and authorize the execution and delivery of the Agreement at its September 25, 2017 meeting. If it is approved, then in such event, I will prepare and hand deliver prior to the contemplated closing on September 27, 2017, the Opinion of Counsel Letter as required by Section 6 of the Agreement.

Please call me if you have any questions regarding any of the matters set forth in this legal opinion letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick H. Boone". The signature is fluid and cursive, with a long horizontal stroke at the end.

Patrick H. Boone
Vestavia Hills City Attorney

PHB:gp

cc: City Manager Jeffrey D. Downes (by hand)
City Clerk Rebecca Leavings (by hand)

Date of Lease: September 27, 2017

Lease No. 001-0015470-002

[ALABAMA]

EQUIPMENT LEASE-PURCHASE AGREEMENT

Lessor: REGIONS EQUIPMENT FINANCE CORPORATION

Address: P.O. Box 11407, Birmingham, Alabama 35246-1001

Lessee: CITY OF VESTAVIA HILLS

Address: 1032 MONTGOMERY HIGHWAY, VESTAVIA, AL 35216

Lessor hereby agrees to lease to Lessee and Lessee hereby agrees to lease from Lessor, the items of Equipment (the "Equipment") described in Exhibit A attached to this Equipment Lease-Purchase Agreement (the "Lease"), upon the following terms and conditions:

1. Delivery and Acceptance. Lessee, or if Lessee so requests, Lessor, shall cause the Equipment to be delivered to Lessee at the location specified in Exhibit A (the "Equipment Location"). Lessee shall pay all transportation and other costs, if any, incurred in connection with the delivery of the Equipment. Lessee shall accept the Equipment as soon as it has been delivered and is operational, or in the event that the manufacturer or vendor allows a pre-acceptance test period, as soon as the test period has expired. Lessee shall evidence its acceptance of the Equipment by executing and delivering to Lessor an acceptance certificate ("Acceptance Certificate") in the form attached hereto as Exhibit B upon receipt of the Equipment.

2. Term. This Lease is effective upon the execution hereof by Lessee and Lessor. The term of this Lease commences on the date the Equipment is accepted pursuant to Section 1 above and, unless earlier terminated as expressly provided for in this Lease, terminates absolutely, without further obligation on the part of the Lessee, at the end of the fiscal year in which this Lease is executed and at the end of each succeeding fiscal year for which it may be renewed as hereinafter provided. The term of this Lease will automatically renew for an additional period of one year at the end of each fiscal year unless Lessee gives written notice to Lessor of its intent to terminate the Lease not less than 60 days prior to the end of the fiscal year. If not sooner terminated, the Lease will continue until the Expiration Date set forth in Exhibit C attached hereto (the "Lease Term"). **THIS EQUIPMENT LEASE CANNOT BE CANCELED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN.**

3. Rent. Lessee hereby agrees to pay to Lessor or its assignee the lease payments (the "Lease Payments"), including the interest portion, equal to the aggregate amounts specified in Exhibit C; provided, however, that the Lessee shall be obligated to make such Lease Payments during any fiscal year to the extent that such Lease Payments may be made from current revenues lawfully budgeted and appropriated for such purpose during such year. The Lease Payments are payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and commence on the first Lease Payment date as set forth in Exhibit C and thereafter on the dates set forth in Exhibit C. Any payments received later than ten days from the due date will bear interest from the due date at the rate of 3% in excess of the rate set forth on Exhibit C or the highest rate permitted by law, whichever is

9/11/2017
001-0015470-002

less. Except as specifically provided in Section 4 hereof, and to the extent permitted by applicable law, the obligation to make the Lease Payments is absolute and unconditional in all events and is not subject to any set-off, defense, counterclaim or recoupment for any reason whatsoever. Any and all payment(s) received by Lessor hereunder shall be applied to amounts due hereunder at Lessor's sole discretion notwithstanding any contrary instruction or instrumentation by Lessee. Unless Lessor decides, in its sole discretion, to apply any and all payments(s) received from Lessee in a different manner, then any payments shall be applied in the following order of priority: (i) to repay any reimbursement items due Lessor from Lessee pursuant to the provisions of this Lease; (ii) to pay for any amounts owed by Lessee by virtue of its indemnification obligations under Section 16 hereof; (iii) to any accrued interest owed in connection with a late Lease Payment; (iv) to any accrued interest with respect to any Lease Payments then due; and then (iv) to reduce the principal component(s) of the Lease Payment(s) as and when due hereunder.

Lessee reasonably believes that funds can be obtained sufficient to make all Lease Payments during the Lease Term and hereby covenants that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which the Lease Payments may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. It is Lessee's intent to make Lease Payments for the full Lease Term if funds are legally available therefor and in that regard Lessee represents that the use of the Equipment is essential to its proper, efficient and economic operation.

The total obligation of Lessee for the fiscal year of execution is the sum of the **quarterly** payments for such fiscal year as set forth on Exhibit C. The total obligation of Lessee in each fiscal year renewal term is the sum of the **quarterly** payments during such fiscal year renewal term as set forth on Exhibit C. A schedule of Lessee's total obligation for the fiscal year of execution and for each fiscal year in which this Lease is renewed is attached hereto as Exhibit C.

4. Nonappropriation of Funds. In the event no funds or insufficient funds are appropriated and budgeted, or funds are otherwise not available out of current revenues of Lessee by any means whatsoever, in any fiscal period for Lease Payments due under this Lease, then Lessee will immediately notify Lessor or its assignee of such occurrence and this Lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Lease Payments herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. In the event of such termination, Lessee hereby agrees to peaceably and immediately surrender possession of the Equipment to Lessor or its assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor and to execute any and all documents necessary or convenient to memorialize the relinquishment of all of Lessee's rights, title and or interest in such Equipment to Lessor or its successors and assigns. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment.

Notwithstanding the foregoing, Lessee hereby agrees (i) that it will not cancel this Lease under the provisions of this Section if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Equipment or other equipment performing functions similar to the Equipment for the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter, and (ii) that it will not, during a period of three (3) years after such termination occurs, appropriate funds or otherwise give priority in the application of funds to any other functionally similar equipment. This section will not be construed so as to permit Lessee to terminate this Lease in order to acquire any other equipment or to allocate funds directly or

indirectly to perform essentially the same function for which the Equipment is intended.

Notwithstanding any provision to the contrary contained in this Lease, it is expressly understood and agreed that Lease Payments to be made in each fiscal year shall be payable only out of current revenues of Lessee for that fiscal year lawfully budgeted and appropriated during such year.

5. Limitation on Warranties and Disclaimer. Lessee acknowledges and agrees that the Equipment is of a size, design and capacity selected by Lessee, that Lessor is neither a manufacturer nor a vendor of such equipment, and that LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO, AND LESSOR SHALL NOT BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE EQUIPMENT INCLUDING THE MAINTENANCE , INSTALLATION, OPERATION, OR REPAIR THEREOF. Lessee acknowledges that it has selected the equipment based upon its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. As between the Lessor and Lessee, all Equipment is or will be accepted by the Lessee "as is" after inspection by Lessee, and nothing herein shall be construed to affect, extinguish, limit or otherwise modify Lessee's rights and remedies between Lessee and any manufacturer or servicer.

Lessor hereby assigns to Lessee during the Lease Term, so long as no Event of Default (as hereinafter defined) has occurred and is continuing, all manufacturer's warranties, if any, express or implied with respect to the Equipment, and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's expense.

6. Authority and Authorization. Lessee represents, covenants and warrants, and as requested by Lessor, will deliver an opinion of counsel to the effect that: (i) Lessee is a fully constituted political subdivision, agency or public corporation of the State of Alabama; (ii) the execution, delivery and performance by Lessee of this Lease has been duly authorized by all necessary action on the part of Lessee; (iii) this Lease has been executed on behalf of the Lessee by its duly authorized officers; and (iv) this Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms. Lessee hereby agrees that (i) it will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect; (ii) it has complied with all bidding requirements where necessary and by due notification presented this Lease for approval and adoption as a valid obligation on its part; and (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period.

7. Title. Upon acceptance of the Equipment by Lessee hereunder, title to the Equipment will vest in Lessee; subject to reversion to Lessor (i) in the event of termination of this Lease by Lessee pursuant to Section 4 hereinabove; or (ii) upon the occurrence of an Event of Default hereunder related to said Equipment, and as long as such Event of Default is continuing. Lessee (i) shall not sell, assign, subject or otherwise dispose of, or permit legal process or encumbrance upon or against any interest in, this Lease or the Equipment; (ii) shall keep the Equipment free of liens and give immediate written notice to Lessor of any such process or encumbrance; and (iii) shall, at its sole expense, protect and defend Lessor's title and interest against all persons claiming against or through Lessee and, to the extent permitted by applicable law, indemnify and

hold Lessor harmless from and against any loss caused thereby. Lessee shall affix to the Equipment any markings requested by Lessor or execute any and all documents reasonably requested to be signed by Lessee to memorialize Lessor's interest in such Equipment.

Lessee, irrevocably, hereby designates, makes, constitutes and appoints Lessor (and all persons designated by Lessor) as Lessee's true and lawful attorney (and agent-in-fact) with power, at such time of default or nonappropriation or times thereafter as Lessor in its sole and absolute discretion may determine, in Lessee's or Lessor's name, to endorse the name of Lessee upon any Bill of Sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment in order to vest title in Lessor and transfer possession to Lessor.

8. Security Interest. In order to secure all of its obligations hereunder, Lessee hereby (i) grants to Lessor a first and prior security interest in any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and in any proceeds therefrom, (ii) agrees that this Lease or a memorandum of lease may be filed as a financing statement evidencing such security interest, (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest, and (iv) agrees to pay all fees and charges necessary for filing or recording such instruments or establishing or maintaining such security interest. Lessee hereby acknowledges that only Lessor's original of this Lease constitutes chattel paper for purposes of the Alabama Uniform Commercial Code. No security interest can be perfected by possession of any other counterpart or of the Equipment.

9. Personal Property. The Equipment is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee shall, at Lessee's expense, furnish a landlord or mortgagee waiver with respect to the Equipment.

10. Use; Repairs. Lessee shall use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and shall comply with all laws, ordinances, insurance policies and regulations relating to, and shall pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance. Lessee, at its expense, will keep the Equipment in good repair, good operating condition and working order, according to the manufacturer's recommended guidelines or the equivalent and meet any and all recertification requirements and shall furnish proof of such maintenance, if requested by Lessor, and shall furnish all needed servicing and parts, which parts shall become the property of Lessor and part of the Equipment. Lessor shall have no responsibility in any of these matters or for the making of any improvements or additions to the Equipment, as further discussed in Section 11 below. If the Equipment is such as is customarily covered by a maintenance agreement, Lessee shall, at its expense, furnish Lessor upon its reasonable request with a maintenance agreement with a party satisfactory to Lessor.

11. Alterations. Lessee shall not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent unless such alterations, additions or improvements may be readily removed without damage to the Equipment. Any alteration to the Equipment which cannot be readily removed without damage to the Equipment will become part of the Equipment and the property of Lessor. Notwithstanding the foregoing, any upgrade, addition or modification added by the Lessee as required by law or under any manufacturer's or service's recommendations will, without further action, become a part of the Equipment and the sole property of Lessor.

12. Location; Inspection. The Equipment will not be removed from, or if the Equipment consists of rolling stock, its permanent base will not be changed from, the Equipment Location without Lessor's prior written consent which will not be unreasonably withheld. Lessor is entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operation.

13. Liens and Taxes. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes for which Lessee is responsible or liable under this Lease, Lessee shall reimburse Lessor therefor immediately upon demand from Lessor. Lessee hereby agrees to cooperate with Lessor in filing all tax returns and informational statements, if any, required by any federal, state, and/or local governmental agency.

14. Risk of Loss: Damage; Destruction. Lessee hereby assumes all risk of loss of or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Lease Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee shall immediately place the same in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee, at Lessor's option, shall: either (a) replace the same with like equipment in good repair; or (b) on the next Lease Payment date, pay Lessor: (i) all amounts then owed by Lessee to Lessor under this Lease, including the Lease Payment due on such date; and (ii) an amount equal to the applicable Concluding Payment set forth in Exhibit C. In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Lease Payment and the Concluding Payment to be made by Lessee with respect to the Equipment which has suffered the event of loss. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payments of, negotiate with insurance carrier(s), bring lawsuits, settle claims or suits, and execute and endorse all documents, checks or drafts issued with respect to any loss, damage, destruction, to, or theft of, the Equipment and/or under any insurance policy relating to the Equipment.

15. Insurance. Lessee shall, at its expense, maintain at all times during the Term, fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be satisfactory to Lessor, or, with Lessor's prior written consent, may self-insure against any or all such risks. In no event will the insurance limits be less than the amount of the then applicable Concluding Payment with respect to such Equipment. Each insurance policy will name Lessee as an insured and Lessor or its assigns as an additional insured and loss payee, and will contain a clause requiring the insurer to give Lessor at least 30 days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or its assigns as their interests may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee shall deliver to Lessor a certificate evidencing such insurance. In the event that Lessee has been permitted to self-insure, Lessee shall furnish Lessor with a letter or certificate to such effect. In the event of any loss, damage, injury or accident involving the Equipment, Lessee shall promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto. Lessee shall furnish a certificate of insurance or other evidence satisfactory to Lessor that the required insurance coverage is in effect. Lessor has no duty to ascertain the existence of or to examine the insurance policies to advise Lessee if the insurance coverage does not comply with the requirements of this Section.

In the event Lessee fails to maintain the full insurance coverage on the Equipment as required by this Lease or fails to keep the Equipment in good repair and operating condition, Lessor may, but is not obligated to, purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements which are necessary and provide for payment thereof; and all amounts so advanced therefore by Lessor are considered additional rent for the then current Lease Payments, which amounts Lessee hereby agrees to pay, together with interest thereon at the rate of three (3%) per cent per annum in excess of the rate set forth on Exhibit C or at the highest rate permitted by applicable law, whichever is less.

Lessee hereby consents to Lessor's release, upon its failure to obtain appropriate insurance coverage, of any and all information necessary to obtain insurance with respect to the Equipment and/or Lessor's interest therein. Lessor retains the right to substitute its own insurance for any insurance obtained by Lessee in accordance with this Section upon reasonable notice to Lessee with an insurer or through an agent or broker of its choice, at Lessee's sole cost.

16. Indemnification. To the extent permitted by applicable law, Lessee hereby indemnifies and agrees to defend and hold Lessor and any successor, assignee or secured party of Lessor, harmless from and against all claims, costs, expenses (including, but not limited to, attorneys' fees and expenses), damages, losses, judgments and liabilities of any nature whatsoever that may be imposed on, incurred by, or asserted against an indemnified party with respect to any item of Equipment or its purchase, acceptance, delivery, ownership, leasing, possession, maintenance, use, operation or transportation, or arising out of this Lease or the transactions contemplated hereby, whether or not other parties are involved, including, without limitation, (a) claims for injury to or death of persons and for damage to property, (b) claims relating to patent, copyright or trademark infringement, and (c) claims relating to latent or other defects in the Equipment whether or not discoverable by Lessor. Lessee hereby agrees to give Lessor prompt notice of any such claim or liability. Any payment made hereunder to Lessor shall include the amount of any taxes required to be paid by Lessor as the result of the receipt of such payment. The provisions of this Section 16 survive the termination of this Lease.

17. Purchase Option. Upon 30 days prior written notice from Lessee to Lessor, and on the condition that there is no Event of Default, or an event which with notice or lapse of time, or both, could become an Event of Default, then existing, Lessee will be entitled to purchase Lessor's interest in, to the extent thereof, the Equipment on the Lease Payment dates set forth in Exhibit C by paying to Lessor, on such date, the Lease Payment then due together with the Concluding Payment amount set forth opposite such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that Lessor shall warrant to Lessee that the Equipment is free and clear of any liens created by Lessor. Unless Lessee exercises an option to purchase the Equipment or renews the terms of this Lease as provided in any Exhibit to this Lease and except as otherwise provided in this Lease, upon expiration of the Term as to each item of Equipment or upon demand of Lessor pursuant to this section, Lessee, at its own risk and expense, including, but not limited to the expense of maintaining all insurance thereon, shall either (a) provide adequate and suitable storage space at the place where the Equipment was delivered hereunder or to which it was moved in accordance with this Lease, and shall permit Lessor to store such Equipment free of charge, and at the risk of Lessee for public liability and physical damage exposure, for a period not to exceed one hundred eighty (180) days, during which period Lessee shall provide Lessor reasonable access thereto; or (b) immediately assemble, prepare for shipment, and return the Equipment to Lessor in the same condition as delivered, ordinary wear and tear excepted, and meeting all recertification requirements, with all damaged or missing parts replaced, at such location within the United States as Lessor designates. Lessee hereby agrees to provide to Lessor written notice at least one hundred eighty (180) days prior to the end of the Term of the Lease if Lessee intends to

return the Equipment to Lessor (the "Return Notice"). In the event Lessee fails to deliver to Lessor the Return Notice at least one hundred eighty (180) days prior to the end of the Term of the Lease, the Term will be extended automatically for one hundred eighty (180) days and Lessee shall continue to pay Lease Payments as agreed to by the Lessor and Lessee at such time.

18. Assignment. Without Lessor's prior written consent, Lessee shall not (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Equipment or any interest in this Lease or the Equipment, or (ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees or agents. Lessee shall remain primarily liable on this Lease. Lessor may assign its right, title and interest in and to this Lease, the Equipment and any other documents executed with respect to this Lease and/or grant or assign a security interest in this Lease and the Equipment, in whole or in part. Lessee hereby agrees that any such assignment shall not materially change Lessee's duties or obligations under this Lease. Any such assignees shall have all the rights of Lessor under this Lease. No assignment or reassignment of any of Lessee's right, title or interest in this Lease or the Equipment will be effective unless and until Lessor consents to such assignment and Lessor receives a duplicate original counterpart of the document by which the assignment or reassignment is made, disclosing the name and address of each such assignee. DURING THE LEASE TERM LESSEE SHALL KEEP A COMPLETE AND ACCURATE RECORD OF ALL SUCH ASSIGNMENTS IN FORM NECESSARY TO COMPLY WITH SECTION 149(a) OF THE INTERNAL REVENUE CODE OF 1986, OR ANY SUCCESSOR PROVISION THERETO, AND THE REGULATIONS, PROPOSED OR EXISTING, FROM TIME TO TIME PROMULGATED THEREUNDER. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the successors and assigns of the parties hereto. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee shall acknowledge such assignments in writing if so requested.

19. Events of Default. The term "Event of Default", as used herein, means the occurrence of any one or more of the following events:

- (a) Lessee fails to make any Lease Payment (or any other payment including insurance premiums required hereunder) when due in accordance with the terms of this Lease;
- (b) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure is not cured within 20 days after written notice thereof by Lessor; or
- (c) The discovery by Lessor that any statement, representation or warranty made by Lessee in this Lease or in any writing ever delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect;
- (d) Lessee shall attempt to abandon, remove, sell, encumber or sublet any item of Equipment or to assign any rights under or interest in this Lease; or
- (e) Lessee fails to appropriate sufficient funds to pay all Lease Payments due or to become due for the then-current fiscal year; or
- (f) Lessee shall become insolvent or make an assignment for the benefit of creditors, or a trustee or receiver shall be appointed for Lessee or for a substantial part of its assets, or bankruptcy, reorganization or insolvency proceedings shall be instituted by or against Lessee; or

(g) Lessee shall suffer a material adverse change in its financial conditions or operations;
or

(h) Lessee shall be in default under any other agreement with Lessor or any of its affiliates or any other lender.

20. Remedies. Upon the occurrence of an Event of Default, and so long as such Event of Default is continuing, Lessor may, at its option, exercise any one or more of the following remedies:

(a) the Lessor may, at its option, declare all installments of the Lease Payments, payable until the end of the Term of the Lease, to be immediately due and payable, whereupon the same shall become immediately due and payable. If Lessor elects to exercise the remedy afforded in this Section 20(a) and accelerates all Lease Payments payable until the end of the Term of this Lease, the amount then due and payable by the Lessee as accelerated rents shall be the sum of (1) the aggregate Lease Payments due until the end of the Term of this Lease, (2) the Concluding Payment specified as due at the end of the Term of this Lease, less the net amount realized by the Lessor upon disposition of the Equipment, and (3) any other amounts which may be owing to the Lessor pursuant to this Lease;

(b) the Lessor may, without demand or legal process, take possession of the Equipment with or without terminating this Lease and without any liability to the Lessee for such repossession, and lease or sell the Equipment;

(c) release or sell any or all of the Equipment at a public or private sale on such terms and notices as Lessor deems reasonable and, in addition to reclaiming the total proceeds received from such lease or sale, recover from Lessee damages, not as a penalty, but liquidated for all purposes and in an amount equal to the sum of (i) any accrued and unpaid Lease Payments, and other amounts due hereunder, as of the later of (A) the date of the Event of Default, (B) the date that Lessor has obtained possession of the Equipment or (C) such other date as Lessee has made an effective tender of possession of the Equipment back to Lessor ("Default Date"); plus Lease Payments (at the periodic rate provided for in this Lease) for the additional period (but in no event longer than six (6) months) that it takes Lessor to resell or re-let all of the Equipment, plus interest at the rate per annum charged by the Internal Revenue Service for the late payment of tax; (ii) the difference between the monthly Lease Payments for the remainder of the Term as they become due and the net proceeds, if any, of any reletting of the Equipment after deducting all of Lessor's expenses in connection with such reletting, including without limitation, all repossession costs, broker's commissions, attorney's fees and expenses, and alteration costs and expenses of preparing the Equipment for reletting; and (iii) any indemnity under Section 16 hereunder, if then determinable, plus interest at the same rate per annum charged by the Internal Revenue Service for the late payment of tax, LESS the amount received by Lessor upon such public or private sale or re-lease of such items of Equipment, if any; and

(d) the Lessor may require the Lessee to furnish copies of all books and records of the Lessee pertaining to the Equipment; and

(e) the Lessor may exercise any other right, remedy or privilege which may be available to it under applicable laws of the State of Alabama or any other applicable laws including, without limitation, the rights of a secured party under the Alabama Uniform Commercial Code, or proceed by appropriate court action to enforce the terms of this Lease or to recover damages for the breach of this

Lease or to rescind this Lease as to any or all of the Equipment.

In addition, Lessee will remain liable for all covenants and, to the extent permitted by applicable law, indemnities under this Lease and for all legal fees and other costs and expenses, including court costs and reasonable attorney's fees, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor. A cancellation hereunder shall occur only upon notice by Lessor and only as to such Items of Equipment as Lessor specifically elects to cancel, and this Lease shall continue in full force and effect as to the remaining items of Equipment, if any. Lessee shall be liable for and shall pay to Lessor all attorneys' fees and expenses and other costs incurred by Lessor in exercising Lessor's remedies, including placing any Equipment in the condition required by Section 10 hereof. If this Lease is deemed at any time to be one intended as security as set forth in Section 8, Lessee hereby agrees that the Equipment shall secure, in addition to the indebtedness herein, all other indebtedness at any time owing by Lessee to Lessor. No remedy referred to in this Lease is intended to be exclusive, but each shall be in addition to any other remedy referred to or otherwise available to Lessor at law or in equity. No express or implied waiver by Lessor of any Default will constitute a waiver of any other Default by Lessor or a waiver of any of Lessor's rights and no delay by Lessor in enforcing any right or requiring performance of any provisions of this Lease by Lessee will be a waiver of such right or affect the right of Lessor to enforce such provision.

Notwithstanding any provision of this Section to the contrary, the Lessee may terminate this Lease as provided in Section 4, and the Lessee shall not be liable under this Lease for any Lease Payments in excess of the amount otherwise due under Section 3.

21. Notices. All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice shall be deemed to have been received five days subsequent to mailing if mailed in accordance with this Section.

22. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

23. Governing Law. This Lease shall be construed in accordance with, and governed by the laws of, the State of Alabama.

24. Delivery of Related Documents. Lessee shall execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease. At the request of Lessor, Lessee shall furnish Lessor annual audited financial statements of Lessee within 270 days after the end of Lessee's fiscal year.

25. Entire Agreement: Waiver. This Lease, together with the Acceptance Certificate and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitute the entire agreement between the parties with respect to the lease of the Equipment, and this Lease shall not be modified, amended, altered or changed except with the written consent of Lessee and Lessor. Any provision of this Lease found to be invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remainder of this Lease. The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

26. Decrease in Deductibility of Interest Expense. The Lessee hereby acknowledges that the

Lease Payments were calculated assuming that a financial institution that accepted an assignment of Lessor's interest on the date of delivery of this Lease could deduct 80% of such financial institution's interest expense allocable to this Lease. If (i) the Lessor, or any assignee of the Lessor or its assigns, is a financial institution for purposes of Section 265 of the Internal Revenue Code of 1986 (the "Code"), (ii) the deductible portion of such financial institution's interest expense allocable to this Lease is decreased for any reason (including without limitation a change in applicable law or the fact that this Lease does not qualify as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code), and (iii) such decrease would have been effective if such financial institution had acquired its interest in the Lease on the date of delivery of this Lease, then for each whole percentage point of decrease (below 80%) in the portion of allocable interest expense allowed as a deduction, the interest rate used to calculate the Lease Payments shall increase in an amount sufficient to provide Lessor with the exact same rate of return as initially calculated assuming that the Lease Payments payable to Lessor by Lessee are "qualified tax-exempt obligations."

The interest rate adjustment required by this Section shall be made each time that the allowable deduction for allocable interest expense decreases and shall be effective as of the date such decrease becomes effective for the financial institution that is at the time Lessor (or an assignee of Lessor or its assigns). No such adjustment in the interest rate shall be effective during any period when the Lessor (or an assignee of Lessor or its assigns) is not a financial institution for purposes of Section 265 of the Code.

Any adjustment required by this Section shall increase the amount of interest payable as a part of each Lease Payment affected, but shall not change the principal component of any Lease Payment.

27. Covenant Regarding Tax-Exempt Interest. The Lessee represents and warrants that the interest portion of each Lease Payment will not be includible in gross income of the Lessor. The Lessee hereby covenants and agrees that it will not take any action, or fail to take any action, if such action or failure to act would cause the interest portion of each Lease Payment to be or become includible in gross income of the Lessor for purposes of federal income taxation. Without limiting the generality of the preceding sentence, the Lessee hereby covenants and agrees that, to the extent necessary for the interest portion of each Lease Payment to be so excludable from gross income,

(a) the Equipment shall not be used in any private business use; the Lease Payments shall not be secured by, or derived from, property used in a private business use; no portion of the proceeds of this Lease shall be used to make or finance loans to persons other than governmental units; and proceeds of this Lease shall not be used in any manner that would cause this Lease to be or become a "private activity bond", as defined in Section 141 of the Code; and

(b) the Lessee shall submit to the Secretary of the Treasury a statement or report with respect to the execution and delivery of this Lease as required by Section 149(e) of the Code.

If Lessor determines in good faith (which determination shall be supported by an opinion of nationally recognized bond counsel) or if the Internal Revenue Service shall claim in writing that the interest portion of the Lease Payments is includible in the gross income of Lessor or any former Lessor ("Taxable"), then the interest rate hereunder shall be adjusted to the Prime Rate plus 1.0%, determined daily according to the Prime Rate in effect for such date, effective as to the earliest date that such interest was Taxable. Any additional amount of interest due for the period prior to the date Lessee was notified that interest was Taxable and began making payments at the adjusted rate shall be paid by Lessee, at the option of Lessor, (i) within thirty (30) days after the date Lessee is notified of the amount due, or (ii) on such other payment schedule as shall be satisfactory to Lessor. "Prime Rate" shall mean the rate of interest announced by Regions Bank (the "Bank")

as its prime rate, with the understanding that the Bank's prime rate is one of its base rates established from time to time for lending purposes and is not necessarily the best or lowest rate offered by the Bank and is evidenced by the recording thereof after its announcement in such internal publication or publications as the Bank may designate.

28. Representations of Lessee. Lessee hereby represents and warrants that: (i) Lessee is a duly constituted, organized and validly existing political subdivision existing under the laws of the State of Alabama and is authorized to lease personal property and to sell or lease or otherwise dispose of personal property; (ii) Lessee has full power, authority, and legal right to execute, deliver and perform the agreements on its part contained in this Lease; (iii) the person or persons executing this Lease on behalf of Lessee have been duly authorized under the laws of the State of Alabama and a duly adopted resolution of Lessee's governing body is in full force and effect on the date hereof to execute this Lease on behalf of Lessee and to obligate Lessee hereunder; (iv) Lessee has taken all necessary steps or complied with all procedures required for the authorization and execution of this Lease; (v) all Lease Payments which are to be made hereunder will be paid out of funds which are legally available for such purpose; (vi) Lessee has obtained or made, or does not require, the approval of or the giving of notice to any Federal, State, local or foreign governmental authority in order to enter into this Lease; (vii) Lessee is not required to submit this Lease to Lessee's electorate for approval; (viii) Lessee, by entering into this Lease, does not violate any law binding on Lessee or contravene any indenture, credit Lease, or any other agreement under which Lessee is a party or by which it is bound; (ix) this Lease constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms; (x) there are no pending or threatened actions or proceedings before any court, administrative agency or other tribunal or body or judgments which may materially adversely affect Lessee's financial condition or operations; (xi) the Equipment is personal property and is not now nor will it become either real property or a fixture or inventory; (xii) the use of the Equipment is essential, necessary, useful, and appropriate to the lawful purposes of Lessee and in the discharge of its duties as a governmental body; (xiii) the Lease application (if any) is true and is not misleading; (xiv) the execution of this Lease does not constitute a default in any other agreement of Lessee; (xv) there is not existing, and Lessee will not directly or indirectly create, incur, assume or suffer to exist, any mortgage, security interest, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment, title thereto or any interest therein, except the respective rights of Bank and Lessee under this Lease and further excepting any mortgage, security interest, pledge, lien or encumbrance granted by Bank; (xvi) the Equipment is of size, design, capacity and manufacture selected by Lessee and will be suitable for Lessee's purposes; (xvii) Lessee will cause to be done, executed, acknowledged and delivered all such further acts, instruments, conveyances and assurances as Bank shall require for accomplishing the purposes of this Lease; (xviii) Lessee, upon delivery of the Equipment under this Lease, shall cause said Equipment to be duly registered, and at all times thereafter to remain duly registered, in the name of Bank, or at Bank's request shall furnish to Bank such information as may be required to enable Bank to make application for such registration, and shall promptly furnish to Bank such information as may be required to enable Bank to timely file any reports required to be filed by it under this Lease with any governmental authority; (xix) Lessee has complied with insurance provisions of Section 15; (xx) Lessee will execute or file any reports or tax forms required by State or Federal authorities; (xxi) Lessee and its governing body reasonably believe that Lessee shall have sufficient available funds during each fiscal year through the maximum term to elect to appropriate monies to make the Lease Payments hereunder; and (xxii) all actions of the governing body of the Lessee and its members concerning this Lease have been taken in accordance with the laws of the State of Alabama.

29. Arbitration. Lessee hereby represents to Lessor that its business and affairs constitute substantial interstate commerce and that it contemplates using the Equipment in substantial interstate commerce. Except as otherwise specifically set forth below, any action, dispute, claim, counterclaim or controversy ("Dispute" or "Disputes"), between or among Lessor, Lessee or any guarantor, including any claim

based on or arising from an alleged tort, shall be resolved by arbitration as set forth below. As used herein, Disputes shall include all actions, disputes, claims, counterclaims or controversies arising in connection with this Lease (including all Exhibits and other addenda), any extension of or amendments to this Lease, any security or collateral given to Lessor, any action taken (or any omission to take any action) in connection with any of the foregoing, any part, present and future agreement between or among Lessor, Lessee or any guarantor (including this Lease and any related guaranty agreement), and any past, present or future transactions between or among Lessor, Lessee or any guarantor.

To the extent permitted by applicable law, all Disputes shall be resolved by binding arbitration in accordance with Title 9 of the U.S. Code and the Commercial Arbitration Rules of the American Arbitration Association (the "AAA") in Birmingham, Alabama. Defenses based on statutes of limitations, estoppel, waiver, laches and similar doctrines, that would otherwise be applicable to an action brought by a party, shall be applicable in any such arbitration proceeding, and the commencement of an arbitration proceeding with respect to this Lease shall be deemed the commencement of an action for such purposes.

Whenever an arbitration is required hereunder, the arbitrator shall be selected in accordance with the Commercial Arbitration Rules of the AAA. The AAA shall designate a panel of 10 potential arbitrators knowledgeable in the subject matter of the Dispute. Each of Lessor and Lessee shall designate, within thirty (30) days of the receipt of the list of potential arbitrators, one of the potential arbitrators to serve, and the two arbitrators so designed shall select a third arbitrator from the eight remaining potential arbitrators. The panel of three arbitrators shall determine the resolution of the Dispute.

30. No Agency. Lessee hereby acknowledges and agrees that neither the manufacturer, the supplier, nor any salesman, representative or other agent of the manufacturer or supplier, is an agent of Lessor. No salesman, representative or agent of the manufacturer or supplier is authorized to waive or alter any term of condition of this Lease and no representation as to the Equipment or any other matter by the manufacturer or supplier shall in any way affect Lessee's duty to pay Lease Payments and perform its other obligations as set forth in this Lease.

31. Finance Lease. Lessee hereby acknowledges that for purposes of the Alabama Uniform Commercial Code (the "UCC") this Lease is a finance lease and Lessor is not an agent of the manufacturer or vendor of the equipment. Lessee hereby acknowledges that Lessee has selected the supplier of the equipment and directed Lessor to purchase the equipment from the supplier. Lessee hereby acknowledges that it is entitled under Article 2A of the UCC to all warranties and other rights provided to Lessee by the supplier of the equipment and to contact the supplier for an accurate and complete statement of any such express warranties and other rights and any disclaimers or limitations of such rights or of remedies.

32. Waivers of Lessee. To the extent permitted by Alabama law, Lessee hereby waives any and all rights and remedies conferred by the UCC, including, without limitation, any rights to (a) cancel or repudiate the Lease, (b) reject or revoke acceptance of the Equipment, (c) recover damages from the Lessor for breach of warranty or for any other reason, (d) claim a security interest in any rejected Equipment in the Lessee's possession or control, (e) deduct from rent all or any part of any claimed damages resulting from the Lessor's default under the Lease, (f) accept partial delivery of the Equipment, (g) "cover" by making any purchase or lease of substitute equipment, (h) recover from the Lessor or any assignee of the Lessor any general, special, incidental or consequential damages for any reason whatsoever, and (i) specific performance, replevin or the like for any of the Equipment. The Lessee also waives any statutory right it may have now or in the future to require the Lessor to sell or re-lease the Equipment or otherwise to mitigate damages.

33. Additional Provisions. Any additional provisions and modifications, if any, to the standard language of this Lease are set forth in Exhibit D attached hereto.

**LESSEE:
CITY OF VESTAVIA HILLS**

By: _____

Title: _____

Attest:

By: _____

Title: _____

LESSOR:

REGIONS EQUIPMENT FINANCE CORPORATION

By: _____

Title: _____

REGIONS EQUIPMENT FINANCE CORPORATION

PAY PROCEEDS LETTER

COMPANY: CITY OF VESTAVIA HILLS
Equipment Lease Purchase Agreement
DATED: September 27, 2017

Regions Equipment Finance Corporation
1900 Fifth Avenue North
Suite 2400
Birmingham, Alabama 35203

Re: The Schedule, executed by **CITY OF VESTAVIA HILLS** (the "Company") and either Regions Equipment Finance Corporation ("Regions") (the Schedule, as it incorporates the terms of the Master Agreement is hereinafter referred to as the "Agreement").

With reference to the Agreement, you are hereby authorized to disburse proceeds in the amount of **\$509,480.00** by check, funds transfer or deposit, in such amounts and with such payees as are listed below:

- 1. Payee: **CITY OF VESTAVIA HILLS**
Ref. No.: **5 YR EQUIP - ESCROW**
Amount: **\$509,480.00**

Check

Funds Transfer to Account No. **0256626908** in Payee's Name at **REGIONS BANK 062000019**;
Notification Information:

Should the closing occur at a later date, the proceeds should be adjusted accordingly.

COMPANY: CITY OF VESTAVIA HILLS

BY: _____

ITS: _____

**EXHIBIT A
TO
EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED September 27, 2017
BETWEEN REGIONS EQUIPMENT FINANCE CORPORATION
AND
CITY OF VESTAVIA HILLS**

Description of Equipment

<u>Quantity</u>	<u>Description</u>	<u>Serial No.</u>
50	SCBA – SELF CONTAINED BREATHING APPARATUS	TBD
1	SCBA – AV3000HT FACEPIECES	TBD
1	SCBA – 4.5 X 30 MINUTE CYLINDERS	TBD
1	SCBA – ANCILLARY EQUIPMENT	TBD
1	FORD F-450	TBD

Equipment Location

1032 MONTGOMERY HIGHWAY, VESTAVIA, AL 35216

“Equipment” as defined and described hereinabove, also includes any related software (embedded therein or otherwise), all tooling, tools, repair parts and spare parts used or useful in respect of the foregoing, and all alterations, substitutions, additions, modifications, attachments, accessories and accessions to any of the foregoing, together with all supplier agreements, warranty agreements, extended services agreement and other instruments and documents that relate to the acquisition, installation, maintenance or warranty of any Equipment and all books and records relating to the Equipment, including all of the following: operating manuals, training manuals, service records, in whatever form, including digital and electronic form.

Identified by:

Lessor: _____

Lessee: _____

**EXHIBIT B
TO
EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED September 27, 2017
BETWEEN REGIONS EQUIPMENT FINANCE CORPORATION
AND
CITY OF VESTAVIA HILLS**

Acceptance Certificate

Regions Equipment Finance Corporation
P. O. Box 2545
Birmingham, Alabama 35202

Ladies and Gentlemen:

In accordance with the terms of the Equipment Lease-Purchase Agreement dated **September 27, 2017** (the "Lease") between **Regions Equipment Finance Corporation** ("Lessor"), and **CITY OF VESTAVIA HILLS** ("Lessee"), Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

1. The Equipment, as such term is defined in the Lease, has been delivered and installed at the Equipment Location specified in Exhibit A to the Lease and was accepted by Lessee on **September 27, 2017**.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. No Event of Default (as defined in the Lease) and no event which with notice or lapse of time, or both, would become an Event of Default, has occurred and is continuing.

Dated: **September 27, 2017**

CITY OF VESTAVIA HILLS

By: _____
Title: _____

9/11/2017
001-0015470-002

**EXHIBIT C
TO
EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED September 27, 2017
BETWEEN REGIONS EQUIPMENT FINANCE CORPORATION
AND
CITY OF VESTAVIA HILLS**

Commencement Date: **September 27, 2017**

Expiration Date: **September 27, 2020**

Interest Rate: **1.72%**

Total Obligation of **CITY OF VESTAVIA HILLS**
for fiscal year of execution
and each renewal year thereafter:

<u>Fiscal Year</u>	<u>Total Obligation</u>	<u>Concluding Payment</u>
--------------------	-------------------------	-------------------------------

SEE ATTACHED AMORT SCHEDULE

Identified by:

Lessor: _____

Lessee: _____

9/11/2017
001-0015470-002

Loan Amortization

Exhibit B - Resolution No. 4988

date	funding	payment	interest @ 1.7200	principal	balance
Sep-27-17	509,480.00				509,480.00
Dec-27-17		26,639.78	2,190.76	24,449.01	485,030.99
Mar-27-18		26,639.78	2,085.63	24,554.14	460,476.84
Jun-27-18		26,639.78	1,980.05	24,659.73	435,817.12
Sep-27-18		26,639.78	1,874.01	24,765.76	411,051.35
Dec-27-18		26,639.78	1,767.52	24,872.26	386,179.10
Mar-27-19		26,639.78	1,660.57	24,979.21	361,199.89
Jun-27-19		26,639.78	1,553.16	25,086.62	336,113.27
Sep-27-19		26,639.78	1,445.29	25,194.49	310,918.78
Dec-27-19		26,639.78	1,336.95	25,302.83	285,615.96
Mar-27-20		26,639.78	1,228.15	25,411.63	260,204.33
Jun-27-20		26,639.78	1,118.88	25,520.90	234,683.43
Sep-27-20		26,639.78	1,009.14	25,630.64	209,052.79
Dec-27-20		26,639.78	898.93	25,740.85	183,311.94
Mar-27-21		26,639.78	788.24	25,851.54	157,460.41
Jun-27-21		26,639.78	677.08	25,962.70	131,497.71
Sep-27-21		26,639.78	565.44	26,074.34	105,423.37
Dec-27-21		26,639.78	453.32	26,186.46	79,236.92
Mar-27-22		26,639.78	340.72	26,299.06	52,937.86
Jun-27-22		26,639.78	227.63	26,412.14	26,525.72
Sep-27-22		26,639.78	114.06	26,525.72	0.00
	509,480.00	532,795.54	23,315.54	509,480.00	

**EXHIBIT D
TO
EQUIPMENT LEASE-PURCHASE AGREEMENT
DATED September 27, 2017
BETWEEN REGIONS EQUIPMENT FINANCE CORPORATION
AND
CITY OF VESTAVIA HILLS**

Additional Provisions and Modifications to Standard Terms

None.

Identified by:
Lessor: _____
Lessee: _____

9/11/2017
001-0015470-002

(To be written on Lessee's Letterhead)

ESSENTIAL USE LETTER

Dated: _____

Regions Equipment Finance Corporation

P.O. Box 11407

Birmingham, Alabama 35246-1001

Re: Equipment Lease-Purchase Agreement dated **September 27, 2017**

Gentlemen:

This letter is being written with respect to the use of the equipment (the "Equipment") to be leased to the undersigned pursuant to the above-referenced Equipment Lease-Purchase Agreement. The Equipment will be used by

(Department or Division Using Equipment)

for the following purposes:

(State how and for what purposes the Equipment will be used)

The undersigned hereby represents that the use of the Equipment is essential and necessary to its proper, efficient and economic operation of its governmental functions and its purchase is pursuant to a legitimate public purpose.

Very truly yours,

CITY OF VESTAVIA HILLS

By: _____

Title: _____

9/11/2017
001-0015470-002

INCUMBENCY CERTIFICATE

I, _____, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of **CITY OF VESTAVIA HILLS**, a political subdivision or agency or public corporation duly organized and existing under the laws of the State of Alabama (“Lessee”), that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of Lessee holding the offices set forth opposite their respective names. 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 Lessee to enter into that certain Equipment Lease-Purchase Agreement dated **September 27, 2017**, between Lessee and **Regions Equipment Finance Corporation**, as evidenced by the copy of the resolution of the Lessee attached hereto.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
_____	_____	_____

IN WITNESS WHEREOF, this certificate has been executed by the undersigned and the seal of Lessee has been affixed.

Dated: _____

Secretary/Clerk

[SEAL]

9/11/2017
001-0015470-002

RESOLUTION

WHEREAS, the governing body of **CITY OF VESTAVIA HILLS** (the "Lessee") has determined that in order for the Lessee to better accomplish its public purposes, the Lessee needs to acquire the use of the Equipment described in the schedule attached to or set forth in the Equipment Lease-Purchase Agreement (the "Lease") attached hereto; and

WHEREAS, the Lessee has determined that the most economical and efficient means of acquiring the use of said Equipment is pursuant to a lease-purchase of the Equipment pursuant to the Lease; and

WHEREAS, a copy of the Lease has been presented to, considered and approved by the governing body of the Lessee.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE LESSEE, as follows:

1. The Lessee is hereby authorized to enter into the Lease between the Lessee and **Regions Equipment Finance Corporation**, as Lessor, with all riders, certificates, schedules, and amendments thereto, substantially in the form attached hereto, and the execution and delivery of the Lease is hereby approved, authorized, ratified and confirmed.

2. The _____ and each and any of them without the others is hereby authorized to execute and deliver the Lease on behalf of the Lessee in substantially the form presented to the governing body of Lessee at this meeting with such changes or additions thereto or deletions therefrom as the officer executing the same shall approve, which approval shall be conclusively evidenced by his or her execution of the Lease. The _____ and each and any of them without the others is hereby authorized to execute and deliver on behalf of the Lessee such agreements, indemnities, purchase orders, leases, bills of sale, certificates or other instruments or obligations as they or any one of them may deem necessary or appropriate to the accomplishment of the Lease, and the execution and delivery of any such agreement, instrument or obligation prior to the date hereof by any such officer is in all respects hereby confirmed, ratified and approved. The _____ is hereby authorized and directed to affix the corporate seal to such instruments and to attest the same.

3. The proper officers of the Lessee are authorized and directed to do or cause to be done all such other acts and things, to make all payments, including rent payments, required pursuant to the Lease and related documents, and to execute all such documents, certificates and instruments as in his, her or their judgment may be necessary or advisable in order to carry out the foregoing Resolutions and the Lessee's obligations under the Lease, or any amended, renewed or supplemental lease; and all actions heretofore taken by the officers of the Lessee in connection with the acquisition of the Equipment and negotiation of the Lease are hereby approved, ratified and confirmed in all respects.

4. The Lessee hereby designates the Lease to be a "qualified tax exempt obligation" under the provisions of Section 265(b)(3) of the Internal Revenue Code, as amended.

5. The Lessee and the proper officers of the Lessee understand Section 15 of the Lease ("Insurance") and hereby agree to provide property and liability damage in accordance with the terms of the Lease.

9/11/2017
001-0015470-002

(To be written on Counsel's Letterhead)

OPINION OF COUNSEL

Dated: _____

Regions Equipment Finance Corporation
P.O. Box 11407
Birmingham, Alabama 35246-1001

Re: Equipment Lease-Purchase Agreement dated **September 27, 2017**

Ladies and Gentlemen:

I have acted as Counsel to **CITY OF VESTAVIA HILLS** ("Lessee") with respect to that certain Equipment Lease-Purchase Agreement (the "Lease") dated **September 27, 2017**, by and between **Regions Equipment Finance Corporation** and Lessee. I have reviewed the Lease and such other documents, records and certificates of Lessee and appropriate public officials as I have deemed relevant and am of the opinion that:

1. Lessee is a political subdivision or agency of the State of Alabama;
2. The execution, delivery and performance by Lessee of the Lease have been duly authorized by all necessary action on the part of Lessee and no other necessary approval or consent is required in order for the Lease to be a legal, valid and binding obligation of Lessee enforceable in accordance with its terms; and
3. The Lease constitutes a legal, valid and binding obligation of Lessee enforceable in accordance with its terms.
4. All necessary approvals, consents, and franchises (if applicable) have been obtained for the acquisition and operation of the equipment financed pursuant to the terms of the Lease.
5. Lessee has complied with all competitive bid law provisions of Alabama law applicable to the Lease and the equipment financed thereby.

This opinion is rendered to and may be relied upon by **Regions Equipment Finance Corporation**, and or its successors and assigns and its legal counsel.

Very truly yours,

(Attorney for the Lessee)

CERTIFICATE OF APPROPRIATION

I, _____, _____ of **CITY OF VESTAVIA HILLS** ("Lessee") hereby certify that all lease payments due by Lessee under that certain Equipment Lease-Purchase Agreement dated as of **September 27, 2017**, between Lessee and **Regions Equipment Finance Corporation**, as Lessor, for the fiscal year ending **2017**, are within such fiscal year's budget for Lessee and within an available, unexhausted and unencumbered appropriation for Lessee.

IN WITNESS WHEREOF, this certificate has been executed on behalf of Lessee by the undersigned officer.

Dated: _____.

CITY OF VESTAVIA HILLS

By: _____

Name: _____

Title: _____

NOTICE AND CONSENT TO ASSIGNMENT

September 27, 2017

**CITY OF VESTAVIA HILLS
1032 MONTGOMERY HIGHWAY
VESTAVIA, AL 35216**

Attention:

Re: Equipment Lease-Purchase Agreement date **September 27, 2017**, between **CITY OF VESTAVIA HILLS** (“Lessee”) and **Regions Equipment Finance Corporation (REFCO)**, an affiliated entity of Regions Bank.

Addressee:

Please be advised that **Regions Equipment Finance Corporation (REFCO)**, an affiliated entity of Regions Bank (“Lessor”) has assigned all its rights, title and interest in and to the above referenced Equipment Lease- Purchase Agreement (the” Lease”), the Equipment leased thereunder, and the right to receive payments thereunder to **Regions Bank** (the “ Assignee”).

All payments due under the Lease should be made to the Assignee at the following address:

Regions Bank
C/O Regions Equipment Finance
P.O. Box 11407
Birmingham, Alabama 35246-1001

Please acknowledge your acceptance of the assignment, your recordation of the assignment pursuant to the assignment provisions of the Lease, and your agreement to make the payment due under the Lease to the Assignee by the signature of a duly authorized officer in the space provided on the enclosed counterpart of this letter and return it to us at the address shown above.

Sincerely,

REGIONS EQUIPMENT FINANCE CORPORATION, an affiliated entity of Regions Bank.

By: _____

Title: _____

ACKNOWLEDGE AND ACCEPTED:

CITY OF VESTAVIA HILLS

By: _____

Title: _____

**CERTIFICATE WITH RESPECT TO TAX-EXEMPT
INTEREST AND QUALIFIED TAX-EXEMPT OBLIGATIONS**

I, the _____ of **CITY OF VESTAVIA HILLS** (“Lessee”), am duly charged with the authority for executing that certain Equipment Lease-Purchase Agreement dated as of **September 27, 2017** (the “Lease”) by and between Lessee and **Regions Equipment Finance Corporation** and do hereby certify as follows:

1. This certificate is executed for the purpose of establishing (i) that the interest component of each Lease Payment will not be included in gross income of the Lessor for purposes of federal income taxation and (ii) that the Lease qualifies as a qualified tax-exempt obligation of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (the “Code”).

2. Lessee is a political subdivision of the State of Alabama.

3. The Agreement is being issued in Calendar year ending **2017** (the “Calendar Year”).

4. All proceeds of the Lease will be used to acquire the Equipment on the date of acceptance thereof by the Lessee, and Lessee shall never invest, or have the opportunity to invest, any proceeds of the Lease. None of the proceeds shall be used to reimburse Lessee for any expenditure made prior to sixty (60) days from the date of this Certificate.

5. The Lessee has not established any sinking fund or other similar fund for the payment of the Lease Payments.

6. No portion of the gross proceeds of the Lease will be used to make or finance loans to persons other than governmental units or be used in any trade or business carried on by any person other than a governmental unit.

7. No portion of the payment of principal of, or interest on, the Lease is directly or indirectly (i) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (ii) to be derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used for a private business use.

8. Lessee has designated the Lease as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code, pursuant to a resolution adopted by the governing body of Lessee, on **September 27, 2017**.

9. In the Calendar Year, Lessee has designated **\$509,480.00** of tax-exempt obligations (including the Lessee’s obligations under the Lease) as qualified tax-exempt obligations. Including the Lease, Lessee will not designate more than \$10,000,000 of obligations issued during the Calendar Year as qualified tax-exempt obligations.

10. Lessee reasonably anticipates that the total amount of tax-exempt obligations (other than private activity bonds, as defined in Section 265 of the Code) to be issued by Lessee and all subordinate entities during the Calendar Year will not exceed \$10,000,000.

11. For purposes of this certificate, the amount of tax-exempt obligations stated as either issued, designated as qualified tax-exempt obligations or reasonably anticipated to be issued includes tax-exempt obligations issued by all subordinate entities of Lessee, as provided in Section 265(b)(3)(E) of the Code.

12. This certificate is based on facts and circumstances in existence on this date.

IN WITNESS WHEREOF, this certificate has been executed on behalf of Lessee by the undersigned officer.

Dated: **September 27, 2017**

CITY OF VESTAVIA HILLS:

NAME: _____

TITLE: _____

FUNDING AGREEMENT

THIS AGREEMENT is made and entered into this 27th day of September, 2017 by and among **Regions Equipment Finance Corporation**, an Alabama Corporation, as Lessor (“Lessor”), **CITY OF VESTAVIA HILLS**, as Lessee (“Lessee”), and **Regions Bank** as Funding Agent (“Funding Agent”).

WITNESSETH:

WHEREAS, Lessor and Lessee are parties to that certain Lease dated of even date herewith (the “Lease”), a copy of which is attached hereto as Exhibit “A” and made a part hereof; and

WHEREAS, in connection with the Lease, Lessor has agreed to purchase Equipment, as defined therein and as selected by Lessee, and to lease such Equipment to Lessee pursuant to the terms specified therein; and

WHEREAS, Lessee has agreed to select the vendors, related services, and Equipment to be purchased by Lessor, and to lease the same from Lessor pursuant to the terms of the Lease; and

WHEREAS both Lessor and Lessee desire the Funding Agent to act as such hereunder.

NOW, THEREFORE, in consideration of the premises which shall be deemed an integral part of this Agreement and not as mere recitals thereto, and in consideration of the mutual agreements and covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound thereby, agree as follows:

1. Deposits.

(a) Within five business days of the date of this Agreement, Lessor shall deposit or cause to be deposited with Funding Agent the amount of **Five Hundred Nine Thousand Four Hundred Eighty** Dollars & **Zero** Cents (\$509,480.00) for the purpose of funding the purchase of the Equipment and services related thereto as provided in the Lease, and for such other purposes as stated herein.

(b) Lessee represents and warrants that the amount provided for in subparagraph (a) above is sufficient to purchase and install the Equipment and to procure the related services. It is the intention of the Lessor and the Lessee to complete such purchase, installation and procurement pursuant to purchase orders issued by Lessor for the goods, services and Equipment selected by, delivered to, and accepted by Lessee. In the event the initial deposit provided for in subparagraph (a) above is inadequate to complete the purchase and installation of the Equipment, to make the same operational, and to procure services related to the Equipment as provided for in the Lease, then Lessee shall deposit or cause to be deposited with Funding Agent an amount sufficient to complete such purchase, installation and procurement. The

amounts payable by Lessee are to be payable solely from Lessee's available funds, as defined in the Lease.

(c) In the event the initial deposit provided for in subparagraph (a) above is greater than the amount required to complete the purchase and installation of the Equipment, as well as procurement of services related to the Equipment as provided for in the Lease, then after the completion of the purchase and installation of the Equipment as evidenced by the Lessee's Final Acceptance Certificate as provided for in Section 5(d) hereof, Funding Agent shall pay the balance of the deposited funds to Lessor, who shall apply monthly such balance or the remaining portions thereof to the monthly amounts due from Lessee pursuant to the Lease, until the balance of such deposited funds are depleted fully.

(d) Subject to the terms and conditions of this Agreement, legal and equitable rights to all deposited funds shall remain in Lessor. Funding Agent shall hold, safeguard, administer, and disburse the deposited funds in accordance with the provisions hereof.

2. Term. The term of this Agreement shall commence on the date hereof and shall continue thereafter until the disbursement of the entire deposited funds held by Funding Agent as provided herein.

3. Disbursement of Deposited Fund.

(a) Funding Agent hereby covenants and agrees to disburse the deposited funds, with interest accrued thereon, if any, in accordance with this Agreement, unless otherwise specifically instructed in writing by Lessor and Lessee jointly.

(b) If Funding Agent receives conflicting instructions regarding disbursement of all or part of the deposited funds or otherwise determines that it is appropriate to seek a determination of entitlement to the deposited funds or any part thereof, then it may, at its option, interplead the balance of the deposited funds or such portion thereof then held by the Funding Agent to the custody of any court of competent jurisdiction, as determined by Funding Agent to have jurisdiction, together with such legal pleadings as it may deem appropriate, and thereupon be discharged from all further duties and liabilities under this Funding Agreement.

4. Status and Actions of Funding Agent. The acceptance by the Funding Agent of its duties hereunder is subject to the following terms and conditions, which all parties hereto agree shall govern and control with respect to the right, duties and liabilities of the Funding Agent:

(a) Funding Agent has a business relationship with Lessor. Both are owned by a single holding company. Because of this relationship, use of Funding Agent in this capacity may provide Lessor a financial or other benefit.

(b) Funding Agent acts hereunder as a depository. Funding Agent shall not be responsible or liable in any manner for the sufficiency, correctness, genuineness, validity or sufficiency of any of the executed agreements, documents or other items or for any

claim or action by any person, firm, corporation or trustee concerning the right or power of any depositor to make any transfer or the validity of the transfer of any part of the deposited amount to the Funding Agent;

(c) Funding Agent shall be entitled to act upon, without any independent duty to investigate, any certificate, statement, notice, demand, request, consent, waiver, receipt, agreement or other instrument whatever, not only in reliance upon its due execution and the validity and effectiveness of its provisions, but also as to the accuracy and completeness of any information therein contained, which Funding Agent shall in good faith believe to be genuine and to have been signed or presented by a proper person or persons, and shall be protected in so acting.

(d) Funding Agent shall be entitled to request and receive from any party hereto such documents in addition to those provided for herein as Funding Agent may deem necessary to resolve any questions of fact involved in the provisions hereof.

(e) Funding Agent is authorized to and may, at the joint expense of Lessor and Lessee, consult counsel of its choice in respect to any dispute or conflict, or in respect to the construction of any of the provisions hereof, or in respect to any question relating to its duties or responsibilities under this Agreement, and shall incur no liability and shall be fully protected for any action taken or omitted in good faith on advice of such counsel.

(f) Funding Agent may, but shall be under no obligation to, advance any of its own funds in connection with the maintenance or administration of this Agreement, to institute or defend any action, suit or legal proceeding in connection herewith, or to take any other action likely to involve Funding Agent in expense. The Lessor and Lessee shall indemnify the Funding Agent and hold it harmless against the cost and expense (including without limitation, attorney's fees and expenses) of any such defense or action.

(g) If deemed appropriate by Funding Agent, Funding Agent shall be entitled to demand and receive jointly from Lessor and Lessee such funds as Funding Agent shall deem necessary to institute the interpleader actions described herein.

(h) Funding Agent is not a party to and is not bound by any agreement between any one or more of the parties hereto, except this Funding Agreement, unless otherwise expressly stated herein. Funding Agent shall not be bound by any amendment to this Agreement or by any other agreement between Lessor and Lessee unless Funding Agent shall have executed such amendment or agreement;

(i) Funding Agent shall have only such duties and responsibilities as are expressly set forth in this Agreement, being purely ministerial in nature, and it shall have no responsibility in respect to any of the deposited funds other than faithfully to follow the instructions herein contained.

(j) Funding Agent may resign and be discharged from its duties hereunder at any time by giving notice of such resignation to Lessor and Lessee specifying a date when

such resignation shall take effect (which date shall be no fewer than fifteen (15) days after the date of delivery of such notice). Upon receipt of such notice, the Lessor shall appoint a successor funding agent, such successor to become Funding Agent hereunder upon the resignation date specified in the subject notice, at which time the resigning Funding Agent shall transfer the balance of the deposited funds to the successor Funding Agent, together with a statement detailing the history of all deposits, earnings, and disbursements. Any funding agent which shall succeed Funding Agent shall be a person or entity possessing trust powers in the State of Alabama; and

(k) Funding Agent shall not be held liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything that it may do or refrain from doing in connection herewith. Funding Agent shall be indemnified and held harmless, jointly and severally, by Lessor and Lessee against any and all claims, costs, expenses, damages and other liabilities incurred by it hereunder, including attorneys' fees and costs, whether or not litigation is commenced, except for those resulting from its own willful misconduct or gross negligence.

The provisions of this Section 4 shall survive the termination of this Agreement.

5. Instructions to Funding Agent.

(a) Use of Deposited Funds. Deposited funds shall be used for the purpose of funding the purchase of the Equipment and services related thereto (including installing such Equipment and making the same operational), as provided in the Lease, and for such other purposes as stated herein.

(b) Investment of Deposited Funds. The Funding Agent shall invest the deposited funds, at the written instruction of Lessee, in United States Treasury Bills, or Government Agency obligations, any fund secured by United States Treasury Bills, money market funds, or other interest-bearing or non-interest bearing bank accounts (including without limitation interest-bearing or non-interest bearing bank accounts of Regions Bank), with any remainder being deposited and maintained in an interest-bearing or non-interest bearing demand account with the Funding Agent (as directed by the Lessee), until disbursement of the entire deposited funds. Earnings, if any, on the deposited funds will be added to the deposit and shall become a part thereof. Income and expenses of the deposited funds will be taxed and reported in accordance with applicable income tax laws. The Funding Agent will pay from the deposited funds tax liabilities, if any, payable by the Funding Agent relative to the deposited funds.

(c) Acceptance, Acceptance Certificate and Notices of Rejection. Lessee will inspect each Item, and either accept or reject delivery and installation. Lessee shall inform Lessor, Funding Agent, and the vendor of the rejected goods or services of Lessee's rejection of any Item, by providing a written notice of rejection to the Lessor, Funding Agent and such vendor following the delivery, installation or rendering of the rejected goods or services. Lessee's acceptance after having such right of inspection shall constitute Lessee's acknowledgement that: (i) each Item is of the size, design, capacity,

specification and manufacture selected by Lessee; (ii) Lessee is satisfied that such Item is suitable for its purpose and such Item is fit for its intended use; (iii) Lessor is neither a manufacturer of such Items nor a dealer therein; (iv) Funding Agent is neither a manufacturer of such Items nor a dealer therein; (v) Lessee waives any and all defenses which it may have against Lessor or Funding Agent arising from the Item including, but not limited to, the operation, delivery, installation or condition; and (vi) Lessee accepts said Equipment **AS IS, WHERE IS AND WITH WAIVER OF ALL WARRANTIES AS SET FORTH IN THE MASTER LEASE.**

(d) Lessee will sign a Certificate of Acceptance acknowledging acceptance of delivery and installation, and warranting that the items are being deployed in conformity with this Agreement and the Lease. Each Acceptance of Certificate shall include a description of the items being accepted, including, but not limited to, references to serial numbers, Schedule Number, and Purchase Order Number, and a statement as to whether the Acceptance Certificate includes, or does not include, all Items contained in the referenced Schedule and Purchase Order. Acceptance Certificate to accomplish the foregoing shall be completed by Lessee, using the form of Acceptance Certificate attached hereto as Exhibit B, or such other form as Lessor may subsequently provide for such purpose. Upon completion of the delivery and installation of all of the Items contained in all of the Schedules to the Lease, Lessee shall issue a Final Acceptance Certificate to Lessor and to Funding Agent, indicating such completion.

(e) **Payment of Vendors** Upon receiving Acceptance Certificate, as defined in subparagraph (d) above, Funding Agent shall pay from the available deposited funds the providers of Equipment and related services pursuant to the terms and conditions specified in the Purchase Orders, unless otherwise mutually directed in writing by Lessor and Lessee jointly. Lessee shall, to the extent and limits permitted by applicable law, indemnify and hold harmless Funding Agent and Lessor for and against any and all claims, and all costs, fees, charges, expenses, damages, interest charges, claims, losses and liabilities in connection with or arising out of payment of invoices following the receipt of Acceptance Certificates as provided herein. Funding Agent shall provide to Lessor and to Lessee copies of documentation evidencing each payment by Funding Agent.

(f) **Other Payments.** Funding Agent shall also pay from the deposited funds other fees, charges and expenses as authorized herein or as mutually directed in writing by the Lessor and Lessee jointly. Funding Agent shall provide to Lessor and to Lessee copies of documentation evidencing each payment by Funding Agent.

(g) **Statement of Account.** Funding Agent shall provide statements to Lessor and to Lessee, no less frequently than once each calendar quarter, accounting for the deposits and disbursements of deposited funds.

(h) For purposes of subparagraphs (c) through (g) above, Purchase Orders, notices of rejection, Acceptance Certificates, evidence of payments, and statements sent to Lessor shall be sent to the attention of:

ERICAL BOOKER

Regions Equipment Finance Corporation
1900 5th Avenue North, 24th Floor
Birmingham, AL 35203

or such other person as Lessor may designate in writing from time to time.

For purposes of subparagraphs (c) and (d) above, Purchase Orders, notices of rejection, and Certificates of Acceptance sent to Funding Agent shall be sent to the attention of:

David Germany, Regions Bank
1900 5th Ave N
Birmingham, AL 35203

or such other person as Funding Agent may designate in writing from time to time.

For purposes of subparagraphs (e) through (g) above, evidence of payments and statements sent to Lessee shall be sent to the attention of:

City of Vestavia Hills (Lessee)
Attn: Melvin Turner
1032 Montgomery Highway
Vestavia Hills, AL 35216

or such other person as Lessee may designate in writing from time to time.

6. Expenses and Compensation. For the services that it is to render hereunder, Funding Agent shall receive a fee in the amount of 30 basis points (.003) of the funds held, per Twelve Month Period, for all routine services, plus all out-of-pocket costs (including, but not limited to, attorneys' fees and expenses, wire transfer fees, and mailing and delivery expenses) incurred by Funding Agent in the administration of this Agreement. Funding Agent shall deduct all fees, expenses and charges incurred in the discharge of its duties from the funds deposited with Funding Agent. Fees and routine expenses shall be born by Lessee. Exceptional expenses and charges may be apportioned between the Lessor and the Lessee in any manner that Funding Agent considers equitable. Funding Agent's apportionment of expenses and charges shall be binding and conclusive upon all parties.

7. Interpleader Action Authorized. In the event of disagreement about the interpretation of this Agreement, or about the rights and obligations or the propriety of any action contemplated by the Funding Agent hereunder or upon the occurrence of the events described in Section 4(j) above, Funding Agent may, at its sole discretion, file an action in interpleader. The Lessor and Lessee shall indemnify the Funding Agent, jointly and severally, for all costs, including reasonable attorney's fees, in connection with the aforesaid interpleader action.

8. Default.

(a) In the event Lessee defaults in the performance of any of the terms of this Agreement or there is a default under the Lease, Lessor, shall, in a writing delivered to Funding Agent and Lessee, notify Funding Agent and Lessee of such default. Lessee shall have fifteen (15) days after the receipt of the aforesaid notice of default to cure same (or cause the same to be cured) and, in a writing acknowledged by Lessor and delivered to Funding Agent, notify Funding Agent of the cure of such default. If a default by Lessee hereunder is not cured by Lessee within the fifteen-day curative period specified above, Funding Agent shall deliver the deposited funds to Lessor within five (5) days after the expiration of the aforesaid fifteen-day curative period.

(b) In the event that there is a dispute between Lessor and Lessee as to the existence of a default by Lessee in the performance of any of the terms of this Agreement or the Lease, or as to whether a default by Lessee has been cured as herein provided, Funding Agent shall, in its sole discretion, exercise one of the following options:

- (1) continue to hold the deposited funds pending resolution of such dispute between Lessor and Lessee; or
- (2) commence an interpleader action and deliver the deposited funds and any other assets, if any, being held by Funding Agent into the clerk of the court and be released from all obligations and liabilities created by this Agreement with respect to the deposited funds so delivered to the court.

9. Taxes. Lessee agrees to pay for any and all taxes that may be imposed on Funding Agent, excluding federal, state and local taxes imposed on, or measured by, the net income of Funding Agent, as a result of the services provided for herein.

10. Notices. All notices required or desired to be given hereunder shall be deemed sufficient if delivered personally or by certified mail, return receipt requested, and addressed as follows:

Regions Equipment Finance Corporation
Attention: Erical Booker
Regions Equipment Finance Corporation.
1900 5th Avenue North, 24th Floor
Birmingham, AL 35202

Funding Agent
David Germany, Regions Bank
1900 5th Ave N
Birmingham, AL 35203

City of Vestavia Hills (Lessee)
Attn: Melvin Turner
1032 Montgomery Highway

Vestavia Hills, AL 35216

or to such other address as the party for which such notice is intended shall have previously indicated by notice to the other parties hereto similarly given. In addition to the foregoing, a party may give notice by electronic mail provided however such notice shall not be deemed received until the addressee confirms in writing such receipt either by electronic reply or by written response otherwise delivered in accordance with these notice procedures.

11. Attorneys' Fees. Lessee shall pay for all legal fees and out-of-pocket expenses of counsel to Lessor arising out of the execution and any subsequent modification of this Agreement. Lessor and Lessee hereby agree that in the event it should become necessary for either party to employ an attorney to enforce against the other any of its rights hereunder, then the prevailing party shall be entitled to reimbursement of all costs and expenses, including attorneys' fees, which may be reasonably incurred or paid at any time or times by it in connection therewith, including, without limitation, attorneys' fees and costs at trial court and appellate court levels.

12. Rules of Construction.

12.1 Entire Agreement. This Agreement, including all exhibits and schedules hereto as referenced herein, constitutes the entire agreement between the parties hereto pertaining to the subject matters hereof, and supersedes all negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the parties in connection with the subject matters hereof, provided, however, that nothing herein shall be deemed to affect adversely Lessor's rights, powers and privileges as provided in the Lease. Except as otherwise herein provided, no covenant, representation or condition not expressed in this Agreement, or in an amendment hereto made and executed in accordance with the provisions of subsection 12.2 of this section, shall be binding upon the parties hereto or shall affect or be effective to interpret, change or restrict the provisions of this Agreement.

12.2 Amendments. No change, modification or termination of any of the terms, provisions, or conditions of this Agreement shall be effective unless made in writing and signed or initialed by all parties hereto.

12.3 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Indiana.

12.4 Separability. If any section or provision of this Agreement or the application of such section or provision is held invalid, the remainder of the Agreement and the application of such section or provision to persons or circumstances, other than those with respect to which it is held invalid, shall not be affected thereby.

12.5 Headings and Captions. The titles or captions of sections contained in this Agreement are provided for convenience of reference only and shall not be considered a part hereof for purposes of interpreting or applying this Agreement; and, therefore, such titles or captions do not define, limit, extend, explain, or describe the scope or extent of this Agreement or any of its terms provisions, representations, warranties, conditions, etc., in any manner or way whatsoever.

12.6 Gender and Number. All pronouns and variations thereof shall be deemed to refer to the masculine, feminine or neuter and to the singular or plural as the identity of the person or entity or persons or entities may require.

12.7 Binding Effect on Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

12.8 Continuance of Agreement. The rights, responsibilities and duties of the parties hereto and the representations, warranties, covenants and agreements herein contained shall survive the Closing and the execution hereof, shall continue to bind the parties hereto, and shall continue in full force and effect until each and every obligation of the parties hereto, pursuant to this Agreement and any document or agreement incorporated herein by reference, shall have been fully performed.

12.9 Remedies. All remedies shall be cumulative and not alternative.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above-written.

Lessee: CITY OF VESTAVIA HILLS

By: _____

Title _____

STATE OF ALABAMA)

:

COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this ____ day of September, 2017 by _____ (Name), the _____ (Title) of Lessee on behalf of Lessee.

(SEAL)

Notary Public
My Commission expires:_____

Lessor: Regions Equipment Finance Corporation

By: _____

Title: _____

STATE OF ALABAMA)

:

COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this ____ day of September, 2017 by _____ the _____ of Regions Equipment Finance Corporation, a corporation, on behalf of Lessor.

(SEAL)

Notary Public
My Commission expires: _____

Regions Bank as Funding Agent

By: _____

Title: _____

STATE OF ALABAMA)

:

COUNTY OF JEFFERSON)

The foregoing instrument was acknowledged before me this ____ day of September, 2017 by _____, the _____ of Funding Agent, on behalf of Funding Agent.

(SEAL)

Notary Public
My Commission expires: _____

EXHIBIT B

FORM OF DISBURSEMENT REQUEST

Date: _____

1. The amount of the requested disbursement: _____

2. The method of disbursement:

Official Check (made payable to: _____)

Mailed to: _____

_____ Bank Account Transfer to Acct #: _____

Acct name: _____

Wire Transfer Bank Name: _____ ABA#: _____

Credit Acct Name: _____

Credit Acct #: _____

Special Instructions: _____

3. A brief description of the purpose of the payment: _____

4. The undersigned certifies as follows:

(1) Payment of the disbursement for the purpose requested will not cause the undersigned to be in violation of any of its representations, warranties or covenants under the EQUIPMENT LEASE PURCHASE AGREEMENT dated September 27, 2017 (the "Contract") including, but not limited to its covenants in the Contract.

(2) The amounts requested to be disbursed were properly incurred in connection with the acquisition of the Equipment and were not subject of any previous request for disbursement.

(3) The Equipment for which the disbursement is requested has been finally accepted by the Borrower.

5. Attached hereto are the following: Bills, receipts, invoices, or other documents evidencing the amounts and purposes for which the disbursement is requested.

City of Vestavia Hills

Regions Equipment Finance Corporation

By: _____

(Title)

By: _____

(Title)

Original Loan Amount: \$509,480.00

(Date)

Form **8038-G**

(Rev. September 2011)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name CITY OF VESTAVIA HILLS		2 Issuer's employer identification number (EIN) 63 6002218	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) 1032 MONTGOMERY HIGHWAY		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) VESTAVIA HILLS, AL 35216		Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code		7 Date of issue 9/27/2017	
8 Name of issue		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education		11	
12 Health and hospital		12	
13 Transportation		13	
14 Public safety		14	
15 Environment (including sewage bonds)		15	
16 Housing		16	
17 Utilities		17	
18 Other. Describe ►		18	
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	9/27/2022	\$ 509,480.00	\$ 0	2.66 years	1.72 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)			
22 Proceeds used for accrued interest		22	
23 Issue price of entire issue (enter amount from line 21, column (b))		23	
24 Proceeds used for bond issuance costs (including underwriters' discount)		24	
25 Proceeds used for credit enhancement		25	
26 Proceeds allocated to reasonably required reserve or replacement fund		26	
27 Proceeds used to currently refund prior issues		27	
28 Proceeds used to advance refund prior issues		28	
29 Total (add lines 24 through 28)		29	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	_____
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	_____

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 83773S

Form **8038-G** (Rev. 9-2011)

Part VI Miscellaneous

<p>35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)</p>	35		
<p>36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)</p> <p style="margin-left: 20px;">b Enter the final maturity date of the GIC ▶ _____</p> <p style="margin-left: 20px;">c Enter the name of the GIC provider ▶ _____</p>	36a		
<p>37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units</p>	37		
<p>38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:</p> <p style="margin-left: 20px;">b Enter the date of the master pool obligation ▶ _____</p> <p style="margin-left: 20px;">c Enter the EIN of the issuer of the master pool obligation ▶ _____</p> <p style="margin-left: 20px;">d Enter the name of the issuer of the master pool obligation ▶ _____</p>			
<p>39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(II) (small issuer exception), check box</p>			<input type="checkbox"/>
<p>40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box</p>			<input type="checkbox"/>
<p>41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:</p> <p style="margin-left: 20px;">b Name of hedge provider ▶ _____</p> <p style="margin-left: 20px;">c Type of hedge ▶ _____</p> <p style="margin-left: 20px;">d Term of hedge ▶ _____</p>			
<p>42 If the issuer has superintegrated the hedge, check box</p>			<input type="checkbox"/>
<p>43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box</p>			<input type="checkbox"/>
<p>44 If the issuer has established written procedures to monitor the requirements of section 148, check box</p>			<input type="checkbox"/>
<p>45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____</p> <p style="margin-left: 20px;">b Enter the date the official intent was adopted ▶ _____</p>			

Signature and Consent	<p>Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.</p>			
	<p>▶ _____ Signature of issuer's authorized representative</p>		<p>▶ _____ Date</p>	
	<p>▶ _____ Type or print name and title</p>			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶ _____		Firm's EIN ▶ _____	
	Firm's address ▶ _____		Phone no. _____	

PATRICK H. BOONE
ATTORNEY AND COUNSELOR AT LAW
NEW SOUTH FEDERAL SAVINGS BUILDING, SUITE 705
215 RICHARD ARRINGTON, JR. BOULEVARD NORTH
BIRMINGHAM, ALABAMA 35203-3720

TELEPHONE (205) 324-2018
FACSIMILE (205) 324-2295

September 18, 2017

Via Hand Delivery

Mr. Melvin Turner, III
Finance Director
Vestavia Hills Municipal Center
P. O. Box 660854
Vestavia Hills, Alabama 35266-0854

In Re: Equipment Lease-Purchase Agreement Between Regions Equipment Finance Corporation
and City of Vestavia Hills
Lease No. 001-0015470-002

Dear Mr. Turner:

On September 14, 2017, you sent to me via electronic mail a copy of proposed Equipment Lease-Purchase Agreement by and between Regions Equipment Finance Corporation (“Lessor”) and the City of Vestavia Hills, Alabama (“Lessee”) together with the following attachments:

1. Pay Proceeds Letter.
2. Exhibit A describing the equipment.
3. Exhibit C Amortization Schedule.
4. Exhibit D Additional Provisions and Modifications to Standard Terms.
5. Essential Use Letter.
6. Incumbency Certificate.
7. Resolution to be approved and adopted by the City Council.
8. Opinion of Counsel Letter.
9. Certificate of Appropriation.
10. Notice and Consent to Assignment.

September 18, 2017
 Page 2

11. Certificate with Respect To Tax Exempt Interest And Qualified Tax Exempt Obligations.
12. Funding Agreement.
13. Exhibit B Form of Disbursement Request.
14. Authorized Representatives.
15. Internal Revenue Code Form 8038-G.

You have requested that I review the Agreement and attachments (“Agreement”) and provide you with my written legal opinion. This letter legal opinion is written and submitted in accordance with your request.

I. FACTS

The City of Vestavia Hills, Alabama wishes to purchase certain equipment and has determined that the most economical and efficient means of acquiring the use of said equipment is pursuant to a Lease-Purchase Agreement. Invitations for competitive bids were sent to sixteen (16) banks and other lending institutions. A total of thirteen (13) proposals were received. The City found and determined that the lowest and best quote was submitted by Regions Bank/Regions Equipment Finance Corporation.

Regions Equipment Finance Corporation has submitted a proposed Equipment Lease-Purchase Agreement and fifteen (15) attachments (“the Agreement”) by and between Regions Equipment Finance Corporation (“Lessor”) and the City of Vestavia Hills, Alabama (“Lessee”), which will enable the City to purchase the following equipment:

<u>Quantity</u>	<u>Description</u>	<u>Serial No.</u>
50	SCBA—Self Contained Breathing Apparatus	TBD
1	SCBA—AV3000HT Facepieces	TBD
1	SCBA—4x5 x 30 Minute Cylinders	TBD
1	SCBA—Ancillary Equipment	TBD
1	Ford F-450	TBD

The Agreement provides that the Lessee shall pay to the Lessor the principal sum of \$509,480.00, together with interest at the rate of 1.72 percent (1.72%) in quarterly installments each in the amount of \$26,639.78 over a five-year period. The Lessor will assign the Agreement to Regions Bank as “Funding Agent.”

September 18, 2017
Page 3

II. MY LEGAL OPINION

It is my legal opinion that the Agreement and 15 attachments meet the requirements of Alabama law. Therefore, from a legal standpoint, I recommend the approval, execution and delivery of the Agreement and all attachments.

I do, however, want to address several issues in preparation for consideration of the Agreement by the City Council at its meeting on September 25, 2017.

III. TERM

Municipalities in Alabama may enter into a Lease-Purchase Agreement for a term of five (5) years. Title 41-16-57(f), *Code of Alabama, 1975*, provides as follows:

“(f) Contracts for the purchase of personal property or contractual services shall be let for periods not greater than three years. Contracts for the leasing of motor vehicles by local governing bodies shall be let for periods not greater than five years. Lease-purchase contracts for capital improvements and repairs to real property shall be let for periods not greater than 10 years and all other lease-purchase contracts shall be let for periods not greater than 10 years.”

IV. INDEMNIFICATION

Sections 16, 3(ii), 7 and 20 require the City, as Lessee, to indemnify Regions Equipment Finance Corporation, as “Lessor,” and Regions Bank, as “Funding Agent.” Ordinarily, I would not issue a legal opinion, orally or in writing, that the City can legally indemnify third parties. However, Title 41-16A-5(9), *Code of Alabama, 1975*, provides that a lease-purchase contract may contain terms and provisions such as:

“(9) Covenants of the governmental entity to indemnify, hold harmless, and/or defend the grantor party with respect to any or all of the transactions contemplated by the alternative financing contract and/or in connection with the subject property;”

September 18, 2017
Page 4

V. SALES TAX

Municipalities in Alabama are not legally required to pay sales taxes. Title 40-23-4(a), *Code of Alabama 1975*, reads in pertinent part as follows:

"§40-23-4. Exemptions; Certain Sales.

(a) There are exempted from the provisions of this division and from the computation of the amount of the tax levied, assessed, or payable under this division the following:

(11) The gross proceeds of sales of tangible personal property to the State of Alabama, to the counties within the state and to incorporated municipalities in the State of Alabama.

(15) The gross proceeds of the sale or sales of tangible personal property to county and city school boards, independent school boards, and all educational institutions and agencies of the State of Alabama, the counties within the state, or any incorporated municipalities of the State of Alabama."

Title 40-12-222(b), *Code of Alabama, 1975*, provides in pertinent part as follows:

“(b) Notwithstanding the above, nothing shall prohibit a lessor subject to a state or local privilege or license tax from passing such amounts on to a lessee by adding such taxes to the leasing price or otherwise, provided, however, that all such amounts passed on to the lessee shall be includable in the gross proceeds derived from the lease of tangible personal property which shall be subject to the privilege or license tax owed by the lessor.

Provided, however, the authority to pass on such amounts of the privilege or license tax granted in this subsection shall not apply to the leasing or renting of tangible personal property to the State of Alabama, a municipality, or county in the state, unless the flat amount collected by the lessor includes both the tax and the leasing fee.”

VI. OPTIONS

The Supreme Court of Alabama has held that municipalities are prohibited by law from entering into option agreements and any option entered into by a municipality is void (*City of Tuskegee v. Sharp*, 292 Ala. 14, 288 So.2d 122 (1973); and *Johnson v. City of Sylacauga*, 293 Ala. 429, 304 So.2d 586 (1974)).

September 18, 2017

Page 5

Section 17 of the Agreement gives the City a purchase option, which I simply consider to mean that the City “shall have the right to prepay the indebtedness in full and in advance of maturity” at any time. Therefore, I am not concerned about option language in the Agreement.

VII. WARRANTIES BY CITY

The Equipment Lease-Purchase Agreement requires the City to make certain warranties to the Lessor. Some of those warranties are discussed below.

A. SECTION 6(i). THE CITY IS A POLITICAL SUBDIVISION OR AGENCY OR DEPARTMENT OF A STATE. The City of Vestavia Hills, Alabama is a municipal corporation incorporated under the *Constitution* and laws of the State of Alabama. The City was incorporated as a municipality on November 8, 1950 pursuant to the authority of Chapter 2, Article 1, Title 37 of the 1940 *Code of Alabama* by virtue of Order of Incorporation rendered on November 8, 1950 by Jefferson County Probate Judge Tom Garner in Jefferson County Probate Court case number 25507. The Order of Incorporation is filed for recorded in the office of the Judge of Probate of Jefferson County, Alabama in Probate Minute Book 49 on page 183.

Municipal corporations are political subdivisions of the state, created as convenient agencies for exercising such government powers of state as may be entrusted to them. *City of Birmingham v. Norton*, 255 Ala. 262.

B. SECTION 27. THE INTEREST PORTION OF THE LEASE PAYMENTS SHALL BE EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES: Section 103 of the *Internal Revenue Code* (26 USC §103(a) and (c)), read as follows:

“§103. Interest on State and Local Bonds

(a) Exclusion.—Except as provided in subsection (b), gross income does not include interest on any State or local bond.

(c) Definitions.—For purposes of this section and part IV—

(1) State or local bond.—The term “State or local bond” means an obligation of a State or political subdivision thereof.”

C. SECTION 6: THE CITY HAS COMPLIED WITH ALL BIDDING REQUIREMENTS: The Alabama Competitive Bid Law applicable to municipalities is set forth at Title 41-16-50 (a), *Code of Alabama, 1975*, provides in pertinent parts as follows:

“(a) With the exception of contracts for public works whose competitive bidding requirements are governed exclusively by Title 39, all expenditure of funds of whatever nature for labor, services, work, or for the purchase of materials, equipment, supplies, or other personal property involving fifteen thousand dollars (\$15,000) or more, and the lease of materials, equipment, supplies,

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Page 6

or other personal property where the lessee is, or becomes legally and contractually, bound under the terms of the lease, to pay a total amount of fifteen thousand dollars (\$15,000) or more, by or on behalf of any...governing bodies of the municipalities of the state ...shall be made under contractual agreement entered into by free and open competitive bidding, on sealed bids, to the lowest responsible bidder."

The City invited competitive bids as required by the above statute.

D. SECTION 6(ii). THE ENTERING INTO AND PERFORMANCE OF THIS LEASE ARE AUTHORIZED UNDER THE LAWS AND CONSTITUTION OF ALABAMA. Municipalities in Alabama, by virtue of Title 11-40-1, *Code of Alabama, 1975*, may contract and be contracted with. The Supreme Court of Alabama has held that the City Council is authorized to enter into contracts for the City (*City of Prichard v. Moulton*, 277 Ala. 231 (1964)). The City Council must approve the contract (*Town of Boligee v. Greene County Water and Sewer Authority*, 77 So.3rd 1166 (2011)) by ordinance or resolution (*Van Antwerp, et al v. Board of Commissioners of the City of Mobile, et al*, 115 So. 239 (1928)). The contract must be in writing (Title 11-47-5, *Code of Alabama, 1975*) and signed by the Mayor (Title 11-43-83, *Code of Alabama, 1975*) and the City Manager (Title 11-43-21(7) and Title 11-43A-48, *Code of Alabama, 1975*).

E. SECTION 6(iv). THIS LEASE IS A LEGAL, VALID AND BINDING OBLIGATION ENFORCEABLE WITH ITS TERMS. Municipalities in Alabama, by virtue of Title 11-40-1, *Code of Alabama, 1975*, may sue and be sued.

F. PROPOSED RESOLUTION "QUALIFIED TAX EXEMPT OBLIGATION":

"4. The Lessee hereby designates the Lease to be a "qualified tax exempt obligation" under the provisions of Section 265(b)(3) of the Internal Revenue Code, as amended."

G. CERTIFICATE WITH RESPECT TO TAX-EXEMPT INTEREST AND QUALIFIED TAX EXEMPT OBLIGATIONS:

"8. Lessee has designated the Lease as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code, pursuant to a resolution adopted by the governing body of Lessee, on September 27, 2017.

9. In the Calendar Year, Lessee has designated **\$509,480.00** of tax-exempt obligations (including the Lessee's obligations under the Lease) as qualified tax-exempt obligations. Including the Lease, Lessee will not designate more than \$10,000,000 of obligations issued during the Calendar Year as qualified tax-exempt obligations."

September 18, 2017
Page 7

It is my understanding that the City Council will consider a resolution to approve and authorize the execution and delivery of the Agreement at its September 25, 2017 meeting. If it is approved, then in such event, I will prepare and hand deliver prior to the contemplated closing on September 27, 2017, the Opinion of Counsel Letter as required by Section 6 of the Agreement.

Please call me if you have any questions regarding any of the matters set forth in this legal opinion letter.

Sincerely,

A handwritten signature in blue ink that reads "Patrick H. Boone". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Patrick H. Boone
Vestavia Hills City Attorney

PHB:gp

cc: City Manager Jeffrey D. Downes (by hand)
City Clerk Rebecca Leavings (by hand)

ORDINANCE NUMBER 2730

AN ORDINANCE TO FURTHER AMEND THE ZONING ORDINANCE AND THE ZONING MAP OF THE CITY OF VESTAVIA HILLS, ALABAMA, ADOPTED SEPTEMBER 16, 1985, AND AS LAST AMENDED SO AS TO CHANGE THE CLASS OF DISTRICT ZONING OF PROPERTY FROM VESTAVIA HILLS INST-1 TO VESTAVIA HILLS B-2 WITH THE CONDITIONAL USE FOR OUTDOOR RECREATION

BE IT ORDAINED by the City Council of the City of Vestavia Hills, Alabama, as follows: That the Zoning Ordinance and Zoning Map of the City of Vestavia Hills, Alabama, adopted September 16, 1985, and as last amended so as to change the class of district zoning of the following described property from Vestavia Hills Inst-1 (Institutional) to Vestavia Hills B-2 (business district) with the conditional use for outdoor recreational:

2221 and 2301 Old Columbiana Road
Lots 1 & 2, Polhemus Addition to Vestavia Hills
Continental Equity Corp. and Russell Polhemus, LLC, Owner(s)

BE IT FURTHER ORDAINED that said rezoning shall be conditioned upon completion of the following conditions:

1. Drainage plans shall be designed by a Professional Engineer licensed in the State of Alabama, submitted and approved by the City Engineer;
2. Private restrictive covenants shall be filed in the Jefferson County Office of Probate and a recorded copy shall be attached to this Ordinance Number 2730 for the following:
 - a. Outdoor recreation shall be limited to the following times: Sunrise to 9:00 PM daily (ending time may be adjusted, however, no outside recreational games shall be scheduled to start after 8 PM and all lighting must be turned off within 30 minutes of the end time of any outside recreation); and
 - b. Uses on the property shall be limited to B-2 uses, however, the following uses shall be prohibited: Hotels, Animal Shelter, day care center, place of assembly, public utility facility, school (public), automotive repair (major and minor), automotive sales, bank or financial services, car wash,

convenience store, funeral home, garden center/nursery, gas station, hardware store, home improvement center, laundromat, laundry and dry cleaning establishments (retail and industrial), liquor lounge, maintenance service, produce market, restaurant (fast food), retail (general and unenclosed), retail (neighborhood), services (neighborhood), service station, veterinary hospital, storage (mini-warehouses), telecommunications facilities, and warehousing (wholesale and distribution).

APPROVED and ADOPTED this the 9th day of October, 2017.

Ashley C. Curry
Mayor

ATTESTED BY:

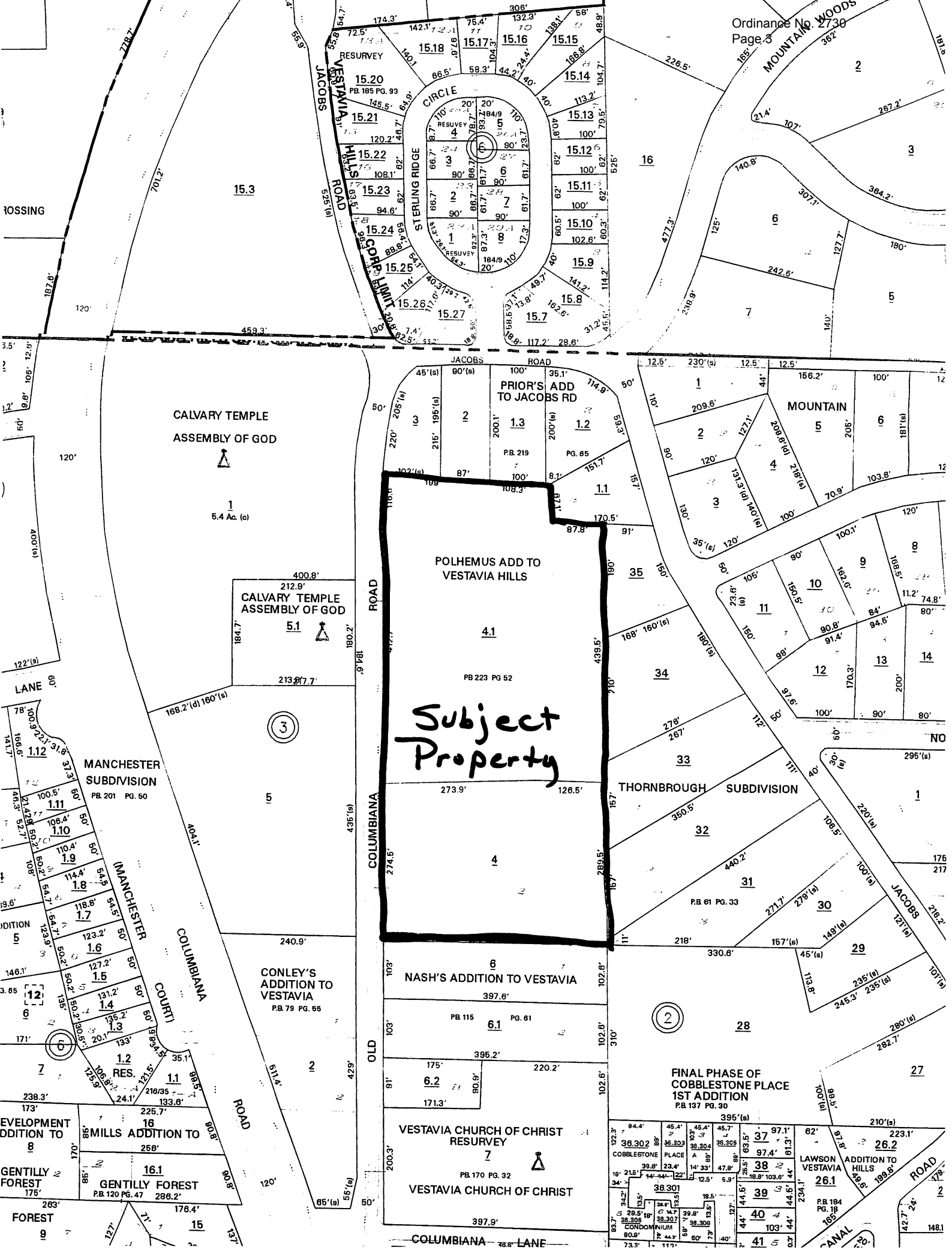
Rebecca Leavings
City Clerk

CERTIFICATION:

I, Rebecca Leavings, as City Clerk of the City of Vestavia Hills, Alabama, hereby certify that the above and foregoing copy of 1 (one) Ordinance # 2730 is a true and correct copy of such Ordinance that was duly adopted by the City Council of the City of Vestavia Hills on the 9th day of October, 2017 as same appears in the official records of said City.

Posted at Vestavia Hills City Hall, Vestavia Hills Library in the Forest, New Merkle House and Vestavia Hills Recreational Center this the _____ day of _____, 2017.

Rebecca Leavings
City Clerk



Subject Property

CALVARY TEMPLE
ASSEMBLY OF GOD

1
5.4 Ac. (c)

CALVARY TEMPLE
ASSEMBLY OF GOD

3

POLHEMUS ADD TO
VESTAVIA HILLS

4.1

PB 223 PG 52

MANCHESTER
SUBDIVISION

PB 201 PG. 50

MANCHESTER
COURT

1.2
RES.

1.1

1.4

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1.6

1.7

1.8

1.9

CONLEY'S
ADDITION TO
VESTAVIA

PB 79 PG. 55

NASH'S ADDITION TO VESTAVIA

6.1

6.2

VESTAVIA CHURCH OF CHRIST
RESURVEY

PB 170 PG. 32

VESTAVIA CHURCH OF CHRIST

FINAL PHASE OF
COBBLESTONE PLACE
1ST ADDITION

PB 137 PG. 30

LAWSON
VESTAVIA
ADDITION TO
HILLS

PB 184
PG. 18

ROSSING

LANE

ADDITION

DEVELOPMENT
ADDITION TO

GENTILLY
FOREST

FOREST

COLUMBIANA ROAD

OLD COLUMBIANA ROAD

COLUMBIANA LANE

JACOBS ROAD

JACOBS ROAD

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Ordinance No. 2730
Page 3

MOUNTAIN

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MOUNTAIN WOODS

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JACOBS ROAD

JACOBS ROAD

JACOBS ROAD

JACOBS ROAD

CITY OF VESTAVIA HILLS
SYNOPSIS AND STAFF RECOMMENDATION CONCERNING
APPLICATION BEFORE THE PLANNING AND ZONING COMMISSION

Date: AUGUST 10, 2017

- **CASE: P-0717-35**
- **REQUESTED ACTION:** Rezoning From Vestavia Hills Inst-1 to Vestavia Hills B-2 The Purpose Of A Sports Medicine & Fitness Institute With A Conditional Use For Outdoor Recreation
- **ADDRESS/LOCATION:** 2221 & 2301 Old Columbiana Rd.
- **APPLICANT/OWNER:** Continental Equity Corporation & Russell W. Polhemus
- **REPRESENTING AGENT:** Randy Brooks
- **GENERAL DISCUSSION:** Property consists of Sports Medicine & Fitness Institute and adjacent ballfields. Both properties are being sold and the proposed rezoning will bring both properties into current compliance with zoning regulations. The only change planned by the purchaser is the installation of light on the ball fields. While the ball fields are permitted under the institutional zoning the applicant has requested rezoning to bring all properties under one zone. Conditional use approval is required for outdoor recreation in a B-2 zone. A photometric plan is attached showing no light spillage on adjacent properties. As-built surveys are attached. The applicants have also included a list of permitted B-2 uses that they have agreed to have stricken.
- **VESTAVIA HILLS COMPREHENSIVE PLAN:** The request is consistent with the Comprehensive Plan for Neighborhood (recreational areas).
- **STAFF REVIEW AND RECOMMENDATION:**
 1. **City Planner Review:** I have looked at all of the relevant zoning / subdivision requirements related to this proposal, including application, notification, setbacks, area of lot development, etc. Notification has been sent to property owners pursuant to Alabama law. I have reviewed this request and find it does meet the minimum requirements of the proposed zoning.

City Planner Recommendation: Rezoning conditioned on outdoor recreation only.
 2. **City Engineer Review:** No problems noted.
 3. **City Fire Marshal Review:** No problems notes.

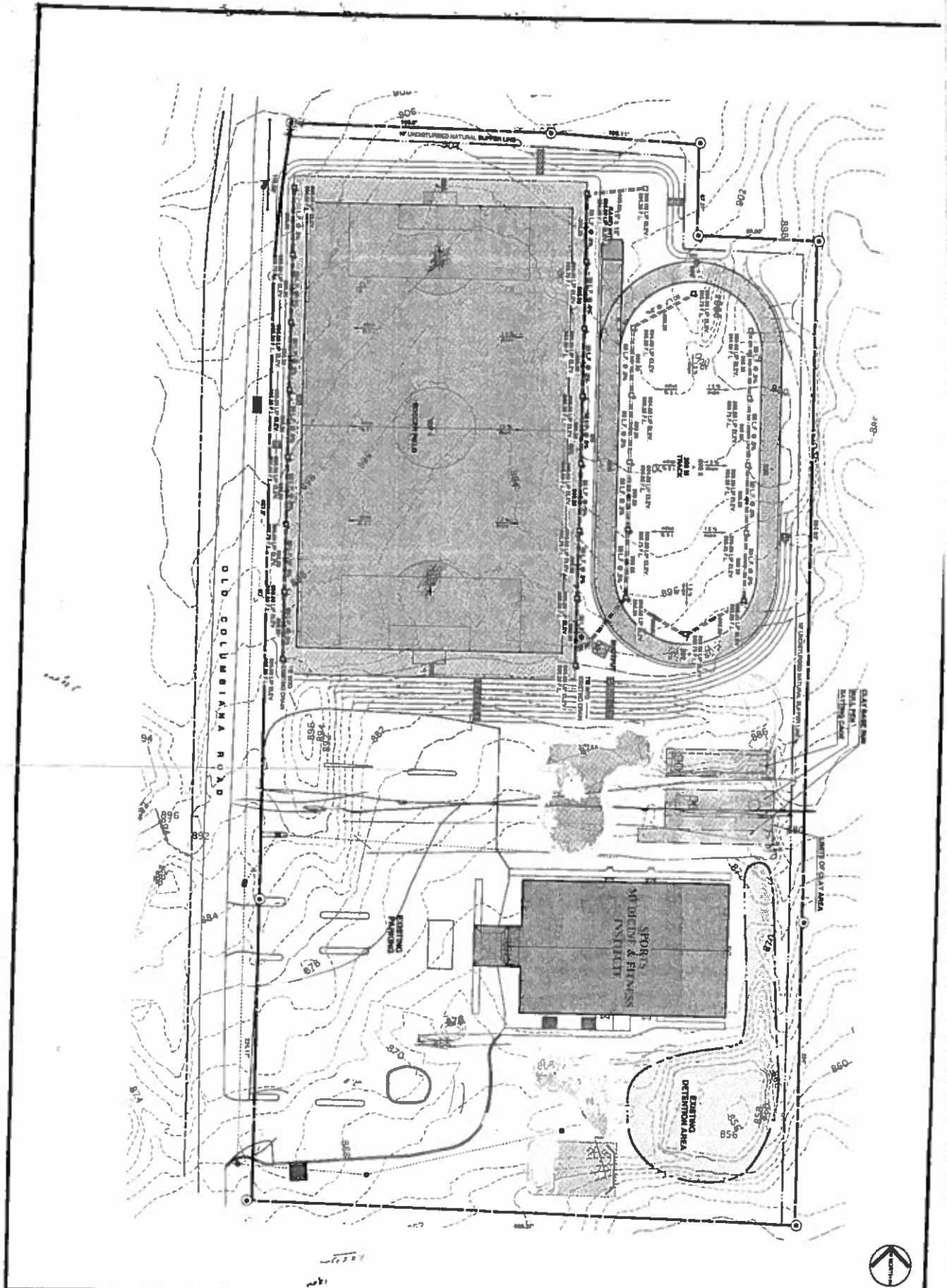
4. **Building Safety Review:** I have reviewed the application and I have no issues with this request.

MOTION Mr. Wolfe made a motion to recommend rezoning approval 2221 & 2301 Old Columbiana Rd. from Vestavia Hills Inst-1 to Vestavia Hills B-2 The Purpose Of A Sports Medicine & Fitness Institute With A Conditional Use For Outdoor Recreation with the following conditions:

- A. Drainage plans designed by a licensed Public Engineer must be submitted to City Engineer for review and approval;
- B. Planning & Zoning Commission strongly encourage City Council to consider opening and closing times;
- C. The following uses will not be permitted: Hotels, Animal Shelter, Day Care Center, Place of Assembly, Public Utility Facility, School, Public, Automotive Repair (Major & Minor), Automotive Sales, Bank of Financial Services, Car Wash, Convenience Store, Funeral Home, Garden Center/Nursery, Gas Station, Hardware Store, Home Improvement Center, Laundromat, Laundry & Dry Cleaning (Retail), Laundry (Industrial), Liquor Lounge, Maintenance Service, Produce Market, Restaurant (Fast Food), Retail (General, Unenclosed), Retail (Neighborhood), Services (Neighborhood), Service Station, Veterinary Hospital, Storage (Mini-Warehouse), Telecommunications Facilities, and Warehousing (Wholesale & Distribution).

Second was by Mr. Weaver. Motion was carried on a roll call; vote as follows:

Mr. Weaver – yes	Mr. Burrell – yes
Mr. Wolfe – yes	Mr. Brooks – yes
Mr. Gilchrist – yes	Mr. House – yes
Mrs. Cobb – yes	Mr. Larson – yes
Motion carried	



SHEET TITLE:	
GRADING & DRAINAGE PLAN	
PROJECT:	2 OF 2
DATE:	C. 10/17/17

SPORTS MEDICINE & FITNESS INSTITUTE, INC.
 for men and women
 VESTAVIA, ALABAMA

HOLLANDER
 SURE ON
 DESIGN
 3115 PARKERS
 LANE
 HOUSTON, TX 77057
 281-410-1111
 www.hollanderdesign.com

STATE OF ALABAMA
 PROFESSIONAL ENGINEER
 No. 10000
 C. 10/17/17



Hide imagery >>



Light-Structure Green™ Lighting System

For your
BUDGET,
for the
ENVIRONMENT.

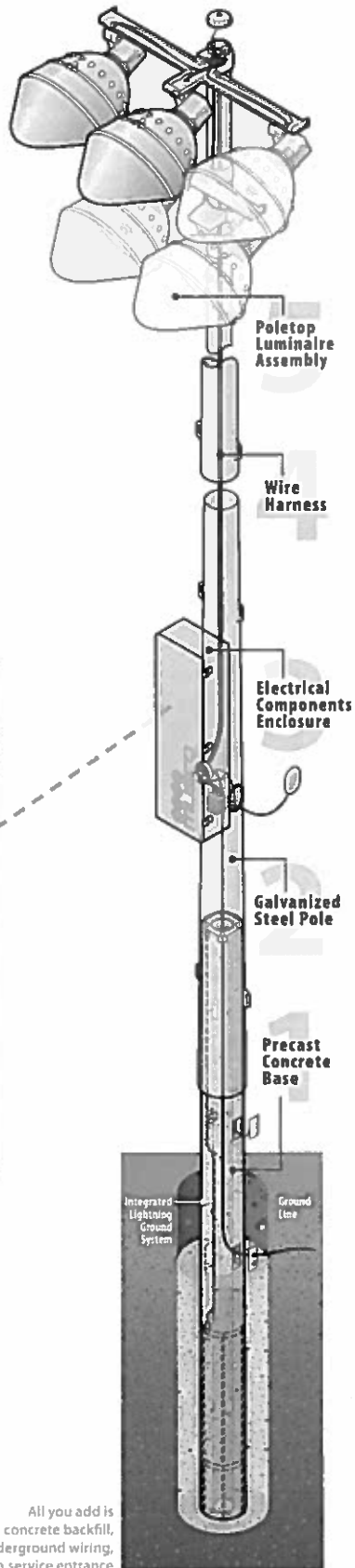
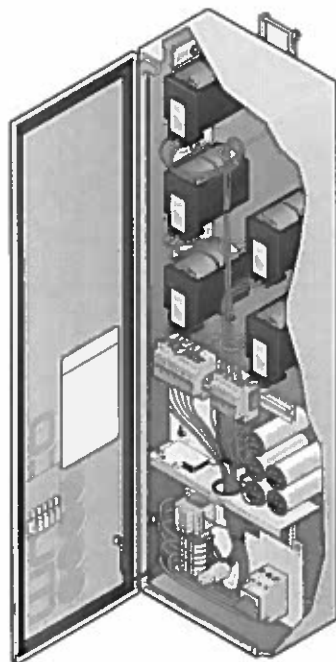
5 Easy Pieces™
Complete System from
Foundation to Poletop

Factory wired, aimed, and tested

Fast, trouble-free installation

Comprehensive corrosion package

Integrated lightning ground system



Leading Technology

Cuts operating costs in half

Reduces spill light by 50%

Includes 100% of maintenance costs
for 25 years

Provides constant light levels

Includes system monitoring and
remote on/off control services with
24/7 support

All you add is
concrete backfill,
underground wiring,
and a service entrance

Budget Estimate

**Vestavia Hills Soccer & Practice Football Field
May 26, 2017
To: Randy Brooks**

Budget Estimate – Materials and Installation

Musco's Light-Structure Green Metal Halide Lighting System as described below, and delivered to the job site will cost between:

A. Soccer Field\$93,500----\$99,800

Does not include any taxes and is based on May 2017 pricing

Equipment Description

Light-Structure Green System in 5 Easy Pieces™ – complete from foundation to poletop

- Pre-cast concrete bases with integrated grounding
- Galvanized steel poles
- Remote electrical component enclosures
- Pole length wire harnesses
- Factory-aimed and assembled luminaries

Also Includes:

- Energy and maintenance savings of more than 50% over a typical HID lighting system
- Reduction of spill light and glare by 50% or more
- An unmatched warranty for 10 years on materials and two years on lamps.
- Lighting Contactor Cabinet sized for site voltage and phasing
- Guaranteed Light levels of 20 FC

Notes

Estimates based on:

- Requires confirmation of field dimensions and pole locations prior to providing quote
- Field dimensions based on Soccer Field 300'x150', Practice Football Field 300'x160'
- Based upon projects similar in scope, and is intended for preliminary planning purposes only
- Owner is responsible for getting electrical power to the site, coordination with the utility, and any power company fees
- Assumes standard soil conditions – rock, bottomless, wet or unsuitable soil may require additional engineering, special installation methods and additional cost
- Assumes building code and wind speed – 2009 IBC, 90 MPH

Thank you for considering Musco for your sports-lighting needs. Please contact us with any questions.

Jimmy Jumper

Sales Representative
Musco Sports Lighting, LLC
Phone: 256-383-8573
Email: jimmy.jumper@musco.com



Recommended Practice for Sports and Recreational Area Lighting

1.0 INTRODUCTION

1.1 Purpose and Scope

As the population of North America has grown and prospered, the amount of leisure time devoted to recreation has increased. An important consequence has been growth in the demand for lighted stadiums to accommodate the large numbers of people who want to participate in sporting events. From the 1980s and continuing through the 1990s, light source efficacies have improved. This has allowed for improved lighting quantity and quality without additional electrical energy consumption. Lighted ball fields and other sports facilities are now quite common, and new construction continues. Sports lighting has become a very significant industry that serves a large, growing audience seeking desirable leisure time activities that are healthy and fun.

The use of computers helps experienced lighting designers improve their designs. A computer will *not* help the inexperienced designer produce better designs, nor will it suggest modifications to improper designs. Therefore, lighting designers need a thorough understanding of illuminating engineering principles and the associated calculation software.

The purpose of this Recommended Practice is to provide design criteria for new lighting systems and for the evaluation of existing installations. This Practice includes illuminance recommendations for major sports, such as baseball, tennis, basketball, and football as well as for recreational and social activities such as horseshoe pitching and croquet. Recommendations are also given for lighting general purpose facilities and multi-sport stadiums. This Practice revises and replaces the previous edition last published in 1988.¹

This Practice consists of several major sections. They include: fundamentals of good illumination, equipment and design factors, power and wiring, illumination recommendations for indoor and outdoor sports, and five Annexes. The Annexes cover illuminance calculations, field measurements, floodlight aiming, maintenance of light levels, and lighting economics. There is also an extensive glossary of lighting terms and a reference list that pertains to sports lighting design.

1.2 Class of Play and Facilities

The traditional way of classifying sports as amateur and professional is no longer meaningful. Modern practices frequently allow amateurs and professionals to compete

against each other, such as in golf tournaments and tennis matches. Furthermore, "amateur" basketball and football are now played in the same facilities and at practically the same skill level as professional sports.

In general, as the skill level is elevated, players and spectators require a better and more sophisticated luminous environment. A correlation exists between the size of a facility and the level of play, e.g., a higher skill level attracts a greater number of spectators. As the number of spectators increases their distance from the playing surface increases and their need for increased illuminance to see players and tasks requires the values to increase. Accordingly, facilities should be designed to satisfy the most talented players and accommodate the greatest potential spectator capacity. In large facilities which seat over 10,000 spectators the lighting criteria is usually governed by the needs of television, which will be covered by a future Design Guide. To determine illumination criteria, this Practice groups facilities into four classes based on the skill levels of the players and the anticipated number of spectators (see Table 1):

- *Class I* - Competition play before a large group (5000 or more spectators). However, for the purpose of this Practice, illumination criteria for individual sports are limited to a spectator capacity of 10,000 or less (see Figure 1). Lighting criteria for major stadiums and arenas require special design considerations such as vertical and horizontal illuminance values not covered by this Practice, which may be defined by individual sports and/or broadcasting organizations.
- *Class II* - Competition play with facilities for up to 5000 spectators (see Figure 2 in color insert).
- *Class III* - Competition play with some spectator facilities.
- *Class IV* - Competition or recreational play only (no provision for spectators).

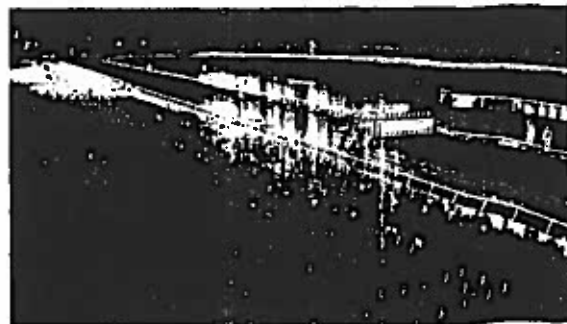


Figure 1. This racetrack is lit by clustered banks on individual structural towers to provide the lighting needs of both contestants and a large number of spectators.

Table 7: Summary of Outdoor Illuminance Levels (continued)

SPORT	Lighted Area	Class of Play	Horizontal		Vertical		Uniformity		Section
			Lux	fc	Lux	fc	CV	Max:/Min	
Lacrosse		II	500	50			0.21 or Less	2.5:1 or Less	6.18
		III	300	30			0.25 or Less	3:1 or Less	
		IV	200	20			0.3 or Less	4:1 or Less	
Motor Racing	Track	II	300	30			0.21 or Less	2.5:1 or Less	6.19
	Finish Line		750	75					
	Track	III	200	20			0.25 or Less	3:1 or Less	
Finish Line	500		50						
Platform Tennis		II	500	50			0.17 or Less	2:1 or Less	6.20
		III	300	30					
		IV	200	20					
Rifle/Pistol Ranges	Shooting Line	III	100	10	500	50	0.17 or Less	2:1 or Less	6.21
	Target								
Rodeo And Animal Shows		II	500	50			0.21 or Less	2.5:1 or Less	6.22
		III	300	30			0.25 or Less	3:1 or Less	
Skeet And Trap Shooting	Shooting Line	III	100	10	300	30	0.21 or Less	2.5:1 or Less	6.23
	Target @ 18.3m (60')								
	Target @ 30.5m (100')								
	Shooting Line	IV	100	10	400	40	0.25 or Less	3:1 or Less	
	Target @ 18.3m (60')								
Target @ 30.5m (100')									
Skating			5	0.5	2	0.2	No Criteria	6.24	
Soccer		I	750	75			0.13 or less	1.7:1 or less	6.25
		II	500	50			0.21 or Less	2.5:1 or Less	
		III	300	30			0.25 or Less	3:1 or Less	
		IV	200	20			0.3 or Less	4:1 or Less	
Softball								6.26	
Swimming (Water Sports)	Luminances of the Pool Surface (Candelas per Square Meter)	II	25				0.21 or Less	2.5:1 or Less	6.27
		III	15				0.25 or Less	3:1 or Less	
		IV	15				0.3 or Less	4:1 or Less	
	Illuminances on Pool Deck	II	500	50			0.21 or Less	2.5:1 or Less	
		III	300	30			0.25 or Less	3:1 or Less	
		IV	300	30			0.3 or Less	4:1 or Less	
Tennis		I	1250	125			0.13 or Less	1.7:1 or Less	6.28
		II	750	75			0.21 or Less	2.5:1 or Less	
		III	500	50			0.25 or Less	3:1 or Less	
		IV	300	30			0.3 or Less	4:1 or Less	
Track & Field		II	500	50			0.21 or Less	2.5:1 or Less	6.29
		III	300	30			0.25 or Less	3:1 or Less	
		IV	200	20			0.3 or Less	4:1 or Less	
Volleyball		III	300	30			0.25 or Less	3:1 or Less	6.30
		IV	200	20			0.3 or Less	4:1 or Less	
Specialty Sports									
Badminton			100	10			0.25 or Less	3:1 or Less	6.31
Bowling Green			50	5			0.25 or Less	3:1 or Less	6.31
Miniature Golf			100	10			0.25 or Less	3:1 or Less	6.31
Horseshoes (General Area)			50	5			0.3 or Less	4:1 or Less	6.31
Night Fishing (At Dock)			100	10			0.3 or Less	4:1 or Less	6.31
Quoits (General Area)			50	5			0.3 or Less	4:1 or Less	6.31
Shuffle Board (General Area)			50	5			0.25 or Less	3:1 or Less	6.31
Skating Pond (General Area)			10	1			0.3 or Less	4:1 or Less	6.31
Washer Pitching			50	5			0.3 or Less	4:1 or Less	6.31

* = Readings Taken at Grade. All other readings taken at 1 Meter (3')

Table 7: Summary of Outdoor Illuminance Levels

Outdoor Applications									
SPORT	Lighted Area	Class of Play	Horizontal		Vertical		Uniformity		Section
			Lux	fc	Lux	fc	CV	Max./Min	
Archery	Shooting Line	III	100	10			0.21 or Less	2.5:1 or Less	6.4
	Target @ 30.4m (100')				300	30			
	Target @ 91.4m (300')			500	50				
	Shooting Line	IV	100	10			0.23 or Less	3:1 or Less	
Target @ 30.4m (100')				200	20				
	Target @ 91.4m (300')			300	30				
Baseball & Softball	Infield	I	1500	150			0.07 or Less	1.2:1 or Less	6.5
	Outfield		1000	100					
	Infield	II	1000	100			0.10 or Less	1.6:1 or Less	
	Outfield		700	70					
	Infield	III	500	50			0.17 or Less	2:1 or Less	
	Outfield		300	30					
Infield	IV	300	30			0.21 or Less	2.5:1 or Less		
Outfield		200	20					0.25 or Less	3:1 or Less
Basketball		III	300	30			0.25 or Less		
		IV	200	20			0.3 or Less	4:1 or Less	
Bicycle Racing	Track*	III	300	30			0.25 or Less	3:1 or Less	6.7
	Final 100' & Finish*		500	50					
	Track*	IV	200	20			0.3 or Less	4:1 or Less	
	Final 100' & Finish*		300	30					
Dog Racing*			300	30			0.25 or Less	3:1 or Less	6.8
Drag Racing	Area 1*	I	200	20			0.21 or Less	2.5:1 or Less	6.9
	Area 2*		300	30			0.13 or Less	1.7:1 or Less	
	Area 3A*		250	25			0.13 or Less	1.7:1 or Less	
	Area 3B*		200	20			0.21 or Less	2.5:1 or Less	
	Area 4*		100	10			0.25 or Less	3:1 or Less	
	Area 1*	II	100	10			0.25 or Less	3:1 or Less	
	Area 2*		200	20			0.21 or Less	2.5:1 or Less	
	Area 3A*		150	15			0.25 or Less	3:1 or Less	
	Area 3B*		100	10					
	Area 4*		50	5					
Field Hockey		II	500	50			0.21 or Less	2.5:1 or Less	6.10
		III	300	30			0.25 or Less	3:1 or Less	
		IV	200	20			0.3 or Less	4:1 or Less	
Football		I	1000	100			0.13 or Less	1.7:1 or Less	6.11
		II	500	50			0.21 or Less	2.5:1 or Less	
		III	300	30			0.25 or Less	3:1 or Less	
		IV	200	20			0.3 or Less	4:1 or Less	
Golf Course	Tee Boxes*		50	5			0.25 or Less	3:1 or Less	6.12
	Fairways*		30	3			0.35 or Less	5.7:1 or Less	
	Greens*		50	5			0.25 or Less	3:1 or Less	
Golf: Driving Ranges	Tee Boxes*		200	20			0.25 or Less	3:1 or Less	6.13
	At 183m (600')				100	10	0.25 or Less	3:1 or Less	
Handball, Racquetball and Squash		III	300	30			0.25 or Less	3:1 or Less	6.14
		IV	200	20			0.3 or Less	4:1 or Less	
Horse Racing	Track		500	50			0.25 or Less	3:1 or Less	6.15
	Home Stretch		1000	100			0.13 or Less	1.7:1 or Less	
	Finish Line				700	70			
Ice/Roller Hockey*		II	500	50			0.21 or Less	2.5:1 or Less	6.16
		III	300	30			0.25 or Less	3:1 or Less	
		IV	200	20			0.3 or Less	4:1 or Less	
Ice Skating (Speed*)		III	300	30			0.25 or Less	3:1 or Less	6.17
		IV	200	20			0.3 or Less	4:1 or Less	



MY PROJECT

Name: Denning Park Soccer
Location: Englewood, NJ

GRID SUMMARY

Name: Soccer
Size: 300' x 165'
Spacing: 20.0' x 20.0'
Height: 3.0' above grade

CONSTANT ILLUMINATION

SUMMARY HORIZONTAL FOOTCANDLES

Guaranteed Average: 30
Entire Grid

Scan Average: 35.51

Maximum: 49

Minimum: 26

Avg / Min: 1.38

Guaranteed Max / Min: 3

Max / Min: 1.91

UG (adjacent pts): 1.46

CU: 0.60

CV: 0.18

No. of Points: 135

LUMINAIRE INFORMATION

Luminaire Type: Green Generation

Design Usage Hours: 5,000 hours

Design Lumens: 134,000

Avg Lamp Tilt Factor: 1.000

No. of Luminaires: 24

Avg KW: 37.54 (40.8 max)

Guaranteed Performance: The Guaranteed Average CONSTANT ILLUMINATION described above is guaranteed for the design usage hours of the system.

Field Measurements: Illumination measured in accordance with IESNA LM-5-04 and CIBSE LG4. Individual values may vary. See the Warranty document for details.

Electrical System Requirements: Refer to Amperage Draw Chart and/or the "Musco Control System Summary" for electrical sizing.

Installation Requirements: Results assume +/- 3% nominal voltage at line side of the ballast and structures located within 3 feet (1m) of design locations.

ENGINEERED DESIGN

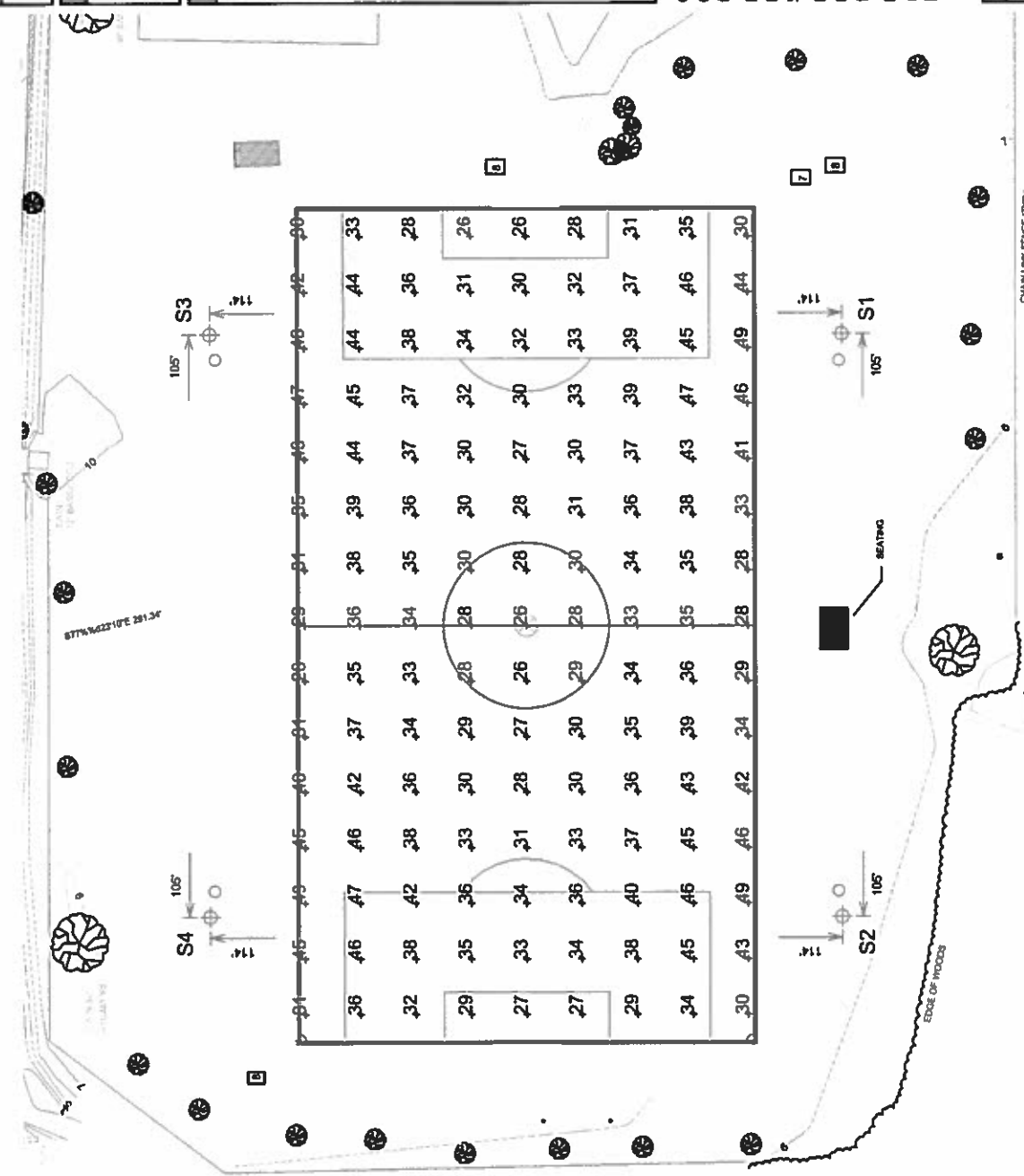
By: Ben Drost
File # / Date: 174006b-p 24-Jul-15

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ILLUMINATION SUMMARY

EQUIPMENT LIST FOR AREAS SHOWN

QTY	LOCATION	SIZE	GRADE ELEVATION	Luminaires		OTHER
				MAINTENANCE HEIGHT	POLE	
4	S1-S4	60'		1500W MZ	6	0
4	TOTALS				24	0



Pole location(s) + dimensions are relative to 0,0 reference point(s)

SCALE IN FEET 1 : 60





EQUIPMENT LIST FOR AREAS SHOWN

QTY	LOCATION	SIZE	GRADE ELEVATION	MOUNTING HEIGHT	Luminaires			
					TYPE	WATTAGE	OTHER	
4	S1-S4	60"		60'	1500W MZ			
4								
TOTALS					24	24	24	0

MY PROJECT
 Name: Denning Park Soccer
 Location: Englewood, NJ

GRID SUMMARY
 Name: Spill@150'
 Spacing: 30.0'
 Height: 3.0' above grade

CONSTANT ILLUMINATION SUMMARY
 HORIZONTAL FOOTCANDLES
 Entire Grid
 Scan Average: 0.0496
 Maximum: 0.07
 Minimum: 0.02
 No. of Points: 63

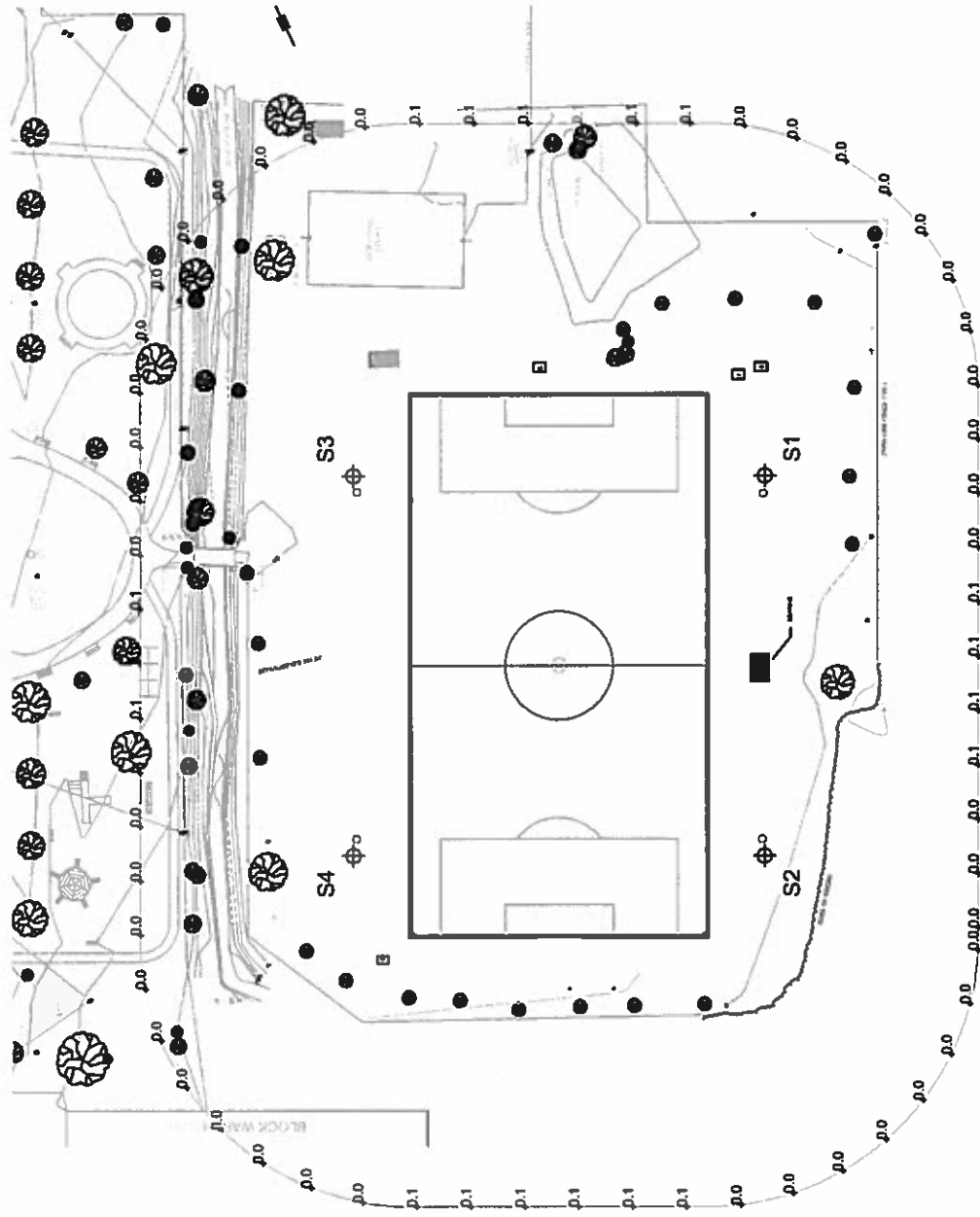
LUMINAIRE INFORMATION
 Luminaire Type: Green Generation
 Design Usage Hours: 5,000 hours
 Design Lumens: 134,000
 Avg Lamp Tilt Factor: 1.000
 No. of Luminaires: 24
 Avg KW: 37.54 (40.8 max)

Guaranteed Performance: The CONSTANT ILLUMINATION described above is guaranteed for the design usage hours of the system.

Field Measurements: Illumination measured in accordance with IESNA LM-5-04 and CIBSE LG4. Individual values may vary. See the Warranty document for details.

Electrical System Requirements: Refer to Amperage Draw Chart and/or the "Musco Control System Summary" for electrical sizing.

Installation Requirements: Results assume +/- 3% nominal voltage at line side of the ballast and structures located within 3 feet (1m) of design locations.



SCALE IN FEET 1 : 100

Pole location(s) ⊕ dimensions are relative to 0,0 reference point(s) ⊗

ENGINEERED DESIGN
 By: Ben Drost
 File # / Date: 174006b-p 24-Jul-15

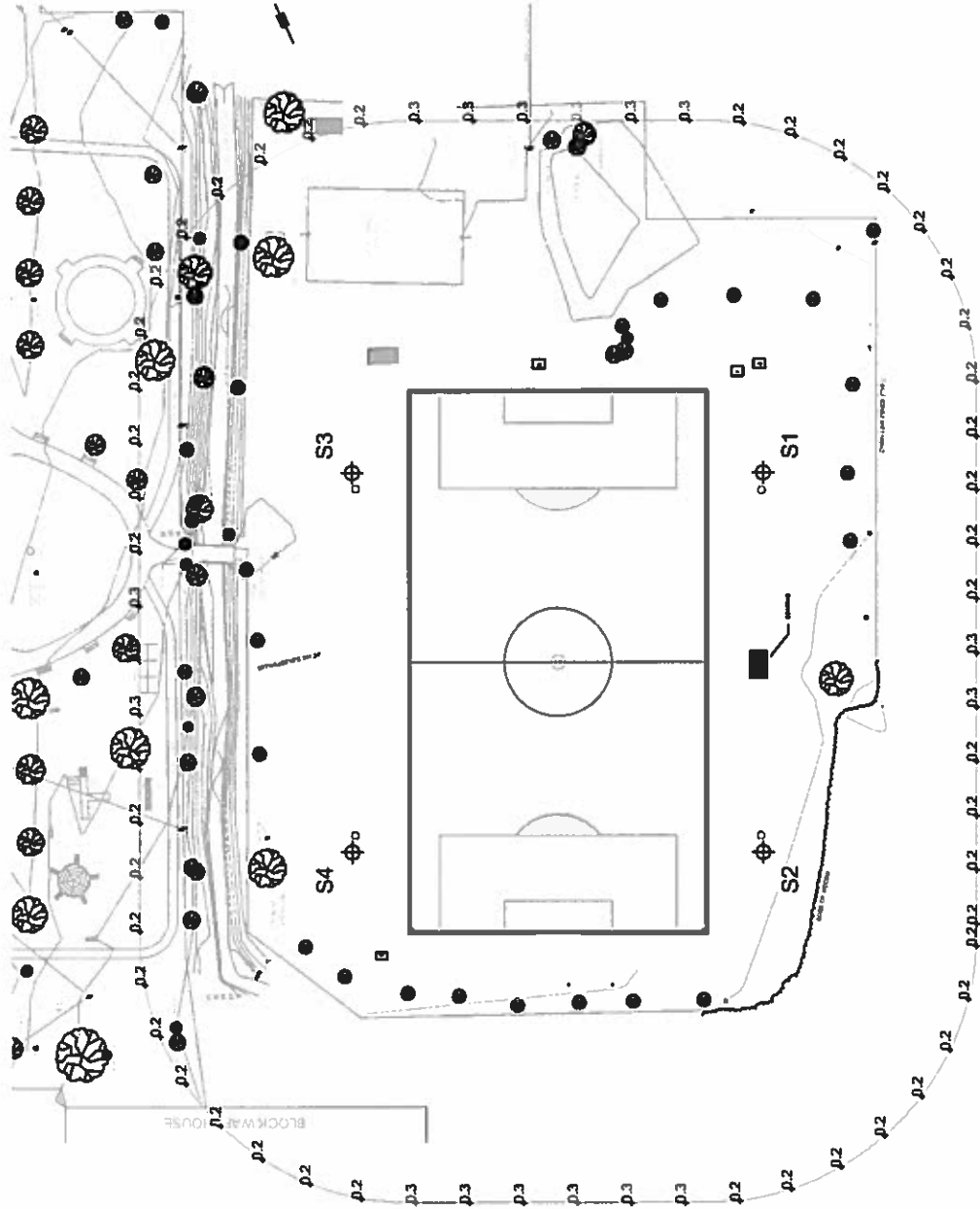
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ILLUMINATION SUMMARY



EQUIPMENT LIST FOR AREAS SHOWN

Pole		Luminaires						
QTY	LOCATION	SIZE	GRADE ELEVATION	MOUNTING HEIGHT	LAMP TYPE	GRID	THIS GRID	OTHER GRIDS
4	S1-S4	60'	-	60'	1500W MZ	6	6	0
4	TOTALS							
						24	24	0



SCALE IN FEET 1 : 100



Pole location(s) ↗ dimensions are relative to 0,0 reference point(s) ⊗

MY PROJECT	
Name:	Denning Park Soccer
Location:	Englewood, NJ
GRID SUMMARY	
Name:	Spill@150'
Spacing:	30.0'
Height:	3.0' above grade
CONSTANT ILLUMINATION SUMMARY	
MAX VERTICAL FOOTCANDLES	
Scan Average:	0.2225
Maximum:	0.31
Minimum:	0.16
No. of Points:	63
LUMINAIRE INFORMATION	
Luminaire Type:	Green Generation
Design Usage Hours:	5,000 hours
Design Lumens:	134,000
Avg Lamp Tilt Factor:	1.000
No. of Luminaires:	24
Avg KW:	37.54 (40.8 max)

Guaranteed Performance: The CONSTANT ILLUMINATION described above is guaranteed for the design usage hours of the system.

Field Measurements: Illumination measured in accordance with IESNA LM-5-04 and CIBSE LG4. Individual values may vary. See the Warranty document for details.

Electrical System Requirements: Refer to Amperage Draw Chart and/or the "Musco Control System Summary" for electrical sizing.

Installation Requirements: Results assume +/- 3% nominal voltage at line side of the ballast and structures located within 3 feet (1m) of design locations.

ENGINEERED DESIGN

By: Ben Drost
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ILLUMINATION SUMMARY



MY PROJECT
 Name: Denning Park Soccer
 Location: Englewood, NJ

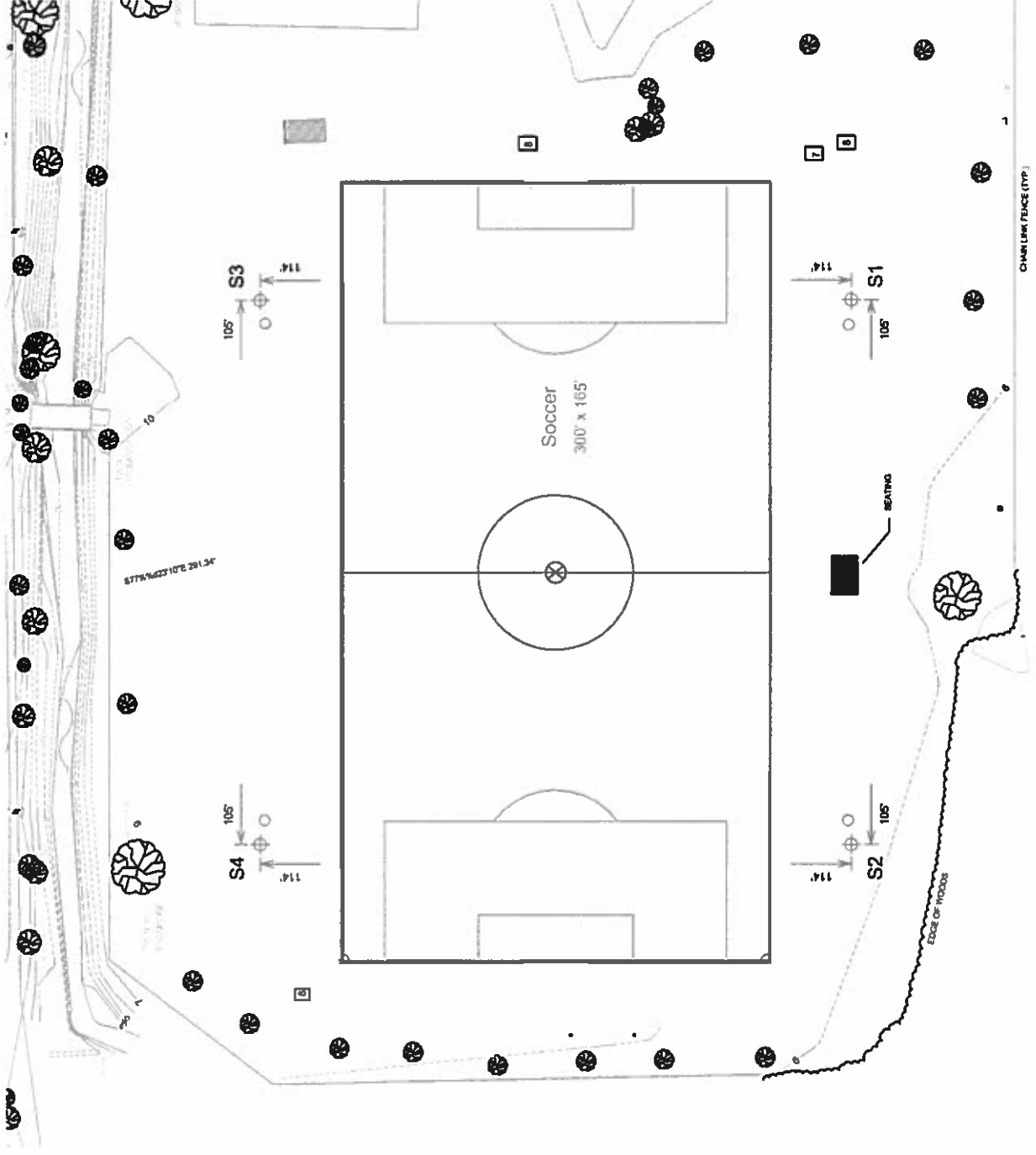
EQUIPMENT LAYOUT
INCLUDES:
 - Soccer
 Electrical System Requirements: Refer to Amperage Draw Chart and/or the "Musco Control System Summary" for electrical sizing.
 Installation Requirements: Results assume +/- 3% nominal voltage at line side of the ballast and structures located within 3 feet (1m) of design locations.

EQUIPMENT LIST FOR AREAS SHOWN

QTY	LOCATION	SIZE	GRADE ELEVATION	MOUNTING HEIGHT	Luminaires		
					LAMP TYPE	POLE	
4	S1-S4	60"	-	60'	1500W MZ	6	
4	TOTALS						24

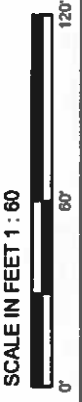
SINGLE LUMINAIRE AMPERAGE DRAW CHART
 Line Amperage Per Luminaire (Line shown)

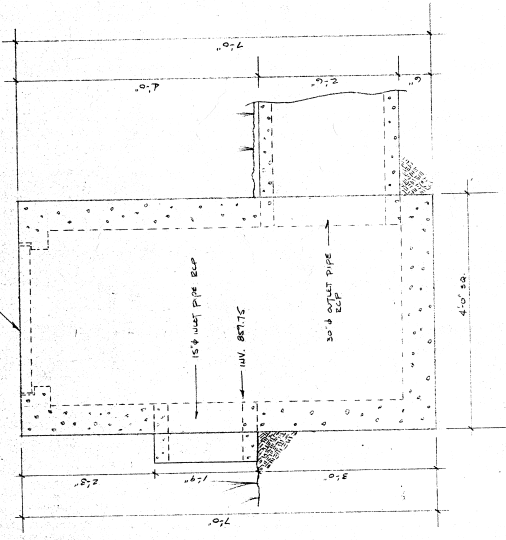
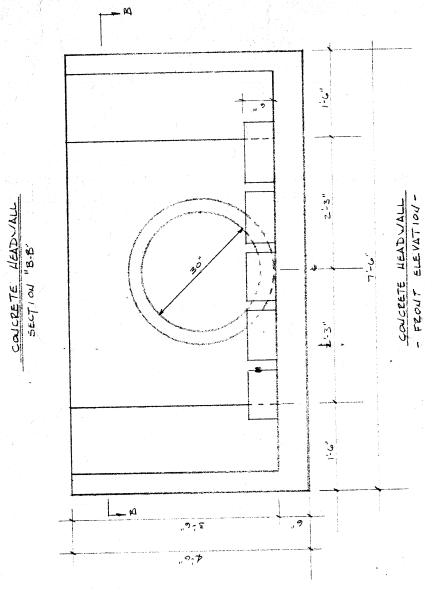
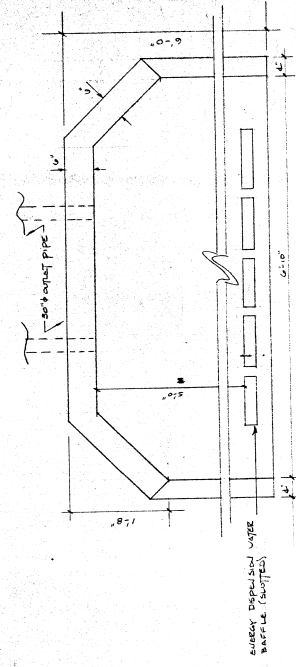
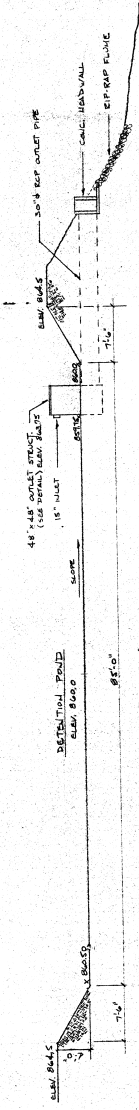
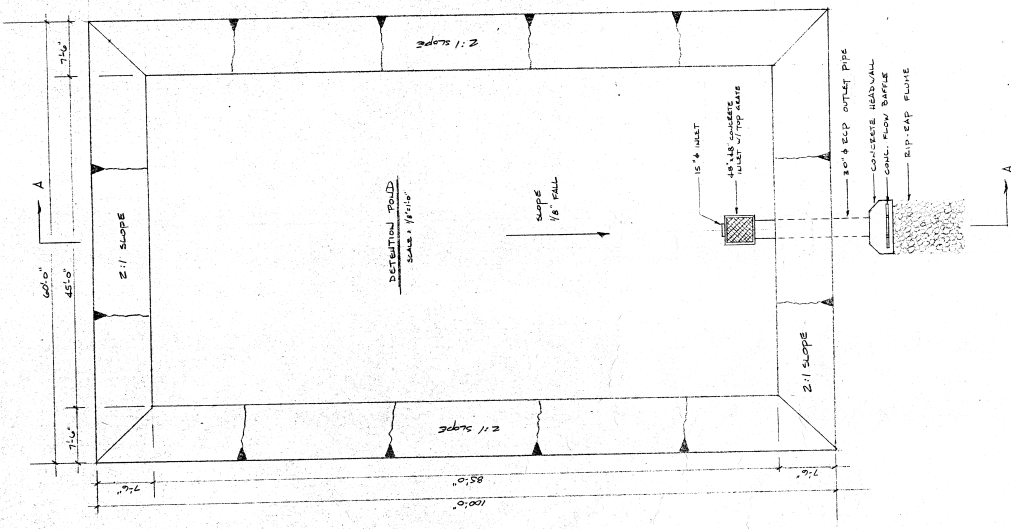
Ballast Specifications (All made per our factory)	208 (60)	220 (60)	240 (60)	277 (60)	347 (60)	380 (60)	480 (60)
Single Phase Voltage	8.6	8.3	7.5	6.5	5.1	4.7	3.7
1500 watt MZ							



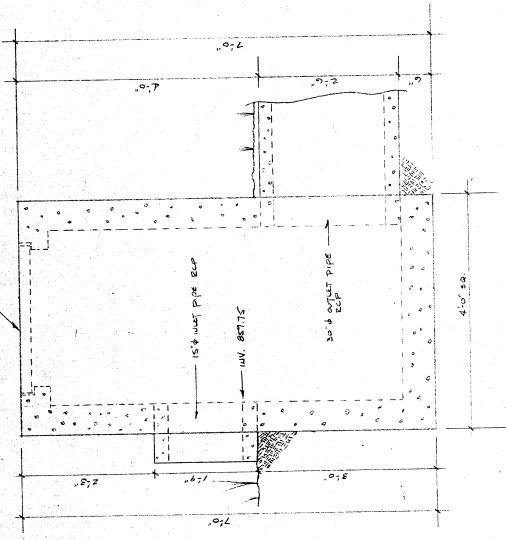
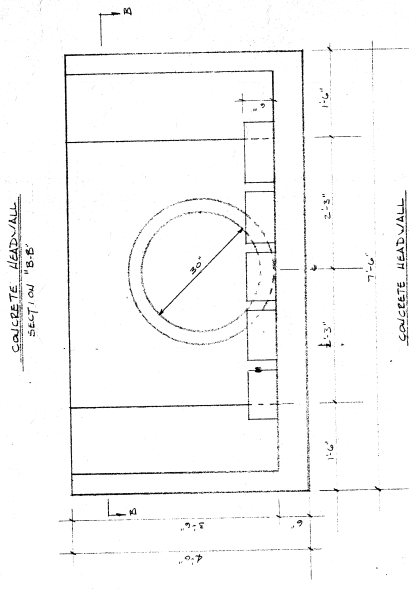
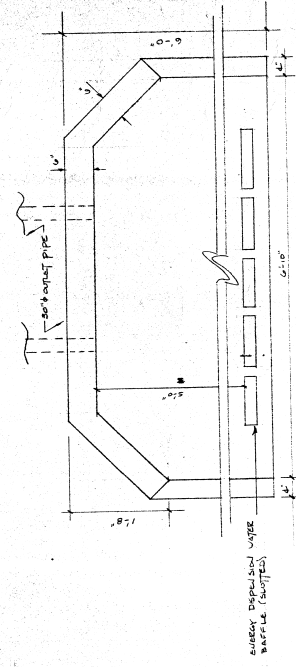
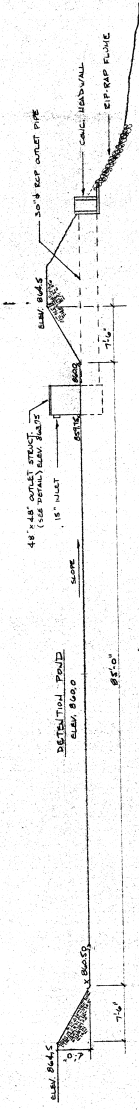
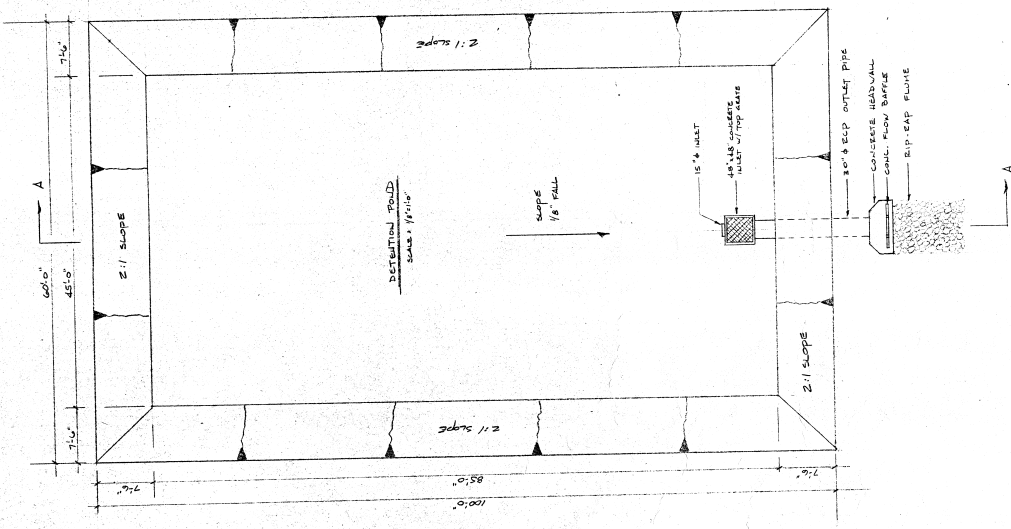
ENGINEERED DESIGN
 By: Ben Drost
 File # / Date: 174006b-p 24-Jul-15

Pole location(s) + dimensions are relative to 0,0 reference point(s)

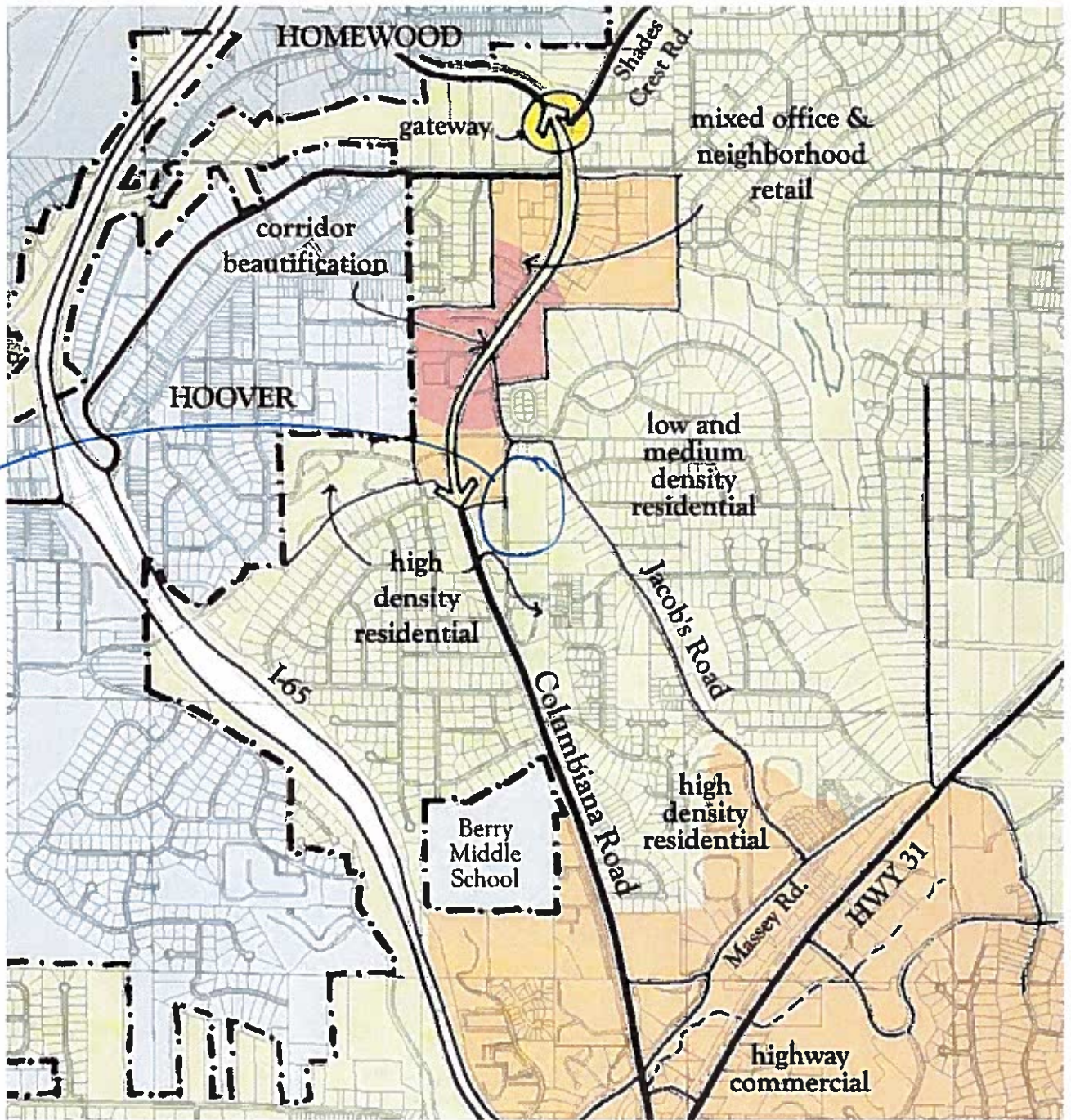




OVER THE MOUNTAIN COMMUNITY COUNCIL	
DATE: 1-15-13	APPROVED BY:
OLD COLUMBIANA ED. YESTERNA HILLS AL	
DETENTION POND - DETAILS	
PROJECT NO.:	93-01-0418



OVER THE MOUNTAIN COMMUNITY COUNCIL	
DATE: 1-15-13	APPROVED BY:
OLD COLUMBIANA ED. YESTERNA HILLS AL	
DETENTION POND - DETAILS	
93-01-0418	



Subject Parcel

Figure 20: Columbiana Road
Land Use Analysis

<ul style="list-style-type: none"> Neighborhood - primarily low / medium density single-family residential areas with higher densities near village center(s). Other uses may include schools, places of worship, recreational areas, and open space. Village Center - mixed use centers with highest densities in core areas. Mix of uses should include retail and service businesses, professional offices, high density residential areas, institutions, recreation areas, and public spaces. Commercial Core - primarily high density, retail and service business areas with professional offices and multi-family residences on upper floors or on periphery. Other uses may include institutions and public space. Gateways and Nodes - Gateways are entryways into the community or village enhanced with consistent signage, landscaping, and other elements. Nodes are sites, such as transit stops, where public spaces, signage, and other public design elements should be considered. 	<ul style="list-style-type: none"> Professional Offices - primarily professional office uses. Density should vary according to surroundings. Other uses may include retail and services (supporting offices and employees), places of worship, public spaces, and open space. Recreation and Open Space - public and private recreation facilities and preserved natural spaces. Recreation facilities may be active, passive or combined. Open spaces are areas preserved in a natural state and may include passive recreational uses. Trailheads - Trailheads are public sites along a trail, where hike racks, seating, parking, and public amenities are provided for trail users. Schools - School facilities administered by the Vestavia Hills School System.
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