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Pgs. 19  
Filed: 01-09-18

Sponsored by: Ollis

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

COUNCIL BILL 2018-013

SPECIAL ORDINANCE \_\_\_\_\_

AN ORDINANCE

1 AUTHORIZING the City of Springfield, Missouri, to enter into Schedule of Equipment  
2 No. 7, which will become a part of its existing Master Equipment Lease  
3 Purchase Agreement, the proceeds of which will be used to pay the  
4 costs of acquiring equipment for the City, to do all things necessary to  
5 carry out the lease-purchase transaction, including the execution of  
6 certain documents in connection therewith; and amending the budget  
7 of the City for Fiscal Year 2017-2018 in an amount not to exceed  
8 \$593,000.  
9 \_\_\_\_\_

10  
11 WHEREAS, as authorized by Special Ordinance 26455, the City, as lessee,  
12 previously entered into a Master Equipment Lease Purchase Agreement dated as of  
13 October 17, 2014 (the "Master Lease"), with U.S. Bancorp Governing Leasing and  
14 Finance, Inc., as lessor (the "Lessor"), pursuant to which the City will from time to time  
15 lease certain equipment on a tax-exempt basis from the Lessor pursuant to schedules  
16 of equipment thereto, on a year-to-year basis with an option to purchase the Lessor's  
17 interest in such equipment; and  
18

19 WHEREAS, the City desires to obtain funds to pay the costs of acquiring  
20 equipment for the City (as further described in the herein defined Schedule No. 7, as it  
21 may be revised, the "Equipment"); and  
22

23 WHEREAS, financing the Equipment through the execution and delivery of  
24 Schedule of Equipment No. 7 to the Master Lease will allow the City to acquire the  
25 Equipment at a favorable interest rate; and  
26

27 WHEREAS, the Finance Department has obtained a competitive rate quotation  
28 for the financing; and  
29

30 WHEREAS, the Equipment will be acquired in accordance with the City's  
31 purchasing policy; and  
32

33 WHEREAS, in order to facilitate the foregoing and to pay the cost thereof, it is  
34 necessary and desirable for the City to take the following actions:  
35

- 36 1. Enter into Schedule of Equipment No. 7 to the Master Lease (which  
37 incorporates the terms and conditions set forth in the Master Lease), in  
38 substantially the form attached hereto and incorporated herein by reference  
39 as "Exhibit 1" ("Schedule No. 7") with the Lessor, pursuant to which the City,  
40 as lessee, will lease the Equipment described therein from the Lessor, on a  
41 year-to-year basis with an option to purchase the Lessor's interest in the  
42 Equipment at an interest rate of not to exceed 3.00 percent.  
43
- 44 2. Enter into an Escrow Agreement in substantially the form attached hereto and  
45 incorporated herein by reference as "Exhibit 2" (the "Escrow Agreement")  
46 with the Lessor and the escrow agent to be named therein, pursuant to which  
47 the proceeds of Schedule No. 7 will be held in trust by said escrow agent  
48 pending the City's use of such proceeds to purchase the Equipment financed  
49 under Schedule No. 7.  
50

51 (Schedule No. 7 and the Escrow Agreement are referred to collectively herein as the  
52 "City Documents"); and  
53

54 WHEREAS, the maximum annual payments for Schedule No. 7 for the  
55 Equipment are appropriated in the Fiscal Year 2017-2018 operating budget and a  
56 budget adjustment is necessary to appropriate the proceeds of Schedule No. 7; and  
57

58 WHEREAS, the amendment to the budget for the City for Fiscal Year 2017-2018  
59 for the acquisition of the Equipment has been recommended and approved by the City  
60 Manager.  
61

62 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
63 SPRINGFIELD, MISSOURI, as follows, that:  
64

65 Section 1 – The financing of the Equipment is hereby approved, with the final  
66 terms to be set forth in the City Documents upon the execution thereof, including the  
67 final interest rate, and form of, Schedule No. 7, the signature of the City Manager shall  
68 constitute conclusive evidence of the City Manager's approval thereof and the City's  
69 approval thereof.  
70

71 Section 2 – The City Manager, or his designee, is hereby authorized to sign and  
72 execute, for and on behalf of the City, the City Documents in substantially in the form  
73 and content as those attached hereto and incorporated herein by reference as "Exhibit  
74 1" and "Exhibit 2," with such changes therein as shall be consistent with the terms of  
75 this Ordinance and as are approved by the City Manager, the City Manager's signature  
76 thereon being conclusive evidence of approval thereof. The City Clerk is hereby  
77 authorized to affix the City's Seal to the City Documents, if necessary, and attest said  
78 Seal.

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Section 3 – The obligation of the City to pay Rental Payments (as defined in the Master Lease) under Schedule No. 7 is subject to annual appropriation and will constitute a current expense of the City and will not in any way be construed to be an indebtedness or liability of the City in contravention of any applicable constitutional, charter or statutory limitation or requirement concerning the creation of indebtedness or liability by the City, nor will anything contained in Schedule No. 7 constitute a pledge of the general tax revenues, funds or moneys of the City, and all provisions of Schedule No. 7 will be construed so as to give effect to such intent.

Section 4 – City Council hereby amends the budget for the City for Fiscal Year 2017-2018 in the accounts and in the amounts as shown on Budget Adjustment 0018, a copy of which is attached hereto and incorporated herein by reference as “Exhibit 3.”

Section 5 – City Council hereby finds that the budget adjustment made above has been recommended by the City Manager. City Council hereby directs the City Manager to cause the appropriate accounting entries to be made in the books and records of the City.

Section 6 – The officers of the City, including the City Manager, Finance Director, City Attorney and the City Clerk, are hereby authorized and directed to execute all documents (including without limitation a Federal Tax Certificate), and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make any changes or additions to the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they determine to be in the City’s best interest, and the execution or taking of such action shall be conclusive evidence of such determination.

Section 7 – The City expects to make capital expenditures after the date of the adoption of this Ordinance in connection with acquisition of the Equipment, and the City intends to reimburse itself for such expenditures and also expenditures made with respect to acquisition of the Equipment on or after sixty days before the date of this Ordinance with proceeds received under Schedule No. 7.

Section 8 – This Ordinance shall be in full force and effect from and after passage.

Passed at meeting: \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_, City Clerk

125 Filed as Ordinance: \_\_\_\_\_

126

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128 Approved as to form: Rhonda Lewsader, Assistant City Attorney

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131 Approved for Council action: Greg Bunt, City Manager

**EXPLANATION TO COUNCIL BILL 2018-013**

FILED: 01-09-18

ORIGINATING DEPARTMENT: Finance

PURPOSE: To authorize the City of Springfield, Missouri, to enter into Schedule of Equipment No. 7, which will become a part of its existing Master Equipment Lease Purchase Agreement, the proceeds of which will be used to pay the costs of acquiring equipment for the City, to do all things necessary to carry out the lease-purchase transaction, including the execution of certain documents in connection therewith; and amending the budget of the City for Fiscal Year 2017-2018 in an amount not to exceed \$593,000.

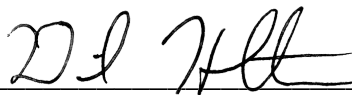
BACKGROUND INFORMATION: As authorized by Special Ordinance 26455, the City has utilized the Master Lease Agreement over the last several years as a low-cost means of acquiring capital equipment. This financing mechanism has allowed the Parks Department to acquire much-needed capital equipment at a very favorable interest rate. The term of the financing is five years. At the end of the five year period, the City will own the equipment.

The proceeds of this transaction will be used to a purchase equipment for the Parks Department and golf including: a grappler unit for operations, fitness equipment for the family centers, a backhoe for the Zoo, a transportation truck for Valley Water Mill, Rivercut hospitality (kitchen/grill equipment), and golf course equipment.

The transaction will be financed by U.S. Bank under the Master Lease Agreement which was bid and executed in 2014. The interest rate on this transaction is 2.6 percent. This is a five-year financing with quarterly payments.


This Ordinance supports the following Field Guide 2030 goals: Chapter 13, Recreation and Leisure, Parks, Open Space and Greenways; Major Goal 2, Future Plan of Action; Parks will be updating its strategic plan to include many new parks, facilities and services, and providing for improvements to our existing parks system

Submitted by:



David Holtmann, Director of Finance

Approved by:



Greg Burris, City Manager

**SCHEDULE OF EQUIPMENT NO. 7**

COUNTERPART NO. \_\_\_\_

**LESSOR'S INTEREST IN, TO AND UNDER THIS SCHEDULE AND THE AGREEMENT AS IT RELATES TO THIS SCHEDULE MAY BE SOLD OR PLEDGED ONLY BY DELIVERING POSSESSION OF COUNTERPART NO. 1 OF THIS SCHEDULE, WHICH COUNTERPART NO. 1 SHALL CONSTITUTE CHATTEL PAPER FOR PURPOSES OF THE UNIFORM COMMERCIAL CODE.**

Re: Schedule of Equipment No. 7 dated February 1, 2018 (the "Schedule"), to Master Equipment Lease Purchase Agreement dated as of October 17, 2014 (collectively, the "Agreement"), between U.S. Bancorp Government Leasing and Finance, Inc., as Lessor, and City of Springfield, Missouri, as Lessee.

**1. Defined Terms.** All terms used herein have the meanings ascribed to them in the Agreement.

**2. Equipment.** The Equipment included under this Schedule is comprised of the items described in the Equipment Description attached hereto as **Attachment 1**, together with all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto.

**3. Payment Schedule.** The Rental Payments and Purchase Prices under this Schedule are set forth in the Payment Schedule attached as **Attachment 2** hereto.

**4. Representations, Warranties and Covenants.** Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement are true and correct as though made on the date of commencement of Rental Payments on this Schedule.

**5. Certification as to Arbitrage.** Lessee hereby represents as follows:

(a) The estimated total costs of the Equipment listed in this Schedule, together with any costs of entering into this Schedule that are expected to be financed under this Schedule, will not be less than the total principal portion of the Rental Payments listed in this Schedule.

(b) The Equipment listed in this Schedule has been ordered or is expected to be ordered within six months of the commencement of this Schedule, and the Equipment is expected to be delivered, and the Vendor fully paid, within eighteen months of the commencement of this Schedule.

(c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments listed in this Schedule, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments listed in this Schedule.

(d) The Equipment listed in this Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments listed in this Schedule.

(e) To the best of Lessee's knowledge, information and belief, the above expectations are reasonable.

(f) Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended, including without limitation Sections 103, 141 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income for purposes of federal income taxation.

**6. The Agreement.** This Schedule is hereby made as part of the Agreement, and Lessor and Lessee hereby ratify and confirm the Agreement. The terms and provisions of the Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated by reference and made a part hereof.

**7. Other Provisions.**

None.

Dated: February 1, 2018.

**U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: 13010 SW 68<sup>th</sup> Parkway, Suite 100  
Portland, OR 97223

**CITY OF SPRINGFIELD, MISSOURI**

By: \_\_\_\_\_  
Title: City Manager  
Address: 840 Boonville Ave.  
Springfield, MO 65802

**APPROVED AS TO FORM:**

\_\_\_\_\_, City Attorney

**ATTACHMENT 1 TO  
SCHEDULE OF EQUIPMENT NO. 7**

**EQUIPMENT DESCRIPTION**

The Equipment consists of the following equipment to be used by Lessee, together with any and all replacement parts, additions, repairs, modifications, attachments and accessories thereto, any and all substitutions, replacements or exchanges therefor, and any and all insurance and/or proceeds thereof:

*[Subject to revision.]*

<b>Description</b>	<b>Estimated Cost*</b>
Park Operations – grappler unit	\$155,000
Ice Park floor cleaning machine	8,000
Chesterfield Family Center fitness equipment	72,000
Doling Family Center fitness equipment	20,500
Zoo – backhoe	90,000
Valley Water Mill – transportation truck	31,000
Dan Kinney Family Center fitness equipment	15,500
Rivercut hospitality – kitchen/grill equipment	130,000
Greens aerator	33,500
Greens roller	15,000
Cart mounted aeration core harvester	<u>15,500</u>
Total	\$586,000

\*\*\*A portion of the Equipment costs will be paid by Lessee (approximately \$\_\_\_\_\_).\*\*\*]

This Equipment Description shall be deemed to be supplemented by the descriptions of the Equipment included in the Payment Requests and Acceptance Certificates submitted to U.S. Bank National Association, as escrow agent, pursuant to the Escrow Agreement dated as of February 1, 2018, among Lessor, Lessee and U.S. Bank National Bank, as escrow agent, which descriptions shall be deemed to be incorporated herein.



**ATTACHMENT 2 TO  
SCHEDULE OF EQUIPMENT NO. 7**

**PAYMENT SCHEDULE**

Rental payments will be made in accordance with **Section 4.01** of the Agreement and this Payment Schedule.

Principal Amount: \$593,000

Interest Rate: \_\_\_\_\_%, 30/360 basis; monthly compounding *[To be determined.]*

Rental Payment Date	Total Rental Payment	Interest Portion	Principal Portion	Purchase Price
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*[To Come-after the interest rate is finalized.]*

**Exhibit 2**

**ESCROW AGREEMENT**

This Escrow Agreement (the “Escrow Agreement”), dated as of February 1, 2018 and entered into among **U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.**, a corporation organized and existing under the laws of the State of Minnesota together with its successors and assigns, “Lessor”), **CITY OF SPRINGFIELD, MISSOURI**, a home rule charter city and political subdivision existing under the laws of Missouri (“Lessee”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as escrow agent (together with its successors and assigns, “Escrow Agent”).

**Name of Acquisition Fund:** “City of Springfield, Missouri Acquisition Fund-Schedule of Equipment No. 7”  
**Amount of Deposit into the Acquisition Fund:** \$593,000

**TERMS AND CONDITIONS**

1. This Escrow Agreement relates to and is hereby made a part of the Schedule of Equipment No. 7 dated February 1, 2018 (the “Schedule”) to that Master Equipment Lease Purchase Agreement dated as of October 17, 2014 (the “Agreement,” and together with the Schedule, the “Lease”), between Lessor and Lessee.

2. Except as otherwise defined herein, all terms defined in the Agreement will have the same meaning for the purposes of this Escrow Agreement as in the Agreement.

3. Lessor, Lessee and Escrow Agent agree that Escrow Agent will act as sole Escrow Agent under the Lease and this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. Escrow Agent will not be deemed to be a party to the Lease, and this Escrow Agreement will be deemed to constitute the entire agreement between Lessor and Lessee and Escrow Agent.

4. There is hereby established in the custody of Escrow Agent a special fund designated as set forth above (the “Acquisition Fund”) to be held and administered by Escrow Agent for the benefit of Lessor and Lessee in accordance with this Escrow Agreement.

5. Lessor will deposit in the Acquisition Fund the amount specified above. Moneys held by Escrow Agent hereunder will be invested and reinvested by Escrow Agent upon written order of an Authorized Lessee Representative, in accordance with the Federal Tax Certificate executed by Lessee as of the date hereof, in Qualified Investments (as defined below) maturing or subject to redemption at the option of the holder thereof prior to the date on which it is expected that such funds will be needed. If an Authorized Lessee Representative fails to timely direct the investment of any moneys held hereunder, Escrow Agent will invest and reinvest such moneys in Qualified Investments described in **Section 6(vi)** below. Such investments will be held by Escrow Agent in the Acquisition Fund; any interest and gain earned on such investments will be deposited in the Acquisition Fund, and any losses on such investments will be charged to the Acquisition Fund. Escrow Agent may act as purchaser or agent in the making or disposing of any investment.

6. “Qualified Investments” means, to the extent the same are at the time legal for investment of the funds being invested: (i) direct general obligations of the United States of America; (ii) obligations

the timely payment of principal of and interest on which is fully and unconditionally guaranteed by the United States of America; (iii) general obligations of the agencies and instrumentalities of the United States of America acceptable to Lessor; (iv) certificates of deposit, time deposits or demand deposits with any bank or savings institution including Escrow Agent or any affiliate thereof, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, are fully secured by obligations described in (i), (ii) or (iii) above; or (v) repurchase agreements with any state or national bank or trust company, including Escrow Agent or any affiliate thereof, that are secured by obligations of the type described in (i), (ii) or (iii) above, provided that such collateral is free and clear of claims of third parties and that Escrow Agent or a third party acting solely as agent for Escrow Agent has possession of such collateral and a perfected first security interest in such collateral; or (vi) money market mutual funds that are invested in securities described in (i), (ii) or (iii) and that are rated "Aaa" by Moody's Investors Service or "AAAm-G" by Standard & Poor's Ratings Services or the comparable rating by Fitch IBCA, Inc.

7. Moneys in the Acquisition Fund will be used to pay for the cost of acquisition of the Equipment listed in the Lease and, if requested by Lessee, to pay certain costs of entering into the Lease. Such payment will be made from the Acquisition Fund upon presentation to Escrow Agent of one or more properly executed Payment Request and Acceptance Certificates, a form of which is attached as **Exhibit A**, executed by Lessee and approved by Lessor, together with an invoice for the cost of the acquisition of said Equipment and a written approval by Lessor of the Vendor to be paid, or in the event that certain costs of entering into the Lease are described in the Payment Request and Acceptance Certificate, an invoice specifying the amount of such costs. In making any disbursement pursuant to this **Section 7**, Escrow Agent may conclusively rely as to the completeness and accuracy of all statements in such Payment Request and Acceptance Certificate, and Escrow Agent will not be required to make any inquiry, inspection or investigation in connection therewith. The approval of each Payment Request and Acceptance Certificate by Lessor will constitute unto Escrow Agent an irrevocable determination by Lessor that all conditions precedent to the payment of the amounts set forth therein have been completed.

8. The Acquisition Fund will terminate upon the occurrence of the earlier of (a) the presentation of a proper Payment Request and Acceptance Certificate and the Final Acceptance Certificate, a form of which is attached as **Exhibit B**, properly executed by Lessee, or (b) the presentation of written notification by Lessor, or, if Lessor has assigned its interest under the Lease, then the assignees or subassignees of all of Lessor's interest under the Lease or an Agent on their behalf, that the Lease has been terminated pursuant to **Section 3.03 (a)** or **(c)** of the Agreement. Upon termination as described in clause (a) of this paragraph, any amount remaining in the Acquisition Fund will be used to prepay the principal portion of Rental Payments unless Lessor directs that payment of such amount be made in such other manner directed by Lessor that, in the opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor, will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the Rental Payment Schedule attached to the Lease will be revised accordingly as specified by Lessor. Upon termination as described in clause (b) of this paragraph, any amount remaining in the Acquisition Fund will immediately be paid to Lessor or to any assignees or subassignees of Lessor's interest in this Lease.

9. Escrow Agent may at any time resign by giving at least 30 days' written notice to Lessee and Lessor, but such resignation will not take effect until the appointment of a successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, Escrow Agent may be removed at any time, with or without cause, by an instrument in writing executed by Lessor and Lessee. In the event of

any resignation or removal of Escrow Agent, a successor Escrow Agent will be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent will indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Escrow Agent. Thereupon such successor Escrow Agent will, without any further act or deed, be fully vested with all the trusts, powers, rights, duties and obligations of Escrow Agent under this Escrow Agreement and the predecessor Escrow Agent will deliver all moneys and securities held by it under this Escrow Agreement to such successor Escrow Agent whereupon the duties and obligations of the predecessor Escrow Agent will cease and terminate. If a successor Escrow Agent has not been so appointed with 90 days of such resignation or removal, Escrow Agent may petition a court of competent jurisdiction to have a successor Escrow Agent appointed.

10. Any corporation or association into which Escrow Agent may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, will be and become successor Escrow Agent hereunder and will be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

11. Escrow Agent incurs no responsibility to make any disbursements pursuant to this Escrow Agreement except from funds held in the Acquisition Fund. Escrow Agent makes no representations or warranties as to the title to any Equipment listed in the Lease or as to the performance of any obligations of Lessor or Lessee.

12. Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. Escrow Agent will not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of this Escrow Agreement other than its own execution thereof or any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder will be limited to those specifically provided herein.

13. Unless Escrow Agent is guilty of negligence or willful misconduct with regard to its duties hereunder, Lessee, to the extent permitted by law, and Lessor jointly and severally hereby agree to indemnify Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Escrow Agreement; and in connection therewith, to indemnify Escrow Agent against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

14. The aggregate amount of the costs, fees, and expenses of Escrow Agent in connection with the creation of the escrow described in and created by this Escrow Agreement and in carrying out any of the duties, terms or provisions of this Escrow Agreement is a one-time fee in the amount of \$-0-, to be paid by Lessee concurrently with the execution and delivery of this Escrow Agreement.

Notwithstanding the preceding paragraph, Escrow Agent will be entitled to reimbursement from Lessee of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Escrow Agreement. Claims for such reimbursement may be made to Lessee

and in no event will such reimbursement be made from funds held by Escrow Agent pursuant to this Escrow Agreement. Escrow Agent agrees that it will not assert any lien whatsoever on any of the money or Qualified Investments on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by Escrow Agent under this Escrow Agreement or otherwise.

15. If Lessee, Lessor or Escrow Agent are in disagreement about the interpretation of the Lease or this Escrow Agreement, or about the rights and obligations, or the propriety of any action contemplated by Escrow Agent hereunder, Escrow Agent may, but will not be required to, file an appropriate civil action to resolve the disagreement. Escrow Agent will be indemnified by Lessor and Lessee, to the extent permitted by law, for all costs, including reasonable attorneys' fees and expenses, in connection with such civil action, and will be fully protected in suspending all or part of its activities under this Escrow Agreement until a final judgment in such action is received.

16. Escrow Agent may consult with counsel of its own choice and will have full and complete authorization and protection for any action or non-action taken by Escrow Agent in accordance with the opinion of such counsel. Escrow Agent will otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or willful misconduct.

17. This Escrow Agreement will be governed by and construed in accordance with the laws of the state in which Escrow Agent is located.

18. In the event any provision of this Escrow Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

19. This Escrow Agreement may not be amended except by a written instrument executed by Lessor, Lessee and Escrow Agent.

20. This Escrow Agreement may be executed in several counterparts, each of which so executed will be an original.

21. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of Page Intentionally Left Blank.]

**IN WITNESS WHEREOF**, Lessor, Lessee and Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives.

**U.S. BANCORP GOVERNMENT LEASING AND  
FINANCE, INC.**  
LESSOR

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**CITY OF SPRINGFIELD, MISSOURI**  
LESSEE

By: \_\_\_\_\_  
Title: City Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_, City Attorney

**U.S. BANK NATIONAL ASSOCIATION**  
ESCROW AGENT

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**FORM OF PAYMENT REQUEST AND ACCEPTANCE CERTIFICATE**

To: U.S. Bank National Association, as Escrow Agent  
13010 SW 68th Parkway, Suite 100  
Portland, OR 97223

Re: City of Springfield, Missouri Acquisition Fund established by the Escrow Agreement, dated as of February 1, 2018 (the "Escrow Agreement"), among U.S. Bancorp Government Leasing and Finance, Inc., as lessor ("Lessor"), City of Springfield, Missouri ("Lessee") and U.S. Bank National Association, as Escrow Agent (the "Escrow Agent")

Ladies and Gentlemen:

The Escrow Agent is hereby requested to pay from the Acquisition Fund to the person or corporation designated below as Payee, the sum set forth below in payment of a portion or all of the cost of the acquisition of the equipment, costs incurred in entering into the Lease described below or the interest portions of Rental Payment(s) described below. The amount shown below is due and payable under the invoice of the Payee attached hereto with respect to the cost of the acquisition of the equipment, costs incurred in entering into the Lease described below or payment of the interest portions of Rental Payment(s) and has not formed the basis of any prior request for payment.

The equipment or costs described below are (a) part or all of the "Equipment" that is listed in Equipment Schedule No. 7 dated February 1, 2018 (the "Schedule"), to that certain Master Equipment Lease Purchase Agreement dated as of October 17, 2014 (the "Agreement," and together with the Schedule, the "Lease"), described in the Escrow Agreement or (b) costs incurred in entering into the Lease.

<u>Quantity</u>	<u>Serial Number</u>	<u>Item</u>	<u>Amount</u>
-----------------	----------------------	-------------	---------------

Payee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Lessee hereby certifies and represents to and agrees with Lessor and Escrow Agent as follows:

- (1) The Equipment described above (a) has been delivered, installed and accepted on the date hereof, or (b) the amount requested is a down payment currently due on said Equipment.
- (2) If (1)(a) is applicable, Lessee has conducted such inspection and/or testing of said Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts said Equipment for all purposes.

(3) If (1)(a) is applicable, Lessee is currently maintaining the insurance coverage required by **Section 7.02** of the Agreement.

Lessee hereby certifies and represents to Lessor and Escrow Agent that no event or condition that constitutes, or with notice or lapse of time or both would constitute, an Event of Default (as such term is defined in the Agreement) exists at the date hereof.

Dated: \_\_\_\_\_, 20\_\_.

**CITY OF SPRINGFIELD, MISSOURI**  
**LESSEE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED:

**U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.**  
**LESSOR**

By: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXHIBIT B**

**FINAL ACCEPTANCE CERTIFICATE**

[THIS CERTIFICATE IS TO BE EXECUTED ONLY WHEN ALL EQUIPMENT  
HAS BEEN ACCEPTED]

The undersigned hereby certifies that the equipment described above, together with the equipment described in and accepted by Payment Request and Acceptance Certificates previously filed by Lessee with Escrow Agent and Lessor pursuant to the Escrow Agreement, constitutes all of the Equipment subject to the Lease.

Dated: \_\_\_\_\_

**CITY OF SPRINGFIELD, MISSOURI**  
LESSEE

By: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT C**

**INCUMBENCY CERTIFICATE AND  
MONEY MARKET ACCOUNT AUTHORIZATION FORM**

[To be attached.]

CITY OF SPRINGFIELD, MO  
BUDGET ADJUSTMENT

**Exhibit 3**

Budget Adjustment  
0018

Revenues:

Fund	Dept	Org	Account	P&G	Location	Amount	Description
20110	16	80010	408070	000000	00000	\$ 164,960	Lease Proceeds for Parks
20120	16	80010	408070	000000	00000	216,020	Lease Proceeds for Parks
20130	16	80010	408070	000000	00000	15,710	Lease Proceeds for Parks
57010	16	25010	408070	000000	00000	196,310	Lease Proceeds for Parks
Net Revenue Adjustment						\$ 593,000	

Expenditures:

Fund	Dept	Org	Account	P&G	Location	Amount	Description
20110	16	80570	508170	000000	00000	\$ 155,000	Park Operations - grapppler unit
20110	16	82570	508170	000000	00000	8,000	Ice Park floor cleaning machine
20110	16	80010	509350	000000	00000	1,960	Cost of issuance
20120	16	82550	501190	000000	10065	72,000	Chesterfield Family Center fitness equipment
20120	16	82550	501190	000000	10101	20,500	Doling Family Center fitness equipment
20120	16	87520	508170	000000	00000	90,000	Zoo - Backhoe
20120	16	88030	508120	000000	10428	31,000	Valley Water Mill - transportation truck
20120	16	80010	509350	000000	00000	2,520	Cost of issuance
20130	16	82550	501190	000000	10092	15,500	Dan Kinney Family Center fitness equipment
20130	16	80010	509350	000000	00000	210	Cost of issuance
57010	16	25010	508220	000000	10355	130,000	Rivercut hospitality - kitchen/grill equipment
57010	16	25010	508170	000000	10409	33,500	Greens aerator
57010	16	25010	508170	000000	10354	15,000	Greens roller
57010	16	25010	508170	000000	10354	15,500	Cart mounted aeration core harvester
57010	16	25010	509350	000000	00000	2,310	Cost of issuance
Net Expenditure Adjustment						\$ 593,000	

Fund Balance Appropriation:

Fund	Title	Amount

Explanation: Parks equipment lease for FY2018 operating needs.

Requested By:

Approved By:

Authorization:

\_\_\_\_\_  
Department Head Date

\_\_\_\_\_  
Director of Finance Date

\_\_\_\_\_  
City Manager Date

Council Bill No. \_\_\_\_\_  
Ordinance No. \_\_\_\_\_  
1st Reading \_\_\_\_\_  
2nd Reading \_\_\_\_\_  
Journal Imp No. \_\_\_\_\_