

# Santaquin City Resolution 06-10-2018

## A RESOLUTION APPROVING A LEASE WITH PNC EQUIPMENT FINANCING IN THE AMOUNT OF \$169,172.62 FOR THE ACQUISITION OF SELF CONTAINED BREATHING APPARATUS (SCBA) EQUIPMENT FOR THE SANTAQUIN CITY FIRE DEPARTMENT; AND RELATED MATTERS


**WHEREAS**, the Santaquin City Council would like to acquire new SCBA Equipment for its Fire Department under a 7-Year Rotation Program; and

**WHEREAS**, Salt Lake City has completed an RFB Bidding Process in compliance with Utah State Law and said supplier is willing to allow Santaquin City to piggyback on that purchase at the same per unit costs as offered to Salt Lake City; and

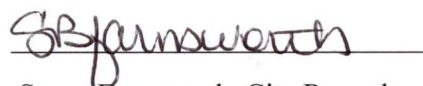
**WHEREAS**, the Equipment Financing Institution used by the supplier is PNC Equipment Financing and they have been willing to provide financing to Santaquin City pursuant to the attached agreement;

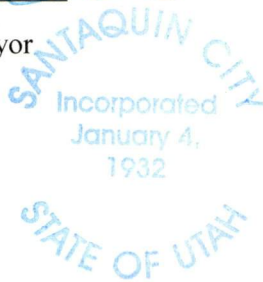
**NOW, THEREFORE, BE IT RESOLVED**, the Santaquin City Council does hereby approve the Financing Agreement with PNC Equipment Financing in the amount of \$169,172.62, together with Amendment to Lease-Purchase Agreement #1189150-1, which are attached hereto.

Approved and adopted by the Santaquin City Council this 29<sup>th</sup> day of June, 2018.

  
Kirk Hunsaker, Mayor

Attest:

  
Susan Farnsworth, City Recorder





June 20, 2018

Lease Number 1189150-1

Santaquin City Corporation  
275 West Main Street  
Santaquin, UT 84655

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

- Lease – Purchase Agreement – Please have the Authorized Signor execute the documents and provide their title.  
Opinion of Counsel – Please have your attorney sign and provide the name of the law firm, if applicable.  
Certificate of Acceptance – **At the point of delivery, fill out this form and return the original to us. We will be unable to disburse funds until we receive this signed form.**  
Schedule of Payments – Please sign and provide the title of the signor.
- Resolution-Certificate of Incumbency – List your Authorized Representative(s) and their title(s) in the body of the Resolution. Have the Authorized Representatives provide their names, title and signatures(s) on the lines which appear under the Authorized Representative Signature Section near the bottom of the Resolution. Finally, have the Secretary or appropriate Trustee attest to the information of the Authorized Representative(s) by signing and printing his/her name, title and date on the **last** signature line provided. **The person who validates the signature should not sign the Lease Agreement.** The Resolution must reflect the title(s) of the individual(s) who have authorization to sign the documents.
- Insurance Request Form – Fill in your insurer's information and sign. Please contact your insurer, prior to delivery, to obtain a certificate of insurance. Please enclose the certificate with the signed documentation or have the insurer fax the certificate directly to me.
- IRS Form 8038-G or 8038GC – Please sign, date and include the title of the signor
- Sales Tax Exemption Certificate – Please return a copy with the documents.
- Minutes of Governing Body (approving the purchase & finance of equipment) – Please return a copy with the documents.
- Invoice for advance payment – Please send your check in the amount of \$27,265.00, made payable to PNC Equipment Finance, LLC.

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

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

Our goal is to ensure that you receive the lowest payment available. Therefore, it is important that the documents are completed and returned by 7/20/18.

If you have any questions please contact Angela Shields at 513-455-2332.

Sincerely,

Dan Callahan  
Commercial Transaction Coordinator



# Lease-Purchase Agreement

Dated as of June 20, 2018  
1189150-1

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

Lessee: LESSEE FULL LEGAL NAME  
Santaquin City Corporation  
275 West Main Street  
Santaquin, UT 84655

FEDERAL TAX ID  
87-6000900

Equipment Description **See attached Certificate of Acceptance for Equipment Description**

Rent Payment Schedule Lease Term is for 84 months, with Rent payments due in Advance  monthly;  quarterly;  semi-annual;  **annually**; each in the amounts set forth in the attached Schedule of Payments.

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

### TERMS AND CONDITIONS

- LEASE.** Subject to the terms of this Lease, Lessee agrees to lease from Lessor the equipment (the "Equipment") described in the attached Certificate of Acceptance when Lessor accepts this Lease. Lessee agrees to be bound by all the terms of this Lease.
- DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery. When Lessee receives the Equipment, Lessee agrees to inspect it and to verify by telephone or in writing such information as Lessor may require. Delivery and installation costs are Lessee's responsibility. If Lessee signed a purchase contract for the Equipment, by signing this Lease Lessee assigns its rights, but none of its obligations under the purchase contract, to Lessor.
- RENT.** Lessee agrees to pay Lessor Rent (plus applicable taxes) in the amount and frequency stated above. If Lessee's Rent payments are due in Advance, Lessee's first Rent payment is due on the date Lessee accepts the Equipment under the Lease. Lessor will advise Lessee as to (a) the due date of each Rent payment, and (b) the address to which Lessee must send payments. Rent is due whether or not Lessee receives an invoice from Lessor. Lessee will pay Lessor any required advance rent when Lessee signs this Lease. Lessee authorizes Lessor to change the Rent by not more than 15% due to changes in the Equipment configuration, which may occur prior to Lessor's acceptance of this Lease. Restrictive endorsements on checks Lessee sends to Lessor will not reduce Lessee's obligations to Lessor. Unless a proper exemption certificate is provided, applicable sales and use taxes will be added to the Rent.  
**NON-APPROPRIATION OF FUNDS.** Lessee intends to remit all Rent and other payments to Lessor for the full Lease Term if funds are legally available. In the event Lessee is not granted an appropriation of funds at any time during the Lease Term for the Equipment subject to this Lease and operating funds are not otherwise available to Lessee to pay the Rent and other payments due and to become due under this Lease, and there is no other legal procedure or available funds by or with which payment can be made to Lessor, and the non-appropriation did not result from an act or omission by Lessee, Lessee shall have the right to return the Equipment in accordance with Section 16 of the Lease and terminate this Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessee, except as the portion of Rent for which funds shall have been appropriated and budgeted. At least 30 days prior to the end of Lessee's fiscal year, Lessee's chief executive officer (or legal counsel) shall certify in writing that (a) funds have not been appropriated for the upcoming fiscal period, (b) such non-appropriation did not result from any act or failure to act by Lessee, and (c) Lessee has exhausted all funds legally available for the payment of Rent.
- UNCONDITIONAL OBLIGATION.** LESSEE AGREES THAT IT IS UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE IN ALL FISCAL YEARS IN WHICH FUNDS HAVE BEEN APPROPRIATED NO MATTER WHAT HAPPENS, EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF LESSEE HAS TEMPORARY OR PERMANENT LOSS OF ITS USE. LESSEE IS NOT ENTITLED TO ANY REDUCTION OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THIS LEASE FOR ANY REASON WHATSOEVER.
- DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO LESSEE IN "AS IS" CONDITION. LESSEE AGREES THAT LESSOR HAS NOT MANUFACTURED THE EQUIPMENT AND THAT LESSEE HAS SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSEE HAS NOT RELIED ON ANY STATEMENTS LESSOR OR ITS EMPLOYEES HAVE MADE. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. Lessee is aware of the name of the Equipment manufacturer and Lessee will contact the manufacturer for a description of Lessee's warranty rights. If the manufacturer has provided Lessor with a warranty, Lessor assigns its rights to such warranty to Lessee and Lessee may enforce all warranty rights directly against the manufacturer of the Equipment. Lessee agrees to settle any dispute regarding performance of the Equipment directly with the manufacturer of the Equipment.
- TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where Lessee is located, Lessee shall have title to the Equipment immediately upon delivery and shall be deemed to be the owner of the Equipment as long as Lessee is not in default under this Lease. In the event of a default, title to the Equipment shall revert to Lessor free and clear of any rights or interest Lessee may have in the Equipment. To secure all of Lessee's obligations to Lessor under this Lease Lessee hereby grants Lessor a security interest in (a) the Equipment to the extent of Lessee's interest in the Equipment, (b) anything attached, added, replaced and/or substituted to the Equipment at any time, (c) any money or property from the sale of the



Equipment, and (d) any money from an insurance claim if the Equipment is lost or damaged. Lessee agrees that the security interest will not be affected if this Lease is changed in any way.

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



action to include in Lessee's annual budget any funds required to fulfill Lessee's obligations for each fiscal year during the Lease Term; (h) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (i) Lessee's obligations to remit Rent under this Lease constitutes a current expense and not a debt under applicable state law and no provision of this Lease constitutes a pledge of Lessee's tax or general revenues, and any provision which is so constructed by a court of competent jurisdiction is void from the inception of this lease; (j) all payments due and to become due during Lessee's current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease/purchase of the Equipment; (k) Lessee shall not do or cause to be done any act which shall cause, or by omission of any act allow the interest portion of any Rent payment to become includible in Lessor's gross income for Federal income taxation purposes under the Internal Revenue Code of 1986, as amended, (the "Code"); (l) Lessee shall maintain a complete and accurate record of all assignments of this Lease in the form sufficient to comply with the book entry requirements of Section 149(a) of the Code and the regulations prescribed there under from time to time; (m) Lessee shall comply with the information reporting requirements of Section 149(e) of the Code; such compliance shall include, but not be limited to, the execution of IRS Form 8038-G or 8038-GC; and (n) all financial information Lessee has provided to Lessor is true and accurate and provides a good representation of Lessee's financial condition.

18. **LESSEE'S PROMISES.** In addition to the other provisions of this Lease, Lessee agrees that during the term of this Lease (a) Lessee will promptly notify Lessor in writing if it moves its principal office or changes its name or legal structure, (b) Lessee will provide to Lessor such financial information as may reasonably request from time to time, and (c) Lessee will take any action Lessor reasonably requests to protect Lessor's rights in the Equipment and to meet Lessee's obligations under this Lease.
19. **ASSIGNMENT. LESSEE WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** Lessee will not attach any of the Equipment to any real estate. Upon Lessor's reasonable request and at Lessee's cost, Lessee will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment.
20. **ASSIGNMENT BY LESSOR.** This Lease, and the rights of Lessor hereunder and in and to the Equipment, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assigns at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Lease on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assigns. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assigns to protect their interests in the Equipment and in this Lease.
21. **COLLECTION EXPENSES, OVERDUE PAYMENT, TERMINATION.** Lessee agrees that Lessor can, but does not have to, take on Lessee's behalf any action which Lessee fails to take as required by this Lease, and Lessor's expenses will be in addition to that of the Rent which Lessee owes Lessor. If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge 5% of such overdue amount, limited, however, to the maximum amount allowed by law. Upon 30 days' prior written notice by Lessee to Lessor, and so long as there is no Event of Default then existing, Lessee shall have the option to purchase all, but not less than all, of the Equipment covered by the Lease on any Rent Payment due date by paying to Lessor all Rent Payments then due (including accrued interest, if any) plus the Termination Value amount set forth on the Payment Schedule to the applicable Lease for such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall release its Lien on such Equipment and Lessee shall retain its title to such Equipment "as is, where is," without representation or warranty by Lessor, express or implied, except for a representation that such Equipment is free and clear of any Liens created by Lessor.
22. **AGREED LEASE RATE FACTOR.** Lessee understands that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Lease, Lessee acknowledges that it has chosen to lease the Equipment from Lessor for the Lease Term and that Lessee has agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. If it is determined that Lessee's payments under this Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will Lessor charge or receive or will Lessee pay any amounts in excess of the legal amount.
23. **MISCELLANEOUS.** This Lease contains the entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THIS LEASE.** If a court finds any provision of Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. **THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.** Lessee authorizes Lessor (or Lessor's agent) to (a) obtain credit reports, (b) make such other credit inquiries as Lessor may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, Lessor may charge Lessee a fee of \$250.00 to cover Lessor's documentation and investigation costs.
24. **NOTICES.** All of Lessee's written notices to Lessor must be sent by certified mail or recognized overnight delivery service, postage prepaid, to Lessor at Lessor's address stated in this Lease, or by facsimile transmission to Lessor's facsimile telephone number, with oral confirmation of receipt. All of Lessor's notices to Lessee may be sent first class mail, postage prepaid, to Lessee's address stated in this Lease. At any time after this Lease is signed, Lessee or Lessor may change an address or facsimile telephone number by giving notice to the other of the change.
25. **ANTI-MONEY LAUNDERING/INTERNATIONAL TRADE COMPLIANCE.** Lessee represents and warrants to Lessor, as of the date of this Lease, the date of each advance of proceeds under the Lease, the date of any renewal, extension or modification of this Lease, and at all times until the Lease has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; or (ii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Lease will not be used to fund any unlawful activity; (c) the funds used to repay the Lease are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States.

As used herein: "**Compliance Authority**" means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; "**Covered Entity**" means Lessee, its affiliates and subsidiaries and direct and indirect owners; "**Sanctioned Country**" means a country subject to a sanctions program maintained by any Compliance Authority; and "**Sanctioned Person**" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

26. **USA PATRIOT ACT NOTICE.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each lessee that opens an account. What this means: when the Lessee opens



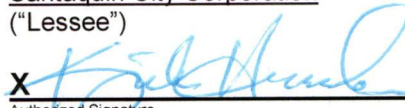
an account, Lessor will ask for the business name, business address, taxpayer identifying number and other information that will allow the Lessor to identify Lessee, such as organizational documents. For some businesses and organizations, Lessor may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

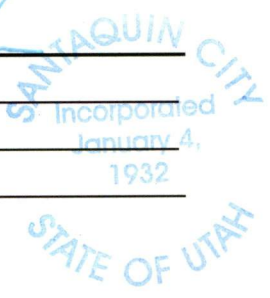
- 27. **WAIVERS. LESSOR AND LESSEE EACH AGREE TO WAIVE, AND TO TAKE ALL REQUIRED STEPS TO WAIVE, ALL RIGHTS TO A JURY TRIAL.** To the extent Lessee is permitted by applicable law, Lessee waives all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial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

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

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

Santaquin City Corporation  
("Lessee")

  
Authorized Signature  
Kirk Hunsaker  
Print Name  
Mayor  
Title  
06-29-2018  
Date  
275 West Main Street  
Santaquin, UT 84655



PNC Equipment Finance, LLC  
("Lessor")

X  
Authorized Signature  
\_\_\_\_\_  
Print Name  
\_\_\_\_\_  
Title:  
\_\_\_\_\_  
Date  
995 Dalton Avenue  
Cincinnati, OH 45203

**OPINION OF COUNSEL**

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

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

Attorney of Lessee  
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Law firm: \_\_\_\_\_

# CERTIFICATE OF ACCEPTANCE

Lease Number: 1189150-1

- 19-MSA G1 SCBA Breathing Apparatus
- 4-MSA G1 SCBA Breathing Apparatus with ITIC System Pressure: 4500 PSIG
- 45-MSA Medium G1 Facepiece with 4pt Harness and Medium Nose Cup
- 47-MSA G1 4500 PSI 45-Min Low Profile Cylinder, Threaded
- 1-MSA 60 Minute Cylinder, G1, RC, 4500 PSIG
- 1-MSA G1 RIT System
- 1-MSA G1 (6) Unit Smart Charger
- 1-MSA G1 Rechargeable Battery

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

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

1. The Equipment has been delivered to the location where it will be used, which is the Equipment Location given in the Lease-Purchase Agreement ("Lease");
2. All of the Equipment has been inspected and is (a) complete, (b) properly installed, (c) functioning, and (d) in good working order;
3. Lessee accepts the Equipment for all purposes under the Lease as of 07-01, 2018 (the "Acceptance Date"), which is the date on which the Equipment was delivered and installed;
4. The Equipment is of a size, design, capacity and manufacture acceptable to Lessee and suitable for Lessee's purposes; and
5. Lessee is not in default under the Lease, no Non-Appropriation of Funds (as described in the Lease) has occurred, and all of Lessee's statements and promises set forth in the Lease are true and correct.

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

THIS CERTIFICATE OF ACCEPTANCE IS SIGNED THIS 29 DAY OF June, 2018.

Santaquin City Corporation  
("Lessee")

**X** 

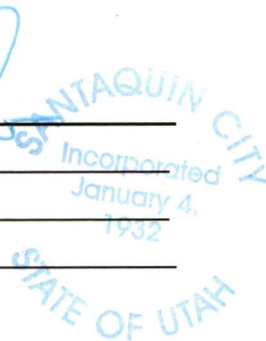
Authorized Signature:  
Kirk Hunsaker

Print Name:  
Mayor

Title:  
06-29-2018

Date:

275 West Main Street  
Santaquin, UT 84655





# SCHEDULE OF PAYMENTS

Lease Number 1189150-1

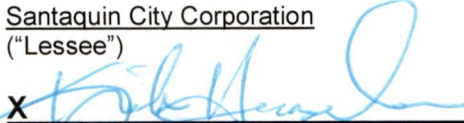
Attached to and made a part of that certain Lease-Purchase Agreement dated as of June 20, 2018 by and between PNC Equipment Finance, LLC, as Lessor, and Santaquin City Corporation, as Lessee.

Rent payments are payable as follows:

Payment Number	Payment Date	Payment	Interest	Principal	Termination Value
1		\$27,265.00	\$0.00	\$27,265.00	\$146,164.85
2		\$27,265.00	\$5,988.88	\$21,276.12	\$124,250.45
3		\$27,265.00	\$5,090.97	\$22,174.03	\$101,411.19
4		\$27,265.00	\$4,155.17	\$23,109.83	\$77,608.07
5		\$27,265.00	\$3,179.87	\$24,085.13	\$52,800.39
6		\$27,265.00	\$2,163.42	\$25,101.58	\$26,945.76
7		\$27,265.00	\$1,104.07	\$26,160.93	\$1.00

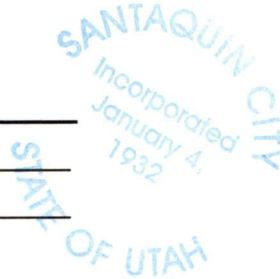
\*As provided in Section 21 of the Lease-Purchase Agreement.

Santaquin City Corporation  
("Lessee")

X 

Authorized Signature:  
Kirk Hunsaker  
Print Name:  
Mayor  
Title:

275 West Main Street  
Santaquin, UT 84655



PNC Equipment Finance, LLC  
("Lessor")

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

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

Date: \_\_\_\_\_

995 Dalton Avenue  
Cincinnati, OH 45203



**RESOLUTION AND CERTIFICATE OF INCUMBENCY  
Lease Number 1189150-1**

Lessee: Santaquin City Corporation

Amount: \$169,172.62

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

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

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

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

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

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

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


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

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

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

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

**SIGNATURES AND TITLES OF AUTHORIZED REPRESENTATIVES: AUTHORIZED LEASE SIGNORS ONLY**


<u>Kirk Hunsaker</u>	<u>Mayor</u>	
Name	Title	Signature
_____	_____	_____
Name	Title	Signature

ADOPTED AND APPROVED on this 06-29, 2018.

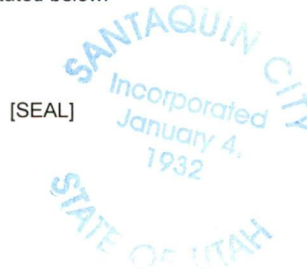
Section 7. I, the undersigned Secretary/Clerk identified below, does hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee, a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names.

The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

LESSEE: Santaquin City Corporation

  
 \_\_\_\_\_  
 Signature of Secretary/Clerk of Lessee

Print Name: Susan B. Farnsworth  
 Official Title: City Recorder  
 Date: 06-29-18







A PROFESSIONAL CORPORATION

P.O. Box 970663  
1145 South 800 East, Ste. 109  
Orem, Utah 84097

## Opinion of Lessee's Counsel

PNC Equipment Finance, LLC  
995 Dalton Avenue  
Cincinnati, Ohio 45203

Re: Lease/Purchase Agreement dated June 29, 2018 ("Lease") between Santaquin City, a fifth-class city of the State of Utah ("Lessee" or "City") and PNC Equipment Finance, LLC, 995 Dalton Avenue, Cincinnati, Ohio 45203 ("Lessor")

Gentlemen:

The law firm of Nielsen & Senior, P.C. is acting as counsel for Lessee in this matter with Brett B. Rich being the attorney primarily responsible for that representation. The Lease is being entered into under and pursuant to the Constitution and laws of the State of Utah and a resolution adopted by the Santaquin City Council on June 29, 2018 (the "Lease Approval Resolution"). The Lease is being entered into for the purpose of enabling the City to finance the acquisition of certain personal property ("the Equipment"), more particularly described as:

19-MSA G1 SCBA Breathing Apparatus  
4-MSA G1 SCBA Breathing Apparatus with ITIC System Pressure: 4500 PSIG  
45-MSA Medium G1 Facepiece with 4pt Harness and Medium Nose Cup  
47-MSA G1 4500 PSI 45-Min Low Profile Cylinder, Threaded  
1-MSA 60 Minute Cylinder, G1, RC, 4500 PSIG  
1-MSA G1 RIT System  
1-MSA G1 (6) Unit Smart Charger  
1-MSA G1 Rechargeable Battery

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

As counsel for Lessee, we have examined original or photostatic or certified copies of duly executed originals of the Lease and the proceedings taken by Lessee to authorize and execute the Lease (the "Proceedings"), along with original or photostatic or certified copies of records of the Lessee, certificates or letters of officers of the Lessee and such other certificates and documents as deemed appropriate. In such examination, we have assumed the genuineness and authenticity of all documents submitted as originals and, in examining copies, we have assumed the genuineness and authenticity of all submitted documents. We have relied upon such



certificates of public officials and such certificates of officers of the Lessee with respect to the accuracy of factual matters contained therein as deemed relevant and necessary as a basis for the opinions hereinafter set forth without undertaking to verify the same by independent investigation, and we know of no reason why we should not rely thereon.

To the best of our knowledge, there is no agreement, indenture, lease or other instrument to which Lessee is subject or by which Lessee is or may be bound that would be in conflict with the Lease or that would be breached as a consequence of Lessee entering into the Lease. For purposes of this opinion, it is assumed that all signatures on documents identified or referred to herein respecting Lessee and/or the subject Lease are genuine and authentic and were properly authorized.

We are giving no opinion regarding the title to or ownership of any real or personal property or any leasehold interest, security interest and/or other interest of the Lessor in the same and expect the Lessor to protect its security or any other interest. This opinion is limited to state law and no opinion is given regarding any federal law including, but not limited to, the Internal Revenue Code, or the effect of the application of any federal law to the Lease or any related document or transaction.

The Lease may be subject to, and we express no opinion regarding, bankruptcy, insolvency, reorganization, moratorium and other related or similar laws affecting creditors' rights generally, heretofore or hereafter enacted, and to the exercise of judicial discretion in appropriate cases and to the limitations imposed by general principles of equity upon the specific enforceability of any of the remedies, covenants or other provisions of the Lease and any related documents and upon the availability of injunctive relief or other equitable remedies.

Based on and subject to the foregoing, we are of the opinion that:

1. Lessee is a body corporate and politic, and a fully constituted political subdivision of the State of Utah.
2. The execution, delivery and performance of the Lease by Lessee has been duly authorized by all necessary action on the part of Lessee.
3. The Lease constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as limited by laws or equitable principles of general application affecting the enforcement of creditors' rights, and does not constitute a debt of Lessee which is prohibited by state law.
4. The authorization, approval and execution of the Lease and all other proceedings of Lessee related to the transactions contemplated thereby have been performed in



accordance with all applicable open public meeting laws, public bidding laws and all other applicable state laws.

5. The undersigned certifies that he is an attorney duly authorized to practice law in the State of Utah.

This opinion is strictly limited to those specific items mentioned hereinabove and no opinion is expressed as to any other matter or matters irrespective of how closely they may be related to any matter mentioned herein. This opinion is solely for the use of PNC Equipment Finance, LLC, with regard to the lease purchase described herein and not with regard to any other matter or transaction, and the opinions expressed herein are valid only as of the date of this opinion, and we disclaim any undertaking to advise you of any subsequent information brought to our attention.

The effective date of this opinion is June 29, 2018.

Very truly yours,

NIELSEN & SENIOR



Brett B. Rich

**REQUEST FOR INSURANCE**

June 20, 2018  
Santaquin City Corporation  
275 West Main Street  
Santaquin, UT 84655

RE: Lease # 1189150-1 ("Lease Agreement")

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

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

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

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

**PLEASE COMPLETE ALL OF THE INFORMATION BELOW.**

**INSURANCE AGENT INFORMATION:**

Name: Utah Local Governments Trust

Address: 55 South Highway 89  
North Salt Lake, UT 84054

Phone Number: 801-936-6400

Fax Number: 801-936-0300

Lessee: Santaquin City Corporation

Print Name: Kirk Hunsaker

Signature: 

Title: Mayor

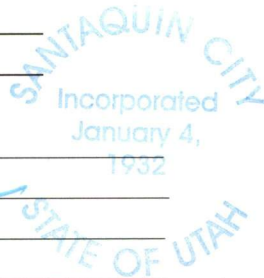
Date: 06-29-18

Insurance Carrier: \_\_\_\_\_

Policy Number: 13650-GL2016

Effective Date: February 2018

Expiration Date: renews automatically



**Please return this form to:**

PNC Equipment Finance, LLC  
995 Dalton Avenue  
Cincinnati, OH 45203  
Attn: Angela Shields  
Or by Fax: 866-649-6042