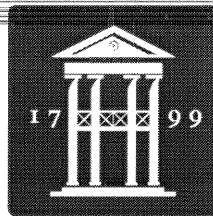


ADMINISTRATION

Russell B. Truell
Assistant City Administrator, CFO
Finance



ITEM #5
FINANCE
06-21-12

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

H I S T O R I C
F R A N K L I N
T E N N E S S E E

MEMORANDUM

June 15, 2012

TO: Board of Mayor and Aldermen
FROM: City Administrator Eric S. Stuckey
Assistant City Administrator Russ Truell
SUBJECT: Lease Schedule for FY13 Capital Outlay Items

Purpose

The purpose of this agenda item is to consider authorizing the City Administrator to execute a lease schedule with SunTrust Bank or another financial institution for items pending approval in the FY12-13 Operating Budget.

Background

The City of Franklin entered a master lease arrangement with SunTrust Bank in December, 2009. From time to time, items approved in our operating budget have been covered by documents called "schedules" under the lease agreement. A prime example was the purchase of police patrol cars in 2010 and 2011.

The budget under current consideration by the Board calls for expenditures for certain hardware, software and construction items necessary to relocate our main computer server network in the Public Safety Building on Columbia Pike. To expedite this project upon final approval of the budget, staff would like to receive approval for the City Administrator to enter into such a schedule with SunTrust or a similar institution. The determination of which financial institution is selected will depend on the rates available at the time the schedule is executed. Giving advance authorization for this step in financing the project may result in obtaining favorable interest rates on the lease.

Financial Impact

Impact to General Fund is included in the proposed budget.

Options

Authorize the City Administrator to execute a lease schedule or postpone until a later date.

Recommendation

Staff recommends approval.

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

AMENDMENT NO. 02

MASTER LEASE AGREEMENT

LEASE NUMBER 443-50-07603, EQUIPMENT SCHEDULE NO. 01

This **AMENDMENT NO. 02** dated as of September 13, 2011 (the "Amendment") to Master Lease Agreement No. 07603, dated December 10, 2009 and Equipment Schedule No. 01, dated December 10, 2009 (collectively, the "Lease") is made by and between SUNTRUST EQUIPMENT FINANCE & LEASING CORP., as Lessor and CITY OF FRANKLIN, TN, as Lessee.

Recitals

1. Lessee and Lessor entered into a Master Lease Agreement dated December 10, 2009 (the "Agreement").
2. Pursuant to the Agreement, Equipment Schedule 01 dated December 10, 2009, Lessor has financed the acquisition of **911 Dispatch Equipment (Hardware & Software, Phone System), Disaster Recovery Equipment (hardware & Software, Phone System, Police Vehicles, and three Solid Waste Recycling Trucks** (the "Original Equipment"). After making some of the contemplated acquisitions, money remains in the Escrow Account
3. In addition to the Equipment currently subject to the Agreement, the Lessee desires to use a portion of the remaining money in the Escrow Account that was originally intended for purchase of Police Vehicles, to add the following "New Equipment" to the Equipment Schedule.

Cisco Video Surveillance Equipment, Additional Police Vehicles, and take existing bodies off of (3) existing Fire Department Rescue Trucks Chassis' and have remounted on new heavier duty Chassis'.

5. Lessor has approved the addition of the "New Equipment" and agreed to amend the Lease, Equipment Schedule No. 01, and Escrow Agreement to permit the acquisition of the "New Equipment".

NOW THEREFORE, in consideration of the mutual covenants contained herein, Lessor and Lessee hereby agree as follows:

1. Lessee hereby agrees and acknowledges that Lessee is or will be, upon acquisition, the legal owner of all rights, title and interest in and to the "New Equipment" and hereby grants to Lessor a continuing first security interest in the "New Equipment".
2. Lessee represents and warrants that:
 - (a) The "New Equipment to be purchased" is and will be upon acquisition, and will forever during the applicable Lease term remain free from any liens or encumbrances of any kind whatsoever except the security interest granted to Lessor thereunder.
3. Lessee agrees to do all acts, including making application for title for the "New Equipment" showing SunTrust Equipment Finance & Leasing Corp., 300 E. Joppa Road, 7th Floor, Towson, Maryland 21286, as first position lienholder and execute all documents reasonably necessary to protect Lessor's security interest, and perfect the security interest of Lessor in the "New Equipment".
4. Except as expressly modified hereby, all terms and provisions of the Agreement shall remain in full force and effect.
4. **COVENANTS.** Upon execution of this Amendment, Lessor will and is permitted by Lessee to promptly execute Uniform Commercial Code Statements of Amendments and any other filings and recordings, together with such further documents, instruments and assurance and take such further action as Lessor may deem necessary in order to carry out the intent and purpose of this Amendment. Lessee will provide Lessor with a MSO, title application, and (when available) original Title evidencing Lessor's first position lien in the New Equipment.
5. **MISCELLANEOUS.** This Amendment shall hereafter amend and constitute a part of each of the Lease Documents referenced herein. Except as expressly provided herein, the terms and conditions of each such Lease Document remains

unmodified and in full force and effect. This Amendment shall be governed by and in accordance with the laws of the LeaseDocuments. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Amendment to be executed by their duly authorized representative as of the date first above written.

**SUNTRUST EQUIPMENT FINANCE & LEASING CORP.,
Lessor**

**CITY OF FRANKLIN, TN,
Lessee**

By: _____
Name:
Title:

By: _____
Name: Eric Stuckey
Title: City Administrator