



HISTORIC
FRANKLIN
TENNESSEE

ITEM #26
BOMA
02/12/13

MEMORANDUM

January 15, 2013

TO: Board of Mayor and Aldermen
FROM: Eric S. Stuckey, City Administrator
Russ Truell, Assistant City Administrator
SUBJECT: U S Bank Lease Property Schedule 2

Purpose

The purpose of this agenda item is to consider authorizing the Mayor and City Administrator to execute a second lease schedule with U. S. Bank for items related to the FY12-13 Operating Budget.

Background

The City of Franklin entered a master lease arrangement with U. S. Bank in October, 2012. Items approved in our operating budget were covered by a document in the lease agreement titled Property Schedule 1. The interest rate of 1.07% was determined in a procurement process that included proposals from six banks.

Since adoption of the budget, several instances have arisen that require purchase of items not contemplated in the original budget. Three of the four items involved are additional equipment to existing projects, an emergency purchase, and new equipment that staff believes is more cost effective than undertaking expensive repairs on aged equipment. U. S. Bank is willing to extend their previous interest rate commitment to an additional borrowing for the needed equipment.

If fully utilized, Property Schedule 2 would add \$782,240.24 to the overall lease amount. Payments would be made semi-annually over a three year period.

Financial Impact

Impact to the General Fund in FY13 is included in the adopted budget. Future payments would be made from the General Fund operating budget or the Solid Waste operating budget adopted in FY14, FY15 and FY16.

Recommendation

Staff recommends approval.



Equipment Finance
950 17th Street, 7th Floor
Denver, CO 80202

All of us serving you

November 6, 2012

Russell Truell
CFO
City of Franklin
109 Third Avenue South
Franklin, TN 37064

Dear Mr. Truell:

Enclosed please find one (1) executed original of the Master Tax-Exempt Lease/Purchase Agreement dated August 1, 2012 by and between the City of Franklin as Lessee and U.S. Bancorp Government Leasing and Finance, Inc. as Lessor.

We thank you for your business and look forward to fulfilling any financing needs you may have in the future.

Sincerely,

Francine Neville

Francine Neville
Documentation Specialist

2012-0123

Master Tax-Exempt Lease/Purchase Agreement

Between: U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor")
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

And: City of Franklin (the "Lessee")
109 Third Avenue South
Franklin, TN 37064
Attention: Russell Truell, CFO
Telephone: (615) 791-1457

Dated: August 1, 2012

**ARTICLE I
DEFINITIONS**

The following terms will have the meanings indicated below unless the context clearly requires otherwise:
 "Agreement" means this Master Tax-Exempt Lease/Purchase Agreement, including all exhibits and schedules attached hereto.
 "Code" is defined in Section 3.01(f).
 "Commencement Date" is the date when the term of a Property Schedule and Lessee's obligation to pay next thereunder commences, which date shall be set forth in each Property Schedule.
 "Event of Default" is defined in Section 13.01.
 "Lease Payments" means the Lease Payments payable by Lessee under Article VI of this Agreement and each Property Schedule, as set forth in each Property Schedule.
 "Lease Payment Dates" means the Lease Payment Dates for the Lease Payments as set forth in each Property Schedule.
 "Lease Term" means, with respect to a Property Schedule, the Original Term and all Renewal Terms. The Lease Term for each Property Schedule executed hereunder shall be set forth in such Property Schedule, as provided in Section 4.02.
 "Lessor" means the entity identified as such in the first paragraph hereof, and its permitted successors and assigns.
 "Lessor" means the entity identified as such in the first paragraph hereof, and its successors and assigns.
 "Nonappropriation Event" is defined in Section 6.06.
 "Original Term" means, with respect to a Property Schedule, the period from the Commencement Date until the end of the budget year of Lessee in effect at the Commencement Date.
 "Property" means, collectively, the property leased/purchased pursuant to this Agreement and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article IX.
 "Property Schedule" means a Property Schedule in the form attached hereto for Property Schedule 1. Subsequent Property Schedules pursuant to this Agreement shall be numbered consecutively, beginning with Property Schedule 2.
 "Purchase Price" means the amount that Lessee may, in its discretion, pay to Lessor to purchase the Property under a Property Schedule, as provided in Section 11.01 and as set forth in the Property Schedule.
 "Renewal Terms" means the renewal terms of a Property Schedule, each having a duration of one year and a term coextensive with Lessee's budget year.
 "State" means the state where Lessee is located.
 "Vendor" means the manufacturer or contractor of the Property as well as the agents or dealers of the manufacturer or contractor from whom Lessor or Lessee purchased or is purchasing all or any portion of the Property.

ARTICLE II

3.01 Property Schedules Subject to Financing. Each Property Schedule executed and delivered under this Agreement shall be a separate financing, distinct from other Property Schedules. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default or a Nonappropriation Event with respect to a Property Schedule, Lessee shall have the right and remedies specified herein with respect to the Property financed and the Lease Payments payable under such Property Schedule, and except as expressly provided in Section 12.02 below, Lessor shall have no right or remedies with respect to Property financed or Lease Payments payable under any other Property Schedules unless an Event of Default or Nonappropriation Event has also occurred under such other Property Schedules.

ARTICLE III

3.01 Consents of Lessee. As of the Commencement Date for each Property Schedule executed and delivered hereunder, Lessee shall be deemed to represent, covenant and warrant for the benefit of Lessor as follows:
 (a) Lessee is a public body, corporate and public, duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Property Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder.
 (b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and public. To the extent Lessee is a body corporate and public, Lessee shall have the right to amend its articles of incorporation to such extent as to ensure Lessee's obligations hereunder.
 (c) Lessee has been duly authorized to execute and deliver this Agreement and the Property Schedule by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Property Schedule, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the

EXHIBIT A

Property Description

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

14.06 **Waiver of Jury Trial.** Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Lessor or Lessee in the negotiation, administration, performance or enforcement hereof.

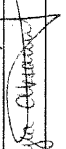
14.07 **Amendments, Changes and Modifications.** This Agreement may be amended in writing by Lessor and Lessee to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of all assignees shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedules.

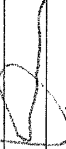
14.08 **Execution in Counterparts.** This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.


14.09 **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

14.10 **Conditions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Technology Equipment for multiple vendors to be detailed out in Exhibit 3 of the Escrow Agreement dated August 1, 2012 as submitted by Lessee to Lessor.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By: 
Name: Myra Aksamit
Title: Documentation Supervisor

Lessee: City of Franklin
By: 
Name: Ken Moore
Title: Mayor

Attest:
By: 
Name: Eric Stuckey
Title: City Administrator

Property Schedule No. 1

Master Tax-Exempt Lease/Purchase Agreement

This **Property Schedule No. 1** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), dated as of August 1, 2012, between U.S. Bancorp Government Leasing and Finance, Inc., and City of Franklin.

1. Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. The terms and conditions of the Master Agreement shall prevail over any terms and conditions set forth in any other documents, including but not limited to, the Master Agreement and the provisions of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.

2. Commencement Date. The Commencement Date for this Property Schedule is August 1, 2012.

3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. Lessee shall not remove such property from the locations set forth therein without giving prior written notice to Lessor. The Lease Payment Schedule for this Property Schedule is set forth in Exhibit 1.

4. Opinion. The Opinion of Lessee's Counsel is attached as Exhibit 2.

5. Lessee's Certificate. The Lessee's Certificate is attached as Exhibit 3.

6. Proceeds. Lessor shall disburse the proceeds of this Property Schedule in accordance with the instructions attached hereto as Exhibit 4.

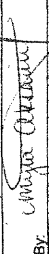
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 5.


8. Additional Purchase Option Provisions. In addition to the Purchase Option provisions set forth in the Master Agreement, Lease Payments payable under this Property Schedule shall be subject to prepayment in whole at any time by payment of the applicable Termination Amount set forth in Exhibit 1 (Payment Schedule) and payment of all accrued and unpaid interest through the date of prepayment.

9. Bank Qualification and Arbitration Waiver. Attached as Exhibit 6.

10. Expiration. Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Master Agreement (including this Property Schedule and all ancillary documents) is not received by Lessor at its place of business by August 6, 2012.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
 By: 
 Name: **Myra Aksamit**
 Title: **Documentation Supervisor**

Lessee: City of Franklin
 By: 
 Name: **Ken Moore**
 Title: **Mayor**

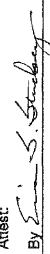
Attest:
 By: 
 Name: **Eric S. Struckey**
 Title: **City Administrator**

EXHIBIT 1

Property Description and Payment Schedule

Re: **Property Schedule No. 1 to Master Tax-Exempt Lease/Purchase Agreement U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin.**

THE PROPERTY IS AS FOLLOWS: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto. It includes all replacements, parts, repairs, additions, accessories and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

PROPERTY LOCATION:

Address: 700 COLLEGE AVENUE
 City, State Zip Code: FRANKLIN, TN 37064

USE: Technology Equipment - This use is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

Lease Payment Schedule

Total Principal Amount: \$1,000,000.00

Payment No.	Due Date	Lease Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for Said Due Date)
1	1-Feb-2013	164,361.84	159,000.00	5,361.84	866,230.00
2	1-Aug-2013	165,509.39	159,000.00	4,509.39	702,460.00
3	1-Feb-2014	170,656.84	157,000.00	3,656.84	538,450.01
4	1-Aug-2014	169,761.40	167,000.00	2,761.40	358,440.00
5	1-Feb-2015	175,865.96	174,000.00	1,865.96	179,220.00
6	1-Aug-2015	174,932.98	174,000.00	932.98	0.00
TOTALS:		1,019,088.51	1,000,000.00	19,088.51	


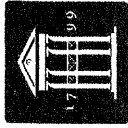
Lessee: City of Franklin
 By: 
 Name: **Ken Moore**
 Title: **Mayor**

Exhibit 2



HISTORIC
FRANKLIN
TENNESSEE

LAW DEPARTMENT

Shauna R. Billingsley, Esq.
City Attorney
Also Licensed in Texas

Property Description and Payment Schedule

EXHIBIT 1

Re: **Property Schedule No. 1 to Master Tax-Exempt Lease/Purchase Agreement U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin.**

THE PROPERTY IS AS FOLLOWS: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto. It includes all replacements, parts, repairs, additions, accessories and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

PROPERTY LOCATION:

Address _____

City, State Zip Code _____

USE: Technology Equipment. This use is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

Lease Payment Schedule

Total Principal Amount: \$1,000,000.00

Payment No.	Due Date	Lease Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for said Due Date)
1	1-Feb-2013	164,361.94	159,000.00	5,361.94	866,230.00
2	1-Aug-2013	163,503.39	159,000.00	4,503.39	702,460.00
3	1-Feb-2014	170,656.84	167,000.00	3,656.84	630,450.01
4	1-Aug-2014	169,761.40	167,000.00	2,761.40	358,440.00
5	1-Feb-2015	175,865.96	174,000.00	1,865.96	179,220.00
6	1-Aug-2015	174,832.98	174,000.00	832.98	0.00
TOTALS:		1,019,088.51	1,000,000.00	19,088.51	

Lessee: City of Franklin

By:

Name: Ken Moore

Title: Mayor

October 1, 2012

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

City of Franklin
109 Third Avenue South
Franklin, TN 37064
Attention: Russell Truell, CFO

RE: **Property Schedule No. 1 to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin.**

Ladies and Gentlemen:

I am the City Attorney for the City of Franklin ("Lessee"), and have reviewed the Master Tax-Exempt Lease/Purchase Agreement, dated as of August 1, 2012 (the "Master Agreement"), between City of Franklin, as lessee, and U.S. Bancorp Government Leasing and Finance, Inc. as lessor ("Lessor"), and the execution of Property Schedule No. 1 (the "Property Schedule") pursuant to the Master Agreement. I have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Property Schedule.

As to questions of fact material to my opinion, I have relied upon the representations of Lessee in the Master Agreement and the Property Schedule and in the certified proceedings and other certifications of public officials furnished to me without undertaking to verify the same by independent investigation.

Based upon the foregoing, I am of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Master Agreement and the Property Schedule and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Property Schedule by Lessee has been duly authorized by all necessary action on the part of Lessee.
4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Master Agreement and the Property Schedule, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.



HISTORIC
FRANKLIN
TENNESSEE

5. Lessee has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.
6. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Lessee of the Master Agreement and the Property Schedule.
7. The Master Agreement and the Property Schedule have been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.
8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal or of interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule.

Sincerely,
Shauna R. Billingsley
Shauna R. Billingsley
City Attorney

**MINUTES OF THE REGULAR MEETING
BOARD OF MAYOR AND ALDERMEN
FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
TUESDAY, JULY 10, 2012 - 7:00 P.M.**

Board Members

Mayor Ken Moore P
Alderman Clyde Barnhill P
Alderman Brandy Blanton P
Alderman Pearl Bransford P
Alderman Beverly Burger P
Alderman Margaret Martin P
Alderman Dana McLendon P
Alderman Ann Petersen P
Alderman Michael Skinner, Vice Mayor P

Department Directors/Staff

Eric Stuckey, City Administrator P
Vernon Gerth, ACA Community & Economic Development P
Russell Trueli, ACA Finance & Administration P
David Parker, City Engineer/CIP Executive P
Shauna Billingsley, City Attorney P
Rocky Garaznek, Fire Chief P
David Rahinsky, Police Chief P
Fred Banner, MIT Director P
Chris Badgester, BNS Director P
Becky Caldwell, Solid Waste Director P
Lisa Clayton, Parks Director P
Shirley Harmon, HR Director P
Mark Hilby, Water Management Director P
Paul Holzen, Engineering Director P
Catherine Powers, Planning/Sustainability Director P
Joe York, Streets Director P
Brad Wilson, Facilities Project Manager P
Lansil Benz, Assistant City Recorder P
Linda Fuhrwider, Board Recording Secretary P

1. **Call to Order**
Mayor Ken Moore called the July 10, 2012, meeting to order at 7:00 p.m.
2. **Invocation**
The invocation was given by Alderman Clyde Barnhill.
3. **Pledge of Allegiance**
All present stood and pledged allegiance to the Flag of the United States of America
4. **Grievances or Statements from Citizens:** Citizen Comments (Open for Franklin citizens to be heard on items not included on the Agenda. As provided by law, the Board of Mayor and Aldermen shall make no decisions or consideration of action of citizen comments, except to refer the matter to the City Administrator for administrative consideration, or to schedule the matter for Board consideration at a later date. Those citizens addressing the Board of Mayor and Aldermen are requested to come to the microphone and identify themselves by name and address for the official record)
None
5. **Communications from Williamson County Mayor and Williamson County Commission**
County officials were not present.
6. **Approval of Minutes**
Alderman Petersen moved to approve the following minutes as presented, June 12, 2012 Work Session, June 17, 2012 BOMA meeting, June 21, 2012 Work Session, and June 21, 2012 Special BOMA meeting. Seconded by Alderman Blanton. Motion carried unanimously.

7. **Recognitions
City Meetings**

- The date and time for the Sustainability Commission meeting is listed incorrectly at the end of this agenda. The correct date and time: July 12, 2012 @ 6:00 p.m. It will also be an open house.
- The Board of Mayor and Aldermen will have a strategic planning work session July 17, 2012 from 2:00-6:00 p.m. in the clubhouse at the Eastern Flank Battlefield Park.
- Because of the work session the Stormwater Appeals Board meeting time is changed from 5:30 to 6:30 p.m.

Water Issues Update

A little over a week ago the City enacted a voluntary conservation measure. Eric Stuckey thanked the citizens of Franklin for responding positively. The water supply is now in good condition with the water tanks continuing to replenish. They are now at near normal operating levels. The reservoir is at approximately 39 million gallons. Production was brought down and Harpeth Valley Utility provided a certain percentage of the water. The rain has helped; however, the City is not yet full capacity.

Voluntary conservation measures remain in effect, such as watering lawn, spraying, washing non-commercial vehicles, etc. This region suffered severe drought conditions per the National Geological Society. Mr. Stuckey thanked Mark Hilty and the Water Management staff for working with Harpeth Valley and for their diligence during this time. The improvements made to the system helped the City more effectively draw water from the system with 25% more capacity in the reservoir than prior to the improvements.

8. **Miscellaneous Reports**
None

9. **CONSENT AGENDA**

All items under the Consent Agenda are deemed non-controversial and routine in nature by the governing body. They will be approved as recommended by Committee or staff by one motion of the governing body. The items on the Consent Agenda will not be discussed. Any member of the governing body desiring to discuss an item on the Consent Agenda may request that it be removed from the Consent Agenda and be placed on the Regular Agenda. It will then be considered at that time. Staff recommends that Item Numbers 2129 be placed on the Consent Agenda.

Alderman Bransford pulled Item 26 and moved for approval of the Consent Agenda Items 23-25 and 27-29. Seconded by Alderman Burger. Motion carried unanimously.

OLD BUSINESS

10. **PUBLIC HEARING: Consideration of ORDINANCE 2012-07, to be Entitled: "An Ordinance to Amend the Character Area and Development Standard Overlays of the City of Franklin Zoning Map."**

[Second of Three Readings] Alderman Ann Petersen, FMPC Board Representative
With no one coming forward to speak, Mayor Moore declared the Public Hearing closed

Alderman Barnhill moved to approve Ordinance 2012-07 on Second of Three Readings. Seconded by Alderman Bransford. Motion carried unanimously.

11. **PUBLIC HEARING: Consideration of ORDINANCE 2012-08, to be Entitled: "An Ordinance to Amend Chapter 3, Section 3-5, Subsections 4, 6, and 10 of the Franklin Zoning Ordinance, which Establishes Regulations for Character Area Overlay Districts and the Special Areas Therein."**

[Second of Three Readings] Alderman Ann Petersen, FMPC Board Representative
With no one coming forward to speak, Mayor Moore declared the Public Hearing closed

Alderman Bransford moved to approve Ordinance 2012-08 on Second of Three Readings. Seconded by Alderman Petersen. Motion carried unanimously.

12. **PUBLIC HEARING: Consideration of ORDINANCE 2012-21, to be Entitled: "An Ordinance to Rezone ±15.8 Acres from General Commercial District (GC) to Civic and Institutional District (CI) for the Property Located at 124 Lumber Drive."**

[Second of Three Readings] Alderman Ann Petersen, FMPC Board Representative
With no one coming forward to speak, Mayor Moore declared the Public Hearing closed

Alderman Petersen moved to approve Ordinance 2012-21 on Second of Three Readings. Seconded by Alderman Bransford. Motion carried unanimously.

13. **PUBLIC HEARING: Consideration of ORDINANCE 2012-34, an Ordinance Adopting FY2012 Third Quarter Budget Amendments**

[Second and Final Reading] Mike Lowe, Comptroller
With no one coming forward to speak, Mayor Moore declared the Public Hearing closed

Alderman Blanton moved to approve Ordinance 2012-34 on Second and Final Reading. Seconded by Alderman Blanton. Motion carried unanimously.

14. **Consideration of Bid Award to Stone Crest Construction, LLC in the Amount Not to Exceed \$17,000.00 for the New Roof Installation and Porch Reconstruction of the Hayes Home Located at Hardinsdale Farms for the City of Franklin Parks Department Located at 311 Franklin Road (COF 2012-0097)**

Brad Wilson, Facilities Project Manager
Alderman Skinner moved to approve Bid Award to Stone Crest Construction. Seconded by Alderman Bransford. Motion carried unanimously.

NEW BUSINESS

15. **Consideration of An Amendment to the Grant Contract Between the Tennessee Historical Commission and the City of Franklin for Hayes House Roof and Gutter System**

Catherine Powers, Planning & Sustainability Director
Brad Wilson Facilities Project Manager
Alderman Skinner moved to approve Amendment to the Grant Contract with the Tennessee Historical Commission. Seconded by Alderman Bransford.

Alderman Petersen moved to amend #3 of the Covenant by striking the phrase "including other structures or features of the site" in the first sentence. "The Owner agrees at all times to maintain the Property in as good and sound state of repair as on the completion of the grant funded work and to maintain the subject Property, including other structures or features of the site, according to the....." Seconded by Alderman Blanton. Motion to amend carried unanimously.

Main Motion as Amended carried unanimously.

16. Consideration of RESOLUTION 2012-38, A Resolution to Endorse Efforts of the Tennessee Civil War National Heritage Area and Franklin's Charge, Inc. to Obtain Issuance of U.S. Postage Stamps commemorating the 1864 Battle of Franklin

Catherine Powers, Planning & Sustainability Director
Alderman Skinner moved to approve Resolution 2012-38. Seconded by Alderman Blanton. Motion carried unanimously.

17. Consideration of RESOLUTION 2012-33; a Resolution Adopting a Debt Collection Policy for the City of Franklin

Steve Sims, Assistant City Recorder/City Court Clerk
Alderman Burger moved to approve Resolution 2012-33. Seconded by Alderman Bransford.

Alderman Blanton commented that she thought going back six years for debt was too long a time.

Alderman Petersen moved to amend by deleting the Roundup Fee from the debt. Seconded by Alderman Blanton.

Alderman Bransford said she could not support that because that fee is part of what goes into the Housing Commission funds. This sparked further discussion that ended with Alderman Skinner saying it would cost more in money and time to go back and recalculate the debt than what that portion of the debt would be. Alderman McLendon said he would not support the amendment.

Motion to amend FAILED 3-5 with Alderman Burger, Blanton and Petersen voting in favor and Alderman Martin, McLendon, Skinner, Barnhill and Bransford voting against the amendment.

Main Motion to approve Resolution 2012-33 carried unanimously.

18. Consideration of Agreement with Friends of Franklin Parks, LLC (COF Contract 2012-0106)

Lisa Clayton, Parks Director
Alderman Petersen moved to approve the Agreement with changes. Seconded by Alderman Bransford.

Alderman Petersen moved to amend the following items D #4 on page 2, F #2, #3, #4 on page 3, G #2 d on page 4 to eliminate references to Department approval, to read City approval. Seconded by Alderman Burger

Shauna Billingsley said "the City" means "BOMA". Alderman McLendon commented that nothing about the Agreement changes anything about the way the City does business.

Motion to amend Agreement carried unanimously. Main Motion as Amended carried unanimously.

19. Consideration of Mayor's Appointment to Employee Pension Committee - Marcia Williams (Reappointment as Citizen Representative, 4-year term)

Dr. Ken Moore, Mayor
Alderman Barnhill moved to approve the Reappointment of Marcia Williams to the Employee Pension Committee. Seconded by Alderman Petersen. Motion carried unanimously.

20. Consideration of Mayor's Appointment(s) to the Franklin Housing Commission - Dan Klatt and David Johnson (Reappointment of At-Large Members, 3-year term each)

Dr. Ken Moore, Mayor
Alderman Bransford moved to approve the Reappointments of Dan Klatt and David Johnson to the Housing Commission. Seconded by Alderman Blanton. Motion carried unanimously.

21. Consideration of Event Permit for St. Paul's BBQ to be Held in Downtown Franklin on July 28, 2012

David Rahinsky, Police Chief
Alderman Martin moved to approve Event Permit. Seconded by Alderman Petersen. Motion carried unanimously.

22. Consideration of Hamilton Lane Private Equity Agreement

Russ Truell, ACA Finance & Administration
Shirley Harmon, Human Resources Director
Alderman Barnhill moved to approve Agreement with Hamilton Lane Private Equity. Seconded by Alderman Petersen. Motion carried unanimously.

CONSENT AGENDA

23. Consideration of ORDINANCE 2012-27, An Ordinance to Amend Chapter 4, Section 4.1 of the City of Franklin Zoning Ordinance to Permit Outdoor Storage at Government Facilities; Establishing a Public Hearing Date of August 14, 2012

Alderman Ann Petersen, FMPC Board Representative
Ordinance 2012-27 approved unanimously on First of Three Readings

24. Consideration of Approval of an Agreement with ICMA-RC for Administrative Services for the City's 401/457 Defined Contribution Plans

Russ Truell, ACA Finance & Administration
Shirley Harmon, Human Resources Director
Approved unanimously

25. Consideration of Insurance Deposit with Travelers Insurance Company for Workman's Compensation Policy

Russ Truell, ACA Finance & Administration
Shirley Harmon, Human Resources Director
Approved unanimously

26. Consideration of Lease Schedule for FY2013 Capital Outlay Items
Eric Stuckey, City Administrator
Russ Truell, ACA Finance & Administration

EXHIBIT 3

Lessee's Certificate

Alderman Bransford moved to approve Lease Schedule for FY 2013 Capital Outlay Items subject to approval by the City Attorney and City Administrator. Seconded by Alderman Burger.

Russ Truell noted selected capital equipment is part of the Budget. Bids were taken to lease equipment for the server room. US Bank was low bidder at 1.07% interest on a Master Lease Agreement. Some changes involving indemnification issues are to be made; therefore, the approval is subject to approval by the City Attorney and the City Administrator.

Motion to approve Lease Schedule subject to approval by the City Attorney and City Administrator carried unanimously.

27. *Consideration of Event Permit Applications for Wounded Warriors Soldier Ride and 8K Run on November 3, 2012. Approved unanimously. David Rahinsky, Police Chief*

28. *Consideration of Multi-Year Sponsorship Agreement with Nutro Company to Act as an Official Sponsor for the Two City of Franklin Dog Parks (COF Contract Number 2011-0188). Approved unanimously. Lisa Clayton, Parks Director*

29. *Items Approved by the City Administrator on Behalf of the Board of Mayor & Aldermen*

- Fencing for Roof area of 4th Avenue Garage (\$8,800)
- Contract No. 201274-c between the Regional Transportation Authority and the City of Franklin (\$6,167.00)
- Exercised the one-year contract extension option to the Housing Fund, Inc. for CDBG Program consultant services. (The \$20,000 annual contract is paid with CDBG administrative funding)


Approved unanimously

ADJOURN
Alderman Blanton moved to adjourn. Seconded by Alderman Burger. Motion carried unanimously. v
Meeting adjourned @ 7:27 p.m.

Dr. Ken Moore, Mayor

Re: **Property Schedule No. 1 to Master Tax-Exempt Lease/Purchase Agreement U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin.**
The undersigned, being the duly elected, qualified and acting Mayor of the City of Franklin ("Lessee") do hereby certify, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee held July 10, 2012, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement") by the following named representative of Lessee, to wit:

NAME OF EXECUTING OFFICIAL	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
Ken Moore And/Or	Mayor	

2. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Lessee at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

5. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Lessee.

6. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

Minutes prepared by: Linda Fulwider, Board Recording Secretary, City Administrator's Office - 8/15/2012 10:19 AM
Board of Mayor and Alderman Regular Meeting Minutes
Tuesday, July 10, 2012 - 7:00 p.m.
Page 6 of 6


City of Franklin
By: 
Title: City Administrator
SIGNER MUST NOT BE THE SAME AS THE EXECUTING OFFICIAL(S) SHOWN ABOVE

EXHIBIT 4

Payment of Proceeds Instructions

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 66th Parkway, Suite 100
Portland, OR 97223

Re: Property Schedule No. 1 (the "Property Schedule") to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor") and City of Franklin ("Lessee").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Lessee hereby requests and authorizes Lessor to disburse the net proceeds of the Property Schedule as follows:

Name of Payee: CITY OF FRANKLIN By wire transfer _____
By check _____
If by check, Payee's address: 109 TRIPLED AVENUE, SUITE 201
ATTN: FINANCE DEPT
FRANKLIN, TN 37064

If by wire transfer, instructions as follows:

Pay to Bank Name: _____
Bank Address: _____
Bank Phone #: _____
For Account of: _____
Account No.: _____
ABA No.: _____


Lessee: City of Franklin	
By:	
Name:	Ken Moore
Title:	Mayor

EXHIBIT 5

Acceptance Certificate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 66th Parkway, Suite 100
Portland, OR 97223

Re: Property Schedule No. 1 to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin
Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof.

Acceptance Date: _____


Lessee: City of Franklin	
By:	
Name:	Ken Moore
Title:	Mayor

EXHIBIT 6

Bank Qualification And Arbitrage Rebate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. 1 to Master Tax-Exempt Lease/Purchase Agreement U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin**

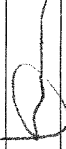
Bank Qualified Tax-Exempt Obligation under Section 265

NOT APPLICABLE

Arbitrage Rebate

Eighteen Month Exception:

Pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of this Property Schedule will be expended for the governmental purposes for which this Property Schedule was entered into, as follows: at least 15% within six months after the Commencement Date, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall compute rebatable arbitrage on this Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final Lease Payment due under this Agreement.

Lessee: City of Franklin
By: 
Name: Ken Moore
Title: Mayor

Notification of Tax Treatment to Tax-Exempt Lease/Purchase Agreement

This Notification of Tax Treatment is pursuant to the Master Tax-Exempt Lease/Purchase Agreement dated as of August 1, 2012 and the related Property Schedule No. 1 dated August 1, 2012, between Lessor and Lessee (the "Agreement").

Lessee agrees that this Property Schedule SHOULD be subject to sales/use taxes

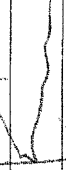
Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and Lessee has included our tax-exemption certificate with this document package

Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and no tax-exemption certificate is issued to us by the State

Lessee agrees that this Property Schedule is a taxable transaction and subject to any/all taxes

Lessee agrees that this Property Schedule is subject to sales/use taxes and will pay those taxes directly to the State or Vendor

IN WITNESS WHEREOF, Lessee has caused this Notification of Tax Treatment to be executed by their duly authorized representative.

Lessee: City of Franklin
By: 
Name: Ken Moore
Title: Mayor

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Escrow Agreement") is made as of August 1, 2012 by and among U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), City of Franklin ("Lessee") and U.S. BANK NATIONAL ASSOCIATION, as escrow agent ("Escrow Agent").

Lessor and Lessee have heretofore entered into that certain Master Tax-Exempt Lease/Purchase Agreement dated as of August 1, 2012 (the "Master Agreement") and a Property Schedule No. 1 thereto dated August 1, 2012 (the "Schedule"), and together with the terms and conditions of the Agreement incorporated therein, the "Agreement"). The Schedule contemplates that certain personal property described therein (the "Equipment") is to be acquired from the vendor(s) or manufacturer(s) thereof (the "Vendor"). After acceptance of the Equipment by Lessee, the Equipment is to be financed by Lessor to Lessee pursuant to the terms of the Agreement.

The Master Agreement further contemplates that Lessor will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment (the "Purchase Price"), being \$1,000,000.00, with Escrow Agent to be held in escrow and applied on the express terms set forth herein. Such deposit, together with all interest and other additions received with respect thereto (hereinafter the "Escrow Fund") is to be applied to pay the Vendor its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee); and, if applicable, to reimburse Lessee for progress payments already made by it to the Vendor of the Equipment.

The parties desire to set forth the terms on which the Escrow Fund is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The moneys and investments held in the Escrow Fund are irrevocably held in trust for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor. Lessor, Lessee and Escrow Agent intend that the Escrow Fund constitute an escrow account in which Lessee has no legal or equitable title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor have a security interest in the Escrow Fund, and such security interest is hereby granted by Lessee to secure payment of all sums due to Lessor under the Master Agreement. For such purpose, Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Escrow Fund, the Lessor's interest therein.

2. On such day as is determined to the mutual satisfaction of the parties (the "Closing Date"), Lessor shall deposit with Escrow Agent cash in the amount of the Purchase Price, to be held in escrow by Escrow Agent on the express terms and conditions set forth herein.

On the Closing Date, Escrow Agent agrees to accept the deposit of the Purchase Price by Lessor, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto, as the Escrow Fund hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the Escrow

Fund from time to time shall be held or registered in the name of Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).

4. The cash comprising the Escrow Fund from time to time shall be invested and reinvested by Escrow Agent in one or more investments as directed by Lessee. Absent written direction from Lessee, the cash will be invested in the U.S. Bank National Association Money Market Deposit Fund. See Exhibit 1 Investment Direction Letter. Lessee represents and warrants to Escrow Agent and Lessor that the investments selected by Lessee for investment of the Escrow Fund are permitted investments for Lessee under all applicable laws. Escrow Agent will use due diligence to collect amounts payable under a check or other instrument for the payment of money comprising the Escrow Fund and shall promptly notify Lessee and Lessor in the event of dishonor of payment under any such check or other instrument. Interest or other amounts earned and received by Escrow Agent with respect to the Escrow Fund shall be deposited in and comprise a part of the Escrow Fund. Escrow Agent shall maintain accounting records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the Escrow Fund. The parties acknowledge that to the extent regulations of the Comptroller of Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions of the escrow, the parties waive receipt of such confirmations, to the extent permitted by law. The Escrow Agent shall furnish a statement of security transactions on its regular monthly reports.

5. Upon request by Lessee and Lessor, Escrow Agent shall send monthly statements of account to Lessee and Lessor, which statements shall set forth all withdrawals from and interest earnings on the Escrow Fund as well as the investments in which the Escrow Fund is invested.

6. Escrow Agent shall take the following actions with respect to the Escrow Fund:

(a) Upon Escrow Agent's acceptance of the deposit of the Purchase Price, an amount equal to Escrow Agent's setup fee, as set forth on Exhibit 2 hereto, shall be disbursed from the Escrow Fund to Escrow Agent in payment of such fee.

(b) Escrow Agent shall pay costs of the Equipment upon receipt of a duly executed Requisition Request (substantially in the format of Exhibit 3) signed by Lessor and Lessee. Lessor's authorized signatures are provided in Exhibit 5. Lessee's authorized signatures will be provided in Exhibit 3 of Master Lease Purchase Agreement. Escrow Agent will use best efforts to process requests for payment within one (1) business day of receipt of requisitions received prior to 2:00 p.m. Central Time. The final Requisition shall be accompanied by a duly executed Acceptance Certificate form attached as Exhibit 4 hereto.

(c) Upon receipt by Escrow Agent of written notice from Lessor that an Event of Default or an Event of Nonappropriation (if provided for under the Master Agreement) has occurred under the Agreement, all funds then on deposit in the Escrow Fund shall be paid to Lessor for application in accordance with the Master Agreement, and this Escrow Agreement shall terminate.

(d) Upon receipt by Escrow Agent of written notice from Lessor that the purchase price of the Equipment has been paid in full, Escrow Agent shall pay the funds then on deposit in the Escrow Fund to Lessor to be applied first to the next Lease Payment due under the Master Agreement, and second, to prepayment of the principal component of Lease Payments in inverse order of maturity without premium. To the extent the Agreement is not subject to prepayment, Lessor consents to such prepayment to the extent of such prepayment amount from the Escrow Fund. Upon disbursement of all amounts in the Escrow Fund, this Escrow Agreement shall terminate.

(e) This Escrow Agreement shall terminate eighteen (18) months from the date of this Escrow Agreement. It may, however, be extended by mutual consent of Lessee and Lessor

in writing to Escrow Agent. All funds on deposit in the Escrow Fund at the time of termination under this paragraph, unless otherwise directed by Lessee in writing (electronic means acceptable), shall be transferred to Lessor.

7. The fees and expenses, including any legal fees, of Escrow Agent incurred in connection herewith shall be the responsibility of Lessee. The basic fees and expenses of Escrow Agent shall be as set forth on Exhibit 2 and Escrow Agent is hereby authorized to deduct such fees and expenses from the Escrow Fund as and when the same are incurred without any further authorization from Lessee or Lessor. Escrow Agent may employ legal counsel and other experts as it deems necessary for advice in connection with its obligations hereunder. Escrow Agent waives any claim against Lessor with respect to compensation hereunder.

8. Escrow Agent shall have no liability for acting upon any written instruction presented by Lessor in connection with this Escrow Agreement, which Escrow Agent in good faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made by Escrow Agent.

9. Escrow Agent may resign at any time by giving thirty (30) days' prior written notice to Lessor and Lessee. Lessor may at any time remove Escrow Agent as Escrow Agent under this Escrow Agreement upon written notice. Such removal or resignation shall be effective on the date set forth in the applicable notice. Upon the effective date of resignation or removal, Escrow Agent will transfer the Escrow Fund to the successor Escrow Agent selected by Lessor.

10. Lessee hereby represents, covenants and warrants that pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of the Agreement will be expended for the governmental purposes for which the Agreement was entered into, as follows: at least 15% within six months after the Commencement Date, such date being the date of deposit of funds into the Escrow Fund, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall, at its sole expense and cost, compute rebuttable arbitrage on the Agreement and pay rebuttable arbitrage to the United States at least once every five years, and within 60 days after payment of the final rental or Lease Payment due under the Agreement.

11. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with or for any moneys involved herein or affected hereby, Escrow Agent shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing Escrow Agent may refrain from making any delivery or other disposition of any moneys involved herein or affected hereby and in so doing Escrow Agent shall not be or become liable to the undersigned or any of them or to any person or party for its failure or refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to continue so to refrain and refuse so to act until:

- (a) the rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the moneys involved herein or affected hereby; or
- (b) all differences shall have been adjusted by Master Agreement and Escrow Agent shall have been notified thereof in writing signed by all of the persons interested.

12. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other party if delivered (a) personally, (b) by United States registered or certified mail, return receipt requested, postage prepaid, (c) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available, or (d) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below

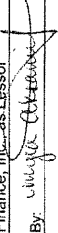
the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing.

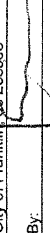
13. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor.

14. This Escrow Agreement shall be governed by and construed in accordance with the laws of the state of Tennessee. This Escrow Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties.

15. This Escrow Agreement and any written direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction.

In WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

U.S. Bancorp Government Leasing and Finance, Inc., as Lessor
By: 
Name: Myra Aksamit
Title: Documentation Supervisor
Address: 13010 SW 69th Parkway, Suite 100 Portland, OR 97223

City of Franklin, as Lessee
By: 
Name: Ken Moore
Title: Mayor
Address: 109 Third Avenue South Franklin, TN 37064



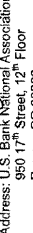
U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent
By: 
Name: 
Title: 
Address: U.S. Bank National Association 960 17th Street, 12th Floor Denver, CO 80202

Exhibit 4
Acceptance Certificate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. 1 to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin**

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof.

Acceptance Date: _____


Lessee: City of Franklin
By: 
Name: Ken Moore
Title: Mayor

EXHIBIT 1
INVESTMENT DIRECTION LETTER

U.S. Bank National Association
950 17th Street, 12th Floor
Denver, CO 80202

Re: Escrow Agreement dated as of August 1, 2012, U.S. Bancorp Government Leasing and Finance, Inc. as Lessor, City of Franklin as Lessee, and U.S. Bank National Association as Escrow Agent

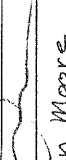
Ladies and Gentlemen:

Pursuant to the above-referenced Escrow Agreement, \$1,000,000.00 will be deposited in escrow with you on or about August 1, 2012. Such funds shall be invested in one or more of the following qualified investments in the amounts indicated:

U.S. Bank Money Market Deposit Account

Agent is hereby directed to deposit and invest funds in the U.S. Bank Money Market Deposit Savings Account. Depositors acknowledge that the U. S. Bank Money Market Deposit Account is a U. S. Bank National Association ("U.S. Bank") interest-bearing money market deposit account designed to meet the needs of U.S. Bank's Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit with U.S. Bank. U.S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates currently offered on the accounts are determined at U. S. Bank's discretion and may be tiered by customer deposit amount. The owner of the accounts is U. S. Bank as Agent for its trust customers. U.S. Bank's trust department performs all account deposits and withdrawals. Each customer's deposit is insured by the Federal Deposit Insurance Corporation as determined under FDIC Regulations, up to applicable FDIC limits. Any and all interest earned on the Assets after the deposit shall be added to the Assets and shall become a part thereof. Agent shall thereafter hold, maintain and utilize the Assets pursuant to the terms and conditions of this Agreement. Depositors shall provide Agent with a W-9 or original W-9 IRS tax form prior to the disbursement of interest and Agent will file the appropriate 1099 or other required forms pursuant to Federal and Tennessee laws. A statement of citizenship will be provided if requested by Agent. Agent shall not be responsible for maximizing the yield on the Assets. Agent shall not be liable for losses, penalties or charges incurred upon any sale or purchase of any such investment.

Very truly yours,

City of Franklin, as-Lessee
By: 
Name: Ken Moore
Title: Mayor

VEHICLE TITLING ADDENDUM

Master Tax-Exempt Lease/Purchase Agreement dated August 1, 2012, and related Property Schedule No. 1 dated August 1, 2012, between City of Franklin as Lessee and U.S. Bancorp Government Leasing and Finance, Inc. as Lessor.

1. Lessor and Lessee hereby agree to amend the above referenced Agreement to add additional terms and conditions as set forth below:

Lessee agrees that it will provide to Lessor the original title documentation to the Equipment. Lessee shall provide such title documentation to Lessor within 15 days of Lessee's receipt of such title documentation from the appropriate titling authority. Lessee's failure to provide Lessor with title documentation to the Equipment in a timely fashion shall be deemed a condition of Default as defined in the default paragraph herein subject to remedies available to Lessor pursuant to the remedies paragraph. Lessee further agrees to pay a month to month unobtained titling fee if Lessor has not received the correct transferred title in Lessor's office.


2. Location: Lessor agrees that in regard to the location of the equipment, Lessee must be responsible for maintaining records showing the location of each piece of Leased equipment. Lessee will report this location to Lessor upon written request by Lessor. Failure to do so shall constitute a breach of the Agreement, which default shall be governed by the terms and conditions specified in the default and/or remedies paragraph of the Agreement.


3. Lessee will complete the physical titling of the vehicle as required by the state of Lessee's residence and guarantee U.S. Bancorp Government Leasing and Finance, Inc. that U.S. Bancorp Government Leasing and Finance, Inc. will receive the original title to the leased vehicle in a timely manner. Lessee agrees to indemnify U.S. Bancorp Government Leasing and Finance, Inc. from any damage or loss it incurs, including legal fees, due to its failure to complete its agreement herein.

THE APPLICATION FOR TITLE MUST INCLUDE THE FOLLOWING AS 1ST LIEN HOLDER:

U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.
1310 MADRID STREET
MARSHALL, MN 56258

By signing this Addendum, Lessee acknowledges the above changes to the Agreement and authorizes Lessor to make such changes. In all other respects the terms and conditions of the Agreement remain in full force and effect.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By: 
Name: Myra Aksamit
Title: Documentation Supervisor
Date: October 30, 2012

Lessee: City of Franklin
By: 
Name: Ken Moore
Title: Mayor
Date:

INSURANCE AUTHORIZATION AND VERIFICATION

Date: August 1, 2012 Property Schedule No: 1

To: City of Franklin (the "Lessee")

From: U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor")
13010 SW 8th Parkway, Suite 100
Portland, OR 97223
Attn: Myra Aksamit

TO THE LESSEE: In connection with the above-referenced Property Schedule, Lessor requires proof in the form of this document, executed by both Lessee and Lessor's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

LESSEE AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDERS LOSS PAYEE with regard to all risks of loss that may be covered by policy holder through or from Lessor. All such insurance shall be provided to the effect that such insurance shall not be canceled or modified without first providing written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.


Lessee must carry **GENERAL LIABILITY** (and/or, for vehicles, **Automobile Liability**) in the amount of no less than **\$1,000,000.00** (one million dollars).

Lessee must carry **PROPERTY** insurance (or, for vehicles, **Physical Damage Insurance**) in an amount no less than the "Insurable Value" **\$1,000,000.00**, with deductibles no more than **\$10,000.00**.

*Lessee: Please execute this form and return with your document package. Lessor will fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements. If fully executed form (or Lessee-executed form plus certificates) is not provided within 15 days, we have the right to purchase such insurance at your expense. Should you have any questions, please contact Myra Aksamit at (503) 588-4054.

By signing, Lessee authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

Agency/Agent: TRUCK MET TRUCKS LAURA JUNGMEYER
Address: 305 PAMEL AVE
14514 20th St NE
Bellevue WA 98007
Phone/Fax: 206 369 8476 / 206 369 0647
E-Mail: Laura@truckmet.com

Lessee: City of Franklin
By: 
Name: Ken Moore
Title: Mayor

TO THE AGENT: In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Lessor at (503) 588-4752. This fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name of Agent: **X LAURA JUNGMEYER**

By: 
(Agent's Signature)

Print Name: **X LAURA JUNGMEYER**

Date: **X 10/29/2012**

Insurable Value: **\$1,000,000.00**

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE NO.: 1

DOCUMENT CHECKLIST

PLEASE EXECUTE TWO (2) ORIGINALS OF THE AGREEMENT AND TWO (2) ORIGINALS OF THE ESCROW AGREEMENT

RETURN ALL ORIGINALS TO:
U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.
FRANCINE NEVILLE
950 17TH STREET, 7TH FLOOR
DENVER, CO 80202
303-585-4077

INSURANCE AUTHORIZATION AND VERIFICATION

Date: August 1, 2012
Property Schedule No. 1
To: City of Franklin (the "Lessee")
From: U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor")
13010 SW 68th Parkway, Suite 100
Portland, OR 97223
Attn: Myra Aksemit

TO THE LESSEE: In connection with the above-referenced Property Schedule, Lessor requires proof in the form of this document, executed by both Lessee and Lessor's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Lessor, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDERS LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Lessor. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.

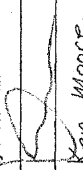
Lessee must carry GENERAL LIABILITY (and/or, for vehicles, Automobile Liability) in the amount of no less than \$1,000,000.00 (one million dollars).

Lessee must carry PROPERTY insurance (or, for vehicles, Physical Damage Insurance) in an amount no less than the "Insurable Value" \$1,000,000.00, with deductibles no more than \$10,000.00.

*Lessee: Please execute this form and return with your document package. Lessor will fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements. If fully executed form (or Lessee-executed form plus certificates) is not provided within 15 days, we have the right to purchase such insurance at your expense. Should you have any questions, please contact Myra Aksemit at (303) 585-4054.

By signing, Lessee authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

Agency/Agent: _____
Address: _____
Phone/Fax: _____
E-Mail: _____

Lessee: City of Franklin
By: 
Name: Ken Moore
Title: Mayor

TO THE AGENT: In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Lessor at (303) 585-4732. This fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name Of Agency: X _____
By: X _____ (Agent's Signature)
Print Name: X _____
Date: X _____

Insurable Value: \$1,000,000.00

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE NO.: 1

- > **Property Schedule No. 2** - This document must be executed in the presence of a witness/attestor. The attesting witness does not have to be a notary, just present at the time of execution.
- > **Property Description and Payment Schedule - Exhibit 1**
- > **Lessor's Counsel's Opinion - Exhibit 2**. This exhibit will need to be executed by your attorney, dated and placed on their letterhead. Your attorney will likely want to review the agreement prior to executing this opinion.
- > **Lessee's Certificate - Exhibit 3**. 1) Please fill in the person's title who will be executing the certificate in the first paragraph (note: the person who signs this exhibit can not be the same person as the executing official(s) for all other documents); 2) Please fill in the date that the governing body met in Line 1, 3) In the middle set of boxes, please print the name of the executing official(s) in the far left box, print their title(s) in the middle box and have the executing official(s) sign the line in the far right hand box; 4) Include in your return package a copy of the board minutes or resolution for our files; and 5) The exhibit should be executed by someone other than the executing official(s) named in the center box.
- > **Payment of Proceeds Instructions - Exhibit 4**. This is for the vendor payment information. If more than one vendor is being paid please make copies of this exhibit and fill out as many as are needed.
- > **Acceptance Certificate - Exhibit 5**. The date that all equipment is delivered, installed and accepted is the date that should be placed on the "DATE" line. If moneys are being deposited into escrow this exhibit should be held and returned with the final disbursement from the escrow account.
- > **Bank Qualification and Arbitrage Rebate - Exhibit 6**.
- > **Insurance Authorization and Verification - To be filled out by the Lessee and sent to your insurance carrier.** A valid insurance certificate, or self-insurance letter if the Lessee self insures, is required prior to funding.
- > **Notification of Tax Treatment - Please provide your State of Sales/Use tax Exemption Certificate.**
- > **Form 8038-G - Blank form provided to Lessee. Please consult your local legal/bond counsel to fill out.**
- > **Vehicle Titling Addendum**
- > **Escrow Agreement - This document needs to be executed by the Executing Official defined in the Lessee's Certificate - Exhibit 3.**
 - o **Investment Direction Letter - Exhibit 1**. This document needs to be executed by the Executing Official.
 - o **Schedule of Fees - Exhibit 2**.
 - o **Requisition Request - Exhibit 3**. This document should be retained by Lessee and utilized to request disbursements from the escrow account. Please make copies and fill out as many as are needed.
 - o **Acceptance Certificate - Exhibit 4**. This document should be retained by Lessee and provided to Lessor once all the proceeds have been disbursed from the escrow account.
 - o **Class Action Negative Consent Letter - Exhibit 6**.

Property Schedule No. 2

Master Tax-Exempt Lease/Purchase Agreement

This **Property Schedule No. 2** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), dated as of August 1, 2012, between U.S. Bancorp Government Leasing and Finance, Inc., and City of Franklin.

- Interpretation.** The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Lessee in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
- Commencement Date.** The Commencement Date for this Property Schedule is February 15, 2013.
- Property, Description and Payment Schedule.** The Property subject to this Property Schedule is described in Exhibit 1 hereto. Lessee shall not remove such property from the locations set forth therein without giving prior written notice to Lessor. The Lease Payment Schedule for this Property Schedule is set forth in Exhibit 1.
- Opinion.** The Opinion of Lessee's Counsel is attached as Exhibit 2.
- Lessee's Certificate.** The Lessee's Certificate is attached as Exhibit 3.
- Proceeds.** Lessor shall disburse the proceeds of this Property Schedule in accordance with the instructions attached hereto as Exhibit 4.
- Acceptance Certificate.** The form of Acceptance Certificate is attached as Exhibit 5.
- Additional Purchase Option Provisions.** In addition to the Purchase Option provisions set forth in the Master Agreement, Lease Payments payable under this Property Schedule shall be subject to prepayment in whole at any time by payment of the applicable Termination Amount set forth in Exhibit 1 (Payment Schedule) and payment of all accrued and unpaid interest through the date of prepayment.
- Bank Qualification and Arbitration Rebate.** Attached as Exhibit 6.
- Expiration.** Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Master Agreement (including this Property Schedule and all ancillary documents) is not received by Lessor at its place of business by February 22, 2013.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: City of Franklin
By:
Name:
Title:

Attest:
By:
Name:
Title:

Attest:
By:
Name:
Title:

Language for UCC Financing Statements

Schedule 2

SECURED PARTY: U.S. Bancorp Government Leasing and Finance, Inc.

DEBTOR: City of Franklin

This financing statement covers all of Debtor's right, title and interest, whether now owned or hereafter acquired, in and to the equipment leased to Debtor under Property Schedule No. 2 dated February 15, 2013 to that certain Master Tax-Exempt Lease Purchase Agreement dated as of August 1, 2012, in each case between Debtor, as Lessee, and Secured Party, as Lessor, together with all accessions, substitutions and replacements hereto and therefore, and proceeds (cash and non-cash), including, without limitation, insurance proceeds, thereof, including without limiting, all equipment described on Exhibit A attached hereto and made a part hereof.

Debtor has no right to dispose of the equipment.

Date: February 15, 2013

To: City of Franklin (the "Lessee")

INSURANCE AUTHORIZATION AND VERIFICATION

Property Schedule No.: 2

From: U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor")
13010 SW 68th Parkway, Suite 100
Portland, OR 97223
Attn: Francine Neville

TO THE LESSEE: In connection with the above-referenced Property Schedule, Lessor requires proof in the form of this document, executed by both Lessee and Lessee's agent, that Lessee's insurable interest in the financed property (the "Property") meets Lessor's requirements as follows, with coverage including, but not limited to, fire, extended coverage, vandalism, and theft:

Lessor, AND ITS SUCCESSORS AND ASSIGNS, shall be covered as both ADDITIONAL INSURED and LENDER'S LOSS PAYEE with regard to all equipment financed or leased by policy holder through or from Lessor. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification.

Lessee must carry **GENERAL LIABILITY** (and/or, for vehicles, Automobile Liability) in the amount of no less than \$1,000,000.00 (one million dollars).

Lessee must carry **PROPERTY** insurance for, for vehicles, Physical Damage Insurance) in an amount no less than the Insurable Value \$767,887.40, with deductibles no more than \$10,000.00.

*Lessee: Please execute this form and return with your document package. Lessor will fax this form to your insurance agency for endorsement. In lieu of agent endorsement, Lessee's agency may submit insurance certificates demonstrating compliance with all requirements. If fully executed form (or Lessee-executed form plus certificates) is not provided within 15 days, we have the right to purchase such insurance at your expense. Should you have any questions, please contact Francine Neville at 303-565-4077.

By signing, Lessee authorizes the Agent named below: 1) to complete and return this form as indicated; and 2) to endorse the policy and subsequent renewals to reflect the required coverage as outlined above.

Agency/Agent:	
Address:	
Phone/Fax:	
Email:	

Lessee: City of Franklin	
By:	
Name:	
Title:	

TO THE AGENT: In lieu of providing a certificate, please execute this form in the space below and promptly fax it to Lessor at 303-565-4732. This fully endorsed form shall serve as proof that Lessee's insurance meets the above requirements.

Agent hereby verifies that the above requirements have been met in regard to the Property listed below.

Print Name of Agency: X _____

By: X _____
(Agent's Signature)

Print Name: X _____ Date: X _____

Insurable Value: \$767,887.40

ATTACHED: PROPERTY DESCRIPTION FOR PROPERTY SCHEDULE NO.: 2

EXHIBIT A

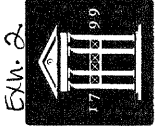
Property Description

One (1) 19" capacity drum style brush chipper, 137 HP, John Deere 4045 Tier 4i as described in the Vermeer Heartland Sales Order dated 12/12/2012, Quote No. 121212HCP179A, incorporated herein by this reference.

One (1) 2013 Mack MRU 613 front-end loading refuse collection truck as described in the Stringfellow, Inc. Quote dated 11/30/2012, incorporated herein by this reference.

One (1) Heil 22 cubic yard CP Python automated side loader mounted on a 2014 Mack chassis as described in the Stringfellow, Inc. Quote dated 12/31/2012, incorporated herein by this reference.

Power source equipment as described in the Mission Critical Solutions Quote dated 10/30/2012, Quote # 2012-101-revision, incorporated herein by this reference.



HISTORIC
FRANKLIN
TENNESSEE

LAW DEPARTMENT
Shauna R. Billingsley, Esq.
City Attorney
Also Licensed in Texas

EXHIBIT 1
Property Description and Payment Schedule

Re: **Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin.**

THE PROPERTY IS AS FOLLOWS: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto. It includes all replacements, parts, repairs, additions, accessories and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

PROPERTY LOCATION:

Address _____
City, State Zip Code _____

USE: Miscellaneous Vehicles - This use is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

Lease Payment Schedule

Total Principal Amount: \$767,897.40

Payment No.	Due Date	Lease Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for said Due Date)
1	15-Aug-2013	130,390.04	126,281.79	4,108.25	660,864.08
2	15-Feb-2014	130,390.04	126,957.39	3,432.65	530,057.97
3	15-Aug-2014	130,390.04	127,836.81	2,753.43	398,632.26
4	15-Feb-2015	130,390.04	128,319.47	2,070.57	286,463.20
5	15-Aug-2015	130,390.04	129,005.98	1,384.06	133,587.05
6	15-Feb-2016	130,390.04	129,696.16	693.88	0.00
TOTALS:		782,340.24	767,897.40	14,442.84	

Interest Rate: 1.07%

Lessee: City of Franklin

By: _____

Name: _____

Title: _____

February 13, 2013

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

City of Franklin
109 Third Avenue South
Franklin, TN 37064
Attention: Russell Truell, CFO

RE: **Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin.**

Ladies and Gentlemen:

I am the City Attorney for the City of Franklin ("Lessee"), and have reviewed the Master Tax-Exempt Lease/Purchase Agreement, dated as of August 1, 2012 (the "Master Agreement"), between City of Franklin, as lessee, and U.S. Bancorp Government Leasing and Finance, Inc. as lessor ("Lessor"), and the execution of Property Schedule No. 2 (the "Property Schedule 2") pursuant to the Master Agreement. I have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Property Schedule 2.

As to questions of fact material to my opinion, I have relied upon the representations of Lessee in the Master Agreement and the Property Schedule 2 and in the certified proceedings and other certifications of public officials furnished to me without undertaking to verify the same by independent investigation.

Based upon the foregoing, I am of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Master Agreement and the Property Schedule 2 and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Property Schedule by Lessee has been duly authorized by all necessary action on the part of Lessee.
4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Master Agreement and the Property Schedule, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.



HISTORIC
FRANKLIN
TENNESSEE

5. Lessee has acquired or has arranged for the acquisition of the Property subject to the Property Schedule 2, and has entered into the Master Agreement and the Property Schedule 2, in compliance with all applicable public bidding laws.
6. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Lessee of the Master Agreement and the Property Schedule 2.0
7. The Master Agreement and the Property Schedule 2 have been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.
8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule 2 or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule 2, or the validity of the Master Agreement or the Property Schedule 2, or the payment of principal or interest on, the Property Schedule 2; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule 2; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule 2.

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule 2.

Sincerely,

Shauna R. Billingsley
City Attorney

EXHIBIT 3

Lessee's Certificate

Re: **Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin.**

The undersigned, being the duly elected, qualified and acting _____ of the City of Franklin ("Lessee") do hereby certify, as of February 15, 2013, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee held _____ by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement") by the following named representative of Lessee, to wit:

NAME OF EXECUTING OFFICIAL	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
And/Or		

2. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Lessee at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

5. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Lessee.

6. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement, (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

City of Franklin
By: _____
Title: _____
SIGNER MUST NOT BE THE SAME AS THE EXECUTING OFFICIAL(S) SHOWN ABOVE.

EXHIBIT 4

Payment of Proceeds Instructions

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: Property Schedule No. 2 (the "Property Schedule") to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor") and City of Franklin ("Lessee").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Lessee hereby requests and authorizes Lessor to disburse the net proceeds of the Property Schedule as follows:

Name of Payee: _____
By check _____ By wire transfer _____
If by check, Payee's address: _____

If by wire transfer, instructions as follows:
Pay to Bank Name: _____
Bank Address: _____
Bank Phone #: _____
For Account of: _____
Account No.: _____
ABA No.: _____

Lessee: City of Franklin
By: _____
Name: _____
Title: _____

EXHIBIT 5

Acceptance Certificate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof.

Acceptance Date: _____

Lessee: City of Franklin
By: _____
Name: _____
Title: _____

EXHIBIT 5

Acceptance Certificate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement** between U.S. Bancorp
Government Leasing and Finance, Inc. and City of Franklin

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof.

Acceptance Date: _____

Lessee: City of Franklin
By: _____
Name: _____
Title: _____

EXHIBIT 6

Bank Qualification And Arbitrage Rebate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement** U.S. Bancorp Government Leasing
and Finance, Inc. and City of Franklin

Bank Qualified Tax-Exempt Obligation under Section 265

Not applicable.

Arbitrage Rebate

Eighteen Month Exception:

Pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of this Property Schedule will be expended for the governmental purposes for which this Property Schedule was entered into, as follows: at least 15% within six months after the Commencement Date, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall compute rebateable arbitrage on this Agreement and pay rebateable arbitrage to the United States at least once every five years, and within 60 days after payment of the final Lease Payment due under this Agreement.

Lessee: City of Franklin
By: _____
Name: _____
Title: _____

VEHICLE TITLING ADDENDUM

Part VI Miscellaneous

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

1. Lessor and Lessee hereby agree to amend the above referenced Agreement to add additional terms and conditions as set forth below:

1. Lessor agrees that it will provide to Lessor the original title documentation to the Equipment. Lessee shall provide such title documentation to Lessor within 15 days of Lessee's receipt of such title documentation from the appropriate titling authority. Lessee's failure to provide Lessor with title documentation to the Equipment in a timely fashion shall be deemed a condition of Default as defined in the default paragraph herein subject to remedies available to Lessor pursuant to the remedies paragraph. Lessee further agrees to pay a month to month unobtained titling fee if Lessor has not received the correct transferred title in Lessor's office.

2. Location: Lessor agrees that in regard to the location of the equipment, Lessee must be responsible for maintaining records showing the location of each piece of Leased equipment. Lessee will report this location to Lessor upon written request by Lessor. Failure to do so shall constitute a breach of the Agreement, which default shall be governed by the terms and conditions specified in the default and/or remedies paragraph of the Agreement.

3. Lessee will complete the physical titling of the vehicle as required by the state of Lessee's residence and guarantee U.S. Bancorp Government Leasing and Finance, Inc. that U.S. Bancorp Government Leasing and Finance, Inc. will receive the original title to the leased vehicle in a timely manner. Lessee agrees to indemnify U.S. Bancorp Government Leasing and Finance, Inc. from any damage or loss it incurs, including legal fees, due to its failure to complete its agreement herein.

THE APPLICATION FOR TITLE MUST INCLUDE THE FOLLOWING AS 1ST LIEN HOLDER:

U.S. BANCORP GOVERNMENT LEASING AND FINANCE, INC.
1310 MADRID STREET
MARSHALL, MN 56258

By signing this Addendum, Lessee acknowledges the above changes to the Agreement and authorizes Lessor to make such changes. In all other respects the terms and conditions of the Agreement remain in full force and effect.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc. By: _____ Name: _____ Title: _____ Date: _____	Lessee: City of Franklin By: _____ Name: _____ Title: _____ Date: _____
--	---

Signature and Consent
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative	Date	Type or print name and title	Check <input type="checkbox"/> if self-employed
Preparer's signature	Date	Firm's EIN ▶	Phone no. ▶
Firm's name ▶	Firm's address ▶		

Instructions for Form 8038-G

(Rev. September 2011)

Information Return for Tax-Exempt Governmental Obligations

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Purpose of Form
Form 8038-G is used by issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

If the issue price is \$100,000 or more: THEN, for tax-exempt obligations issued after December 31, 1986, issuers must file...

- A separate Form 8038-G for each issue
- Form 8038-GC
- Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales

For all build America bonds and recovery zone economic development bonds use Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds. For tax credit bonds and specified tax credit bonds use Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

When To File

File Form 8038-G on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the bond is issued. Form 8038-G may not be filed before the issue date and must be completed based on the facts as of the issue date.

Late filing. An issuer may be granted an extension of time to file Form 8038-G under Section 3 of Rev. Proc. 2002-48, 2002-37 IRB 531, if it is determined that the failure to file timely is not due to willful neglect. Type or print at the top of the form the number of the revenue procedure after explaining why Form 8038-G was not submitted to the IRS on time. Also indicate whether the bond issue in question is under examination by the IRS. Do not submit copies of the trust

agreement or other documents. See *Where To File* next.

Where To File
File Form 8038-G, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing" rule for tax returns and payments. These private delivery services include only the following:
• DHL Express (DHL), DHL Same Day Service
• Federal Express (FedEx), FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First
• United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.
The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required
For rebating arbitrage (or paying a penalty in lieu of arbitrage rebates) to the issuer, use Form 8038-1, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate.
For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.
For build America bonds (Direct Pay), recovery zone economic development bonds, complete Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds.
For qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, qualified school construction bonds, clean water bond issues, Michigan tax credit bonds, and all other qualified tax credit bonds (except build America bonds), file Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

Sep 20, 2011

Cat. No. 63774D

Notification of Tax Treatment to Tax-Exempt Lease/Purchase Agreement

This **Notification of Tax Treatment** is pursuant to the Master Tax-Exempt Lease/Purchase Agreement dated as of August 1, 2012 and the related Property Schedule No. 2 dated February 15, 2013, between Lessor and Lessee (the "Agreement").

- Lessee agrees that this Property Schedule SHOULD be subject to sales/use taxes
- Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and Lessee has included our tax-exemption certificate with this document package
- Lessee agrees that this Property Schedule should NOT be subject to sales/use taxes and no tax-exemption certificate is issued to us by the State
- Lessee agrees that this Property Schedule is a taxable transaction and subject to any/all taxes
- Lessee agrees that this Property Schedule is subject to sales/use taxes and will pay those taxes directly to the State or Vendor

IN WITNESS WHEREOF, Lessee has caused this Notification of Tax Treatment to be executed by their duly authorized representative.

Lessee: City of Franklin
By:
Name:
Title:

Rounding to Whole Dollars
You may show amounts on this return as whole dollars. To do so, drop amounts less than 50 cents and increase amounts from 50 cents through 99 cents to the next higher dollar.

Questions on Filing Form 8038-G

For specific questions on how to file Form 8038-G send an email to the IRS at TaxExemptBondQuestions@irs.gov and put "Form 8038-G Question" in the subject line. In the email include a description of your question, a return email address, the name of a contact person, and a telephone number.

Definitions

Tax-exempt obligation. This is any obligation, including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation.

A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used directly or indirectly to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue price. The issue price of obligations is generally determined under Regulations section 1.149-1(b). Thus, the first amount issued at cash, the issue price is the amount of the obligations sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Issue. Generally, obligations are treated as part of the same issue if they are issued by the same issuer, on the same date, and in a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, if they are treated as part of the same issue if the obligations are equally and ratably advanced and are issued under a loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meet the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are advanced under the same issue. You may also elect to treat as part of the same issue obligations issued under a draw-down loan with a term of 3 years or less, if the obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(i).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

- At least 75% of the available construction proceeds are to be used for property to be owned by a governmental unit or a section 501(c)(3) organization, and
- All the bonds that are part of the issue are qualified 501(c)(3) bonds, or private activity bonds issued to financial property to be owned by a governmental unit or a section 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1½% of the amount of construction proceeds that do not meet certain spending requirements. See sections 148(f)(4)(C) and the instructions for Form 8038-T.

Specific Instructions

Part 1—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed

return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the **Amended Return** box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new or corrected information. Attach an explanation of the reason for the amended return and write across the top, "Amended Return Explanation." Failure to attach an explanation may result in a delay in processing the form.

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. For a lease or installment sale, the issuer is the lessee or the purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4. You may obtain an employer identification number at IRS.gov or by calling the IRS 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Line 3a. If the issuer wishes to authorize a person other than an officer or representative of the issuer (including a legal representative with the IRS and whom the IRS may contact about this return) (including in writing or by telephone), the person named in line 3a must be an individual. Do not enter the name and title of an officer or other employee of the issuer (use line 10a for that purpose).

Note. By authorizing a person other than an authorized officer or other employee of the issuer to act on behalf of the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual entered on line 3a and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Lines 4 and 6. If you listed an individual on line 3a to communicate with the IRS and whom the IRS may contact about this return, enter the number and street (or P.O. box, if mail is not delivered to street address), city, town, or post office, state, and ZIP code of that person. Otherwise, enter the issuer's number and street (or P.O. box, if mail is not delivered to street address), city, town, or post office, state, and ZIP code.

Note. The address entered on lines 4 and 6 is the address the IRS will use for processing of this return, including any notices.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Line 7. The date of issue is generally the date on which the issuer physically

exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds. For a lease or installment sale, enter the date interest starts to accrue in a MM/DD/YYYY format.

Line 8. If there is no name of the issue, please provide other identification of the issue.

Line 9. Enter the CUSIP (Committee on Uniform Securities Identification Procedures) number of the bond with the last maturity, if the issue does not have a CUSIP number, write "None."

Line 10a. Enter the name and title of the officer or other employee of the issuer whom the IRS may call for more information. If the issuer wishes to designate a person other than an officer or representative of the issuer (including a legal representative with the IRS and whom the IRS may call for more information about the return), enter the name, title, and telephone number of such person on lines 3a and 3b.

Note. Complete lines 10a and 10b even if you complete lines 3a and 3b.

Part II—Type of Issue

Elections referred to in Part II are made on the original bond documents, not on this form.

Identify the type of obligations issued by entering the corresponding issue price (see *issue price* under *Definitions* earlier). Attach a schedule listing names and EINs of organizations that are to use proceeds of these obligations, a list of the primary user and indicate whether or not such user is a governmental or nongovernmental entity.

Line 18. Enter a description of the issue in the space provided.

Line 19. If the obligations are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check box 19a. If the obligations are short-term bond anticipation notes (BANs), issued with the expectation that they will be refunded with proceeds of the same issue, check box 19b. If the obligations are sometimes referred to as "municipal lease," also check this box. If real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal, do not check this box. If the form of cash, even if the term "lease" is used in the title of the issue.

Part III—Description of Obligations

Line 21. For column (a), the final maturity date is the last date the issuer must redeem the entire issue.

For column (b), see *issue price* under *Definitions* earlier.

For column (c), the stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at the maturity of each bond issued as part of the issue. For a lease or installment sale, write "N/A" in column (c).

For column (d), the weighted average issue price of the products of the number of years to maturity (determined by the issuer) is the weighted average issue price of the entire issue divided by the issue price of the entire issue (from line 21, column (b)). For a lease or installment sale, enter instead the total number of years the lease or installment sale will be outstanding.

For column (e), the yield, as defined in section 148(h), is the discount rate that, when used to compute the present value of all payments of principal and interest to be paid on the obligation, produces an amount equal to the purchase price, including accrued interest. See Regulations section 1.148-4 for specific instructions on how to calculate the yield. If the issue is a variable rate issue, write "VR" as the yield of the issue. For other than variable rate issues, carry the yield out to four decimal places (for example, 5.3125%). If the issue is a lease or installment sale, enter the effective rate of interest being paid.

Part IV—Uses of Proceeds of Bond Issue

For a lease or installment sale, write "N/A" in the space to the right of the title for Part IV.

Line 22. Enter the amount of proceeds that will be used for interest from the date the bonds are dated to the date of issue.

Line 24. Enter the amount of the proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel. If no bond proceeds will be used to pay bond issuance costs, enter zero. Do not leave this line blank.

Line 25. Enter the amount of the proceeds that will be used to pay fees for credit enhancement that are taken into account in determining the yield on the issue for purposes of section 148(f) (for example, bond insurance premiums and certain fees for letters of credit).

Line 26. Enter the amount of proceeds that will be allocated to such a fund.

Line 27. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds within 90 days of the date of issue.

Line 28. Enter the amount of the proceeds that will be used to pay

principal, interest, or call premium on any other issue of bonds after 90 days of the date of issue, including proceeds that will be used to fund an escrow account for this purpose.

Part V—Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of obligations. Enter the amount of the refund in the space provided for "N/A" in the space to the right of the title for Part V.

Lines 31 and 32. The remaining weighted average maturity is determined without regard to the refunding. The weighted average maturity is determined in the same manner as on line 21, column (d).

Line 34. If more than a single issue of bonds will be refunded, enter the date in an MM/DD/YYYY format.

Part VI—Miscellaneous

Line 35. An allocation of volume cap is required if the nonqualified amount for the issue is more than \$15 million but is not more than the amount that would cause the issue to be private activity bonds.

Line 36. If any portion of the gross proceeds of the issue is or will be a qualified refunding, enter the amount of the refunding. See Regulations section 1.148-1(b), enter the amount of the gross proceeds so invested, as well as the final maturity date of the GIC and the name of the provider of such contract.

Line 37. Enter the amount of the proceeds of this issue used to make a loan to another governmental unit, the interest of which is tax-exempt.

Line 38. If the issue is a loan of proceeds from another tax-exempt issue, check the box and enter the date of issue, EIN, and name of issuer of the master pool obligation.

Line 40. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. 8038-T for each bond and after the date the bonds are issued. Do not make any payment of penalty in lieu of arbitrage rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736 for rules regarding the "election document."

Line 41a. Check this box if the issuer has identified a hedge on its books and records according to Regulations sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5) that permit an issuer of tax-exempt bonds to identify a hedge for it to be included in yield calculations for computing arbitrage.

Line 42. In determining if the issuer has super-integrated a hedge, apply the rules of Regulations section 1.148-4(h)(4). If the hedge is super-integrated, check the box.

Line 43. If the issuer takes a "well-berate action" after the issue date that causes

the conditions of the private business tests or the private loan financing test to be met, then such issue is also an issue of private activity bonds. Regulations section 1.141-2(d)(3) defines a deliberate action as any action taken by the issuer that is within its control, regardless of whether there is intent to violate such tests. Regulations section 1.141-12 explains the conditions to taking remedial action to prevent an action that causes a bond to fail the private business tests or private loan financing test from being treated as a deliberate action. Check the box if the issuer has established written procedures to ensure timely remedial action for all nonqualified bonds according to Regulations section 1.141-12 or other remedial actions authorized by the Commissioner under Regulations section 1.141-12(h).

Line 44. Check the box if the issuer has established written procedures to monitor compliance with the arbitrage, yield restriction, and rebate requirements of section 148.

Line 45a. Check the box if some part of the proceeds was used to reimburse expenditures. Figure and then enter the amount of proceeds that are used to reimburse the issuer for amounts paid for a qualified refunding. See Regulations section 1.150-2.

Line 45b. An issuer must adopt an official intent to reimburse itself for preissuance expenditures within 60 days after payment of the original expenditure unless exempt by Regulations section 1.150-2(f). Enter the date the official intent was adopted. See Regulations section 1.150-2(e) for more information about official intent.

Signature and Consent. An authorized representative of the issuer must sign Form 8038-G. Also print the name and title of the person signing Form 8038-G. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that have been designated in Form 8038-G.

Note. If the issuer in Part 1, lines 3a and 3b authorizes the IRS to communicate (including in writing and by telephone) with a person other than an officer or other employee of the issuer, by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized officer of the issuer filed in this return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the

return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the **Paid Preparer Use Only** area of the return.

- Sign the return in the space provided for the preparer's signature (a facsimile signature is acceptable).
- Enter the preparer information, and give a copy of the return to the issuer.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us

the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form 2 hr., 41 min.
 Preparing, copying, assembling, and sending the form to the IRS 3 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:MS, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this office. Instead, see *Where To File*.

8038-G Information Return for Tax-Exempt Governmental Obligations
 (Rev. September 2011)
 Department of the Treasury
 Internal Revenue Service

OMB No. 1545-0720

Under Internal Revenue Code section 149(e) See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority

1 Issuer's name _____

2 Issuer's employer identification number (EIN) _____

3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) _____

3b Telephone number of other person shown on 3a _____

4 Number and street (or P.O. box if mail is not delivered to street address) _____
 Room/suite _____

5 Report number (for IRS Use Only) _____

6 City, town, or post office, state, and ZIP code _____

7 Date of issue _____

8 Name of issuer _____

9 CUSIP number _____

10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) _____

10b Telephone number of officer or other employee shown on 10a _____

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

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

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

(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
	\$	\$	years	%

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

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

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

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

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

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

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

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 63774S Form 8038-G (Rev. 9-2011)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Escrow Agreement") is made as of February 15, 2013 by and among U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), City of Franklin ("Lessee") and U.S. BANK NATIONAL ASSOCIATION, as escrow agent ("Escrow Agent").

Lessor and Lessee have heretofore entered into that certain Master Tax-Exempt Lease/Purchase Agreement dated as of August 1, 2012 (the "Master Agreement") and a Property Schedule No. 2 hereto dated February 15, 2013 (the "Schedule") and, together with the terms and conditions of the Agreement incorporated therein, the "Agreement"). The Schedule contemplates that certain personal property described therein (the "Equipment") is to be acquired from the vendor(s) or manufacturer(s) thereof (the "Vendor"). After acceptance of the Equipment by Lessee, the Equipment is to be financed by Lessor to Lessee pursuant to the terms of the Agreement.

The Master Agreement further contemplates that Lessor will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment (the "Purchase Price"), being \$767,897.40, with Escrow Agent to be held in escrow and applied on the express terms set forth herein. Such deposit together with all interest and other additions received with respect thereto (hereinafter the "Escrow Fund") is to be applied to pay the Vendor its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee), and, if applicable, to reimburse Lessee for progress payments already made by it to the Vendor of the Equipment.

The parties desire to set forth the terms on which the Escrow Fund is to be created and to establish the rights and responsibilities of the parties hereto.

Now, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The moneys and investments held in the Escrow Fund are irrevocably held in trust for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor. Lessor, Lessee and Escrow Agent intend that the Escrow Fund constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor have a security interest in the Escrow Fund, and such security interest is hereby granted by Lessee to secure payment of all sums due to Lessor under the Master Agreement. For such purpose, Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Escrow Fund, the Lessor's interest therein.

2. On such day as is determined to the mutual satisfaction of the parties (the "Closing Date"), Lessor shall deposit with Escrow Agent cash in the amount of the Purchase Price, to be held in escrow by Escrow Agent on the express terms and conditions set forth herein.

On the Closing Date, Escrow Agent agrees to accept the deposit of the Purchase Price by Lessor, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto, as the Escrow Fund hereunder, in escrow on the express terms and conditions set forth herein.

3. Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the

Escrow Fund from time to time shall be held or registered in the name of Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor).

4. The cash comprising the Escrow Fund from time to time shall be invested and reinvested by Escrow Agent in one or more investments as directed by Lessee. Absent written direction from Lessee, the cash will be invested in the U.S. Bank National Association Money Market Deposit Fund, See Exhibit 1 Investment Direction Letter. Lessee represents and warrants to Escrow Agent and Lessor that the investments selected by Lessee for investment of the Escrow Fund are permitted investments for Lessee under all applicable laws. Escrow Agent will use due diligence to collect amounts payable under a check or other instrument for the payment of money comprising the Escrow Fund and shall promptly notify Lessee and Lessor in the event of dishonor of payment under any such check or other instruments. Interest or other amounts earned and received by Escrow Agent with respect to the Escrow Fund shall be deposited in and comprise a part of the Escrow Fund. Escrow Agent shall maintain accounting records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the Escrow Fund. The parties acknowledge that to the extent regulations of the Comptroller of Currency or other applicable regulatory entity grant a right to receive brokerage confirmations of security transactions of the escrow, the parties waive receipt of such confirmations, to the extent permitted by law. The Escrow Agent shall furnish a statement of security transactions on its regular monthly reports. Attached as Exhibit 6 is the Class Action Negative Consent Letter to be reviewed by Lessee.

5. Upon request by Lessee and Lessor, Escrow Agent shall send monthly statements of account to Lessee and Lessor, which statements shall set forth all withdrawals from and interest earnings on the Escrow Fund as well as the investments in which the Escrow Fund is invested.

6. Escrow Agent shall take the following actions with respect to the Escrow Fund:

(a) Upon Escrow Agent's acceptance of the deposit of the Purchase Price, an amount equal to Escrow Agent's set-up fee, as set forth on Exhibit 2 hereto, shall be disbursed from the Escrow Fund to Escrow Agent in payment of such fee.

(b) Escrow Agent shall pay costs of the Equipment upon receipt of a duly executed Requisition Request (substantially in the format of Exhibit 3) signed by Lessor and Lessee. Lessor's authorized signatures are provided in Exhibit 5. Lessee's authorized signatures will be provided in Exhibit 3 of Master Lease Purchase Agreement. Escrow Agent will use best efforts to process requests for payment within one (1) business day of receipt of requisitions received prior to 2:00 p.m. Central Time. The final Requisition shall be accompanied by a duly executed Acceptance Certificate form attached as Exhibit 4 hereto.

(c) Upon receipt by Escrow Agent of written notice from Lessor that an Event of Default or an Event of Nonappropriation (if provided for under the Master Agreement) has occurred under the Agreement, all funds then on deposit in the Escrow Fund shall be paid to Lessor for application in accordance with the Master Agreement, and this Escrow Agreement shall terminate.

(d) Upon receipt by Escrow Agent of written notice from Lessor that the purchase price of the Equipment has been paid in full, Escrow Agent shall pay the funds then on deposit in the Escrow Fund to Lessor to be applied first to the next Lease Payment due under the Master Agreement, and second, to prepayment of the principal component of Lease Payments in inverse order of maturity without premium. To the extent the Agreement is not subject to prepayment, Lessor consents to such prepayment to the extent of such prepayment amount from the Escrow Fund. Upon disbursement of all amounts in the Escrow Fund, this Escrow Agreement shall terminate.

(e) This Escrow Agreement shall terminate eighteen (18) months from the date of this Escrow Agreement. It may, however, be extended by mutual consent of Lessee and Lessor in writing to Escrow Agent. All funds on deposit in the Escrow Fund at the time of termination under this paragraph, unless otherwise directed by Lessee in writing (electronic means acceptable), shall be transferred to Lessor.

7. The fees and expenses, including any legal fees, of Escrow Agent incurred in connection herewith shall be the responsibility of Lessee. The basic fees and expenses of Escrow Agent shall be as set forth on Exhibit 2, and Escrow Agent is hereby authorized to deduct such fees and expenses from the Escrow Fund as and when the same are incurred without any further authorization from Lessee or Lessor. Escrow Agent may employ legal counsel and other experts as it deems necessary for advice in connection with its obligations hereunder. Escrow Agent waives any claim against Lessor with respect to compensation hereunder.

8. Escrow Agent shall have no liability for acting upon any written instruction presented by Lessor in connection with this Escrow Agreement, which Escrow Agent in good faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made by Escrow Agent.

9. Escrow Agent may resign at any time by giving thirty (30) days' prior written notice to Lessor and Lessee. Lessor may at any time remove Escrow Agent as Escrow Agent under this Escrow Agreement upon written notice. Such removal or resignation shall be effective on the date set forth in the applicable notice. Upon the effective date of resignation or removal, Escrow Agent will transfer the Escrow Fund to the successor Escrow Agent selected by Lessor.

10. Lessee hereby represents, covenants and warrants that pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of the Agreement will be expended for the governmental purposes for which the Agreement was entered into, as follows: at least 15% within six months after the Commencement Date, such date being the date of deposit of funds into the Escrow Fund, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall, at its sole expense and cost, compute rebuttable arbitrage on the Agreement and pay rebuttable arbitrage to the United States at least once every five years, and within 60 days after payment of the final rental or Lease Payment due under the Agreement.

11. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with or for any moneys involved herein or affected hereby, Escrow Agent shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing Escrow Agent may refrain from making any delivery or other disposition of any moneys involved herein or affected hereby and in so doing Escrow Agent shall not be or become liable to the undersigned or any of them or to any person or party for its failure or refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to continue so to refrain and refuse so to act until:

(a) the rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the moneys involved herein or affected hereby; or

(b) all differences shall have been adjusted by Master Agreement and Escrow Agent shall have been notified thereof in writing signed by all of the persons interested.

12. All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other party if delivered (a) personally, (b) by United States registered or certified mail, return receipt requested, postage prepaid, (c) by an overnight delivery by a service such as Federal Express or Express Mail from which written

confirmation of overnight delivery is available, or (d) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing.

13. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor.

14. This Escrow Agreement shall be governed by and construed in accordance with the laws in the state of the Escrow Agent's location. This Escrow Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties.

15. This Escrow Agreement and any written direction may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

U.S. Bancorp Government Leasing and Finance, Inc., as Lessor
By:
Name:
Title:
Address: 13010 SW 68 th Parkway, Suite 100 Portland, OR 97223

City of Franklin, as Lessee
By:
Name:
Title:
Address: 109 Third Avenue South Franklin, TN 37064

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent
By:
Name:
Title:
Address: U.S. Bank National Association 950 17 th Street, 12 th Floor Denver, CO 80202

EXHIBIT 2

Schedule of Fees for Services as Escrow Agent For City of Franklin Equipment Lease Purchase Escrow

CTS01010A Acceptance Fee The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing. WAIVED

CTS04460 Escrow Agent Annual fee for the standard escrow agent services associated with the administration of the account. Administration fees are payable in advance. WAIVED

Direct Out of Pocket Expenses Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees. At Cost

Extraordinary Services Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

EXHIBIT 1

INVESTMENT DIRECTION LETTER

U.S. Bank National Association 950.17th Street, 12th Floor Denver, CO 80202

Re: Escrow Agreement dated as of February 15, 2013, U.S. Bancorp Government Leasing and Finance, Inc. as Lessor, City of Franklin as Lessee, and U.S. Bank National Association as Escrow Agent

Ladies and Gentlemen:

Pursuant to the above-referenced Escrow Agreement, \$767,897.40 will be deposited in escrow with you on or about February 15, 2013. Such funds shall be invested in one or more of the following qualified investments in the amounts indicated:

U.S. Bank Money Market Deposit Account

Agent is hereby directed to deposit and invest funds in the U.S. Bank Money Market Deposit Savings Account. Depositors acknowledge that the U. S. Bank Money Market Deposit Account is a U. S. Bank National Association ("U.S. Bank") interest-bearing money market deposit account designed to meet the needs of U.S. Bank's Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit with U.S. Bank. U. S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates currently offered on the accounts are determined at U. S. Bank's discretion and may be tiered by customer deposit amount. The owner of the accounts is U. S. Bank as Agent for its trust customers. U.S. Bank's trust department performs all account deposits and withdrawals. Each customer's deposit is insured by the Federal Deposit Insurance Corporation as determined under FDIC Regulations, up to applicable FDIC limits. Any and all interest earned on the Assets after the deposit shall be added to the Assets and shall become a part thereof. Agent shall thereafter hold, maintain and utilize the Assets pursuant to the terms and conditions of this Agreement. Depositors shall provide Agent with a W-9 or original W-8 IRS tax form prior to the disbursement of interest and Agent will file the appropriate 1099 or other required forms pursuant to Federal and Tennessee laws. A statement of citizenship will be provided if requested by Agent. Agent shall not be responsible for maximizing the yield on the Assets. Agent shall not be liable for losses, penalties or charges incurred upon any sale or purchase of any such investment.

Very truly yours,

City of Franklin, as Lessee
By:
Name:
Title:

EXHIBIT 3

REQUISITION REQUEST

The Escrow Agent is hereby requested to pay from the Escrow Fund established and maintained under that certain Escrow Agreement dated as of February 15, 2013 (the "Escrow Agreement") by and among U.S. Bancorp Government Leasing and Finance, Inc. (the "Lessor"), City of Franklin (the "Lessee"), and U.S. Bank National Association (the "Escrow Agent"), the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee) with respect to equipment being financed under that certain Master Tax-Exempt Lease Purchase Agreement dated as of August 1, 2012 (the "Master Agreement") and Property Schedule No. 2 thereto dated February 15, 2013 (the "Schedule") and, together with the terms and conditions of the Master Agreement incorporated therein, the "Master Agreement", by and between the Lessor and the Lessee, and has not formed the basis of any prior requisition request.

PAYEE	AMOUNT	INVOICE NO.	EQUIPMENT

Total requisition amount \$ _____

The undersigned, as Lessee under the Master Agreement, hereby certifies:

- The items of the Equipment being acquired with the proceeds of this disbursement have been delivered and installed at the location(s) contemplated by the Master Agreement. The Lessee has conducted such inspection and/or testing of the Equipment being acquired with the proceeds of this disbursement as it deems necessary and appropriate, and such Equipment has been accepted by Lessee.
- The costs of the Equipment to be paid from the proceeds of this disbursement have been properly incurred, are a proper charge against the Escrow Fund and have not been the basis of any previous disbursement.
- No part of the disbursement requested hereby will be used to pay for materials not yet incorporated into the Equipment or for services not yet performed in connection therewith.
- The Equipment is covered by insurance in the types and amounts required by the Agreement.
- No Event of Default or Event of Nonappropriation (if applicable), as each such term is defined in the Master Agreement, and no event which with the giving of notice or lapse of time, or both, would become such an Event of Default or Event of Nonappropriation has occurred and is continuing on the date hereof.
- If Lessee paid an invoice prior to the commencement date of the Master Agreement, and is requesting reimbursement for such payment, Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. §1.150-2.

Request Date: _____

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By: _____
Name: _____
Title: _____

Lessee: City of Franklin
By: _____
Name: _____
Title: _____

Exhibit 4
Acceptance Certificate

U.S. Bancorp Government Leasing and Finance, Inc.
13010 SW 68th Parkway, Suite 100
Portland, OR 97223

Re: **Property Schedule No. 2 to Master Tax-Exempt Lease/Purchase Agreement between U.S. Bancorp Government Leasing and Finance, Inc. and City of Franklin**

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor"), as follows:

- The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof.

Acceptance Date: _____

Lessee: City of Franklin
By: _____
Name: _____
Title: _____

Exhibit 6

Class Action Negative Consent Letter

February 15, 2013

City of Franklin
109 Third Avenue South
Franklin, TN 37064

RE: USBGLF/City of Franklin - - Class Action Litigation Claims

Dear Russell Truell:

U.S. Bank National Association ("U.S. Bank") has established its policies and procedures relative to class action litigation claims filed on behalf of its clients' accounts. This policy may impact future claims filed by U.S. Bank on behalf of the above-referenced account. Listed below are the policies regarding class action litigation claims:

1. U.S. Bank will file class action litigation claims, at no charge, on behalf of open, eligible agency or custody accounts upon receipt of proper documented authorization. This notice, with your ability to opt out as further described below, constitutes such documented authorization.
2. U.S. Bank will not file claims for agency or custody accounts that were open during the class action period but were closed prior to receipt of any notice of the class action litigation.
3. Assuming requisite information is provided by the payor to identify the applicable account, settlement proceeds of the class action litigation will be posted within a reasonable time following receipt of such proceeds to the entitled accounts that are open at such time. If entitled accounts are closed prior to distribution and receipt of settlement proceeds, they will be remitted to entitled beneficiaries or successors of the account net of any research and filing fees. Proceeds, less any research and filing fees, will be escheated if the entitled beneficiaries or successors of the account cannot be identified /located.

If you wish U.S. Bank to continue to file class action litigation proofs of claim on behalf of your account, you do not need to take any further action. However, if you do not wish U.S. Bank to file class action proofs of claim on behalf of your account, you may notify us of this election by returning this letter with your signature and date provided below within 30 days or by filing a separate authorization letter with your Account Manager by the same date.

The authorization and understanding contained in this communication constitutes an amendment of any applicable provisions of the account document for the above-referenced account.

If you have any questions, please contact me at the below number.

Sincerely,

Kathleen Connelly
Vice President
303-585-4591

No, U.S. Bank is not authorized to file class action litigation proofs of claim on behalf of the above-referenced account(s). By making this election, I acknowledge that U.S. Bank is not responsible for forwarding notices received on class action or litigation claims.

Authorized Signer _____ Date _____