



GREATER NAPLES FIRE RESCUE DISTRICT  
BOARD OF FIRE COMMISSIONERS  
Action Item Worksheet

**OLD BUSINESS**

**Agenda Item:** II. A.  
**Subject:** Fire Engine Procurement- Resolution 2026-02  
**Meeting Date:** April 8, 2026  
**Prepared By:** Chris Wolfe, Fire Chief

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**Background**

The Board approved the lease purchase of six (6) Sutphen F-Series Pumpers financed through Leasing 2 at the March 11, 2026 meeting. Adoption of Resolution 2026-02 is required as part of the transaction. The Fire Chief and specified officers are designated to execute all necessary documents.

**Funding Source/Financial Impact**

Capital Improvement Projects Fund/ \$5,931,215.05

**Recommendation**

Staff recommends the adoption of Resolution 2026-02 authorizing the lease purchase agreement with Leasing 2, Inc., an escrow agreement with Zions Bancorporation, National Association, and a federal tax agreement to finance the purchase of six (6) new fire engines in the amount of \$5,931,215.05 purchased from Sutphen, and to designate the Fire Chief and specified officers to execute the necessary documents.

**Potential Motion**

I move to adopt Resolution 2026-02.

**Attachment**

1. Resolution 2026-02
2. Lease Purchase Agreement
3. Escrow Agreement
4. Tax Agreement

**Legal Review**

This AIW and its contents have been reviewed by legal counsel for sufficiency.

- Approved  
 Not Approved  
 Not Applicable

Comments (if any):

Reviewed by: Laura Donaldson

Date: March 31, 2026



## RESOLUTION 2026-02

A RESOLUTION OF THE BOARD OF FIRE COMMISSIONERS FOR THE GREATER NAPLES FIRE RESCUE DISTRICT, COLLIER COUNTY, FLORIDA; APPROVING THE EXECUTION OF THE EQUIPMENT LEASE PURCHASE AGREEMENT, ESCROW AGREEMENT, AND TAX AGREEMENT; DELEGATING AUTHORITY TO TAKE NECESSARY ACTION; PROVIDING FOR CONFLICT AND SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Greater Naples Fire Rescue District (the “Lessee”), is a political subdivision duly organized and existing under the laws of the State of Florida; and

WHEREAS, it is hereby determined that a true and real need exists for the acquisition of certain equipment, including six (6) Sutphen F-Series (F4) pumpers (the “Equipment”); and

WHEREAS, in order to finance the costs of purchasing and installing the Equipment, it is necessary and desirable and in the best interest of the Lessee, as lessee, to enter into an Equipment Lease Purchase Agreement (the “Agreement”) with Leasing 2, Inc., as lessor (together with its successors and assigns, the “Lessor”), for the purposes described therein; and

WHEREAS, Section 191.006(7), Florida Statutes, authorizes the Lessee to purchase equipment by an installment sales contract if funds are available to pay the Lessee’s current year’s installments on the equipment and to pay the amounts due that year on all other installments and indebtedness; and

WHEREAS, Section 3.03 of Article III of Section 4 of Chapter 2014-240, Laws of Florida, provides that the Lessee has all powers granted by Chapter 191, Florida Statutes.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF FIRE COMMISSIONERS OF THE GREATER NAPLES FIRE RESCUE DISTRICT AS FOLLOWS:**

1. Recitals. The recitals set forth above are true and correct and are hereby incorporated into this Resolution as though specifically stated herein. Any capitalized term used in this Resolution and not otherwise defined shall have the meaning ascribed to such term in the Resolution.

2. Agreement. The Agreement, in substantially the same form as presented to this meeting, and the terms and performance thereof are hereby approved, and the Fire Chief of the Lessee (“Authorized Officer”) is hereby authorized to execute and deliver the Agreement on behalf of the Lessee, with such changes therein as shall be approved by such officer, such approval to be conclusively evidenced by such officer’s execution thereof.



3. Escrow Agreement. The Escrow Agreement (the “Escrow Agreement”), among the Lessee, the Lessor and the escrow agent named therein, in substantially the same form as presented to this meeting, and the terms and performance thereof are hereby approved, and the Authorized Officer of the Lessee is hereby authorized to execute and deliver the Escrow Agreement on behalf of the Lessee, with such changes therein as shall be approved by such officer, such approval to be conclusively evidenced by such officer’s execution thereof.

4. Federal Tax Agreement. The Federal Tax Agreement (the “Tax Agreement”), from the Lessee, in substantially the same form as presented to this meeting, and the terms and performance thereof are hereby approved, and the Authorized Officer of the Lessee is hereby authorized to execute and deliver the Tax Agreement on behalf of the Lessee, with such changes therein as shall be approved by such officer, such approval to be conclusively evidenced by such officer’s execution thereof.

5. Delegation Authority. The Lessee shall, and the officers and Fire Chief, or designee, of the Lessee are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Lessee with respect to the Agreement, the Escrow Agreement, and the Tax Agreement.

6. Conflict and Severability. In the event that this Resolution conflicts with any other applicable resolution of the District, or other applicable law, the more restrictive shall apply. If any phrase or portion of this Resolution is held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portion.

7. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Lessee.

PASSED AND DULY ADOPTED by at least a majority vote of the Greater Naples Fire Rescue Board of Fire Commissioners of Collier County, Florida, this 8th day of April 2026.

APPROVED BY:

By: \_\_\_\_\_  
Mark Cherney, Chairman

The undersigned, being the officer identified below of Greater Naples Fire Rescue District (the “Lessee”), hereby certifies that the following is a true and correct copy of a resolution adopted by the governing body of the Lessee at a meeting duly held on April 8, 2026.

By: \_\_\_\_\_  
Patrick Dearborn, Secretary

## EQUIPMENT LEASE PURCHASE AGREEMENT

**THIS EQUIPMENT LEASE PURCHASE AGREEMENT** (the “Agreement”), is dated as of April 15, 2026, between **LEASING 2, INC.**, a corporation organized and existing under the laws of the State of Florida, as Lessor (“Lessor”), and **GREATER NAPLES FIRE RESCUE DISTRICT**, a political subdivision organized and existing under the laws of the State of Florida, as Lessee (“Lessee”), wherein the parties hereby agree as follows:

**Section 1. Definitions.** The following terms will have the meanings indicated below unless the context clearly requires otherwise:

“**Agreement**” means this Equipment Lease Purchase Agreement and any other schedule, exhibit or escrow agreement made a part hereof by the parties hereto, together with any amendments to this Agreement.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Commencement Date**” is the date when the term of this Agreement and Lessee’s obligation to pay rent commences, which date will be the earlier of (i) the date on which the Equipment is accepted by Lessee in the manner described in **Section 13**, or (ii) the date on which sufficient moneys to purchase the Equipment are deposited for that purpose with an escrow agent.

“**Equipment**” means the property described on the Equipment Schedule attached hereto as **Exhibit A**, and all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto and all insurance and/or proceeds therefrom.

“**Event of Default**” means an Event of Default described in **Section 35**.

“**Lease Term**” means the Original Term and all Renewal Terms, but ending on the occurrence of the earliest event specified in **Section 6**.

“**Lessee**” means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

“**Lessor**” means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

“**Maximum Lease Term**” means the Original Term and all Renewal Terms through the Renewal Term including the last Rental Payment Date set forth on the Payment Schedule.

“**Net Proceeds**” means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys’ fees) incurred in the collection of such claim or award.

“**Original Term**” means the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date.

“**Payment Schedule**” means the schedule of Rental Payments and Purchase Price set forth on **Exhibit B**.

“**Purchase Price**” means the amount set forth on the Payment Schedule that Lessee may, at its option, pay to Lessor to purchase the Equipment.

“**Renewal Terms**” means the optional renewal terms of this Agreement, each having a duration of one year and a term co-extensive with Lessee’s fiscal year.

“**Rental Payment Dates**” means the dates set forth on the Payment Schedule on which Rental Payments are due.

“**Rental Payments**” means the basic rental payments payable by Lessee pursuant to **Section 9**.

“**State**” means the State of Florida.

“**Vendor**” means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom the Equipment is or has been purchased, as listed on **Exhibit A**.

**Section 2. Representations and Covenants of Lessee.** Lessee represents, warrants and covenants for the benefit of Lessor as follows:

(a) Lessee is a political subdivision duly organized and existing under the constitution and laws of the State. Lessee will do or cause to be done all things to preserve and keep in full force and effect its existence as a political subdivision. Lessee has a substantial amount of one or more of the following sovereign powers: (i) the power to tax, (ii) the power of eminent domain, and (iii) police power.

(b) Lessee is authorized under the constitution and laws of the State to enter into this Agreement and the transaction contemplated hereby and to perform all of its obligations hereunder.

(c) Lessee has been duly authorized to execute and deliver this Agreement by proper action and approval of its governing body at a meeting duly called, regularly convened and attended throughout by a requisite majority of the members thereof or by other appropriate official approval.

(d) This Agreement constitutes the legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(e) 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 exists at the Commencement Date.

(f) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the Original Term, if any, and to meet its other obligations for the Original Term, and such funds have not been expended for other purposes.

(g) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment hereunder.

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best knowledge of Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement or materially adversely affect the financial condition or properties of Lessee.

(i) All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Agreement or in connection with the carrying out by Lessee of its obligations hereunder have been obtained.

(j) The entering into and performance of this Agreement or any other document or agreement contemplated hereby to which Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance on any assets of Lessee or the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided.

(k) The Equipment described in this Agreement is essential to the function of Lessee or to the service Lessee provides to its citizens. Lessee has an immediate need for, and expects to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future. The Equipment will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of Lessee's authority.

(l) Neither the payment of the Rental Payments hereunder nor any portion thereof is (i) secured by any interest in property used or to be used in a trade or business of a non-exempt person (within the meaning of Section 103 of the Code) or in payments in respect of such property or (ii) derived from payments in respect of property, or borrowed money, used or to be used in a trade or business of a non-exempt person (within the meaning of Section 103 of the Code). No portion of the Equipment will be used directly or indirectly in any trade or business carried on by any non-exempt person (within the meaning of Section 103 of the Code).

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

(n) Lessee will use the proceeds of this Agreement as soon as practicable and with all reasonable dispatch for the purpose for which this Agreement has been entered into. No part of the proceeds of this Agreement will be invested in any securities, obligations or other investments or used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of the execution and delivery of this Agreement, would have caused any portion of this Agreement to be or become an “arbitrage bond” within the meaning of Section 103(b)(2) or Section 148 of the Code and the applicable regulations of the Treasury Department.

(o) Lessee has never failed to pay payments coming due under any bond issue, lease purchase agreement or other indebtedness obligation of Lessee.

(p) The useful life of the Equipment will not be less than the Maximum Lease Term.

(q) The application, statements and credit or financial information submitted by Lessee to Lessor are true and correct and made to induce Lessor to enter into this Agreement and the related escrow agreement, and Lessee has experienced no material change in its financial condition since the date(s) of such information.

(r) Lessee has provided Lessor with audited financial statements through September 30, 2024. Lessee has experienced no material change in its financial condition or in the revenues expected to be utilized to meet Rental Payments due under this Agreement since September 30, 2024.

(s) Lessee will pay the excess (if any) of the actual costs of acquiring the Equipment under this Agreement over the amount deposited by Lessor in the escrow fund established under the related escrow agreement and interest earnings thereon.

(t) The Equipment is not a replacement, repair, substitution or proceeds of any equipment or personal property subject to a prior lien or security interest of a third party.

**Section 3. Certification as to Arbitrage.** Lessee hereby represents as follows:

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

(b) Lessee has incurred, or will incur within six (6) months after the date hereof, a substantial binding obligation to a third party to spend at least 5% of proceeds of this Agreement to acquire the Equipment. The completion of the acquisition of the Equipment and the allocation of proceeds of this Agreement to expenditures will proceed with due diligence. At least 85% of the proceeds of this Agreement will be allocated to expenditures to acquire the Equipment within three (3) years after the Commencement Date hereof.

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

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

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

**Section 4. Lease of Equipment.** Lessor hereby demises, leases and lets the Equipment to Lessee, and Lessee rents, leases and hires the Equipment from Lessor, in accordance with the provisions of this Agreement, for the Lease Term.

**Section 5. Lease Term.** The Original Term of this Agreement will commence on the Commencement Date and will terminate on the last day of Lessee’s current fiscal year. The Lease Term may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for an additional Renewal Term up to the Maximum Lease Term. At the end of the Original Term and at the end of each Renewal Term until the Maximum Lease Term has been completed, Lessee will be deemed to have exercised its option to continue this Agreement for the next Renewal Term unless Lessee has terminated this Agreement pursuant to **Section 6** or **Section 31**. The terms and conditions during any Renewal Term will be the same as the terms and conditions during the Original Term, except that the Rental Payments will be as provided in the Payment Schedule.

**Section 6. Termination of Lease Term.** The Lease Term will terminate upon the earliest of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of this Agreement and the nonrenewal of this Agreement in the event of nonappropriation of funds pursuant to **Section 8**;
- (b) the exercise by Lessee of the option to purchase the Equipment under the provisions of **Section 31** and payment of the Purchase Price and all amounts payable in connection therewith;
- (c) a default by Lessee and Lessor's election to terminate this Agreement under **Section 36**; or
- (d) the payment by Lessee of all Rental Payments authorized or required to be paid by Lessee hereunder during the Maximum Lease Term.

**Section 7. Continuation of Lease Term.** Lessee currently intends, subject to the provisions of **Section 8** and **Section 12**, to continue the Lease Term through the Original Term and all of the Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Original Term and each of the Renewal Terms can be obtained. The responsible financial officer of Lessee will do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend this Agreement for any Renewal Term is solely within the discretion of the then current governing body of Lessee.

**Section 8. Nonappropriation.** Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. In the event sufficient funds will not be appropriated or are not otherwise legally available to pay the Rental Payments required to be paid in the next occurring Renewal Term, as set forth in the Payment Schedule, this Agreement will be deemed to be terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice will not extend the Lease Term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee agrees, at Lessee's cost and expense, to peaceably deliver the Equipment to Lessor at the location or locations specified by Lessor. Upon return of the Equipment to Lessor, Lessor will use its best efforts to lease or sell the Equipment upon such terms as Lessor in its reasonable judgment deems prudent. Lessor will apply the net proceeds of that sale or lease in the following manner: (i) first, to reimburse Lessor for all costs associated with the taking, removing, holding, repairing and leasing or selling of the Equipment; (ii) second, to pay to Lessor an amount equal to the Purchase Price for the Equipment at the time of the termination of this Agreement; (iii) third, to pay to Lessor the amount necessary to satisfy Lessee's remaining obligations under this Agreement; and (iv) fourth, to remit any amounts thereafter remaining to Lessee. No deficiency will be allowed against Lessee.

**Section 9. Rental Payments.** Lessee will pay Rental Payments from all legally available funds, in lawful money of the United States of America to Lessor in the amounts and on the dates set forth on the Payment Schedule, such payment to be made by wire or other form of electronic payment in accordance with written instructions provided by Lessor or, with Lessor's consent, by such other commercially reasonable method of payment. Rental Payments will be in consideration for Lessee's use of the Equipment during the fiscal year in which such payments are due. Any Rental Payment not received on or before its due date will bear interest at the rate of 10% per annum or the maximum amount permitted by law, whichever is less, from its due date.

In the event that it is determined that any of the interest components of Rental Payments may not be excluded from gross income for purposes of federal income taxation, Lessee agrees to pay to Lessor promptly after any such determination and on each Rental Payment Date thereafter an additional amount determined by Lessor to compensate Lessor for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive absent manifest error.

**Section 10. Interest Component.** As set forth on the Payment Schedule, a portion of each Rental Payment is paid as, and represents payment of, interest.

**Section 11. Rental Payments To Be Unconditional.** Except as provided in **Section 8**, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Vendor to deliver the Equipment, or otherwise perform any of its obligations for whatever reason, including bankruptcy, insolvency, reorganization or similar event with respect to the Vendor or under any

**agreement between Lessee and the Vendor, disputes with Lessor or the Vendor, any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, condemnation or unforeseen circumstances.**

**Section 12. Rental Payments to Constitute a Current Expense of Lessee.** The obligation of Lessee to pay Rental Payments hereunder will constitute a current expense of Lessee and does not constitute a mandatory payment obligation of ad valorem taxes by Lessee in any fiscal year beyond the then current fiscal year of Lessee. Lessee's obligations hereunder will not in any way be construed to be an indebtedness of Lessee in contravention of any applicable constitutional, charter or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor will anything contained herein constitute a pledge of the ad valorem tax revenues, funds or moneys of Lessee. Lessor and Lessee further understand that the use of the ad valorem taxing power to make Rental Payments cannot be compelled.

**Section 13. Delivery and Acceptance of the Equipment.** Lessee will order the Equipment, cause the Equipment to be delivered at the location specified on **Exhibit A** and pay any and all delivery costs in connection therewith. When the Equipment has been delivered and installed, Lessee will immediately accept the Equipment and evidence said acceptance by executing and delivering to Lessor an acceptance certificate in form and substance acceptable to Lessor. After it has been delivered and accepted, the permanent base where the Equipment is garaged will not be changed from the location specified on **Exhibit A** without Lessor's consent, which consent will not be unreasonably withheld.

**Section 14. Enjoyment of Equipment.** Lessor hereby covenants to provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term, and Lessee will peaceably and quietly have and hold and enjoy the Equipment during the Lease Term, without suit, trouble or hindrance from Lessor, except as otherwise expressly set forth in this Agreement.

**Section 15. Right of Inspection.** Lessor will have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

**Section 16. Use of the Equipment.** Lessee will not use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee will obtain all permits and licenses, if any, necessary for the operation of the Equipment. In addition, Lessee agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each item of the Equipment) with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body; provided, however, that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights under this Agreement.

**Section 17. Maintenance of Equipment.** Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition. Lessor will have no responsibility to maintain, or repair or to make improvements or additions to the Equipment. If requested to do so by Lessor, Lessee will enter into a maintenance contract for the Equipment with the Vendor.

**Section 18. Title to the Equipment.** During the Lease Term, title to the Equipment and any and all additions, repairs, replacements or modifications will vest in Lessee, subject to the rights of Lessor under this Agreement; provided that title will thereafter immediately and without any action by Lessee vest in Lessor, and Lessee will immediately surrender possession of the Equipment to Lessor upon (a) any termination of this Agreement other than termination pursuant to **Section 31** or (b) the occurrence of an Event of Default. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section will occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee will, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer. Notwithstanding, if Lessee does not execute and deliver such instruments within ten (10) days of Lessor's request in accordance with this Section, Lessor or its assignee may endorse the name of Lessee upon any bill of sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment in order to vest title in Lessor and transfer possession to Lessor. This Section survives the termination of this Agreement.

**Section 19. [Reserved].**

**Section 20. Personal Property.** Lessor and Lessee agree that the Equipment is and will remain personal property. The Equipment will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to such real estate or any building thereon.

**Section 21. Liens, Taxes, Other Governmental Charges and Utility Charges.** Lessee will keep the Equipment free and clear of all liens, charges and encumbrances, except those created under this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the

Equipment will be exempt from all property taxes and other similar charges. If the use, possession or acquisition of the Equipment is found to be subject to taxation in any form, Lessee will pay all taxes and governmental charges lawfully assessed or levied against or with respect to the Equipment. Lessee will pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee will pay such taxes and charges as the same become due; provided that, with respect to any such taxes and charges that may lawfully be paid in installments over a period of years, Lessee will be obligated to pay only such installments that accrue during the Lease Term.

**Section 22. Insurance.** At its own expense, Lessee will maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount at least equal to the then applicable Purchase Price of the Equipment, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor, and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b). All insurance proceeds from casualty losses will be payable as hereinafter provided. Lessee will furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

All such casualty and liability insurance will be with insurers that are acceptable to Lessor, will name Lessor and its successors and assigns as a loss payee and additional insured and will contain a provision to the effect that such insurance will not be cancelled or modified materially without first giving written notice thereof to Lessor at least thirty (30) days in advance of such cancellation or modification. All such casualty insurance will contain a provision making any losses payable to Lessee and Lessor, as their respective interests may appear.

**Section 23. Advances.** In the event Lessee fails to maintain the insurance required by this Agreement, pay taxes or charges required to be paid by it under this Agreement or fails to keep the Equipment in good repair and operating condition, Lessor may (but will be under no obligation to) purchase the required policies of insurance and pay the cost of the premiums thereof, pay such taxes and charges and make such Equipment repairs or replacements as are necessary and pay the cost thereof. All amounts so advanced by Lessor will become additional rent for the then current Original Term or Renewal Term. Lessee agrees to pay such amounts with interest thereon from the date paid at the rate of 10% per annum or the maximum permitted by law, whichever is less.

**Section 24. Financial Information.** Lessee shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs. Lessee shall have an annual audit of the financial condition of Lessee made by an independent certified public accountant promptly following the end of each fiscal year. Such report shall include statements in reasonable detail, certified by such accountant, reflecting Lessee's financial position as of the end of such fiscal year and the results of Lessee's operations and changes in the financial position of its funds for the fiscal year. Lessee shall furnish to Lessor copies of such audit report immediately after it is accepted by Lessee, but not later than 360 days after the end of the fiscal year. If the audit is publicly available on Lessee's website or on the "EMMA" website maintained by the Municipal Securities Rulemaking Board, the requirement to provide the audit to Lessor will be satisfied if Lessee emails a link to the posted item to Lessor within such 360-day period. In the event that the audited financial statements are not available within such 360-day period, Lessee will furnish unaudited financial statements to Lessor in the manner described in this Section, and will then supply the audited financial statements to Lessor immediately upon the availability thereof. The electronic audit or link may be sent to the following email address (or such other address as Lessor supplies to Lessee in writing): [publicfinance@websterbank.com](mailto:publicfinance@websterbank.com).

**Section 25. Release and Indemnification.** To the extent permitted by law, Lessee will indemnify, protect and hold harmless Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and expenses in connection therewith (including, without limitation, counsel fees and expenses and any federal income tax and interest and penalties connected therewith imposed on interest received) arising out of or as the result of (a) the entering into this Agreement, (b) the ownership of any item of the Equipment, (c) the manufacturing, ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury or death to any person or (e) the breach of any covenant herein or any material misrepresentation contained herein, except for those liabilities, obligations, losses, claims and damages arising from the sole negligence or willful misconduct of Lessor. The indemnification arising under this paragraph will continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason. Nothing contained in this Agreement and specifically this indemnification provision is intended to be, nor shall it be construed as, a waiver of sovereign immunity beyond the expressed written contractual obligations of the Lessee contained within this Agreement. Excluded from the Lessee's indemnification obligation are any claims for which the Lessee is immune from suit under the doctrine of sovereign immunity or for any amount of a claim exceeding the limitations of liability established by section 768.28, Florida Statutes.

**Section 26. Risk of Loss.** Whether or not covered by insurance or self-insurance, and subject to the limitations of Section 768.28, Florida Statutes, Lessee hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Equipment caused by Lessee's negligent acts or omissions, and no such loss of or damage to or liability arising from the Equipment shall relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under this Agreement. Whether or not covered by insurance or self-insurance, Lessee hereby agrees to be responsible (subject to the limitations of Section 768.28, Florida Statutes, and only from legally available funds) for any and all liabilities, obligations, losses, costs, claims, taxes or damages suffered or incurred by Lessor, caused by Lessee's negligent acts or omissions and all expenses incurred in connection therewith arising out of or as a result of (a) entering into of this Agreement, any Lease or any of the transactions contemplated hereby, (b) the ordering, acquisition, ownership, use, operation, condition, purchase, delivery, acceptance, rejection, storage or return of any item of the Equipment, (c) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (d) the breach of any covenant of Lessee under or in connection with this Agreement or any Lease or any material misrepresentation provided by Lessee under or in connection with this Agreement or any Lease. The provisions of this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination hereof for any reason. Each party shall be responsible for its own attorneys' fees and expenses. Nothing herein shall be construed as a waiver of Lessee's sovereign immunity provided by the Constitution of the State of Florida or of the provisions of Section 768.28, Florida Statutes, nor a consent to be sued by third parties.

**Section 27. Damage, Destruction, Condemnation; Use of Proceeds.** If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Equipment or any part thereof or the interest of Lessee or Lessor in the Equipment or any part thereof will be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment, unless Lessee has exercised its option to purchase the Equipment pursuant to **Section 31**. Any balance of the Net Proceeds remaining after such work has been completed will be paid to Lessee.

**Section 28. Insufficiency of Net Proceeds.** If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in **Section 27**, Lessee will either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) purchase Lessor's interest in the Equipment pursuant to **Section 31**. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing the Equipment will be retained by Lessee. If Lessee will make any payments pursuant to this Section, Lessee will not be entitled to any reimbursement therefor from Lessor nor will Lessee be entitled to any diminution of the amounts payable under **Section 9**.

**Section 29. Disclaimer of Warranties.** LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OR PURPOSE OF THE EQUIPMENT OR AGAINST INFRINGEMENT, OR ANY OTHER WARRANTY OR REPRESENTATION WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY ACTUAL, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OR MAINTENANCE OF ANY EQUIPMENT OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

**Section 30. Vendor's Warranties.** Lessee may have rights under the contract evidencing the purchase of the Equipment; Lessee is advised to contact the Vendor for a description of any such rights. Lessee hereby assigns to Lessor during the Lease Term all warranties running from the Vendor to Lessee. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee will not be in default hereunder, to assert from time to time whatever claims and rights (including without limitation warranties) related to the Equipment that Lessor may have against the Vendor. Lessee's sole remedy for the breach of any such warranty, indemnification or representation will be against the Vendor, and not against Lessor. Any such matter will not have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or availability of such warranties by the Vendor.

**Section 31. Purchase Option; Prepayment.**

(a) Lessee will have the option to purchase the Equipment, upon giving written notice to Lessor at least 30 days before the date of purchase, at the following times and upon the following terms:

(i) On any Rental Payment Date, beginning April 15, 2029, upon payment in full of the Rental Payment then due hereunder plus all other amounts due hereunder plus the then-applicable Purchase Price to Lessor; or

(ii) In the event of substantial damage to or destruction or condemnation (other than by Lessee or any entity controlled by or otherwise affiliated with Lessee) of substantially all of the Equipment, on the day Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option, upon payment in full of the Rental Payment and all other amounts then due hereunder plus (A) the Purchase Price designated on the Payment Schedule for such purchase date if such purchase date is a Rental Payment Date or the Purchase Price for the immediately preceding Rental Payment Date if such purchase date is not a Rental Payment Date, and (B) if such day is not a Rental Payment Date, an amount equal to the portion of the interest component of the Rental Payment scheduled to come due on the following Rental Payment Date accrued from the immediately preceding Rental Payment Date to such purchase date, computed on the basis of a 360-day year of twelve 30-day months. If a Purchase Price is not listed for such date that Lessee has designated as the purchase date, the Purchase Price for that date shall be calculated as the Rental Payment then due plus 102.5% of the then outstanding principal balance of this Agreement.

(b) In the event monies remain in the escrow fund established under the related escrow agreement, upon receipt by the escrow agent under such escrow agreement of a duly executed disbursement request identified as the final such request, the remaining monies in such escrow fund shall, first be applied to all reasonable fees and expenses incurred by such escrow agent, if applicable, in connection with such escrow fund as evidenced by its statement forwarded to Lessor and Lessee; and, second be paid to Lessor, to be applied by Lessor on any Rental Payment Date to all or a portion of the Rental Payment due and owing in the succeeding twelve (12) months and any remaining amounts shall be applied by Lessor as prepayment to the remaining principal balance owing hereunder in inverse order of Rental Payment Dates, unless Lessor directs that payment of such amount be made in such other manner that, in the opinion of nationally recognized counsel in the area of tax exempt municipal obligations satisfactory to Lessor, will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes. If any such amount is applied against the outstanding principal components of Rental Payments, the Payment Schedule attached hereto will be revised accordingly.

On the final Rental Payment Date, Lessee will be deemed to have exercised its option to purchase the Equipment subject to this Agreement, without requirement for written notice, upon payment in full of the Rental Payments then due hereunder, plus all other amounts due hereunder and not yet paid.

Upon the exercise of the option to purchase set forth above, title to the Equipment will be vested in Lessee, free and clear of any claim by or through Lessor.

**Section 32. Determination of Fair Purchase Price.** Lessee and Lessor hereby agree and determine that the Rental Payments hereunder during the Original Term and each Renewal Term represent the fair value of the use of the Equipment and that the amount required to exercise Lessee's option to purchase the Equipment pursuant to **Section 31** represents, as of the end of the Original Term or any Renewal Term, the fair purchase price of the Equipment. Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place Lessee under a practical economic compulsion to renew this Agreement or to exercise its option to purchase the Equipment hereunder. In making such determinations, Lessee and Lessor have given consideration to (a) the costs of the Equipment, (b) the uses and purposes for which the Equipment will be employed by Lessee, (c) the benefit to Lessee by reason of the acquisition of the Equipment and the use of the Equipment pursuant to the terms and provisions of this Agreement, and (d) Lessee's option to purchase the Equipment. Lessee hereby determines and declares that the acquisition of the Equipment and the leasing of the Equipment pursuant to this Agreement will result in equipment of comparable quality and meeting the same requirements and standards as would be necessary if the acquisition of the Equipment were performed by Lessee other than pursuant to this Agreement. Lessee hereby determines and declares that the Maximum Lease Term does not exceed the useful life of the Equipment.

**Section 33. Assignment by Lessor.** Lessor's interest in, to and under this Agreement and the Equipment may be assigned and reassigned in whole or in part to one or more assignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment will not be effective against Lessee until (a) Lessee has received written notice of the name and address of the assignee and (b) in the event that such assignment is made to a bank or trust company for holders of certificates representing interests in this Agreement, such bank or trust company agrees to maintain, or cause to be maintained, a register by which a record of the names and addresses of such holders as of any particular time is kept and agrees, upon request of Lessee, to furnish such information to Lessee. Lessee will retain all such notices as a register of all assignees and will make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interest in the Equipment and in this Agreement and agrees to the filing of financing statements with respect to the Equipment and this Agreement. Lessee will not have the right to and will not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may have against Lessor.

**Section 34. Assignment and Subleasing by Lessee.** None of Lessee's right, title and interest in, to and under this Agreement and the Equipment may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Equipment if Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax exempt municipal obligations satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Equipment will be subject to this Agreement and the rights of Lessor in, to and under this Agreement and the Equipment.

**Section 35. Events of Default Defined.** Subject to the provisions of **Section 8**, any of the following will be "Events of Default" under this Agreement:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in **Section 35(a)**, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to Lessee by Lessor, unless Lessor will agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance will prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any provision of this Agreement will at any time for any reason cease to be valid and binding on Lessee, or will be declared to be null and void, or the validity or enforceability thereof will be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee will deny that it has any further liability or obligation under this Agreement;

(e) Lessee will (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(f) An order, judgment or decree will be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree will continue unstayed and in effect for any period of 30 consecutive days.

**Section 36. Remedies on Default.** Whenever any Event of Default exists, Lessor will have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating this Agreement, Lessor may enter the premises where the Equipment is located and retake possession of the Equipment or require Lessee at Lessee's expense to promptly return any or all of the Equipment to the possession of Lessor at a place specified by Lessor, and sell or lease the Equipment or, for the account of Lessee, sublease the Equipment, holding Lessee liable for the difference between (i) the Rental Payments and other amounts payable by Lessee hereunder plus the applicable Purchase Price, and (ii) the net proceeds of any such sale, lease or sublease (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation, all expenses of taking possession, storing, reconditioning and selling or leasing the Equipment and all brokerage, auctioneers' and attorneys' fees) provided that the amount of Lessee's liability under this subparagraph (b) shall not exceed the Rental Payments and other amounts otherwise due hereunder plus the remaining Rental Payments and other amounts payable by Lessee to the end of the then current Original Term or Renewal Term; and

(c) Lessor may provide written notice of the occurrence of an Event of Default to the escrow agent under the related escrow agreement, and the escrow agent shall thereupon promptly remit to Lessor the entire balance of the escrow fund established thereunder; and

(d) Lessor may take whatever other action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment.

In addition, Lessee will remain liable for all covenants and indemnities under this Agreement and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

Lessor and Lessee agree that there is no intention to create under this Agreement a right of Lessor to dispossess Lessee involuntarily of the legal title to or the right of use of the Equipment. Lessor hereby irrevocably waives any right to specific performance of Lessee's covenant to transfer legal title and return of possession of the Equipment to Lessor.

**Section 37. No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy will be cumulative and will be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or will be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Agreement it will not be necessary to give any notice, other than such notice as may be required in this Agreement.

**Section 38. Notices.** All notices, certificates or other communications hereunder will be sufficiently given and will be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto will designate in writing to the other for notices to such party), to any assignee at its address as it appears on the register maintained by Lessee.

**Section 39. Binding Effect.** This Agreement will inure to the benefit of and will be binding upon Lessor and Lessee and their respective successors and assigns.

**Section 40. Severability.** In the event any provision of this Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

**Section 41. Entire Agreement.** This Agreement constitutes the entire agreement between Lessor and Lessee.

**Section 42. Amendments.** This Agreement may be amended, changed or modified in any manner by written agreement of Lessor and Lessee. Any waiver of any provision of this Agreement or any right or remedy hereunder must be affirmatively and expressly made in writing and will not be implied from inaction, course of dealing or otherwise.

**Section 43. Execution in Counterparts.** This Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

**Section 44. Captions.** 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.

**Section 45. Applicable Law.** This Agreement will be governed by and construed in accordance with the laws of the State.

**Section 46. Electronic Transactions.** The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 47. Role of Lessor.** Lessor has not acted and will not act as a fiduciary for Lessee or as Lessee's agent or municipal advisor. Lessor has not and will not provide financial, legal, tax, accounting or other advice to Lessee or to any financial advisor or placement agent engaged by Lessee with respect to this Agreement. Lessee, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Agreement from its own advisors (including as it relates to structure, timing, terms and similar matters).

**Section 48. Lessee's Notice Filings Related to this Agreement for SEC Rule 15c2-12.** In connection with Lessee's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Lessee on and after February 27, 2019, pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Lessor acknowledges that Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice that Lessee has incurred obligations under this Agreement and notice of certain subsequent events reflecting financial difficulties in connection with this Agreement. Lessee agrees that it shall not file or submit, or permit to be filed or submitted, with EMMA any documentation that includes the following unredacted sensitive or confidential information about Lessor or its affiliates: address and account information of Lessor or its affiliate, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of Lessor or its affiliates, or any account information for any related escrow agreement, unless otherwise required for compliance with the Rule or otherwise required by law. Lessee acknowledges that Lessor is not responsible for Lessee's compliance or noncompliance with the Rule or any Continuing Disclosure Agreement.

**Section 49. Public Records.** All documents, paper, letters or other material made or received in conjunction with this Agreement shall be subject to the public records provisions of Chapter 119, Florida Statutes.

**Section 50. Florida Provisions.** Lessor agrees with the following provisions:

A. *Cooperation with Inspector General.* Lessor agrees to comply with Section 20.055(5), Florida Statutes, and will cooperate with the inspector general in any investigation, audit, inspection, review, or hearing.

B. *Public Entity Crimes.* Lessor is in full compliance with Sections 287.132 and 287.133, Florida Statutes, will remain in compliance with them throughout the term of this Agreement, and will notify the Lessee if it becomes non-compliant.

C. *E-Verify.* In accordance with Section 448.095, Florida Statutes, Lessor has registered with and uses the E-Verify System to verify the work authorization status of all newly hired employees.

D. *Affidavit concerning Human Trafficking.* Lessor has complied with Section 787.06, Florida Statutes, and has provided the required affidavit to the Lessee.

E. *Sovereignty Immunity.* By entering this Agreement, the Lessee is not waiving any rights as a government entity to claim exemptions, privileges, and immunities as may be provided by Florida law

G. *Discriminatory Vendor List.* Lessor is not on the discriminatory vendor list maintained by the Florida Department of Management Services and is in compliance with Subsection 287.134(2)(a), Florida Statutes. Lessor will remain in compliance with Section 287.134, Florida Statutes, throughout the term of this Agreement and will notify Lessee if it becomes non-compliant.

[Signature page follows.]

**IN WITNESS WHEREOF**, Lessor and Lessee have caused this Agreement to be executed in their corporate names by their duly authorized officers as of the date first above written.

**LEASING 2, INC.**

By: \_\_\_\_\_  
Name: Brad S. Meyers  
Title: President  
Address: 1720 West Cass Street  
Tampa, FL 33606

**GREATER NAPLES FIRE RESCUE DISTRICT**

By: \_\_\_\_\_  
Name: Chris Wolfe  
Title: Fire Chief  
Address: 14575 Collier Blvd.  
Naples, FL 34119

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**CERTIFICATION**

I, the undersigned, do hereby certify (i) that the Fire Chief of Lessee who executed the foregoing Agreement on behalf of Lessee and whose genuine signature appears thereon, is the duly qualified and acting Fire Chief of Lessee as stated beneath his or her signature and has been authorized to execute the foregoing Agreement on behalf of Lessee, and (ii) that the fiscal year of Lessee is from October 1 to September 30.

**DATED:** April 15, 2026.

By: \_\_\_\_\_  
Name: Mark Cherney  
Title: Chairman

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## EXHIBIT A TO EQUIPMENT LEASE PURCHASE AGREEMENT

### EQUIPMENT SCHEDULE

**Equipment Description:**

The Equipment consists of six (6) Sutphen F-Series (F4) pumpers, together with any and all replacement parts, additions, repairs, modifications, attachments and accessories thereto, any and all substitutions, replacements or exchanges therefor, and any and all insurance and/or proceeds thereof, as further described in Vendor Proposal dated March 6, 2026, a copy of which is *attached hereto*.

**Equipment Location:**

Lessee has fifteen (15) fire stations with plans to build additional fire stations. The Equipment will be located at different Lessee fire stations based on operational needs.

**Vendor:**

The Vendor for the Equipment is South Florida Emergency Vehicles, 4655 Cummins Ct., Fort Myers, FL 33905.

This Equipment Schedule shall be deemed to be supplemented and amended by the descriptions of the Equipment included in the Escrow Disbursement Requests submitted to Lessor for approval to Lessor pursuant to the Escrow Agreement dated as of April 15, 2026, among Lessor, Lessee and Zions Bancorporation, National Association, as escrow agent, which descriptions shall be deemed to be incorporated herein.

**EXHIBIT B TO EQUIPMENT LEASE PURCHASE AGREEMENT**

**PAYMENT SCHEDULE**

Principal Amount: \$5,643,215.05  
Interest Rate: 4.225%; 30/360 basis  
Commencement Date: April 15, 2026

Rental Payments will be made in accordance with **Section 9** and this Payment Schedule.

| <u>Rental<br/>Payment Date</u> | <u>Total<br/>Rental Payment</u> | <u>Interest<br/>Portion</u> | <u>Principal<br/>Portion</u> | <u>Purchase<br/>Price*</u> |
|--------------------------------|---------------------------------|-----------------------------|------------------------------|----------------------------|
| 04/15/2027                     | \$1,275,642.19                  | \$238,425.84                | \$1,037,216.35               | N/A                        |
| 04/15/2028                     | 1,275,642.19                    | 194,603.45                  | 1,081,038.74                 | N/A                        |
| 04/15/2029                     | 1,275,642.19                    | 148,929.56                  | 1,126,712.63                 | \$2,458,203.51             |
| 04/15/2030                     | 1,275,642.19                    | 101,325.95                  | 1,174,316.24                 | 1,254,529.37               |
| 04/15/2031                     | <u>1,275,642.18</u>             | <u>51,711.09</u>            | <u>1,223,931.09</u>          | 0.00                       |
| Totals                         | <u>\$6,378,210.94</u>           | <u>\$734,995.89</u>         | <u>\$5,643,215.05</u>        |                            |

GREATER NAPLES FIRE RESCUE DISTRICT

By: \_\_\_\_\_  
Name: Chris Wolfe  
Title: Fire Chief

\* Lessee's option to purchase is subject to provisions of Section 31 of the Agreement.

## ESCROW AGREEMENT

**THIS ESCROW AGREEMENT** (the “Escrow Agreement”) is made and entered into as of April 15, 2026 (“Escrow Agreement Date”), by and among **Leasing 2, Inc.** (together with its assigns, “Lessor”), **Greater Naples Fire Rescue District** (“Lessee”) and **Zions Bancorporation, National Association** (“Escrow Agent”).

### RECITALS

**WHEREAS**, Lessor and Lessee have entered into the Equipment Lease Purchase Agreement dated as of April 15, 2026 (the “Lease”), pursuant to which the equipment more particularly described therein (the “Equipment”) will be leased to the Lessee under the terms stated in the Lease;

**WHEREAS**, Lessor and Lessee desire to make funding arrangements for the acquisition of the Equipment, and Escrow Agent agrees to serve as escrow agent for such funding and acquisition;

**WHEREAS**, Escrow Agent is hereby notified that Lessor has assigned all of its right, title, and interest in and to, but not its obligations under, the Lease and this Escrow Agreement to **Webster Public Finance Corporation**, including, in particular, but without limitation, Lessor’s right to approve all payment requests submitted by Lessee;

**NOW THEREFORE**, in consideration of the mutual agreements and covenant herein contained and for other valuable consideration, the parties hereby agree as follows:

1. Escrow Agent shall undertake the duties and obligations of escrow agent as set forth in this Escrow Agreement. Escrow Agent shall not be deemed to be a party to the Lease.
2. Lessor has delivered to Escrow Agent the sum of **\$5,643,215.05** (“Escrow Amount”) for deposit by Escrow Agent in an Escrow Account established in connection with the Lease (the “Fund”). The Fund will be administered by Escrow Agent pursuant to the terms of this Escrow Agreement. Lessee acknowledges that Escrow Agent may commingle the Escrow Amount held by Escrow Agent for the benefit of Lessee with other funds held by Escrow Agent for its own account, so long as the Escrow Agent maintains segregation of the Fund on the books and records of Escrow Agent. The Escrow Amount shall not be the property of the Escrow Agent, notwithstanding the fact that it may be commingled with other funds of the Escrow Agent. Lessee agrees that any interest earned on the Escrow Amount held in the Fund in excess of the costs of the Equipment will be paid credited to the Fund and disbursed in accordance with Section 6.
3. Deposits in the Fund shall be used to pay for the acquisition of the Equipment and if approved for payment by Lessor, certain costs of entering into the Lease. The Equipment may be acquired as individual items or as groups of items. Escrow Agent shall make disbursements from the Fund in payment for the acquisition of each item or group of items of the Equipment promptly upon receipt of a properly executed Escrow Disbursement Request Form, approved for payment by Lessor, in the form attached hereto as “Exhibit A”, for that portion of the acquisition of the Equipment for which payment is requested. Upon full acquisition of an item or group of items of the Equipment, any remaining cost of such item or group of items shall be disbursed promptly by the Escrow Agent upon receipt of a properly executed Acceptance Certificate and a corresponding Escrow Disbursement Request Form in the form attached hereto as “Exhibit A”, for that portion of the Equipment for which payment is requested. Payment by Escrow Agent shall be to the payee shown on the Escrow Disbursement Request Form. Escrow Agent may deduct overnight mailing fees from the Fund prior to any disbursement requested by Lessee in writing to be sent via overnight mail. Without limiting the foregoing, Lessor shall not be required to approve any such Escrow Disbursement Request unless and until Lessee shall have provided to Lessor certificates of insurance evidencing coverage in accordance with the Lease and satisfactory to Lessor.
4. Lessee shall pay all of the fees, costs and expenses of the Escrow Agent, including as follows, **\$750.00** One-Time Fee which is fully earned, non-refundable and payable in arrears from investment interest earnings and with no proration for early termination.
5. Investment: (a) Government Obligations; which means bills, certificates of indebtedness, notes, bonds or similar securities that are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States of America. (b) Money Market Funds registered under the Federal Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act, and which are rated in the highest rating category by S&P, Moody’s or Fitch. Providing, however, that notwithstanding anything herein, the yield on the Fund shall not be allowed to exceed the yield on the Lease. Any interest, income, or other amounts received as the result of the investment of the Escrow Fund shall be added to the account, unless otherwise agreed upon by the Lessor and Lessee. Escrow Agent shall not be responsible or liable for any diminution of principal, interest, or penalty on any investments of the Escrow Fund and any such diminution or penalty cost shall be the responsibility of the Lessee. Lessor and Lessee acknowledge that Escrow Agent is not providing investment supervision, recommendations, or advice. No stocks, external exchange-traded mutual funds, or other equity securities shall be held as assets under this Escrow Agreement. Escrow Agent shall maintain the Fund until termination of the Fund pursuant to Section 6 hereof.

6. Upon receipt by Escrow Agent of a duly executed Acceptance Certificate identified as the final such acceptance certificate, this Escrow Agreement shall terminate and the Fund shall be closed. In addition, in the event that Lessor provides to Escrow Agent written notice of the occurrence of an event of default or nonappropriation by Lessee under the Lease, Escrow Agent shall promptly return to Lessor the entire balance of the Fund, and the Fund shall be closed.

If not terminated earlier as set forth in the preceding paragraph, this Escrow Agreement shall terminate and the Fund shall close on the date that is three years after the Escrow Agreement Date ("Termination Date"), unless otherwise agreed to by Lessee and Lessor per written amendment hereto. Upon termination of this Escrow Agreement and closing of the Fund, Escrow Agent shall transfer all remaining principal in the Fund to Lessor and such amounts shall be applied by Lessor to Lessee's next Rental Payment, and any remaining moneys shall be applied by Lessor as a prepayment to the remaining principal balanced owed under the Lease, at par, in inverse order of rental payment dates, unless Lessor directs that payment of such amount be made in such other manner that, in the opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor, will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the payment schedule attached to the Lease will be revised accordingly as specified by Lessor. If there is any interest earned on the Escrow Account held in the Fund that is in excess of all payments owed under the Lease, such excess shall be paid to the Lessee.

7. Lessor and Lessee may by written agreement between themselves remove the Escrow Agent, at any time and for any reason, and appoint a successor escrow agent. Such removal shall not be effective until thirty (30) days after written notice thereof is provided to Escrow Agent. Upon receipt of wire instructions from the successor agent, agent, the Escrow Agent will transfer the Escrow Amount then held by it to the successor escrow agent selected by Lessor and Lessee.

8. Escrow Agent may at any time and for any reason resign as Escrow Agent by giving written notice to Lessor and Lessee of its intention to resign and of the proposed date of resignation, which date shall be not less than thirty (30) days after giving Lessee and Lessor written notice of intent to resign, nor less than thirty (30) days after being appointed by Lessor and Lessee. Upon receipt of wire instructions from the successor agent, agent, the Escrow Agent will transfer the Escrow Amount then held by it to the successor escrow agent selected by Lessor and Lessee.

9. Escrow Agent shall have no obligation under the terms of this Escrow Agreement to make any disbursement except from the Fund. Escrow Agent makes no warranties or representations as to the Equipment or as to performance of the obligations of Lessor or Lessee under this Escrow Agreement or the Lease.

10. Escrow Agent shall be entitled to rely in good faith upon any documents signed by a party hereto and shall have no duty to investigate the veracity of such documents. Escrow Agent (i) may assume that any person giving notice pursuant to the terms hereof is authorized to do so and (ii) shall not be liable for good faith reliance thereon.

11. [Reserved].

12. Lessee, to the extent permitted by law, hereby agrees to indemnify, defend, protect and hold the Escrow Agent, its affiliates, its officers, directors, agents and employees, harmless from and against any and all claims, losses, liability, damages, costs or expenses that the Escrow Agent may suffer or incur arising out of or in connection with the acceptance or administration of this Escrow Agreement or the performance of its duties hereunder, including reasonable attorneys' fees, but excluding any losses, liability, damages, costs or expenses due to the Escrow Agent's negligence or willful misconduct or its failure to act in accordance with the terms of this Escrow Agreement. The Escrow Agent agrees to indemnify, defend, protect and hold the Lessor, its affiliates, its officers, directors, agents and employees, harmless from and against any and all claims, losses, liability, damages, costs or expenses that the Lessor may suffer or incur directly arising from the performance of its obligations under this Escrow Agreement, subject to and in an amount not to exceed one (1) year's fees or the Escrow Agent's one-time fee, whichever is greater (based on the fees paid by the Lessor for the services provided pursuant to this Agreement), in each case, as determined by a court of competent jurisdiction in a final non-appealable order; provided, that the Lessor shall not be entitled to indemnification hereunder for claims, losses, liability, damages, costs or expenses arising from Lessor's negligence or willful misconduct or its failure to act in accordance with the terms of this Escrow Agreement. This indemnity shall survive the termination of this Escrow Agreement or the removal or resignation of the Escrow Agent.

13. **Taxes.** Escrow Agent shall not be responsible or liable for the preparation or filing of any reports or returns relating to federal, state or local taxes relating in any way to this Escrow Agreement, other than for Escrow Agent's own compensation or for the reimbursement of its own expenses (and then only as required by applicable law).

14. **Tax Reporting Documentation.** Lessor and Lessee agree that any earnings or proceeds received on, or distributions of, earnings or proceeds from the Fund during a calendar year period shall be treated as the income of the Fund and shall be reported on an annual basis by Escrow Agent on the appropriate United States Internal Revenue Service ("IRS") Form 1099 (or Form 1042-S as applicable for a non-United States person), as required pursuant to the Internal Revenue Code of 1986, as amended (the

“Code”) and the regulations thereunder. Lessor and Lessee and Escrow Agent agree that Escrow Agent will not be responsible for providing tax reporting and withholding for payments which are for compensation for services performed by an employee or independent contractor. Lessor and Lessee shall upon execution of this Escrow Agreement provide to Escrow Agent a completed and properly executed IRS Form W-9 or Form W-8, as the case may be, or other tax identification number evidence if either Lessor or Lessee is a government entity, together with any other documentation and information reasonably requested by Escrow Agent in connection with Escrow Agent’s tax reporting obligations under the Code and the regulations thereunder including, without limitation, a completed and properly executed Form W-9 or Form W-8, as the case may be, for any and all persons to whom any securities, or funds or proceeds from the Fund, are paid or distributed to in connection Escrow Agent’s responsibilities under this Escrow Agreement (collectively, the “Tax Reporting Documentation”). With respect to Escrow Agent’s tax reporting obligations under the Code and any other applicable law or regulation, the Lessor and Lessee understand, acknowledge, and agree that, in the event that valid Tax Reporting Documentation is not provided to Escrow Agent, Escrow Agent may be required to withhold tax from the Fund and report account information on any earnings, proceeds or distributions from the Fund and Lessor and Lessee hereby release Escrow Agent from any and all liability, costs, expenses, claims or causes of action from or related to any withholding made by Escrow Agent in connection with the foregoing. Income earnings on the Fund shall be attributable to **Lessee** unless the Lessor and Lessee otherwise designate in writing to Escrow Agent. Should Escrow Agent become liable for the payment of taxes, including withholding taxes relating to any funds, including interest and penalties thereon, held by it pursuant to this Escrow Agreement or any payment made hereunder, Escrow Agent shall satisfy such liability to the extent possible from Escrow Account. Lessee, to the extent permitted by law, agrees to indemnify and hold Escrow Agent harmless from and against any tax, late payment, interest, penalty or other cost or expense that may be assessed against Escrow Agent on or with respect to the Fund and the investment thereof unless such tax, late payment, interest, penalty or other expense was directly caused by the gross negligence or willful misconduct of Escrow Agent. This indemnification is in addition to the indemnification provided in other sections of this Escrow Agreement and shall survive the resignation or removal of Escrow Agent and the termination or assignment of this Escrow Agreement. Lessor and Lessee acknowledge that Escrow Agent cannot make any payments under this Escrow Agreement unless it receives a completed and properly executed IRS Form W-9 or Form W-8, as the case may be, for each payee and income recipient.

15. **Escheatment.** Lessor and Lessee understand, acknowledge, and agree that under applicable state law, property which is abandoned or presumed or deemed abandoned may under certain circumstances escheat to the applicable state. Escrow Agent shall have no liability to either Lessor or Lessee, their respective heirs, legal representatives, successors, assigns, or any other party, should any or all of the Fund escheat by operation of law.

16. This Escrow Agreement may be amended only by written agreement executed by all the parties, and 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 and Lessee.

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

18. This Escrow Agreement will be governed by and construed in accordance with the laws of the state in which the Lessee is organized.

19. All notices hereunder shall be in writing, sent by certified mail, return receipt requested, or by mutually recognized overnight carrier addressed to the other party at its respective address shown on the execution page of this Escrow Agreement or at such other address as such party shall from time to time designate in writing to the other parties; and shall be effective on the date or receipt.

20. **Florida Provisions.** Escrow Agent agrees with the following provisions:

A. *Cooperation with Inspector General.* Escrow Agent agrees to comply with Section 20.055(5), Florida Statutes, and will cooperate with the inspector general in any investigation, audit, inspection, review, or hearing.

B. *Public Entity Crimes.* Escrow Agent is in full compliance with Sections 287.132 and 287.133, Florida Statutes, will remain in compliance with them throughout the term of this Agreement, and will notify the Lessee if it becomes non-compliant.

C. *E-Verify.* In accordance with Section 448.095, Florida Statutes, Escrow Agent has registered with and uses the E-Verify System to verify the work authorization status of all newly hired employees.

D. *Affidavit concerning Human Trafficking.* Escrow Agent has complied with Section 787.06, Florida Statutes, and has provided the required affidavit to the Lessee.

E. *Sovereignty Immunity.* By entering this Agreement, the Lessee is not waiving any rights as a government entity to claim exemptions, privileges, and immunities as may be provided by Florida law

G. *Discriminatory Vendor List.* Escrow Agent is not on the discriminatory vendor list maintained by the Florida Department of Management Services and is in compliance with Subsection 287.134(2)(a), Florida Statutes. Escrow Agent will remain in compliance with Section 287.134, Florida Statutes, throughout the term of this Agreement and will notify Lessee if it becomes non-compliant.

H. *Public Records.* All documents, paper, letters or other material made or received in conjunction with this Agreement shall be subject to the public records provisions of Chapter 119, Florida Statutes.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties have executed this Escrow Agreement as of the date first written above.

LESSOR:           **LEASING 2, INC.**

By: \_\_\_\_\_  
Name: Brad S. Meyers  
Title: President  
Address: 1720 West Cass Street, Tampa, FL 33606

LESSEE:           **GREATER NAPLES FIRE RESCUE DISTRICT**

By: \_\_\_\_\_  
Name: Chris Wolfe  
Title: Fire Chief  
Address: 14575 Collier Blvd., Naples, FL 34119

ESCROW AGENT: **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_

**ESCROW AGREEMENT – Exhibit A**

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**ESCROW DISBURSEMENT REQUEST FORM**

Zions Bancorporation, National Association, acting as escrow agent (the “Escrow Agent”) under the Escrow Agreement dated as of **April 15, 2026**, by and among the Escrow Agent, Leasing 2, Inc. (“Lessor”) and **Greater Naples Fire Rescue District** (“Lessee”) (the “Escrow Agreement”), is hereby requested to pay to the person or corporation designated below as payee the sum set forth below in payment of the acquisition costs of the equipment described below, which equipment was financed pursuant to that certain Equipment Lease Purchase Agreement dated as of April 15, 2026, by and between Lessor and Lessee (the “Lease”). The amount shown below is due and payable under the *attached* vendor invoice(s) of payee with respect to the described equipment and has not formed the basis of any prior request for payment from the escrow account established under the Escrow Agreement.

PAYEE: \_\_\_\_\_

AMOUNT: \_\_\_\_\_

DESCRIPTION OF EQUIPMENT: \_\_\_\_\_

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INVOICE # \_\_\_\_\_ DATED: \_\_\_\_\_

Indicate Method for Payment Disbursement:

\_\_\_\_\_ Overnight Check \*\*\*      \_\_\_\_\_ Regular Mail Check      \_\_\_\_\_ Wire Funds

Mailing Address: \_\_\_\_\_

Wire Instructions: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\*\*\*Please note that there might be a fee charged for overnight delivery.  
This fee will be deducted from the escrow balance before disbursement is made.

The following documents are attached hereto and made a part hereof:

- (a) Acceptance Certificate, in substantially the form *attached hereto*.
- (b) Vendor Invoice.
- (c) Signed Form W-9 for Payee.
- (d) Evidence of insurance for the described equipment.

Date: \_\_\_\_\_, 20\_\_ /

**Lessee: Greater Naples Fire Rescue District**

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

Name: \_\_\_\_\_

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

**APPROVED FOR PAYMENT:**

**Assignee of Lessor: Webster Public Finance Corporation**

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

Authorized Signer

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**ACCEPTANCE CERTIFICATE**

Lessee hereby acknowledges receipt in good condition of all the equipment described in the foregoing Escrow Disbursement Request Form and included on the attached vendor invoice(s), and hereby certifies and represents to and agrees with Lessor with respect to such equipment as follows: (i) such equipment has been delivered at the location(s) set forth in the Lease; (ii) a present need exists for such equipment which need is not temporary or expected to diminish in the near future; (iii) such equipment is essential to and will be used by Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority; (iv) the estimated useful life of such equipment based upon the manufacturer's representations and Lessee's projected needs is not less than the term of lease with respect to such equipment; (v) Lessee has conducted such inspection and/or testing of such equipment as it deems necessary and appropriate and hereby acknowledges that it accepts such equipment for all purposes as of the date hereof; (vi) such equipment is covered by insurance in the types and amounts required by the Lease; (vii) no event of default or nonappropriation under the Lease, and no event which with the giving of notice or lapse of time or both, would become an event of default or nonappropriation, has occurred and is continuing on the date hereof; and (viii) sufficient funds have been appropriated by Lessee for the payment of all rental payments due under the Lease during Lessee's current fiscal year.

IF REQUEST IS FOR REIMBURSEMENT, CHECK HERE . Lessee paid an invoice prior to the commencement date identified in the Lease and is requesting reimbursement for such payment. A copy of evidence of such payment together with a copy of Lessee's declaration of official intent and other evidence required by Lessor prior to Lessor's approval hereof that Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. 1.150-2 is hereby attached. Lessor's approval hereof shall evidence that Lessee has delivered to Lessor such required documentation.

IF REQUEST IS FINAL REQUEST, CHECK HERE . Lessee hereby certifies that (a) all of the Equipment described in the Lease has been received in good condition; (b) the Equipment is accepted "**AS-IS, WHERE-IS**"; (c) Lessee has inspected the Equipment, and determined that it is in good working order and complies with all purchase orders, contracts and specifications; (d) Lessee has fully and satisfactorily performed all covenants and conditions to be performed by it as of this date under the Lease with regard to the Equipment; (e) Lessee waives any right to revoke its acceptance; and (f) the Equipment is fully insured in accordance with the Agreement. This certificate is made without prejudice to any rights against third parties which may exist as of the date hereof or which may subsequently come into being.

Date: \_\_\_\_\_, 20\_\_.

**Lessee: Greater Naples Fire Rescue District**

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

Name: \_\_\_\_\_

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

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## FEDERAL TAX AGREEMENT

**THIS FEDERAL TAX AGREEMENT** (the “Tax Agreement”), is executed as of April 15, 2026, by Greater Naples Fire Rescue District (the “District”), for the benefit of Leasing 2, Inc. (together with its assigns, the “Lessor”) and any firm of attorneys rendering an opinion on the exclusion from gross income for federal income tax purposes of the interest portion of rental payments payable under the Lease Agreement (defined below).

### RECITALS

1. This Tax Agreement is being executed and delivered in connection with that certain Equipment Lease Purchase Agreement dated as of April 15, 2026 (the “Lease Agreement”), entered into by and between the District, as lessee, and the Lessor, as lessor.

2. The Internal Revenue Code of 1986, as amended, and the applicable Regulations (as defined herein), impose certain limitations on the uses and investment of the Lease Proceeds (as defined herein) and of certain other money relating to the Lease Agreement, and set forth the conditions under which the interest portion of rental payments payable under the Lease Agreement will be excluded from gross income for federal income tax purposes.

3. The District is executing this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use of the Lease Proceeds and the property financed or refinanced with those proceeds and the investment of the Lease Proceeds and of certain other related money, in order to establish and maintain the exclusion of the interest portion of rental payments payable under the Lease Agreement from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f).

4. This Tax Agreement is being entered into for the purpose of setting forth general procedures for the District to continuously monitor and comply with the federal income tax requirements set forth in the Code and the Regulations.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, the District represents, covenants and agrees as follows:

**Section 1. Definitions of Words and Terms.** Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used in this Tax Agreement have the same meanings as set forth in the Lease Agreement, and certain other words and phrases have the meanings assigned in Code §§ 103, 141-150 and the Regulations. The following words and terms used in this Tax Agreement have the following meanings:

“**Annual Compliance Checklist**” means a checklist for the Equipment designed to measure compliance with the requirements of this Tax Agreement after the Closing Date substantially in the form attached as **Exhibit D**.

“**Closing Date**” means April 15, 2026.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Compliance Officer**” means the Fire Chief of the District or its designee.

“**Equipment**” means all of the property acquired by the District using Lease Proceeds and other money contributed by the District, as described on **Exhibit C**.

“**Financed Assets**” and “**Financed Asset**” means, as the context requires, all or any portion of the Equipment financed with proceeds of the Lease Agreement, as described on **Exhibit C** hereto.

“**Investment**” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Lease Proceeds. This term does not include a tax-exempt bond, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

“**IRS**” means the Internal Revenue Service.

**“Lease Agreement”** means the Equipment Lease Purchase Agreement dated as of April 15, 2026, between the District, as lessee, and the Lessor, as lessor, as amended from time to time.

**“Lease Proceeds”** means the gross proceeds of the Lease Agreement, which include (a) sale proceeds (any amounts actually or constructively received by the District from the execution and delivery of the Lease Agreement, including amounts used to pay a discount or fees to the Lessor, but excluding pre-issuance accrued interest), (b) any amounts received from investing sale proceeds or transferred proceeds or other investment proceeds, (c) any amounts held in a sinking fund for the Lease Agreement, (d) any amounts held in a pledged fund or reserve fund for the Lease Agreement, and (e) any other replacement proceeds.

**“Management or Service Agreement”** means a legal agreement defined in Regulations § 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Financed Assets. However, contracts for services that are solely incidental to the primary governmental function of the Financed Assets, however, are not treated as Management or Service Agreements.

**“Measurement Period”** means, with respect to the Financed Assets, the period beginning on the later of (i) the Closing Date or (ii) the date the property is placed in service and ending on the earlier of (A) the final maturity date of the Lease Agreement or (B) the expected economic useful life of the property.

**“Non-Qualified Use”** generally means any use of the Financed Assets in a trade or business carried on by any Non-Qualified User that is different in form or substance to the use made of the Financed Assets by any other member of the general public. Generally, ownership, a lease agreement or any other use that provides a Non-Qualified User a special legal right or entitlement to use the Financed Asset will constitute Non-Qualified Use.

**“Non-Qualified User”** means any person or entity other than the District.

**“Opinion of Special Tax Counsel”** means the written opinion of Special Tax Counsel addressed to the Assignee (as defined in Section 6(a)) to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the interest portion of rental payments under the Lease Agreement from gross income for federal income tax purposes or an opinion describing additions, modifications or additional procedures required to preserve the interest portion of rental payments under the Lease Agreement from gross income for federal income tax purposes.

**“Post-Issuance Tax Requirements”** means those requirements related to the use of Lease Proceeds, the use of the Financed Assets, and the investment of Lease Proceeds after the Closing Date.

**“Qualified Use Agreement”** means any of the following:

(1) A lease or other short-term use by members of the general public who use the Equipment on a short-term basis in the ordinary course of the District’s governmental purposes.

(2) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Equipment for a period up to 200 days in length pursuant to an arrangement whereby (a) the use of the Equipment under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (b) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Equipment under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(3) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Equipment for a period up to 100 days in length pursuant to arrangements whereby (a) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (b) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (c) the Equipment was not acquired for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Equipment under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(4) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Equipment for a period up to 50 days in length pursuant to a negotiated arm's-length arrangement at fair market value so long as the Equipment was not acquired for a principal purpose of providing the property for use by that person.

**“Qualified User”** means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

**“Regulations”** means United States Treasury Regulations governing obligations the interest on which is excluded from gross income for federal income tax purposes under Code §§ 103 and 141-150.

**“Special Tax Counsel”** means Gilmore & Bell, P.C., Kansas City, Missouri, or other nationally recognized firm of bond counsel acceptable to the Assignee.

**“State”** means the State of Florida.

**“Tax Compliance File”** means documents and records for the Lease Agreement maintained by the Compliance Officer pursuant to this Tax Agreement.

**“Tax Compliance Procedure”** means the Post Issuance Compliance Written Procedures implemented by the District with respect to the Lease Agreement, in the form attached hereto as **Exhibit E**.

**“Yield”** means the yield on the Lease Agreement, computed under Regulations § 1.148-4, and yield on an Investment, computed under Regulations § 1.148-5.

## **Section 2. Organization and Authority; General Representations.**

(a) **Authority.** The District (1) is a political subdivision organized and existing under the laws of the State, (2) has lawful power and authority to enter into, execute and deliver the Lease Agreement for the purposes set forth in the Lease Agreement and this Tax Agreement and to carry out its obligations under this Tax Agreement and under such documents, and (3) by all necessary action has been duly authorized to execute and deliver the Lease Agreement and this Tax Agreement, acting by and through its duly authorized officials.

(b) **Tax-Exempt Status of Lease Agreement—General Representation and Covenants.** In order to maintain the exclusion of the interest component of Rental Payments payable under the Lease Agreement from gross income for federal income tax purposes, the District (1) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code; (2) will not use or invest, or permit the use or investment of, any Lease Proceeds or other funds of either party in a manner that would violate applicable provisions of the Code; and (3) will not use, or permit the use of, any portion of the Financed Assets, in a manner that would cause any portion of the Lease Agreement to become a “private activity bond” as defined in Code § 141.

## **Section 3. Purpose of the Lease Agreement; Reimbursement; Use of Lease Proceeds.**

(a) **Purpose.** The Lease Agreement is being executed and delivered for the purpose of paying costs of the Equipment.

(b) *[Reserved]*.

(c) **Use of Lease Proceeds.** On the Closing Date, all proceeds of the Lease Agreement in the amount of \$5,643,215.05 are expected to be deposited in the Escrow Fund and used to pay costs of the Financed Assets.

**Section 4. Acquisition of the Equipment.** The District has incurred, or will incur within 6 months after the Closing Date, a substantial binding obligation to a third party to spend at least 5% of the Lease Proceeds on the Financed Assets. The completion of the Financed Assets and the allocation of the Lease Proceeds to expenditures will proceed with due diligence. At least 85% of the proceeds of the Lease Agreement will be allocated to expenditures on the Financed Assets within 3 years after the Closing Date.

**Section 5. Funds or Accounts.** The Escrow Fund has been established under the Escrow Agreement with the Escrow Agent. Amounts held in the Escrow Fund will be used to pay costs of the Equipment. No other funds or accounts have been established for the Lease Agreement to hold Lease Proceeds or other money that will be used to make rental payments under the Lease Agreement.

**Section 6. Rebate and Yield Restriction.**

(a) *Certification of Issue Price.* The assignee of the Lessor (the “Assignee”) has represented in the Issue Price Certificate dated as of the Closing Date that it has acquired the Lease Agreement from the Lessor at the issue price named therein (the “**Issue Price**”), pursuant to Regulations § 1.148-1(f)(2)(i) (relating to the so-called “private placement rule”, and presently intends to hold the Lease Agreement for its own account with no current intent to sell, assign or transfer the Lease Agreement, other than to an affiliate.

(b) *Lease Agreement Yield.* Based on the Issue Price, Special Tax Counsel has calculated the Yield on the Lease Agreement, which calculation of Yield and amortization schedule for the Lease Agreement are set forth on **Exhibit A** to this Tax Agreement. The District has not entered into an interest rate swap agreement with respect to any portion of Lease Proceeds.

(c) *Lease Agreement Subject to the Rebate Requirement.* The Lease Agreement is subject to the arbitrage rebate requirements of Code § 148(f). Pursuant to the Escrow Agreement, investment of the Lease Agreement Proceeds is limited to placement in an interest-bearing demand deposit account. If the Yield on investments of the Escrow Fund exceeds the Yield on the Lease Agreement, as set forth on **Exhibit A** to this Tax Agreement, or if the District establishes any sinking or reserve fund for the Lease Agreement, then the District will contact Special Tax Counsel to seek advice regarding the need to calculate and pay arbitrage rebate.

**Section 7. Use of Financed Assets.**

(a) *General.* The Equipment will be owned by the District throughout the Measurement Period. Except as otherwise described in this **Section 7**, no portion of the Financed Assets is expected to be used in a Non-Qualified Use during the Measurement Period. Unless the District obtains advice of Special Tax Counsel, the District will not use, or permit the use of the Financed Assets in any other Non-Qualified Use.

(b) *Management or Services Agreements and Other Use Agreements.* As of the Closing Date, the District does not have any leases or similar use agreements or arrangements with Non-Qualified Users that relate to the use or operation of the Financed Assets. During the Measurement Period, the District will not enter into or renew any management or service agreements or other use agreements with any Non-Qualified User with respect to the use or operation of the Financed Assets without first obtaining advice of Special Tax Counsel.

(c) *Leases.* As of the Closing Date, the District does not have any leases with Non-Qualified Users with respect to the Financed Assets. During the Measurement Period, the District will not enter into or renew any other leases with any Non-Qualified User with respect to the uses or operation of the Financed Assets without first obtaining advice of Special Tax Counsel.

(d) *Practices and Procedures for Accounting for and Monitoring of Lease Agreement Proceeds.* The District agrees to implement the practices and procedures (the “Written Procedures”) set forth in **Exhibit E** in order to assure that the proceeds of the Lease Agreement are used in such a manner so as not to violate the provisions of the Code, under which interest on the Lease Agreement is excluded from federal income taxation, and to take remedial actions in the event of a violation. These Written Procedures generally account for and monitor (i) the expenditure and investment of Lease proceeds, (ii) the use of the Financed Assets, and (iii) any changes in the underlying structure of the Lease Agreement financing. The District acknowledges that the Written Procedures in **Exhibit E** are not exclusive and covenants to comply with (1) all tax limitations and requirements imposed with respect to the Lease Agreement and (2) all State and local legal requirements regarding the valid incurrence of debt and permitted uses of the proceeds of the Lease Agreement. Unless otherwise set forth in the Written Procedures or subsequently changed by the District, the Compliance Officer of the District will undertake post-issuance compliance relating to the Lease Agreement. Notwithstanding the foregoing, failure to perform any task set forth in the Written Procedures will not constitute an event of default under the Lease Agreement.

(e) *Compliance Officer.* The District, when necessary to fulfill the Post-Issuance Tax Requirements, will, through the Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or Yield

reduction payments, participate in any federal income tax audit of the Lease Agreement or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake remedial action procedure pursuant to Regulations §1.141-12.

(f) *Annual Compliance Checklist.* Attached as **Exhibit D** is a form of Annual Compliance Checklist for the Lease Agreement. The Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Assets at least annually. If the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the Compliance Officer will obtain advice or an Opinion of Special Tax Counsel and take actions to correct any deficiency.

(e) *General Allocation and Accounting.* The Equipment is expected to be financed with proceeds of the Lease Agreement and is referred to herein as the Financed Assets. Attached as **Exhibit C** is a description of the Financed Assets financed with proceeds of the Lease Agreement. For purposes of determining Non-Qualified Use, if any, of the Financed Assets during the Measurement Period, the District will allocate Non-Qualified Use first to the portion of the Equipment financed with other funds of the District and second to the Financed Assets. During the Measurement Period, the District will, on an annual basis, determine the extent to which Non-Qualified Use exceeds the portion of the Equipment financed with other funds of the District and determine the extent to which the proceeds of the Lease Agreement and the Financed Assets are used in a Non-Qualified Use.

**Section 8. Recordkeeping.** The Compliance Officer will maintain the Tax Compliance File for the Lease Agreement in accordance with this Tax Agreement. Unless otherwise specifically instructed in a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Agreement, the Compliance Officer shall retain records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Lease Agreement or (ii) any obligation issued to refund the Lease Agreement. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the District, and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the District's premises.

### **Section 9. Miscellaneous**

(a) *Form 8038-G.* A copy of the completed and fully executed IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) is attached to this Tax Agreement as **Exhibit B**. The Form 8038-G was prepared by Special Tax Counsel based on representations and covenants by the District and the Lessor contained in this Tax Agreement or otherwise made by the District and the Assignee. The information contained on Form 8038-G is true, complete and correct to the knowledge of the undersigned, and the undersigned is authorized to sign the Form 8038-G on behalf of the District and deliver it to Special Tax Counsel for filing with the IRS. Lessee has allocated \$0.00 of the sale proceeds of the Lease Agreement to reimburse the District for expenditures of the Financed Assets made prior to the Closing Date and that amount should be reflected on Line 45a of Form 8038-G, provided that (1) no proceeds of the Lease Agreement will be used to reimburse an expenditure paid by the District more than 60 days prior to the Closing Date, (2) no reimbursement allocation will be made for an expenditure paid more than three years prior to the date of the reimbursement allocation, and (3) no reimbursement allocation will be made more than 18 months following the later of the date of the expenditure or the date the Financed Assets were placed in service.

(b) *Single Issue.* No other debt obligations of the District: (1) are being sold within 15 days of the execution and delivery of the Lease Agreement, (2) are being sold under the same plan of financing as the Lease Agreement, and (3) are expected to be paid from substantially the same source of funds as the Lease Agreement (disregarding guarantees from unrelated parties, such as bond insurance).

(c) *Bank Qualified Tax-Exempt Obligation.* The District hereby designates the Lease Agreement as a "qualified tax-exempt obligation" under Code § 265(b)(3), and with respect to this designation certifies as follows:

(1) The District reasonably anticipate that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that will be issued by or on behalf of the

District (and all subordinate entities of the District) during the calendar year that the Lease Agreement is executed and delivered, including the Lease Agreement, will not exceed \$10,000,000; and

(2) The District (including all subordinate entities of the District) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) during the calendar year that the Lease Agreement is executed and delivered, including the Lease Agreement, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first obtaining an Opinion of Special Tax Counsel that the designation of the Lease Agreement as a “qualified tax-exempt obligation” will not be adversely affected.

(d) *No Federal Guaranty.* The District will not permit the payment of rental payments under the Lease Agreement to be guaranteed by the United States of America or any agency thereof.

(e) *Hedge Bonds.* The District reasonably expects that at least 85% of the net sale proceeds (the sale proceeds of the Lease Agreement less any sale proceeds invested in a reserve fund) of the Lease Agreement will be used to carry out the governmental purpose of the Lease Agreement within 3 years after the Closing Date, and not more than 50% of the proceeds of the Lease Agreement will be invested in Investments having a substantially guaranteed Yield for 4 years or more.

(f) *Registration Requirement; Record Owner.* The District will maintain or cause to be maintained a record of the owner(s) of the Lease Agreement and the person/entity entitled to the receipt of the interest portions of rental payments under the Lease Agreement. Transfer of ownership of the Lease Agreement is effective only if entered in these records. The Lease Agreement will be held in registered form within the meaning of Code § 149(a).

(g) *Reliance.* The District understands that its certifications will be relied upon by the law firm of Gilmore & Bell, P.C., in rendering its opinion as to the validity of the Lease Agreement and the exclusion from federal gross income of the interest portion of payments payable by the District under the Lease Agreement.

(h) *Enforceability.* If any provision in this Tax Agreement or in the Lease Agreement is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

(i) *Electronic Transactions.* The transaction described in this Tax Agreement may be conducted, and related documents may be sent, received and stored, by electronic means.

[Signature page follows.]

**IN WITNESS WHEREOF**, the undersigned, by execution of this Tax Agreement, hereby makes the foregoing certifications, representations, and agreements contained in this Tax Agreement on behalf of the District.

**GREATER NAPLES FIRE RESCUE DISTRICT**

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

Name: Chris Wolfe

Title: Fire Chief

**EXHIBIT A**

**AMORTIZATION SCHEDULE AND CALCULATION OF  
WEIGHTED AVERAGE MATURITY AND YIELD ON THE LEASE AGREEMENT**

[To be prepared by Gilmore & Bell.]

**EXHIBIT B**

**IRS FORM 8038-G**

[Post Closing Item – See draft to be signed by the District post-closing and filed by Gilmore & Bell.]

## EXHIBIT C

### DESCRIPTION OF FINANCED ASSETS

**Description of Financed Assets:**

The Financed Assets consists of six (6) Sutphen F-Series (F4) pumpers, together with any and all replacement parts, additions, repairs, modifications, attachments and accessories thereto, any and all substitutions, replacements or exchanges therefor, and any and all insurance and/or proceeds thereof.

**Equipment Location:**

The District has fifteen (15) fire stations with plans to build additional fire stations. The Financed Assets will be located at different District fire stations based on operational needs.

The estimated average economic life of the Financed Assets is not less than 5 years, and the Financed Assets are expected to be placed in service no later than January 31, 2028.

**EXHIBIT D**

**SAMPLE ANNUAL COMPLIANCE CHECKLIST**

*[For completion annual by the District and kept in the Tax Compliance File.]*

| <b>Name of tax-exempt obligation (“Lease Agreement”) financing the Financed Assets:</b> |  | This Annual Compliance Checklist is designed to cover that certain Equipment Lease Purchase Agreement (the “Lease Agreement”) dated as of April 15, 2026, entered into by and between Greater Naples Fire Rescue District (the “District”), as lessee, and Leasing 2, Inc., as lessor |
|---|--|---|
| <b>Placed in service date of Financed Assets:</b>                                       |  | _____   |
| <b>Name of Compliance Officer:</b>  |  | _____   |
| <b>Period covered by request:</b>   |  | _____   |
| <b>Item</b>   | <b>Question</b>  | <b>Response</b>   |
| <b>1<br/>Ownership</b>  | For federal income tax purposes, were all of the Financed Assets owned by the District for federal tax purposes during the entire Annual Period?   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No   |
|   | If answer above was “No,” was advice of Special Tax Counsel obtained prior to the transfer?<br><br>If Yes, include a description of the advice in the Tax Compliance File.<br><br>If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| <b>2<br/>Use of the Financed Assets</b>   | During the Annual Period, were the Financed Assets used by a Non-Qualified User pursuant to a lease agreement or similar use agreement or arrangement, management or service agreement or any other agreement granting the Non-Qualified User special legal rights to use the Financed Asset?  | <input type="checkbox"/> Yes<br><input type="checkbox"/> No   |
|   | If answer above was “Yes,” was advice of Special Tax Counsel obtained prior to entering into the arrangement?<br><br>If Yes, include a description of the advice in the Tax Compliance File.<br><br>If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No   |
| <b>3<br/>Arbitrage &amp; Rebate</b>   | 1. Were the proceeds of the Lease Agreement spent in accordance with the following schedule? (a) at least 5% within 6 months from the Closing Date; and (b) at least 85% within 36 months from the Closing Date.   | <input type="checkbox"/> Yes<br><input type="checkbox"/> No   |
|   | 2. Has the District established a fund or account to make rental payments under the Lease Agreement or has the District established a segregated portion of investments in an account to make rental payments under the Lease Agreement?<br><br>If the answer to question 1 above is “No,” or the answer to question 2 above was “Yes,” contact Special Tax Counsel to determine if an arbitrage rebate or yield restriction calculation must be completed.<br><br>Include a description of Special Tax Counsel’s advice in the Tax Compliance File. If an arbitrage rebate or yield restriction calculation is prepared, include a copy of the report in the Tax Compliance File. | <input type="checkbox"/> Yes<br><input type="checkbox"/> No   |

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

Compliance Officer

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

## **EXHIBIT E**

### **POST ISSUANCE COMPLIANCE WRITTEN PROCEDURES**

#### **General**

The District will take all appropriate action to assure that (i) no use of the proceeds of the Lease Agreement, and no other event or action, will cause the Lease Agreement to violate federal income tax limitations with respect to the exclusion of interest on the Lease Agreement from federal income taxation, and (ii) all uses of proceeds of the Lease Agreement comply with State and local legal requirements regarding the valid incurrence of debt and permitted uses of proceeds of the Lease Agreement.

Without limiting the generality of the foregoing, the District will take the following actions to account for and monitor (i) the expenditure and investment of Lease proceeds, (ii) the use of the Equipment financed with the proceeds of the Lease Agreement, and (iii) any changes in the underlying structure of the Lease Agreement. The District has the discretion to make exceptions or to require additional procedures as it deems necessary or desirable. The District reserves the right to modify these written procedures.

The Fire Chief of the District (the "Responsible Officer") will undertake post-issuance compliance relating to the Lease Agreement. The Responsible Officer is familiar with the provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations (the "Regulations") governing the tax-exempt status of the Lease Agreement. The Responsible Officer may delegate tasks to other officers or staff of the District or to outside attorneys or other experts. In the event that the individual acting as Responsible Officer vacates such position, a new Responsible Officer will be identified within a reasonable period of time after said vacancy.

#### **Initial Documentation Review**

1. Upon receipt of the transcript for the Lease Agreement, review the covenants of the District with respect to the tax-exempt status of the Lease Agreement, the use of proceeds certificate, the Tax Agreement and any additional tax documentation. Confirm filing of the applicable 8038 form with the IRS.
2. Create a written schedule for due diligence reviews based upon expectations set forth in the documents relating to the Lease Agreement.

#### **Escrow Fund: Allocation of Lease Proceeds to Expenditures**

1. No less often than every six months through completion of acquisition of the Equipment, monitor and document all expenditures from the Escrow Fund and make the relevant determinations set forth under "Arbitrage and Rebate" below.
2. Monitor and document reimbursement of expenditures paid from non-lease proceeds prior to the date of the execution and delivery of the Lease Agreement and verify compliance with §1.150-2 of the Regulations.
3. Allocate proceeds of Lease Agreement to expenditures subject to §1.148-6(d) and §1.141-6(a) of the Regulations by 18 months after the later of the date the expenditure was made or the date the Equipment was placed in service, but not later than the earlier of 5 years after the Lease Agreement was delivered or 60 days after the Lease Agreement is prepaid or matures. Use a consistent application of the same methodology for all expenditures of Lease Proceeds. Document this allocation.

#### **Non-Governmental Uses of the Equipment**

No less than annually, take the following steps to review and document any non-governmental uses of the Equipment.

1. Confer with personnel responsible for the Equipment to identify, and discuss, any existing or planned use of Equipment financed or refinanced with proceeds of the Lease Agreement, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Agreement.
2. Monitor and document sales, leases or other use agreements with respect to the Equipment with nongovernmental entities, not including uses by members of the general public within the meaning of §1.141-3(c) of the Regulations. Compute the percent of private business use or private payments or private security with respect to those nongovernmental uses.
3. Monitor and document management contracts (see e.g., Rev. Proc. 97-13) with nongovernmental entities.
4. Monitor and document other special legal entitlements with respect to the Equipment financed with proceeds of the Lease Agreement (e.g., licenses, use agreements, easements, etc.).
5. Consult with legal counsel regarding any private use or proposed change in use with respect to the Equipment.

### **Arbitrage and Rebate**

1. If the Lease Agreement is expected to be exempt from rebate, as set forth in the Tax Agreement, confirm the small issuer rebate exemption under Section 148(f)(4)(D) of the Tax Code at the end of the calendar year in which the Lease Agreement was executed and delivered.
2. If the Lease Agreement is not exempt from rebate, hire a rebate calculation agent or perform rebate calculations internally.
3. Make any required rebate payments according to the following schedule:
  - a. The first installment is due 60 days after the end of 5th bond year.
  - b. Succeeding installments are due 60 days after end of every 5th bond year thereafter.
  - c. The final installment is due 60 days after retirement of the Lease Agreement.
4. Monitor expenditures of Lease Proceeds for qualification for rebate expenditure exceptions: 6-month exception, 18-month exception or 24-month exception.
5. Monitor expenditures of Lease Proceeds against date of issuance expectations, set forth in the Tax Agreement, regarding 3-year or 5-year temporary periods and 5-year hedge bond limitations. If temporary periods or hedge bond limitations are exceeded, determine if yield reduction payments will be made or if investments will be yield restricted.
6. Consult with legal counsel before entering into any post-issuance credit enhancement transactions or any hedging transactions with respect to the Lease Agreement or Lease Proceeds.

### **Response to Noncompliance**

1. Upon a determination of noncompliance, consult promptly with qualified special counsel and other legal counsel and advisers to determine what course of actions can be taken to preserve the tax-exempt status of the Lease Agreement.
2. If the noncompliance will be remediated under existing remedial action provisions or tax-exempt bond closing agreement programs contained in the Regulations or other published guidance from the IRS, determine the deadline for taking action and proceed with diligence to take the required remedial actions.

3. If remedial actions are unavailable, determine whether to make a submission to the Tax Exempt Bonds Voluntary Closing Lease Program (“VCAP”) under Internal Revenue Manual 7.2.3.

**Record Retention**

1. Retain records of all accounting and monitoring the District carries out with respect to the Lease Agreement for at least 3 years after the Lease Agreement matures or is prepaid (whichever is earlier); however, if the Lease Agreement is prepaid and refunded, the District will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or prepayment of the financial obligation which refunds the Lease Agreement.

2. Maintain special records required by the safe harbor for investment contracts or defeasance escrows under §1.148-5 of the Regulations.

3. Maintain a record of the identification on the District’s books and records of any “qualified hedge” contract under §1.148-4(h)(2)(viii) and §1.148-11A(i)(3) of the Regulations.

4. Maintain a record of any election not to take depreciation on property required to be owned by a governmental unit which is leased to a nongovernmental entity as required by §1.103(n)-2T Q/A7 of the Regulations.

5. Maintain records of accounting for rebate for a period of at least 3 years after the earlier of the maturity or prepayment of the Lease Agreement.

**Reissuance**

A significant modification of the Lease Agreement may result in the Lease Agreement being deemed refunded or “reissued”. Such an event will require, among other things, the filing of new information returns with the federal government and the execution of a new arbitrage certificate. Qualified special counsel should be consulted in the event of modification of the Lease Agreement.

**Additional Procedures**

The District is encouraged, but is not required, to adopt additional written practices and procedures in order to further ensure that: due diligence reviews are completed at regular intervals; any officials or employees responsible for review or compliance have been adequately trained; all documents and records needed to substantiate compliance are retained; noncompliance is identified in a timely manner; and any noncompliance is corrected in a timely manner.

I hereby acknowledge that as Fire Chief of the District, I have primary responsibility for implementation of these post-issuance procedures relating to the Lease Agreement.

*Acknowledgement:*

By: \_\_\_\_\_  
Chris Wolfe  
Fire Chief