

ALLEN OWEN
Chair
ROBIN ELACKATT
Vice-Chair
JERRY WYATT
Director
CHRIS PRESTON
Director
YOLANDA FORD
Director



DON SMITH
Director
FLOYD EMERY
Director
BILL EISEN
Interim Chief Administrative Officer
MICHAEL HIGGINS
Interim Treasurer
CAROLINE KELLEY
Secretary

MISSOURI CITY RECREATION AND LEISURE LOCAL GOVERNMENT CORPORATION MEETING AGENDA

Notice is hereby given of a meeting of the Board of Directors of the Missouri City Recreation and Leisure Local Government Corporation to be held on **Monday, February 16, 2015**, at **6:30 p.m.** at: **City Hall, Council Chamber, 2nd Floor**, 1522 Texas Parkway, Missouri City, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action. The Board of Directors of the Missouri City Recreation and Leisure Local Government Corporation reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

1. ROLL CALL

2. Consider approving the minutes of the meeting of February 2, 2015.
3. Presentation of the Quail Valley City Centre and Golf Course annual report.
4. Consider a resolution authorizing the purchase of golf cars and the execution of a lease agreement between the City, as Lessee, Missouri City Recreation and Leisure Local Government Corporation, as Co-Lessee, and PNC Equipment Finance, LLC, as Lessor.

5. CLOSED EXECUTIVE SESSION

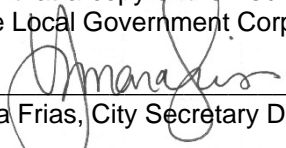
The Board of Directors may go into Executive Session regarding any item posted on the Agenda as authorized by Chapter 551 of the Texas Government Code.

6. **RECONVENE** into Regular Session and consider action, if any, on items discussed in Executive Session.
7. **ADJOURN**

In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending Missouri City Recreation and Leisure Local Government Corporation meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Maria Gonzalez, City Secretary, at 281.403.8686.

CERTIFICATION

I certify that a copy of the February 16, 2015, agenda of items to be considered by the Missouri City Recreation and Leisure Local Government Corporation was posted on the City Hall bulletin board on February 13, 2015, at 4:00 p.m.



Yomara Frias, City Secretary Department

I certify that the attached notice and agenda of items for consideration by the Missouri City Recreation and Leisure Local Government Corporation was removed by me from the City Hall bulletin board on the ____ day of _____, 2015.

Title: _____

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Chair
ROBIN ELACKATT
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**MISSOURI CITY RECREATION AND LEISURE
LOCAL GOVERNMENT CORPORATION
FEBRUARY 2, 2015, MEETING MINUTES**

The Board of Directors of the Missouri City Recreation and Leisure Local Government Corporation held a meeting on **Monday, February 2, 2015, at 6:45 p.m.** at City Hall, Council Chambers, 2nd Floor, 1522 Texas Parkway, Missouri City, Texas.

1. ROLL CALL

Vice-Chair Elackatt called the meeting to order at 6:53 p.m.

Those also present: Directors Wyatt, Preston, Ford, Smith and Emery; Chief Administrative Officer Broussard, Secretary Kelley, General Manager Stittleburg, Assistant City Manager Elmer, Assistant City Manager Atkinson, City Secretary Gonzalez, Interim City Manager Eisen, Police Chief Berezin, Director of Development Services Smith, Director of Parks and Recreation Foss, Director of Information Technology Cole, Assistant Director of Parks and Recreation Troxell, Assistant City Attorney Dang, Media Relations Specialist Stottlemeyer and Desktop Specialist II Mathew . Absent: Chair Owen

2. Consider approval of the minutes of the meeting of December 15, 2014.

Director Smith moved to approve the minutes of the December 15, 2014 meeting. Director Wyatt seconded. **MOTION PASSED UNANIMOUSLY.**

3. Consider a resolution appointing an interim Chief Administrative Officer.

Director Wyatt moved to appoint Bill Eisen as the interim Chief Administrative Officer. Director Smith seconded. **MOTION PASSED UNANIMOUSLY.**

4. Consider electing an interim Treasurer.

Director Emery moved to appoint Michael Higgins as the interim Treasurer. Director Wyatt seconded. **MOTION PASSED UNANIMOUSLY.**

5. Consider a resolution amending the designation of certain officials to maintain an account or accounts with Amegy Bank National Association; amending Resolution No. R-12-02, adopted on April 23, 2012; providing an effective date; and containing other provisions relating to the subject.

Director Smith moved to adopt the resolution. Director Emery seconded. **MOTION PASSED UNANIMOUSLY.**

6. ADJOURN

Vice-Chair Elackatt moved to adjourn the meeting at 6:55 p.m. Director Wyatt seconded. Motion passed unanimously. Meeting adjourned.

BY: _____
Allen Owen, Chair

ATTEST: _____
Caroline Kelley, Secretary



**Council Agenda Item Cover Memo
February 16, 2015**

To: LGC Board of Directors
Agenda Item: 3 Review Financials for the First Half of FY15
Submitted by: Tyson Stittleburg

SYNOPSIS

Presented are the financial statements for the six months of FY2015.

BACKGROUND

The first six months of this fiscal year proved to be a very exciting time for the Golf Course and City Centre as effects of operational changes made in late FY14 are being seen. The LGC is making great strides in bringing the facility towards financial stability.

FISCAL ANALYSIS

Year to date through the first half of FY15 the LGC is showing a net loss of (\$59,807). This is compared to the same time last year in which the net loss was (\$280,591). This net loss is (\$9,695) more than the anticipated year to date net loss of (\$50,111). The FY15 budget projects a year-end profit of \$3,433 as of June 30, 2015.

SUPPORTING MATERIALS

1. December FY15 Financials
2. Summary Presentation

STAFF'S RECOMMENDATION

Staff will continue to closely monitor monthly financial statements to determine developing trends with respect to the City Centre operations and will adjust operations accordingly.

Missouri City Recreation & Leisure LGC

Financial Report

For the Month End December 31st, 2014

Missouri City Recreation & Leisure LGC

Monthly Financial Summary

Month End December 31st, 2014

Overall Facility

Though weather did not cooperate to keep rounds of golf as high as budgeted, the month of December was still successful thanks to many full payments of annual passes and holiday parties in the City Centre. Working to increase non golf events during the month of December was successful. This coupled with keeping a closer watch on costs allowed the Golf Course & City Centre to show a profit of \$26,436 for the month of December.

Golf Operations

December saw dramatic changes in weather patterns that served to deter many players. The budget for rounds of golf was 3281 while only 3095 were actually played. A big factor for the operations department is that many of the annual golf pass-holders renew their passes in December and some pay in full. There was \$29,974 of annual pass payments paid in full in December. In December the golf course hosted two corporate/charity events and two facility sponsored golf events. The dollar per round for December was \$35.96 compared to a budget of \$33.86. The Operations department had revenues of \$111,285 and expenses of \$120,113. This provides for a net loss of (\$8,828). This is (\$4,396) worse than the budgeted loss of (\$4,432).

Golf Carts

The Golf Cart department struggle in revenues due to the lag in demand to play golf. Despite this, costs were kept in check which allowed for a better than expected bottom line. Revenues for the golf cart department were \$40,910 and expenses were \$19,439. This leaves a net profit of \$21,471 which is \$3,346 better than the budgeted profit of \$18,124.

Practice Range

Annual pass payments also provided a nice shot in the arm for the Practice Range department. Despite lower than anticipated rounds, the Practice Range exceeded revenues projections by 34%. The Practice Range had revenues of \$8913 and expenses of \$5,249. This provides for a net profit of \$3,664 which is \$3,107 better than the projected profit of \$557.

Pro Shop/Merchandise

A wine and cheese party held on December 16th garnered \$2,975 in sales a two hour period. The sale was considered a great success. Sales stayed strong through December resulting in \$18,158 in revenues. Expenses for December were \$17,787. This provided a net profit of \$371. This is \$1,025 better than the expected net loss of (\$653). Of these expenses \$15,084 are from cost of goods sold. This is a Cost of Goods Sold (COGS) percentage of 83%. At the end of December inventory was below \$80,000 and in a better position for moving forward.

F&B - Bluebonnet Grille

The Bluebonnet Grille also suffered from the loss of rounds. Golfers still make up the bulk of the business in this department. An increase in holiday commitments also led to a decline in Grille revenues. Total revenues for the Grille were \$28,742 and expenses were \$33,212. This

leaves a net loss of (\$4,471). This is (\$3,196) worse than the budgeted loss of (\$1,275). Labor cost in the Grille for December was 45%.

F&B – Banquets & Events

The Banquets & Events Department shined during the month of December. The facility hosted thirty non golf events five events related to golf tournaments or associations. A push for more events proved successful in December. For the City Centre to continue to grow, events must be a primary focus. One interesting note is that on December 13th, the City Centre hosted three weddings, all in one day! The Banquets and Events Department had revenues of \$105,479 and expenses of \$61,088. This provides for a net profit of \$44,391. This is \$35,791 better than the budgeted profit of \$8,600. Also to note, the Banquets and Events Department had a labor cost percentage of 22%.

F&B – Beverage Cart

Lower numbers of golfers and cooler temperatures, slowed sales in the beverage cart department. Even though there were decreased sales, the Beverage cart department continues to pay for the lease of the beverage carts and receives a portion of all food and liquor Cost of Goods Sold (COGS). With this system, reported expenses are exceedingly high compared to actual expenses for this department. Revenues for the Beverage Cart Department were \$4,972 while expenses were \$8,547. This leaves a loss of (\$3,575) which is (\$6,449) worse than the budgeted profit of \$2,874.

Summary

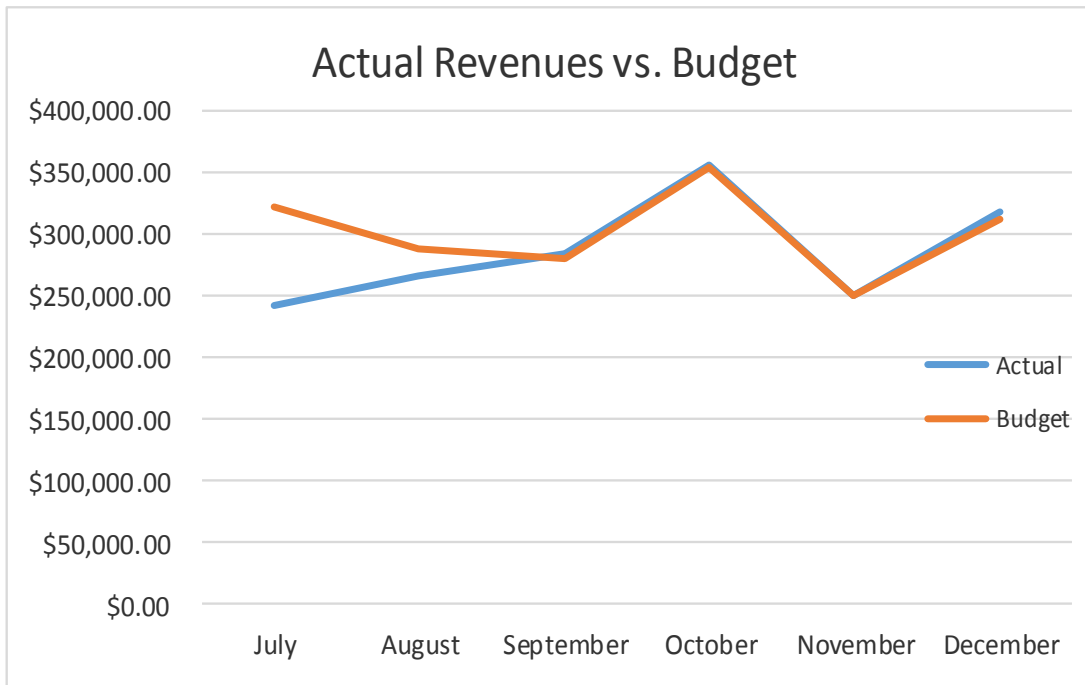
As a whole, the Golf Course and City Centre had revenues of \$318,700 and expenses of \$292,264. This results in a net profit of \$26,436. This is \$37,707 better than the budgeted loss for December of (\$11,272). YTD actual net loss is (\$59,807) versus a budgeted YTD loss of (\$50,111). Through the first six months of FY2015 the LGC is (\$9,695) behind budget. December 2013 had a net loss of (\$47,057) and an YTD net loss of (\$280,591). Through December, FY2015 is \$271,240 better than FY2014.

Weather Summary

The month of December saw average high temperatures six degrees below the previous five year average. The average high temperature in December was 58 degrees while the five year average is 64. December had 2.7 inches of rain compared to a five year average of 2.6. With about average rain, it is clear to see that cooler temperatures played a large factor in the dip in play for December. As been discussed in the past, a ten degree temperature swing in the summer has less effect on rounds of golf than a ten degree swing in the winter. December had four days in which the golf course was closed. One of those was for the Christmas holiday. Given the approximate number of rounds lost on the days in which the course was closed for weather, the estimated loss of potential revenue is \$24,202.

Summary of Facility Operations – Through Second Quarter FY2015

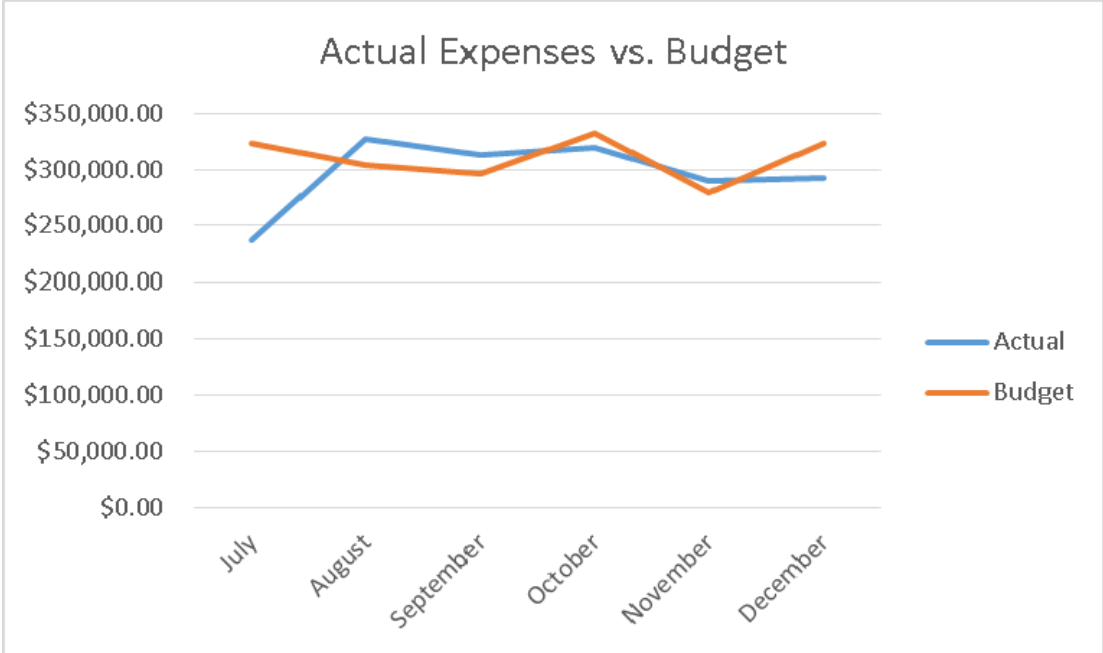
Even though some things have gone as planned and others have not, over all the operations of the Golf Course and City Centre are just about on pace. Keeping in mind that the golf and event business is very cyclical, it is important to look at data in a way that does not spotlight one moment in time too heavily. Finally, considering this time frame in relation to recent history, there have been significant improvements that should not be overlooked.



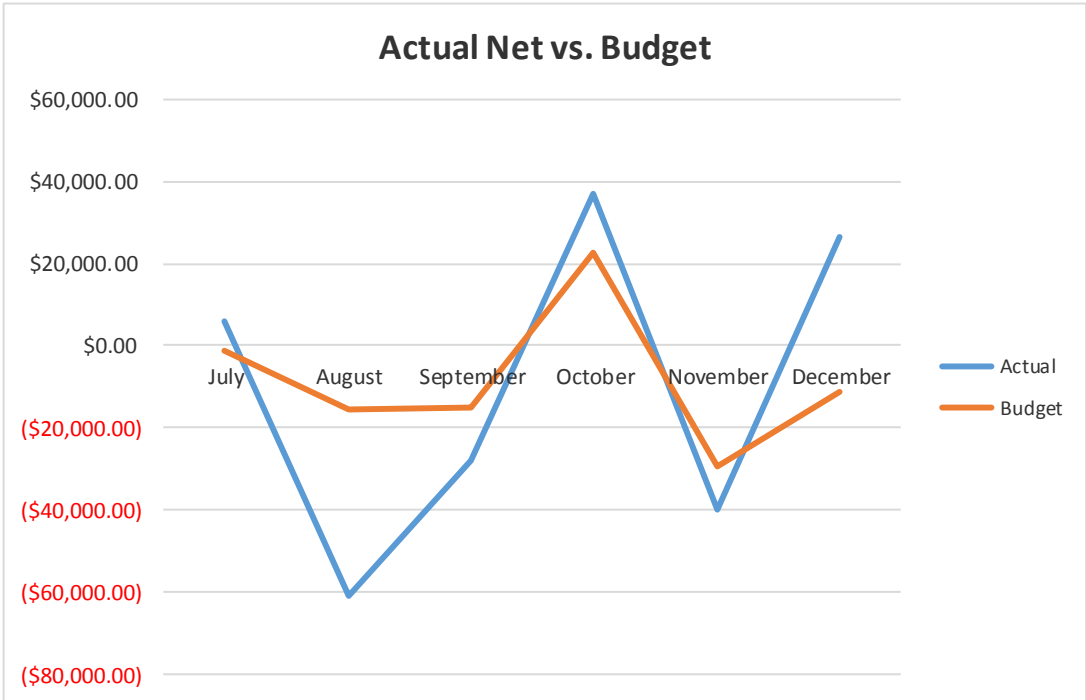
One item that has been off compared to budget is dollar per round of golf. This figure is used to estimate total revenues in the Golf Operations Department. In the current situation, even though the number of rounds is up over budget, the revenues are down as the department is getting less per round than expected. As a whole, for this period the LGC projected 26,611 rounds of golf but has hosted 27,046. This is not necessarily surprising as the LGC has had just 11 days closed for weather and the yearly average is 24 days closed. In looking too closely at dollar per round number you can see major swings, however, for the entire six month period, the number is slightly off. July our dollar per round of golf was \$21.80 as compared to a budget of \$25.07. Over the six month period it was actually \$24.28 as compared to an average budget of \$26.57. This figure includes money from the annual pass payments in December.

The Food & Beverage departments bring some of the best news. As a whole the F&B departments are showing a profit of \$7,495. This is highly attributable to the changes made in late FY2014. By restructuring the staff to focus more as one unit financially and hiring others to focus on operations, the F&B department has been able to make significant strides in its performance. Additionally, by utilizing the information from an in depth menu analysis as well as the recommendations of the student group from the University of Houston Hilton School, the management of the LGC was able to develop a better plan for monitoring and maintaining cost controls across the F&B departments.

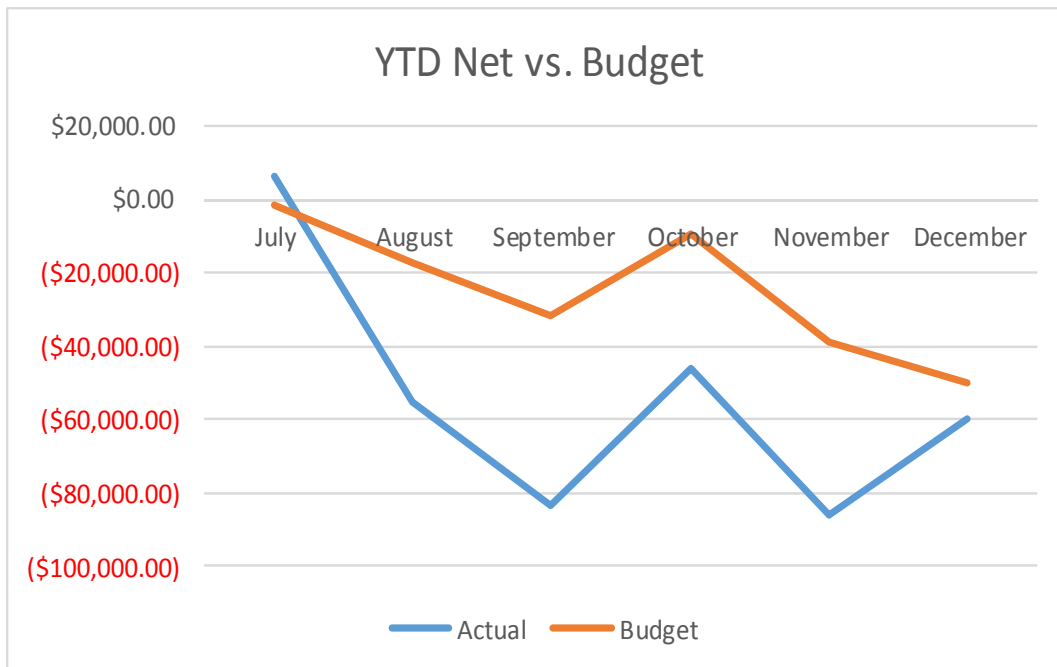
In this period, the Golf Course & City Centre has hosted a total of 58 corporate/charity events and 22 facility sponsored events. In addition to these golf events, the City Centre has hosted 126 non golf events. These two categories play large rolls in the business plan for the facility and will continue to be a focus going forward. The number of golf tournaments is up 12% from 2013 and the number of non-golf events is almost the same. The largest difference in the F&B departments was that costs are much lower. Through December 2014 total expenses for the F&B departments was \$580,111 or 99% of revenues. During the same period of FY14, expenses were \$646,178 or 117% of revenues.



During this period, the LGC hired a Head Golf Professional to take over the day to day management of the Golf Operation. The Head Professional will manage all golf staff, monitor merchandise inventory, promote the Quail Valley Golf Associations and manage the tee sheet for maximum use. This will allow the General Manager more time to focus on facility wide programs such as marketing, employee training and satisfaction and financial analysis.



The weather for the first six months of FY15 has played a factor as it always does in the golf industry. Whether it be cold temperatures on a Saturday morning or rain on a tournament day, weather can have a major impact. For the six month period of July through December the five year average high temperature is 82 degrees, for the first six months of FY15 it was 78 degrees. The five year average low is 65 degrees while it was 59 degrees. As far as rain, the average amount of total rainfall for this period is 13.94 inches. During this period of FY15 the rainfall total has been 18.82 inches. This is almost five inches more than normal. As has been previously stated, this can make a significant difference in the amount of golf rounds played and revenues generated.



Missouri City Recreation & Leisure LGC
Statement of Net Position
December 31, 2014

Assets

Current Assets:

Cash	\$ 173,577
Petty Cash	1,550
Accounts receivable	23,448
Prepaid Insurance	4,456
Food Inventory	13,686
Liquor Inventory	13,968
Merchandise Inventory	80,318
Total Current Assets	<u>\$ 311,003</u>

Noncurrent Assets:

Capital Assets Net of Depreciation:	
Equipment	<u>1,769</u>
Total Noncurrent Assets	<u>1,769</u>
Total Assets	<u>\$ 312,772</u>

Liabilities

Current Liabilities:

Accounts Payable	20,002
Worker's Compensation	8,465
Gratuity Payable	4,509
Sales Tax Due to State	11,294
Mixed Bev. Tax Due to State	1,504
Mixed Bev Sales Tax. Due to State	2,162
Gift Certificates	29,536
Credit Book	19,013
Tournament Deposits	33,357
Due to Other Funds	242,738
Total Current Liabilities	<u>\$ 372,579</u>

Net Position

Unrestricted	<u>(59,807)</u>
Total Net Position	<u>\$ (59,807)</u>

Missouri City Recreation & Leisure LGC
Statement of Revenues, Expenses and Changes in Fund Net Position
December 31, 2014

	December Budget	December Actual	December Budget Variance Pos (Neg)	% of December Budget	Adjust. FY15 Budget	YTD Actual	Total Budget Variance Pos (Neg)	% of Budget
Operating Revenue								
Operations								
Green Fees - La Quinta	31,688	22,164	(9,524)	70%	534,073	208,721	(325,352)	39%
Green Fees - El Dorado	32,825	33,339	514	102%	553,226	268,643	(284,583)	49%
Annual Fees	43,489	53,152	9,663	122%	367,990	175,720	(192,270)	48%
Handicap Fees	3,090	2,630	(460)	85%	9,510	3,500	(6,010)	37%
	111,093	111,285	193	100%	1,464,799	656,584	(808,215)	45%
Range								
Annual Range Fees	1,983	3,040	1,058	153%	18,038	8,595	(9,443)	48%
Range Fees	3,149	2,629	(521)	83%	53,079	31,463	(21,616)	59%
Range Teaching Fees	1,000	3,245	2,245	324%	12,000	11,280	(720)	94%
	6,132	8,913	2,782	145%	83,116	51,338	(31,779)	62%
Pro Shop								
Pro Shop Sales	13,122	18,028	4,906	137%	221,162	119,798	(101,364)	54%
Donations	-	130	130	100%	-	19,532	19,532	100%
	13,122	18,158	5,036	138%	221,162	139,330	(81,832)	63%
Cart								
Cart Rental Fees	33,816	29,004	(4,813)	86%	541,162	239,736	(301,425)	44%
Unlimited Monthly Private Cart Trail Fee	7,632	11,906	4,274	156%	62,645	40,491	(22,154)	65%
	41,448	40,910	(539)	99%	603,807	280,227	(323,580)	46%
Food & Beverage Grille								
F&B Grille	27,726	17,820	(9,906)	64%	259,934	128,209	(131,726)	49%
LBW - Grille	15,249	10,922	(4,328)	72%	142,964	73,477	(69,487)	51%
	42,975	28,742	(14,233)	67%	402,898	201,685	(201,213)	50%
Banquets/Events								
F&B - Banquets/Events/Rentals	73,087	73,268	181	100%	687,829	237,283	(450,546)	34%
LBW - Banquets/Events	9,704	16,489	6,785	170%	90,977	42,488	(48,489)	47%
Gratuity Revenues	-	15,723	15,723	100%	-	48,324	48,324	100%
	82,791	105,479	22,688	127%	778,806	328,095	(450,711)	42%
Bev Cart								
F&B - Golf Shop	1,386	537	(850)	39%	12,997	6,850	(6,147)	53%
LBW - Golf Shop	1,386	316	(1,070)	100%	12,997	4,098	(8,899)	100%
F&B - Bev Cart	5,545	1,862	(3,683)	34%	51,987	23,345	(28,642)	45%
LBW - Bev Cart	5,545	2,283	(3,262)	41%	51,987	25,256	(26,731)	49%
Cash over/under - cashiers	-	(25)	(25)	100%	-	(1,767)	(1,767)	100%
Catering Contract	-	-	-	0%	-	45	45	100%
	13,863	4,972	(8,891)	36%	129,967	57,826	(72,141)	44%
Total Operating Revenues	311,424	318,460	7,035	102%	3,684,555	1,715,085	(1,969,470)	47%
Operating Expenses								
Operations								
Contingency Workers	8,843	5,581	(3,261)	63%	121,826	43,364	(78,462)	36%
Salaries & Wages	-	3,077	(3,077)	0%	-	6,969	(6,969)	100%
Overtime	-	246	(246)	100%	-	2,764	(2,764)	100%
Taxes, Social Security	646	789	(143)	122%	8,899	4,543	(4,357)	51%
Workers Compensation	215	96	(120)	44%	2,966	686	(2,281)	23%
Benefits	490	212	(278)	43%	5,880	2,042	(3,838)	35%
Supplies	500	3,706	(3,206)	741%	9,500	9,203	(297)	97%
Wearing Apparel	-	-	-	100%	3,000	775	(2,225)	26%
Miscellaneous	100	-	(100)	0%	1,200	-	(1,200)	0%
Handicap Service	100	63	(37)	0%	6,400	1,527	(4,873)	24%
Contractor Hiring/Mowing	93,891	96,611	(2,720)	103%	1,126,692	568,785	(557,907)	50%
Contract Hiring/TreeTrim	1,250	-	(1,250)	0%	15,000	1,870	(13,130)	12%
Bank Fees	4,214	3,439	(775)	82%	54,903	25,458	(29,445)	46%
Service Agrmts/Contracts	150	-	(150)	0%	3,400	2,875	(525)	85%
Gas/Utilities	552	510	(42)	92%	5,218	2,185	(3,033)	42%
Electric Utilities	3,910	4,377	(467)	112%	55,953	33,637	(22,316)	60%
Water Utilities	563	625	(62)	111%	14,069	6,775	(7,294)	48%
Dues & Subscriptions	100	750	(650)	100%	2,225	1,790	(435)	80%
Training & Travel	-	30	(30)	0%	600	235	(365)	39%
Donations	-	-	-	0%	-	18,800	(18,800)	100%
	115,524	120,113	(4,589)	104%	1,437,732	734,284	(703,448)	51%
Cart								
Contingency Workers	9,281	6,267	(3,014)	68%	107,250	39,313	(67,937)	37%
Overtime	-	34	(34)	100%	-	369	(369)	100%
Taxes, Social Security	678	500	(178)	74%	7,835	3,128	(4,707)	40%
Unemployment	-	-	-	100%	-	2,940	(2,940)	100%
Worker's Compensation	226	59	(167)	26%	2,612	456	(2,156)	17%
Benefits	350	-	(350)	0%	4,200	-	(4,200)	0%
Bldg Mat/Supplies/Repairs	200	886	(686)	443%	2,400	9,610	(7,210)	400%
Uniforms/Laundry	100	-	(100)	0%	1,200	-	(1,200)	0%
Minor Equip Maint/Rpr	600	-	(600)	0%	7,200	-	(7,200)	0%
Equipment/Cart Lease	10,130	9,469	(661)	93%	121,560	56,815	(64,745)	47%
Tournament Rentals	-	-	-	0%	-	6,855	(6,855)	0%
Gas/Utilities	193	206	(12)	106%	1,826	870	(957)	48%
Electric Utilities	1,369	1,765	(396)	129%	19,584	13,365	(6,219)	68%
Water Utilities	197	252	(55)	128%	4,924	2,579	(2,345)	52%
	23,324	19,439	(3,885)	83%	280,590	136,299	(144,291)	49%

Missouri City Recreation & Leisure LGC
Statement of Revenues, Expenses and Changes in Fund Net Position
December 31, 2014

	December Budget	December Actual	December Budget Variance Pos (Neg)	% of December Budget	Adjust. FY15 Budget	YTD Actual	Total Budget Variance Pos (Neg)	% of Budget
Range								
Contingency Workers	3,544	2,686	858	76%	40,950	16,848	24,102	41%
Overtime	-	15	(15)	0%	-	158	(158)	100%
Taxes, Social Security	259	214	45	83%	2,991	1,339	1,653	45%
Workers Compensation	86	25	61	30%	997	195	802	20%
Range Ball Expense	-	-	-	0%	12,000	4,415	7,585	37%
Minor Tools & Equipment	150	-	150	0%	1,800	513	1,287	28%
Bldg Materials/Supplies/Repairs	-	-	-	0%	-	298	(298)	100%
Instructor Fees	1,000	1,770	(770)	177%	12,000	9,425	2,575	79%
Minor Equipment Maintenance/Repairs	100	-	100	0%	1,200	-	1,200	0%
Equipment/Cart Lease	185	184	2	99%	2,220	1,101	1,119	50%
Gas/Utilities	28	33	(5)	119%	261	140	121	54%
Electric Utilities	196	282	(87)	144%	2,798	2,156	642	77%
Water Utilities	28	40	(12)	143%	703	426	277	61%
	5,575	5,249	326	94%	77,921	37,014	40,906	48%
Pro Shop								
Contingency Workers	2,587	1,523	1,064	59%	30,949	11,880	19,069	38%
Overtime	-	105	(105)	100%	-	1,184	(1,184)	100%
Taxes, Social Security	189	163	26	86%	2,261	1,196	1,065	53%
Worker's Compensation	63	20	43	32%	754	178	576	24%
Benefits	210	91	119	100%	2,520	800	1,720	32%
Purchases of Merchandise	9,973	15,084	(5,111)	151%	168,083	109,725	58,359	65%
Gas/Utilities	83	74	9	89%	783	309	474	39%
Electric Utilities	587	635	(49)	108%	8,393	4,741	3,652	56%
Water Utilities	84	91	(6)	107%	2,110	874	1,236	41%
	13,776	17,787	(4,011)	129%	215,853	130,887	84,966	61%
Food & Beverage Grille								
Contingency Workers	13,271	9,887	3,384	75%	153,357	58,402	94,955	38%
Salaries & Wages	2,917	2,692	224	92%	35,000	16,019	18,981	46%
Overtime	-	222	(222)	100%	-	2,060	(2,060)	100%
Taxes, Social Security	1,201	1,049	151	87%	13,971	6,331	7,641	45%
Unemployment Benefits	-	-	-	0%	4,657	900	3,757	19%
Workers Compensation	400	129	271	32%	17,304	909	16,395	5%
Benefits	1,442	928	514	64%	-	4,596	(4,596)	0%
Wearing Apparel	85	-	85	0%	1,016	-	1,016	0%
Linen & Kitchen Supplies	860	591	269	69%	8,058	2,966	5,092	37%
Supplies	430	544	(114)	127%	4,029	1,834	2,195	46%
Dishware & Glass	215	137	78	64%	2,014	929	1,086	46%
Paper/Disposables	645	196	449	30%	6,043	2,203	3,841	36%
Minor Tools / Small Equip	215	-	215	0%	2,014	-	2,014	0%
Kitchen Equip	-	143	(143)	0%	-	502	(502)	100%
Purchases - Food	11,922	9,130	2,792	77%	111,772	52,467	59,304	47%
Purchases - Liquor	6,557	2,846	3,711	43%	61,474	17,645	43,829	29%
Service Agreements	129	-	129	0%	1,209	-	1,209	0%
Minor Equip Maint/Rpr	430	911	(481)	212%	4,029	1,960	2,069	49%
Bank Fees	430	695	(265)	162%	4,029	5,230	(1,201)	130%
Beverage Tax	645	1,756	(1,111)	272%	6,043	7,689	(1,646)	127%
Liquor Liability Insurance	825	-	825	0%	825	-	825	0%
Permit Services	-	-	-	0%	-	282	(282)	100%
Water Utilities	183	154	29	84%	4,572	2,007	2,565	44%
Electric Utilities	1,271	1,078	193	85%	18,185	8,722	9,462	48%
Gas Utilities	180	126	54	70%	1,696	563	1,133	33%
	44,250	33,212	11,037	75%	461,299	194,217	267,082	42%
Banquets/Events								
Salaries & Wages	4,320	3,988	332	92%	51,840	23,926	27,914	46%
Commissions	3,272	1,078	2,194	33%	30,672	5,085	25,587	17%
Contingency Workers	22,966	19,193	3,773	84%	266,367	113,900	152,466	43%
Overtime	-	430	(430)	100%	-	3,998	(3,998)	100%
Taxes, Social Security	2,267	2,037	230	90%	25,878	12,341	13,537	48%
Workers Compensation	756	250	505	33%	8,626	1,773	6,853	21%
Benefits	2,408	1,801	607	75%	28,896	8,921	19,975	31%
Wearing Apparel	97	-	97	0%	1,161	-	1,161	0%
Linens & Kitchen Supplies	2,454	1,498	955	61%	23,004	8,571	14,434	37%
Supplies	818	1,031	(213)	126%	7,668	3,382	4,286	44%
Dishware & Glass	409	260	149	64%	3,834	1,446	2,388	38%
Paper/Disposables	818	372	446	46%	7,668	3,849	3,819	50%
Minor Tool/Small Equip	409	-	409	0%	3,834	-	3,834	0%
Kitchen Equip.	-	272	(272)	0%	-	683	(683)	100%
Purchases - Food	22,347	17,376	4,971	78%	209,507	89,930	119,577	43%
Purchases - Liquor	3,008	5,232	(2,224)	174%	28,203	26,481	1,722	94%
Miscellaneous	1,636	1,951	(315)	119%	15,336	7,881	7,455	51%
Minor Equip Maint/Rpr	613	1,733	(1,120)	283%	5,751	3,170	2,581	55%
Bank Fees	613	-	613	0%	5,751	-	5,751	0%
Beverage Taxes	818	-	818	0%	7,668	-	7,668	0%
Liquor Liability Insurance	1,650	-	1,650	0%	1,650	-	1,650	0%
Permit Services	-	-	-	0%	-	323	(323)	100%
Utilities - Water	282	293	(12)	104%	7,034	2,549	4,485	36%
Utilities - Electricity	1,955	2,052	(97)	105%	27,977	14,954	13,023	53%
Utilities - Gas	276	239	37	87%	2,609	978	1,631	37%
	74,191	61,088	13,103	82%	770,934	334,140	436,794	43%

Missouri City Recreation & Leisure LGC
Statement of Revenues, Expenses and Changes in Fund Net Position
December 31, 2014

	December Budget	December Actual	December Budget Variance Pos (Neg)	% of December Budget	Adjust. FY15 Budget	YTD Actual	Total Budget Variance Pos (Neg)	% of Budget
Bev Cart								
Contingency Workers	3,497	2,144	1,352	61%	40,404	15,894	24,510	39%
Overtime	-	-	-	0%	-	44	(44)	100%
Taxes, Social Security	259	214	45	83%	2,997	1,521	1,476	51%
Workers Compensation	86	22	65	25%	999	192	807	19%
Wearing Apparel	20	-	20	0%	242	-	242	0%
Linens & Kitchen Supplies	277	191	87	69%	2,599	927	1,673	36%
Supplies	139	175	(36)	126%	1,300	574	726	44%
Dishware & Glass	69	44	25	64%	650	264	386	41%
Paper/Disposables	139	63	76	45%	1,300	672	627	52%
Minor Tool/Small Equip	69	-	69	0%	650	260	390	40%
Kitchen Equip.	-	46	(46)	0%	-	132	(132)	100%
Purchases - Food	2,149	2,945	(796)	137%	20,145	15,826	4,319	79%
Purchases - Liquor	2,149	898	1,251	42%	20,145	4,910	15,235	24%
Minor Equip Maint/Rpr	139	294	(155)	212%	1,300	720	580	55%
Bank Fees	139	-	139	0%	1,300	-	1,300	0%
Liquor Liability Insurance	275	-	275	0%	275	-	275	0%
Permit Services	-	-	-	0%	580	67	513	12%
Equipment/Cart Lease	1,081	1,074	7	99%	12,969	6,445	6,524	50%
Utilities - Water	56	50	7	88%	1,407	506	901	36%
Utilities - Electricity	391	348	43	89%	5,595	2,631	2,965	47%
Utilities - Gas	55	41	15	100%	522	171	351	33%
	10,989	8,547	2,442	78%	115,377	51,754	63,623	45%
Admin								
Salaries & Wages	5,667	5,231	436	92%	68,000	28,769	39,231	42%
Taxes, Social Security	414	393	21	95%	4,967	2,160	2,807	43%
Workers Compensation	138	49	89	36%	1,656	322	1,334	19%
Benefits	350	300	50	86%	4,200	1,601	2,599	38%
Pest Control	50	-	50	0%	600	-	600	0%
Supplies	50	-	50	0%	600	-	600	0%
General Maintenance	12,200	3,908	8,292	32%	36,400	28,659	7,741	79%
Security Monitoring	500	106	394	21%	6,000	2,138	3,862	36%
Cable, TV & Internet	400	665	(265)	166%	4,800	1,948	2,852	41%
Postage	15	50	(35)	333%	296	181	115	61%
Telephone	1,100	1,338	(238)	122%	13,200	7,759	5,441	59%
Training & Travel	-	259	(259)	100%	-	259	(259)	100%
Advertising & Promo	750	3,236	(2,486)	431%	41,500	21,836	19,664	53%
Service Agrmts/Contracts	1,800	950	850	100%	21,600	13,507	8,093	63%
Permit Services	-	-	-	0%	-	40	(40)	0%
Employee Recognition	2,000	-	2,000	0%	2,000	-	2,000	0%
Payroll Preparation Fees	1,000	811	189	81%	12,000	5,303	6,697	44%
Garbage/Wates Contract	800	770	30	0%	9,600	4,189	5,411	44%
Property Insurance	2,200	2,337	(137)	106%	26,400	13,353	13,047	0%
Clubhouse Maintenance	3,300	3,149	151	95%	39,600	18,894	20,706	48%
Building Repairs	-	2,007	(2,007)	0%	-	2,282	(2,282)	100%
HVAC Maintenance & Repairs	1,833	-	1,833	0%	21,996	5,779	16,217	26%
Elevator Maintenance	500	1,270	(770)	0%	6,000	2,540	3,460	42%
	35,067	26,828	8,238	77%	321,415	161,518	159,897	50%
Total Operating Expenses	322,696	292,264	30,432	91%	3,681,121	1,780,113	1,901,007	48%
Operating Income (Loss)	(11,272)	26,196	37,467	12%	3,434	(65,029)	(68,463)	-2%
Non-Operating Revenues (Expenses)								
Other Income - Operations	-	37	37	100%	-	3,409	3,409	100%
Other Income - Pro Shop	-	203	203	100%	-	1,813	1,813	100%
Total Non-Operating Revenues	-	240	240	100%	-	5,222	5,222	100%
Income (Loss) Before Contributions and Transfers	(11,272)	26,436	37,707	12%	3,434	(59,807)	(63,241)	-2%
Capital contributions	-	-	-	0%	-	-	-	0%
Transfers from (to) other funds	-	-	-	0%	-	-	-	0%
Total Contributions and Transfers	-	-	-	0%	-	-	-	0%
Change in Net Position	(11,272)	26,436	37,707	12%	3,434	(59,807)	(63,241)	-2%
Net Position, Beginning	(38,839)	(86,242)	(47,403)		-	-	-	0%
Net Position, Ending	(50,111)	(59,807)	(9,695)	12%	3,434	(59,807)	(63,241)	-2%

Missouri City Recreation & Leisure LGC
Statement of Revenues, Expenses and Changes in Fund Net Position
December 31, 2014

	December Budget	December Actual	December Budget Variance Pos (Neg)	% of December Budget	Adjust. FY15 Budget	YTD Actual	Total Budget Variance Pos (Neg)	% of Budget
Totals by Department								
Operations								
Revenues	111,093	111,285	193	100%	1,464,799	656,584	(808,215)	45%
Expenses	115,524	120,113	(4,589)	104%	1,437,732	734,284	703,448	51%
Net Revenues	(4,432)	(8,828)	(4,396)	-4%	27,067	(77,700)	(104,767)	-6%
Range								
Revenues	6,132	8,913	2,782	145%	83,116	51,338	(31,779)	62%
Expenses	5,575	5,249	326	94%	77,921	37,014	40,906	48%
Net Revenues	557	3,664	3,107	51%	5,196	14,323	9,128	14%
Pro Shop								
Revenues	13,122	18,158	5,036	138%	221,162	139,330	(81,832)	63%
Expenses	13,776	17,787	(4,011)	129%	215,853	130,887	84,966	61%
Net Revenues	(653)	371	1,025	9%	5,309	8,443	3,134	2%
Cart								
Revenues	41,448	40,910	(539)	99%	603,807	280,227	(323,580)	46%
Expenses	23,324	19,439	3,885	83%	280,590	136,299	144,291	49%
Net Revenues	18,124	21,471	3,346	15%	323,217	143,928	(179,289)	-2%
F&B Grille								
Revenues	42,975	28,742	(14,233)	67%	402,898	201,685	(201,213)	50%
Expenses	44,250	33,212	11,037	75%	461,299	194,217	267,082	42%
Net Revenues	(1,275)	(4,471)	(3,196)	-8%	(58,401)	7,468	65,869	8%
Banquets/Events								
Revenues	82,791	105,479	22,688	127%	778,806	328,095	(450,711)	42%
Expenses	74,191	61,088	13,103	82%	770,934	334,140	436,794	43%
Net Revenues	8,600	44,391	35,791	45%	7,872	(6,045)	(13,917)	-1%
Bev Cart								
Revenues	13,863	4,972	(8,891)	36%	129,967	57,826	(72,141)	44%
Expenses	10,989	8,547	2,442	78%	115,377	51,754	63,623	45%
Net Revenues	2,874	(3,575)	(6,449)	-42%	14,590	6,072	(8,518)	0%
Admin Revenue (Expenses)								
	35,067	26,828	8,238	77%	321,415	161,518	159,897	50%
Non-Operating Revenues (Expenses)								
	-	240	240	100%	-	5,222	5,222	100%
Contributions and Transfers								
	-	-	-	0%	-	-	-	0%
Total								
Revenues	311,424	318,700	7,275	102%	3,684,555	1,720,307	(1,964,248)	47%
Expenses	322,696	292,264	30,432	91%	3,681,121	1,780,113	1,901,007	48%
Change in Net Position	(11,272)	26,436	37,707	12%	3,434	(59,807)	(63,241)	-2%

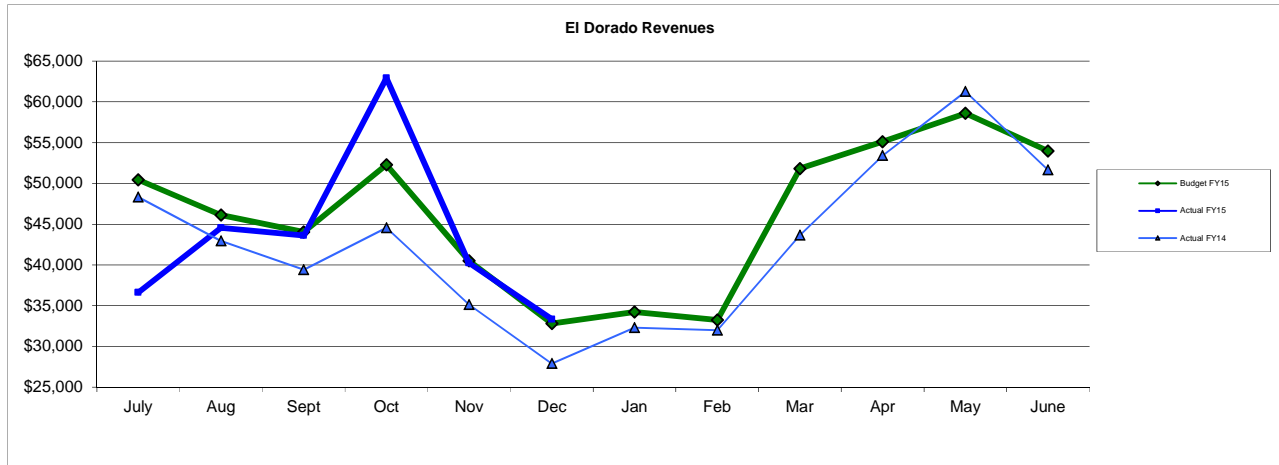
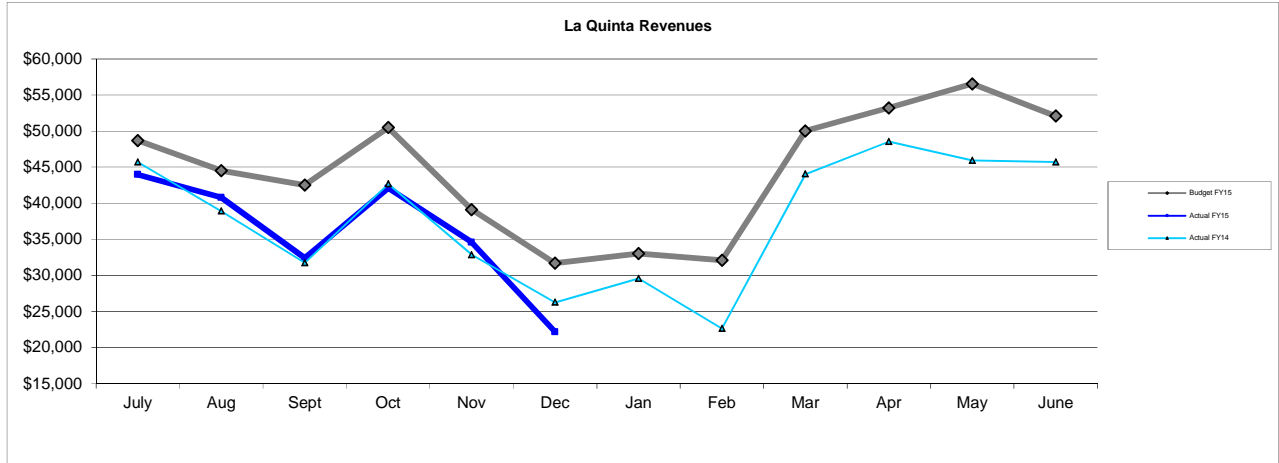
Missouri City Recreation & Leisure LGC
Consolidated Revenues and Expenditures
For the Month Ended December 31, 2014 or 50% of the Year

	FY '13 Actual	FY '14 Budget	YTD Actual	Variance Positive (Negative)	% of Budget
Revenues:					
Green & Range Fees	674,509	1,547,916	707,922	839,994	46%
Merchandise Sales	105,554	221,162	119,798	101,364	54%
Cart & Trail Fees	272,819	603,807	280,227	323,580	46%
F&B Grille	190,381	402,898	201,685	201,213	50%
Banquets / Events	305,032	778,806	328,095	450,711	42%
Bev Cart	58,477	129,967	57,826	72,141	44%
Total Revenues	1,606,773	3,684,555	1,695,553	1,989,002	46%
Operating Income before Cost of Sales:					
Cost of Goods Sold Merchandise	111,406	168,083	109,725	58,359	65%
Cost of Goods Sold Food & Liquor	233,382	451,246	207,259	243,987	46%
	344,788	619,329	316,983	302,346	51%
Expenditures:					
Beverage Tax	12,421	13,712	7,689	6,022	56%
Club House Maintenance Agreement	18,894	39,600	18,894	20,706	48%
Contractor Hiring/Mowing	615,000	1,126,692	568,785	557,907	50%
Contract Hiring/TreeTrim	7,815	15,000	1,870	13,130	12%
Dues & Subscriptions	445	2,225	1,790	435	80%
Education, Training & Travel	-	600	495	105	82%
Equipment Lease & Golf Rentals	57,370	136,749	64,360	72,388	47%
Equipment Maint. & Janitorial	14,389	21,880	18,041	3,839	82%
General Maintenance	26,425	36,400	28,659	7,741	79%
Parts & Minor Tools	897	8,298	772	7,526	9%
Handicap Service	1,312	6,400	1,527	4,873	24%
Instructor & Lesson Fees	7,530	12,000	9,425	2,575	79%
Linen, Supplies & China	20,926	33,661	12,464	21,198	37%
Kitchen Equipment	-	-	1,316	(1,316)	0%
Miscellaneous	12,091	16,536	7,881	8,655	48%
Supplies & Disposables	38,306	44,606	24,355	20,251	55%
Permit Services	5,406	580	713	(133)	123%
Pest Control	-	600	-	600	0%
Postage	364	296	181	115	61%
Range Balls	5,116	12,000	4,415	7,585	37%
Personnel Costs	444,118	1,072,010	444,930	627,080	42%
Special Svcs, Legal & Security	71,837	144,491	72,991	71,500	51%
Tournament Rentals	9,258	-	6,855	(6,855)	0%
Uniforms	405	1,200	-	1,200	0%
Utilities (Gas, Water, Electric)	102,523	186,219	101,140	85,080	54%
Liquor Liability Insurance	2,588	2,750	-	2,750	0%
Commission	10,767	30,672	5,085	25,587	17%
Liability Insurance	-	26,400	13,353	13,047	51%
Property Insurance	23,184	-	-	-	0%
Telephone	8,254	13,200	7,759	5,441	59%
Garbage/Waste Contract	5,494	9,600	4,189	5,411	44%
Donations Expense	15,130	-	18,800	(18,800)	0%
Payroll Preparation	-	12,000	5,303	6,697	0%
Employee Recognition	750	2,000	-	2,000	0%
Mechanical Systems Maintenance	9,391	21,996	5,779	16,217	26%
Facility /Capital Improvements	10,613	-	-	-	0%
Elevator Maintenance	2,612	6,000	2,540	3,460	42%
Wearing Apparel	1,945	5,418	775	4,643	14%
Total Expenditures	1,908,361	3,681,121	1,780,113	100%	48%
Net Ordinary Income	(301,589)	3,434	(84,561)	(87,995)	-2%
Other Income/Expense					
Other Income					
Operations	8,129	-	3,409	(3,409)	100%
Pro Shop	1,164	-	1,813	(1,813)	100%
Donations Income	11,705	-	19,532	(19,532)	100%
Total Other Income	20,998	-	24,754	24,754	100%
Net Revenues Over(Under) Expenditures	(280,591)	3,434	(59,807)	(63,241)	-2%
Beginning Fund Balance		-	-		
Ending Fund Balance	(280,591)	3,434	(59,807)		

**Missouri City Recreation & Leisure LGC
Operations - December 2014**

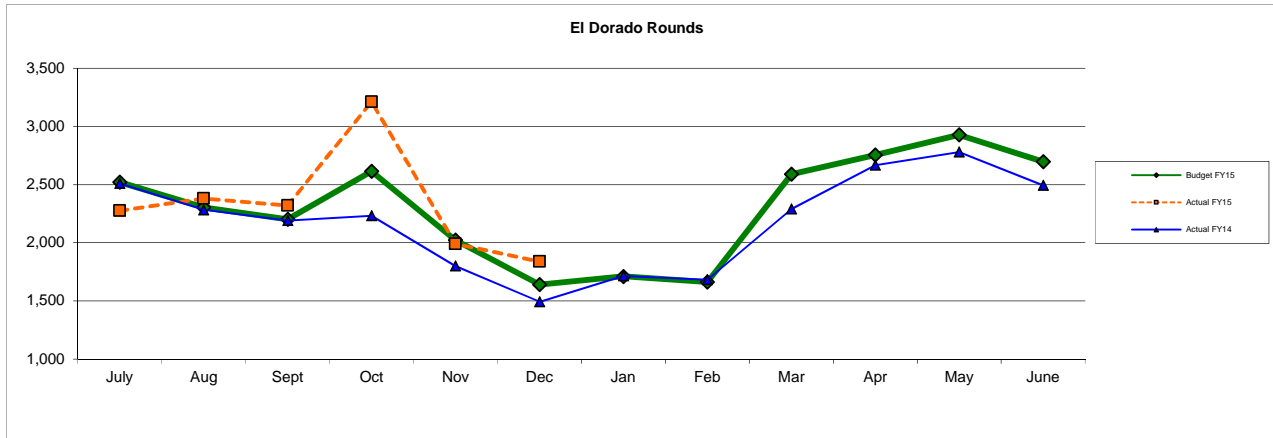
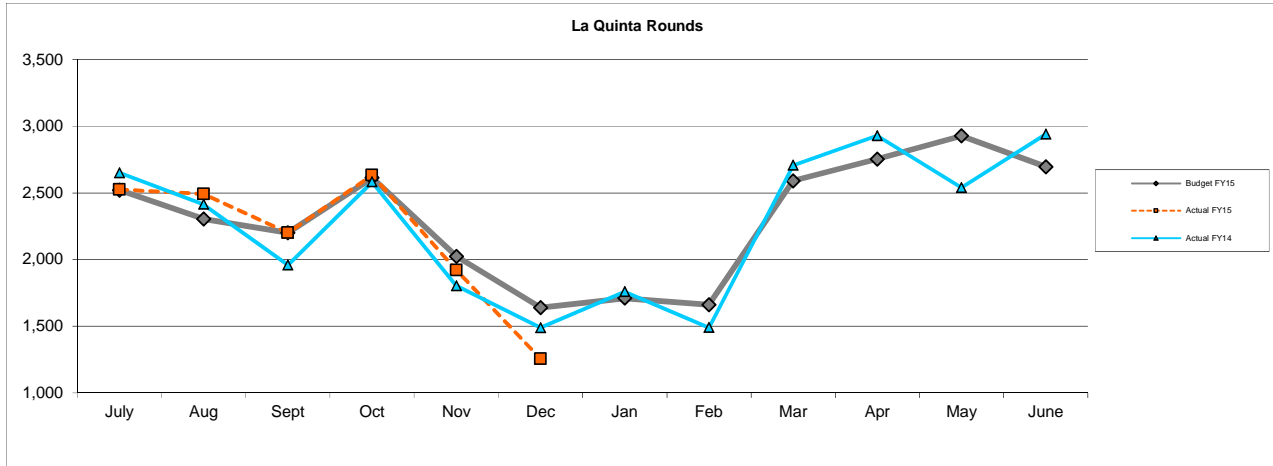
REVENUES

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
La Quinta - Budget FY15	48,700	44,525	42,528	50,486	39,099	31,688	33,054	32,108	50,031	53,206	56,560	52,089	534,073
La Quinta - Actual FY15	43,973	40,792	32,438	42,095	34,599	22,164							216,061
La Quinta - Actual FY14	45,698	38,916	31,745	42,683	32,858	26,273	29,574	22,650	44,059	48,541	45,960	45,728	454,684
El Dorado - Budget FY15	50,446	46,122	44,053	52,296	40,501	32,825	34,239	33,260	51,825	55,114	58,588	53,957	553,226
El Dorado - Actual FY15	36,633	44,564	43,613	62,931	40,224	33,339							261,303
El Dorado - Actual FY14	48,333	42,945	39,412	44,564	35,113	27,898	32,286	31,990	43,626	53,423	61,260	51,669	512,519



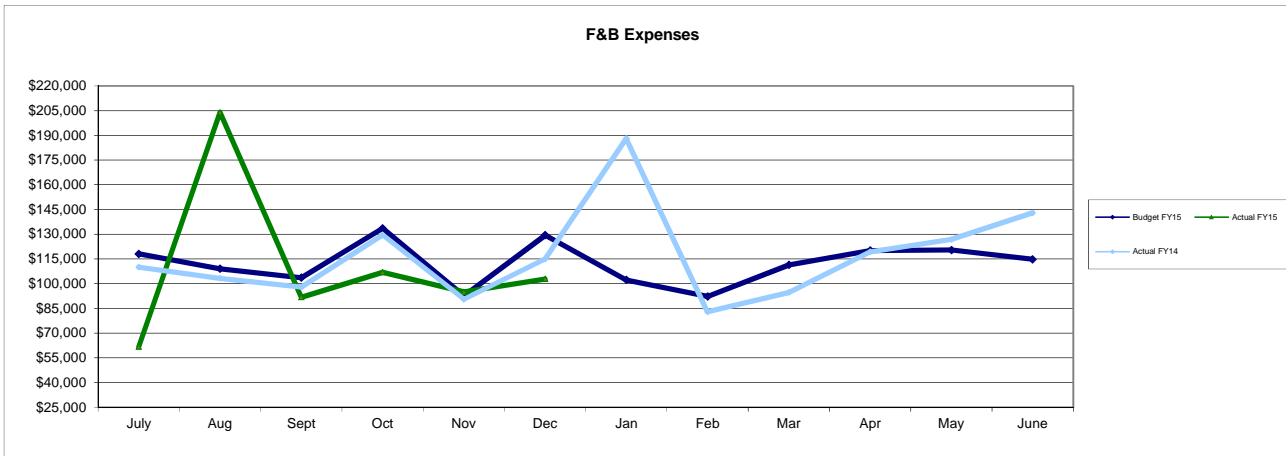
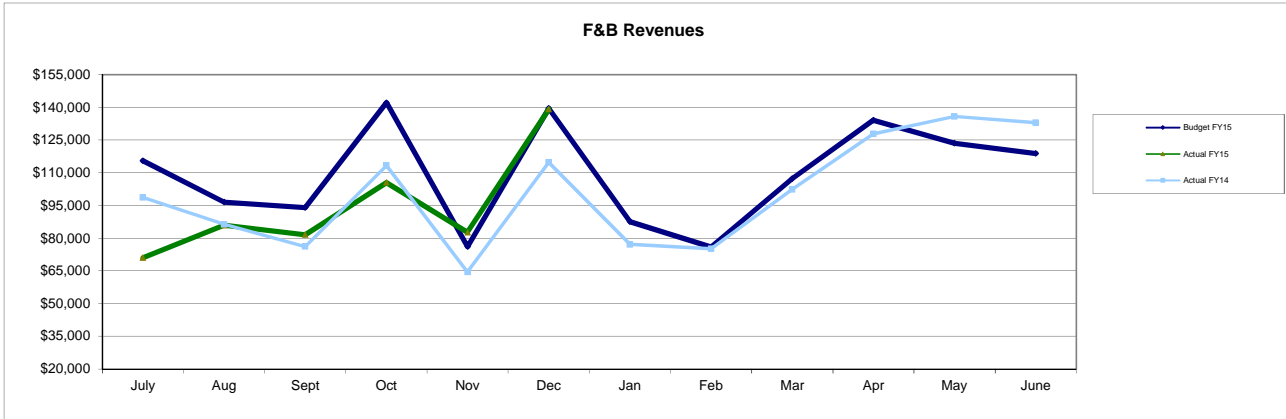
**Missouri City Recreation & Leisure LGC
Operations - December 2014**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
ROUNDS													
La Quinta - Budget FY15	2,521	2,305	2,201	2,613	2,024	1,640	1,711	1,662	2,590	2,754	2,928	2,696	27,645
La Quinta - Actual FY15	2,525	2,492	2,202	2,633	1,920	1,256	-	-	-	-	-	-	13,028
La Quinta - Actual FY14	2,651	2,414	1,959	2,582	1,804	1,489	1,759	1,490	2,707	2,930	2,540	2,941	27,266
El Dorado - Budget FY15	2,521	2,305	2,201	2,613	2,024	1,640	1,711	1,662	2,590	2,754	2,928	2,696	27,645
El Dorado - Actual FY15	2,276	2,381	2,321	3,212	1,989	1,839	-	-	-	-	-	-	14,018
El Dorado - Actual FY14	2,511	2,283	2,190	2,233	1,801	1,493	1,714	1,681	2,289	2,667	2,779	2,493	26,134
Total Rounds - Budget FY15	5,042	4,610	4,403	5,227	4,048	3,281	3,422	3,324	5,180	5,508	5,855	5,393	55,291
Total Rounds - Actual FY15	4,801	4,873	4,523	5,845	3,909	3,095	-	-	-	-	-	-	27,046
Total Rounds - Actual FY14	5,162	4,697	4,149	4,815	3,605	2,982	3,473	3,171	4,996	5,597	5,319	5,434	53,400



**Missouri City Recreation & Leisure LGC
F&B - December 2014**

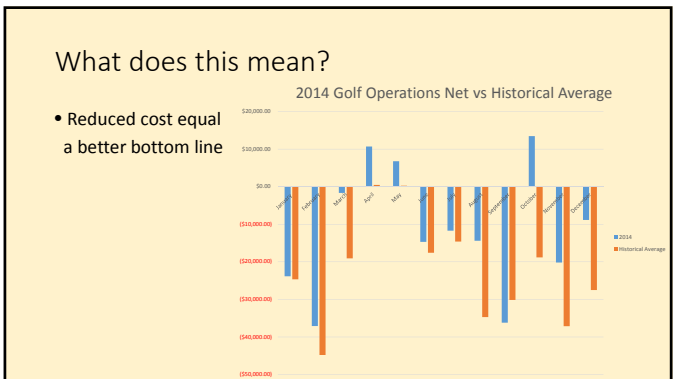
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
Revenues - Budget FY15	115,470	96,579	94,081	142,122	76,188	139,629	87,656	75,940	107,361	134,135	123,611	118,899	1,311,671
Revenues - Actual FY15	71,000	85,944	81,645	105,525	82,723	139,193							566,031
Revenues - Actual FY14	98,704	86,375	76,189	113,352	64,530	114,739	77,128	75,182	102,372	127,882	135,844	132,938	1,205,236
Personnel	58,435	57,945	53,298	63,708	52,834	59,061	57,713	52,828	58,224	54,337	58,646	53,942	680,969
Cost of Sales	39,744	33,185	32,318	48,998	26,105	48,132	30,087	26,019	36,928	46,225	42,571	40,934	451,246
Other	19,876	17,949	18,010	20,852	13,796	22,237	14,446	13,379	16,238	19,596	19,148	19,869	215,396
Total Expenses - Budget FY15	118,054	109,078	103,626	133,557	92,736	129,430	102,247	92,226	111,391	120,157	120,364	114,745	1,347,610
Total Expenses - Actual FY15	61,748	203,958	91,729	106,906	94,929	102,847							662,117
Total Expenses - Actual FY14	110,035	103,228	97,835	129,655	90,445	114,980	188,088	82,957	94,671	119,367	126,800	142,972	1,401,033

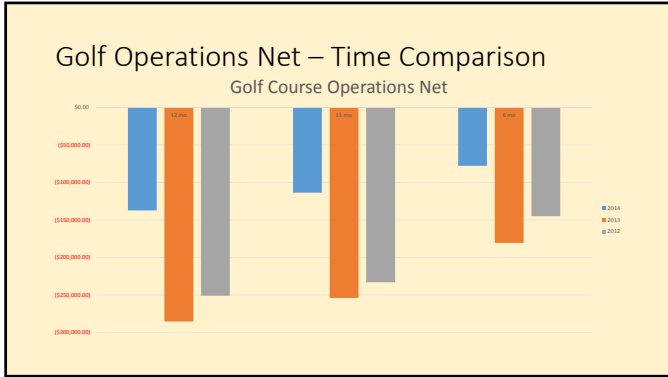




- ### Operational Changes/Goals: February 2014
- All construction complete on City Centre in Spring of 2014
 - Restructure golf course maintenance service agreement
 - Reduce costs by 9.5% over proposed for FY2014/15
 - Consolidate the Food & Beverage Department to maximize cost savings and direct business focus
 - Reduce annual employee payroll by \$40,000
 - Focus on quality and waste
 - Reduce food cost of goods sold by 7%
 - Rebrand the Bluebonnet Grille into a casual style grille
 - Reduce annual employee payroll by \$21,000

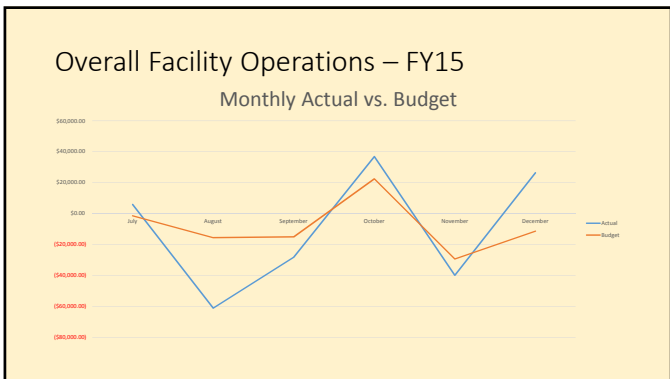
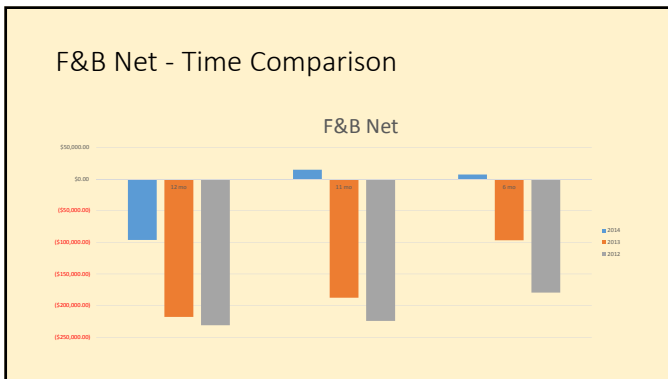
- ### Restructure Maintenance Contract
- Identified areas of cost cutting that would least affect golfer playability of the course
 - Looked at reduced costs of “bringing the course back”
 - Varied frequencies and mowing patterns to lower costs
 - Reduced cost over projection by 9.5% in 2014
 - Maintaining a 8.5% cost reduction in FY2015

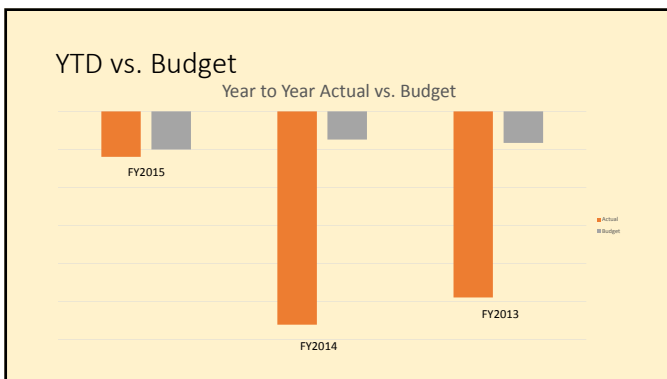
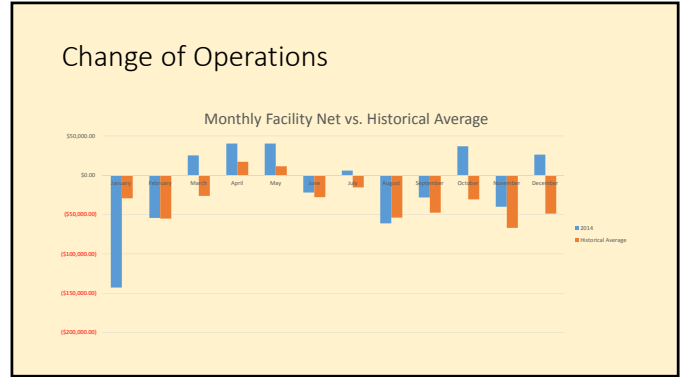
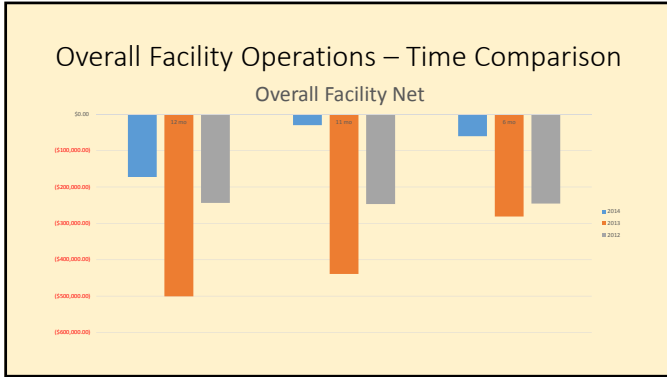




Consolidate & Refocus F&B Operations

- Restructured Grille menu to items that were selling best
 - 6% increase in sales in July-Dec 2014 vs. same period 2013
 - This is an approximate increase in revenue of \$11,423
- Reduced payroll expenses
 - July – Dec. 2013 had F&B total payroll of \$240,890
 - July – Dec. 2014 had F&B total payroll of \$191,004 (adjusted for gratuities)
 - Providing a projected annualized savings of \$99,772
- Lower Cost of Goods Sold
 - July – Dec. 2013 had COGS of 42%
 - July – Dec. 2014 had COGS of 35%
 - This represents approximately \$41,132





- ### Looking Ahead
- Hired Eddie Carter as Head Golf Professional
 - Will oversee daily operations of golf department
 - Will manage merchandise inventories and sales
 - Review of Grille Menu to again analyze with what is selling best and bring in new items
 - GM responsibilities will increase with respect to strategic marketing, employee training programs and long term planning



**Local Government Corporation Agenda Item Cover Memo
February 16, 2015**

To: LGC Board of Directors
Agenda Item: 4 Consider a resolution authorizing the execution of a lease agreement for the purchase of golf carts between the City as Lessee, Missouri City Recreation and Leisure Local Government Corporation as Co-Lessee, and PNC Equipment Finance, LLC, as Lessor.
Submitted by: Tyson Stittleburg, PGA, General Manager

SYNOPSIS

The City/LGC has a lease agreement (#135766000) with PNC Equipment Finance, LLC ("PNC") for six (6) golf carts that expired in July of 2014. There is an additional lease agreement (#148300000) with PNC for 70 golf carts that will expire in December 2015. The City/LGC would like to terminate these two leases and enter into a new lease agreement (#188252000) with PNC for 76 new golf carts to replace the existing 76 golf carts.

BACKGROUND

The City currently has a total of 126 golf carts in operation at the Golf Course. However, 76 of such golf carts are nearing the end of their useful life and are all out of warranty. The City/LGC would like to trade in these carts and enter into a new lease agreement (#188252000) with PNC that would bring the fleet up-to-date and the carts under warranty. These carts are a major part of the operation of the Golf Course including the estimated \$3800 in revenue each cart brings in annually. The City/LGC will purchase the golf carts from E-Z-GO through BuyBoard Cooperative Purchasing Agreement (#447-14) and finance the purchase through PNC.

FISCAL ANALYSIS

The proposal that is recommended is for a 48 month fair market value lease. The cost for leasing the new 76 golf carts would be \$5,899.88 per month. The current lease payments are \$5,877.60 per month. The current FY15 budget for 126 fleet golf carts is \$10,130 per month. This new lease would bring the total monthly payments to \$9,491.38, which is still \$638.62 under FY15 budget.

SUPPORTING MATERIALS

1. Golf Cart Specs
2. Resolution

STAFF'S RECOMMENDATION

Staff recommends using BuyBoard Contract #447-14 to purchase 76 new golf carts from E-Z-GO and to execute a lease agreement (#188252000) with PNC Equipment Finance, LLC.

MISSOURI CITY RECREATION AND LEISURE LOCAL GOVERNMENT CORPORATION

RESOLUTION NO. R-15-_____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MISSOURI CITY RECREATION AND LEISURE LOCAL GOVERNMENT CORPORATION AUTHORIZING THE PURCHASE OF 76 GOLF CARS AND THE EXECUTION OF A LEASE AGREEMENT AND ASSOCIATED DOCUMENTS FOR THE FINANCING OF SUCH GOLF CARS.

* * * * *

WHEREAS, the Missouri City Recreation and Leisure Local Government Corporation (the "LGC") is created and organized as a Local Government Corporation pursuant to Subchapter D of Chapter 431 of the Texas Transportation Code, and as further regulated by Chapter 394 of the Texas Local Government Code, and Chapter 9 of Title 32 of the Texas Civil Statutes, to perform governmental functions on behalf of the City of Missouri City, Texas (the "City"); and

WHEREAS, the LGC is authorized by Texas law to purchase, acquire and lease certain equipment and other property for the benefit of the City and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, pursuant to applicable law, the Board of Directors of the LGC ("the Board") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interest in property, leases and easements necessary for the functions or operations of the LGC; and

WHEREAS, Section 6.1 of the Bylaws of the LGC provides that the Board may by resolution authorize any officer or agent of the LGC to enter into any contract or execute and deliver any instrument in the name of and on behalf of the LGC; and

WHEREAS, the LGC executed, as Co-Lessee, Lease Agreements numbered 135766000 for the leasing of six (6) electric golf cars in June 2010, and numbered 148300000 for the leasing of 70 electric golf cars in November 2011; and

WHEREAS, the Board hereby finds and determines that the purchase of 76 new golf cars from E-Z-GO Division of Textron Inc. through BuyBoard cooperative purchasing program to replace the existing 76 golf cars is appropriate and necessary for the functions and operations of the City; and

WHEREAS, the Board hereby finds and determines that the execution of a new Lease Agreement numbered 188252000 (the "Lease") in an amount not exceeding \$283,194.24 for the purpose of acquiring the golf cars described in the Lease is appropriate and necessary for the functions and operations of the LGC; and

WHEREAS, the City will act as Lessee under the Lease; and

WHEREAS, the LGC will act as Co-Lessee under the Lease; and

WHEREAS, PNC Equipment Finance, LLC, shall act as Lessor under said Lease; and

WHEREAS, the current Lease Agreements numbered 135766000 and 148300000 between the City, Missouri City Recreation and Leisure Local Government Corporation and PNC Equipment Finance, LLC, will be terminated upon the commencement of the new Lease Agreement numbered 188252000; now therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MISSOURI CITY RECREATION AND LEISURE LOCAL GOVERNMENT CORPORATION:

Section 1. That the facts and recitals set forth in the preamble of this Resolution are hereby found to be true and correct and are in all things incorporated herein and made a part hereof.

Section 2. That Allen Owen, President of the LGC, is hereby authorized to negotiate, enter into, execute, and deliver the Lease in substantially the form set forth in the documents presently before the Board, which documents are available for public inspection at the office of the LGC. All other related contracts, notices, and agreements necessary and incidental to the Leases are hereby authorized.

Section 3. That by a written instrument signed by the President, the President may designate specifically identified officers or employees of the LGC to execute and deliver agreements and documents relating to the Lease on behalf of the LGC.

Section 4. That the Secretary or her designee is hereby authorized to execute a Certificate of Incumbency for the Lease as set forth in Exhibit "A", attached hereto and made a part hereof for all purposes.

Section 5. That the LGC's obligations under the Lease shall be subject to annual appropriation or renewal by the Board as set forth in the Lease and the Lessee's obligations under the Lease shall not constitute general obligations of the LGC or the City or indebtedness under the Constitution or laws of the State of Texas.

Section 6. That the appropriate officials are hereby authorized and directed to take those steps necessary to effect the acquisition of golf cars and the entering into the Lease for the financing of such golf cars.

Section 7. That this resolution shall take effect immediately upon its passage.

PASSED, APPROVED and ADOPTED on this 16th day of February, 2015.

Allen Owen, President

ATTEST:

Caroline Kelley, Secretary



February 10, 2015

Lease Number 188252000

City of Missouri City
Missouri City Recreation and Leisure Local Government Corporation
1522 Texas Parkway
Missouri City, TX 77489

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

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

Please return the documents to PNC Equipment Finance, LLC, Attn: Beth Sandusky, 995 Dalton Avenue, Cincinnati, OH 45203.

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

Our goal is to ensure that you receive the lowest payment available. Therefore, it is important that the documents are completed and returned to us by March 10, 2015

If you have any questions please contact Courtney Goodman at 513-455-2633.

Sincerely,

Beth Sandusky
Documentation Specialist

Lease Agreement

Dated as of **February 10, 2015**Lease Number **188252000**

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

Lessee: LESSEE FULL LEGAL NAME City of Missouri City
1522 Texas Parkway
Missouri City, TX 77489
FEDERAL TAX ID 746029035

Co-Lessee: Missouri City Recreation and Leisure Local Government Corporation
1522 Texas Parkway
Missouri City, TX 77489
270267825

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

Equipment Location Quail Valley Golf Course

Rent Payment Schedule Lease Term is for 48 months, with Rent payments due in Arrears monthly; quarterly; semi-annual; annually; each in the amount of \$5,899.88 beginning _____.

Lessee shall pay Rent payments exclusively from legally available funds in U.S. currency to Lessor in the amounts and on the dates set forth herein.

TERMS AND CONDITIONS

- LEASE.** Subject to the terms of this Lease, Lessee agrees to lease from Lessor the equipment (the "Equipment") described in the attached Certificate of Acceptance when Lessor accepts this Lease. Lessee agrees to be bound by all the terms of this Lease. Any reference to "Lessee" herein shall mean and include both the Lessee and the Co-Lessee, each of whom shall be jointly and severally bound hereby.
- DELIVERY AND ACCEPTANCE OF EQUIPMENT.** Acceptance of the Equipment occurs upon delivery and execution of the Certificate of Acceptance. When Lessee receives the Equipment, Lessee agrees to inspect it and to verify by telephone or in writing such information as Lessor may require. Delivery and installation costs are the Lessee's responsibility. If Lessee signed a purchase contract for the Equipment, by signing this Lease Lessee assigns its rights, but none of its obligations under the purchase contract, to Lessor.
- RENT.** Lessee agrees to pay Lessor Rent in the amount and frequency stated above. Rent Payments under this Lease do not include the accrual of an interest portion. If Lessee's Rent payments are due in Advance, Lessee's first Rent payment is due on the date Lessee accepts the Equipment under the Lease. Lessor will advise Lessee as to (a) the due date of each Rent payment, and (b) the address to which Lessee must send payments. Rent is due whether or not Lessee receives an invoice from Lessor. Lessee will pay Lessor any required advance rent when Lessee signs this Lease. Restrictive endorsements on checks Lessee sends to Lessor will not reduce Lessee's obligations to Lessor.
NON-APPROPRIATION OF FUNDS. Lessee intends to remit all Rent and other payments to Lessor for the full Lease Term if funds are legally available. In the event Lessee, after a best efforts attempt by the governing body to obtain and appropriate funds for the payment of Rent and other payments to Lessor, fails to appropriate funds at any time during the term for this Lease, then a "Non-Appropriation" shall be deemed to have occurred. If a Non-Appropriation occurs, then: (i) at least thirty (30) days prior to the end of Lessee's then current fiscal year, or, if Non-Appropriation has not occurred by such date, immediately upon Non-Appropriation, Lessee's chief executive officer (or legal counsel) shall certify in writing that funds have not been appropriated for the fiscal period, (ii) no later than the last day of the fiscal year for which appropriations were made for the Rent due under this Lease (the "Return Date"), Lessee shall return to Lessor all, but not less than all, of the Equipment covered by this Lease, in accordance with the terms hereof, and (iii) this Lease shall terminate on the Return Date without penalty or expense to Lessee and Lessee shall not be obligated to pay the Rent beyond such fiscal year, provided that (A) Lessee shall pay any and all Rent and other payments due up through the end of the last day of the fiscal year for which appropriations were made and (B) Lessee shall pay month-to-month Rent for each month or part thereof that Lessee fails to return the Equipment as required herein.
- UNCONDITIONAL OBLIGATION.** LESSEE AGREES THAT IT IS UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS LEASE IN ALL FISCAL YEARS IN WHICH FUNDS HAVE BEEN APPROPRIATED NO MATTER WHAT HAPPENS, EVEN IF THE EQUIPMENT IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF LESSEE HAS TEMPORARY OR PERMANENT LOSS OF ITS USE. LESSEE IS NOT ENTITLED TO ANY REDUCTION OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE UNDER THIS LEASE FOR ANY REASON WHATSOEVER.
- DISCLAIMER OF WARRANTIES.** THE EQUIPMENT IS BEING LEASED TO LESSEE IN "AS IS" CONDITION. LESSEE AGREES THAT LESSOR HAS NOT MANUFACTURED THE EQUIPMENT AND THAT LESSEE HAS SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSEE HAS NOT RELIED ON ANY STATEMENTS LESSOR OR ITS EMPLOYEES HAVE

MADE. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. Lessee is aware of the name of the Equipment manufacturer and Lessee will contact the manufacturer for a description of warranty rights. If the manufacturer has provided Lessor with a warranty, Lessor assigns its rights to such warranty to Lessee and Lessee may enforce all warranty rights directly against the manufacturer of the Equipment. Lessee agrees to settle any dispute regarding performance of the Equipment directly with the manufacturer of the Equipment.

6. **TITLE AND SECURITY INTEREST.** Unless otherwise required by the laws of the state where Lessee is located, Lessor shall have title to the Equipment, except as set forth in section 15.
7. **USE, MAINTENANCE AND REPAIR.** Lessee will not move the Equipment from the Equipment Location without Lessor's advance written consent, except with respect to the performance of routine maintenance. Lessee will give Lessor reasonable access to the Equipment Location so that Lessor can check the Equipment's existence, condition and proper maintenance. Lessee will use the Equipment in the manner for which it was intended, as required by all applicable manuals and instructions, and keep it eligible for any manufacturer's certification and/or standard full service maintenance contract. At Lessee's own cost and expense, Lessee will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. Lessee will not make any permanent alterations to the Equipment.
8. **TAXES.** Lessee shall not pay any taxes (including any sales, use and personal property taxes), fines, interest and penalties relating to this Lease and the Equipment (including taxes based on Lessor's net income). Lessee is exempt from sales tax and shall provide Lessor with a Texas Sales and Use Tax Exemption Certification.
9. **INDEMNITY.** Lessor is not responsible for any injuries, damages, penalties, claims or losses, including legal expenses, incurred by Lessee or any other person caused by the transportation, installation, manufacture, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the Equipment. To the extent permitted by law and without waiving any immunity from or limitation of liability, Lessee agrees to reimburse Lessor for and defend Lessor against any claims for such losses, damages, penalties, claims, injuries, or expenses. This indemnity continues even after this Lease has expired, for acts or omissions that occurred during the Lease Term.
10. **IDENTIFICATION.** Lessee authorizes Lessor to insert or correct missing information on this Lease, including Lessee's official name, serial numbers and any other information describing the Equipment. Lessor will send Lessee copies of such changes.
11. **LOSS OR DAMAGE.** Lessee is responsible for any loss of the Equipment from any cause at all, whether or not insured, from the time the Equipment is delivered to Lessee until it is returned to Lessor. If any item of Equipment is lost, stolen or damaged, Lessee will promptly notify Lessor of such event. Then, at Lessor's option, Lessee will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay Lessor an amount equal to the Net Book Value (as defined in Section 14) of the lost, stolen or damaged Equipment. If Lessee has satisfied Lessee's obligations under this Section 11, Lessor will forward to Lessee any insurance proceeds which Lessor receives for lost, damaged, or destroyed Equipment. If Lessee is in default, Lessor will apply any insurance proceeds Lessor receives to reduce Lessee's obligations under Section 14 of this Lease.
12. **INSURANCE.** Lessee agrees to (a) keep the Equipment fully insured against loss, naming Lessor as loss payee, and (b) obtain a general public liability insurance policy covering both personal injury and property damage in amounts not less than Lessor may tell Lessee, naming Lessor as additional insured, until Lessee has met all of Lessee's obligations under this Lease. Lessor is under no duty to tell Lessee if Lessee's insurance coverage is adequate. The policies shall state that Lessor is to be notified of any proposed cancellation at least 30 days prior to the date set for cancellation. Upon Lessor's request, Lessee agrees to provide Lessor with certificates or other evidence of insurance acceptable to Lessor. If Lessee does not provide Lessor with evidence of proper insurance within 30 days of Lessor's request or Lessor receives notice of policy cancellation, Lessor may (but Lessor is not obligated to) obtain insurance on Lessor's interest in the Equipment at Lessee's expense. Lessee will pay all insurance premiums and related charges.
13. **DEFAULT.** Lessee will be in default under this Lease if any of the following happens: (a) Lessor does not receive any Rent or other payment due under this Lease within 31 days after its invoice date, (b) Lessee fails to perform or observe any other promise or obligation in this Lease and does not correct the default within 30 days after Lessor sends Lessee written notice of default, (c) any representation, warranty or statement Lessee has made in this Lease shall prove to have been false or misleading in any material respect, (d) any insurance carrier cancels or threatens to cancel any insurance on the Equipment, (e) the Equipment or any part of it is abused, illegally used, misused or if Lessee fails to comply with Section 11 and the Equipment or any part of it is lost, destroyed, or damaged beyond repair, (f) a petition is filed by or against Lessee under any bankruptcy or insolvency laws, or (g) Lessee defaults on any other agreement between it and Lessor (or Lessor's affiliates).
14. **REMEDIES.** Upon the occurrence of a default, Lessor may, in its sole discretion, do any or all of the following: (a) provide written notice to Lessee of default, (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable, the present value of (i) any and all amounts which may be then due and payable by Lessee to Lessor under this Lease, plus (ii) all Rent payments remaining through the end of the Lease Term, discounted at the higher of 3% or the lowest rate allowed by law, plus the Fair Market Value of the Equipment (collectively, the "Net Book Value"). Lessor has the right to require Lessee to make the Equipment available to Lessor for repossession during reasonable business hours, or if Lessee fails to so make the Equipment available, Lessor may repossess the Equipment, so long as Lessor does not breach the peace in doing so, or Lessor may use legal process in compliance with applicable law pursuant to court order to have the Equipment repossessed. Lessee will not make any claims against Lessor or the Equipment for trespass, damage or any other reason, except for claims arising from Lessor's willful or gross negligence. If Lessor takes possession of the Equipment Lessor may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. Although Lessee agrees that Lessor has no obligation to sell the Equipment, if Lessor does sell the Equipment, Lessor will reduce the Net Book Value by the amounts Lessor receives. Lessee will immediately pay Lessor the remaining Net Book Value. Lessee agrees (a) that Lessor only needs to give Lessee 10 days' advance notice of any sale and no notice of advertising, (b) to pay all of the costs Lessor incurs to enforce Lessor's rights against Lessee, including attorney's fees, and (c) that Lessor will retain all of Lessor's rights against Lessee even if Lessor does not choose to enforce them at the time of Lessee's default.
15. **LESSEE'S OPTION AT END OF LEASE.** Notwithstanding anything contained in the Lease to the contrary, so long as no default shall have occurred and be continuing, Lessee may, at Lessee's option, purchase the Equipment leased pursuant to this Lease on an "as is, where is" basis, without representation or warranty, express or implied, at the end of the Initial Term at a price equal to the Fair Market Value thereof, plus applicable taxes. "Fair Market Value" shall be equal to the value which would be obtained in an arms-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion to sell, and in such determination, costs of removal of the Equipment from its location of current use shall not be a deduction from such value. If Lessee and Lessor cannot agree on the Fair Market Value thereof, such value shall be determined by appraisal at the sole expense of Lessee. Appraisal shall be a procedure whereby two recognized independent appraisers, one chosen by Lessee and one by Lessor, shall mutually agree upon the amount in question. If the appraisers are unable to agree upon the amount in question, a third recognized independent appraisers' evaluation shall be binding and conclusive on Lessee and Lessor. This purchase option as applicable shall only be available if Lessee gives Lessor 90 days' prior written notice of Lessee's irrevocable intent to exercise such option and Lessor and Lessee shall have agreed to all terms and conditions of such

purchase prior to the expiration date of the Initial Term. Until the Equipment is returned as required below, all terms of the Lease shall remain in full force and effect including the obligation to pay Rent.

16. **RETURN OF EQUIPMENT.** If (a) default occurs, (b) a non-appropriation of funds occurs in accordance with Section 3, or (c) Lessee does not purchase the Equipment pursuant to Section 15, Lessee will immediately return the Equipment to a location within a 500-mile radius of the Equipment Location and aboard any carriers(s) Lessor may designate. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 7, and in "Average Saleable Condition." "Average Saleable Condition" means that all of the Equipment is immediately available for use by a third party buyer, user or lessee, other than Lessee named in this Lease, without the need for any repair or refurbishment. All Equipment must be free of markings. Lessee will pay Lessor for any missing or defective parts or accessories. Lessee will continue to pay Rent until the Equipment is received and accepted by Lessor.
17. **LESSEE'S REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants to Lessor that as of the date of this Lease, and throughout the Lease Term: (a) Lessee is the entity indicated in this Lease; (b) Lessee is a State or a fully constituted political subdivision or agency of the State in which Lessee is located; (c) Lessee is duly organized and existing under the Constitution and laws of the State in which Lessee is located; (d) Lessee is authorized to enter into and carry out Lessee's obligations under this Lease, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with this Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered by Lessee in accordance with all applicable laws, rules, ordinances, and regulations, the Documents are valid, legal, binding agreements, enforceable in accordance with their terms and the person signing the Documents has the authority to do so, is acting with the full authorization of Lessee's governing body, and holds the office indicated below the person's signature, which is genuine; (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of Lessee's authority and shall be used during the Lease Term only by Lessee and only to perform such function; (g) Lessee intends to use the Equipment for the entire Lease Term. Lessee's governing body retains the continuing right to terminate this Lease at the end of each of Lessee's budget periods during the term of this Lease provided that Lessee's governing body shall make its best efforts attempt to obtain and appropriate funds for payment of Rent and other payments under this Lease; (h) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (i) Lessee's obligations to remit Rent under this Lease constitutes a current expense and not a debt under applicable state law and no provision of this Lease constitutes a pledge of Lessee's tax or general revenues, and any provision which is so constructed by a court of competent jurisdiction is void from the inception of this lease; (j) unless a Non-Appropriation occurs, all payments due and to become due during Lessee's current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease of the Equipment; and (k) all financial information Lessee has provided to Lessor is true and accurate and provides a good representation of Lessee's financial condition.
18. **LESSEE'S PROMISES.** In addition to the other provisions of this Lease, Lessee agrees that during the term of this Lease (a) Lessee will promptly notify Lessor in writing if Lessee moves its principal office or changes its name or legal structure, (b) Lessee will provide to Lessor such reasonable financial information as Lessor may reasonably request from time to time, and (c) Lessee will take any reasonable action Lessor reasonably requests to protect Lessor's rights in the Equipment.
19. **ASSIGNMENT. LESSEE WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE EQUIPMENT OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE EQUIPMENT.** Lessee will not attach any of the Equipment to any real estate. Upon Lessor's reasonable request and at Lessee's cost, Lessee will obtain from each person having an interest in the real estate where the Equipment is located a waiver of any rights they may have in the Equipment.
20. **ASSIGNMENT BY LESSOR.** This Lease, and the rights of Lessor hereunder and in and to the Equipment, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assigns at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Lease on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assigns. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assigns to protect their interests in the Equipment and in this Lease.
21. **COLLECTION EXPENSES, OVERDUE PAYMENT.** Lessee agrees that Lessor can, but does not have to, take on Lessee's behalf any action which Lessee fails to take as required by this Lease, and Lessor's expenses will be in addition to that of the Rent which Lessee owes Lessor. If Lessor receives any payment from Lessee after the due date, Lessee shall pay Lessor on demand as a late charge five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.
22. **AGREED LEASE RATE FACTOR.** Lessee understands that the Equipment may be purchased for cash (the "Equipment Cost") or it may be leased. By signing this Lease, Lessee acknowledges that it has chosen to lease the Equipment from Lessor for the Lease Term and that Lessee has agreed to pay Rent. Each payment of Rent includes a principal amount based on the Equipment Cost and a lease charge rate. If it is determined that Lessee's payments under this Lease result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will Lessor charge or receive or will Lessee pay any amounts in excess of the legal amount.
23. **MISCELLANEOUS.** This Lease contains the entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THIS LEASE.** If a court finds any provision of Lease to be unenforceable, the remaining terms of this Lease shall remain in effect. **THIS LEASE IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE.** Lessee authorizes Lessor (or Lessor's agent) to (a) obtain credit reports, (b) make such other credit inquires as Lessor may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, Lessor may charge Lessee a fee of \$100.00 to cover Lessor's documentation and investigation costs.
24. **NOTICES.** All of Lessee's notices to Lessor may be sent by first class mail, postage prepaid, to Lessor's address stated in this Lease. All of Lessor's notices to Lessee may be sent first class mail, postage prepaid, to Lessee's address stated in this Lease. At any time after this Lease is signed, Lessee or Lessor may change an address or facsimile telephone number by giving notice to the other of the change.
25. **ANTI-MONEY LAUNDERING/INTERNATIONAL TRADE COMPLIANCE.** Lessee represents and warrants to Lessor, as of the date of this Lease, the date of each advance of proceeds under the Lease, the date of any renewal, extension or modification of this Lease, and at all times until the Lease has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; or (ii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Lease will not be used to fund any unlawful activity; (c) the funds used to repay the Lease are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States.

26. As used herein: “**Compliance Authority**” means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; “**Covered Entity**” means Lessee, its affiliates and subsidiaries and direct and indirect owners; “**Sanctioned Country**” means a country subject to a sanctions program maintained by any Compliance Authority; and “**Sanctioned Person**” means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.
27. **USA PATRIOT ACT NOTICE.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each lessee that opens an account. What this means: when the Lessee opens an account, Lessor will ask for the business name, business address, taxpayer identifying number and other information that will allow the Lessor to identify Lessee, such as organizational documents. For some businesses and organizations, Lessor may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.
28. **WAIVERS. LESSOR AND LESSEE EACH AGREE TO WAIVE, AND TO TAKE ALL REQUIRED STEPS TO WAIVE, ALL RIGHTS TO A JURY TRIAL.** To the extent Lessee is permitted by applicable law, Lessee waives all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to Lessee’s rights to: (a) cancel or repudiate this Lease; (b) reject or revoke acceptance of the Equipment; (c) recover damages from Lessor for any breach of warranty or for any other reason; (d) grant a security interest in any Equipment in Lessee’s possession. To the extent Lessee is permitted by applicable law, Lessee waives any rights they now or later may have under any statute or otherwise which requires Lessor to sell or otherwise use any Equipment to reduce Lessor’s damages, which requires Lessor to provide Lessee with notice of default, intent to accelerate amounts becoming due or acceleration of amounts becoming due, or which may otherwise limit or modify any of Lessor’s rights or remedies. Lessor will not be liable for specific performance of this Lease or for any losses, damages, delay or failure to deliver Equipment.
29. **IMPORTANT INFORMATION ABOUT PHONE CALLS.** By providing telephone number(s) to Lessor, now or at any later time, Lessee authorizes Lessor and its affiliates and designees to contact Lessee regarding Lessee account(s) with Lessor or its affiliates, whether such accounts are Lessee individual accounts or business accounts for which Lessee is a contact, at such numbers using any means, including but not limited to placing calls using an automated dialing system to cell, VoIP or other wireless phone number, or leaving prerecorded messages or sending text messages, even if charges may be incurred for the calls or text messages. Lessee consents that any phone call with Lessor may be monitored or recorded by Lessor.

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

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

City of Missouri City
("Lessee")

X

Authorized Signature

Print Name

Title:

Date:

1522 Texas Parkway
Missouri City, TX 77489

Missouri City Recreation and Leisure Local
Government Corporation
("Lessee")

X

Authorized Signature

Print Name

Title:

Date:

1522 Texas Parkway
Missouri City, TX 77489

PNC Equipment Finance, LLC
("Lessor")

X

Authorized Signature

Print Name

Title:

995 Dalton Ave.
Cincinnati, OH 45203

OPINION OF COUNSEL

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

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

Attorney of Lessees

By: _____
Caroline Kelley, City Attorney

CERTIFICATE OF ACCEPTANCE

Lease Number 188252000

Qty	Description	Serial No.
76	(76) 2015 EZGO TXT 48V Electric Golf Cars, together with all attachments, tooling, accessories, appurtenances and additions thereto	

or see attached Equipment Schedule

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

1. The Equipment has been delivered to the location where it will be used, which is the Equipment Location given in the Lease Agreement ("Lease");
2. All of the Equipment has been inspected and is (a) complete, (b) properly installed, (c) functioning, and (d) in good working order;
3. Lessee accepts the Equipment for all purposes under the Lease as of _____, 2015 (the "Acceptance Date"), which is the date on which the Equipment was delivered and installed;
4. The Equipment is of a size, design, capacity and manufacture acceptable to Lessee and suitable for Lessee's purposes; and
5. Lessee is not in default under the Lease, no Non-Appropriation of Funds (as described in the Lease) has occurred, and all of Lessee's statements and promises set forth in the Lease are true and correct.

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

THIS CERTIFICATE OF ACCEPTANCE IS SIGNED THIS ____ DAY OF _____, 2015.

City of Missouri City
("Lessee")

X _____
 Authorized Signature

 Print Name

 Title:

 Date

1522 Texas Parkway
Missouri City, TX 77489

Missouri City Recreation and Leisure Local
Government Corporation
("Lessee")

X _____
 Authorized Signature

 Print Name

 Title:

 Date

1522 Texas Parkway
Missouri City, TX 77489



995 Dalton Avenue
Cincinnati, Ohio 45203 • Telephone (513) 421-9191

Please Retain for Future Reference
Page No. 1
INVOICE #188252000
Customer #1159818

INVOICE DATE
2/10/2015

DUE DATE
Within 30 days of
the Invoice Date

Bill To:
City of Missouri City and
Missouri City Recreation and Leisure Local
Government Corporation
1522 Texas Parkway
Missouri City, TX 77489

Remit To:
PNC Equipment Finance, LLC
Attn: Lease Servicing/Set-Up Processing
995 Dalton Avenue
Cincinnati, OH 45203

INVOICE

Lease No. 188252000

<u>Initial Charges:</u>	
Monthly Rent - 1 st Month	\$5,899.88
Sales Tax	Tax Exempt
PAY THIS AMOUNT	
\$5,899.88	

CERTIFICATE OF INCUMBENCY

The undersigned, duly appointed and acting as **Corporate Secretary or Assistant Secretary** of City of Missouri City ("Lessee") hereby certifies:

1. That he/she has the power and authority to execute this Certificate of Incumbency on behalf of Lessee.

2. That the following named person(s) are authorized representatives of the Lessee in the capacity set forth opposite each of their names and that each of their signatures are genuine and correct.

3. That, as of the date hereof, the following named person(s) each have proper corporate power and authority to execute and deliver any lease agreement between Lessee and PNC Equipment Finance, LLC, any lease schedules pursuant thereto and any other related documents.

<u>Name (print)</u>	<u>Title</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

NOTE: THE CORPORATE SECRETARY OR ASSISTANT SECRETARY OF THE ORGANIZATION MUST SIGN THIS CERTIFICATE AUTHORIZING THE SIGNER TO SIGN.

I hereby attest that this information is true and correct as of this _____ day of _____, 20__.

Lessee
City of Missouri City

Signature of Corporate Secretary or Assistant Secretary

Print Name

Title

CERTIFICATE OF INCUMBENCY

The undersigned, duly appointed and acting as **Corporate Secretary or Assistant Secretary** of **Missouri City Recreation and Leisure Local Government Corporation** ("Lessee") hereby certifies:

1. That he/she has the power and authority to execute this Certificate of Incumbency on behalf of Lessee.

2. That the following named person(s) are authorized representatives of the Lessee in the capacity set forth opposite each of their names and that each of their signatures are genuine and correct.

3. That, as of the date hereof, the following named person(s) each have proper corporate power and authority to execute and deliver any lease agreement between Lessee and PNC Equipment Finance, LLC, any lease schedules pursuant thereto and any other related documents.

<u>Name (print)</u>	<u>Title</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

NOTE: THE CORPORATE SECRETARY OR ASSISTANT SECRETARY OF THE ORGANIZATION MUST SIGN THIS CERTIFICATE AUTHORIZING THE SIGNER TO SIGN.

I hereby attest that this information is true and correct as of this _____ day of _____, 20____.

Lessee
Missouri City Recreation and Leisure Local Government Corporation

Signature of Corporate Secretary or Assistant Secretary

Print Name

Title

REQUEST FOR INSURANCE

February 10, 2015
City of Missouri City
1522 Texas Parkway
Missouri City, TX 77489

RE: Lease #188252000 (“Lease Agreement”)

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

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

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

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

PLEASE COMPLETE ALL OF THE INFORMATION BELOW.

INSURANCE AGENT INFORMATION:

Name: _____
Address: _____

Phone Number: _____
Fax Number: _____

Insurance Carrier: _____
Policy Number: _____
Effective Date: _____
Expiration Date: _____

Lessee: City of Missouri City
Print Name: _____
Signature: _____
Title: _____
Date: _____

Please return this form to:
PNC Equipment Finance, LLC
995 Dalton Avenue
Cincinnati, OH 45203
Attn: _____
Or by Fax: _____