



City Council Staff Report

DATE: July 20, 2011

CONSENT CALENDAR

SUBJECT: APPROVE LEASE-PURCHASE AGREEMENT WITH TORO FINANCING FOR 33 PIECES OF MAINTENANCE EQUIPMENT FOR SERVICE AT THE TAHQUITZ CREEK LEGENDS AND RESORT GOLF COURSES

FROM: David H. Ready, Esq., Ph.D., City Manager

By: Thomas Wilson, Assistant City Manager
Geoffrey S. Kiehl, Director of Finance and Treasurer

SUMMARY

The City is in need of acquiring a variety of golf course maintenance equipment primarily for the purpose of reseeding and aeration at the courses. The attached 48-month lease-purchase proposal from Toro provides for the equipment at a favorable interest rate in today's market.

Recommendation:

1. Approve the Lease/Purchase Agreement with Toro Financing for a period of 48 months in an amount of \$6,837.38 per month for a total of \$328,194.13.
2. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

The City has not owned, since Century Golf has managed the golf courses, the specialized equipment necessary to perform the seasonal reseeding/overseeding of the courses.

In the past, Century Golf, has been able to borrow the equipment from other golf courses that they manage to perform the reseeding and aeration needs of the City's two golf courses. The equipment is no longer available to borrow or rent during the critical time periods during which the reseeding/overseeding and special maintenance activities must be accomplished. This makes it necessary for the City to acquire the equipment needed to perform the work during the optimal times of the year considering weather and course utilization.


ITEM NO. 2.R.


Golf equipment purchases such as this have traditionally been financed through lease/purchase agreements, rather than through direct purchases, due to the costs exceeding the availability of cash in any one fiscal year, and yet being too small to finance through a bond.

The attached agreement details the proposed equipment lease-purchase terms from Toro Financing, to be supplied by Turf Star Inc., a subsidiary of Toro. Century Golf, our management company for the golf courses utilized its unique position as managing more than 100 golf facilities to negotiate more favorable pricing and lease/purchase terms than otherwise is available to the City. (The minimum useful life of the equipment is fifteen years).

FISCAL IMPACT:

The purchase price of the equipment is \$294,452.47, and the total cost of the \$6,837.38 monthly lease payments over a 48-month period at 5.42% interest is \$328,194.13. The City expects to exercise the \$1.00 buy-out option that is available at the end of the lease. Golf Fund account 430-7021-57503 has \$275,000 available in the current fiscal year.


for David H. Ready, Esq., Ph.D., City Manager


Thomas J Wilson, Asst. City Manager


Geoffrey Kiehl, Director of Finance

Attachments:

Toro Financing Master Lease Agreement #8682172
Description of Equipment



Lessee: City of Palm Springs dba Tahquitz Creek Golf Course

Date: July 1, 2011

Master lease # 8682172

Lease Schedule# 8682172-001

This is a cover letter indicating that the documents listed below need to be completed so we can process your lease. PLEASE SIGN THE ENCLOSED DOCUMENTS AND RETURN THE FOLLOWING TO US.

- Master Lease Agreement to be signed by: Authorized Signer
- Master Lease Schedule to be signed by: Authorized Signer
- Insurance Letter to be returned
- Delivery and Acceptance to be signed by: Authorized Signer
- Ship To/Bill To Form to be completed and returned
- Please submit a tax exempt certificate



"Master Agreement" shall mean this Master Lease Agreement. "Schedule" shall mean any Lease Schedule signed by you and us which incorporates the terms of this Master Agreement. "Lease" shall mean this Master Agreement and any Schedule.

TERMS AND CONDITIONS

1. COMMENCEMENT OF SCHEDULE. Commencement of a Schedule (the "Commencement Date") and acceptance of the Equipment shall occur upon delivery of the Equipment to you. You agree to inspect the Equipment upon delivery and verify by telephone or in writing such information as we may require. The Equipment is accepted by you under the Lease unless you notify us within three (3) days of delivery that you do not accept the Equipment and specify the defect or malfunction. In that event, we will replace the defective item of Equipment or this Lease will be canceled and you will assume all our rights under any purchase order or agreement entered into by us to buy the Equipment. If you signed a purchase order or similar agreement for the purchase of the Equipment, by signing a Schedule you assign to us all of your rights, but none of your obligations under it. All attachments, accessories, replacements, replacement parts, substitutions, additions and repairs to the Equipment shall form part of the Equipment under a Schedule.
2. SECURITY DEPOSIT. The Security Deposit will be held by us, without interest, and may be commingled (unless otherwise required by law), until all obligations under the Lease are satisfied, and may be applied at our option against amounts due under the Lease. The Security Deposit will be returned to you upon termination of a Schedule, provided you are not in default, or applied to the last Lease Payment or to the amount we may quote for any purchase or upgrade of the Equipment.
3. LEASE PAYMENTS. You agree to remit to us the Lease Payment (as set forth in the Schedule) and all other sums when due and payable each Billing Period at the address we provide to you from time to time. If the Commencement Date of a Schedule is not the first or the fifteenth day of any calendar month (a "Payment Date"), the initial Term of a Schedule shall be extended by the number of days between the Commencement Date and the Payment Date which first occurs after the Commencement Date of such Schedule and your first Lease Payment will be increased by 1/30th of the monthly Lease Payments multiplied by the number of days elapsed from the Commencement Date to the day immediately preceding the Payment Date which occurs after such Commencement Date. Lease Payments are due whether or not you are invoiced. You authorize us to adjust the Lease Payments by not more than 15% to reflect any reconfiguration of the Equipment or adjustments to reflect applicable sales taxes or the cost of the Equipment by the manufacturer/supplier.
4. LEASE CHARGES. You agree to: (a) pay all costs and expenses associated with the use, maintenance, servicing, repair or replacement of the Equipment and (b) pay all premiums and other costs of insuring the Equipment. In addition, you will (1) reimburse us for all costs and expenses (including reasonable attorneys' fees and court costs) incurred in enforcing the Lease and (2) pay all other costs and expenses for which you are obligated under the Lease (the "Lease Charges"). If a Schedule provides you with a \$1 Purchase Option (a "\$1 Lease"), you agree to file all required property tax returns and promptly pay all property taxes, which may be assessed against the Equipment. If a Schedule provides you with a Fair Market Value Purchase Option (an "FMV Lease"), (a) you acknowledge and agree that we will be the owner of the Equipment throughout the Lease Term and we will be assessed personal property taxes, and (b) notwithstanding the fact that you may be exempt from the direct payment of personal property taxes, you agree, at our discretion, to either (i) reimburse us annually for all personal property and other similar taxes and governmental charges associated with the ownership, possession or use of the Equipment, or (ii) remit to us each Billing Period our estimate of the pro-rated equivalent of such taxes and governmental charges. You agree to pay us an administrative fee for the processing of taxes, assessments or fees which may be due and payable under the Lease. We may take on your behalf any action required under the Lease, which you fail to take, and upon receipt of our invoice you will promptly pay our costs (including insurance premiums and other payments to affiliates), plus reasonable processing fees. Restrictive

endorsements on checks you send to us will not reduce your obligations to us. We may charge you a return check or non-sufficient funds charge of \$25.00 for any check, which is returned by the bank for any reason (not to exceed the maximum amount permitted by law).
5. LATE CHARGES. For any payment, which is not received within thirty (30) days of its due date, you agree to pay a late charge equal to the higher of 10% of the amount due or \$22.00 (not to exceed the maximum amount permitted by law) as reasonable collection costs.
6. OWNERSHIP, USE, MAINTENANCE AND REPAIR. In the case of a \$1 Lease, you shall have title to the Equipment immediately upon delivery and shall be the owner of the Equipment and we reserve a security interest in the Equipment to secure all of your obligations under the Lease. In the case of an FMV Lease, we own the Equipment and you have the right to use the Equipment under the terms of the Lease. If the Lease is deemed to be a secured transaction, you grant us a security interest in the Equipment to secure all of your obligations under the Lease. You hereby assign to us all of your rights, but none of your obligations, under any purchase agreement for the Equipment. We hereby assign to you all our rights under any manufacturer or supplier warranties, so long as you are not in default hereunder. You must keep the Equipment free of liens. You may not remove the Equipment from the address indicated on the front of a Schedule without first obtaining our approval. You agree to: (a) keep the Equipment in your exclusive control and possession; (b) USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES; (c) use the Equipment in conformity with all insurance requirements, manufacturer's instructions and manuals; (d) keep the Equipment repaired and maintained in good working order and as required by the manufacturer's warranty, certification and standard full service maintenance contract; and (e) give us reasonable access to inspect the Equipment and its maintenance and other records.
7. INDEMNITY. You are responsible for all losses, damage, claims, infringement claims, injuries and attorneys' fees and costs ("Claims"), incurred or asserted by any person, in any manner relating to the Equipment, including its use, condition or possession. You agree to defend and indemnify us against all Claims, although we reserve the right to control the defense and to select or approve defense counsel. This indemnity continues beyond the termination of a Schedule, for acts or omissions, which occurred during the Term of a Schedule. You also agree that the Lease has been entered into on the assumption that we will be entitled to certain tax benefits available to the owner of the Equipment. In the case of an FMV Lease, you agree to indemnify us for the loss of any income tax benefits caused by your acts or omissions inconsistent with such assumption or the Lease. In the event of any such loss, we may increase the Lease Payments and other amounts due to offset any such adverse effect.
8. LOSS OR DAMAGE. If any item of Equipment is lost, stolen or damaged you will, at your option and cost, either: (a) promptly repair the item or replace the item with a comparable item reasonably acceptable to us; or (b) pay us the sum of: (i) all past due and current Lease Payments, (ii) the present value of all remaining Lease Payments for the item, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher), (iii) all Lease Charges, and (iv) the Fair Market Value of the Equipment (if an FMV Lease). We will then transfer to you all our right, title and interest in the Equipment AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE. Insurance proceeds shall be applied toward repair, replacement or payment hereunder, as applicable. In this Master Agreement, "Fair Market Value" of the Equipment means its installed fair market value at the end of the Term, assuming good order and condition (except for ordinary wear and tear from normal use), as estimated by us.

Continued on Page 2

BOTH PARTIES AGREE TO WAIVE ALL RIGHTS TO A JURY TRIAL.

BY SIGNING THIS MASTER AGREEMENT, YOU AGREE TO THE TERMS ON BOTH PAGES 1 AND 2. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU AND US FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

LESSOR ("We" "Us")

Turf Star Inc.
Name of Lessor
2438 Radley Court Hayward, CA 94545
Address of Lessor
By:
Name:
Title:
Date:

LESSEE ("You")

City of Palm Springs dba Tahquitz Creek Golf Course
Full Legal Name
3200 East Tahquitz Way Palm City, CA 92262
By: X
Signature of Authorized Signer
Name:
Please Print
Title:
Date:
Fed Tax ID
Date of Signature

ADDITIONAL TERMS AND CONDITIONS OF AGREEMENT

9. **INSURANCE.** You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee (or, in the case of a \$1 Lease, naming you and us as loss payees as our interests may appear); and (b) maintain public liability insurance, covering personal injury and Equipment damage for not less than \$300,000 per occurrence, naming us as additional insured. You have a choice in how you satisfy these insurance requirements. First, you may obtain coverage on your own and provide us with evidence of insurance coverage. If you elect this option, the policy must be issued by an insurance carrier rated B+ or better by A.M. Best Company, must provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and must provide deductible amounts acceptable to us. Second, you may elect to have us directly obtain coverage protecting our interests. UNLESS YOU PROVIDE EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS MASTER AGREEMENT, WE MAY PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTEREST IN THE EQUIPMENT. THIS INSURANCE MAY, BUT NEED NOT, PROTECT YOUR INTERESTS. THE COVERAGE THAT WE PURCHASE MAY NOT PAY ANY CLAIM THAT YOU MAKE OR ANY CLAIM THAT IS MADE AGAINST YOU IN CONNECTION WITH THE EQUIPMENT. YOU MAY LATER CANCEL ANY INSURANCE PURCHASED BY US, BUT ONLY AFTER PROVIDING EVIDENCE THAT YOU HAVE OBTAINED INSURANCE AS REQUIRED BY THIS MASTER AGREEMENT. IF WE PURCHASE INSURANCE FOR THE EQUIPMENT, YOU WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING THE INSURANCE PREMIUM, INTEREST AND ANY OTHER CHARGES WE MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO YOUR TOTAL OUTSTANDING BALANCE OR OBLIGATION. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE YOU MAY BE ABLE TO OBTAIN ON YOUR OWN. The insurance coverage we obtain may be through an insurance carrier, which may be affiliated with our assignee or us. There will be no deductible and the coverage will include protection for earthquakes, floods and employee theft. We will pay the premium, but you must reimburse us. Each Billing Period, you must pay us with your Lease Payment the pro-rated portion of the insurance premium. At the end of the Term you must pay us any remaining portion of the premium.

10. **DEFAULT.** You will be in default under the Lease if: (a) you fail to remit to us any payment within ten (10) days of the due date or breach any other obligation under this Lease; (b) a petition is filed by or against you or any Guarantor under any bankruptcy or insolvency law; or (c) you default under any other agreement with us.

11. **REMEDIES.** If you default, we may do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the sum of: (i) all past due and current Lease Payments, (ii) the present value of all remaining Lease Payments, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher), (iii) all Lease Charges, and (iv) the Fair Market Value of the Equipment (if an FMV Lease); (b) declare any other agreements between us in default; (c) require you to return all of the Equipment in the manner outlined in Section 12, or take possession of the Equipment, in which case we shall not be held responsible for any losses directly or indirectly arising out of, or by reason of the presence and/or use of any and all proprietary information residing on or within the Equipment, and to lease or sell the Equipment or any portion thereof, and to apply the proceeds, less reasonable selling and administrative expenses, to the amounts due hereunder; (d) charge you interest on all amounts due us from the due date until paid at the rate of 1-1/2% per month, but in no event more than the lawful maximum rate; (e) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorneys' fees and court costs. These remedies are cumulative, are in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

12. **END OF TERM OPTIONS; RETURN OF EQUIPMENT.** In the case of a \$1 Lease and if you are not in default, we will release any security interest which we may have in the Equipment at the end of the Term. In the case of an FMV Lease, at the end of the Term and upon 30 days prior written notice to us, you shall either (a) return all of the Equipment, or (b) purchase all of the Equipment AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE, for the Fair Market Value, plus applicable sales and other taxes. The Lease shall continue on a month-to-month basis and you shall pay us the same Lease Payments and Lease Charges as applied during the Term until the Equipment is returned to us or you pay us the applicable purchase price (and taxes). If you are in default or, in the case of an FMV Lease, you do not purchase the Equipment at the end of the Term (or any month-to-month renewal term), you shall return all of the Equipment, freight and insurance prepaid at your cost and risk, to wherever we indicate in the continental United States, with all manuals and logs, in good order and condition (except for ordinary wear and tear from normal use), packed per the shipping company's specifications, and pay an inspection, restocking and handling fee of \$100, not to exceed the maximum permitted by law, as reasonable compensation for our costs in processing returned equipment. You will pay us for any loss in value resulting from the failure to maintain the Equipment in accordance with this Master Agreement or for damages incurred in shipping and handling.

13. **ASSIGNMENT.** You may not assign or dispose of any rights or obligations under the Lease or sub-lease the Equipment, without our prior written consent. We may, without notifying you, (a) assign the Lease or our interest in the Equipment; and (b) release information we have about you and the Lease to the manufacturer, supplier or any prospective investor, participant or purchaser of the Lease. If we do make an assignment under subsection 13(a) above, our assignee will have all of our rights under the Lease, but none of our obligations. You agree not to assert against our assignee claims, offsets or defenses you may have against us.

14. **NONAPPROPRIATION.** For each Lease commenced hereunder, you intend to remit all Lease Payments and Lease Charges when due if funds are legally available to you. If at any time during the Lease Term (a) you are not granted an appropriation of funds the Equipment subject to that Lease, (b) operating funds are not otherwise available to you to pay the Lease Payments and Lease Charges due or to become due under that Lease, and (c) there is no other legal procedure or available funds by or with which payment can be made to us under that Lease (a "Non-Appropriation") you shall have the right to return the Equipment subject to that Lease in accordance with Section 12 hereof and terminate that Lease on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of Lease Payments and Lease Charges for which funds shall have been appropriated and budgeted. In the event of a Non-Appropriation, at least thirty (30) days prior to the end of the last fiscal year for which funds shall have been appropriated and budgeted, your chief executive officer or legal counsel shall certify in writing that (1) funds have not been appropriated for the upcoming fiscal period, and (2) you have exhausted all funds legally available for the payment of Lease Payments and Lease Charges. If you terminate a Lease as a result of a Non-Appropriation, you may not purchase, lease or rent any equipment that performs functions similar to those performed by the Equipment for a period of twelve (12) months following the date of termination. This Section 14 shall not permit you to terminate any Lease in order to acquire any other Equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.

15. **MISCELLANEOUS.** Notices must be in writing and will be deemed given 5 days after mailing to your (or our) business address. You represent that: (a) you have authority to enter into the Lease and by so doing you will not

violate any law or agreement; (b) the Lease is signed by your authorized officer or agent acting with the full authorization of your governing body and holding the office indicated below such officer's or agent's signature; (c) the Lease, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with the Lease (collectively, the "Documents") have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations; (d) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Lease Term only to perform such function; (e) you intend to use the Equipment for the entire Lease Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations for each fiscal year during the Lease Term; (f) you have complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with the Lease and the acquisition of the Equipment; (g) your obligation to remit Lease Payments under the Lease constitutes a current expense and not a debt under applicable state law; (h) no provision of this Lease constitutes a pledge of your tax or general revenues, and any provision which is so construed by a court of competent jurisdiction is void from the inception of the Lease; (i) all Lease Payments due and to become due during your 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 or lease/purchase of the Equipment; and (j) all financial information you have provided to us is accurate and complete and fairly represents your financial condition. The Lease is the entire agreement between us, and cannot be modified except by another document signed by us. The Lease is binding on you and your successors and assigns. You authorize us or our agent to: (1) obtain credit reports and make credit inquiries; (2) furnish payment history to credit reporting agencies; and (3) be your attorney-in-fact for the sole purpose of signing UCC financing statements. Any claim you have against us must be made within two (2) years after the event, which caused it. If a court finds any provision of the Lease to be unenforceable, all other terms shall remain in effect and enforceable. You authorize us to insert or correct missing information on the Lease, including your proper legal name, serial numbers and any other information describing the Equipment. If you so request, and we permit the early termination of a Schedule, you agree to pay a fee for such privilege. THE PARTIES INTEND THIS TO BE A "FINANCE LEASE" UNDER ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE ("UCC"). YOU WAIVE ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC.

16. **TIME PRICE.** In the case of a \$1 Lease, you understand that the Lease may be purchased for cash (the "Equipment Cost") or it may be purchased pursuant to the Lease for a Time Price equal to the Lease Payment times the number of Lease Payments, plus the Document Fee, all as set forth on a Schedule, plus the Purchase Option amount, and by executing the Lease you have chosen to purchase the Equipment for that Time Price.

17. **LEASE RATE FACTOR.** Each Lease Payment includes a part of our investment in the Equipment Cost and a return on our investment in the Lease. The total return on our investment (the total finance charge) is determined by multiplying the Lease Payment times the number of Lease Payments, then adding the Document Fee and Purchase Option amount (all as set forth on each Schedule), then deducting the Equipment Cost (as determined above). The difference so determined is the return to us on our investment (the total finance charge). The rate of return (finance rate) may be determined by deducting the Security Deposit from the Equipment Cost, and then applying to the amount so determined, the rate that will amortize that amount down to the Purchase Option amount by applying as payments, the Lease Payments and the Document Fee. For purposes of that amortization, each Lease Payment, including the Advance Payment, will be considered received on the date it is required to be paid under the Lease and the Document Fee will be considered received on the date of the Lease.

18. **YOUR REPRESENTATIONS.** You hereby represent and warrant to us that as of the date of this Lease, and throughout the Lease Term: (a) you are the entity indicated in the Lease as Lessee; (b) you are a State or a fully constituted political subdivision or agency of the State in which you are located; (c) you are duly organized and existing under the laws of the Constitution and laws of the State in which you are located; (d) you are authorized to enter into and carry out your obligations under the Lease, any documents relative to the acquisition of the Equipment and any other documents required to be delivered in connection with the Lease (collectively, the "Documents"); (e) the Documents have been duly authorized, executed and delivered to you in accordance with all applicable laws, rules, ordinances and regulations. The Documents are valid, legal, and binding agreements, enforceable in accordance with their terms. The person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the respective offices indicated below each of their signatures, each of which are genuine; (f) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the entire Lease Term only to perform such function; (g) you intend to use the Equipment for the entire Lease Term and shall take all necessary action to include in your annual budgetary funds required to fulfill your obligations for each fiscal year during the Lease Term; (h) you have complied fully with all applicable law governing open meetings, public biddings and appropriations required in connection with the Lease and the acquisition of the Equipment; (i) your obligations to remit Lease Payments constitute a current expense and not a debt under applicable State law. No provision of the Lease constitutes a pledge of your tax or general revenues, and any provision which is so construed by a court of competent jurisdiction is void from the inception of the Lease; (j) all payments due and to become due during your current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease/purchase of the Equipment; (k) you shall not do or cause to be done any act which shall cause, or by omission of any act allow, the interest portion of any Lease payment to become included in our gross income for Federal income taxation purposes under the Federal Income Tax Code (the "Code"); (l) you shall maintain a complete and accurate record of any and all assignments of the Lease in the form sufficient to comply with the book entry requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time; (m) you shall comply with the information reporting requirements of Section 149(e) of the Code. Such compliance shall include but not be limited to, the execution of 8038-G or 8038-GC Information Returns; (n) all financial information that you have provided to us is true and accurate and provides a good representation of your financial condition; (o) the Equipment is personal property and when subjected to use by the you as Lessee will not be or become a fixture under applicable law; and (p) the Equipment shall be used for business or commercial purposes only, and not for consumer, home, family or agricultural purposes.

19. **LIMITATIONS ON CHARGES.** This Section controls over every other part of this Master Agreement and over all other documents now or later pertaining to the Lease. We both intend to comply with all applicable laws. In no event will we charge or collect any amounts in excess of those allowed by applicable law. Any part of this Master Agreement that could, but for this Section, be read under any circumstance to allow for a charge higher than that allowable under any applicable legal limit, is limited and modified by this Section to limit the amounts chargeable under the Lease to the maximum amount allowed under the legal limit. If in any circumstance, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by us in excess of that legally allowed will be applied by us to the payment of amounts legally owed under the Lease, or refunded to you.



Financing

SLG Municipal Pricing

Lease Schedule # 8682172-001

Master Lease Agreement # 8682172

EQUIPMENT

Equipment Model & Description

See Exhibit A

Serial Number

Contracted Hours (FMV only)
0-600 601-900 901-1200

SEE ATTACHED SCHEDULE A

Equipment Location (if different from Billing Address)

SUPPLIER

Turf Star Inc.

Name

2438 Radley Court

Address

Hayward, CA 94545

City

State

Zip

PURCHASE OPTION AT END OF TERM

Fair Market Value

\$1.00 *LEASE RATE % _____ (Must Complete for GA, MD, NH, NM, WI)

*LEASE RATE FACTOR 0.02322 (Must Complete for all other states)
(*required only for \$1.00 purchase option)

TRANSACTION TERMS

Lease Payment \$ 6,837.38

Equipment Purchase Price \$ 273,273.75

Sales Tax 21,178.72

(plus applicable taxes)

Total Purchase Price \$ 294,452.47

Term 48 months

Billing Period (monthly if not checked)

Monthly Quarterly Semi-Annually Annually

The following additional payments are due on the date this Agreement is signed by you:

SECURITY DEPOSIT \$ _____

ADVANCE PAYMENT **\$ 6,837.38 **Applied to: first last
(plus applicable taxes)

DOCUMENT FEE \$250.00 (included on first invoice)

LESSEE ("You")

City of Palm Springs dba Tahquitz Creek Golf Course

Full Legal Name

3200 East Tahquitz Way

Billing Address

Palm City, CA 92262

City

State

Zip

Contact Name

Phone

E-mail Address

By: X _____
Signature of Authorized Signer

Name: _____
Please Print

Title: _____

Date: _____
Date of Signature

Fed Tax ID _____

LESSOR ("We" "Us")

Turf Star Inc.

Name of Lessor

2438 Radley Court Hayward, CA 94545

Address of Lessor

By: _____

Name: _____

Title: _____

Date: _____

For Supplier Use Only

Documentation Checklist:

- Invoice
- Purchase Order
- Tax Exemption Certificate
- Certificate of Insurance
- Other _____

Other supporting documents as requested:

- Delivery and Acceptance
- Copy of Bid and Award
- Opinion of Counsel
- Assignment
- Other _____
- UCC Financing Statements
- Copy of Board Minutes
- Amendment (for certain states)
- Cert of Incumbency/Resolution

Lessor **Turf Star Inc.**

Exhibit A – Description of Equipment

Lessee **City of Palm Springs dba Tahquitz Creek Golf Course**

Agreement No./Schedule No.
8682172-001

Lessor and Lessee agree that the following described Equipment is subject to the Master Lease Agreement and Schedule referenced above:

Quantity	Model No.	Description
3	SLE120D	Gearmore 48" Flail Mower 3 PT w/Duck Foot Blade
2	2.5T60X96	Gearmore Dump Trailer 2.5 Ton
2	L2010	Lely Spreader 3PT, 2275#
2	L2010CARRIER	L2010 Carrier Frame
3	M6040DT-1	4WD Utility Tractor
3	E1134	Deluxe Fiberglass Canopy
3	E1136	Mounting Bracket Kit
3	M7630	Rear Work Light
1	7371	Workman HDX-D-4WD w/Bed Diesel 24HP
1	44225	Topdresser 1800
1	7341	1/3 Flatbed-Workman
1	93-9225	1/3 Cover Kit-WORKMAN
1	7316	High Flow Hydraulic Kit HDX Models Only
1	115-7849	SIDE MIRROR KIT-HD WORKMAN
1	7420	Hand Throttle
1	117-4831	HITCH KIT, RECEIVER TUBE
1	15-4754	MYTURF WIRELESS HOUR MET ER ASSEMBLY
3	900212	TV60RE Turbo Vac w/Brush Recirculating Systems

Turf Star Inc

City of Palm Springs dba Tahquitz Creek Golf Course

BY _____

Authorized Representative

BY _____

Authorized Representative

PRINT NAME _____

PRINT NAME _____

TITLE _____

DATE _____

TITLE _____

DATE _____

Delivery and Acceptance Notice

Lease agreement number: 8682172-001

Lessor : Turf Star Inc.

Lessee: City of Palm Springs dba Tahquitz Creek Golf

Equipment:

See Exhibit A

Lessee shall pay Lessor at the office of Lessor, or at such other place as Lessor may hereafter designate, such amounts as set forth on such Lessee's individual lease schedule in connection with the Lease number set forth above commencing upon delivery of the leased equipment and on the first day of each consecutive month thereafter for a period of time as set forth in such Lessee's individual lease schedule.

Acceptance Notice

As evidenced by this Equipment Acceptance Notice, we acknowledge receipt, in good condition and satisfactory installation, all of the items described above and certify that Lessor has fully and satisfactorily performed each, every and all covenants and conditions to be performed by it under the Lease Agreement between Lessor and Lessee. We authorize you to pay the supplier for the equipment, supplies, and/or independent maintenance agreement(s).

We accept the above-mentioned equipment, programmed or not programmed (if applicable), and waive insofar as Lessor and its assignees are concerned any reservations as to condition, correctness, capability or capacity of the equipment or associated software or the equipment and software in conjunction, and understand that any shortcomings in the equipment, its operation or programming, without reservation, will not be grounds for withholding of any payments due or to become due under the aforementioned lease.

The equipment described herein is not being accepted on a trial basis. In the event decal or metal plates have been supplied, they have been affixed.

WE AGREE THAT THE LEASE BETWEEN LESSOR AND LESSEE IS THE ONLY LEASE, SALE OR FINANCE ARRANGEMENT THAT WE HAVE ENTERED INTO FOR THIS EQUIPMENT, AND WE ACKNOWLEDGE THAT THE LESSOR IS NOT AN AGENT OF THE VENDOR (EQUIPMENT SUPPLIER) NOR IS THE VENDOR THE AGENT OF THE LESSOR.

Lessee: City of Palm Springs dba Tahquitz Creek Golf Course

By: X _____

Title: X _____

Installation date: X _____

Lessee's acknowledgement of receipt of equipment

Please Complete and Return with Signed Lease Agreement

*****send a copy of this to your insurance provider*****

Lease Number (Application or MLA): 8682172

Lessee Name: City of Palm Springs dba Tahquitz Creek Golf Course

Address: 3200 East Tahquitz Way

City, State, Zip: Palm City, CA 92262

PROPERTY INSURANCE CARRIER INFORMATION

Agency Name: _____

Agent: _____

Address: _____

City, State, Zip: _____

Telephone Number: _____

LIABILITY INSURANCE CARRIER INFORMATION

Agency Name: _____

Agent: _____

Address: _____

City, State, Zip: _____

Telephone Number: _____

IMPORTANT

Under the terms and conditions of your Lease Agreement, you are required to carry adequate insurance coverage on the leased equipment. Make sure that your agent understands that you are financing or leasing the equipment and that your policy conforms with the following:

1. Property or physical damage coverage for the replacement cost value of the Equipment or the stipulated casualty value, whichever is higher. Maximum Deductible: \$10,000.00
2. General Liability Coverage: for all FMV Leases and \$1 Leases over \$500,000. Amounts of - \$1,000,000 per occurrence/combined single limit (or \$5,000,000 with respect to registered Equipment) unless stipulated otherwise. Maximum Deductible: \$10,000.00
3. Additional Insured/Loss Payee Endorsement naming "General Electric Capital Corporation and its successors and assigns". "Claims-Made Policies" are NOT acceptable.
4. Fifteen (15) Days written notice of cancellation, non-renewal or amendment,
5. Equipment listed on, or schedule attached to, the evidence of insurance.

Insurance Inquires should be made to Customer Service at 1-800-533-9917. Please send an **ACORD FORM 27 (sample attached) or ACORD FORM 28** evidencing adequate insurance coverage to:

General Electric Capital Corporation
Attention: Contracts Department
300 E. John Carpenter Freeway, Suite 204
Irving, TX 75062-2712
Fax: 800-786-0456

SAMPLE ACORD FORM 27

ACORD™ EVIDENCE OF PERSONAL PROPERTY INSURANCE		DATE (MM/DD/YYYY)
THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.		
AGENCY	PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:	COMPANY
CODE:	SUB CODE:	
AGENCY CUSTOMER ID #:		LOAN NUMBER
INSURED		POLICY NUMBER
		EFFECTIVE DATE
		EXPIRATION DATE
		<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
		THIS REPLACES PRIOR EVIDENCE DATED:

PROPERTY INFORMATION

LOCATION/DESCRIPTION

Sample

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE

REMARKS (Including Special Conditions)

Sample

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW _____ DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS	MORTGAGEE	ADDITIONAL INSURED
	LOSS PAYEE	
	LOAN #	
AUTHORIZED REPRESENTATIVE		

NOTICE OF ASSIGNMENT

DATE: July 1, 2011

TO : City of Palm Springs dba Tahquitz Creek Golf Course

RE: Assignment of Schedule No. 001 to Master Lease Agreement No. 8682172 (the Schedules and the Master Lease Agreement are hereinafter collectively referred to as the "Agreement")

Dear Customer:

Please be advised that we have sold and assigned to General Electric Capital Corporation ("GE Capital") all of our right, title and interest in and to, but none of our obligations in and to: (1) the Agreement identified above; (2) all rights and remedies under the Agreement, (3) the equipment subject to the Agreement, and (4) all payments due and to become due under the Agreement.

We did not transfer any of our obligations under the Agreement to GE Capital. All correspondence and questions regarding maintenance and performance of the equipment should be directed to us. Under the terms of the Agreement, you are required to remit Lease Payments and all other payments notwithstanding any complaint you may have against us for maintenance, service, or supplies. Please remit all Lease Payments and all other payments due and to become due under the Agreement to GE Capital at the address provided by GE Capital. GE Capital will invoice you each month for the Lease Payments due and payable under the Agreement.

Additionally, all notices required to be sent to the Lessor under the Agreement and any notices regarding your termination of the Agreement for non-appropriation or convenience should also be sent to GE Capital at the address listed below.

Please acknowledge your receipt of this notification letter in the space provided below and return a copy to GE Capital at the following address:

General Electric Capital Corporation
300 E. John Carpenter Freeway, Suite 204
Irving, TX 75062-2712

In the event you do not acknowledge and return this notification letter within ten (10) days of the date referenced above, GE Capital will assume you have read and agree with the information contained herein and will remit to GE Capital all payments due and to become due under the Agreement.

Sincerely,

Turf Star Inc.
(Lessor)

By: _____

Name and Title: _____

ACKNOWLEDGED THIS _____ DAY OF _____, 20__

City of Palm Springs dba Tahquitz Creek Golf Course
(Lessee)

By: _____

Name and Title: _____

TO BE COMPLETED AND RETURNED WITH SIGNED LEASE AGREEMENT

Lease agreement number: 8682172-001

Ship To:

Name: _____

Address: _____

City, ST, Zip _____

Attention: _____

Bill To:
(If different than SHIP TO address)

Name: _____

Address: _____

City, ST, Zip _____

Attention: _____

Federal Tax ID# _____

Verification Information:

Contact Name and Phone Number: _____

Best Time to Reach: _____

Certificate: Authorizing Resolutions, Incumbency, Appropriation and Essential Use

In connection with that Municipal Lease Agreement ("Lease") dated and effective as of _____ between Turf Star Inc which, together with any successor or assignee (including General Electric Capital Corporation), is referred to as "Lessor" and City of Palm Springs dba Tahquitz Creek Golf Course, a political subdivision organized and existing under the Constitution and laws of the State of California which is referred to as "Lessee," the undersigned does hereby certify to Lessor as follows:

1. I am the duly appointed/elected (choose one) and acting Clerk/Secretary of the _____ (give name of agency, if any) ("Governing Body") of Lessee, and I have custody of the records of said Governing Body.

2. The resolutions attached hereto as Exhibit A and made a part hereof are a true and correct copy of the resolutions adopted and ratified by the Governing Body of Lessee according to its rules of procedure at its public meeting held on _____, and said resolutions have not been rescinded or modified and are still in full force and effect.

3. The individuals named below are the duly elected or appointed officers of Lessee holding the offices or positions set forth after their names, and that their signatures below are genuine:

Name	Title	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. Lessee has an immediate need for and expects to make immediate use of all of the Equipment described in the Lease in the performance of its governmental and proprietary functions and such need is not expected to diminish during the term of the Lease. Specifically, the Equipment will be used as follows: _____

5. All payments due by Lessee under the Lease for the current fiscal year are within the fiscal year budget for the fiscal year ending _____ and are included within an unrestricted and unencumbered appropriation currently available for the lease/purchase of the Equipment.

6. The Equipment is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of its authority.

7. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or government body that challenges the organization or existence of Lessee, the authority of its officers, the authorization, approval and/or execution of the Documents (as defined in the Lease), the appropriation of funds in connection therewith for the current fiscal year, or the ability of the Lessee to perform its obligations under the Lease and the transactions contemplated thereby.

[SEAL]

(Name of Secretary) L.S.

**FOR ACCTG. PURPOSES ONLY.
DOES NOT REPRESENT A BUY OUT, CASUALTY OR TERMINATION VALUE.**

CUSTOMER City of Palm Springs
 AMOUNT \$294,452.47
 RATE 5.42% L.R.F.= .023221
 TERM 48
 ADV or ARR ARR

PAYMENT NUMBER	BEGINNING BALANCE	INTEREST EXPENSE	PRINCIPAL PAYMENT	TOTAL PAYMENT	ENDING BALANCE
0	\$294,452.47	\$0.00	\$0.00	\$0.00	\$294,452.47
1	\$294,452.47	\$1,330.28	\$5,507.10	\$6,837.38	\$288,945.37
2	\$288,945.37	\$1,305.40	\$5,531.98	\$6,837.38	\$283,413.39
3	\$283,413.39	\$1,280.40	\$5,556.97	\$6,837.38	\$277,856.41
4	\$277,856.41	\$1,255.30	\$5,582.08	\$6,837.38	\$272,274.33
5	\$272,274.33	\$1,230.08	\$5,607.30	\$6,837.38	\$266,667.03
6	\$266,667.03	\$1,204.75	\$5,632.63	\$6,837.38	\$261,034.40
7	\$261,034.40	\$1,179.30	\$5,658.08	\$6,837.38	\$255,376.32
8	\$255,376.32	\$1,153.74	\$5,683.64	\$6,837.38	\$249,692.68
9	\$249,692.68	\$1,128.06	\$5,709.32	\$6,837.38	\$243,983.37
10	\$243,983.37	\$1,102.27	\$5,735.11	\$6,837.38	\$238,248.26
11	\$238,248.26	\$1,076.36	\$5,761.02	\$6,837.38	\$232,487.23
12	\$232,487.23	\$1,050.33	\$5,787.05	\$6,837.38	\$226,700.19
13	\$226,700.19	\$1,024.18	\$5,813.19	\$6,837.38	\$220,886.99
14	\$220,886.99	\$997.92	\$5,839.46	\$6,837.38	\$215,047.54
15	\$215,047.54	\$971.54	\$5,865.84	\$6,837.38	\$209,181.70
16	\$209,181.70	\$945.04	\$5,892.34	\$6,837.38	\$203,289.36
17	\$203,289.36	\$918.42	\$5,918.96	\$6,837.38	\$197,370.40
18	\$197,370.40	\$891.68	\$5,945.70	\$6,837.38	\$191,424.71
19	\$191,424.71	\$864.82	\$5,972.56	\$6,837.38	\$185,452.15
20	\$185,452.15	\$837.83	\$5,999.54	\$6,837.38	\$179,452.60
21	\$179,452.60	\$810.73	\$6,026.65	\$6,837.38	\$173,425.95
22	\$173,425.95	\$783.50	\$6,053.87	\$6,837.38	\$167,372.08
23	\$167,372.08	\$756.15	\$6,081.23	\$6,837.38	\$161,290.85
24	\$161,290.85	\$728.68	\$6,108.70	\$6,837.38	\$155,182.16
25	\$155,182.16	\$701.08	\$6,136.30	\$6,837.38	\$149,045.86
26	\$149,045.86	\$673.36	\$6,164.02	\$6,837.38	\$142,881.84
27	\$142,881.84	\$645.51	\$6,191.87	\$6,837.38	\$136,689.97
28	\$136,689.97	\$617.54	\$6,219.84	\$6,837.38	\$130,470.13
29	\$130,470.13	\$589.44	\$6,247.94	\$6,837.38	\$124,222.19
30	\$124,222.19	\$561.21	\$6,276.17	\$6,837.38	\$117,946.02
31	\$117,946.02	\$532.86	\$6,304.52	\$6,837.38	\$111,641.50
32	\$111,641.50	\$504.37	\$6,333.00	\$6,837.38	\$105,308.50
33	\$105,308.50	\$475.76	\$6,361.62	\$6,837.38	\$98,946.88
34	\$98,946.88	\$447.02	\$6,390.36	\$6,837.38	\$92,556.53
35	\$92,556.53	\$418.15	\$6,419.23	\$6,837.38	\$86,137.30
36	\$86,137.30	\$389.15	\$6,448.23	\$6,837.38	\$79,689.07
37	\$79,689.07	\$360.02	\$6,477.36	\$6,837.38	\$73,211.71
38	\$73,211.71	\$330.76	\$6,506.62	\$6,837.38	\$66,705.09
39	\$66,705.09	\$301.36	\$6,536.02	\$6,837.38	\$60,169.07
40	\$60,169.07	\$271.83	\$6,565.55	\$6,837.38	\$53,603.53
41	\$53,603.53	\$242.17	\$6,595.21	\$6,837.38	\$47,008.32
42	\$47,008.32	\$212.37	\$6,625.00	\$6,837.38	\$40,383.32
43	\$40,383.32	\$182.44	\$6,654.93	\$6,837.38	\$33,728.38
44	\$33,728.38	\$152.38	\$6,685.00	\$6,837.38	\$27,043.38
45	\$27,043.38	\$122.18	\$6,715.20	\$6,837.38	\$20,328.18
46	\$20,328.18	\$91.84	\$6,745.54	\$6,837.38	\$13,582.64
47	\$13,582.64	\$61.36	\$6,776.01	\$6,837.38	\$6,806.63
48	\$6,806.63	\$30.75	\$6,806.63	\$6,837.38	\$0.00
TOTALS		\$33,741.66	\$294,452.47	\$328,194.13	

Initials: _____

DATE: _____

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate Instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority If Amended Return, check here

1 Issuer's name		2 Issuer's employer identification number
3 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	4 Report number 3
5 City, town, or post office, state, and ZIP code		6 Date of issue
7 Name of issue		8 CUSIP number
9 Name and title of officer or legal representative whom the IRS may call for more information		10 Telephone number of officer or legal representative ()

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

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

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

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

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

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

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

31 Enter the remaining weighted average maturity of the bonds to be currently refunded		N/A	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded		N/A	years
33 Enter the last date on which the refunded bonds will be called		N/A	
34 Enter the date(s) the refunded bonds were issued			

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)		35	N/A
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)		36a	N/A
b Enter the final maturity date of the guaranteed investment contract	N/A		
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units		37a	N/A
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer	and the date of the issue		
N/A			
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box			
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box			
40 If the issuer has identified a hedge, check box			

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here

Signature of issuer's authorized representative	Date	Type or print name and title
---	------	------------------------------

Instructions for Form 8038-G

(Revised November 2000)



Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

Caution: If the issue price is less than \$100,000, use Form 8038-GC.
Section references are to the Internal Revenue Code, unless otherwise noted.

General Instructions

Purpose of Form

Form 8038-G is used by issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150. Complete Parts II through VI on the basis of available information and reasonable expectations as of the issue date. If an item does not apply to the issue you are reporting, write "N/A" in the space provided for the item.

Who Must File

IF the issue price (line 21, column (b)) is...	THEN, for tax-exempt governmental obligations issued after December 31, 1986, issuers must file...
\$100,000 or more	A separate Form 8038-G for each issue
Less than \$100,000	Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal government, use **Form 8038-T**, Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use **Form 8038**, Information Return for Tax-Exempt Private Activity Bond Issues.

When To File

File Form 8038-G on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the issue is issued. Complete Form 8038-G based on the facts as of the issue date.

Late filing. An issuer may be granted an extension of time to file Form 8038-G under Section 3 of Rev. Proc. 88-10, 1988-1 C.B. 635, if it is determined that the failure to file on time is not due to willful neglect. Enter at the top of the form "This Statement is Submitted in Accordance with Rev. Proc. 88-10." Attach to the Form 8038-G a letter explaining why Form 8038-G was not submitted to the IRS on time. Also indicate whether the bond issue in question is under examination by the IRS. Do not submit copies of the trust indenture or other bond documents. See **Where To File** below.

Where To File

File Form 8038-G, and any attachments, with the Internal Revenue Service Center, Ogden, UT 84201.

Rounding to Whole Dollars

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

Definitions

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

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

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

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

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

Issue price. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year **(a)** under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or **(b)** with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (e.g., under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding

sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

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

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

1. At least 75% of the available construction proceeds are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

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

Specific Instructions

Part I—Reporting Authority

Amended return. If you are filing an amended Form 8038-G, check the amended return box and complete Part I and only those parts of Form 8038-G you are amending. Use the same report number (line 4) as was used for the original report. Do not amend the estimated amounts previously reported once the actual amounts are determined.

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

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on **Form SS-4**, Application for

Employer Identification Number. This form may be obtained at Social Security Administration offices or by calling 1-800-TAX-FORM. If the EIN has not been received by the due date for Form 8038-G, write "Applied for" in the space for the EIN.

Line 4. After the preprinted 3, enter two self-designated numbers. Number reports consecutively during any calendar year (e.g., 334, 335, etc.).

Line 6. The date of issue is generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds. For a lease or installment sale, enter the date interest starts to accrue.

Line 7. If there is no name of the issue, please provide other identification of the issue.

Line 8. Enter the CUSIP (Committee of Uniform Securities Identification Procedure) number of the bond with the latest maturity. If the issue does not have a CUSIP number, write "None" on line 8.

Part II—Type of Issue

Identify the type of obligations issued by checking the appropriate box(es) and entering the corresponding issue price (see **Issue price** under **Definitions** on page 1). Attach a schedule listing names and EINs for organizations that are to use proceeds of these obligations if different from those of the issuer.

Line 18. Check the box on this line only if lines 11 through 17 do not apply. Enter a description of the issue in the space provided.

Line 19. If the obligations are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check the first box on this line. If the obligations are short-term bond anticipation notes (BANs), issued with the expectation that they will be refunded with the proceeds of long-term bonds at some future date, check the second box on this line.

Line 20. Check this box if property other than cash is exchanged for the obligation, e.g., acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also check this box if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. **Do not** check this box if the proceeds of the obligation are received in the form of cash, even if the term "lease" is used in the title of the issue.

Part III—Description of Obligations

Line 21

For column (b), see **Issue price** under **Definitions** on page 1.

For column (c), the stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at maturity of each

bond issued as part of the issue. For a lease or installment sale, write "N/A" in column (c).

For column (d), the weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue (from line 21, column (b)). For a lease or installment sale, enter instead the total number of years the lease or installment sale will be outstanding.

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

Part IV—Uses of Proceeds of Bond Issue

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

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

Line 24. Enter the amount of the proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel.

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

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

Line 28. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds after 90 days of the date of issue, including proceeds that will be used to fund an escrow account for this purpose.

Part V—Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of tax-exempt bonds. For a lease or installment sale, write "N/A" in the space to the right of the title for Part V.

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

Line 34. If more than a single issue of bonds will be refunded, enter the date of issue of each issue.

Part VI—Miscellaneous

Line 36. If any portion of the gross proceeds of the issue are or will be invested in a guaranteed investment contract, as defined in Regulations section 1.148-1(b), enter the amount of the gross proceeds so invested, as well as the final maturity date of the guaranteed investment contract.

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

Line 39. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of arbitrage rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736 for rules regarding the "election document."

Line 40. Check this box if the issuer identified a hedge on its books and records in accordance with Regulations sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5). These regulations permit an issuer of tax-exempt bonds to identify a hedge for it to be included in yield calculations for computing arbitrage.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

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

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

Learning about the law or the form. 2 hr., 41 min.

Preparing, copying, assembling, and sending the form to the IRS..... 3 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the form to this office. Instead, see **Where To File** on page 1.

INVOICE

Billing Id.	Invoice No.	Due Date
8682172-001	001	Upon Receipt

Make checks payable and remit to:

General Electric Credit Corporation
 300 E. John Carpenter Freeway, Suite 204
 Irving, TX 75062

City of Palm Springs dba Tahquitz Creek Golf Course
 3200 East Tahquitz Canyon Way
 Palm City, CA 92262

To ensure proper credit--detach along dotted line and return upper portion with payment. Please do not staple or fold.

.....

8682172-001			
Billing	Due Date	Customer Service	
001	Upon Receipt	800 533 9917	\$7,087.38

City of Palm Springs dba Tahquitz Creek Golf Course
 3200 East Tahquitz Canyon Way
 Palm City, CA 92262

Account Due	Date	Description	Amount
8682172-001	06/23/2011	Advance Payment	\$6,837.38
		Document Fee	\$250.00
		Total Due Upon Receipt	\$7,087.38

Retain this portion



(800) 585-8001
www.turfstar.com



QUOTE

QUOTE NO. 3254715-00
CUSTOMER NO. 1273 000001
PAGE 2
DATE: 03/22/11

TO: ARNOLD PALMER GOLF MANAGEMENT
1885 GOLF CLUB DRIVE
PALM SPRINGS, CA 92264

ATTENTION: Justin Peloquin

Referring to your request for prices and delivery, we are pleased to quote as follows:

QTY.	MODEL NO.	DESCRIPTION	YOUR COST	EXTENDED
		Harper TV60RE Vacs		109737.00
3	SLE120D	Gearmore 48" Flail Mower 3 PT w/Duck Foot Blade	4520.00	13560.00
		Gearmore Flail		13560.00
2	2.5T60X96	Gearmore Dump Trailer 2.5 Ton	6133.33	12266.66
		Gearmore Trailer		12266.66
2	L2010	Lely Spreader 3PT, 2275#	5828.00	11656.00
2	L2010CARRIER	L2010 Carrier Frame	4470.00	8940.00
		Lely Spreader		20596.00
3	M6040DT-1	4WD Utility Tractor	27294.60	81883.80
3	E1134	Deluxe Fiberglass Canopy	400.00	1200.00
3	E1136	Mounting Bracket Kit	197.33	591.99
3	M7630	Rear Work Light	87.47	262.41
		Kubota Tractor		83938.20
		Sub-Total		273296.92
		Sales Tax		23913.48
		Total		297210.40

TERMS: Net 30 Days
Last Page

F.O.B.: DESTINATION

DELIVERY: 30 Days A.R.O. 1262156

Quote is firm for 30 days. Brochures enclosed. Please contact us for further information. Your representative is John Perez

***** THANK YOU *****

79-253 Country Club Drive
Bermuda Dunes, CA 92203
Fax(760) 345-4297

955 Beacon Street
Brea, CA 92821
Fax(800) 775-8873

5646 W. Barstow Ave., Ste. 104
Fresno, CA 93722
Fax(559) 277-7123

2438 Radley Court
Hayward, CA 94545
Fax(510) 785-3576

11373 Sunrise Gold Circle
Rancho Cordova, CA 95742
Fax(800) 241-1997

2110 La Mirada Dr., Ste. 100
Vista, CA 9
Fax(760) 73



(800) 585-8001
www.turfstar.com



QUOTE

QUOTE NO. 3254715-00 CUSTOMER NO. 1273 000001 PAGE 1
DATE: 03/22/11

TO: ARNOLD PALMER GOLF MANAGEMENT
1885 GOLF CLUB DRIVE
PALM SPRINGS, CA 92264

ATTENTION: Justin Peloquin

Referring to your request for prices and delivery, we are pleased to quote as follows:

QTY.	MODEL NO.	DESCRIPTION	YOUR COST	EXTENDED
Financing Options: 48 Month Conditional Sales Contract w/ \$1.00 Purchase Option \$6,770.45 = Monthly Payment; or 60 Month Conditional Sales Contract w/ \$1.00 Purchase Option \$5,545.95 = Monthly Payment; or 72 Month Conditional Sales Contract w/ \$1.00 Purchase Option \$4,734.56 = Monthly Payment Monthly Payment based on Current State & Local Taxes \$250.00 Doc Fee per lease package is not included.				
1	07371	Workman HDX-D-4WD w/Bed Diesel 24HP When operated in CA, any offroad diesel vehicle may be subject to the CA Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants. For more information, please visit the CA Air Resources Board website at http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm .	24934.08	24934.08
1	44225	Topdresser 1800	5910.55	5910.55
1	07341	1/3 Flatbed-Workman	447.41	447.41
1	93-9225	1/3 COVER KIT-WORKMAN	122.74	122.74
1	07316	High Flow Hydraulic Kit HDX Models Only	1351.17	1351.17
1	115-7849	SIDE MIRROR KIT-HD WORKM AN	86.53	86.53
1	07420	Hand Throttle	138.85	138.85
1	117-4831	HITCH KIT, RECEIVER TUBE	106.93	106.93
1	115-4754	MYTURF WIRELESS HOUR MET ER ASSEMBLY	100.80	100.80
			Workman HDX-D 4WD	33199.06
3	900212	TV60RE Turbo Vac w/Brush Recirculating System	36579.00	109737.00

TERMS: Net 30 Days

F.O.B.: DESTINATION

DELIVERY: 30 Days A.R.O. 1262156

Continued

Quote is firm for 30 days. Brochures enclosed. Please contact us for further information. Your representative is John Perez

***** THANK YOU *****

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