I. Call Meeting To Order

II. Roll Call And Declaration Of A Quorum

III. Conflict Of Interest Declarations

IV. Requests To Address The Committee
   The public shall be allowed to provide comment to the Committee regarding one or more agenda or non-agenda items by completing the Public Comment Form available on the Park Board of Trustees website at the following link prior to the start of the meeting:
   
   HTTPS://WWW.GALVESTONPARKBOARD.ORG/FORMS.ASPX?FID=65

V. Discuss And Consider Fleet Management Proposal (Bryson Frazier)

   Documents:
   
   EFM FOC PACKET.PDF

VI. Discuss And Recommend 2021 Fleet Acquisitions (Bryson Frazier)

   Documents:
   
   FY21 FLEET ACQUISITIONS.PDF

VII. Beach Patrol Funding And Service Level Discussion (Bryson Frazier)

   Documents:
   
   BEACH PATROL FUNDING GAP.PDF
   SERVICE AND FUNDING.PDF

VIII. Future Agenda Items

IX. Announcements

X. Adjournment
I certify that the above Notice of Meeting was posted in a place convenient to the public, in accordance with Chapter 551 of the Texas government Code, on or before November 13, 2020, 5:00 p.m.

Approved
Dave Jacoby	Spencer Priest
Chair, FOC	Kelly de Schaun

Chair, Park Board of Trustees
Park Board CEO

Approved
Approved
Approved as to Format

Please Note Members of the City Council may be attending and participating in the discussion.

In accordance with the provisions of the Americans with Disabilities Act (ADA), persons in need of a special accommodation to participate in this proceeding shall, within three (3) days prior to any proceeding, contact the Park Board Administration Office, 601 Tremont, Galveston Texas 77550 (409-797-5147)
Agenda Item: Discuss and Consider Proposal to Outsource Fleet Management to Enterprise Fleet Management

Background: The Beach Cleaning Department manages the Park Board’s fleet. The current fleet consists of 58 vehicles, not including freightliners, dump trucks, and trailers. Of the 58 vehicles, about 50 vehicles are currently in working condition and in use. A 50-vehicle fleet is adequate for operations. All fleet vehicles are owned by the Park Board and were either purchased outright or financed. Beach Cleaning staff maintains the vehicles inhouse (oil changes, minor repairs, washing, etc.), with some being sent to outside vendors for other work (body damage repair, major repairs, repairs covered under warranty, etc.). Costs borne by the Park Board can be summarized into 3 categories: Vehicle Acquisition, Maintenance & Repair, and Fuel Expense. Vehicle acquisition includes principal and interest payments on financed vehicles. On average, about 5 to 6 vehicles are acquired per year. The average fleet cost per year is roughly $430,000.

<table>
<thead>
<tr>
<th>Year</th>
<th>Vehicle Acquisition</th>
<th>Year</th>
<th>Maintenance &amp; Repair</th>
<th>Year</th>
<th>Fuel Expense</th>
<th>Year</th>
<th>Total Fleet Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>608,693</td>
<td>Total</td>
<td>355,995</td>
<td>Total</td>
<td>324,814</td>
<td>Total</td>
<td>1,289,501</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>429,834</td>
</tr>
</tbody>
</table>

Beach Cleaning has four full time staff dedicated to fleet maintenance, and while not all their time is spent working on vehicles (they also maintain non-vehicle equipment), most of it is. When factoring labor costs, fleet management expense averages between $572,400 to $644,200 per year.

Aged vehicles, fleet turnover, asset disposal, limited residual value, and labor costs are some of the issues that come with maintaining a wholly owned fleet.

Aged vehicles cost more in both maintenance and fuel costs, and they are not as reliable or safe as newer vehicles. According to Consumer Reports, 1 to 3 year old vehicles cost roughly 59% percent less in yearly maintenance than 5 year old cars, and 82% less than 10 year old cars. Over the last three years, the Park Board has spent an average of $2,300 per vehicle per year on maintenance, and $2,100 on fuel.

The oldest vehicle in our fleet, not including freightliners, dump trucks, and the mobile visitors unit, is a 2009 Chevy Colorado. That Colorado is no longer in use and set for disposal. Commercial fleet vehicles usually have a 5-year useful life and are depreciated along a 5-year straight line schedule. Currently, there are 10 vehicles over five years old that are still in use, and only two of those are over 6 years old. However, there are 26 vehicles that are either currently five years old or will be within the current fiscal year. At our current pace of acquiring 5-6 vehicles per year, it would take 9.5 to 10 years to fully turnover our fleet.

After a vehicle has reached the end of its useful life, the asset should be disposed of. For local governments, this is governed by state law and can be costly. First, the governing body must approve the disposal, whether through
auction, sale, destruction, etc. For vehicles, the auction process is the most used method of disposal. Second, a legal ad must be placed in a local publication notifying the public of the upcoming sale. Third, an auctioneer will likely need to be used who appraises, assembles, and advertises goods, and then conducts an auction. There are costs associated with that service that eat into any residual value the asset derives at auction. And with vehicles that no longer operate, the residual value is already low.

Beach Cleaning has seen demand on their services spike this summer and into the early fall. The COVID pandemic has created a trend of increased day visitors. Beach Cleaning cleans up after these visitors, but the visitors don’t pay the HOT that funds Beach Cleaning. This has resulted in a strain on Beach Cleaning’s resources, especially labor.

Proposed Solution:
The aforementioned issues are what drove staff to look for alternative solutions when it comes to fleet management. Outsourcing fleet management, from vehicle acquisition to vehicle repair, maintenance, and turnover, would address these issues and provide some other ancillary benefits.

Staff looked at several vendors and concluded Enterprise Fleet Management (EFM) would be a good partner to manage our fleet. They come highly recommended, have a track record of success in the industry, impressive networks for both vehicle acquisition and resale, a useful customer website and mobile application, cost saving maintenance programs, and account managers and other staff that will be dedicated to the Park Board.

EFM proposed a leased vehicle program that will cycle out our entire owned fleet in 3 years and replace 15 vehicles in the first year alone. For comparison, the FY2021 budget includes the purchase of 7 vehicles. By FY2023, we would transition from a wholly owned fleet to a fully leased fleet. After that, the average vehicle turnover is 3.76 years, which varies depending on the make and model of the vehicle. That’s roughly 6 years sooner than our current turnover rate.

Staff estimates fuel expense would decrease by roughly 5-6% per year until FY2024, the first full year of a wholly leased fleet, after which fuel costs would level off. We should also see a significant cost reduction to our maintenance expense, dropping 24% in the first year, and almost 80% by 2024. After that, maintenance costs would level off.

EFM offers a maintenance program that covers all the maintenance and repairs for leased vehicles for a fixed monthly fee. For owned vehicles, EFM offers a maintenance program that passes through cost to the Park Board. Park Board staff would still go to the same vendors, EFM would pay upfront and pass through the cost of the repairs on a consolidated bill at the end of the month. This would still give the Park Board the benefits of tracking and data capture.

Under the proposal, leased vehicle expense would increase until 2024, when it would reach its peak. This is because the fleet would be fully leased by that point. At the end of the lease term, EFM resells vehicles and after recouping residual book value (RBV is essentially depreciated value), returns any proceeds above RBV as equity to the lessee. The equity is used to offset the cost of leasing vehicles. This is one of the main benefits of the program.

While EFM can’t guarantee a vehicle will be sold above RBV, they have processes that help ensure it happens more often then not. EFM buys and sells millions of cars every year. Because of this they have access to a tremendous amount of data and have developed strong relationships with manufacturers. This does two things: 1) it puts EFM in a position to accurately project when the delta between RBV and fair market value (FMV) is the
most advantageous for both themselves and their customers, and; 2) allows them to leverage their relationships with manufacturers to ensure they are getting a great price when purchasing vehicles.

In instances where a vehicle sells for less than the RBV, the lessee would be required to pay the difference to EFM. To avoid this, EFM assigns account managers who work with lessees to map a vehicle rotation schedule so vehicles are sold at a FMV that is higher than RBV. Examples of the math for both situations are as follows:

- Residual Book Value = $10,000 and FMV= $15,000. Lessee will receive $5,000 back in the equity
- Residual Book Value = $10,000 and FMV= $8,000. Lessee will owe $2,000 to EFM

The resale process is completely handled by EFM. And because the vehicles are EFM assets, their resell is exempt from Texas asset disposal laws for local governments.

EFM also provides a fuel program at $2.00 per gallon. The Park Board currently purchases fuel from the City of Galveston at roughly $1.56 per gallon. Thus, it is recommended the Park Board continue to purchase fuel from the City.

Staff reviewed the proposal from EFM and considered factors like outstanding debt on current vehicles and acquisitions of vehicles that will not be part of the lease program like dump trucks. Staff estimates the cost savings to the Park Board could be between $250,000 to $300,000 over the course of 8 years. Below is a breakdown of the estimated cost and savings by year:

<table>
<thead>
<tr>
<th>Internal Cost Analysis</th>
<th>Fleet Mix</th>
<th>Fleet Cost</th>
<th>Annual Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>Fleet Size</td>
<td>Annual Needs</td>
<td>Owned</td>
</tr>
<tr>
<td>1 Yr Avg</td>
<td>58</td>
<td>6</td>
<td>58</td>
</tr>
<tr>
<td>2021</td>
<td>50</td>
<td>15</td>
<td>35</td>
</tr>
<tr>
<td>2022</td>
<td>50</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>2023</td>
<td>50</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>2024</td>
<td>50</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>2025</td>
<td>50</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>2026</td>
<td>50</td>
<td>16</td>
<td>0</td>
</tr>
<tr>
<td>2027</td>
<td>50</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>2028</td>
<td>50</td>
<td>14</td>
<td>0</td>
</tr>
</tbody>
</table>

Potential 8 year savings (when compared to our average fleet budget): 281,612

Notes:
- * Upfitting costs like wrapping, lights, decals, and equipment are included. They may be some ancillary costs for speciality equipment or upfitting (e.g. undercoating) that are not included in the above analysis.
- ** The fuel plan the Park Board is currently on with the City of Galveston is better than the fuel plan with EFM. CoG is at $1.60 per gallon and EFM is at $2.00 per gallon

The value of the contract would be roughly $3 million over an eight-year period, which would require competitive bidding. EFM has already competitively bid for fleet management services through Sourcewell and beat out 5 other competitors to be awarded the contract. Sourcewell is a public agency that offers competitively solicited purchasing contracts for products, services, and equipment to member agencies, so those members do not have to duplicate the solicitation process. The Park Board is a member agency of Sourcewell.
Ancillary Benefits:
The benefits of outsourcing fleet management are not limited to cost savings.

Having a modernized and standardized fleet reflects well on the Park Board. It projects a clean and professional image. It also provides staff will safer and more reliable vehicles to do their jobs.

The labor resources currently allocated to fleet management can be reallocated to other operations like Costal Zone Management and activities like cleaning the beach – both areas experiencing higher demand. This means more resources dedicated to carrying out the mission of the Board without any additional cost.

EFM also provides a sophisticated web and mobile application with customizable dashboard and reporting for each user. The system allows for mileage, fuel usage, maintenance, and accounting data to be captured and used when making fleet management decisions. Ordering vehicles and bill pay can also be done online. Drivers have 24/7 roadside assistance available to them, and can find a repair shop close to them wherever they go by using the web app.

During the review of EFM’s proposal, staff reached out to other EFM customers for a reference check. Staff spoke with customers with a similar profile as the Park Board – beach front governmental entities. They all provided positive reviews of their relationship with EFM, and the three most common benefits they experienced are: 1) the equity they received that they used to offset leasing costs; 2) great customer service; and 3) turning over vehicles faster than they could have through purchasing them.

Attachments:
- Copies of the lease agreement, maintenance agreements, and addendums to the agreements
  - Legal has reviewed the agreement and a list of their recommended changes are also attached
- EFM’s presentation to staff
- Sourcewell award letter, comment & review sheet, and bid scores

Staff Recommendation: Staff recommends accepting the proposal to outsource fleet management to Enterprise Fleet Management and forwarding for full Board approval in December 2020.
### Internal Cost Analysis

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Fleet Size</th>
<th>Annual Needs</th>
<th>Equity (owned)</th>
<th>Equity (leased)</th>
<th>Debt Service</th>
<th>Maintenance</th>
<th>Fuel**</th>
<th>Fleet Budget</th>
<th>Net Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Yr Avg.</td>
<td>58</td>
<td>6</td>
<td>58</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>202,898</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2021</td>
<td>50</td>
<td>15</td>
<td>35</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>167,316</td>
<td>(39,000)</td>
<td>108,271</td>
</tr>
<tr>
<td>2022</td>
<td>50</td>
<td>14</td>
<td>21</td>
<td>29</td>
<td>-</td>
<td>-</td>
<td>29,925</td>
<td>(12,068)</td>
<td>77,928</td>
</tr>
<tr>
<td>2023</td>
<td>50</td>
<td>13</td>
<td>10</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
<td>(18,787)</td>
<td>57,075</td>
</tr>
<tr>
<td>2024</td>
<td>50</td>
<td>14</td>
<td>0</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td>374,269</td>
<td>(168,074)</td>
<td>87,654</td>
</tr>
<tr>
<td>2025</td>
<td>50</td>
<td>19</td>
<td>0</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td>374,269</td>
<td>(96,269)</td>
<td>87,654</td>
</tr>
<tr>
<td>2026</td>
<td>50</td>
<td>16</td>
<td>0</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td>374,269</td>
<td>(82,428)</td>
<td>87,654</td>
</tr>
<tr>
<td>2027</td>
<td>50</td>
<td>13</td>
<td>0</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td>374,269</td>
<td>(92,707)</td>
<td>87,654</td>
</tr>
<tr>
<td>2028</td>
<td>50</td>
<td>14</td>
<td>0</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td>374,269</td>
<td>(156,874)</td>
<td>87,654</td>
</tr>
</tbody>
</table>

Potential 8 year savings (when compared to our average fleet budget): 281,612

**Notes:**

* Upfitting costs like wrapping, lights, decals, and equipment are included. They may be some ancillary costs for specialty equipment or upfitting (e.g. undercoating) that are not included in the above analysis.

** The fuel plan the Park Board is currently on with the City of Galveston is better than the fuel plan with EFM. CoG is at $1.60 per gallon and EFM is at $2.00 per Gallon
FLEET MANAGEMENT

Galveston Park Board of Trustees

Brooke Fortenberry and Josh Simmons
In 2019, Enterprise sold more than 1,000,000 vehicles. At an average of 109% above Black Book (CVI).

- 700 dedicated remarketing employees
- 150 remarketing lots in North America
- 19,000+ unique buyers
- Sales channels:
  - Auction 15%
  - Direct to dealer 85%
### Fleet Profile

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th># of Type</th>
<th>Average Age (years)</th>
<th>Average Annual Mileage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minivan-Passenger</td>
<td>1</td>
<td>4.7</td>
<td>8,600</td>
</tr>
<tr>
<td>Full-size Van-Passenger</td>
<td>3</td>
<td>7.7</td>
<td>8,400</td>
</tr>
<tr>
<td>Mid Size SUV 4x2</td>
<td>1</td>
<td>6.7</td>
<td>8,400</td>
</tr>
<tr>
<td>Mid Size SUV 4x4</td>
<td>3</td>
<td>4.3</td>
<td>9,400</td>
</tr>
<tr>
<td>Full Size SUV 4x2</td>
<td>1</td>
<td>4.7</td>
<td>8,600</td>
</tr>
<tr>
<td>Compact Pickup Ext 4x4</td>
<td>12</td>
<td>4.8</td>
<td>8,600</td>
</tr>
<tr>
<td>Compact Pickup Quad 4x4</td>
<td>9</td>
<td>6.1</td>
<td>8,500</td>
</tr>
<tr>
<td>1/2 Ton Pickup Reg 4x2</td>
<td>1</td>
<td>6.7</td>
<td>8,400</td>
</tr>
<tr>
<td>1/2 Ton Pickup Quad 4x2</td>
<td>1</td>
<td>3.7</td>
<td>8,700</td>
</tr>
<tr>
<td>1/2 Ton Pickup Quad 4x4</td>
<td>3</td>
<td>7.4</td>
<td>8,400</td>
</tr>
<tr>
<td>3/4 Ton Pickup Quad 4x4</td>
<td>6</td>
<td>6.3</td>
<td>8,400</td>
</tr>
<tr>
<td>1 Ton Cab Chassis</td>
<td>1</td>
<td>11.8</td>
<td>8,200</td>
</tr>
</tbody>
</table>

Totals/Averages: 42 vehicles, average age is 5.9 years, average annual mileage is 8,600

### Fleet Replacement Schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>UnderUtilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minivan-Passenger</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Full-size Van-Passenger</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mid Size SUV 4x2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mid Size SUV 4x4</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Full Size SUV 4x2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Compact Pickup Ext 4x4</td>
<td>3</td>
<td>0</td>
<td>5</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Compact Pickup Quad 4x4</td>
<td>1</td>
<td>6</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1/2 Ton Pickup Reg 4x2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1/2 Ton Pickup Quad 4x2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>1/2 Ton Pickup Quad 4x4</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3/4 Ton Pickup Quad 4x4</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1 Ton Cab Chassis</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total Underutilized:** 0

### Replacement Criteria

- *Fiscal Year 2021 = 7 years old and older, or odometer over 100,000*
- *Fiscal Year 2022 = 6 years old and older, or odometer over 85,000*
- *Fiscal Year 2023 = 5 years old and older, or odometer over 65,000*
- *Fiscal Year 2024 = Remaining Vehicles*
- *Underutilized = Annual Mileage less than 2,500*

### Vehicle Types

- **62%** HD TRUCK
- **17%** SUV
- **12%** TRUCK
- **9%** VAN

### Model Year Analysis

- **13 Vehicles over 7 Years**
MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this __________ day of __________, 20________, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Depreciation Reserve of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Depreciation Reserve of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Depreciation Reserve of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessor fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

Initials: EFM Customer________
(g) Lessee’s obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfit or breach of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence or any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal use or to pull trailers that exceed the manufacturer’s trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a “school bus” as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessee’s written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor’s remedies with respect to Lessee’s failure to return any Vehicle as required hereunder.

5. COSTS, EXPENSES, FEES AND CHARGES: Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessee incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. LICENSE AND CHARGES: Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee’s expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

7. REGISTRATION PLATES, ETC.: Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee’s expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then entitled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer’s instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle’s return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessor on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE’S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, OR THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee’s only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

Initials: EFM. Customer
(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

10. RISK OF LOSS: Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. INSURANCE:

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - $2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<table>
<thead>
<tr>
<th>State of Vehicle Registration</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont</td>
<td>$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible</td>
</tr>
<tr>
<td>Florida</td>
<td>$500,000 Combined Single Limit Bodily Injury and Property Damage or $100,000 Bodily Injury Per Person, $300,000 Per Occurrence and $50,000 Property Damage (100/300/50) - No Deductible</td>
</tr>
<tr>
<td>All Other States</td>
<td>$300,000 Combined Single Limit Bodily Injury and Property Damage or $100,000 Bodily Injury Per Person, $300,000 Per Occurrence and $50,000 Property Damage (100/300/50) - No Deductible</td>
</tr>
</tbody>
</table>


If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification, (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be delivered to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) If Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessor will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(e) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered Vehicle.
Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the “Vehicle” for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee’s expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys’ fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee’s breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14. DEFAULT; REMEDIES: The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor fails to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc. For purposes of this Section 14, the term “guarantor” shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor’s independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee’s default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys’ fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor’s rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee’s rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (f) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be $0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee’s obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee’s obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignees, pledgees or transferees. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee’s rights and interest in and to the Vehicles are and will continue

Initials: EFM._______ Customer:_________
at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability howeversoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified in an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, Insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19. NON-APPROPRIATION: Lessor's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: ________________________________
Signature: ________________________________
By: ________________________________
Title: ________________________________
Address: ________________________________
Date Signed: ________________________________

LESSOR: Enterprise FM Trust
By: Enterprise Fleet Management, Inc. its attorney in fact
Signature: ________________________________
By: ________________________________
Title: ________________________________
Address: 10401 Centrepark Dr. Suite 200
 Houston, TX 77043
Date Signed: ________________________________

Initials: EFM ________ Customer ________
AMENDMENT TO MASTER EQUITY LEASE AGREEMENT

THIS AMENDMENT ("Amendment") is attached to, and made a part of, the MASTER EQUITY LEASE AGREEMENT ("Agreement") by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor") and the lessee whose name and address is set forth on the signature page below ("Lessee"). This Amendment is made for good and valuable consideration, the receipt of which is hereby acknowledged by the parties.

Section 12 of the Master Equity Lease Agreement is amended to read as follows:

INDEMNITY: As Lessee is a unit of local government of the State of Texas and is subject to, and must comply with, the applicable provisions of the Texas Tort Claims Act, as set out in Civil Practices and Remedies Code, Section 101.001 et. seq., and the remedies authorized therein regarding claims or causes of action that may be asserted by breach of this Agreement. To the extent permitted by Texas law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to Texas law.

Section 17 of the Master Equity Lease Agreement is amended to read as follows:

Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Texas (determined without reference to conflict of law principles).

Section 19 of the Master Equity Lease Agreement is amended to read as follows:

NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal Corporation, and being a unit of government, is precluded by the Texas State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds by the County or State. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, the parties agree that Lessor may recover the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

Additional Section 20 is added to the Master Equity Lease Agreement and reads as follows:

No Boycotting Israel. As required by Chapter 2270, Texas Government Code, Lessor hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.
All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment to Master Equity Lease Agreement as of the date signed below.

LESSEE: Park Board of Trustees of the City of Galveston

Signature: ________________________________

By: ________________________________

Title: ________________________________

Address: ________________________________

Date Signed: ________________________________

LESSOR: Enterprise FM Trust

By: Enterprise Fleet Management, Inc. its attorney in fact

Signature: ________________________________

By: ________________________________

Title: ________________________________

Address: ________________________________

Date Signed: ________________________________
MAINTENANCE AGREEMENT

This Maintenance Agreement (this "Agreement") is made and entered into this ______ day of _____________, by Enterprise Fleet Management, Inc., a Missouri corporation ("EFM"), and ______________________________________ (“Lessee”).

WITNESSETH

1. LEASE. Reference is hereby made to that certain Master Lease Agreement dated as of the ______ day of August, 2020, by and between Enterprise FM Trust, a Delaware statutory trust, as lessor ("Lessor"), and Lessee, as lessee (as the same may from time to time be amended, modified, extended, renewed, supplemented or restated, the "Lease"). All capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Lease.

2. COVERED VEHICLES. This Agreement shall only apply to those vehicles leased by Lessor to Lessee pursuant to the Lease to the extent Section 4 of the Schedule for such vehicle includes a charge for maintenance (the "Covered Vehicle(s)").

3. TERM AND TERMINATION. The term of this Agreement ("Term") for each Covered Vehicle shall begin on the Delivery Date of such Covered Vehicle and shall continue until the last day of the "Term" (as defined in the Lease) for such Covered Vehicle unless earlier terminated as set forth below. Each of EFM and Lessee shall each have the right to terminate this Agreement effective as of the last day of any calendar month with respect to any or all of the Covered Vehicles upon not less than sixty (60) days prior written notice to the other party. The termination of this Agreement with respect to any or all of the Covered Vehicles shall not affect any rights or obligations under this Agreement which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to termination, and such rights and obligations shall continue to be governed by the terms of this Agreement.

4. VEHICLE REPAIRS AND SERVICE. EFM agrees that, during the Term for the applicable Covered Vehicle and subject to the terms and conditions of this Agreement, it will pay for, or reimburse Lessee for its payment of, all costs and expenses incurred in connection with the maintenance or repair of a Covered Vehicle. This Agreement does not cover, and Lessee will remain responsible for and pay for, (a) fuel, (b) oil and other fluids between changes, (c) tire repair and replacement, (d) washing, (e) repair of damage due to lack of maintenance by Lessee between scheduled services (including, without limitation, failure to maintain fluid levels, (f) maintenance or repair of any alterations to a Covered Vehicle or of any after-market components (this Agreement covers maintenance and repair only of the Covered Vehicles themselves and any factory-installed components and does not cover maintenance or repair of chassis alterations, add-on bodies (including, without limitation, step vans) or other equipment (including, without limitation, lift gates and PTO controls) which is installed or modified by a dealer, body shop, upfitter or anyone else other than the manufacturer of the Covered Vehicle, (g) any service and/or damage resulting from, related to or arising out of an accident, a collision, theft, fire, freezing, vandalism, riot, explosion, other Acts of God, an object striking the Covered Vehicle, improper use of the Covered Vehicle (including, without limitation, driving over curbs, overloading, racing or other competition) or Lessee's failure to maintain the Covered Vehicle as required by the Lease, (h) roadside assistance or towing for vehicle maintenance purposes, (i) mobile services, (j) the cost of loaner or rental vehicles or (k) if the Covered Vehicle is a truck, (i) manual transmission clutch adjustment or replacement, (ii) brake adjustment or replacement or (iii) front axle alignment. Whenever it is necessary to have a Covered Vehicle serviced, Lessee agrees to have the necessary service performed by an authorized dealer of such Covered Vehicle or by a service facility acceptable to EFM. In every case, if the cost of such service will exceed $50.00, Lessee must notify EFM and obtain EFM's authorization for such service and EFM's instructions as to where such service shall be made and the extent of service to be obtained. Lessee agrees to furnish an invoice for all service to a Covered Vehicle, accompanied by a copy of the shop or service order (odometer mileage must be shown on each shop or service order). EFM will not be obligated to pay for any unauthorized charges or those exceeding $50.00 for one service on any Covered Vehicle unless Lessee has complied with the above terms and conditions. EFM will not have any responsibility to pay for any services in excess of the services recommended by the manufacturer, unless otherwise agreed to by EFM. Notwithstanding any other provision of this Agreement to the contrary, (a) all service performed within one hundred twenty (120) days prior to the last day of the scheduled "Term" (as defined in the Lease) for the applicable Covered Vehicle must be authorized by and have the prior consent and approval of EFM and any service not so authorized will be the responsibility of and be paid for by Lessee and (b) EFM is not required to provide or pay for any service to any Covered Vehicle after 100,000 miles.

5. ENTERPRISE CARDS. EFM may, at its option, provide Lessee with an authorization card (the "EFM Card") for use in authorizing the payment of charges incurred in connection with the maintenance of the Covered Vehicles. Lessee agrees to be liable to EFM for, and upon receipt of a monthly or other statement from EFM, Lessee agrees to promptly pay to EFM, all charges made by or for the account of Lessee with the EFM Card (other than any charges which are the responsibility of EFM under this Agreement). EFM reserves the right to change the terms and conditions for the use of the EFM Card at any time. The EFM Card remains the property of EFM and EFM may revoke Lessee's right to possess or use the EFM Card at any time. Upon the termination of this Agreement or upon the demand of EFM, Lessee must return the EFM Card to EFM. The EFM Card is non-transferable.

6. PAYMENT TERMS. The amount of the monthly maintenance fee will be listed on the applicable Schedule and will be due and payable in advance on the first day of each month. If the first day of the Term for a Covered Vehicle is other than the first day of a calendar month, Lessee will pay EFM, on the first day of the Term for such Covered Vehicle, a pro-rated maintenance fee for the number of days that the Delivery Date precedes the first monthly maintenance fee payment date. Any monthly maintenance fee or other amount owed by Lessee to EFM under this Agreement which is not paid within twenty (20) days after Its due date will accrue interest, payable upon demand of EFM, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate allowed by applicable law. The monthly maintenance fee set forth on each applicable Schedule allows the number of miles per month as set forth

Initials: EFM_________ Lessee_________
in such Schedule. Lessee agrees to pay EFM at the end of the applicable Term (whether by reason of termination of this Agreement or otherwise) an overmileage
maintenance fee for any miles in excess of this average amount per month at the rate set forth in the applicable Schedule. EFM may, at its option, permit Lessor, as
an agent for EFM, to bill and collect amounts due to EFM under this Agreement from Lessee on behalf of EFM.

7. **NO WARRANTIES.** Lessee acknowledges that EFM does not perform maintenance or repair services on the Covered Vehicles but rather EFM arranges for
maintenance and/or repair services on the Covered Vehicles to be performed by third parties. EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY
KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD
PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE
WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE OR QUALITY. ANY DEFECT IN THE PERFORMANCE OF ANY PRODUCT, REPAIR
OR SERVICE WILL NOT RELIEVE LESSEE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING THE PAYMENT TO EFM OF THE MONTHLY MAINTENANCE
FEES AND OTHER CHARGES DUE UNDER THIS AGREEMENT.

8. **LESSOR NOT A PARTY.** Lessor is not a party to, and shall have no rights, obligations or duties under or in respect of, this Agreement.

9. **NOTICES.** Any notice or other communication under this Agreement shall be in writing and delivered in person or sent by facsimile, recognized overnight
courier or registered or certified mail, return receipt requested and postage prepaid, to the applicable party at its address or facsimile number set forth on
the signature page of this Agreement, or at such other address or facsimile number as any party hereto may designate as its address or facsimile number for
communications under this Agreement by notice so given. Such notices shall be deemed effective on the day on which delivered or sent if delivered in person or
sent by facsimile, on the first (1st) business day after the day on which sent, if sent by recognized overnight courier or on the third (3rd) business day after the day
on which mailed, if sent by registered or certified mail.

10. **MISCELLANEOUS.** This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. This Agreement may be amended
only by an agreement in writing signed by EFM and Lessee. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as
to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or
affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties
hereof and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement
without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Missouri
(without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and Lessee have executed this Maintenance Agreement as of the day and year first above written.

---

**LESSEE:**  
Signature:  
By:  
Title:  
Address:  
Attention:  
Fax #:  
Date Signed:  
Initials: EFM_______ Lessee_______

**EFM:**  
Enterprise Fleet Management, Inc.  
Signature:  
By:  
Title:  
Address:  
Attention:  
Fax #:  
Date Signed:  

MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

This Agreement is entered into as of the ____ day of _____, by and between Enterprise Fleet Management, Inc., a Missouri corporation, doing business as “Enterprise Fleet Management” (“EFM”), and ___________________________ (the “Company”).

WITNESSETH:

1. ENTERPRISE CARDS: Upon request from the Company, EFM will provide a driver information packet outlining its vehicle maintenance program (the “Program”) and a card (“Card”) for each Company vehicle included in the Company’s request. All drivers of vehicles subject to this Agreement must be a representative of the Company, its subsidiaries or affiliates. All Cards issued by EFM upon request of the Company shall be subject to the terms of this Agreement and the responsibility of the Company. All Cards shall bear an expiration date.

Cards issued to the Company shall be used by the Company in accordance with this Agreement and limited solely to purchases of certain products and services for Company vehicles, which are included in the Program. The Program is subject to all other EFM instructions, rules and regulations which may be revised from time to time by EFM. Cards shall remain the property of EFM and returned to EFM upon expiration or cancellation.

2. VEHICLE REPAIRS AND SERVICE: EFM will provide purchase order control by phone or in writing authorizing charges for repairs and service over $75, or such other amount as may be established by EFM from time to time under the Program. All charges for repairs and services will be invoiced to EFM. Invoices will be reviewed by EFM for accuracy, proper application of potential manufacturer’s warranties, application of potential discounts and unnecessary, unauthorized repairs.

Notwithstanding the above, in the event the repairs and service are the result of damage from an accident or other non-maintenance related cause (including glass claims), these matters will be referred to the Company’s Fleet Manager. If the Company prefers that EFM handle the damage repair, the Company agrees to assign the administration of the matter to EFM. EFM will administer such claims in its discretion. The fees for this service will be up to $125.00 per claim and the Company agrees to reimburse for repairs as outlined in this agreement. If the Company desires the assistance of EFM in recovering damage amounts from at fault third parties, a Vehicle Risk Management Agreement must be on file for the Company.

3. BILLING AND PAYMENT: All audited invoices paid by EFM on behalf of the Company will be consolidated and submitted to the Company on a single monthly invoice for the entire Company fleet covered under this Agreement. The Company is liable for, and will pay EFM within ten (10) days after receipt of an invoice or statement for, all purchases invoiced to the Company by EFM, which were paid by EFM for or on behalf of the Company. EFM will be entitled to retain for its own account, and treat as being paid by EFM for purposes of this Agreement, any discounts it receives from a supplier with respect to such purchases which are based on the overall volume of business EFM provides to such supplier and not solely the Company’s business. EFM will exercise due care to prevent additional charges from being incurred once the Company has notified EFM of its desire to cancel any outstanding Card under this Agreement. The Company will use its best efforts to obtain and return any such cancelled Card.

4. RENTAL VEHICLES: The Card will authorize the Company’s representative to arrange for rental vehicles with a subsidiary of Enterprise Rent-A-Car Company for a maximum of two (2) days without prior authorization. Extensions beyond two (2) days must be granted by an EFM representative. The Company assumes all responsibility for all rental agreements arranged by EFM with a subsidiary of Enterprise Rent-A-Car Company through an EFM representative or through the use of the Card. All drivers must be at least 21 years of age, hold a valid driver’s license, be an employee of the Company or authorized by the Company through established reservation procedures and meet other applicable requirements of the applicable subsidiary of Enterprise Rent-A-Car Company.

5. NO WARRANTY: EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE, QUALITY OR FITNESS FOR USE. Any defect in the performance of any product, repair or service will not relieve the Company from its obligations under this Agreement, including without limitation the payment to EFM of monthly invoices.

6. CANCELLATION: Either party may cancel any Card under this Agreement or this Agreement in its entirety at any time by giving written notice to the other party. The cancellation of any Card or termination of this Agreement will not affect any rights or obligations under this Agreement, which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to such cancellation or termination. A Card shall be immediately returned to EFM upon cancellation to: Enterprise Fleet Management, 600 Corporate Park Drive, St. Louis, MO 63105, Attention: Enterprise Card Department. Notice to EFM regarding the cancellation of any Card shall specify the Card number and identify the Company’s representative. In the case of a terminated representative, such notice shall include a brief description of the efforts made to reclaim the Card.

7. NOTICES: All notices of cancellation or termination under this Agreement shall be mailed postage prepaid by registered or certified mail, or sent by express overnight delivery service, to the other party at its address set forth on the signature page of this Agreement or at such other address as such party may provide in writing from time to time. Any such notice sent by mail will be effective three (3) days after deposit in the United States mail, duly addressed, with registered or certified mail postage prepaid. Any such notice sent by express overnight delivery service will be effective one (1) day after deposit with such delivery service, duly addressed, with delivery fees prepaid. The Company will promptly notify EFM of any change in the Company’s address.

Initials: EFM_________ Customer_________
8. **FEES:** EFM will charge the Company for the service under this Agreement $____ per month per Card, plus a one time set-up fee of $____.

9. **MISCELLANEOUS:** This Agreement may be amended only by an agreement in writing signed by EFM and the Company. This Agreement is governed by the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and the Company have executed this Maintenance Management and Fleet Rental Agreement as of the day and year first above written.

---

**Company:** __________________________

**Signature:** __________________________

**By:** ________________________________

**Title:** ______________________________

**Address:** ____________________________

**Date Signed:** ______________, __________

---

**EFM:** Enterprise Fleet Management, Inc.

**Signature:** __________________________

**By:** ________________________________

**Title:** ______________________________

**Address:** ____________________________

**Date Signed:** ______________, __________

---

Initials: EFM________ Customer________
Recommended Changes to Lease Agreement

(1) As it is currently written, there is an indemnity agreement in which the Park Board agrees to indemnify EFM for the Park Board’s breaches and/or actions. See Sec. 12. We should also include the inverse. i.e., EFM agrees to indemnify the Park Board for EFM’s breaches and/or actions. Other customers have included one in their agreements with EFM and that makes sense.

(2) Sec. 14, which covers the event of a default, is particularly skewed toward EFM. Most concerning is an attorney’s fee provision in which the Park Board would be liable to EFM, in the event of a default, for “all costs and expenses, including court costs and reasonable attorney’s fees ....” It’s recommended we add a provision that revises this and, instead, ensures that each party bear its own attorney’s fees and costs.

(3) As it is currently written, Sec. 17 says that the governing law is Missouri. It’s recommended we revise this to Texas law and (maybe) trying to fix venue to Galveston, TX.

(4) It’s recommend we add a force majeure clause to the Agreement. Other customers have included one in their agreement with EFM and it makes sense to do so here.
FORM E
CONTRACT ACCEPTANCE AND AWARD

(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract # 060618-EFM

Proposer's full legal name: Enterprise Fleet Management, Inc.

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be July 24, 2018 and will expire on July 24, 2022 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

Jeremy Schwartz
SOURCEWELL DIRECTOR OF COOPERATIVE CONTRACTS
AND PROCUREMENT/CPS SIGNATURE

Chad Coauette
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Awarded on 07/23/2018

Sourcewell Contract # 060618-EFM

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name: Enterprise Fleet Management, Inc.

Authorized Signatory's Title: Assistant Vice President

VENDOR AUTHORIZED SIGNATURE

Executed on 8/22/18

Sourcewell Contract # 060618-EFM
COMMENT AND REVIEW
to the
REQUEST FOR PROPOSAL (RFP) #060618
Entitled
FLEET MANAGEMENT SERVICES

The following advertisement was placed in Oregon’s Daily Journal of Commerce on April 27, 2018, in Utah’s The Salt Lake Tribune on April 26, 2018, in USA Today on April 26, 2018, and on the NJPA website www.njpacoop.org, Onvia website www.onvia.com, Notice to Bidders website www.noticetobidders.com, PublicPurchase.com, Merx, and Biddingo:

The National Joint Powers Alliance® (NJPA), on behalf of NJPA and its current and potential member agencies, which includes all governmental, higher education, K-12 education, not-for-profit, tribal government, and all other public agencies located in all fifty states, Canada, and internationally, issues this Request For Proposal (RFP) to result in a national contract solution for the procurement of #060618 FLEET MANAGEMENT SERVICES. Details of this RFP are available beginning April 26, 2018. Details may be obtained by letter of request to James Voelker, NJPA, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479, or by e-mail at RFP@njpacoop.org. Proposals will be received until June 6, 2018 at 4:30 p.m. Central Time at the above address and opened June 7, 2018 at 8:30 a.m. Central Time.

RFPs were requested by and distributed to:

<table>
<thead>
<tr>
<th>Acme Auto Leasing and stuff</th>
<th>Ledwell &amp; Son</th>
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<tbody>
<tr>
<td>Acme Auto Leasing, LLC</td>
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<tr>
<td>Adamson Industries Corporation</td>
<td>Masters Transportation</td>
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<td>Admiral Leasing</td>
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<td>Advantage Golf Cars</td>
<td>Mercer Technologies</td>
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<td>Agile Access</td>
<td>Merchants Fleet Management</td>
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<td>AGTA Home Health Care</td>
<td>Mercury Associates, Inc.</td>
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<td>Amerit Fleet Solutions</td>
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<td>Morgan Olson LLC</td>
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<td>Bid Ocean, Inc.</td>
<td>OpenEdge Communications</td>
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<tr>
<td>Black &amp; Veatch</td>
<td>Prime Vendor Inc.</td>
</tr>
<tr>
<td>BSM Technologies</td>
<td>Pro-Vision Video Systems</td>
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</table>
Proposals were opened on June 7, 2018, at Sourcewell, formerly the National Joint Powers Alliance (NJPA) offices located at 202 12th Street Northeast in Staples, Minnesota 56479, from the following:

- Acme Auto Leasing
- AutoFlex AFV, Inc. DBA Clean Cities Leasing
- Automotive Rentals, Inc. (ARI)
- Commercial Vehicle Leasing, LP DBA D&M Leasing
- Enterprise Fleet Management
- Merchants Fleet Management

Proposals were reviewed by the Proposal Evaluation Committee:

- Chris Robinson, JD, Sourcewell Procurement Manager
- James Voelker, CPCM, CFPCM, Sourcewell Procurement Lead Analyst
- Michael Munoz, Sourcewell Procurement Analyst II
- Heather Pickett, JD, Sourcewell Associate General Counsel

The findings of the Proposal Evaluation Committee are summarized as follows:

Two proposals were received in sealed packages from separate offices of Fleet Complete after the deadline for receipt of proposals. These responses were determined to be Level-One Non-Responsive and were returned. The package received on June 7, 2018 was returned, unopened, to Fleet Complete’s office in North Las Vegas, NV. The second package received on June 11, 2018 was not marked as a proposal. This package was opened, but upon discovery that it
was an untimely proposal, all contents were returned to Fleet Complete’s office in Atlanta, GA without duplication or consideration.

The Proposal Evaluation Committee used the established Sourcewell RFP evaluation criteria and determined that all other proposal responses met Level-One and Level-Two Responsiveness and were evaluated.

Automotive Rentals, Inc (ARI) offers multiple leasing and financing options for the acquisition of commercial vehicles. In addition, they can provide numerous fleet management, maintenance and telematics services in a convenient online site. ARI will serve Members across the United States and Canada through their regional offices and service centers. ARI offers Members of all sizes access to competitive pricing normally associated with large entities.

Commercial Vehicle Leasing, LP DBA D&M Leasing provides several options for the acquisition, leasing, telematics, management and maintenance of Member vehicle fleets. Their dedicated government sales and account management team is supported by over 200 employees providing coverage across the United States. D&M Leasing is also certified as a Historically Underutilized Business (HUB) and Minority Business Enterprise (MBE) by the State of Texas. Their pricing proposal is structured to bring value to Members of all sizes.

Enterprise Fleet Management makes available a wide array of vehicle acquisition and leasing methods, account management, vehicle maintenance and telematics services. Enterprise has earned the ASE Blue Seal of Excellence for 20 consecutive years. Through their 50 local offices and team of over 350 sales professionals Enterprise will provide service to Members across the United States. Their pricing model offers solid rates on their full lines of services.

Merchants Automotive Group offers a full selection of vehicle acquisition and leasing options, fleet management, maintenance, and telematics services. With their state of the art TotalView online telematics system Merchants can provide fleet managers with real-time, powerful tools. Merchants currently has over 350 employees located at 17 offices across the United States. Their pricing model provides competitive rates and discounts on their various acquisition and service options.

For these reasons, the Sourcewell Proposal Review Committee recommends award of Sourcewell Contract #060618 to:

Automotive Rentals, Inc (ARI) #060618-ARI
Commercial Vehicle Leasing, LP DBA D&M Leasing #060618-CVL
Enterprise Fleet Management #060618-EFM
Merchants Automotive Group #060618-MAG
The preceding recommendations were approved on July 23, 2018:

Chris Robinson, JD, Sourcewell Procurement Manager

James Voelker, CPCM, CFCM, Sourcewell Procurement Lead Analyst

Michael Munoz, Sourcewell Procurement Analyst II

Heather Pickett, JD, Sourcewell Associate General Counsel
# Form G
## FLEET MANAGEMENT SERVICES

<table>
<thead>
<tr>
<th>Possible Points</th>
<th>Acme Auto Leasing</th>
<th>AutoFlex AFV, Inc. DBA Clean Cities Leasing</th>
<th>Automotive Rentals, Inc. (ARI)</th>
<th>Commercial Vehicle Leasing, LP DBA D&amp;M Leasing</th>
<th>Enterprise Fleet Management</th>
<th>Merchants Fleet Management</th>
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<td>5</td>
<td>3</td>
<td>4</td>
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<td>2</td>
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7/25/2018 | 3:44 PM CDT
Chris Robinson, Sourcewell

7/25/2018 | 3:45 PM CDT
James Voelker, Sourcewell

7/26/2018 | 8:02 AM CDT
Michael Munoz, Sourcewell

7/26/2018 | 8:10 AM CDT
Heather Pickett, Sourcewell
Agenda Item: Discuss and Recommend FY2021 Fleet Acquisitions

Background: Should the Committee and subsequently the Board decide to move forward with outsourcing our fleet management to Enterprise Fleet Management, 15 vehicles would be acquired in FY2021. After discussing the vehicle needs with executive management, the fleet manager and department heads, staff has developed a list of vehicles to be replaced:

<table>
<thead>
<tr>
<th>Department</th>
<th>Vehicle Type</th>
<th>Year</th>
<th>Make</th>
<th>Model</th>
<th>Trim Level</th>
<th>Quantity</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beach Patrol</td>
<td>Compact Pickup Quad 4x4</td>
<td>2021</td>
<td>Chevrolet</td>
<td>Colorado</td>
<td>Z71 4x4 Crew Cab 5 ft. box 128.3 in. WB</td>
<td>6</td>
<td>4 for Beach Patrol and 2 for Security</td>
</tr>
<tr>
<td>Beach Cleaning</td>
<td>Compact Pickup Quad 4x4</td>
<td>2021</td>
<td>Chevrolet</td>
<td>Colorado</td>
<td>WT 4x4 Crew Cab 5 ft. box 128.3 in. WB</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Beach Cleaning</td>
<td>1/2 Ton Pickup Quad Cab 4x4</td>
<td>2021</td>
<td>Chevrolet</td>
<td>Sliverado 1500</td>
<td>WT 4x4 Crew Cab 5.75 ft. box 147.4 in. WB</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Beach Cleaning</td>
<td>3/4 Ton Pickup Quad Cab 4x4</td>
<td>2021</td>
<td>Ford</td>
<td>F-250</td>
<td>XL 4x4 SD Crew Cab 6.75 ft. box 160 in. WB SRW</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>RA Apffel Park</td>
<td>Compact Pickup Quad 4x4</td>
<td>2021</td>
<td>Chevrolet</td>
<td>Colorado</td>
<td>WT 4x4 Crew Cab 5 ft. box 128.3 in. WB</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Seawolf Park</td>
<td>1/2 Ton Pickup Quad Cab 4x4</td>
<td>2021</td>
<td>GMC</td>
<td>Sierra 1500</td>
<td>Base 4x4 Crew Cab 5.75 ft. box 147.4 in. WB</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Urban Park</td>
<td>1/2 Ton Pickup Quad Cab 4x4</td>
<td>2021</td>
<td>GMC</td>
<td>Sierra 1500</td>
<td>Base 4x4 Crew Cab 5.75 ft. box 147.4 in. WB</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Totals: 15

Of the 6 vehicles acquired for Beach Patrol, 4 would be considered new leases and would be used for security services provided to RA Apffel Park, Stewart Beach, and Seawolf Park. The remaining 11 vehicle acquisitions would replace existing vehicles in the current fleet.

Staff Recommendation: Staff recommends approval of the FY2021 fleet acquisition list and forwarding to the Board for full approval in December 2020.
Agenda Item: Beach Patrol Funding and Service Level Discussion

Background: Staff will be bringing forward for discuss a process and timeline to address the funding gap for Beach Patrol. The intent is to bring consensus to the process and date to be presented.
## Beach Patrol Funding  Service Level Discussions

<table>
<thead>
<tr>
<th>Considerations</th>
<th>Operational</th>
<th>Legal</th>
<th>Financial</th>
<th>Public Relations</th>
</tr>
</thead>
</table>
| **Baseline Information** | October 7th - March 5th    
patrol 33 miles of beach.  
March 6th- October 6th    
season patrol 33 miles of beach and towers(32) located from dellanera to east beach, 14 fulltime 1 parttime employee, 135 Seasonal | Seasonal Labor Limitations & Tests | Maximus 3rd Party Cost Allocation Study | $75 million in coastal improvements in the next 3 yrs. driven by Park Board, chronic funding gaps for service |
| **Exploratory Options** | 6 additional weeks- 35 F/T 8 P/T - patrol 33 miles of beach and towers(18) babes beach | Impact on seasonal labor standing & cost implications | Add’ vehicles, training, equipment & personnel costs | |
| | Increase Guarding Year round- out of season- no need for tower guards, but would patrol 33 miles of beach | | | Potential for improved resident and visitor satisfaction |
| | Definition of Service Areas- 33 miles of beach: all ocean facing beaches.  
Patrol: 1-2 supervisors mobile in assigned areas | Liability for areas not serviced | Legal costs | Potential for poor resident and visitor satisfaction |

### Case Studies/ Best Practices to Consider
San Diego,

<table>
<thead>
<tr>
<th>Proposed Timeline</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish review goals and timeline</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Establish baseline information</td>
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<td></td>
</tr>
<tr>
<td>Conduct Maximus</td>
<td></td>
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<tr>
<td>Present Maximus to Finance</td>
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<tr>
<td>Research Case Studies/ Best Practices</td>
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<tr>
<td>Present Case Studies/ Best Practices</td>
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<tr>
<td>Conduct Financial Analysis of Options</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>FOC Discuss and Recommend Options</td>
<td></td>
<td></td>
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</tbody>
</table>