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The Bancorp Bank
Member FDIC

ADDENDUM TO THE MASTER LEASE AGREEMENT

THIS IS AN ADDENDUM TO MASTER LEASE AGREEMENT, dated this ____ of _____, 2015 between **MEARS MOTOR LEASING** and "THE MASTER LEASE AGREEMENT").

NOW THEREFORE, it is mutually agreed by and between the parties that the MASTER LEASE AGREEMENT IS HEREBY AMENDED to include the following conditions:

1. The lease does not include any additional preventative maintenance other than the manufacturer's program.
2. Lessor will transfer all manufacturer's and dealership warranties to Lessee at the time that vehicles are delivered to Lessee.
3. If no funds or insufficient funds are appropriated in any fiscal year for lease amounts due as to any vehicle and under law Lessee has a right to terminate this lease as to the related vehicle because of such non-appropriation, Lessee shall immediately notify Lessor of such occurrence, and this lease shall terminate as to such vehicle on the last day of the fiscal period for which appropriations were received, without penalty or expense to Lessee except as to related amounts herein for which funds shall have been appropriated and budgeted or are otherwise available and past due amounts and damages because of Lessee's default hereunder. Upon such termination, Lessee shall peaceably surrender possession of the vehicle to Lessor at a location contemplated in the Termination Settlement paragraph. Lessor shall have all legal and equitable rights and remedies to take possession of the vehicle. Lessee agrees (a) that it will not cancel this lease if any funds are appropriated to it, or by it, for the acquisition, retention, or operation of another vehicle performing functions similar to the vehicle for the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter and (b) that Lessee shall not give priority in the application of funds to any other functionally similar property.
4. At or prior to the end of the lease, Lessor will arrange for all leased vehicles to be inspected, and will based on this inspection provide Lessee an itemized bill for all repairs required by Excessive Wear and Tear. Excess Wear and Tear is defined as dents, dings, paint chips, scratched more than 3" in size, chipped or cracked windshields, interior holes, burns, rips, tears or stains requiring heavy cleaning or replacement of fabric, interior damage such as gauged steering wheels or dashboards, missing equipment and any exterior or interior damage attributed to collision, as well as mechanical repairs not covered by the manufacturers preventative program or warranty. Excess wear and tear items totaling \$300.00 or less are usually not charged back, unless it affects the sale price of the vehicle at time of disposal. Additional items included in the Master Lease are applicable. Lessee will have the option of purchasing each vehicle at the price listed, in lieu of paying the costs for such repairs.
5. Section 4 of the Lease is amended to provide that each year, Lessee may elect to pay the annual amount rather than the monthly amount referenced in the Schedule. If Lessee elects this option during the first year of the Lease, the annual payment will be October 1, 2015 or thirty days after the Commencement Date, whichever is later; provided that Lessor has given Lessee a written invoice setting forth the annual payment and due date at least 30 days prior to the date that payment was due. If Lessee elects this option after the first year of the Lease, the annual payment will be due on the anniversary of the Commencement Date or October 1, provided that Lessor has given Lessee a written invoice setting forth the annual payment and due date at least 30 days prior to the date that payment was due, whichever is later.
6. Section 7 of the Lease is amended to provide that the location for return of the vehicles will not be more than 70 miles from the city limits of Daytona Beach.



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7. Section 10 of the Lease is amended to provide that Lessee shall not be responsible for Lessor's attorney's fees in the event that the Lease is placed for collection.
8. Section 12 of the Lease is amended to provide that Lessee shall not be liable for costs associated with cancellation as to any vehicle, delivery of which has been delayed by 30 days or more through no fault of Lessee.
9. Section 19 of the Lease is amended to provide that Lessee may comply with the obligation referenced therein to provide liability insurance by self-insuring in accordance with Florida law.
10. Section 20 is amended by adding the following as Subsection (c):
Nothing in the Lease, this Addendum, or any Schedule will be deemed to waive the sovereign immunity of the City of Daytona Beach; or to waive the statutory limitations on liability, including dollar limitations, set forth in Florida Statutes Section 768.28.

11. Section 21 of the Lease is amended by adding the following clause prior to Subsection (a) thereof:

"Upon delivery of the Vehicle to Lessee:"

12. Section 23 of the Lease is amended to add the following clause at the beginning of the sentence:
"Upon delivery of the Vehicle to Lessee..."
13. Section 24 of the Lease is amended by adding the following at the end of the first sentence, before Subsection (a) thereof: "..., if Lessee fails to remedy any of the following breaches within the Cure Period, after receipt of written notice and a demand for cure from Lessor."
14. Section 24 of the Lease is further amended by adding the following at the end of the Section:

For purposes herein, the "Cure Period" will be ten business days with respect to Lessee's failure to pay a lease payment, and 30 days for all other breaches listed in this Section; provided, however, that if the nature of the breach (other than a failure to make a required payment) is such that it cannot be reasonably cured within such 30 day period, the Cure Period will be extended as necessary to give Lessee the opportunity to effect a cure so long as Lessee diligently pursues such cure.

15. Section 25(d) of the Lease is amended to read, in full: "Proceed to collect all sums due under the terms of the lease, in which event lessee agrees to pay all costs and expenses of collection, other than attorney's fees."
16. Section 29 of the Lease is amended to provide that Florida law governs; and that in case of litigation venue will be in Volusia County, Florida.
17. The following provision is added as Section 30:

If a dispute exists concerning Agreement, the Parties agree to use the following procedure prior to pursuing any other judicial remedies.

(a) Negotiations. A Party will request in writing that a meeting be held between representatives of each Party within 14 calendar days of the request or such later date that the Parties may agree to. Each Party will attend and will include, at a minimum, a senior level decision maker (an owner, officer, or employee of each organization) empowered to negotiate on behalf of their organization. The purpose of this meeting is to negotiate in the matters constituting the dispute in good faith.



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The Parties may mutually agree in writing to waive this step and proceed directly to mediation as described below.

(b) Non-Binding Mediation. Mediation is a forum in which an impartial person, the mediator, facilitates communication between parties to promote reconciliation, settlement, or understanding among them. Within 30 days after the procedure described in Subsection (a) proves unsuccessful or the Parties mutually waive the Subsection (a) procedure, the Parties will submit to a non-binding mediation. The mediation, at a minimum, will provide for (i) conducting an on-site investigation, if appropriate, by the mediator for fact gathering purposes, (ii) a meeting of all Parties for the exchange of points of view and (iii) separate meetings between the mediator and each Party to the dispute for the formulation of resolution alternatives. The Parties will select a mediator trained in mediation skills and certified to mediate by the Florida Bar, to assist with resolution of the dispute. The Parties will act in good faith in the selection of the mediator and give consideration to qualified individuals nominated to act as mediator. Nothing in this Contract prevents the Parties from relying on the skills of a person who also is trained in the subject matter of the dispute or a contract interpretation expert. Each Party will attend will include, at a minimum, a senior level decision maker (an owner, officer, or employee of each organization) empowered to negotiate on behalf of their organization.

If the Parties fail to reach a resolution of the dispute through mediation, then the Parties are released to pursue any judicial remedies available to them.

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed by their duly authorized officers this _____ day of _____, 2015.

**The Bancorp Bank
 (Lessor)**

By: [Signature]
 Name: ~~Desiree Vezina~~ Scott Megargee
 Title: ~~Vice President, Leasing Operations~~ Exec. V.P. Chief Lending officer

**The City of Daytona Beach
 (Lessee)**

By: [Signature]
 Deffick L. Henry, Mayor
 Attest: [Signature]
 Jennifer L. Thomas, City Clerk
 Approved as to legal form:
 By: [Signature]
 Marie Hartman, City Attorney