

RESOLUTION NO 2026 - 108

CITY OF LAKE CITY, FLORIDA

A RESOLUTION OF THE CITY OF LAKE CITY, FLORIDA APPROVING THAT CERTAIN MEMORANDUM OF CONTRIBUTION AGREEMENT AND ASSIGNMENT AND ASSUMPTION OF CONTRACT BETWEEN THE CITY AND SHERMAN MECHANICAL CONTRACTORS, LLC, A FLORIDA LIMITED LIABILITY COMPANY, CONSENTING TO THE ASSIGNMENT OF SAID AGREEMENT BY SHERMAN MECHANICAL CONTRACTORS, LLC, A FLORIDA LIMITED LIABILITY COMPANY TO TOTAL MECHANICAL OF FLORIDA, LLC, A FLORIDA LIMITED LIABILITY COMPANY; MAKING CERTAIN FINDINGS OF FACT IN SUPPORT OF THE CITY CONSENTING TO SAID ASSIGNMENT; RECOGNIZING THE AUTHORITY OF THE MAYOR TO EXECUTE AND BIND THE CITY TO SAID CONSENT TO ASSIGNMENT; DIRECTING THE MAYOR TO EXECUTE AND BIND THE CITY TO SAID CONSENT TO ASSIGNMENT; REPEALING ALL PRIOR RESOLUTIONS IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lake City ("City") and Sherman Mechanical Contractors, LLC., a Florida limited liability company ("Sherman"), entered into a Service Agreement dated June 2, 2025, for Sherman to provide HVAC repair and preventative maintenance to the City (the "Agreement"); and

WHEREAS, Sherman and Total Mechanical of Florida, LLC, a Florida limited liability company ("Total Mechanical") entered into a Contribution Agreement dated May 1, 2026, in which Sherman contributed its service business to Total Mechanical, Sherman's wholly owned subsidiary; and

WHEREAS, Sherman desires to assign the Agreement to Total Mechanical via the terms of the proposed Assignment and Assumption Agreement in the form of the Exhibit attached hereto (the "Assignment"); and

WHEREAS, pursuant to the terms of the Assignment, Total Mechanical will assume all obligations and liabilities of Sherman; and

WHEREAS, the City desires to consent to the Assignment; and

WHEREAS, consenting to the Assignment is in the public interest and in the interests of the City; now, therefore,

BE IT RESOLVED by the City Council of the City of Lake City, Florida:

1. Approving the Assignment is in the public or community interest and for public welfare; and
2. In furtherance thereof, the Assignment in the form of the Exhibit attached hereto should be and is approved by the City Council of the City of Lake City and the City does consent to said Assignment; and
3. The Mayor of the City of Lake City is the officer of the City duly designated by the City's Code of Ordinances to enforce such rules and regulations as are adopted by the City Council of the City of Lake City; and
4. The Mayor of the City of Lake City is authorized to execute on behalf of and consent to the terms of the Assignment; and
5. The Mayor of the City of Lake City is directed to execute on behalf of and consent to the terms of the Assignment; and
6. All prior resolutions of the City Council of the City of Lake City in conflict with this resolution are hereby repealed to the extent of such conflict; and
7. This resolution shall become effective and enforceable upon final passage by the City Council of the City of Lake City.

APPROVED AND ADOPTED, by an affirmative vote of a majority of a quorum present of the City Council of the City of Lake City, Florida, at a regular meeting, this ____ day of October, 2026.

BY THE MAYOR OF THE CITY OF LAKE CITY,
FLORIDA

Noah E. Walker, Mayor

ATTEST, BY THE CLERK OF THE CITY COUNCIL
OF THE CITY OF LAKE CITY, FLORIDA:

Audrey E. Sikes, City Clerk

APPROVED AS TO FORM AND LEGALITY:

Clay Martin, City Attorney

**MEMORANDUM OF CONTRIBUTION AGREEMENT AND
ASSIGNMENT AND ASSUMPTION OF CONTRACT**

THIS MEMORANDUM OF CONTRIBUTION AGREEMENT AND ASSIGNMENT AND ASSUMPTION OF CONTRACT (this “*Memorandum*”) is entered into as of October ____ 2026, by Sherman Mechanical Contractors, LLC, a Florida limited liability company (“*Sherman*”), Total Mechanical of Florida LLC, a Florida limited liability company (“*Total Mechanical*”), and the City of Lake City, Florida, a Florida municipality (the “*City*”).

WHEREAS, Sherman and Total Mechanical entered into a Contribution Agreement dated as of May 1, 2026 (the “*Contribution Agreement*”), under which Sherman contributed its service business to Total Mechanical, its wholly owned subsidiary (such contribution, the “*Transaction*”), effective as of the date of the Contribution Agreement (the “*Effective Date*”);

WHEREAS, the Transaction included that certain Services Agreement, dated June 2, 2025, between Sherman and the City, together with all amendments, renewals, and extensions thereto (the “*Contract*”); and

WHEREAS, Sherman and Total Mechanical desire to confirm such Transaction and the assignment of such Contract from Sherman to Total Mechanical, and the assumption thereof by Total Mechanical, and the City desires to consent to such assignment and assumption.

NOW, THEREFORE, in consideration of mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

1. Assignment and Assumption. Sherman and Total Mechanical confirm, represent, and warrant the following matters and events to the City:
 - a. Pursuant to the Contribution Agreement and as part of the Transaction, effective as of the Effective Date, Sherman assigned to Total Mechanical all of Sherman’s right, title, and interest in, to, and under the Contract, and Total Mechanical accepted the assignment and assumed all of Sherman’s liabilities and obligations under or arising out of the Contract (collectively, the “*Assignment and Assumption*”).
 - b. The Assignment and Assumption covers all such liabilities and obligations of whatever kind or nature, whether known or unknown, accrued or unaccrued, absolute or contingent, and whether arising before, on, or after the Effective Date, of Sherman under the Contract.
 - c. In connection with the Assignment and Assumption, Total Mechanical agreed to perform, pay, and discharge when due all liabilities and obligations in accordance with the Contract.
 - d. The Contract is included in the Contributed Assets, and all of the liabilities and obligations under the Contract are included in the Assumed Liabilities, each as defined in the Contribution Agreement.
 - e. For the avoidance of doubt, the Contract is not an Excluded Asset, and the liabilities and obligations under the Contract are not Excluded Liabilities, each as defined in the Contribution Agreement.
2. City Consent. The City hereby consents to the Assignment and Assumption effective as of the Effective Date and agrees that Total Mechanical shall have the same rights and be subject to the same obligations under the Contract as Sherman had immediately before the Assignment and Assumption. The City further agrees this Memorandum satisfies all notice, consent, and other procedural requirements under the Contract relating to the Assignment and Assumption, and the City waives any requirement that such notice or consent precede the Assignment and Assumption.

3. Continuing Effect. Except for the Assignment and Assumption and the City's consent and waivers expressly set forth herein, the Contract remains unchanged and in full force and effect. This Memorandum does not amend the Contribution Agreement or make the City a party thereto. No term of the Contribution Agreement limits the City's rights under the Contract or this Memorandum.
4. Counterparts. This Memorandum may be executed in counterparts, and signatures delivered electronically shall have the same effect as original signatures.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Memorandum through their duly authorized representatives.

SHERMAN MECHANICAL CONTRACTORS, LLC,
a Florida limited liability company

By: _____

Name: Steven Miller

Title: CEO

Date: October 6, 2026

TOTAL MECHANICAL OF FLORIDA LLC,
a Florida limited liability company

By: _____

Name: Steven Miller

Title: CEO

Date: October 6, 2026

CITY OF LAKE CITY, FLORIDA,
a Florida municipality

By: _____

Name: Noah E. Walker

Title: Mayor

Date: _____

102966950.v1

[SIGNATURE PAGE TO
MEMORANDUM OF CONTRIBUTION AGREEMENT AND
ASSIGNMENT AND ASSUMPTION OF CONTRACT]

EXHIBIT TO RESOLUTION