

EXHIBIT A
REQUEST FOR FINANCING AND LIST OF BANKS

(See Attached)

From: Dana Feuerstein <df Feuerstein@baystlouis-ms.gov>
Sent: Monday, February 23, 2026 4:10 PM
To: Jeremy Compretta <jeremy.compretta@communitybank.net>; Jonathan King <jonathan.king@cadencebank.com>; Brad Meyers <bmeyers@leasing2.com>; Noel Grafe <ngrafe@thefirstbank.com>; Jessica Sekinger <jsekinger@thefirstbank.com>; Yadira Y. Brown <ybrown@thepeoples.com>; CJ Dunaway <cjdunaway@thepeoples.com>
Cc: Sissy Gonzales <sgonzales@baystlouis-ms.gov>; Elizabeth Thomas <Elizabeth.Thomas@butlersnow.com>
Subject: LEASE FINANCING PROPOSALS - CITY OF BAY ST. LOUIS

We are requesting Lease Financing Proposals for the following – all will be tax exempt:

- | | |
|---|--------------|
| ● (1) RAVO-5 I Series Broom Sweeper | \$295,000.00 |
| ● (3) 2026 Chevrolet Silverado 1500 4wd SSV's with outfitting equipment | \$149,432.85 |
| ● (1) 2026 Nissan Rogue | \$25,908.25 |

Total Lease Financing Requested:
\$470,341.10

Requested term for lease purchase is 5 years with annual arrears fixed payments. Any excess costs including documentation costs should be noted in the proposal along with an amortization schedule.

Please return proposals via email or in person prior to 2:00 p.m. on Wednesday, March 11, 2026; the financing is scheduled to be awarded at the March 17, 2026 City Council meeting.

Thank you,

Dana Feuerstein
Deputy Municipal Clerk / Finance Administrator
688 Hwy 90
Bay St. Louis, MS 39520
Office: (228)466-5451

EXHIBIT B

PROPOSALS RECEIVED FROM THE BANKS

(See Attached)

Lease Purchase Financing Proposals

(1) RAVO-5 I SERIES BROOM SWEEPER	\$295,000.00
(3) 2026 CHEVROLET SILVERADO 1500 4wd SSV's with OUTFITTING EQUIPMENT	\$149,432.85
(1) 2026 NISSAN ROGUE	\$25,908.25
	\$470,341.10

Conforming Bids

Bank or Lending Company:	Rate	Term	# Payments	Projected Payment Amount	Timing
Leasing 2	4.36%	5	5	\$ 106,729.53	Arrears
Community Bank	4.99%	5	5	\$ 108,607.00	Arrears
Cadence Equipment Finance	5.03%	5	5	\$ 109,080.56	Arrears
The Peoples Bank	5.23%	5	5	\$ 109,328.56	Arrears

Non-Conforming or No Bid

Renasant Bank	No bid received

Recommendation - 03.17.2026 Council Meeting:

The Comptroller recommends using Leasing 2 since it offers the lowest total cost to the tax payers of the City of Bay St. Louis.

LEASE FINANCING PROPOSAL



Lessee
City of Bay St. Louis, MS

Vendor
Various

Proposal Date:	March 10, 2026
Equipment Description:	(1) Ravo Street Sweeper (3) Chevy Silverados (1) Nissan Rouge
Commencement Date:	March 20, 2026
	<u>Option 1</u>
Equipment Cost:	\$470,341.10
Lessee Down Payment:	
Amount Financed:	\$470,341.10
Lease Term:	5 Years
First Payment Date:	3/20/27
Payment Frequency:	Annual
Interest Rate:	4.36%
Payment Amount:	\$106,729.53

Qualifications:

1. **Pricing:** This is a lease proposal for the payment stream(s) indicated above. If any of the information identified above are not correct, please advise us so that we can determine if a new proposal is required. Other important elements of this proposal are:

a) **Rate Expiration:** Signing this proposal does not in itself lock in your rate. This lease must be credit approved, contracts properly signed, and the lease funded by Leasing 2 within thirty days from the date of this proposal to protect the rates quoted.

b) **Closing Costs:** There will be no up-front costs of any kind charged by Lessor including closing costs, points, administrative costs, etc. Your attorney may charge you to review the lease documents and complete the opinion letter required with our lease documentation.

c) **Fixed Rates:** Rates are fixed for the entire term.

2. **Type of Lease:** This is a lease-purchase type of financing. After all the lease payments are made, Lessee will own the equipment without further cost.

3. **Financial Reporting:** All city, county and tax districts (including fire districts) will be expected to provide GAAP audited financial reports. All non-profit corporations (vfd's) will be expected to provide IRS 990 federal tax returns. If you do not maintain these types of financial reports, please contact us to discuss.

4. **Vendor Payable / Escrow Account (where applicable):** Proceeds of this lease will be held in a vendor payable account until delivery/acceptance. Projected escrow earnings have been pre-applied to reduce Lessee interest rate. There will be no escrow earnings payable to Lessee.

5. **Credit Approval and Documentation:** This is a proposal only, and does not represent a commitment to lease. This financing is subject to credit review and approval and execution of mutually acceptable documentation, including the opinion of lessee's counsel opining that the agreement is legal, valid and binding, obligation of Lessee.

Financing by:

Contact:

Phone:

Email:

Web:

Leasing 2, Inc.

Brad Meyers

813-258-9888 x12

bmeyers@leasing2.com

www.leasing2.com



City of Bay St. Louis, MS

Interest Rate: 4.36%

Term: 5 years - Annual Payments

Payment No.	Date	Lease Payment	Interest	Principal
Lease	3/20/26			
1	3/20/27	106,729.53	20,518.55	86,210.98
2	3/20/28	106,729.53	16,757.61	89,971.92
3	3/20/29	106,729.53	12,832.60	93,896.93
4	3/20/30	106,729.53	8,736.36	97,993.17
5	3/20/31	106,729.53	4,461.43	102,268.10
Grand Totals		533,647.65	63,306.55	470,341.10



CADENCE EQUIPMENT FINANCE

3/4/2026

City of Bay St. Louis, MS

It is a pleasure to submit for your consideration the following proposal to provide lease-purchase financing based on the terms and conditions set forth below:

1. Lessor: Cadence Equipment Finance, a division of The Huntington National Bank
2. Lessee: City of Bay St. Louis, MS
3. Equipment Description: One (1) New Broom Sweeper and Four (4) Vehicles
4. Equipment Cost: \$470,341.10
5. Lease Term: 5 Years
6. Lease Payments: (These are approximate payment amounts. The actual payment will be determined at funding date.)

5 annual payments of \$109,080.56 arrears
7. Lease Rate: 5.03%
8. Funding Date: This proposal is contingent upon the equipment being delivered and the lease funded prior to a change **in the current prime rate of 6.75%**. Any extension of the funding or delivery date must be in writing.
9. Purchase Option: Title is passed to Lessee at lease expiration for no further consideration.
10. Non-appropriation/Termination: The lease provides that Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of non-appropriation. In such event, the Lessee agrees to provide an attorney's opinion confirming the events of non-appropriation and Lessee's exercise of diligence to obtain funds.
11. Bank Qualification: This lease-purchase financing shall be designated as a bank qualified tax-exempt transaction as per the 1986 Federal Tax Bill. **This means that the Lessee's governing body will pass a resolution stating that it does not anticipate issuing more than \$10 million in General Obligation debt or other debt falling under the Tax Bill's definition of qualifying debt during the calendar year that the lease is funded.**

12. Tax Status: This proposal is subject to the Lessee being qualified as a governmental entity or "political subdivision" within the meaning of Section 103(a) of the Internal Revenue Code of 1954 as amended, within the meaning of said Section. Lessee agrees to cooperate with Lessor in providing evidence as deemed necessary or desirable by Lessor to substantiate such tax status.
13. Net Lease: This will be a net lease transaction whereby maintenance, insurance, taxes (if applicable), compliance with laws and similar expenses shall be borne by Lessee.
14. Financial Statements: Complete and current financial statements must be submitted to Lessor for review and approval of Lessee creditworthiness
15. Lease Documentation: This equipment lease-purchase package is subject to the mutual acceptance of lease-purchase documentation within a reasonable time period, otherwise payments will be subject to market change.

If the foregoing is acceptable, please so indicate by signing this letter in the space provided below and returning it to Cadence Equipment Finance. **The proposal is subject to approval by Cadence Equipment Finance's Credit Committee and to mutually acceptable terms, conditions and documentation.**

Acceptance of this proposal expires as the close of business on 4/4/2026. Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Jonathan King at 228-223-4642 or Jonathan.King@cadencebank.com.

Jonathan King

Jonathan King
Municipal Territory Manager

ACKNOWLEDGMENT AND ACCEPTANCE

By: _____
Title

Date: _____



COMMUNITY BANK

LOAN PROPOSAL FOR

CITY OF BAY ST. LOUIS

541 MAIN STREET
BAY ST. LOUIS, MS 39520

(228) 797.5230

COMMUNITYBANK.NET • MEMBER FDIC

INTRODUCTION



ERIC CHAMBLESS

CEO, COAST REGION

(228) 295.8154

Eric.Chambless@communitybank.net

NMLS#415941



MARSHALL ELEUTERIUS

PRESIDENT, MISSISSIPPI COAST DIVISION

(228) 374.7742

Marshall.Eleuterius@communitybank.net

NMLS#415944



JEREMY COMPRETTE

VICE PRESIDENT

(228) 797.5227

Jeremy.Compretta@communitybank.net

NMLS#500394



WHO WE ARE

Founded over 120 years ago, in the small East-Central Mississippi timber community of Forest, Community Bank puts the highest of value on taking care of our customers - no matter the relationship size, and giving back to the communities we serve.

“

WHEN I CAME TO COMMUNITY BANK IN 1968, I WANTED TO BE GOOD - I WANTED OUR BANK TO BE GOOD, SO WE COULD OFFER THE BEST BANKING SERVICES TO OUR CUSTOMERS,

said Thomas W. Colbert, Sr., Senior Chairman of the Board and Visionary Leader of Community Bank.

”

As Community Bank has grown from one office with 13 staff members and six million in assets when Colbert was named CEO, to today, with over 850 staff members, 56 offices and \$5 billion in assets, it is evident that staff is the key to success. Colbert continued, “You have to have the right people, and we made it a priority to put things in place to ensure we had the right staff.”

The development and growth of Community Bank's staff has remained the top priority for the last 54 years. Instilling the culture of Community Bank that puts value not only on the relationship with customers, but places much emphasis on investing in the next generations of the company's leaders.

This dedication to the next generation of company leaders gives Community Bank a level of buy-in to our culture that is unprecedented. As you look at staff around our system you will find over 115 staff members who have been with the company over 20 years. “Our staff is our greatest asset. They always have been and always will be what makes Community Bank special,” said Chuck Nicholson, Chairman of the Board for Community Bank.

From the early days in Forest until today having locations across four states, Community Bank has hired young, budding talent, brought them into the culture and taught them how to be true relationship bankers. There is an urgency to take care of the customers and to do it well. “We equip our staff with the ability to help the customers - we foster a culture of building relationships with our customers, no matter the financial need,” said Justin Martin, President and CEO of Community Bank.



OFFERINGS

March 11, 2026

City of Bay St. Louis
Attn: Dana Feuerstein- Deputy Municipal Clerk/Finance Administrator
688 Hwy 90
Bay St. Louis, MS 39520

Re: Lease Proposal to purchase (1) RAVO-5 I Series Broom Sweeper, (3) 2026 Chevrolet Silverado 1500 4wd SSV's with outfitting equipment and (1) 2026 Nissan Rogue

Dear Dana:

Thank you for taking an interest in Community Bank of MS to assist you with the financial needs for the City of Bay St. Louis. Community Bank of MS has 56 offices in 4 states - Mississippi, Alabama, Tennessee, and Florida, with 10 of those being right here on the MS Gulf Coast. We pride ourselves in offering reliable financial services to each of our customers in a timely manner. Above all, we aim to offer the highest standard of customer service possible.

Please accept the enclosed proposal for the City of Bay St. Louis Lease Proposal to purchase (1) RAVO-5 I Series Broom Sweeper, (3) 2026 Chevrolet Silverado 1500 4wd SSV's with outfitting equipment and (1) 2026 Nissan Rogue. We appreciate the opportunity you have afforded Community Bank of MS in submitting this proposal.

Sincerely,



Jeremy Compretta
Vice President



OFFERINGS



5 March 2026

Dana Feuerstein
Deputy Municipal Clerk/Finance Administrator
City of Bay St. Louis
688 Hwy 90
Bay St. Louis, MS 39520

C/O Jeremy Compretta

We appreciate the information you have provided and are pleased to provide you with the following lease proposal. This proposal is subject to final credit approval and assumes use of our standard lease documentation. Unless previously extended in writing, this proposal will expire 30 days from today's date. **All pricing is net of applicable taxes.**

Lessee:	City of Bay St. Louis
Lessor:	BanCleasing, LLC™ and/or its Assigns (Community Bank)
Base Lease Commencement:	Upon execution of lease documents and final acceptance of the vehicles
Payments Due:	Annual; in arrears
Equipment Type:	(1) RAVO-5 i Series Broom Sweeper; (3) 2026 Chevrolet Silverado 1500 4wd SSV's with outfitting; (1) 2026 Nissan Rogue
Equipment Cost:	\$470,341.10
Lease Type:	Municipal
Base Lease Term:	5 Years
Annual Payments:	\$108,607
Interest Rate:	4.99%
End-of-term:	Purchase the configuration for \$1
Documentation Fee:	-0-
Lease Rate Adjustment:	The lease payment is fixed from the Commencement Date to the end of the initial lease term. It may be adjusted on the Commencement Date to reflect any upward change from the date of this proposal in either the Prime Rate of interest or like-term U.S. Treasuries as published in the Wall Street Journal.
Lease Accounting:	The Lessee and/or its accountants are responsible for determining Lessee's accounting treatment of any lease schedule, including lease classification and tax treatment.
Additional Terms:	This quote is subject to the Lessee designating the agreement as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code.

Thank you for the opportunity to work with you. Please contact one of us with questions or requests for additional information. We look forward to developing a mutually beneficial relationship with you.

Jeremy Compretta
Vice President
Community Bank
228.797.5227
jeremy.compretta@communitybank.net

Bart Shaw
Senior Account Executive
BanCleasing, LLC
214.778.1847
fbshaw@bancleasing.com

Agreed to & Accepted by

Lessee: City of Bay St. Louis

Signature

Date

Name

Title



OFFERINGS



City of Bay St Louis

Sweeper; 3 Chevrolet Silverado Trucks; Nissan Roge

Compound Period: Annual

Nominal Annual Rate: 4.990%

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Lease	4/1/2026				470,341.10
2026 Totals		0.00	0.00	0.00	
1	4/1/2027	108,607.00	23,470.16	85,136.84	385,204.26
2	4/1/2028	108,607.00	19,221.81	89,385.19	295,819.07
3	4/1/2029	108,607.00	14,761.46	93,845.54	201,973.53
4	4/1/2030	108,607.00	10,078.54	98,528.46	103,445.07
5	4/1/2031	108,607.00	5,161.93	103,445.07	0.00
Grand Totals		543,035.00	72,693.90	470,341.10	

This schedule is for illustrative purposes only.



OFFERINGS



Having complied with all the requirements of law, and having placed approved securities with the State Treasurer of Mississippi, Community Bank of Mississippi is hereby appointed a

STATE DEPOSITORY

for a term of one year ending the **thirtieth (30th)** day of **November, 2026**, and is hereby authorized and empowered to receive and disburse, according to law, any and all State Funds, there offered for demand deposits and for investment in Time Certificates of Deposit or other authorized securities, but shall not have on deposit at any time an amount exceeding that authorized by Section 27-105-9, Mississippi Code (1972) as amended, or other applicable law or regulation unless otherwise ordered by the State Treasurer.

In witness whereof, the State Treasurer has ordered this Commission issued and has duly signed and affixed the Seal of the Office of the Treasurer of the State of Mississippi thereto on this the **first** day of **December, 2025**.

A handwritten signature in black ink, appearing to read "David McRae", is written over a horizontal line.

David McRae
Treasurer of the State of Mississippi

ESTABLISHED 1896

THE PEOPLES BANK

MEMBER FDIC

"Where PEOPLE come first"

P.O. DRAWER 529 BILOXI, MISSISSIPPI 39533-0529
(228) 435-5511 • (228) 864-2252 • (800) USE MINT (873-6468)
FAX (228) 435-8418

March 11, 2026

City of Bay St. Louis
Sissy Gonzales, City Clerk/Comptroller
P. O. Box 2550
Bay St. Louis, MS 39521

Re: \$ 470,341.10 (1) RAVO-5 I Series Broom Sweeper, (3) 2026 Chevrolet Silverado 1500 4wd SSV's with outfitting equipment, and (1) 2026 Nissan Rogue

Dear Ms. Gonzales:

For your \$470,341.10 par value, legally issued lease purchase note, we will pay \$470,341.10 plus accrued interest from date of issuance. Both principal and interest will be payable at The Peoples Bank. The note will bear interest as follows:

In Four (5) equal annual installments beginning 1 year following the issuance of the note at a rate of 5.23%.

Provided that you promptly furnish us, prior to the delivery of the note, without cost to us, a full transcript, properly certified, of all proceedings had prior to and incident to this issue, satisfactorily evidencing to our attorneys the unqualified legality of the issue in all respects; and you agree to take such further action as our attorneys may require, to establish the validity of said issue. This transcript should also state that the note is eligible as pledge collateral under the laws of the State of Mississippi.

The above rate is based on the assumption that the lease purchase note will be and hereby is designated as a "qualified tax-exempt obligation" for the purpose of paragraph (3) of sub-sections 265 (b) of the Internal Revenue Code of 1986, and the city does not anticipate issuing more than \$10,000,000.00 of such qualified tax-exempt obligations during the 2026 year.

We require titles for each of the vehicles to include the following information listing The Peoples Bank, Biloxi, Mississippi as lienholder and titles delivered to the Bank:

Lienholder Information for Auto Titles:

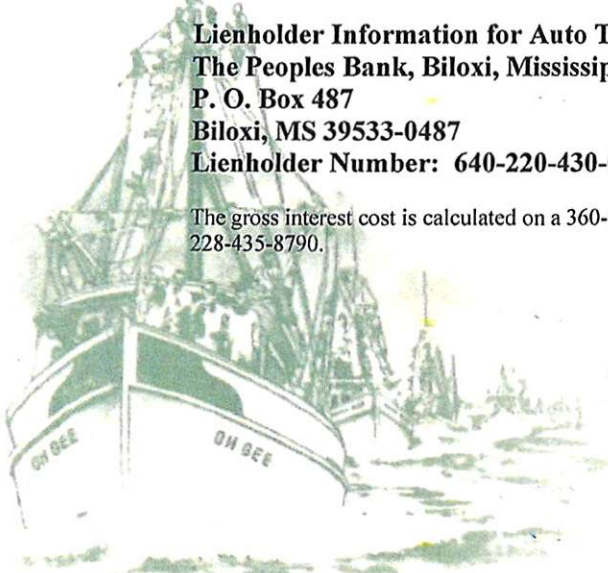
The Peoples Bank, Biloxi, Mississippi
P. O. Box 487
Biloxi, MS 39533-0487
Lienholder Number: 640-220-430-00

The gross interest cost is calculated on a 360-day basis. If you have any questions on this proposal, please call me at 228-435-8790.

Sincerely,



C.J. Dunaway
Vice President/Investments





* % 60%05172026% *

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$470,341.10	05-17-2026	05-17-2031		001		CCS	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "*****" has been omitted due to text length limitations.

Borrower: CITY OF BAY ST LOUIS

Lender: The Peoples Bank, Biloxi, Mississippi
Main Office
152 Lameuse Street
Biloxi, MS 39530-4214

Disbursement Date: May 17, 2026
Interest Rate: 5.230

Repayment Schedule: Installment
Calculation Method: 30 /360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	05-17-2027	109,328.56	24,598.83	84,729.73	385,611.37
2	05-17-2028	109,328.56	20,167.48	89,161.08	296,450.29
3	05-17-2029	109,328.56	15,504.35	93,824.21	202,626.08
4	05-17-2030	109,328.56	10,597.34	98,731.22	103,894.86
5	05-17-2031	109,328.56	5,433.70	103,894.86	0.00

TOTALS:		546,642.80	76,301.70	470,341.10	
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NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

EXHIBIT C
FORM OF LEASE PURCHASE AGREEMENT

(See Attached)

Master Tax-Exempt Lease/Purchase Agreement

Between: Leasing 2, Inc. (the "Lessor")
1720 West Cass Street Suite B
Tampa, FL 33606

And: City of Bay St. Louis, Mississippi (the "Lessee")
688 Highway 90
Bay St. Louis, MS 39520
Attention: Dana Feuerstein
Telephone: 228-466-5451

Dated: April 28, 2026

ARTICLE I DEFINITIONS

The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"**Agreement**" means this Master Tax-Exempt Lease/Purchase Agreement, including all exhibits and schedules attached hereto.

"**Code**" is defined in Section 3.01(f).

"**Commencement Date**" is the date when the term of a Property Schedule and Lessee's obligation to pay rent thereunder commences, which date shall be set forth in such Property Schedule.

"**Event of Default**" is defined in Section 13.01.

"**Lease Payments**" means the Lease Payments payable by Lessee under Article VI of this Agreement and each Property Schedule, as set forth in each Property Schedule.

"**Lease Payment Dates**" means the Lease Payment dates for the Lease Payments as set forth in each Property Schedule.

"**Lease Term**" means, with respect to a Property Schedule, the Original Term and all Renewal Terms. The Lease Term for each Property Schedule executed hereunder shall be set forth in such Property Schedule, as provided in Section 4.02.

"**Lessee**" means the entity identified as such in the first paragraph hereof, and its permitted successors and assigns.

"**Lessor**" means the entity identified as such in the first paragraph hereof, and its successors and assigns.

"**Nonappropriation Event**" is defined in Section 6.06.

"**Original Term**" means, with respect to a Property Schedule, the period from the Commencement Date until the end of the budget year of Lessee in effect at the Commencement Date.

"**Property**" means, collectively, the property lease/purchased pursuant to this Agreement, and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article IX.

"**Property Schedule**" means a Property Schedule in the form attached hereto for Property Schedule 1. Subsequent Property Schedules pursuant to this Agreement shall be numbered consecutively, beginning with Property Schedule 2.

"**Purchase Price**" means the amount that Lessee may, in its discretion, pay to Lessor to purchase the Property under a Property Schedule, as provided in Section 11.01 and as set forth in the Property Schedule.

"**Renewal Terms**" means the renewal terms of a Property Schedule, each having a duration of one year and a term coextensive with Lessee's budget year.

"**State**" means the state where Lessee is located.

"**Vendor**" means the manufacturer or contractor of the Property as well as the agents or dealers of the manufacturer or contractor from whom Lessor or Lessee purchased or is purchasing all or any portion of the Property.

ARTICLE II

2.01 Property Schedules Separate Financings. Each Property Schedule executed and delivered under this Agreement shall be a separate financing, distinct from other Property Schedules. Without limiting the foregoing, upon the occurrence of an Event of Default or a Nonappropriation Event with respect to a Property Schedule, Lessor shall have the rights and remedies specified herein with respect to the Property financed and the Lease Payments payable under such Property Schedule, and except as expressly provided in Section 12.02 below, Lessor shall have no rights or remedies with respect to Property financed or Lease Payments payable under any other Property Schedules unless an Event of Default or Nonappropriation Event has also occurred under such other Property Schedules.

ARTICLE III

3.01 Covenants of Lessee. As of the Commencement Date for each Property Schedule executed and delivered hereunder, Lessee shall be deemed to represent, covenant and warrant for the benefit of Lessor as follows:

- (a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Property Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder.
- (b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent Lessee should merge with another entity under the laws of the State, Lessee agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned Lessee's rights and shall assume Lessee's obligations hereunder.
- (c) Lessee has been duly authorized to execute and deliver this Agreement and the Property Schedule by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Property Schedule, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the

Property Schedule and the acquisition by Lessee of the Property thereunder. On or before the Commencement Date for the Property Schedule, Lessee shall cause to be delivered an opinion of counsel in substantially the form attached to the form of the Property Schedule as Exhibit 2.

- (d) During the Lease Term for the Property Schedule, the Property thereunder will perform and will be used by Lessee only for the purpose of performing essential governmental uses and public functions within the permissible scope of Lessee's authority.
- (e) Lessee will provide Lessor with current financial statements, budgets and proof of appropriation for the ensuing budget year and other financial information relating to the ability of Lessee to continue this Agreement and the Property Schedule in such form and containing such information as may be requested by Lessor.
- (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Lease Payments under the Property Schedule and will not use or permit the use of the Property in such a manner as to cause a Property Schedule to be a "private activity bond" under Section 141(a) of the Code. Lessee covenants and agrees that it will use the proceeds of the Property Schedule as soon as practicable and with all reasonable dispatch for the purpose for which the Property Schedule has been entered into, and that no part of the proceeds of the Property Schedule shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Property Schedule to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Property Schedule.
- (g) The execution, delivery and performance of this Agreement and the Property Schedule and compliance with the provisions hereof and thereof by Lessee does not conflict with or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease or other instrument to which Lessee is a party or by which it is bound by any law or any rule, regulation, order or decree of any court, governmental agency or body having jurisdiction over Lessee or any of its activities or properties resulting in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any property or assets of Lessee or to which it is subject.
- (h) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior notice to Lessor.

ARTICLE IV

4.01 Lease of Property. On the Commencement Date of each Property Schedule executed hereunder, Lessor will be deemed to demise, lease and let to Lessee, and Lessee will be deemed to rent, lease and hire from Lessor, the Property described in such Property Schedule, in accordance with this Agreement and such Property Schedule, for the Lease Term set forth in such Property Schedule.

4.02 Lease Term. The term of each Property Schedule shall commence on the Commencement Date set forth therein and shall terminate upon payment of the final Lease Payment set forth in such Property Schedule and the exercise of the Purchase Option described in Section 11.01, unless terminated sooner pursuant to this Agreement or the Property Schedule.

4.03 Delivery, Installation and Acceptance of Property. Lessee shall order the Property, shall cause the Property to be delivered and installed at the locations specified in the applicable Property Schedule and shall pay all taxes, delivery costs and installation costs, if any, in connection therewith. To the extent funds are deposited under an escrow agreement or trust agreement for the acquisition of the Property, such funds shall be disbursed as provided therein. When the Property described in such Property Schedule is delivered, installed and accepted as to Lessee's specifications, Lessee shall immediately accept the Property and evidence said acceptance by executing and delivering to Lessor the Acceptance Certificate substantially in the form attached to the Property Schedule.

ARTICLE V

5.01 Enjoyment of Property. Lessee shall during the Lease Term peaceably and quietly have, hold and enjoy the Property, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement. Lessor shall not interfere with such quiet use and enjoyment during the Lease Term so long as Lessee is not in default under the subject Property Schedule.

5.02 Location; Inspection. The Property will be initially located or based at the location specified in the applicable Property Schedule. Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Property.

ARTICLE VI

6.01 Lease Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Lease Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional, statutory or charter limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the faith and credit or taxing power of Lessee. Upon the appropriation of Lease Payments for a fiscal year, the Lease Payments for said fiscal year, and only the Lease Payments for said current fiscal year, shall be a binding obligation of Lessee; provided that such obligation shall not include a pledge of the taxing power of Lessee.

6.02 Payment of Lease Payments. Lessee shall promptly pay Lease Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Lessor in such amounts and on such dates as described in the applicable Property Schedule, at Lessor's address set forth on the first page of this Agreement, unless Lessor instructs Lessee otherwise. Lessee shall pay Lessor a charge on any delinquent Lease Payments under a Property Schedule in an amount sufficient to cover all additional costs and expenses incurred by Lessor from such delinquent Lease Payment. In addition, Lessee shall pay a late charge of five cents per dollar or the highest amount permitted by applicable law, whichever is lower, on all delinquent Lease Payments and interest on said delinquent amounts from the date such amounts were due until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

6.03 Interest Component. A portion of each Lease Payment due under each Property Schedule is paid as, and represents payment of, interest, and each Property Schedule hereunder shall set forth the interest component (or method of computation thereof) of each Lease Payment thereunder during the Lease Term.

6.04 Lease Payments to be Unconditional. SUBJECT TO SECTION 6.06, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULES AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR AS PROVIDED IN SECTION 10.02.

6.05 Continuation of Lease by Lessee. Lessee intends to continue all Property Schedules entered into pursuant to this Agreement and to pay the Lease Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Lease Payments during the term of all Property Schedules can be obtained. Lessee agrees that its staff will provide during the budgeting process for each budget year to the governing body of Lessee notification of any Lease Payments due under the Property Schedules during the following budget year. Notwithstanding this covenant, if Lessee fails to appropriate the Lease Payments for a Property Schedule pursuant to Section 6.06, such Property Schedule shall terminate at the end of the then current Original Term or Renewal Term. Although Lessee has made this covenant, in the event that it fails to provide such notice, no remedy is provided and Lessee shall not be liable for any damages for its failure to so comply.

6.06 Nonappropriation. If during the then current Original Term or Renewal Term, sufficient funds are not appropriated to make Lease Payments required under a Property Schedule for the following fiscal year, Lessee shall be deemed to not have renewed such Property Schedule for the following fiscal year and the Property Schedule shall terminate at the end of the then current Original Term or Renewal Term and Lessee shall not be obligated to make Lease Payments under said Property Schedule beyond the then current fiscal year for which funds have been appropriated. Upon the occurrence of such nonappropriation (a "Nonappropriation Event") Lessee shall, no later than the end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property under said Property Schedule to Lessor. If Lessee fails to deliver possession of the Property to Lessor upon termination of said Property Schedule by reason of a Nonappropriation Event, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver

possession as required. In addition, Lessor may, by written instructions to any escrow agent who is holding proceeds of the Property Schedule, instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to Lessee's obligations under the Property Schedule and this Agreement. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

6.07 Defeasance of Lease Payments. Lessee may at any time irrevocably deposit in escrow with a defeasance escrow agent for the purpose of paying all of the principal component and interest component accruing under a Property Schedule, a sum of cash and non-callable securities consisting of direct obligations of, or obligations the principal of an interest on which are unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof, in such aggregate amount, bearing interest at such rates and maturing on such dates as shall be required to provide funds sufficient for this purpose. Upon such defeasance, all right, title and interest of Lessor in the Property under said Property Schedule shall terminate. Lessee shall cause such investment to comply with the requirements of federal tax law so that the exclusion from gross income of the interest component of Lease Payments on said Property Schedule is not adversely affected.

6.08 Gross-Up. If an Event of Taxability occurs with respect to a Property Schedule, the interest component of Lease Payments on the Property Schedule shall thereafter be payable at the Taxable Rate, and Lessee shall pay to Lessor promptly following demand an amount sufficient to supplement prior Lease Payments on such Property Schedule so that Lessor receives the interest component of such Lease Payments, retroactive to the date as of which the interest component is determined to be includible in the gross income of Lessor for federal income tax purposes, calculated at the Taxable Rate, together with any penalties and interest actually imposed on Lessor as a result of the Event of Taxability. For purposes of this Section, "Event of Taxability" means, with respect to a Property Schedule, (a) a final determination by the Internal Revenue Service or a court of competent jurisdiction that the interest component of Lease Payments on the Property Schedule is includible for federal income tax purposes in the gross income of Lessor, or (b) receipt by Lessor of a written opinion of a nationally recognized public finance lawyer or law firm to the effect that there exists substantial doubt whether the interest component of Lease Payments on the Property Schedule is excludible for federal income tax purposes from the gross income of Lessor, in each case due to any action or failure to take action by Lessee. "Taxable Rate" means an interest rate calculated to provide Lessor with an after-tax yield equivalent to the yield provided to Lessor by the interest rate at which the interest component of Lease Payments on a Property Schedule was originally calculated.

ARTICLE VII

7.01 Title to the Property. Upon acceptance of the Property by Lessee and unless otherwise required by the laws of the State, title to the Property shall vest in Lessee, subject to Lessor's interests under the applicable Property Schedule and this Agreement.

7.02 Personal Property. The Property is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Property from any party having an interest in any such real estate or building.

7.03 Security Interest. To the extent permitted by law and to secure the performance of all of Lessee's obligations under this Agreement with respect to a Property Schedule, including without limitation all Property Schedules now existing are hereafter executed, Lessee grants to Lessor, for the benefit of Lessor and its successors and assigns, a security interest constituting a first lien on Lessee's interest in all of the Property under the Property Schedule, whether now owned or hereafter acquired, all additions, attachments, alterations and accessions to the Property, all substitutions and replacements for the Property, and on any proceeds of any of the foregoing, including insurance proceeds. Lessee shall execute any additional documents, including financing statements, affidavits, notices and similar instruments, in form and substance satisfactory to Lessor, which Lessor deems necessary or appropriate to establish, maintain and perfect a security interest in the Property in favor of Lessor and its successors and assigns. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest.

ARTICLE VIII

8.01 Maintenance of Property by Lessee. Lessee shall keep and maintain the Property in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate and maintain the Property in conformity with all laws and regulations concerning the Property's ownership, possession, use and maintenance, and shall keep the Property free and clear of all liens and claims, other than those created by this Agreement. Lessee shall have sole responsibility to maintain and repair the Property. Should Lessee fail to maintain, preserve and keep the Property in good repair and working order and in accordance with manufacturer's specifications, and if requested by Lessor, Lessee will enter into maintenance contracts for the Property in form approved by Lessor and with approved providers.

8.02 Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Property free of all levies, liens and encumbrances, except for the interest of Lessor under this Agreement. The parties to this Agreement contemplate that the Property will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Property will be exempt from all property taxes. The Lease Payments payable by Lessee under this Agreement and the Property Schedules hereunder have been established to reflect the savings resulting from this exemption from taxation. Lessee will take such actions necessary under applicable law to obtain said exemption. Nevertheless, if the use, possession or acquisition of the Property is determined to be subject to taxation or later becomes subject to such taxes, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Lessee shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property. Lessee shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the then current fiscal year of the Lease Term for such Property.

8.03 Insurance. At its own expense, Lessee shall maintain (a) casualty insurance insuring the Property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount equal to at least the outstanding principal component of Lease Payments, and (b) liability insurance that protects Lessor from liability in all events in an amount reasonably acceptable to Lessor, and (c) worker's compensation insurance covering all employees working on, in, near or about the Property; provided that Lessee may self-insure against all such risks. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. All such insurance shall be with insurers that are authorized to issue such insurance in the State. All such liability insurance shall name Lessor as an additional insured. All such casualty insurance shall contain a provision making any losses payable to Lessor and Lessee as their respective interests may appear. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification. Such changes shall not become effective without Lessor's prior written consent. Lessee shall furnish to Lessor, on or before the Commencement Date for each Property Schedule, and thereafter at Lessor's request, certificates evidencing such coverage, or, if Lessee self-insures, a written description of its self-insurance program together with a certification from Lessee's risk manager or insurance agent or consultant to the effect that Lessee's self-insurance program provides adequate coverage against the risks listed above.

8.04 Advances. In the event Lessee shall fail to either maintain the insurance required by this Agreement or keep the Property in good repair and working order, Lessor may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof or maintain and repair the Property and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the Lease Term for the applicable Property Schedule and shall be due and payable on the next Lease Payment Date and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date such amounts are advanced until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

ARTICLE IX

9.01 Damage or Destruction. If (a) the Property under a Property Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property under a Property Schedule or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessor and Lessee will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, unless Lessee shall have exercised its right to defease the Property Schedule as provided herein, or unless Lessee shall have exercised its option to purchase Lessor's interest in the Property if the Property Schedule so provides. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of Section 8.03 and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

9.02 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01, Lessee shall (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 6.02, or (b) defease the Property Schedule pursuant to Section 6.07, or (c) exercise its option to purchase

Lessor's interest in the Property pursuant to the optional purchase provisions of the Property Schedule, if any. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after such defeasance or purchase may be retained by Lessee.

ARTICLE X

10.01 Disclaimer of Warranties. LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE. Lessee acknowledges that it has made (or will make) the selection of the Property from the Vendor based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. Lessee understands and agrees that (a) neither the Vendor nor any sales representative or other agent of Vendor, is (i) an agent of Lessor, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Property Schedules, or the existence, furnishing, functioning or use of any item, product or service provided for in this Agreement or the Property Schedules.

10.02 Vendor's Warranties. Lessor hereby irrevocably assigns to Lessee all rights that Lessor may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Property, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property.

10.03 Use of the Property. Lessee will not install, use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement and the applicable Property Schedule. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Property. In addition, Lessee agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Property; provided that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Property or its interest or rights under this Agreement. Lessee shall promptly notify Lessor in writing of any pending or threatened investigation, inquiry, claim or action by any governmental authority which could adversely affect this Agreement, any Property Schedule or the Property thereunder.

10.04 Modifications. Subject to the provisions of this Section, Lessee shall have the right, at its own expense, to make alterations, additions, modifications or improvements to the Property. All such alterations, additions, modifications and improvements shall thereafter comprise part of the Property and shall be subject to the provisions of this Agreement. Such alterations, additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, on completion of any alterations, additions, modifications or improvements made pursuant to this Section, shall be of a value which is equal to or greater than the value of the Property immediately prior to the making of such alterations, additions, modifications and improvements. Lessee shall, at its own expense, make such alterations, additions, modifications and improvements to the Property as may be required from time to time by applicable law or by any governmental authority.

ARTICLE XI

11.01 Option to Purchase. Lessee shall have the option to purchase Lessor's entire interest in all of the Property subject to a Property Schedule and to terminate any restrictions herein on the Property under such Property Schedule on the last day of the Lease Term for a Property Schedule, if the Property Schedule is still in effect on such day, upon payment in full of the Lease Payments due thereunder plus payment of One (1) Dollar to Lessor. Upon exercise of the purchase option as set forth in this Section 11.01 and payment of the purchase price under the applicable Property Schedule, and performance by Lessee of all other terms, conditions and provisions hereof, Lessor shall deliver to Lessee all such documents and instruments as Lessee may reasonably require to evidence the transfer, without warranty by or recourse to Lessor, of all of Lessor's right, title and interest in and to the Property subject to such Property Schedule to Lessee.

11.02 Option to Prepay. Lessee shall have the option to prepay in whole the Lease Payments due under a Property Schedule, but only if the Property Schedule so provides, and on the terms set forth in the Property Schedule. Lessee shall give written notice to Lessor of its intent to purchase Lessor's interest in the Property at least sixty (60) days prior to the last day of the Lease Term for applicable Property Schedule.

ARTICLE XII

12.01 Assignment by Lessor. Lessor's right, title and interest in, to and under each Property Schedule and the Property under such Property Schedule may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor without the necessity of obtaining the consent of Lessee; provided that any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in this Agreement and the Property Schedules.

12.02 Property Schedules Separate Financings. Assignees of the Lessor's rights in one Property Schedule shall have no rights in any other Property Schedule unless such rights have been separately assigned.

12.03 Assignment and Subleasing by Lessee. NONE OF LESSEE'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER THIS AGREEMENT AND IN THE PROPERTY MAY BE ASSIGNED, SUBLEASED OR ENCUMBERED BY LESSEE FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR.

12.04 Release and Indemnification Covenants. To the extent permitted by applicable law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss, claim and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest (collectively, "Losses") arising out of or resulting from the entering into this Agreement, any Property Schedules hereunder, the ownership of any item of the Property, the loss of federal tax exemption of the interest on any of the Property Schedules, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Property or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Property resulting in damage to property or injury to or death to any person; provided, however, that Lessee shall not be required to indemnify Lessor for Losses arising out of or resulting from Lessor's own willful or negligent conduct, or for Losses arising out of or resulting from Lessor's preparation of disclosure material relating to certificates of participation in this Agreement and any Property Schedule (other than disclosure material provided to Lessor by Lessee). The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement, or the applicable Property Schedule, or the termination of the Lease Term for such Property Schedule for any reason.

ARTICLE XIII

13.01 Events of Default Defined. Any of the following shall constitute an "Event of Default" under a Property Schedule:

- (a) Failure by Lessee to pay any Lease Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein;
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by Lessee in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

- (d) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or
- (e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

The foregoing provisions of Section 13.01 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to perform its agreements under this Agreement and the Property Schedule (other than any obligations on the part of Lessee to make any payments hereunder) Lessee shall not be in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

A Nonappropriation Event is not an Event of Default.

13.02 Remedies on Default. Whenever any Event of Default exists with respect to a Property Schedule, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Without terminating the Property Schedule, and by written notice to Lessee, Lessor may declare all Lease Payments and other amounts payable by Lessee thereunder to the end of the then-current budget year of Lessee to be due, including without limitation delinquent Lease Payments under the Property Schedule from prior budget years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less;
- (b) Lessor may terminate the Property Schedule, may enter the premises where the Property subject to the Property Schedule is located and retake possession of the Property, or require Lessee, at Lessee's expense, to promptly return any or all of the Property to the possession of Lessor at such place within the United States as Lessor shall specify, and Lessor may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code in effect in the State; provided, however, that any proceeds from the disposition of the property in excess of the sum required to (i) pay off any outstanding principal component of Lease Payments, (ii) pay any other amounts then due under the Property Schedule, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee except with respect to unpaid costs and expenses incurred by Lessor in connection with the disposition of the Property;
- (c) By written notice to any escrow agent who is holding proceeds of the Property Schedule, Lessor may instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to payment of Lessee's obligations under the Property Schedule;
- (d) Lessor may take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and this Agreement.

Notwithstanding the foregoing, if the proceeds are insufficient to pay items (i) to (iii) in Section 13.02(b) in whole, Lessee shall remain obligated after application of proceeds to items (i) and (ii), to pay in whole the amounts for item (iii).

13.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

13.04 Costs and Attorney Fees. Upon the occurrence of an Event of Default by Lessee in the performance of any term of this Agreement, Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Lessee, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

ARTICLE XIV

14.01 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses as specified on the first page of this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by Lessee.

14.02 Arbitrage Certificates. Unless a separate Arbitrage Certificate is delivered on the Commencement Date, Lessee shall be deemed to make the following representations and covenants as of the Commencement Date for each Property Schedule:

- (a) The estimated total costs, including taxes, freight, installation, and cost of issuance, of the Property under the Property Schedule will not be less than the total principal amount of the Lease Payments.
- (b) The Property under the Property Schedule has been ordered or is expected to be ordered within six months after the Commencement Date and the Property is expected to be delivered and installed, and the Vendor fully paid, within eighteen months from the Commencement Date. Lessee will pursue the completion of the Property and the expenditure of the net proceeds of the Property Schedule with due diligence.
- (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Lease Payments under the Property Schedule, or (ii) that may be used solely to prevent a default in the payment of the Lease Payments under the Property Schedule.
- (d) The Property under the Property Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Lease Payments under the Property Schedule.
- (e) There are no other obligations of Lessee which (i) are being sold within 15 days of the Commencement Date of the Property Schedule; (ii) are being sold pursuant to the same plan of financing as the Property Schedule; and (iii) are expected to be paid from substantially the same source of funds.
- (f) The officer or official who has executed the Property Schedule on Lessee's behalf is familiar with Lessee's expectations regarding the use and expenditure of the proceeds of the Property Schedule. To the best of Lessee's knowledge, information and belief, the facts and estimates set forth in herein are accurate and the expectations of Lessee set forth herein are reasonable.

14.03 Further Assurances. Lessee agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Lessor, to perfect, confirm, establish, reestablish, continue, or complete the interests of Lessor in this Agreement and the Property Schedules, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and the Property Schedules.

14.04 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

14.05 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

14.06 Waiver of Jury Trials. Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Lessor or Lessee in the negotiation, administration, performance or enforcement hereof.

14.07 Amendments, Changes and Modifications. This Agreement may be amended in writing by Lessor and Lessee to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of all assignees shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedule.

14.08 Execution in Counterparts. This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

14.09 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

14.10 Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

14.11 Continuing Disclosure. Lessor acknowledges that, in connection with Lessee's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Lessee pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice of its incurrence of its obligations under this Agreement and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Agreement, in each case including a description of the material terms thereof (each such notice, an "EMMA Notice"). Lessee shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Lessor or the Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Lessee acknowledges and agrees that Lessor is not responsible in connection with any EMMA Notice relating to this Agreement for Lessee's compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

14.12 Electronic Transactions. Lessor and Lessee hereby agree that this Agreement, any Property Schedule entered into hereunder, and any other document or instrument entered into in connection herewith or therewith may be authenticated by electronic means, and expressly consent to the use of the electronic version of this Agreement, any Property Schedule and such other documents or instruments to embody the entire agreement and the understanding between Lessor and Lessee. Lessee agrees not to raise as a defense to the enforcement of this Agreement, any Property Schedule or any other document or instrument that it was executed or authenticated by electronic or digital means or that Lessee used facsimile or other electronic means to transmit Lessee's signature thereon. To the extent that Lessor accepts, in its sole discretion, any Property Schedule bearing Lessee's electronic signature, Lessor shall have the sole right and discretion to mark a tangible counterpart hereof bearing Lessor's manual or electronic signature as the "Original" and, to the extent the Property Schedule constitutes chattel paper (as defined by the UCC), perfection of a security interest in the Property Schedule by possession can only be accomplished by possession of the counterpart marked "Original". To the extent that any Property Schedule has been authenticated by Lessor and Lessee in accordance with applicable law and exists as an electronic record that is controlled by Lessor (or any assignee of Lessor), such electronic record shall (pursuant to the rules and regulations of eOriginal, Inc.) constitute the original authoritative version of such Property Schedule; provided that if the "Paper Out" process shall have occurred pursuant to the eOriginal Product Reference Guide, then the "Paper Out" printed version of such Property Schedule as identified in the eOriginal audit record and corresponding affidavit shall constitute the sole authoritative version. Notwithstanding anything to the contrary herein, Lessor reserves the right to require Lessee to sign any document or instrument manually and to deliver to Lessor an original of this Agreement, any Property Schedule or other document or instrument. Lessee agrees to provide Lessor with such certificates of incumbency, certificates of completion, and metadata or other information from the electronic signature platform used by Lessee as Lessor shall request in order to confirm the due execution of this Agreement, any Property Schedule or other document or instrument, and shall cooperate with Lessor in obtaining any information or evidence from the provider of such electronic signature platform as Lessor may reasonably request.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

Lessor: Leasing 2, Inc.
By:
Name:
Title:

Lessee: City of Bay St. Louis, Mississippi
By:
Name:
Title:

Attest:
By:
Name:
Title:

ADDENDUM

Master Tax-Exempt Lease/Purchase Agreement

THIS ADDENDUM, which is entered into as of April 28, 2026 between U.S. Bancorp Government Leasing and Finance, Inc. ("Lessor") and City of Bay St. Louis, Mississippi ("Lessee"), is intended to modify and supplement the Master Tax-Exempt Lease/Purchase Agreement between Lessor and Lessee dated as of April 28, 2026 (the "Master Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Agreement.

Section **6.02 Payment of Lease Payments**, is hereby deleted and restated as follows:

Lessee shall promptly pay Lease Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Lessor in such amounts and on such dates as described in the applicable Property Schedule, at Lessor's address set forth on the first page of this Agreement, unless Lessor instructs Lessee otherwise. Lessee shall pay Lessor a charge on any delinquent Lease Payments under a Property Schedule in an amount sufficient to cover all additional costs and expenses incurred by Lessor from such delinquent Lease Payment. In addition, Lessee shall pay interest on said delinquent amounts from the date such amounts were due until paid at the rate of 1 and ½% per month.

Section **6.04 Lease Payments to be Unconditional**, is hereby deleted and restated as follows:

TO THE EXTENT ALLOWED BY STATE LAW, SUBJECT TO SECTION 6.06, THE OBLIGATIONS OF LESSEE TO PAY THE LEASE PAYMENTS DUE UNDER THE PROPERTY SCHEDULES AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR AS PROVIDED IN SECTION 10.02.

Section **6.05 Nonappropriation**, is hereby deleted and restated as follows:

To the extent allowed by State law, if during the then current Original Term or Renewal Term, sufficient funds are not appropriated to make Lease Payments required under a Property Schedule for the following fiscal year, Lessee shall be deemed to not have renewed such Property Schedule for the following fiscal year and the Property Schedule shall terminate at the end of the then current Original Term or Renewal Term and Lessee shall not be obligated to make Lease Payments under said Property Schedule beyond the then current fiscal year for which funds have been appropriated. Upon the occurrence of such nonappropriation (a "Nonappropriation Event") Lessee shall, no later than the end of the fiscal year for which Lease Payments have been appropriated, deliver possession of the Property under said Property Schedule to Lessor. If Lessee fails to deliver possession of the Property to Lessor upon termination of said Property Schedule by reason of a Nonappropriation Event, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Lease Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. In addition, Lessor may, by written instructions to any escrow agent who is holding proceeds of the Property Schedule, instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to Lessee's obligations under the Property Schedule and this Agreement. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Lease Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

Section **6.08 Gross-Up**, is hereby deleted and restated as follows:

"*Taxable Rate*" means, for each day that the interest component of Lease Payments is taxable for federal income tax purposes, an interest rate equal to the Interest Rate as stated on Property Schedule No. 1 plus a rate sufficient such that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any federal, State or local income tax (including any interest, penalties or additions to tax) actually imposed thereon, equal the amount of interest otherwise due to Lessor. For purposes of this Section, "*Event of Taxability*" means and shall be deemed to have occurred on the first to occur of the following: (a) the filing by the Lessee of any statement, supplemental statement or other tax schedule, return or document which discloses that the interest on this Agreement is includable in the gross income of the owner or former owner of this Agreement for federal income tax purposes; (b) receipt by the Lessee of notice that the Escrow Agreement or the Lessor has received a written opinion of counsel to the effect that the interest on this Agreement is includable in the gross income of the owner or former owner of this Agreement for federal income tax purposes unless, within 180 days (or such longer period(s) as consented to in writing by the Lessor) after receipt by the Lessee of such notice, the Lessee shall deliver to the Escrow Agent or the Lessor a ruling or determination letter issued to or on behalf of the Lessee by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official or agency exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for such opinion, the interest on this Agreement is not includable in the gross income of the owners or former owners of this Agreement for federal income tax purposes; (c) receipt by the Lessor or Lessee of written notice from the Commissioner

or any District Director of the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) that the interest on this Agreement is includable in the gross income of the owner or former owner of this Agreement for federal income tax purposes; or (d) receipt by the Lessor or Lessee of written notice that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Lessor or such former Lessor the interest on this Agreement. Notwithstanding the foregoing, no event described in clause (c) or (d) above shall constitute a Determination of Taxability unless the Lessee has been afforded the opportunity, at its sole expense, to contest any such assessment for a period of no more than 180 days so long as the Lessee is contesting the same during such 180-day period in good faith by appropriate proceedings diligently pursued until the earliest of (i) the date on which the Lessee abandons the contest; (ii) the date on which such contest has been concluded adversely to the Lessee and no further appeals are possible; and (iii) the date that is six months after the initial receipt by the Lessee or Lessor of such notice or assessment; provided, however, that upon demand from the Lessor, the Lessee shall promptly reimburse Lessor for any payments, including (without limitation) any taxes, interest, penalties, charges or expenses incurred by the Lessor as a result of such Determination of Taxability.

Section **8.03 Insurance**, is hereby deleted and restated as follows:

At its own expense, Lessee shall maintain (a) casualty insurance insuring the Property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount equal to at least the outstanding principal component of Lease Payments, and (b) liability insurance that protects Lessor from liability in all events in an amount reasonably acceptable to Lessor, and (c) worker's compensation insurance covering all employees working on, in, near or about the Property; provided that Lessee may self-insure against all such risks. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. All such insurance shall be with insurers that are authorized to issue such insurance in the State. All such casualty insurance shall contain a provision making any losses payable to Lessor and Lessee as their respective interests may appear. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification. Such changes shall not become effective without Lessor's prior written consent. Lessee shall furnish to Lessor, on or before the Commencement Date for each Property Schedule, and thereafter at Lessor's request, certificates evidencing such coverage, or, if Lessee self-insures, a written description of its self-insurance program together with a certification from Lessee's risk manager or insurance agent or consultant to the effect that Lessee's self-insurance program provides adequate coverage against the risks listed above.

Section **10.02 Vendor's Warranties**, is hereby deleted and restated as follows:

To the extent allowed by State law, Lessor hereby irrevocably assigns to Lessee all rights that Lessor may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Property, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property.

Section **13.02(a) Remedies on Default**, is hereby deleted and restated as follows:

Without terminating the Property Schedule, and by written notice to Lessee, Lessor may declare all Lease Payments and other amounts payable by Lessee thereunder to the end of the then-current budget year of Lessee to be due, including without limitation delinquent Lease Payments under the Property Schedule from prior budget years, and such amounts shall thereafter bear interest at the rate of 1 and ½% per month.

Section **13.04 Costs and Attorney fees**, is hereby deleted and restated as follows:

To the extent allowed by State law, upon the occurrence of an Event of Default by Lessee in the performance of any term of this Agreement, Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Lessee, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, Lessor and Lessee have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

Lessor: U.S. Bancorp Government Leasing and Finance, Inc.
By:
Name:
Title:

Lessee: City of Bay St. Louis, Mississippi
By:
Name:
Title:

Attest:
By
Name:
Title:

Property Schedule No. 1

Master Tax-Exempt Lease/Purchase Agreement

This **Property Schedule No. 1** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), dated as of April 28, 2026, between Leasing 2, Inc., and City of Bay St. Louis, Mississippi.

1. Entire Agreement; Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. The Master Agreement, this Property Schedule and the associated documents hereto constitute the entire agreement between Lessor and Lessee with respect to the Property and supersede any purchase order, invoice, request for proposal, response or other related document. Reference is made to the Master Agreement for all representations, covenants and warranties made by Lessee in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is April 28, 2026.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. Lessee shall not remove such property from the locations set forth therein without giving prior written notice to Lessor. The Lease Payment Schedule for this Property Schedule is set forth in Exhibit 1.
4. Opinion. The Opinion of Lessee's Counsel is attached as Exhibit 2.
5. Lessee's Certificate. The Lessee's Certificate is attached as Exhibit 3.
6. Proceeds. Lessor shall disburse the proceeds of this Property Schedule in accordance with the instructions attached hereto as Exhibit 4.
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 5.
8. Additional Purchase Option Provisions. In addition to the Purchase Option provisions set forth in the Master Agreement, Lease Payments payable under this Property Schedule shall be subject to prepayment in whole at any time by payment of the applicable Termination Amount set forth in Exhibit 1 (Payment Schedule) and payment of all accrued and unpaid interest through the date of prepayment.
9. Private Activity Issue. Lessee understands that among other things, in order to maintain the exclusion of the interest component of Lease Payments from gross income for federal income tax purposes, it must limit and restrict the rights private businesses (including, for this purpose, the federal government and its agencies and organizations described in the Code § 501(c)(3)) have to use the Property. Each of these requirements will be applied beginning on the later of the Commencement Date or date each portion of the Property is placed in service and will continue to apply until earlier of the end of the economic useful life of the property or the date the Agreement or any tax-exempt obligation issued to refund the Property Schedule is retired (the "Measurement Period"). Lessee will comply with the requirements of Section 141 of the Code and the regulations thereunder which provide restrictions on special legal rights that users other than Lessee or a state or local government or an agency or instrumentality of a state or a local government (an "Eligible User") may have to use the Property. For this purpose, special legal rights may arise from a management or service agreement, lease, research agreement or other arrangement providing any entity except an Eligible User the right to use the Property. Any use of the Property by a user other than an Eligible User is referred to herein as "Non-Qualified Use". Throughout the Measurement Period, all of the Property is expected to be owned by Lessee. Throughout the Measurement Period, Lessee will not permit the Non-Qualified Use of the Property to exceed 10%.
10. Bank Qualification and Arbitrage Rebate. Attached as Exhibit 6.
11. Expiration. Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Master Agreement (including this Property Schedule and all ancillary documents) is not received by Lessor at its place of business by June 24, 2026.

(Page intentionally left blank. Signature page to follow.)

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

Lessor: Leasing 2, Inc.
By:
Name:
Title:

Lessee: City of Bay St. Louis, Mississippi
By:
Name:
Title:

Attest:
By
Name:
Title:

EXHIBIT 1

Property Description and Payment Schedule

Re: **Property Schedule No. 1** to Master Tax-Exempt Lease/Purchase Agreement between Leasing 2, Inc. and City of Bay St. Louis, Mississippi.

THE PROPERTY IS AS FOLLOWS: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto. It includes all replacements, parts, repairs, additions, accessions and accessories incorporated therein or affixed or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries.

PROPERTY LOCATION:

Address

City, State Zip Code

USE: Street Sweeper/ Vehicles - This use is essential to the proper, efficient and economic functioning of Lessee or to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

Lease Payment Schedule

Total Principal Amount: \$470,341.10

Payment No.	Due Date	Lease Payment	Principal Portion	Interest Portion	Termination Amount (After Making Payment for said Due Date)
1	28-Apr-2027	106,729.53	86,210.98	20,518.55	NA
2	28-Apr-2028	106,729.53	89,971.92	16,757.61	302,982.94
3	28-Apr-2029	106,729.53	93,896.93	12,832.60	206,269.11
4	28-Apr-2030	106,729.53	97,993.17	8,736.36	105,336.14
5	28-Apr-2031	106,729.53	102,268.10	4,461.43	0.00
TOTAL		533,647.65	470,341.10	63,306.55	

Interest Rate: 4.36%

Lessee: City of Bay St. Louis, Mississippi
By:
Name:
Title:

EXHIBIT A

Property Description

One (1) Street Sweeper

Three (3) Chevy Silverados

One (1) Nissan Rogue

VIN #'s To Be Determined

EXHIBIT 2

Lessee's Counsel's Opinion

[To be provided on letterhead of Lessee's counsel.]

April 28, 2026

Leasing 2, Inc.
1720 West Cass Street Suite B
Tampa, FL 33606

City of Bay St. Louis, Mississippi
688 Highway 90
Bay St. Louis, MS 39520
Attention: Dana Feuerstein

RE: Property Schedule No. 1 dated as of April 28, 2026 to the Master Tax-Exempt Lease/Purchase Agreement dated April 28, 2026 between Leasing 2, Inc. and City of Bay St. Louis, Mississippi.

Ladies and Gentlemen:

We have acted as special counsel to City of Bay St. Louis, Mississippi ("Lessee"), in connection with the Master Tax-Exempt Lease/Purchase Agreement, dated as of April 28, 2026 (the "Master Agreement"), between City of Bay St. Louis, Mississippi, as lessee, and Leasing 2, Inc. as lessor ("Lessor"), and the execution of Property Schedule No. 1 (the "Property Schedule") dated as of April 28, 2026, pursuant to the Master Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Property Schedule.

As to questions of fact material to our opinion, we have relied upon the representations of Lessee in the Master Agreement and the Property Schedule and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Master Agreement and the Property Schedule and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Property Schedule by Lessee has been duly authorized by all necessary action on the part of Lessee.
4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Master Agreement and the Property Schedule, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
5. Lessee has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.
6. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Lessee of the Master Agreement and the Property Schedule.

7. The Master Agreement and the Property Schedule have been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule.

Very truly yours,

By: _____

Name: _____

Title: _____

Dated: _____

EXHIBIT 3

Lessee's General and Incumbency Certificate

GENERAL CERTIFICATE

Re: **Property Schedule No. 1** dated as of April 28, 2026 to the Master Tax-Exempt Lease/Purchase Agreement dated April 28, 2026 between Leasing 2, Inc. and City of Bay St. Louis, Mississippi.

The undersigned, being the duly elected, qualified and acting _____
(Title of Person to Execute Lease/Purchase Agreement)
of the City of Bay St. Louis, Mississippi ("Lessee") does hereby certify, as of April 28, 2026, as follows:

1. Lessee did, at a meeting of the governing body of the Lessee, by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement") by the undersigned.

2. The meeting(s) of the governing body of the Lessee at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

3. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

4. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Lessee.

5. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

6. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of April 28, 2026.

City of Bay St. Louis, Mississippi

By _____
Signature of Person to Execute Lease/Purchase Agreement

Print Name and Title of Person to Execute Lease/Purchase Agreement

INCUMBENCY CERTIFICATE

Re: **Property Schedule No. 1** dated as of April 28, 2026 to the Master Tax-Exempt Lease/Purchase Agreement dated as of April 28, 2026 between Leasing 2, Inc. and City of Bay St. Louis, Mississippi.

The undersigned, being the duly elected, qualified and acting Secretary or Clerk of the City of Bay St. Louis, Mississippi ("Lessee") does hereby certify, as of April 28, 2026, as follows:

As of the date of the meeting(s) of the governing body of the Lessee at which the above-referenced Master Agreement and the Property Schedule were approved and authorized to be executed, and as of the date hereof, the below-named representative of the Lessee held and holds the office set forth below, and the signature set forth below is his/her true and correct signature.

(Signature of Person to Execute Lease/Purchase Agreement)

(Print Name and Title)

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of April 28, 2026.

Secretary/Clerk

Print Name
and Title: _____

EXHIBIT 4

Payment of Proceeds Instructions

Leasing 2, Inc.
1720 West Cass Street Suite B
Tampa, FL 33606

Re: Property Schedule No. 1 (the "Property Schedule") to Master Tax-Exempt Lease/Purchase Agreement between Leasing 2, Inc. ("Lessor") and City of Bay St. Louis, Mississippi ("Lessee").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Lessee hereby requests and authorizes Lessor to disburse the net proceeds of the Property Schedule as follows:

Name of Payee: _____

By Check: _____

By Wire Transfer: _____

If by check, Payee's Address: _____

If by wire transfer, instructions as follows:

Pay to Bank Name: _____

Bank Address: _____

Bank Phone #: _____

For Account of: _____

Account No: _____

ABA No.: _____

Lessee: City of Bay St. Louis, Mississippi
By:
Name:
Title:

EXHIBIT 5

Acceptance Certificate

Leasing 2, Inc.
1720 West Cass Street Suite B
Tampa, FL 33606

Re: **Property Schedule No. 1** to Master Tax-Exempt Lease/Purchase Agreement between Leasing 2, Inc. and City of Bay St. Louis, Mississippi

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), the undersigned ("Lessee") hereby certifies and represents to, and agrees with, Leasing 2, Inc. ("Lessor"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or a Nonappropriation Event (as such terms are defined in the Master Agreement) exists at the date hereof.

Acceptance Date: _____

Lessee: City of Bay St. Louis, Mississippi
By:
Name:
Title:

EXHIBIT 6

Bank Qualification And Arbitrage Rebate

Leasing 2, Inc.
1720 West Cass Street Suite B
Tampa, FL 33606

Re: **Property Schedule No. 1** to Master Tax-Exempt Lease/Purchase Agreement between Leasing 2, Inc. and City of Bay St. Louis, Mississippi

PLEASE CHECK EITHER:

Bank Qualified Tax-Exempt Obligation under Section 265

_____ Lessee hereby designates this Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the Commencement Date of this Property Schedule falls, in an amount not exceeding \$10,000,000.

or

_____ Not applicable.

Arbitrage Rebate

Eighteen Month Exception:

Pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of this Property Schedule will be expended for the governmental purposes for which this Property Schedule was entered into, as follows: at least 15% within six months after the Commencement Date, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Lessee is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Lessee shall compute rebatable arbitrage on this Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final Lease Payment due under this Agreement.

Consult tax counsel if there is any chance that the Eighteen Month Exception will not be met.

Lessee: City of Bay St. Louis, Mississippi
By:
Name:
Title:

***Please be sure to select ONE option above.**

NOTICE AND ACKNOWLEDGMENT OF SALE OF RENTAL PAYMENTS AND ASSIGNMENT OF LEASE

Leasing 2, Inc. and City of Bay St. Louis, Mississippi ("Lessee") have entered into a Master Tax-Exempt Lease/Purchase Agreement, dated April 28, 2026 and related Property Schedule No. 1 dated April 28, 2026 (together, the "Agreement") under which Lessee has, or will have prior to its execution hereof, leased Property (the "Property") described in Exhibit A to the Agreement.

Lessee is hereby notified that Leasing 2, Inc. has assigned its interest in the Agreement, in the leased Property, and in the Rental Payments and all other amounts provided for under the Agreement.

Lessee is hereby directed to pay any and all rental payments and other amounts due with respect to which Leasing 2, Inc.'s Purchaser ("Purchaser") renders an invoice, at the address set out immediately below or as otherwise directed in said invoice:

"PURCHASER"

U.S. Bancorp Government Leasing and Finance, Inc.
 PO Box 959067
 St. Louis, MO 63179-9067

By signing this Notice and Acknowledgment, Lessee agrees that it will pay all amounts due under the Agreement as directed in the invoice without any set-off or deduction whatsoever notwithstanding any defect in, damage to, or requisition of any property leased under the Agreement, any other similar or dissimilar event, any defense, set-off, counterclaim or recoupment arising out of any claim against Leasing 2, Inc. or Purchaser.

Lessee further agrees that Purchaser has not assumed any duties under the Agreement or made any warranties whatsoever as to the Agreement or the Property. Lessee agrees that no change may be made to the Agreement without the prior written consent of the Purchaser.

In signing this, Lessee warrants that its representations and warranties under the Agreement are true and correct on the date hereof.

Lessor: Leasing 2, Inc.	Lessee: City of Bay St. Louis, Mississippi
By:	By:
Printed Name:	Printed Name:
Title:	Title:
Date:	Date:

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Escrow Agreement") is made and entered into as of **April 5, 2026** ("Escrow Agreement Date"), by and among Leasing 2, Inc. or its assigns ("Lessor"), **City of Bay St. Louis** ("Lessee") and Old National Wealth Management ("Escrow Agent").

RECITALS

WHEREAS, Lessor and Lessee have entered into the Lease-Purchase Agreement dated **April 5, 2026** (the "Lease"), pursuant to which the equipment more particularly described therein (the "Equipment") will be leased to the Lessee under the terms stated in the Lease;

WHEREAS, Lessor and Lessee desire to make funding arrangements for the acquisition of the Equipment, and Escrow Agent agrees to serve as escrow agent for such funding and acquisition;

WHEREAS, Escrow Agent is hereby notified that Lessor expects to assign all of its right, title, and interest in and to, but not its obligations under, the Lease and this Escrow Agreement to **U.S. Bancorp Government Leasing and Finance, Inc.**, including, in particular, but without limitation, and Lessor's right to approve all payment requests submitted by Lessee and Lessor's security interest in the Fund (as defined herein).

NOW THEREFORE, in consideration of the mutual agreements and covenant herein contained and for other valuable consideration, the parties hereby agree as follows:

1. Escrow Agent shall undertake the duties and obligations of Escrow Agent as set forth in this Escrow Agreement. Escrow Agent shall not be deemed to be a party to the Lease.
2. Lessor has delivered to Escrow Agent the sum of **\$ 470,341.10** ("Escrow Amount") for deposit by Escrow Agent in an Escrow Account established in connection with the Lease (the "Fund"). The Fund will be administered by Escrow Agent pursuant to the terms of this Escrow Agreement. Lessee acknowledges that Escrow Agent may commingle the Escrow Amount held by Escrow Agent for the benefit of Lessee with other funds held by Escrow Agent for its own account, so long as the Escrow Agent maintains segregation of the Fund on the books and records of Escrow Agent. The Escrow Amount shall not be the property of the Escrow Agent, notwithstanding the fact that it may be commingled with other funds of the Escrow Agent.
3. Deposits in the Fund shall be used to pay for the acquisition of the Equipment. The Equipment may be acquired as individual items or as groups of items. Escrow Agent shall make disbursements from the Fund in payment for the acquisition of each item or group of items of the Equipment promptly upon receipt of a properly executed Escrow Disbursement Request Form, in the form attached hereto as "Exhibit A", for that portion of the acquisition of the Equipment for which payment is requested. Upon full acquisition of an item or group of items of the Equipment, any remaining cost of such item or group of items shall be disbursed promptly by the Escrow Agent upon receipt of a properly executed Acceptance Certificate and a corresponding Escrow Disbursement Request Form in the form attached hereto as "Exhibit A", for that portion of the Equipment for which payment is requested. Payment by Escrow Agent shall be to the payee shown on the Escrow Disbursement Request Form. Escrow Agent may deduct overnight mailing fees from the Fund prior to any disbursement requested by Lessee in writing to be sent via overnight mail.
4. No fees are due to the Escrow Agent under this Escrow Agreement and neither the Lessee nor any assignee of Lessor shall be responsible for payment of any fees to the Escrow Agent.
5. Escrow Agent will invest the Fund, as specified by Lessor, in a Federated Government Obligation Money Market account, ticker GOSXX; provided, however, that notwithstanding anything herein, the yield on the Fund shall not be allowed to exceed the yield on the Lease. If the yield on the Fund at any time exceeds the yield on the Lease, the Lessor shall direct the Escrow Agent to invest the Fund in a lower yielding investment such that no arbitrage is earned on the Fund. Escrow Agent shall maintain the Fund until termination of the Fund pursuant to Section 6 hereof.
6. Upon execution of one or more Acceptance Certificates by Lessee and payment of acquisition costs by Escrow Agent for all the Equipment, this Escrow Agreement shall terminate and the Fund shall be closed. If not terminated earlier, this Escrow Agreement shall terminate and the Fund shall close on the date that is three years after the Escrow Agreement Date ("Termination Date"). Upon termination of this Escrow Agreement and closing of the Fund, Escrow Agent shall transfer all remaining principal in the Fund to Lessor and such amounts shall be applied by Lessor to Lessee's next Rental Payment. Lessee agrees that any interest earned on the Escrow Amount held in the Fund in excess of the costs of the Equipment will be paid to Leasing 2, Inc.
7. Lessor and Lessee may by written agreement between themselves remove the Escrow Agent, at any time and for any reason, and appoint a successor Escrow agent. Such removal shall not be effective until thirty (30) days after written notice thereof is provided to Escrow Agent.
8. Escrow Agent may at any time and for any reason resign as Escrow Agent by giving written notice to Lessor and Lessee of its intention to resign and of the proposed date of resignation, which date shall be not less than thirty (30) days after giving Lessee and Lessor written notice of intent to resign, nor less than thirty (30) days after being appointed by Lessor and Lessee.

9. Escrow Agent shall have no obligation under the terms of this Escrow Agreement to make any disbursement except from the Fund. Escrow Agent makes no warranties or representations as to the Equipment or as to performance of the obligations of Lessor or Lessee under this Escrow Agreement or the Lease.

10. Escrow Agent shall be entitled to rely in good faith upon any documents signed by a party hereto and shall have no duty to investigate the veracity of such documents. Escrow Agent (i) may assume that any person giving notice pursuant to the terms hereof is authorized to do so and (ii) shall not be liable for good faith reliance thereon.

11. Except to the extent it would invalidate the Lease or otherwise be prohibited by law, to secure the payment of all Lessee's obligations under the Lease, Lessee, grants to Lessor a security interest constituting a first lien on the Escrow Amount and on all amounts held in the Fund and any proceeds therefrom. Lessee hereby authorizes Lessor to prepare and file such financing statements, any amendments thereto and other such documents to establish and maintain such first lien and perfected security interest. Lessee hereby acknowledges the receipt of copies of the financing statements prepared by Lessor and hereby confirms the accuracy of the information contained therein. Lessee further agrees to execute such additional documents, including affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest, and upon assignment, the security interest of any assignee of Lessor, in the Equipment. To the limited extent required to perfect the security interest granted by Lessee to Lessor in the cash and negotiable instruments from time to time comprising the Fund, Lessor hereby appoints the Escrow Agent as its security agent, and the Escrow Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash negotiable instruments on behalf of Lessor.

12. The Lessor and Lessee, to the extent permitted by law, hereby agree to indemnify, defend, protect and hold the Escrow Agent, its affiliates, its officers, directors, agents and employees, harmless from and against any and all claims, losses, liability, damages, costs or expenses that the Escrow Agent may suffer or incur arising out of or in connection with the acceptance or administration of this Escrow Agreement or the performance of its duties hereunder, including reasonable attorneys' fees, but excluding any losses, liability, damages, costs or expenses due to the Escrow Agent's negligence or willful misconduct or its failure to act in accordance with the terms of this Escrow Agreement. This indemnity shall survive the termination of this Escrow Agreement or the removal or resignation of the Escrow Agent. The Escrow Agent agrees to indemnify, defend, protect and hold the Lessor, its affiliates, its officers, directors, agents and employees, harmless from and against any and all claims, losses, liability, damages, costs or expenses that the Lessor may suffer or incur arising out of or in connection with the acceptance or administration of this Escrow Agreement or the performance of its duties hereunder, including reasonable attorneys' fees, but excluding any losses, liability, damages, costs or expenses due to the Lessor's negligence or willful misconduct.

13. This Escrow Agreement may be amended only by written agreement executed by all the parties.

14. This Escrow Agreement may be executed in several counterparts, each of which shall be an original.

15. This Escrow Agreement will be governed by and construed in accordance with the laws of the state in which the Lessee is organized.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the date first written above.

LESSOR: Leasing 2, Inc.

BY: _____

Name: _____

Title: _____

LESSEE: City of Bay St. Louis

BY: _____

Name: Michael J. Favre

Title: Mayor

ESCROW AGENT: Old National Wealth Management

BY: _____

Name: _____

Title: _____

ESCROW AGREEMENT – Exhibit A

ESCROW DISBURSEMENT REQUEST FORM

Old National Wealth Management, acting as escrow agent (the "Escrow Agent") under the Escrow Agreement dated as of **April 5, 2026**, by and among the Escrow Agent, Leasing 2, Inc. ("Lessor") and **City of Bay St. Louis** ("Lessee") (the "Escrow Agreement"), is hereby requested to pay to the person or corporation designated below as payee the sum set forth below in payment of the acquisition and installation costs of the equipment described below, which equipment was financed pursuant to that certain Lease-Purchase Agreement dated **April 5, 2026**, by and between Lessor and Lessee (the "Lease"). The amount shown below is due and payable under the attached vendor invoice(s) of payee with respect to the described equipment and has not formed the basis of any prior request for payment from the escrow account established under the Escrow Agreement.

PAYEE: _____

AMOUNT: _____

DESCRIPTION OF EQUIPMENT: _____

INVOICE # _____ DATED: _____

Indicate Method for Payment Disbursement:

_____ Overnight Check *** _____ Regular Mail Check _____ Wire Funds

Mailing Address: _____ Wire Instructions: _____

***Please note that there might be a fee charged for overnight delivery.
This fee will be deducted from the escrow balance before disbursement is made.

Lessee: City of Bay St. Louis

By: _____

Name: Michael J. Favre

Title: Mayor

Assignee: U.S. Bancorp Government Leasing and Finance, Inc.

By: _____

Authorized Signer

ACCEPTANCE CERTIFICATE

Lessee hereby acknowledges receipt in good condition of all the equipment described above and included on the attached vendor invoice(s), hereby accepts such equipment, and hereby certifies that Lessor or its assignee has fully and satisfactorily performed all covenants and conditions to be performed by it under the Lease with regard to such equipment, that such equipment is fully insured in accordance with Section 8.03 of the Lease and that such equipment constitutes all or a portion of the Equipment as that term as defined in the Lease.

Date: _____

Lessee: City of Bay St. Louis

By: _____

Name: Michael J. Favre

Title: Mayor