

LEASE AGREEMENT (“Lease”)

LESSEE: City of Cartersville
c/o Tommy Sanders, Director of Public Works
330 South Erwin Street
Cartersville, GA 30120

LESSOR: Commercial Credit Group Inc.
525 North Tryon Street, Suite 1000
Charlotte, NC 28202

This Lease Agreement, made and entered into on April 14, 2021 (together with any amendments hereto made in accordance herewith, the “Lease”), is entered into by and between COMMERCIAL CREDIT GROUP INC., incorporated under the laws of the State of Delaware (the “Lessor”), as the lessor hereunder, and City of Cartersville (the “Lessee”), as lessee hereunder.

WITNESSETH:

WHEREAS, the Lessee is a public body corporate and politic and a political subdivision organized and existing pursuant to the laws of the State of Georgia, and is authorized thereunder to enter into this Lease; and

WHEREAS, the Lessor has the requisite corporate and governmental power to enter into this Lease; and

WHEREAS, the City Council of City of Cartersville (the “Council”), the governing body of the Lessee, has determined, and hereby agrees, that it is in the Lessee’s best interest to lease certain equipment, with an option to purchase, as more particularly described on Schedule A attached hereto and incorporated herein by reference (collectively, the “Equipment”) through this Lease with the Lessor; and

WHEREAS, the lease of Equipment serves a valid and essential corporate and public purpose of the Lessee; and

WHEREAS, the execution, delivery and performance of this Lease by the Lessor has been authorized and approved by all necessary and appropriate action of the Lessor.

NOW, THEREFORE, for and in consideration of the payment of the Lease Payments (as hereinafter defined) by the Lessee, the mutual promises, conditions and covenants herein set forth, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties hereto agree as follows:

TERMS AND CONDITIONS

1. LEASE. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, in accordance with the terms and conditions set forth herein, the personal property described on Schedule A attached hereto, together with all replacement parts, repairs, additions, accessories and systems incorporated therein or affixed thereto.

2. NO WARRANTIES. Lessee acknowledges that it has selected both (a) the Equipment listed on Schedule A and (b) the supplier or vendor named on Schedule A from whom Lessor is to purchase said Equipment. In this respect, Lessee acknowledges that Lessor is not the manufacturer of said Equipment nor the agent of said manufacturer or vendor. **LESSEE FURTHER ACKNOWLEDGES THAT LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT INCLUDING, BUT NOT LIMITED TO, (i) THE FITNESS, DESIGN, OR CONDITION OF THE EQUIPMENT; (ii) THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; (iii) THE QUALITY OR CAPACITY OF THE EQUIPMENT, THE MATERIALS IN THE EQUIPMENT, OR WORKMANSHIP IN THE EQUIPMENT; (iv) ANY LATENT DEFECTS IN THE EQUIPMENT; (v) ANY PATENT, COPYRIGHT, OR TRADE SECRET INFRINGEMENT; (vi) THE CONDITION OF TITLE TO THE EQUIPMENT, AND SPECIFICALLY AS TO WHETHER SUCH TITLE IS FREE AND CLEAR OF LIENS, SECURITY INTERESTS AND OTHER ENCUMBRANCES; AND (vii) THE COMPLIANCE OF THE EQUIPMENT WITH ANY REQUIREMENTS OF LAW, RULE, SPECIFICATION, OR CONTRACT PERTAINING THERETO.** Lessee further acknowledges that it is leasing the Equipment from Lessor in an “AS IS” condition and that no defect or unfitness of the Equipment shall relieve Lessee of Lessee’s obligation to pay rent or any other obligation Lessee may have under this Lease. The parties agree that Lessor shall have no obligation to deliver, install, erect, test, adjust, repair, or service the Equipment. If the Equipment is not properly installed, does not operate as represented or warranted by the manufacturer or the supplier, or is unsatisfactory for any reason, Lessee shall make claim on account thereof solely against the supplier or manufacturer and shall, nevertheless, pay Lessor all Lease Payments (as defined herein) payable hereunder. As between Lessee and Lessor and only in those instances where the manufacturer of the Equipment has provided any warranty or guarantee of any nature whatsoever applicable to the Equipment, Lessor hereby assigns to Lessee whatever assignable interest, if any, Lessor may have in such warranty or guarantee. The aforesaid assignment shall not in any way be deemed to limit, negate, or otherwise affect the disclaimer of warranties contained in this Section, and Lessor shall not incur any duties arising out of any manufacturer’s warranties or guarantees. Further, Lessor shall not incur any liability whatsoever arising out of any breach of any manufacturer’s warranties or guarantees applicable to the Equipment.

3. ORDERING EQUIPMENT. Lessee agrees to order the Equipment from the supplier shown in each Schedule. Lessee agrees to arrange for delivery of the Equipment, so it can be accepted in accordance with Section 4 hereof. Lessee hereby authorizes Lessor to insert on Schedule A the serial numbers and other identification data of the Equipment when determined. Lessee certifies that all of the Equipment is essential to the conduct of Lessee’s operations. Lessor shall have no obligation to fund any purchase of Equipment or portion thereof unless all reasonable conditions established by Lessor (“Funding Conditions”) have been satisfied, including, without limitation, the following: (a) Lessee has signed and delivered the Lease and attachments; (b) no Event of Default shall have occurred and be continuing; (c) no material adverse change shall have occurred in the Internal Revenue Code of 1986, as amended, and the related Regulations and rulings thereunder (collectively, the “Code”); (d) no material adverse change shall have occurred in the financial condition of Lessee or any supplier; (e) the Equipment is reasonably satisfactory to Lessor and is free and clear of any liens (except Lessor’s liens); (f) all representations of Lessee in the Lease remain true, accurate and complete; and (g) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor: (1) the Acceptance Certificate; (2) evidence of insurance coverage required by the Lease; (3) an opinion of Lessee’s counsel as to Lessee’s execution,

authority and the enforceability of this Lease; (4) reasonably detailed invoices for the Equipment, and if such invoices have been paid by Lessee, evidence of payment thereof and evidence of official intent to reimburse such payment as required by the Code; (5) Uniform Commercial Code ("UCC") financing statements naming the Lessee as debtor and properly recorded; (6) copies of resolutions passed by Lessee's governing body authorizing the Lease and incumbency certificates for the person(s) who will sign the Lease; (7) such documents and certificates relating to the tax-exempt interest payable under the Lease (including without limitation IRS Form 8038-G, Form 8038-GC or such other forms, as appropriate, or evidence of filing thereof with the Secretary of the Treasury) as Lessor may request; and (8) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor.

4. DELIVERY AND ACCEPTANCE. Lessee shall inspect the Equipment promptly, and in no event later than one business day, after delivery to Lessee and shall provide an Acceptance Certificate confirming its acceptance of the Equipment. Nothing contained in this Lease shall impose upon Lessor any duty of delivery of the Equipment or installation thereof or maintenance with respect thereto. For avoidance of doubt as to the applicability of federal excise tax pursuant to 26 U.S.C. § 4051, at or before delivery and acceptance of the Equipment, Lessee shall execute and deliver to the vendor of the Equipment an Exemption Certificate pursuant to 26 U.S.C. §§ 4221(a)(4) and 4222(b)(1), in a form complying with 26 C.F.R. § 145.4052-1(a)(6), except for the requirement that said Exemption Certificate contain a registration number, irrespective of whether the transaction contemplated by this Lease is considered a "sale." Furthermore, Lessee shall promptly execute and deliver such an Exemption Certificate to Lessor or its designee upon request in the event Lessee exercises the Purchase Option.

5. LEASE TERM AND LEASE PAYMENT. This Lease shall be effective as of the date of execution by the Lessor. The term of this Lease shall commence as of the date of execution hereof and shall continue until the end of the Lessee's then-existing fiscal period, being September 30, 2021 (the "Original Term"), with payments to be made by Lessee as set forth on Schedule B attached hereto and made a part hereof (the "Lease Payments") without notice or demand. The Lessee shall have the option to continue this Lease, subject to periodic appropriation by the Council or availability of funds to Lessee, for such additional fiscal periods plus the concluding fractional fiscal period (each being "Renewal Terms") needed to complete the anticipated total term of this Lease as set forth in Schedule B, as it may be amended hereunder (the "Total Term"). Pursuant to O.C.G.A. § 36-60-13(a)(2) or the applicable provision of Georgia law, Lessee shall be deemed to have automatically exercised its option to enter a Renewal Term unless Lessee gives written notice to Lessor of its election not to enter such Renewal Term within 30 days before the end of the then-current Original Term or Renewal Term. If Lessee exercises its option to terminate the Lease, then the Lease shall terminate in accordance with Section 6 hereof. Such termination shall be absolute and without further obligation (other than to surrender the Equipment, pay any and all amounts due hereunder through the end of the applicable term, and execute documents as may be necessary to release any claims on title to the Equipment to Lessor on part of the Lessee). Lessor and Lessee understand and intend that the obligation of Lessee to pay Lease Payments shall constitute a current expense of Lessee based on appropriated funds and shall not in any way be construed to be debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee. A portion of each Lease Payment is paid as, and represents payment of interest, and a portion of each Lease Payment is paid as and represents payment of principal. Set forth in Schedule B are the interest component and the principal component of each Lease Payment during the Total Term. The interest component of each Lease Payment shall be calculated on the basis of a 360-day year and the actual number of days elapsed. The Lease Payments will be payable without notice or demand at the office of the Lessor (or such other place as Lessor or its assignee may from time to time designate in writing). Lessee shall pay Lessor on demand as a late charge five per cent (5%) of any Lease Payment that has not been fully paid prior to the seventh day after its due date, limited, however, to the maximum amount allowed by law. Notwithstanding any dispute between Lessee and (i) the vendor or manufacturer of the Equipment or (ii) Lessor, Lessee shall make all payments when due, subject to periodic appropriation by the Council, and shall not withhold any payments or portions thereof, pending final resolution of such dispute. Lessee hereby covenants it will not assert any right of setoff, recoupment, abatement, or counterclaim against its obligation to make the payments due pursuant to the terms hereof and that its budget officer or other business official will take such action as is necessary under the laws applicable to Lessee to budget for, seek appropriation for, and include and maintain funds sufficient and available to discharge its obligation to make all payments due during the Total Term of this Lease, pursuant to the provisions of this Lease. All payments shall be applied first to any late payment charges or other amounts due hereunder that are neither interest nor principal, then to interest accrued to the date of payment, and thereafter to the unpaid principal balance.

6. NONAPPROPRIATION OF FUNDS; NONSUBSTITUTION. In the event no funds or insufficient funds are appropriated and budgeted or are not otherwise available in the then-current budget in the Original Term or any Renewal Term for Lease Payments and/or other amounts due under this Lease, then the Lessee will immediately notify the Lessor or its assignee of such occurrence with details as a reason for termination, and the Lease shall terminate on the last day of the Original Term or Renewal Term for which appropriations were received, without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Lease Payments and other amounts herein agreed upon for which funds shall have been appropriated and budgeted or are otherwise available. In the event of such termination due to the nonappropriation of funds by the Council, Lessee agrees, to the extent permitted by law, not to purchase, lease or rent equipment performing functions similar to those performed by the Equipment, and agrees not to permit functions similar to those performed through the use of the Equipment to be performed by its own employees or by any agency or entity affiliated with or hired by the Council, at the site where the Equipment is to be located, installed and/or utilized pursuant to this Lease, for a period of ninety (90) days, except for the public health, safety, welfare or convenience of the Council; provided, however, that these restrictions shall not be applicable (i) in the event the Equipment shall be liquidated by the Lessor and the amount received from said liquidation, less all costs of such sale or disposition, are sufficient to pay the aggregate total of unpaid Lease Payments and other amounts due through the end of the last Original Term or Renewal Term entered or (ii) to the extent that these restrictions are unlawful or would adversely affect the validity of this Lease. 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 amounts due hereunder, or (ii) that may be used solely to prevent a default in the payment of amounts due hereunder. Lessee does not own the Equipment has no right to sell or otherwise dispose of the Equipment, either in whole or in major part, prior to the end of the Total Term. There are no obligations of Lessee which (i) accrue within 30 days of the date hereof; (ii) are incurred pursuant to the same or similar plan of financing as the Lease; and (iii) are expected to be paid from substantially the same source of funds. The officer or official who has executed this Lease on Lessee's behalf is familiar with Lessee's expectations regarding the

use of the Equipment and expenditure of funds to procure the Lease; and to the best of his/her knowledge, information, and belief, the facts and estimates set forth herein are accurate and the expectations of Lessee set forth herein are reasonable.

7. **AUTHORITY AND AUTHORIZATION.** Lessee represents, covenants and warrants, and, as requested by Lessor, will deliver an opinion of counsel to the effect that: (i) Lessee is a political subdivision of the State of Georgia; (ii) the execution, delivery and performance by Lessee of this Lease and each Schedule, and the acquisition of Lessee's rights in and to the Equipment, have been duly authorized by all necessary action on the part of the Lessee and its governing body; (iii) this Lease constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms; (iv) Lessee is an "issuer of tax-exempt obligations" because Lessee is a state or political subdivision thereof, Lessee is a constituted authority or district authorized to issue obligations on behalf of the state or political subdivision of the state within the meaning of 26 CFR § 1.103-1(b), or a qualified volunteer fire company within the meaning of 26 U.S.C. § 150(e)(1); (v) no lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Lessee has been a party at any time during the past ten (10) years has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal period; (vi) no event has occurred which would constitute a default or an event of default under any debt, revenue bond or obligation which Lessee has issued during the past ten (10) years; (vii) Lessee has an immediate need for, and expects to make immediate use of, the Equipment, which need is not temporary or expected to diminish during the Total Term, and use of the Equipment is essential to Lessee's proper, efficient, and economic operation; (viii) the Total Term does not exceed the period of probable usefulness of the Equipment; (ix) Lessee has not made any other funding arrangement with any other party for financing or acquisition of the same or similar Equipment for which it does not have an independent need; (x) Lessee is a governmental unit with general taxing powers, and Lessee shall assure that not in excess of five percent (5%) of the proceeds from the execution and delivery of the Lease is used (directly or indirectly) in a Private Business Use (for purposes hereof, "Private Business Use" shall mean any use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public); (xi) no payment obligation under the Lease is directly or indirectly (A) secured by any interest in (i) property used or to be used for a Private Business Use or (ii) proceeds arising out of such property or (B) to be derived from payments (whether or not to Lessee) arising out of property or borrowed money used or to be used for a Private Business Use; (xii) no portion of the proceeds from the execution and delivery of the Lease is to be used (directly or indirectly) to make or finance loans to persons other than "governmental units," as such term is used in Section 141(c) of the Code; (xiii) Lessee will not take any action or permit or suffer any action to be taken if the result of the same would be to cause payments due pursuant to the Lease to be "federally guaranteed" within the meaning of Section 149(b) of the Code; (xiv) the proceeds from the execution and delivery of the Lease do not constitute a "refunding bond" as that term is defined in Section 149(d)(3) of the Code; (xv) the purpose of the Lease is not to exploit the difference between interest rates available to issuers of tax-exempt obligations and those that are taxable to gain a material advantage and/or increase the burden on the market for tax-exempt obligations in any manner, including by entering an installment purchase contract for a greater amount, executing the same sooner, or permitting it to remain outstanding longer than would otherwise be necessary; (xvi) there are no other funds or accounts established or held by Lessee which are reasonably expected to be used to pay amounts due pursuant to the Lease or which are pledged as collateral for the Lease and for which there is reasonable assurance that amounts therein will be available to pay such amounts on the Lease if Lessee encounters financial difficulties, and Lessee has appropriated sufficient funds in its general operating account to meet its obligations under the Lease for the current fiscal period; (xvii) no other governmental obligations are being issued at substantially the same time and sold pursuant to a common plan of financing which will be paid out of (or have substantially the same claim to be paid out of) substantially the same source of funds as the payments due under the Lease; (xviii) the amount shown in Schedule A will be paid directly to vendors to effectuate the purchase and/or assembly of all or part of the Equipment and for no other purpose, no portion of this amount will be deposited in a reserve or replacement fund, and all of such moneys are necessary to finance the Equipment, and Lessee expects that 100% of the proceeds from the execution and delivery of the Lease will be disbursed at or near the closing of the transactions contemplated thereby; (xix) Lessee has entered into substantial binding obligations in connection with the Equipment totaling 100% of the cost of acquisition and installation of the Equipment, and 100% of the "spendable proceeds" (as that term is defined in the Code) of the proceeds of the Lease are expected to be expended to pay Equipment costs; and (xx) the date of execution of the Lease has been determined solely on the basis of bona fide financial reasons, and to obtain a favorable rate of interest, and has not been determined with the intention of abnormally prolonging the period between the execution of the Lease and the disbursement of the proceeds thereof. Nothing herein shall be construed as requiring Lessee to incur debt. Lessee agrees that (i) it will do or cause to be done all things reasonably necessary to preserve and keep this Lease in full force and effect; (ii) it has complied with all bidding requirements where necessary and by due notification presented this Lease for approval and adoption as a valid obligation on its part, (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the Original Term, and for each Renewal Term it elects to enter thereafter, including but not limited to Lease Payments, all amounts due in the event of a Gross-Up Event, and all expenses incidental to this Lease and maintenance and insurance of the Equipment; (iv) the official of the Lessee responsible for budget preparation will include in the budget request for each fiscal period the Lease Payments and all other amounts which may be due hereunder to become due during that fiscal period and will use all reasonable and lawful means available to secure the appropriation of money for such fiscal period sufficient to pay the Lease Payments and all other amounts which may be due hereunder for the Total Term; (v) Lessee will submit to the Secretary of the Treasury an appropriate reporting statement as required by the Code; (vi) Lessee shall provide Lessor a copy of the budget for the Original Term and each successive Renewal Term it enters promptly upon authoritative approval of the budget; (vii) all Lease Payments and other amounts due pursuant to the terms hereof shall be payable out of the general funds of Lessee or out of other funds legally appropriated therefor, and in all cases from sources other than ad valorem taxes. The Lease shall be deemed executory only to the extent of monies appropriated and available for the purpose of the Lease, and no liability on account thereof shall be incurred by Lessee beyond the amount of such monies and the obligations herein associated with return of the Equipment. Neither the full faith and credit nor the taxing power of Lessee are pledged to the payment of any amount due or to become due under the Lease. The Lease shall be deemed executory only to the extent of monies appropriated and available for the purpose of the Lease, and no liability on account thereof shall be incurred by Lessee beyond the amount of such monies and the obligations herein associated with return of the Equipment. Neither the full faith and credit nor the taxing power of Lessee are pledged to the payment of any amount due or to become due under the Lease.

8. **TITLE.** Pursuant to O.C.G.A. § 36-60-15 or the applicable provision of Georgia law, upon acceptance of the Equipment by Lessee hereunder, title to the Equipment will vest in Lessee; subject to reversion to Lessor (i) in the event of termination of the Lease pursuant to Section

6 hereof; (ii) upon expiration of the Total Term, if Lessee has not exercised the Purchase Option; or (iii) upon the occurrence of an Event of Default hereunder related to such Equipment, provided that such Event of Default, if curable, is not promptly cured. Upon the occurrence of (i), (ii), or (iii) above, title to the Equipment reverts to Lessor. In the event title to the Equipment reverts to Lessor, Lessee agrees (i) to peaceably surrender possession of the Equipment, in the same condition as it existed upon delivery to Lessee, ordinary wear and tear excepted, to Lessor or its assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by the Lessor; (ii) to contemporaneously execute any documentation required to transfer title to the Equipment as determined by Lessor in its sole discretion.; and (iii) that Lessor will have all legal and equitable rights and remedies to take possession of the Equipment, including without limitation those specified in Section 19 hereof.

9. SECURITY INTEREST. Except where unauthorized, in order to secure all of its obligations hereunder and, to the extent permitted by applicable law, all of its obligations under all other agreements with Lessor, Lessee hereby (i) grants to Lessor a first priority security interest in any and all right, title and interest of Lessee in the Equipment and all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom, (ii) agrees that this Lease and the Schedules hereto serve as a security agreement under the laws of Georgia, and if required Lessor may file a UCC financing statement to perfect and provide public notice of such security interest, and (iii) agrees to execute and deliver any financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest.

10. PERSONAL PROPERTY. The Equipment is and will remain personal property and will not be deemed to be affixed or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Lessee shall hold Lessor harmless during the Original Term and any Renewal Term during which this Lease is in effect for any claim(s) to the Equipment asserted by any landlord, creditor or mortgagee, and Lessee shall defend Lessor and the Equipment against any claim(s) to the Equipment during the Original Term and any Renewal Term during which this Lease is in effect, provided that any sums to be expended thereon are available in the budget for the then-current term of this Lease and to the extent permitted by law. Lessee agrees that no claim of any third party shall be deemed to affect the availability of the Equipment for Lessee's use and enjoyment or abate the obligation to pay rent hereunder.

11. LOCATION; INSPECTION. The Equipment shall be delivered to the location specified on Schedule A or, if none is specified, at Lessee's address set forth above, but it shall not be Lessor's obligation to ensure delivery of the Equipment to Lessee, and Lessee shall have no recourse against Lessor in the event delivery is not made by the vendor as agreed. Lessor shall have the right to inspect the Equipment at any reasonable time. Lessee shall arrange for the transportation, delivery and installation of all Equipment to the location specified in Schedule A by Equipment suppliers selected by Lessee. Lessee shall pay all costs related thereto.

12. CARE AND USE OF EQUIPMENT. Lessee, at its own cost and expense, shall maintain the Equipment in good operating condition, repair, and appearance, and shall protect such Equipment from deterioration other than normal wear and tear; shall use the Equipment in the regular course of its activities only (i.e. only for the purpose of performing essential governmental use and public functions within the permissible scope of Lessee's authority), within its normal capacity, without abuse, and in a manner contemplated by the manufacturer thereof; and shall not make modifications, alterations, or additions to the Equipment (other than normal operating accessories or controls), without the written consent of Lessor, which shall not be unreasonably withheld. All modifications, repairs, alterations, additions, replacements, substitutions, operating accessories, and controls shall accrue to the Equipment and become the property of the Lessee, subject to Sections 8, 18, and 19 hereof. Lessor shall have the right, during customary business hours, to enter upon the premises where the Equipment is located in order to inspect, observe, or otherwise protect Lessor's interest, and Lessee shall cooperate in affording Lessor the opportunity to do the same. For the purpose of assuring Lessor that the Equipment will be properly serviced, Lessee agrees to cause the Equipment to be maintained pursuant to the manufacturer's standard preventive maintenance contract and/or recommendations and will provide proof of proper maintenance to the Lessor upon the Lessor's written request. Lessee agrees that Lessor shall not be responsible for any loss or damage whatsoever to the Equipment, nor shall Lessor be responsible for latent defects, wear and tear or gradual deterioration or loss of service or use of the Equipment or any part thereof. Lessee shall insure the Equipment against loss as required herein. Lessor shall not be liable to Lessee or anyone else for any liability, claim, loss, damage, or expense of any kind or nature caused directly or indirectly by the inadequacy of the Equipment, or any item supplied by the vendor or another party, any interruption of use or loss of service, use or performance of any Equipment; and loss of business or other consequence or damage, whether or not resulting from any of the foregoing. Any obligation of Lessee under this Section to pay money shall be limited solely to the payment of such moneys, if any, as shall be then appropriated and budgeted and legally available or otherwise legally available to the Lessee and legally applicable to the purpose for which payment is to be made.

13. LIENS AND TAXES. Lessee shall keep the Equipment free and clear of all liens and encumbrances except those created under this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal, if any) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment. If Lessee fails to pay any charges and/or taxes when due, Lessor shall have the right, but shall not be obligated, to pay such charges and/or taxes. If Lessor pays any charges or taxes for which Lessee is responsible or liable under this Lease, Lessee shall promptly reimburse Lessor therefor. Nothing herein shall be construed as requiring Lessee to incur debt.

14. RISK OF LOSS; DAMAGE; DESTRUCTION. Lessee assumes all risk of loss of or damage to the Equipment from the time the Equipment is shipped by the supplier through the Equipment delivery to Lessor and for the Total Term, from any cause whatsoever, and no such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligations to make Lease Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately notify Lessor and place the Equipment in good repair with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee, at the option of Lessor to the extent permitted by applicable law, will either (a) replace the same with like equipment in good repair (in which event such replacement equipment shall automatically become Equipment hereunder) and deliver to Lessor executed copies of the invoice or bill of sale for the same; or (b) on the next Lease Payment date, pay Lessor all amounts then owed by Lessee to Lessor under this Lease for the then-current Original Term or Renewal Term plus the Purchase Option amount then applicable for said Equipment. In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Lease Payments and Purchase Option to be made by Lessee with respect to the Equipment which has suffered the event of loss. To the extent not prohibited by applicable law, Lessee shall bear the risk of loss for, shall

pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. Whether or not covered by insurance, and without limiting the foregoing, Lessee hereby assumes responsibility for (a) the selection, manufacture, purchase, acceptance or rejection of the Equipment and the ownership of the Equipment, (b) the condition of the Equipment sold or otherwise disposed of after possession by Lessee, (c) the conduct of Lessee, its officers, employees and agents, (d) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not limited to investigation, removal, cleanup and remedial costs, and (e) any strict liability under the laws or judicial decisions of any state or the United States. To the extent not prohibited by applicable law, these obligations of Lessee shall survive any expiration or termination of this Lease. Lessee shall not bear the risk of loss of the Equipment arising directly from events occurring after said Equipment has been returned by Lessee to Lessor in accordance with the terms of the Lease, or which arise directly from the gross negligence or willful misconduct of Lessor.

15. **INSURANCE.** Lessee, will, at its expense, maintain at all times during the Original Term and any Renewal Term of this Lease, fire and extended coverage, public liability, (if applicable) vehicle liability, uninsured motorist and collision coverage, and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as shall be reasonably satisfactory to Lessor. In no event will the insurance limits be less than the amount of the Purchase Option price with respect to such Equipment at the beginning of the then-current Original Term or Renewal Term, computed pursuant to Section 16 hereof, plus the aggregate amount of Lease Payments then outstanding. Lessor shall be named as additional insured, and the proceeds of any such policies will be payable to Lessor as its interest shall appear with a lender's loss payable endorsement. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event of any loss, damage, injury or accident in excess of Ten Thousand US Dollars (\$10,000.00) involving the Equipment, Lessee will promptly provide Lessor with written notice thereof and make available to Lessor all information and documentation relating thereto. Nothing herein shall be construed as requiring Lessee to incur debt. Lessee represents and warrants that it has appropriated the funds necessary to insure the Equipment and that its budget official will use all efforts to obtain appropriations for insurance required hereunder for all successive Renewal Terms throughout the Total Term. Lessee shall provide satisfactory evidence of required insurance coverage for all Equipment, and each insurance policy will require that the insurer give Lessor prompt written notice of any amendment to or cancellation of such policy and will require that Lessor's interests remain insured regardless of any act, error, misrepresentation, omission or neglect of Lessee. The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor.

16. **PURCHASE OPTION.** At its option at any time prior to termination of the Lease, the Lessee may obtain release of Lessor's interest in the Equipment by paying (a) all Lease Payments and other amounts then due and payable hereunder, (b) all interest accrued and unpaid to the date on which Lessee delivers all amounts required under this subsection to Lessor in good funds, and (c) the Purchase Option amount listed on Schedule B for the last date prior to the date on which Lessee exercises the Purchase Option (if no Purchase Option amount is specified for a date prior to the date on which Lessee chooses to exercise the Purchase Option, Lessee may request calculation of such amount from Lessor). Upon satisfaction by Lessee of such purchase conditions, Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that Lessor will warrant to Lessee that the Equipment is free and clear of any liens created by Lessor.

17. **ASSIGNMENT.** Without Lessor's prior written consent, Lessee will not (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Lease or the Equipment or any interest in this Lease or the Equipment (ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may assign its rights and interest in and to this Lease, the Equipment and any other documents executed with respect to this Lease and/or grant or assign a security interest in this Lease and the Equipment, in whole or in part. Any such assignees shall have all of the rights of Lessor under this Lease. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Upon assignment of Lessor's interests herein, Lessor will cause written notice of such assignment to be sent to Lessee which will be sufficient if it discloses the name of the assignee and address to which further payments hereunder should be made. No further action will be required by Lessor or by Lessee to evidence the assignment, but Lessee will acknowledge such assignments in writing if so requested.

18. **EVENTS OF DEFAULT.** The term "Event of Default" as used herein, means the occurrence of any one or more of the following events: (a) Lessee fails to make any Lease Payment (or any other payment), except as specifically provided in Section 6 herein, as it becomes due in accordance with the terms hereof or of any other agreement with Lessor, (b) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder or under any other agreement with Lessor; or (c) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Lease, or in any writing ever delivered by Lessee pursuant hereto or in connection herewith is false, misleading, or erroneous in any material respect.

19. **REMEDIES.** Upon the occurrence of an Event of Default, irrespective of the applicability of referenced statutory remedies, to the extent not prohibited by applicable law, Lessor may, at its option, exercise any one or more of the following remedies: (a) By written notice to Lessee, where allowed by law, declare an amount equal to such amount then due hereunder to be immediately due and payable, whereupon the same shall become immediately due and payable; provided, however, that the actual amount due as of the date of such acceleration shall be limited to the unpaid principal component and interest component of Lease Payments accrued to the date of expiration of the Original Term or Renewal Term in which such acceleration occurs, together with interest on such amount at the rate of 18% per annum or the maximum rate allowed by applicable law, whichever is lower; (b) By written notice to the Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 8 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same; (c) Sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (d) Proceed by appropriate action either by law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, subject to the limitations of liability contained herein; (e) Exercise any and all rights and remedies accruing to a secured party and any and all rights and remedies accruing to a lessor under the Georgia Code, including without limitation Articles 2A and 9 of Title 11, irrespective of whether the Lease is deemed not to be a true

lease by a court of competent jurisdiction; (f) Exercise any and all rights and remedies available under applicable law (including common law, statutory, and equitable rights and remedies); and/or (g) Enforce Lessee's specific performance or seek an injunction to ensure the performance of the provisions hereof requiring surrender of possession of the Equipment and transfer of title to the Equipment to Lessor. Lessee shall, upon request of Lessor after an Event of Default, execute any documentation required to release all rights, title and interest to the Equipment to Lessor as determined by Lessor in its sole discretion. In addition, Lessee will, subject to the limitations of liability contained herein, remain liable for all covenants under this Lease and documents executed in connection herewith. In the event of a default by the Lessee under the provisions of this Lease, the Lessee agrees, subject to the limitations and provisions of applicable law, that it will pay on demand to the Lessor, the reasonable costs and expenses, including attorneys' fees, incurred by the Lessor in the collection of amounts due hereunder or the enforcement of performance or observation of any obligation or agreement by the Lessee. Any obligation of Lessee under this Section to pay money shall be limited solely to the payment of such moneys, if any, as shall be then appropriated and budgeted and legally available or otherwise legally available to the Lessee and legally applicable to the purpose for which payment is to be made during the then-current budget period.

20. DESIGNATION AS "QUALIFIED TAX- EXEMPT OBLIGATION." Pursuant to 26 U.S.C. § 265(b)(3), Lessee hereby specifically designates the obligation to make Lease Payments as a "qualified tax-exempt obligation," and hereby covenants that it will comply with all requirements of the Code for such designation. The Lessee hereby represents that it will not designate more than \$10,000,000.00 of obligations issued by Lessee in the calendar year during which the contract is executed and delivered as "qualified tax-exempt obligations." Lessee agrees to file either Form 8038-G, Form 8038-GC or such other forms, as appropriate, with the Internal Revenue Service as to the Lease Payments made hereunder for each reporting year during which the Original Term or any Renewal Term is in effect. If for any reason the Internal Revenue Service does not treat the Lease Payments hereunder as a "qualified tax-exempt obligation" (a "Gross-Up Event"), then Lessee shall, prior to the end of each then-current appropriations period, pay to Lessor the difference between the yield on Lease Payments that would have existed had the Internal Revenue Service treated the Lease Payments as tax-exempt for the then-current appropriations period and the net, after-tax yield Lessor actually realized during the then-current appropriations period.

21. FINANCIAL INFORMATION. As soon as they are available after their completion in each fiscal year of Lessee during any term of this Lease, Lessee will deliver to Lessor upon Lessor's request the publicly available annual financial information of Lessee and such other information as Lessor may reasonably request.

22. NOTICES. All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested, or by recognized overnight national delivery service to the other party at its address set forth herein or at such address as the party may provide in writing from time to time.

23. SECTION HEADINGS. All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision hereof.

24. GOVERNING LAW. This Lease shall be construed in accordance with and governed by the laws of the State of Georgia.

25. DELIVERY OF RELATED DOCUMENTS. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction(s) contemplated by this Lease. Lessee agrees to execute and/or deliver, as required by and to the satisfaction of Lessor in its sole discretion, any documents and information that may be necessary or convenient to correct any errors or omissions herein or to reflect the intent of the Lessor.

26. **WAIVER OF JURY TRIAL.** Lessee and Lessor hereby irrevocably waive any right to a jury trial with respect to any matter arising under or in connection with this Lease and agree that any dispute shall be determined by a court sitting without a jury.

27. PERFORMANCE BONDS. If requested by Lessor to facilitate payments to vendors in advance of delivery and acceptance, Lessee agrees to require the Equipment manufacturer, and all other contractors and/or subcontractors (collectively, "Contractors") with whom Lessee has contracted for the acquisition of the Equipment, to provide performance bond satisfactory to Lessor conditioned upon the construction of the Equipment as expeditiously as reasonably possible from the date of execution of such Lease and also conditioned upon delivery of possession of the Equipment to the Lessee free and clear of all liens and encumbrances, except the interest of Lessor under the Lease. Each such bond shall be in a form and with a surety acceptable to Lessor and shall name Lessor as a dual obligee. The Lessee shall proceed promptly to pursue diligently any remedies available against a Contractor that is in default under any agreement relating to the acquisition and construction of the Equipment and/or against each surety on any bond securing the performance of such Contractor's obligations with respect to the acquisition and construction of the Equipment. The Lessee and Lessor shall cause the net proceeds recovered by way of the foregoing to be applied, at Lessor's option, to (i) the completion of the Equipment, or (ii) the payment of all Lease Payments then due plus the then-applicable Purchase Option price. Any balance of net proceeds remaining after completion of Equipment construction or payment of the outstanding balance owed under the applicable Lease shall be paid promptly to Lessee.

28. ENTIRE AGREEMENT; SEVERABILITY; WAIVER. This Lease, together with the Acceptance Certificate, Schedules and other attachments hereto, and other documents or instruments executed by Lessee and Lessor in connection herewith, constitute the entire agreement between the parties with respect to the Lease of the Equipment, and this Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Lease; provided that such invalidation does not render performance of this Lease impracticable or defeat the purpose of this Lease or the basic rights of any party hereto. The waiver by Lessor of any breach by Lessee of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach thereof.

By signing below Lessee hereby warrants and certifies that the governing body of the Lessee has determined that this agreement is in the best interest of the Lessee, approved the entering into this agreement and designated and authorized the person signing below to execute this agreement and related documents on behalf of the Lessee.

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

LESSOR: Commercial Credit Group Inc.

By: _____

Name: _____

Title: _____

LESSEE: City of Cartersville

By: _____

Matt Santini, Mayor

Attested to by: _____

Julia Drake, City Clerk

(AFFIX OFFICIAL SEAL)

Approved as to form by: _____

City Attorney

SCHEDULE A

DESCRIPTION OF EQUIPMENT :

2021 Mack TE64 chassis VIN: 1M2TE2GC2MM006063 with an attached EZ Pack 40 yard front load body SN: 215484

SUPPLIER OR VENDOR : RDK Assets Inc.

AMOUNT PAYABLE TO VENDOR: \$267,650.00

EQUIPMENT LOCATION: 330 South Erwin Street, Cartersville, GA 30120

SCHEDULE B

PAYMENT SCHEDULE

To the extent this Lease is deemed to create or characterized as creating a loan for disclosure purposes, the interest portion of Lease Payments hereunder was precomputed at a rate equal to 5.718%.

Date	Payment	Interest	Principal	Purchase Option
5/14/2021	6,346.00	1,275.31	5,070.69	262,579.31
6/14/2021	6,346.00	1,292.86	5,053.14	257,526.17
7/14/2021	6,346.00	1,227.08	5,118.92	252,407.25
8/14/2021	6,346.00	1,242.77	5,103.23	247,304.02
9/14/2021	6,346.00	1,217.65	5,128.35	242,175.67
10/14/2021	6,346.00	1,153.93	5,192.07	236,983.60
11/14/2021	6,346.00	1,166.83	5,179.17	231,804.43
12/14/2021	6,346.00	1,104.52	5,241.48	226,562.95
1/14/2022	6,346.00	1,115.53	5,230.47	221,332.48
2/14/2022	6,346.00	1,089.77	5,256.23	216,076.25
3/14/2022	6,346.00	960.94	5,385.06	210,691.19
4/14/2022	6,346.00	1,037.38	5,308.62	205,382.57
5/14/2022	6,346.00	978.62	5,367.38	200,015.19
6/14/2022	0.00			201,000.00

Total Term: April 14, 2021 – June 14, 2022