

Lessee's Certifications

DATE: April 14, 2021

TO: Commercial Credit Group Inc., LESSOR

RE: LEASE AGREEMENT DATED April 14, 2021 ("Lease")

The undersigned, being the acting and qualified Mayor of the City Council of City of Cartersville, the governing body of the City of Cartersville ("Lessee") under the Lease referenced above, hereby represents and warrants, as an inducement to Lessor to enter the Lease, as follows:

1. The use of the Equipment (as defined in the Lease and hereinbelow) is essential to the Lessee's proper, efficient, and economic operation. 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.
2. Lessee is a governmental unit with general taxing powers. 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.
3. No payment obligation under the Lease is (under the terms of such Lease or any underlying arrangement), 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.
4. 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 Internal Revenue Code of 1986, as amended and the regulations and rulings promulgated thereunder (collectively, the "Code").
5. 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.
6. 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.
7. 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.

8. 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. Lessee has appropriated sufficient funds in its general operating account to meet its obligations under the Lease for the current fiscal period.
9. 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.
10. The following amount will be disbursed pursuant to the Lease: \$267,650.00. This amount will be paid directly to vendors to effectuate the purchase and/or assembly of all or part of the equipment under the Lease (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. 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.
11. Lessee has entered into substantial binding obligations in connection with the Equipment totaling 100% of the cost of acquisition and installation of the Equipment.
12. 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.
13. 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.
14. The representations, warranties, covenants and agreements contained in the Lease are hereby made by the Lessee as of the date hereof and such provisions are incorporated by reference herein.
15. The Lessee will cause a reporting return on IRS Form 8038-G, 8038-GC, or such other form as is or may become appropriate for such reporting as designated by the IRS from time to time, to be accurately completed and duly filed pursuant to Section 149(e) of the Code not later than the 15th day of the second calendar month after the close of the calendar quarter during which the Lease is executed.

16. The payment of interest (and principal) under the Lease is a “qualified tax-exempt obligation” as defined in Section 265(b)(3) of the Code, and Lessee hereby designates said payments as such. Lessee covenants not to issue 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 Lease commences in excess of \$10,000,000.00.
17. The Equipment will be used by a department or division of City of Cartersville, for the following purposes: city waste services. The Equipment has not been the subject of a referendum which failed to receive approval of the voters of the City of Cartersville within the past four calendar years.
18. The City Council of City of Cartersville has allocated and approved appropriation of all sums which are or may become due and payable pursuant to the Lease and all sums necessary to provide for proper maintenance and insurance of the Equipment, in an amount greater than the sum of Lease Payments for the fiscal period beginning October 1, 2020 and ending September 30, 2021, said sum of Lease Payments being \$31,730.00, for the sole purpose of paying all sums which are or may become due and payable pursuant to the Lease, and said City Council has authority to transfer all such sums to Lessor pursuant to the terms of the Lease. The undersigned and the budget officer or other business official for the City Council of City of Cartersville 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 and provide for proper maintenance and insurance of the Equipment during the Total Term of the Lease, pursuant to the provisions of the Lease.

LESSEE:

CITY OF CARTERSVILLE

BY: _____
Matt Santini, Mayor

Attested to by: _____
Julia Drake, City Clerk