



MASTER VEHICLE LEASE AND SERVICE TERMS
FOR
City of Republic (“Customer”)

03/02/2023 11:42 AM PST

These Master Vehicle Lease and Service Terms (these “Master Terms”) apply to the lease of all vehicle(s), trailer(s) and related equipment (“Vehicle(s)”) by Customer from (i) PACCAR Leasing Company, a division of PACCAR Financial Corp., or (ii) any franchisee of PACCAR Leasing Company. The lessor of the Vehicle(s) will be designated as “PacLease”¹ on a separate Schedule “A” Agreement (each, a “Schedule A Agreement”) executed by Customer and PacLease. These Master Terms are incorporated by reference into each Schedule A Agreement

Each Schedule A Agreement, these Master Terms and all other related exhibits and schedules are collectively referred to as a “Lease”.

1. Lease of Vehicle(s)

Customer agrees to lease Vehicle(s) pursuant to a Lease, and the execution of a Schedule A Agreement by Customer constitutes Customer’s authorization to PacLease to acquire the Vehicle(s) listed thereon. The lease term with respect to each Vehicle on a Schedule A Agreement will become effective when the Vehicle is tendered by PacLease to Customer, or 48 hours after the date PacLease notifies Customer that the Vehicle is available for use, whichever occurs first, and will continue for the term specified on the applicable Schedule A Agreement unless terminated earlier as provided hereafter. Acceptance of a Vehicle by Customer will constitute Customer’s acknowledgement that the Vehicle complies with all applicable specifications, unless Customer gives PacLease notice no more than 24 hours after obtaining physical possession.

Any subsequent additions to or improvements in a Vehicle (i) must be approved in advance, in writing, by PacLease, (ii) will be at the cost and expense of Customer, and (iii) once installed, may not be removed without the prior written approval of PacLease. Further, if state or federal laws and regulations require any additional equipment (e.g. emission controls equipment) to be added to any Vehicle(s), the cost to obtain and install such equipment will be at Customer’s expense, and any additional cost for the maintenance or service of such equipment will be charged to Customer. Customer, as operator of the Vehicle(s), is responsible to (i) determine the need for such equipment, (ii) notify PacLease in writing of the need for such equipment, and (iii) arrange with PacLease for the installation of such equipment. All subsequent addition to or improvements in a Vehicle, when installed, will become the property of the owner of the Vehicle.

2. Charges and Payments

A. Payment Terms. Customer will pay PacLease within ten (10) days from the invoice date. Customer agrees to pay a late charge of 1.5% per month on past due amounts, or the maximum amount permitted by law. Customer’s obligation to pay all amounts under a Lease is absolute and unconditional and is not subject to any counterclaim, defense, deferment, interruption, recoupment, reduction or setoff for any reason whatsoever.

B. Fixed Charge. The monthly fixed charge is set forth on the applicable Schedule A Agreement and will be invoiced by PacLease in advance.

¹ For purposes of these Master Terms, the term “PacLease” will mean any lessor of Vehicle(s), or any of their successors, designated on any Schedule A Agreement.

C. Mileage, Engine and Other Variable Charges. Mileage charges (including any minimum or maximum mileage charges) will be calculated as set forth on the applicable Schedule A Agreement and will be invoiced in arrears. Mileage will be determined from the Vehicle's odometer, which Customer will report to PacLease each month. If the odometer fails to function with respect to mileage reporting, mileage will be determined from the Vehicle's electronic control module (ECM) or a telematics device. If both the ECM/telematics device and odometer fail to function, which failure Customer will immediately report to PacLease in writing, the mileage for the period during which the failure existed may be determined at PacLease's option from Customer trip records, or from the amount of fuel consumed and the miles per gallon record of PacLease averaged for the previous thirty (30) days. Maximum engine hour and other variable charges will be calculated as set forth on the applicable Schedule A Agreement and invoiced in arrears.

D. Adjustments. Customer agrees that the fixed and variable charges for each Vehicle may be adjusted as of January 1 and July 1 of each calendar year. For each rise or fall of at least one percent (1.0%) in the U.S. Bureau of Labor Statistics Consumer Price Index, Vehicle charges will be proportionately adjusted as follows: Fifty percent (50%) of the fixed charge and one hundred percent (100%) of all variable charges.

3. Licenses, Permits, Fees and Taxes

A. Vehicle Licenses and Federal Heavy Vehicle Use Tax. PacLease will pay the state motor vehicle license and inspection fees for each Vehicle based upon the licensed weight of the Vehicle. PacLease will also pay the ad valorem tax and Federal Heavy Vehicle Use Tax for each Vehicle, exclusive of any for-hire taxes, tags or permits. Charges for taxes and license fees paid by PacLease that are in excess of amounts stipulated on the applicable Schedule A Agreement will be billed to the Customer. If PacLease agrees to allow Customer to file and pay Federal Heavy Vehicle Use Tax on behalf of PacLease, then Customer further agrees to provide evidence of payment of the tax to PacLease.

B. Fuel Permits and Related Taxes. PacLease will, solely upon Customer's written request and where permitted by law, apply for fuel tax permits, prepare and file fuel tax returns and pay the taxes imposed upon the purchase and consumption of such fuel by Customer's Vehicle(s), upon Customer providing PacLease with its trip records, fuel receipts or invoices, and other records or documents related to the use of the Vehicle as may be necessary for the preparation of the fuel tax returns. Customer will reimburse PacLease for the amount of fuel taxes and permits. Customer will also reimburse PacLease for any additional charges, assessments, tax or penalty or credit disallowed because of untimely or improper furnishing of such documents or information.

C. Other Fees or Taxes. Customer will be responsible to pay all other fees and taxes required by the business of Customer or resulting from the operation of the Vehicle(s) by Customer (including without limitation any axle mileage taxes, ton mileage taxes, use taxes, personal property taxes, county and municipal taxes, taxes designated as Customer's responsibility on any Schedule A Agreement, highway tolls or bridge tolls). Customer will keep and make available to PacLease all necessary records relating to the use of the Vehicle(s) and pertaining to such fees and taxes. Customer will be solely responsible to notify PacLease if PacLease is required to collect and remit any such fees or taxes. PacLease will not be liable to Customer or the applicable taxing authority if Customer fails to maintain sufficient records or fails to notify PacLease of an obligation to collect and remit such fees or taxes.

D. Adjustments for Changes in Taxes and Fees. Any increases in existing federal, state or local taxes, or license fees, or any new federal, state, or local taxes, or license fees, in each case relating to the use, operation or storage of any Vehicle, will also be paid by Customer to PacLease as incurred by PacLease. Any decreases in such amounts will be credited by PacLease to Customer as the decreases become effective.

Customer's obligations in this Section survive the expiration or termination of a Lease.

4. Maintenance and Repairs

A. PacLease's Responsibilities. PacLease will provide oil, lubricants, grease, antifreeze, tires (unless designated as Customer's responsibility on a Schedule A Agreement, and excluding replacement tires for tire damage resulting from road hazards or under inflation), tubes and all other operating supplies, excluding diesel exhaust fluid (DEF), and accessories necessary for the practical and efficient operation of Vehicle(s). PacLease will maintain the leased Vehicle(s) in good repair, will furnish all labor and parts which may be required to keep the Vehicle(s) in good operating condition, and will furnish road service for mechanical or tire failure (excluding tire failure resulting from road hazards or under inflation). Certain supplies, accessories and services will not apply to electric Vehicle(s).

B. Customer's Responsibilities. Customer agrees to return each Vehicle to PacLease's garage for a minimum of eight (8) hours for each scheduled maintenance, inspection, adjustments and repairs at such scheduled time as agreed upon by the parties. Customer agrees not to cause or permit Customer's drivers, employees or agents to make repairs or adjustments to Vehicle(s). In the event of any defect or failure that requires repair, Customer must immediately notify PacLease of the defect or failure and provide the location of the Vehicle. If such defect or failure requires immediate repair, Customer agrees to abide by PacLease's directions concerning emergency repair service. PacLease will not be responsible for any repair of, or service to, a Vehicle by a third party unless expressly authorized by PacLease in advance.

5. Substitute and Additional Vehicles

A. Substitute Vehicles. If designated as PacLease's responsibility on a Schedule A Agreement, PacLease will furnish Customer a substitute vehicle at no additional fixed charge if a Vehicle is temporarily rendered inoperable because of mechanical failure. The substitute vehicle will be as close as practicable to the inoperable Vehicle. A substitute vehicle, while used by Customer, will be subject to the terms of the Lease, and Customer will return the substitute vehicle to the facility from which it was provided upon notification that the inoperable Vehicle has been repaired or replaced. PacLease's failure to furnish a substitute Vehicle within a reasonable time where it is obligated to do so, will cause the charges applicable to the inoperable Vehicle to abate until the Vehicle is returned to Customer's service or until a substitute is tendered to Customer. The abatement of such charges will be the limit of PacLease's liability for such a failure. PacLease will have no obligation to provide a substitute Vehicle (i) if a Vehicle is inoperable because it (A) is out of service for ordinary maintenance and service; or (B) is out of service because of damage resulting from collision, accident, Customer's misuse, abuse, or other breach of a Lease by Customer; (ii) if the Vehicle is specialized or carries a truck body not owned by PacLease; (iii) if the Vehicle is stolen or converted; or (iv) if the Vehicle is out of service for repair or maintenance of special equipment or accessories for which PacLease is not responsible.

B. Additional Vehicles. PacLease will use commercially reasonable efforts to furnish additional Vehicle(s) as availability permits. The rate charged for the rental of all additional Vehicle(s) not covered by a Lease will be fifteen percent (15%) below PacLease's current rental rates then applicable to the type of Vehicle rented.

6. Vehicle Operation

A. Operational Requirements. Customer will operate all Vehicle(s) solely (i) in the normal and ordinary course of Customer's business, (ii) in a safe and careful manner, (iii) in compliance with all applicable laws and regulations, (iv) within the limits of the continental United States and Canada; (v) in compliance with all applicable insurance coverage requirements; (vi) by a fully licensed driver employed or engaged by Customer; and (vii) in accordance with all manufacturer operating guidelines.

B. Vehicle Abuse. Customer will be responsible for any loss, expense or diminution of value resulting from any violation of the above requirements or from any other reckless, careless, incompetent, noncompliant or abusive handling of the Vehicle(s) ("Vehicle Abuse"). A non-exclusive list of Vehicle Abuse is: operating any Vehicle with insufficient coolant or oil; driving any Vehicle in areas of insufficient width or height such as low bridges, roofs, trees and signs; miring in mud, snow or sand, including towing expense; operating off a paved road; overloading beyond the load capacity shown on the applicable Schedule A Agreement; pushing or towing any Vehicle; glass damage; operating any Vehicle with a flat tire or with a tire which does not contain sufficient air pressure; operation of any Vehicle by a driver who is in possession of or under the influence of alcohol or any drug that might impair the driver's ability.

7. Vehicle Damage

A. Accident Reporting. Customer will immediately notify PacLease of any accident or collision involving a Vehicle and cause the driver of the Vehicle to make a detailed written report. Customer agrees to provide all assistance requested by PacLease and/or the applicable insurer in investigating or defending all claims or suits involving a Vehicle accident.

B. Loss, Theft, Destruction or Major Damage. If any Vehicle is lost, stolen, destroyed or damaged beyond repair, Customer will be obligated to pay PacLease (i) all charges then due and payable with respect to such Vehicle *plus* (ii) the Early Termination Value as set forth in the applicable Schedule A Agreement, and will not be relieved or released from any of its obligations and liabilities under a Lease until PacLease has actually received (whether from insurance proceeds or otherwise) all amounts necessary to eliminate or satisfy Customer's obligations. For the avoidance of doubt, Customer will be liable to PacLease for any amount by which net insurance proceeds (or other payments for such loss or damage) are less than the Early Termination Value. In such an event, the Lease as to that Vehicle will terminate once all charges for the Vehicle have been paid, including all amounts due under this paragraph. PacLease will have no obligation to provide a replacement Vehicle. Customer is subrogated to all claims of PacLease, if any, against third parties, for damage to or loss of a Vehicle to the extent of the Early Termination Value of such Vehicle.

C. Minor Damage. If a Vehicle suffers physical damage which is less than \$750 to repair, and Customer fails to repair such damage within sixty (60) days of its occurrence, then PacLease may repair the damage and invoice Customer for the cost of such repairs.

8. Assignment, Subletting and Transfers

Customer may not assign, transfer, convey, pledge, grant a security interest, or sublet any Vehicle(s) or any Lease (or any interest thereunder) (a "Transfer"), whether directly, by a change of control, by merger or by operation of law, without PacLease's prior written consent. Further, Customer's interests under a Lease will not inure to the benefit of any trustee, receiver, creditor or successor of Customer or of its property, whether or not in bankruptcy, by operation of law or otherwise. Customer will promptly notify PacLease in writing prior to any substantial changes in ownership or any material disposition of the assets of Customer's business.

9. Ownership and Security Interests

***For Schedule A Agreements with any franchisee of PACCAR Leasing Company**

Title and ownership to Vehicle(s) will at all times be and remain in PacLease, PACCAR Leasing Company or such other party as is designated on the applicable Schedule A Agreement or in-service notification. Customer is not the owner of the Vehicle(s) for federal income tax purposes, and understands that that the owner of the Vehicle intends to take federal tax depreciation deductions. Customer will not claim any tax depreciation deductions with respect to the Vehicle(s) or take any position inconsistent with the foregoing.

Customer understands and agrees that a Lease constitutes a "true lease" and not a "lease intended as security" under the UCC. Customer acquires no ownership, title, property, right, equity or interest in any Vehicle(s) other than its leasehold interest subject to the Lease. So long as the Customer is not in default under a Lease, Customer will and may and quietly and peacefully have, hold, enjoy and possess each Vehicle subject to and in accordance with the provisions hereof.

If PACCAR Leasing Company is the owner of the Vehicle(s), PacLease and Customer further acknowledge that all rights and benefits of ownership inure to PACCAR Leasing Company. Customer further agrees, upon receipt of written notice by PACCAR Leasing Company, to make all lease payments directly to PACCAR Leasing Company as may be designated in writing by PACCAR Leasing Company. In such an event, Customer will continue to look to PacLease for the performance of its obligations under all Lease(s), and in no event will PACCAR Leasing Company become liable or responsible to perform any such obligations. If PacLease defaults under any of the provisions of a Lease and PACCAR Leasing Company is unable to assign PacLease's obligations to another PacLease franchisee reasonably acceptable to Customer, then Customer may elect to (i) purchase the Vehicle(s) for the Early Termination Value set forth in applicable Schedule A Agreement, or (ii) assume all of PacLease's obligations to PACCAR Leasing Company with respect to the Vehicle(s) listed on the applicable Schedule A Agreement.

PacLease has assigned and granted PACCAR Leasing Company a security interest in the Lease(s) as chattel paper to secure all obligations due from PacLease to PACCAR Leasing Company under certain agreements between them, including without limitation the Lease for Re-Lease Agreement, the Inventory Financing and Purchase Money Security Agreement and the Franchise Agreement. This assignment and grant of security interest are for collateral and security purposes only.

***For Schedule A Agreements directly with PACCAR Leasing Company**

Title and ownership to Vehicle(s) will at all times be and remain in PACCAR Leasing Company, or such other party as is designated on the applicable Schedule A Agreement or in-service notification. Customer is not the owner of the Vehicle(s) for federal income tax purposes, and understands that that the owner of the Vehicle(s) intends to take federal tax depreciation deductions. Customer will not claim any tax depreciation deductions with respect to the Vehicle(s) or take any position inconsistent with the foregoing.

Customer understands and agrees that a Lease constitutes a "true lease" and not a "lease intended as security" under the UCC. Customer acquires no ownership, title, property, right, equity or interest in any Vehicle(s) other than its leasehold interest subject to the Lease. So long as the Customer is not in default under a Lease, Customer will and may and quietly and peacefully have, hold, enjoy and possess each Vehicle subject to and in accordance with the provisions hereof.

10. Warranties

PACLEASE WARRANTS ALL REPAIRS AND MAINTENANCE SERVICES PERFORMED BY IT UPON EACH VEHICLE TO BE FREE FROM DEFECTS IN WORKMANSHIP DURING THE TERM OF THE LEASE. THIS IS THE SOLE WARRANTY PROVIDED BY PACLEASE AND THE EXCLUSIVE REMEDY FOR A BREACH OF THIS WARRANTY IS THE REPAIR OF ANY DEFECTIVE WORKMANSHIP BY PACLEASE.

PACLEASE IS NOT THE MANUFACTURER, DESIGNER OR VENDOR OF ANY VEHICLE. ACCORDINGLY, PACLEASE MAKES NO WARRANTY OR REPRESENTATION AND EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, WORKMANSHIP, NON-INFRINGEMENT, DESIGN, CONFIGURATION OR CONDITION OF ANY VEHICLE, THE MERCHANTABILITY OF ANY VEHICLE, OR ANY VEHICLE'S FITNESS FOR ANY PARTICULAR PURPOSE.

11. Limitation of Liability

IN NO EVENT WILL PACLEASE BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR LOSSES (INCLUDING WITHOUT LIMITATION LOST PROFITS AND CARGO LOSSES) ARISING OUT OF ANY LEASE OR ARISING OUT OF CUSTOMER'S POSSESSION, USE, OPERATION, CONTROL OR STORAGE OF ANY VEHICLE, ANY SUBSTITUTE/REPLACEMENT VEHICLE, OR ANY ADDITIONAL VEHICLE.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PACLEASE IS NOT LIABLE FOR ANY DIRECT OR INDIRECT LOSS, DAMAGE OR CLAIM CAUSED BY OR ATTRIBUTABLE TO ANY DEFECT OR DEFICIENCY ARISING OUT OF ANY VEHICLE'S MANUFACTURE OR DESIGN. FURTHER CUSTOMER AGREES IT WILL NOT SET UP ANY SUCH CLAIMS AS DEFENSE, COUNTERCLAIM OR SET OFF AGAINST ANY OBLIGATIONS IT HAS ASSUMED UNDER THE TERMS OF THE LEASE.

12. Insurance

A. Liability Insurance. Unless otherwise agreed in a separate addendum executed by Customer and PacLease, Customer maintain a standard policy of automobile liability insurance (hereinafter "Liability Insurance") with limits specified on the applicable Schedule A Agreement. The insurance coverage will be written by a company having an AM Best rating of at least "A-" covering PacLease (and its affiliates) and PACCAR Leasing Company as additional insureds for the ownership, maintenance, use or operation of any Vehicle(s), any substitute or replacement vehicle(s), and any additional vehicle(s). Such policy shall be primary and not additional or excess coverage and shall not seek contribution from any other insurance otherwise available to either party. Upon request, Customer will furnish a certificate of insurance confirming compliance with this paragraph and confirming that coverage cannot be canceled or materially altered without thirty (30) days prior written notice to all parties. If Customer fails to do so, (i) Customer will be responsible for all third-party claims, liabilities, losses and expenses (regardless of the reason) relating to or arising out of the possession, use, operation, control or storage of any Vehicle(s), any substitute/replacement vehicle(s), or any additional vehicle(s), and (ii) PacLease is authorized but not obligated to procure such Liability Insurance, without prejudice to any other remedy PacLease may have, and Customer will pay PacLease, as additional rental, the amount of the insurance charges paid by PacLease.

B. Physical Damage Insurance. Unless otherwise agreed in a separate addendum executed by Customer and PacLease, Customer agrees to maintain physical damage insurance with limits specified on the applicable Schedule A Agreement. The insurance coverage will be written by a company having an AM Best rating of at least "A-" covering PacLease (and its affiliates) and PACCAR Leasing Company as loss payees. Such policy must have a deductible amount not to exceed the amount specified on the Schedule A Agreement. Upon request, Customer agrees to furnish a certificate of insurance confirming compliance with this paragraph, and providing that coverage cannot be canceled or materially altered without thirty (30) days prior notice to all parties. If Customer fails to do so, Customer, notwithstanding Section 2A-219(1) of the Uniform Commercial Code, (i) agrees to assume the risk of loss or damage to any Vehicle and to pay or reimburse PacLease for all losses, costs and expenses (regardless of the reason) resulting from loss or damage to any Vehicle(s), any substitute or replacement vehicle(s), and any additional vehicle(s), and (ii) PacLease is authorized, but not obligated, to procure such physical damage insurance, and Customer will pay PacLease the amount of the insurance charges.

C. Cargo Insurance and Losses. Customer will obtain any cargo insurance that Customer requires. Without limiting Sections 11 or 12, PacLease is not liable for any loss or damage to cargo, regardless of the reason of such loss or damage.

D. Waiver of Subrogation. Customer, on behalf of Customer's insurer(s), expressly waives all subrogation rights against PacLease and PACCAR Leasing Company. In the event a subrogation claim is brought by Customer's insurer(s), Customer agrees to indemnify, defend and hold PacLease and PACCAR Leasing Company (including their respective officers, directors, employees, agents, contractors and representatives) harmless from and against any such claim.

E. No Rights to Coverage Under PacLease's Insurance. Where Customer is obligated to maintain a standard policy of insurance, Customer on its own, behalf and on behalf of its contractors, employees or any permissive users of any Vehicle(s), acknowledge and waive any and all rights to coverage or defense under PacLease's policies of insurance regardless of any insufficiencies or limitations of coverage under Customer's insurance.

13. Indemnification

Customer agrees to indemnify, defend and hold PacLease and its affiliates (including their respective officers, directors, employees, agents, contractors and representatives) harmless from and against any and all claims, causes of action, damages, demands, liabilities, losses and expenses of any kind (including without limitation reasonable attorneys' fees, fines, taxes and penalties) (collectively "Losses") relating to or arising out of (i) the possession, use, operation, control or storage of any Vehicle(s), any substitute/replacement vehicle(s), or any additional vehicle(s), or (ii) any breach of a Lease by Customer. Customer's indemnification obligations will survive expiration or termination of the Lease.

Customer acknowledges that the duty to defend is a separate and distinct obligation from Customer's duty to indemnify, and an allegation or determination that persons other than Customer are responsible for any Losses does not relieve Customer from its separate and distinct obligation to defend under this Section. PacLease may, at its own cost, participate in the investigation, trial and defense of any such proceeding, and any appeal arising from the proceeding and employ its own counsel in connection therewith.

14. Early Termination

A. Early Termination - Anniversary Date. Either party may terminate a Lease with respect to any Vehicle(s) prior to its full lease term, which termination will be effective on the next anniversary of the in-service date of such Vehicle(s). A party may only exercise its early termination by giving the other party written notice at least sixty (60) days prior to such anniversary date and specifying the Vehicle(s) subject to termination.

B. Effect of Termination by Customer. PacLease may sell any Vehicle(s) subject to early termination at such price as may be obtainable, and Customer will be liable to PacLease for any amount by which the net sales proceeds are less than the Early Termination Value set forth on the

applicable Schedule A Agreement. Alternatively, PacLease may lease such Vehicle(s) to a third party and Customer will be liable to PacLease for any reduction of rental income under the new leases. Finally, PacLease may, but will not be obligated to, sell the terminated Vehicle(s) to Customer at the Early Termination Value as set forth in the applicable Schedule A Agreement; provided that in no event will the purchase price to Customer be less than twenty percent (20%) of the initial value of such Vehicle(s) as set forth on the applicable Schedule A Agreement. In addition to the purchase price, Customer will pay personal property taxes, federal highway vehicle use taxes, any sales, use or transfer taxes, or fees and other prepaid expenses previously paid by PacLease for each Vehicle (prorated to the date of sale).

C. Effect of Termination by PacLease. So long as Customer is not in default under the Lease, Customer will have the option to purchase any Vehicle for cash at the Early Termination Value as set forth in the applicable Schedule A Agreement.

15. Return of Vehicle(s)

Upon the expiration or termination of a Lease with respect to any Vehicle(s), Customer will return such Vehicle(s) to PacLease at the location designated on the applicable Schedule A Agreement or any other location reasonably designated by PacLease. If Customer fails to timely return a Vehicle, then Customer will be required to pay rent for such Vehicle at PacLease's then-current rental rate. Each Vehicle must be returned in good working order, de-identified and free from physical damage, subject to reasonable wear and tear ("Return Condition"). If Customer fails to return a Vehicle in Return Condition, then Customer will be required to (i) pay or reimburse PacLease for all costs to repair and/or restore the Vehicle to Return Condition and (ii) continue to pay the monthly fixed charge for such Vehicle (pro-rated for any partial month(s)) until it has been repaired and/or restored to Return Condition.

16. Default

If: (i) Customer fails to pay any amount owing when due; (ii) Customer breaches any provision of a Lease; (iii) any proceeding or case is instituted by or against Customer under the U.S. Bankruptcy Code, any state insolvency law, or for the appointment of a receiver; (iv) Customer makes an assignment for the benefit of creditors; (v) Customer becomes insolvent, as that term is defined in the Uniform Commercial Code; or (vi) any execution, writ, or process is obtained whereby any Vehicle(s) may be taken or confiscated, then Customer will be in default under a Lease. Upon a default, PacLease will have all remedies provided by law and in equity and, without limiting the foregoing, will have the immediate right to exercise any or all of the remedies listed below, whether concurrently or separately. Additionally, Customer will be liable for all costs and expenses incurred by PacLease, including attorney's fees, in pursuing any remedy.

- Remedy - Termination. PacLease may terminate a Lease as to any or all Vehicle(s), and all remaining amounts owing through the end of the term of the Lease with respect to such Vehicle(s) will become immediately due and payable. Customer agrees to return all Vehicle(s) in accordance with Section 15.
- Remedy - Vehicle Repossession. PacLease or its representative may, with or without notice to Customer and subject to applicable law, enter the premises where any Vehicle is located, take possession of and remove it. In the event PacLease takes possession of or retains any Vehicle, and such Vehicle contains any property, goods or things of value belonging to Customer or in the custody or control of Customer, PacLease is authorized to take possession of and remove such items and will return such items to Customer at Customer's expense.
- Remedy - Sale or Lease of Vehicles. Without relieving Customer of any obligations or waiving any of PacLease's rights, PacLease may hold, lease or sell any Vehicle(s) at such time, place and in such manner and at such price and on such other terms determined by PacLease. Customer will be liable to PacLease for any amount by which the net sale proceeds of a Vehicle are less than the Early Termination Value of such Vehicle set forth in the applicable Schedule A Agreement. If any such Vehicle(s) are leased to a third party, Customer will be liable to PacLease for any reduction of income under the new leases.

17. Force Majeure

PacLease will not be liable for its failure to supply any Vehicle, repair or maintain any Vehicle, or provide fuel for any Vehicle, if PacLease is prevented by any national emergency, war, terrorism, natural disaster, riot, fire, epidemic, pandemic, public health crisis, labor dispute, law, regulation or any other cause beyond PacLease's reasonable control.

18. Financial Information

Customer agrees to provide PacLease with its most recent annual financial statements and other financial information requested from time to time.

19. Miscellaneous

Each Lease contains the entire Agreement and understanding between the parties and its terms will not be construed as altered by any verbal agreement or informal writing, nor by failure to insist upon performance or failure to exercise any right or privilege. Each Lease may only be modified in writing signed by both parties thereto, and any amendment(s) to these Master Terms will only be binding upon a lessor that has signed such amendment(s) or incorporated (either directly or by reference) such amendment(s) into a Lease. Each Lease will be binding on the parties hereto, their successors, legal representatives and assigns. If any provision of a Lease is invalid under the laws of any state when used, such provision will be deemed not to be a part of a Lease in such state, but will not invalidate any other provision hereof.

These Master Terms are accepted by Customer as of the date indicated above and will be incorporated into each Schedule A Agreement signed by Customer.

These Master Terms are presented to Customer by the undersigned. The undersigned acknowledges that these Master Terms will be incorporated into each Schedule "A" Agreement signed by it.

City of Republic
213 N Main Avenue, Republic, Missouri
65738

TLG Leasing, Inc. dba TLG Peterbilt-PacLease
3026 North Mulroy, Strafford, Missouri
65757

(SIGNATURE)

(SIGNATURE)

Garrett Brickner / Assistant BUILDS Administrator

(PRINT NAME/TITLE OF SIGNING AUTHORITY)

Mike Napoliello / Director and VP of TLG Leasing Inc

(PRINT NAME/TITLE OF SIGNING AUTHORITY)

(DATE SIGNED)

(DATE SIGNED)