

# MUNICIPAL LEASE-PURCHASE AGREEMENT

## Form of Agreement

### MUNICIPAL LEASE-PURCHASE AGREEMENT

This MUNICIPAL LEASE-PURCHASE AGREEMENT (this "Agreement") is made and entered into as of JULY 5<sup>TH</sup>, 2026 (the "Effective Date"), by and between: LESSOR: CITIZENS NATIONAL BANK OF MERIDIAN, a Mississippi BANK / NATIONAL BANKING ASSOCIATION, whose address is 1127 HWY 15 N, LAUREL, MS 39440 ("Lessor"); And LESSEE: CITY OF LAUREL, MISSISSIPPI], a Mississippi municipality organized and existing under the laws of the State of Mississippi, whose address is POST OFFICE BOX 647 LAUREL, MS 39441 ("Lessee").

#### RECITALS

- A. Lessee is a municipality of the State of Mississippi and possesses the powers granted by Mississippi law, including the power to purchase and hold personal property for proper municipal purposes and to acquire equipment and machinery by lease-purchase agreement and to pay interest thereon, if contracted, when needed for proper municipal purposes.
- B. Lessee has determined that the property described in Schedule 1 attached hereto (the "Property") is necessary, useful, and [essential] [important] to Lessee's lawful municipal purposes and to the continued performance of its governmental functions.
- C. Lessor is willing to acquire, or provide funds for the acquisition of, the Property and lease the Property to Lessee, and Lessee is willing to lease the Property from Lessor, all upon the terms and conditions of this Agreement.
- D. The parties intend that this Agreement constitute a lease-purchase / installment purchase arrangement payable from funds annually appropriated and lawfully available therefor, and not a general obligation indebtedness or bonded indebtedness of Lessee.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

#### 1. DEFINITIONS.

For purposes of this Agreement:

- (a) "Acceptance Certificate" means the certificate executed by Lessee substantially in the form attached as Exhibit A.
- (b) "Base Payments" means the rental/installment payments payable by Lessee as set forth in Schedule 2.
- (c) "Commencement Date" means the date on which Lessee accepts the Property pursuant to the Acceptance Certificate.
- (d) "Event of Default" means any event described in Section 15.
- (e) "Fiscal Year" means Lessee's fiscal year as established from time to time in accordance with Mississippi law.
- (f) "Lease Term" means the Original Term and any Renewal Terms during which this Agreement remains in effect.
- (g) "Original Term" means the period beginning on the Commencement Date and ending on the last day of Lessee's then-current Fiscal Year, unless sooner terminated as provided herein.
- (h) "Property" means the equipment, vehicles, machinery, furnishings, technology, software, or other personal property described in Schedule 1, together with all accessions, replacements, substitutions, attachments, and proceeds thereof, to the extent permitted by law.
- (i) "Purchase Option Price" means the amount, if any, stated in Schedule 2 to be paid by Lessee to acquire title to the Property before the end of the Lease Term.
- (j) "Renewal Term" means each successive Fiscal Year after the Original Term for which funds are duly appropriated and otherwise lawfully available for the payment of Base Payments.

#### 2. LEASE OF PROPERTY.

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Property, upon the terms and conditions set forth in this Agreement.

#### 3. TERM.

3.1 Original Term. The Original Term shall commence on the Commencement Date and continue until the end of Lessee's current Fiscal Year unless sooner terminated in accordance with this Agreement.

3.2 Renewal Terms. This Agreement shall be automatically renewed for successive Renewal Terms, each equal to one Fiscal Year, unless terminated by non-appropriation pursuant to Section 6 or otherwise terminated pursuant to this Agreement.

3.3 Maximum Term. In no event shall the Lease Term extend beyond JULY 19<sup>TH</sup>, 2031, unless otherwise agreed in writing by the parties and permitted by applicable law.

#### 4. ACQUISITION; DELIVERY; ACCEPTANCE.

4.1 Acquisition. Lessor shall purchase the Property from ROGERS DABB CHEVROLET pursuant to invoices, purchase orders, vendor agreements, and related acquisition documents acceptable to Lessor.

4.2 Delivery and Installation. Unless otherwise agreed in writing, Lessee shall be responsible for ordering, delivery coordination, installation, testing, and acceptance of the Property.

4.3 Acceptance Certificate. Upon delivery and acceptance of the Property, Lessee shall execute and deliver the Acceptance Certificate to Lessor.

4.4 No Lessor Responsibility for Vendor Performance. Lessor shall have no liability for any vendor, manufacturer, installer, or service provider obligation relating to the Property.

#### 5. BASE PAYMENTS.

5.1 Payment Obligation. Lessee shall pay Base Payments in the amounts and on the dates set forth in Schedule 2. Base Payments shall be payable only from funds lawfully appropriated and available therefor.

5.2 Character of Payments. The parties acknowledge that the Base Payments are intended to include principal and interest components and are structured to permit Lessee to acquire title to the Property upon payment in full of all amounts due hereunder.

5.3 Absolute During Current Term. Subject to Section 6, Lessee's obligation to make Base Payments during the then-current Original Term or any Renewal Term shall be absolute and unconditional and shall not be abated by reason of damage to, destruction of, loss of use of, defects in, or obsolescence of the Property, except as expressly provided in this Agreement.

5.4 Method and Place of Payment. Base Payments shall be made in lawful money of the United States to Lessor at 1127 HWY 15 N Laurel, MS 39440 (P.O. BOX 326 LAUREL, MS 39441), or at such other place as Lessor may designate in writing.

#### 6. ANNUAL APPROPRIATION; NON-APPROPRIATION.

6.1 Current Fiscal Year Obligation Only. Notwithstanding any provision of this Agreement to the contrary, Lessee's obligation to pay Base Payments in any Fiscal Year is contingent upon the governing authorities of Lessee duly approving and appropriating funds for such purpose, and such funds being otherwise lawfully available.

6.2 Covenant to Budget and Request Appropriation. To the extent permitted by Mississippi law, Lessee covenants that its officers will take such lawful action as may be necessary or reasonably requested to include the Base Payments due in each ensuing Fiscal Year in the proposed annual budget and to recommend the appropriation of funds sufficient to pay the same.

6.3 Non-Appropriation. If sufficient funds are not appropriated for the payment of Base Payments for any ensuing Fiscal Year, this Agreement shall terminate at the end of the then-current Fiscal Year without penalty or further expense to Lessee, except that:

(a) Lessee shall provide Lessor with written notice of such non-appropriation promptly after the final budgetary decision is made and, in any event, not later than 30 days after such decision;

(b) Lessee shall remain responsible for all Base Payments and other amounts accrued through the last day of the then-current Fiscal Year; and

(c) Lessee shall surrender the Property as required by Section 17.

6.4 No General Obligation. Lessee has not pledged, and shall not be deemed to have pledged, its full faith and credit or taxing power to the payment of Base Payments. This Agreement shall not constitute a general obligation bond, note, or indebtedness of Lessee within the meaning of any constitutional or statutory limitation.

#### 7. TITLE; SECURITY INTEREST; PURCHASE OPTION.

7.1 Title During Lease Term. Legal title to the Property shall remain in Lessor during the Lease Term, except to the extent Mississippi law or the intended tax structure requires title to be held by Lessee subject to Lessor's security interest, in which case this Agreement shall be construed accordingly and the parties shall execute such additional documents as reasonably necessary to evidence the intended structure.

7.2 Security Interest. To the extent applicable and in addition to any retained title, Lessee hereby grants to Lessor a first-priority security interest in the Property and all proceeds thereof to secure Lessee's obligations under this Agreement. Lessee authorizes Lessor to file UCC financing statements and continuation statements describing the Property.

7.3 No Other Liens. Lessee shall keep the Property free and clear of all liens, claims, encumbrances, and security interests, except the rights of Lessor under this Agreement.

7.4 Transfer of Title at End of Term. Upon payment in full of all Base Payments and all other amounts due hereunder, Lessor shall convey to Lessee all of Lessor's right, title, and interest in and to the Property for the nominal sum of One Dollar (\$1.00).

7.5 Optional Prepayment. Lessee may prepay this Agreement before maturity. If prepayment is permitted, the amount required shall be the Purchase Option Price (if any), together with all accrued Base Payments and other amounts due through the prepayment date and any prepayment premium specified in Schedule 2.

#### 8. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF LESSEE.

Lessee represents, warrants, and covenants to Lessor, as of the Effective Date and each date on which an Acceptance Certificate or payment certificate is delivered, that:

8.1 Authority and Existence. Lessee is a duly existing Mississippi municipality validly organized under the laws of the State of Mississippi and has full power and authority to execute, deliver, and perform this Agreement.

8.2 Authorization; Minutes. The execution, delivery, and performance of this Agreement have been duly authorized by resolution of Lessee's governing authorities adopted at a lawful meeting and spread upon the official minutes of Lessee, and the officials signing this Agreement are duly authorized to do so.

8.3 Proper Municipal Purpose. The Property is acquired for a proper municipal purpose and is [necessary] [helpful] to the conduct of Lessee's municipal functions.

8.4 Compliance with Law. The acquisition, lease, and intended use of the Property comply in all material respects with applicable law, including applicable Mississippi procurement requirements, to the extent such requirements are applicable to the transaction.

8.5 Valid and Binding Obligation. This Agreement constitutes a legal, valid, and binding obligation of Lessee enforceable in accordance with its terms, subject to bankruptcy, insolvency, and other laws generally affecting creditors' rights and equitable principles, and subject further to laws governing remedies and claims against public entities.

8.6 Essentiality. The Property is essential To Lessee's continued operations. If "important but not essential" is selected, counsel should review whether the transaction remains credit-acceptable and consistent with any tax or policy requirements.

8.7 Budget and Financial Information. All financial statements, budgets, audits, and other information furnished by or on behalf of Lessee to Lessor are true and correct in all material respects as of their respective dates.

8.8 No Litigation. There is no action, suit, investigation, or proceeding pending or, to Lessee's knowledge, threatened, before any court or governmental authority that would materially adversely affect Lessee's ability to execute or perform this Agreement.

#### 9. REPRESENTATIONS OF LESSOR.

Lessor represents to Lessee that Lessor is duly organized, validly existing, and authorized to execute and perform this Agreement.

#### 10. USE; MAINTENANCE; REPAIRS; TAXES.

10.1 Use of Property. Lessee shall use the Property only for lawful municipal purposes and in compliance with all laws, ordinances, manufacturer requirements, and insurance requirements.

10.2 Maintenance and Repairs. Lessee shall, at its own cost, maintain, preserve, and keep the Property in good condition and working order, ordinary wear and tear excepted.

10.3 Alterations. Lessee shall not make any material alteration, addition, or modification to the Property that materially reduces its value or utility without Lessor's prior written consent, which shall not be unreasonably withheld.

10.4 Taxes and Charges. Lessee shall pay all taxes, assessments, registration fees, license fees, and other charges lawfully assessed against the Property or its use, if any, unless exempt by law.

#### 11. INSURANCE.

11.1 Required Insurance. Lessee shall maintain, at its sole cost, insurance with respect to the Property in such amounts and against such risks as are customary for similarly situated Mississippi municipalities and satisfactory to Lessor, including as applicable:

(a) property insurance on an all-risk or special-form basis in an amount not less than the replacement value of the Property;

(b) liability insurance for bodily injury and property damage arising from the use or operation of the Property; and

(c) [collision / comprehensive coverage for titled vehicles.

11.2 Loss Payee / Additional Insured. Lessor shall be named as loss payee, as applicable.

11.3 Evidence of Insurance. Upon request, Lessee shall provide certificates or other evidence of coverage satisfactory to Lessor.

#### 12. RISK OF LOSS; CASUALTY; CONDEMNATION.

12.1 Risk of Loss. Lessee bears the risk of loss, theft, damage, destruction, or condemnation of the Property from any cause whatsoever.

12.2 Insurance Proceeds. Unless otherwise directed by Lessor, insurance or condemnation proceeds shall be applied to repair or replace the Property. If repair or replacement is not practical or legally permissible, such proceeds shall be applied to the amounts due or to become due under this Agreement in such order as Lessor may reasonably determine.

12.3 No Abatement. Except as expressly provided herein, no damage to, destruction of, or taking of the Property shall entitle Lessee to any abatement, reduction, offset, defense, or counterclaim with respect to Base Payments.

#### 13. DISCLAIMER OF WARRANTIES.

LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONDITION, DESIGN, CAPACITY, OR WORKMANSHIP OF THE PROPERTY. LESSEE ACCEPTS THE PROPERTY "AS IS," SUBJECT ONLY TO SUCH MANUFACTURER OR VENDOR WARRANTIES AS MAY BE ASSIGNED TO LESSEE.

#### 14. TAX COVENANTS [IF TAX-EXEMPT].

If the parties intend the interest component of the Base Payments to be excluded from gross income for federal income tax purposes, Lessee covenants that it shall not take, or omit to take, any action that would cause such interest component to become includable in gross income for federal income tax purposes and shall execute such tax certificate(s) and arbitrage / rebate certificate(s) as may be reasonably requested by Lessor or bond counsel.

#### 15. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default:

(a) Lessee fails to pay any Base Payment or other amount due hereunder when due during any Fiscal Year for which funds have been appropriated and are lawfully available therefor;

(b) Lessee fails to observe or perform any material covenant, agreement, or condition contained in this Agreement and such failure continues for [30] [45] days after written notice from Lessor; provided, however, if such failure cannot reasonably be cured within such period, no Event of Default shall occur if Lessee commences cure within such period and diligently pursues completion;

(c) any representation or warranty made by Lessee herein or in any certificate furnished in connection herewith proves to have been materially false or misleading when made;

(d) Lessee attempts to sell, transfer, abandon, or encumber the Property or any interest therein except as expressly permitted herein; or

(e) Lessee permits waste, confiscation, forfeiture, or material impairment of the Property.

Failure to appropriate funds in accordance with Section 6 shall not constitute an Event of Default.

#### 16. REMEDIES.

Upon the occurrence and continuation of an Event of Default, and subject to applicable law governing remedies against public entities, Lessor may exercise any one or more of the following rights and remedies:

- (a) declare immediately due and payable all Base Payments and other amounts then due during the current Fiscal Year;
- (b) take possession of the Property, with judicial process or such other lawful process as may be available;
- (c) require Lessee to assemble and make the Property available to Lessor at a location reasonably designated by Lessor within Mississippi;
- (d) proceed by appropriate action to enforce any covenant or to recover damages for breach; and
- (e) recover its reasonable out-of-pocket costs and expenses of enforcement, including reasonable attorneys' fees, to the extent permitted by law.

No remedy shall be deemed exclusive, and all remedies shall be cumulative to the extent permitted by law.

#### 17. RETURN OF PROPERTY UPON TERMINATION.

If this Agreement terminates prior to payment in full for any reason, including non-appropriation, Lessee shall, at its sole expense, promptly:

- (a) cease use of the Property;
- (b) if requested by Lessor, de-install, package, and prepare the Property for delivery;
- (c) deliver possession of the Property to Lessor at LOCATION WITHIN MISSISSIPPI]; and
- (d) execute such documents as may be reasonably necessary to evidence the transfer of possession and, if applicable, title.

#### 18. NON-SUBSTITUTION COVENANT [OPTIONAL LENDER PROTECTION].

If this Agreement terminates by reason of non-appropriation, Lessee [shall] [shall not] for a period of [6] [12] months thereafter acquire, lease, or use property performing substantially the same function as the Property without Lessor's prior written consent, except where required for public health or safety or where otherwise required by law. Counsel should confirm enforceability and policy considerations before using this clause.

#### 19. ASSIGNMENT.

19.1 Assignment by Lessor. Lessor may assign, sell, participate, pledge, or otherwise transfer any or all of its right, title, and interest in this Agreement, the Property, and the Base Payments to any bank, financial institution, investor, or purchaser without Lessee's consent, provided that Lessee is given notice of the assignment and is not thereby materially prejudiced in the performance of its obligations.

19.2 No Assignment by Lessee. Lessee may not assign, sublease, transfer, or otherwise dispose of this Agreement or the Property without Lessor's prior written consent.

#### 20. NOTICES.

All notices, certificates, demands, requests, approvals, and other communications required or permitted hereunder shall be in writing and shall be deemed given when actually delivered, sent by nationally recognized overnight courier, or mailed by certified United States mail, return receipt requested, postage prepaid, to the addresses first above written (or such other address as either party may designate by notice):

If to Lessor:

CITIZENS NATIONAL BANK OF MERIDIAN  
1127 HWY 15 N LAUREL, MS 39440  
Attention: CHARLES TINGLE

If to Lessee:

CITY OF LAUREL  
P.O. BOX 647 LAUREL, MS 39441  
Attention: JOHNNIE MAGEE / KRISTAL JONES

#### 21. GOVERNING LAW; VENUE; SOVEREIGN / GOVERNMENTAL ISSUES.

This Agreement shall be governed by and construed in accordance with the laws of the State of Mississippi. Venue for any action arising out of this Agreement shall lie in a court of competent jurisdiction in [COUNTY], Mississippi, unless another venue is required by applicable law. Nothing contained herein shall be construed as a waiver by Lessee of any immunity, limitation, or protection afforded to it under applicable Mississippi law, except to the extent expressly authorized by law and expressly stated in a separate written instrument approved on the minutes of Lessee.

#### 22. MISCELLANEOUS.

22.1 Entire Agreement. This Agreement, together with all schedules, exhibits, and certificates delivered in connection herewith, constitutes the entire agreement of the parties regarding the subject matter hereof and supersedes all prior negotiations and understandings.

22.2 Amendments. No amendment, modification, or waiver of any provision of this Agreement shall be effective unless in writing and executed by both parties and, in the case of Lessee, authorized on its minutes to the extent required by law.

22.3 Severability. If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in full force and effect to the fullest extent permitted by law.

22.4 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original. [Electronic signatures] [wet-ink signatures only] may be used to the extent permitted by law and accepted by the parties.

22.5 Further Assurances. Each party agrees to execute and deliver such additional documents, certificates, UCC filings, IRS forms, resolutions, opinions, and instruments as may be reasonably requested to carry out the intent of this Agreement.

# Signature Pages

IN WITNESS WHEREOF, the parties have caused this Mississippi Municipal Lease-Purchase Agreement to be executed by their duly authorized representatives as of the Effective Date.

LESSOR:

CITIZENS NATIONAL BANK OF MERIDIAN

By: 

Name: Tom Brabston \_\_\_\_\_

Title: Senior Credit Officer \_\_\_\_\_

Date: 6/17/2026 \_\_\_\_\_

LESSEE:

CITY OF LAUREL, MISSISSIPPI]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Mayor [or other duly authorized officer] \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: Municipal Clerk \_\_\_\_\_

Date: \_\_\_\_\_

[SEAL, IF USED]

ACKNOWLEDGMENT OF MUNICIPAL MINUTES / AUTHORITY

The undersigned Municipal Clerk hereby certifies that the governing authorities of [MUNICIPALITY NAME] adopted a resolution/order authorizing the execution, delivery, and performance of this Agreement at a meeting duly called and held on [DATE], and that said action has been spread upon the official minutes of the municipality.

\_\_\_\_\_  
Municipal Clerk

Date: \_\_\_\_\_