

LEASE AND OPTION TO PURCHASE

by and between

TRUSTMARK NATIONAL BANK

as Lessor

AND

CITY OF LAUREL, MISSISSIPPI

as Lessee

Dated as of the ____ day of February 2025.

Prepared by: **Trustmark National Bank**

INDEXING INSTRUCTIONS:

LEASE AND OPTION TO PURCHASE

THIS LEASE AND OPTION TO PURCHASE (this “Lease”) effective as of **February __, 2025** (the “Effective Date”) by and between **TRUSTMARK NATIONAL BANK**, a national banking association organized and existing under the laws of the United States of America, as lessor (the “Lessor”), whose address is **415 N Magnolia Street, Laurel MS 39440** and the **CITY OF LAUREL, MISSISSIPPI**, a political subdivision of the State of Mississippi (the “State”), as lessee (the “Lessee”), whose address is **401 N 5th Avenue, Laurel MS 39440**.

RECITALS

WHEREAS, pursuant to the laws of the State, the Lessee is authorized to acquire items of property as are needed to carry out its governmental functions and to acquire such property by entering into lease-purchase agreements; and

WHEREAS, the Lessee has determined that it is in need of the Equipment (as hereafter described), said Equipment to be used in connection with the collection and disposal of garbage, brush, and household hazardous waste and for related purposes; and

WHEREAS, the Lessee has determined that in order to accomplish such purpose it is necessary and desirable to acquire the Equipment by leasing the same pursuant to this Lease under the authority of Section 31-7-13(e), Mississippi Code of 1972, as amended and/or supplemented from time to time; and

WHEREAS, Lessor is willing to acquire such Equipment and to lease said Equipment to Lessee pursuant to the terms and conditions set forth herein; and

WHEREAS, Lessor and Lessee have agreed that the Lease Term (as hereinafter defined) shall not exceed the useful economic life of the Equipment, which Lessor and Lessee agree to be not more than **five (5) years**.

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

AGREEMENTS

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

Additional Rental: the amounts specified as such in Sections 5.4(c), 5.5, and 7.4 of this Lease.

Base Rental: The payment of the amounts due from Lessee to Lessor on each Payment Date during the Lease Term as set forth in Exhibit B but does not include Additional Rental.

City: The City of Laurel, Mississippi.

City Representatives: The Mayor of the City, the City Clerk of the City, and any other officer of the City, duly authorized to execute and deliver this Lease by official action taken by the Governing Body of the City on February 4, 2025.

Code: The Internal Revenue Code of 1986 and the regulations promulgated thereunder, as the same may be amended and/or supplemented from time to time.

Contractor: The manufacturer(s) or vendor(s) from whom Lessee has ordered or will order or with whom Lessee has contracted or will contract for the manufacture, delivery, sale and/or installation of the Equipment.

Equipment: The property described in Exhibit A, but in no event shall this property consist, in whole or in part, of any office furniture or office machines.

Fiscal Year: The twelve month fiscal period of Lessee which commences on October 1 in every year and ends on the following September 30.

Governing Body: The Mayor and City Council of the City.

Interest Component: The portion of any Rental Payment designed as interest as shown in Exhibit B.

Lease Term: Unless sooner terminated pursuant to the provisions of this Lease, the period of time commencing upon the Effective Date and ending on **February __, 2030**, which Lessor and Lessee agree represents the useful economic life of the Equipment;.

Net Proceeds: Any insurance proceeds or condemnation award paid with respect to the Equipment remaining after payment therefrom of all expenses incurred in the collection thereof.

Non-appropriation: The failure of the Governing Body to appropriate money for any Fiscal Year of Lessee sufficient for the continued performance of this Lease by Lessee.

Payment Date: The date upon which any Rental Payment is due and payable as provided in Exhibit B.

Permitted Encumbrances: At any particular time: (i) liens on Lessee's interest in the Equipment for taxes and assessments not then delinquent, (ii) this Lease and any amendments hereto, (iii) Lessor's interest in the Equipment, and (iv) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right which secures an amount not then due and owing for goods or services.

Principal Component: The portion of any Rental Payment designated as principal in Exhibit B.

Purchase Option Price: With respect to the Equipment, as of the Payment Dates specified in Exhibit C, the amount set forth opposite such date assuming all Rental Payments and other amounts due from Lessee to Lessor have been paid as and when due.

Rental Payment: The payment of Basic Rental due from Lessee to Lessor on each Payment Date as shown in Exhibit B **PLUS** any Additional Rental due pursuant to the terms of this Lease.

Specifications: The bid specifications and/or purchase order pursuant to which Lessee ordered the Equipment from Contractor.

State: The State of Mississippi.

State and Federal Law or Laws: The Constitution and any laws of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States of America, and any rule or regulation of any agency of the United States of America.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, warrants and covenants as follows:

(a) Lessee is a **city government** which is a political subdivision of the State, duly organized and existing under the Constitution and laws of the State.

(b) Lessee is authorized under the Constitution and laws of the State to enter into this Lease and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(c) The City Representatives have been duly authorized to execute and deliver this Lease under the terms and provisions of appropriate official action of the Governing Body taken on **February 4, 2025**.

(d) In authorizing and executing this Lease, Lessee has complied with all public bidding and other State and Federal laws applicable to this Lease and the acquisition of the Equipment by Lessee.

(e) The Equipment will be used only to carry out the governmental purposes and to perform essential governmental functions of Lessee.

(f) Lessee has obtained all permits and licenses necessary for the installation, operation, possession, and use of the Equipment.

(g) Upon delivery and installation of the Equipment, Lessee will provide Lessor with a completed and executed Certificate of Acceptance in the form attached hereto as Exhibit D. If

Lessee fails to execute and deliver a Certificate of Acceptance within five (5) business days after delivery and installation of the Equipment, Lessee shall be deemed to have done so.

(h) Upon the execution of this Lease, Lessee will provide to Lessor an opinion of its legal counsel acceptable to Lessor, in Lessor's sole opinion, substantially in the form attached hereto as Exhibit E.

(i) Upon the execution of this Lease, Lessee will provide to Lessor a Federal Tax Certificate in the form attached hereto as Exhibit F.

Section 2.2. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants, and warrants as follows:

(a) Lessor is a national banking association, duly organized, validly existing and in good standing under the laws of the United States of America.

(b) Lessor is duly authorized to transact business in the State; has the power to own and lease the Equipment; and has duly authorized the execution and delivery of this Lease.

ARTICLE III

LEASE OF EQUIPMENT

Section 3.1. Lease. Subject to and conditioned upon the delivery of the Equipment by Contractor, Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor and agrees to pay to Lessor the Rental Payments, all upon the terms and conditions set forth in this Lease.

Section 3.2. Possession and Enjoyment. The Lessor covenants and agrees that the Lessee, by keeping and performing the covenants and agreements herein contained, shall, at all times during the Lease Term, peaceably and quietly have, hold, and enjoy the Equipment.

Section 3.3. Lessor's Access to Equipment. Representatives of the Lessor shall, subject to reasonable security precautions, have the right to enter upon the property of Lessee during reasonable business hours (and in an emergency at all times) (i) to examine and inspect the Equipment, (ii) for any purpose connected with the rights or obligations of the Lessor under this Lease, including, but not limited to maintain and caring for same if Lessee fails to perform its obligations hereunder, or (iii) for all other lawful purposes.

Section 3.4. Purchase and Installation. Lessee has selected the type, quantity, and supplier of each item of Equipment and has ordered such Equipment from such supplier (each a "Purchase Order"). Lessee and Lessor agree that the total purchase price of the Equipment is \$420,000.00. If Lessee receives invoices in an amount greater than \$420,000.00, the Lessee shall be responsible for such amount that exceeds \$420,000.00.

The Equipment so ordered shall be delivered to Lessee by the Contractor and Lessee shall accept such Equipment when and if delivered and placed in good repair and working order and

Lessee hereby authorizes Lessor to add to this Lease the serial number of each item of Equipment so delivered. Any delay in such delivery shall not affect the validity of this Lease.

ARTICLE IV

TERM OF LEASE

Section 4.1. Lease Term. Unless terminated as set forth herein, this Lease shall be in effect for the Lease Term, which shall not exceed **five (5) years**.

Section 4.2. Intent to Continue Lease Term; Appropriations; Current Expense.

(a) Lessee presently intends to continue this Lease for its entire Lease Term and to pay all Rental Payments. Lessee will include in its budget request for each Fiscal Year the Rental Payments to become due in such Fiscal Year and will use all reasonable and lawful means at its disposal to secure the appropriation of money for such Fiscal Year sufficient to pay the Rental Payments coming due for such Fiscal Year. Lessee reasonably believes that moneys in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated and made available for this purpose.

(b) The obligation of the Lessee to make Rental Payments under the Lease constitutes a binding obligation of the Lessee in accordance with the terms of this Lease. Provided, however, so long as no default of any monetary obligation of the Lessee has occurred, the Lessee's obligation to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific, annual appropriation made by the Lessee to fund such Lease. Nothing contained in the Lease shall create any monetary obligation on the part of the Lessee beyond such current and specific appropriation. The Governing Body, in its sole discretion, may make said payments with any lawfully available revenues. Nothing in the Lease creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues to or for the payment of any bonds, note or certificates of the Governing Body or for any other purpose whatsoever. The Lessee has not pledged or levied any form of taxation for the payment of Rental Payments under this Lease.

(c) Lessor and Lessee agree that the intent of this Lease is that the obligations of Lessee under this Lease, including its obligation to pay the Rental Payments due with respect to the Equipment, in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee for the benefit of Lessor of any taxes or other moneys in the annual budget of Lessee (or the proceeds or net proceeds of the Equipment) to the payment of any Rental Payment or other amount due hereunder.

Section 4.3. Termination Due to Non-Appropriation. In the sole event of Non-appropriation prior to an Event of Default, Lessee shall have the right to terminate this Lease, in whole, but not in part, at the end of any Fiscal Year of Lessee, in the manner and subject to the terms specified in this Section and Sections 4.4 and 4.6 hereof. Lessee may effect such termination by giving Lessor written notice of termination and by paying to Lessor all Rental Payments which are due and payable through the date of such termination. Lessee shall endeavor to give Lessor not less than sixty (60) days prior written notice of termination and shall notify Lessor as soon as reasonably possible of any anticipated termination. In the event of termination of this Lease as provided in this Section, Lessee shall deliver possession of the Equipment to Lessor in accordance with Section 12.3 hereof and shall execute any documents reasonably requested by Lessor to release its interest in the Equipment.

Section 4.4. Effect of Termination. Upon termination of this Lease as provided in Section 4.3, Lessee shall not be responsible for the payment of any Rental Payments coming due with respect to succeeding Fiscal Years, but if Lessee has not delivered possession of the Equipment to Lessor in accordance with Section 12.3 hereof and released and conveyed its interest in the Equipment to Lessor within ten (10) days after the termination of this Lease, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to (a) the amount of the Rental Payments coming due for the period during which Lessee fails to take such actions PLUS (b) any other loss suffered by Lessor as a result of Lessee's failure to take such actions.

Section 4.5. Non-Substitution. If this Lease is terminated by Lessee in accordance with Section 4.3 hereof, Lessee agrees that for a period of one (1) year after termination, to the extent allowed by law, Lessee will not purchase or lease other property or contract with any third party to perform the same functions as, or functions taking the place of, those performed by the Equipment; provided, however, that this restriction shall not be applicable in the event the Equipment previously has been sold by Lessor and the amount received from such sale, less all costs of such sale, is sufficient to pay the Purchase Option Price applicable through the last Rental Payment.

Section 4.6. Termination of Lease Term. The Lease Term Lease will terminate upon the occurrence of the first of the following events:

- (a) the termination thereof by Lessee in accordance with Section 4.3 hereof;
- (b) the exercise by Lessee of its option to purchase the Equipment under Article X hereof;
- (c) a Default by Lessee and Lessor's election to terminate this Lease pursuant to Article XII hereof; or
- (d) the expiration of the Lease Term if Lessee has made all Rental Payments required Lessee hereunder as and when due and has otherwise performed its obligations hereunder.

ARTICLE V

RENTAL PAYMENTS

Section 5.1. Rental Payments. Lessee agrees to pay Rental Payments during the Lease Term in the amounts and on the Payment Dates. All Rental Payments shall be paid to Lessor on or before the Payment Date at Lessor's offices at the address specified in the first paragraph of this Lease or to such other person or entity and at such other places as Lessor may, from time to time, designate by written notice to Lessee. If any Rental Payment is not paid within ten (10) days of the Payment Date thereof, to the extent allowed by law, Lessee shall also be liable to Lessor for a late payment charge equal to the greater of \$50.00 or four percent (4%) of the amount of the delinquency **PLUS** interest on the amount of the delinquency from the expiration of the 10-day period until such past due amounts shall be paid in full; provided, however, that this Lease shall not bear an overall interest rate to maturity greater than the maximum rate allowed by law.

Section 5.2. Principal and Interest Components. Each Base Rental Payment consists of a Principal Component and an Interest Component, all as more fully described in Exhibit B.

Section 5.3. Rental Payments to be Unconditional. Except as provided in Section 4.3 hereof, the obligation of Lessee to make payments of Base Rental and Additional Rental and any other payments required hereunder shall be absolute and unconditional. Notwithstanding any dispute between Lessee and Lessor or any other person, Lessee shall make all such payments required hereunder as and when due and shall not withhold any such payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments. Lessee's obligation to make any payment required hereunder shall not be abated through accident or unforeseen circumstances. However, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor.

Section 5.4. Tax Exemption.

(a) Lessee acknowledges and agrees that the payments of Base Rental have been calculated by Lessor assuming that the Interest Component of each Base Rental payment is exempt from federal income taxation. Lessee will do and refrain from doing all things necessary and appropriate to ensure that the Interest Component of all Base Rental payments is exempt from federal income taxation. In that regard, Lessee represents, covenants, and warrants that:

(i) The Equipment will not be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public;

(ii) No portion of the Rental Payments: (1) will be secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other

than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (ii) will be derived from payments, whether or not to Lessee, in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit;

(iii) No portion of the cost of the Equipment will be used (directly or indirectly) to make or finance loans to persons other than governmental units; and

(iv) The Lessee will execute and file all information statements required by Section 149(e) of the Code and timely pay amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code.

(b) Lessee and Lessor acknowledge that Lessee has designated this Lease as a “qualified tax exempt obligation” for purposes of Section 265(b)(3) of the Code.

(c) In the event any governmental taxing authority successfully imposes an income tax on the Interest Component or imposes an income tax on the interest component under any similar lease of Lessor which, in the opinion of Lessor’s counsel, will be determinative of the tax treatment under this Lease, then Lessee agrees to pay Additional Rental retroactively from the date of such imposition through the end of the Lease Term during which such tax is imposed in an amount adequate to compensate Lessor, on an after-tax basis, for the tax imposition.

Section 5.5. Additional Rental. In addition to the Base Rental set forth herein, the Lessee agrees to pay as Additional Rental, as and when due, all of the following:

(a) All taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and special lien special assessments and gross receipts taxes, if any, levied upon the Equipment or upon any interest of the Lessor in this Lease;

(b) Insurance premiums, if any, on all insurance required under the provisions of Article VI of this Lease;

(c) To the extent allowed by law, all fees and expenses of the Lessor in connection with the transactions contemplated herein; and

(d) To the extent allowed by law, any other fees, costs or expenses incurred by the Lessor in connection with the execution, performance or enforcement of this Lease or any assignment hereof or any of the transactions contemplated hereby or thereby or related to the Equipment and/or the Lease, including, without limitation, any amounts which may become due.

Amounts constituting Additional Rental payable hereunder shall be paid by the Lessee directly to the person or persons to whom such amounts shall be payable. The Lessee shall pay all such amounts when due and payable or at such later time as such amounts may be paid without penalty and, upon request of the Lender, shall furnish to the Lender a certificate stating that any such amounts have been paid or that no such amounts were due.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

Section 6.1. Section 6.1. Requirements For All Insurance. Lessor's minimum insurance requirements are set forth on Exhibit G, and all insurance policies (or riders) required by this Article shall be maintained with responsible insurance companies organized under the laws of one of the states of the United States of America and qualified to do business in the State; shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving at least thirty (30) days prior written notice to Lessor or as otherwise provided under the provisions of the insurance policy thereof; and to the extent allowed by law, shall name Lessor as an additional insured under any liability insurance policy and as a loss payee under any casualty insurance policy. At Lessor's request, Lessee shall deposit with Lessor policies (and riders) evidencing any such insurance procured by it, and upon request of the Lessor, the Lessee shall (a) deposit with the Lessor a certificate of a Governmental Representative stating that the Lessee is in compliance with the insurance requirements set forth in this Section 6.1, and (b) deliver to Lessor certificates of insurance from insurance companies providing insurance.

Section 6.2. Liability Insurance. Upon receipt of possession of the Equipment, Lessee shall take such measures as may be necessary to ensure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation or other general use of the Equipment are covered by a liability insurance policy or program acceptable to Lessor. To the extent allowed by law, Lessee shall cause Lessor to be named as an additional insured in such policy. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid.

Section 6.2. Property Insurance. Upon receipt of possession of the Equipment, Lessee shall have and assume the risk of loss with respect thereto. Lessee shall maintain in effect during the Lease Term, casualty insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that if a claim is made for a total loss of the Equipment such insurance proceeds will be sufficient to pay the applicable Purchase Option Price. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with a deductible not in excess of \$1,000.00. The Net Proceeds of insurance required by this Section shall be applied to the purchase of the Equipment as provided in Section 6.7 hereof.

Section 6.3. Worker's Compensation Insurance. If required by State law, Lessee shall carry Worker's Compensation Insurance covering all employees on, in, near or about the Equipment, and, upon request, shall furnish Lessor with certificates evidencing such coverage throughout the Lease Term.

Section 6.5. General Indemnity. To the maximum extent allowed by law, Lessee assumes liability for, and shall indemnify, protect, save, and keep harmless Lessor and its agents, servants,

successors, and assigns (each an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, and expenses, including legal expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against any indemnitees, in any way relating to or arising out of this Lease or the enforcement hereof, or the manufacture, purchase, acceptance, rejection, ownership, possession, use, selection, delivery, lease, operation, condition, sale, return, or other disposition of the Equipment or any part thereof (including, without limitation, latent or other defects, whether or not discoverable by Lessee or any other person, any claim in tort for strict liability and any claim for patent, trademark, or copyright infringement); provided, however, that Lessee shall not be required to indemnify any indemnitee for loss or liability arising from acts or events that occur after the Equipment has been returned to Lessor in accordance with this Lease, or for loss or liability resulting solely from the willful misconduct or negligence of such Indemnitee. This indemnity obligation is intended to be, and shall be interpreted to be, a separate and independent contractual obligation from the contractual provisions addressing the requirements and placement of insurance. To the extent allowed by law, the provisions of this Section 6.5 shall survive the expiration or earlier termination of this Lease.

Section 6.6. Damage to or Destruction of Equipment. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee shall, as soon as practicable after such event, either: (a) replace the same at Lessee's sale cost and expense with replacement equipment acceptable to Lessor, whereupon such replacement shall be substituted in this Lease by appropriate documentation; or (b) pay the applicable Purchase Option Price of the Equipment. Lessee shall notify Lessor of which course of action it will take within 15 days after the loss, destruction or damage. If Lessee elects clause (a) but fails to perform its obligation thereunder within thirty (30) days after the loss, destruction or damage, Lessor may, at its option, declare the applicable Purchase Option Price of the Equipment immediately due and payable, and Lessee shall be obligated to pay the same. The Net Proceeds of all insurance payable with respect to the Equipment shall be made available to Lessee to be used to discharge Lessee's obligation under this Section. On payment of the Purchase Option Price, this Lease shall terminate, and Lessee thereupon shall become entitled to the Equipment AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that the Equipment shall not be subject to any lien or encumbrance created or arising through Lessor.

ARTICLE VII

OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. Lessee shall exercise due care in the installation, use, operation, and maintenance of the Equipment, and shall not install, use maintain or operate the Equipment improperly, carelessly, in violation of any local, State or Federal laws, rules, regulations or ordinances, or for a purpose or in a manner contrary to that contemplated by this Lease. Lessee shall maintain all permits and licenses necessary for the installation, operation, possession, and use

of the Equipment. Lessee shall, at Lessee's expense, comply with all local, State and Federal laws, rules, regulations, and ordinances that require changes or additions to be made to the Equipment.

Section 7.2. Maintenance of Equipment by Lessee. Lessee shall, at its expense, maintain, preserve, and keep the Equipment in good repair, working order and condition.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, Lessee shall pay all taxes, special assessments, and other charges of any kind which are lawfully assessed or levied against or with respect to the Equipment, the Rental Payments, or any part thereof with respect to the Lease Term. Lessee shall not be required to pay any federal, state, or local income, inheritance, estate, succession, transfer, gift, franchise, profit, excess profit, capital stock, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section 7.3. Lessee may, at its own expense and in its own name, in good faith contest any such taxes, assessments, and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in its reasonable determination, the interest of Lessor in the Equipment could be materially endangered by nonpayment of any such items, in which event Lessee shall promptly pay such taxes, assessments and charges or to the extent allowed by law, provide Lessor with full security against any loss which may result from non-payment, in form reasonably satisfactory to Lessor.

Section 7.4. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and such advances shall be considered Additional Rental, and Lessee shall be obligated to repay all such advances on demand, with interest at the rate of eleven percent (11%) per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

ARTICLE VIII

TITLE

Section 8.1. Title. During the Lease Term, and so long as Lessee is not in Default as provided in Article XII, legal title to the Equipment and any and all replacements, accessories, substitutions and modifications thereto shall vest in Lessee. Upon termination of this Lease for any of the reasons specified in clauses (a) and (c) of Section 4.6 hereof, full and an encumbered legal title to the Equipment shall pass to Lessor, and Lessee shall have no further interest therein. In such event, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title to the Equipment to Lessor and the termination of Lessee's interest in the Equipment. Upon termination of this Lease for either of the reasons specified in clauses (b) and (d) Section 4.6 hereof, Lessor's security or other interest in the Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's interest in the Equipment.

Section 8.2. Security Interest. Lessor shall have and retain, and Lessee hereby grants to Lessor, a security interest under the Uniform Commercial Code in the Equipment, the proceeds thereof and all, replacements, accessories, substitutions, and modifications thereto in order to secure the Rental Payments and the other obligations of Lessee hereunder. Lessee will join with Lessor in executing such security agreements and financing statements or other documents and will perform such acts as Lessor may request to perfect such security interest in the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment and maintain such markings during the Lease Term, so as clearly to disclose Lessor's interest in the Equipment.

Section 8.3. Liens. During the Lease Term, Lessee shall not, directly, or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in Section 7.3 hereof and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary to promptly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrances or claim.

Section 8.4. Installation of Lessee's Equipment. Lessee may, at any time and from time to time, in its sole discretion and at its own expense, install other accessories and components upon the Equipment, which items shall be identified by tags or other symbols affixed thereto as property of Lessee. All such items so identified shall remain the sole property of Lessee and may be modified or removed by Lessee at any time; provided, however, that Lessee shall repair and restore any and all damage to the Equipment resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent Lessee from purchasing such accessories or components under a conditional sale or lease/purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Equipment.

Section 8.5. Modification of Equipment.

(a) Lessee shall, at its own expense, have the right to make repairs, replacements, substitutions and modifications to all or any part of the Equipment, except that Lessee shall not be permitted to remove or disable safety features or devices. All such work and any part or component used or installed to make a repair or as a replacement, substitution, or modification, shall thereafter comprise part of the Equipment and be subject to the provisions of this Lease. Such work shall not in any way damage the Equipment or cause it to be used for purposes other than those authorized under the provisions of State and Federal law or those contemplated by this Lease or result in a diminution of the value of the Equipment. Any property for which a replacement or substitution is made pursuant to this Section may be disposed of by Lessee.

(b) Lessee will not permit any mechanic's or other lien to be established or remain against the Equipment for labor or materials furnished in connection with any repair, replacement, substitution or modification of the Equipment; provided, that if any such lien is established and

Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may, in good faith, contest any lien filed or established against the Equipment, and, in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in its opinion, by nonpayment of any such item the interest of Lessor in the Equipment could be materially endangered or the Equipment or any part thereof could be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form reasonably satisfactory to Lessor. Lessor will cooperate fully with Lessee in any such contest, upon the request and at the expense of Lessee.

Section 8.6. Personal Property. Lessor and Lessee agree that the Equipment is and shall at all times be and remain personal property notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by means of cement, plaster, nails, bolts, screws or otherwise.

ARTICLE IX

EQUIPMENT WARRANTIES

Section 9.1. Selection of Equipment. Lessor and Lessee agree that this is a "finance lease" under Article 2A of the Uniform Commercial Code. The Equipment and the Contractor have been selected by Lessee, and Lessor has no responsibility in connection with the selection of the Equipment, its suitability for the use intended by Lessee, or any delay or failure to manufacture, deliver or install the Equipment for use by Lessee. Lessee authorizes Lessor to add the serial number(s) of the Equipment to Exhibit A when available.

Section 9.2. Installation and Maintenance of Equipment. Lessor shall have no obligation to install, erect, test, inspect, service or maintain the Equipment under any circumstances, but such actions shall be the obligation of Lessee or the Contractor.

Section 9.3. Contractor's Warranties. To the extent it may legally do so, Lessor hereby assigns to Lessee during the Lease Term, all of its interest in all Contractor's warranties and guarantees, express or implied, applicable to the Equipment, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense.

Section 9.4. Patent Infringement. To the extent it may legally do so, Lessor hereby assigns to Lessee for and during the Lease Term of this Lease all of its interest in patent indemnity protection provided by any Contractor with respect to the Equipment. Such assignment of patent indemnity protection by Lessor to Lessee shall constitute the entire liability of Lessor for any patent infringement by Equipment furnished pursuant to this Lease.

Section 9.5. Disclaimer of Warranties. THE EQUIPMENT IS DELIVERED "AS IS", AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR

IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. The Lessee has entered into this Lease without representations or warranties with respect thereto on the part of the Lessor, its agents, representatives or employees other than those expressed herein.

ARTICLE X

OPTION TO PURCHASE

Section 10.1. When Available. Lessee shall have the exclusive right and option to purchase Lessor's interest in the Equipment on any Payment Date for the then applicable Purchase Option Price, but only if Lessee is not in Default under this Lease, and only in the manner provided in this Article.

Section 10.2. Exercise of Option. Lessee shall give notice to Lessor of its intention to exercise its option not less than thirty (30) days prior to the Payment Date on which the option is to be exercised and shall deposit with Lessor on the date of exercise an amount equal to all Rental Payments and any other amounts then due or past due and the applicable Purchase Option Price. The closing shall be on the Payment Date on which the option is to be exercised at the office of Lessor or another mutually agreed upon place.

Section 10.3. Release of Lessor's Interest. Upon exercise of the Purchase Option by Lessee, Lessor shall convey or release to Lessee all of its right, title and interest in and to the Equipment by delivery to Lessee of such documents as Lessee reasonably deems necessary for this purpose.

ARTICLE XI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Assignment by Lessor. All of Lessor's right, title and/or interest in and to the Equipment, this Lease, the Rental Payments and other amounts due hereunder may be assigned and reassigned, in whole or in part, to one or more assignees or sub-assignee at any time, without the prior consent of Lessee. Such assignment shall not be effective with respect to Lessee unless and until Lessor shall have filed a copy or written notice thereof with Lessee.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Lease nor Lessee's interest in the Equipment may be assigned transferred, mortgaged, or otherwise pledged by Lessee, in whole or in part, without the written consent of Lessor. However, the Equipment may be subleased by Lessee, in whole or in part, with the consent of Lessor and subject to compliance with each of the following conditions:

(a) This Lease and the obligation of Lessee to make Rental Payments hereunder shall remain obligations of Lessee.

(b) The sublessee shall assume the obligations of Lessee hereunder to the extent of the interest subleased in form and substance satisfactory to Lessor.

(c) Lessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to Lessor a true and complete copy of such sublease.

(d) No sublease by Lessee shall cause the Equipment to be used for a purpose other than a governmental function authorized under the provisions of the Constitution and laws of the State.

(e) No sublease shall cause the Interest Component of the Rental Payments to become subject to federal income taxation.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following shall be “Events of Default” under this Lease and the terms “Events of Default” and “Default” shall mean, whenever used in this Lease with respect to the Equipment, anyone or more of the following events:

(a) Failure by Lessee to pay any Rental Payment or other payment Lease within ten days of the time specified herein, except as provided in Section 4.3 hereof.

(b) Failure by Lessee to provide the insurance coverages required herein.

(c) Failure by Lessee to observe and perform any covenant, condition or agreement (other than as referred to in Clauses (a) and (b) of this Section) on its part to be observed or performed, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the Default is corrected.

(d) The filing by Lessee of a voluntary petition in bankruptcy; the failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental or proprietary function; the adjudication of Lessee as bankrupt; the granting by Lessee of an assignment for the benefit of creditors; the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of the United States Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

The provisions of this Section 12.1 and Section 12.2 hereof are subject to the following limitation: if by reason of force majeure Lessee is unable, in whole or in part, to carry out its obligations under this Lease with respect to the Equipment, other than its obligation to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals (excluding the Equipment); or any other cause or event not reasonably within the control of Lessee and not resulting from its negligence. Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing Lessee from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of Lessee and Lessee shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Lessee unfavorable to Lessee.

Section 12.2. Remedies on Default. Whenever any Event of Default referred to in Section 12.1 hereof shall have occurred and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(a) With or without terminating this Lease, declare all Rental Payments due or to become due to be immediately due and payable, whereupon such Rental Payments shall be immediately due and payable.

(b) With or without terminating this Lease, by written notice to the Lessee, request the Lessee to (and the Lessee agrees that it will), at the Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 12.3 hereof, or the Lessor, at its option, may (i) enter upon the premises where the Equipment is located and take immediate possession of and remove the same, (ii) require the Lessee to assemble the Equipment and make the Equipment available to the Lessor at a place to be designated by the Lessor which is reasonably convenient to both parties, and/or (iii) without removal, the Lessor may render the Equipment unusable, and may sell or otherwise dispose of the Equipment on the Lessee's premises at a public or private sale with such sale to meet the requirements of a public or private sale with the application of the sale proceeds all as provided in Section 12.2(c). To the extent allowed by law, Lessee hereby expressly waives any damages occasioned by such repossession or other disposal of Equipment as provided in this paragraph (b). If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable Purchase Option Price of the Equipment, as set forth in Exhibit C (less credit for Net Proceeds), to Lessor. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments as

and when due. If the Lease has not been terminated, Lessor shall return the Equipment to Lessee at Lessee's expense when the Event of Default is cured.

(c) If Lessor terminates this Lease and takes possession of the Equipment, Lessor shall use its best efforts promptly to sell the Equipment, as a unit or in parts, in a commercially reasonable manner at public or private sale in accordance with applicable laws. Lessor shall apply the proceeds of such sale to pay the following items in the following order: (1) all costs incurred in securing possession of the Equipment; (2) all expenses incurred in completing the sale; (3) the balance of any Rental Payments owed by Lessee through the date of termination; and (4) the Purchase Option Price.

(d) If the proceeds of sale of the Equipment are not sufficient to pay all amounts specified in Section 12.2(c)(1)-(3), Lessee shall be liable for the deficiency, and Lessor may take any other remedy available at law or in equity to require Lessee to perform its obligations hereunder.

Notwithstanding any other provision of this Section 12.2, Lessor shall be entitled to damages with respect to the Lease in an amount equal to, but not in excess of, the economic equivalent intended to be provided by Lessee's payment of the Rental Payments and/or Purchase Option Price provided for herein, as and when due, plus any amount necessary to compensate Lessee for all costs, fees and expenses incurred as a result of Lessee's default.

Section 12.3. Return of Equipment. Upon the expiration or termination of this Lease prior to the payment of all Rental Payments or the Purchase Option Price, Lessee shall return the Equipment to Lessor in the condition, repair, appearance and working order required in Section 7.2 hereof, in the following manner as may be specified by Lessor: (a) by delivering the Equipment, at Lessee's cost and expense, to such place within the State as Lessor shall specify; or (b) by shipping the same, freight prepaid, to a place within the United States specified by Lessor. If Lessee fails to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge Lessee with the costs of such repossession or pursue any remedy described in Section 12.2 hereof.

Section 12.4. No Remedy Exclusive.

(a) No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. Furthermore, the exercise of one remedy shall not impair the right of the Lessor or its assignee to any or all other remedies. If any statute or rule validly shall limit the remedies given to the Lessor or any assignee of the rights of the Lessor hereunder, the Lessor or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

(b) No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof but any such

right and power may be exercised from time to time and as often as may be deemed expedient by Lessor or its assignee.

Section 12.5. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof, and the non-defaulting party should employ attorneys and/or incur other expenses for the collection of moneys or for the enforcement of any obligation or agreement of the defaulting party hereunder, the defaulting party agrees, to the extent allowed by law, that it will, on demand, pay to the non-defaulting party the reasonable fees of such attorneys and/or such other reasonable expenses so incurred by the non-defaulting party.

Section 12.6. Waiver. The waiver by the Lessor of any breach by the Lessee, and the waiver by the Lessee of any breach by the Lessor of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition hereof.

ARTICLE XIII

ADMINISTRATIVE PROVISIONS

Section 13.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be given in writing and shall be sufficiently given and served when delivered by electronic submission, or when delivered or deposited in the United States mail, postage prepaid, to the addresses specified on the first page hereof when given by hand to the offices named on this first page of this Lease, provided that Lessor and Lessee, by notice given hereunder, may designate in writing different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

Section 13.2. Financial Information. During the Lease Term, within 180 days of Lessee's fiscal year end, Lessee will provide Lessor with current financial statements and such other financial information as may be requested by Lessor or its assignee.

Section 13.3. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.4. Book Entry. The Lessor's interest in this Lease and any interest herein may be transferred only through a book entry system as prescribed by Section 149(a) of the Code, as the same may be amended from time to time. During the Lease Term, Lessee shall keep a complete and accurate record of all assignments and other transfers in form and substance necessary to comply with Section 149(a) of the Code. Upon assignment of Lessor's interest herein, Lessor will cause written notice of such assignment to be sent to Lessee and, upon receipt of such notice of assignment, Lessee shall: (i) acknowledge the same in writing to Lessor; and (ii) record the assignment in Lessee's "book entry system" as that term is defined in Section 149(a) of the Code. No further action will be required by Lessor or by Lessee to evidence the assignment. No such

assignment shall become effective without recordation of the assignment in said “book entry system.”

Section 13.5. Severability.

(a) In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

(b) If for any reason this Lease is held by a court of competent jurisdiction void, voidable, or unenforceable by the Lessor or by the Lessee, or if for any reason it is held by such a court that any of the covenants and agreements of the Lessee hereunder, including the covenant to pay Rental Payments hereunder, is unenforceable for the full Lease Term, then and in such event for and in consideration of the right of the Lessee to possess, use and enjoy the Equipment, which right in such event is hereby granted, this Lease shall thereupon become and shall be deemed to be a lease from year to year under which the annual Rental Payment will be paid by the Lessee.

Section 13.6. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by Lessor and Lessee.

Section 13.7. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit, or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

Section 13.8. Further Assurances and Corrective Instruments. Lessor and Lessee agree that each will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment, for indicating the Effective Date and for carrying out the expressed intention of this Lease.

Section 13.9. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.10. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

[Signature Pages to Follow]

IN WITNESS WHEREOF, Lessor and Lessee have has caused this Lease to be executed by their duly authorized officers or officials as of the date first above written.

LESSOR

TRUSTMARK NATIONAL BANK, Lessor

By **Kelly Lawson**

Its **Vice President**

LESSEE

City of Laurel, Lessee

By **Johnny Magee**

Its **Mayor**

List of Exhibits:

- A. Equipment (See definitions and Section 9.1)
- B. Schedule of Rental Payments (Section 5.2)
- C. Schedule of Purchase Option Price (See definitions and Article X)
- D. Certificate of Acceptance (Section 2.1(g))
- E. Opinion of Counsel (Section 2.1(h))
- F. Federal Tax Certificate (Section 2.1(i))
- G. Insurance Requirements (Section 6.1)

EXHIBIT A
EQUIPMENT

The Equipment which is the subject of the attached Lease and Option to Purchase is as follows:

<u>Quantity</u>	<u>Description</u>	<u>Serial Number(s)</u>
Two (2)	2025 Peterbilt 548 RLX25 Garbage Trucks with attached Pac-Mac RLX25 bodies:	
	VIN 2NP8LJOX7SM714803, Serial Number RLS252024020169	
	VIN 2NP8LJOX3SM714815, Serial Number RLS252024020165	

(See attached Invoice)

EXHIBIT B
SCHEDULE OF RENTAL PAYMENTS

Lessee: **City of Laurel, Mississippi**

Commencement Date of Lease: **February __, 2025**

Number and Frequency of Payments: **Five (5) annual payments.**

Rental Payment Schedule

\$420,000
Lease Purchase Financing
Maturing February __, 2030, at 4.580%

<u>Year</u>	<u>Principal Amount</u>	<u>Interest</u>
2026	\$	4.580%
2027		4.580%
2028		4.580%
2029		4.580%
2030*		4.580%

*Final Maturity.

EXHIBIT C

SCHEDULE OF PURCHASE OPTION PRICE

<u>After Payment Number</u>	<u>Purchase Option Price</u>
Five (5) annual payments	\$1.00

EXHIBIT D

CERTIFICATE OF ACCEPTANCE

I, the undersigned, hereby certify that I am the duly qualified and acting **Mayor** of the **City of Laurel, Mississippi** (“Lessee”); and, with respect to the Lease and Option to Purchase dated **February __, 2025** (the “Lease”), by and between Lessee and Trustmark National Bank (“Lessor”), that:

1. The Equipment described in the Lease has been delivered and installed in accordance with Lessee’s Specifications and has been accepted by Lessee.

2. The Rental Payments provided for in Exhibit B to the Lease shall commence and be due and payable on **February __, 2026** and **February __th of each year** thereafter, in the years and amounts shown on Exhibit B to the Lease.

3. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Lease during the current fiscal year of Lessee, and such moneys will be applied in payment of all Rental Payments due and payable during such current fiscal year.

4. Lessee has obtained from a reputable insurance company or self-funded group qualified to do business in the State insurance with respect to all risks required to be covered thereby pursuant to Article VI of the Lease.

5. Lessee is exempt from all personal property taxes and is exempt from sales and/or use taxes with respect to the Equipment and the Rental Payments.

6. During the Term, the Equipment will be used by Lessee to perform essential governmental functions. Such functions are:

Operations related to public services in the **City government**.

7. There is no litigation, action, suit or proceeding pending before any court, administrative agency, arbitrator or governmental body, or to the best of Lessee’s knowledge, threatened, that challenges (a) the authority of Lessee or its officers or employees to enter into the Lease, (b) the proper authorization, approval and execution of the Lease and other documents contemplated thereby, (c) the appropriation of moneys sufficient to make Rental Payments coming due under the Lease in Lessee’s current fiscal year, or (d) the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

All capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Lease.

Dated: **February __, 2025**

City of Laurel

By Johnny Magee, Mayor

EXHIBIT E

OPINION OF COUNSEL

[FORM OF OPINION OF CITY ATTORNEY]

[On Letterhead of Hortman, Harlow, Bassi, Robinson & McDaniel, PLLC]

February __, 2025

Mayor and City Council
City of Laurel, Mississippi

Trustmark National Bank, as Lessor
Laurel, Mississippi

Butler Snow LLP
Ridgeland, Mississippi

Re: Lease and Option to Purchase dated February __, 2025, by and between the City of Laurel, Mississippi, and Trustmark National Bank (the "Lease")

Ladies and Gentlemen:

As attorney to the City of Laurel, Mississippi (the "City"), we have reviewed the following: (a) Section 31-7-13(e) of the Mississippi Code of 1972, as amended from time to time (the "Act"); (b) executed counterparts of the Lease, which contains the rental payment schedule; (c) a certified copy of the resolutions and/or minutes adopted by the Mayor and City Council of the City on February 4, 2025, which, among other things, authorize the City to execute the Lease; and (d) such other documents and matters of law and records as we have deemed relevant and necessary in connection with this letter. All capitalized terms used herein, but not otherwise defined herein, shall have the same meanings as ascribed thereto in the Lease.

For the purposes of this opinion letter, we have assumed and relied upon, with your permission and without any independent verification, the following: the authenticity of all documents submitted to us as originals; the conformity to originals of all documents submitted to us as certified, conformed, photocopy, facsimile or electronic copies, and the authenticity of the originals of such documents; the genuineness of all signatures (other than the signatures on behalf of the City as the lessee); the legal capacity of natural persons; the compliance by each party (other than the City) to the Lease with respect to its agreements and covenants in such Lease; as to matters of fact, upon the accuracy, truth and completeness of the representations and warranties of the parties contained in the Lease and representations and certifications of officers and representatives of the parties (including, without limitation, the City) and of public officials, including, without limitation, representations and covenants as to the Equipment, the ownership and use thereof, and the use and investment of the proceeds of the Lease, in each case without undertaking to verify the

same by any independent investigation; continuous compliance by the City with its representations and covenants contained in each Lease; and that all parties executing the Lease, other than the City, have been duly and validly authorized, have executed and delivered the Lease and that the Lease is a legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, that no approval, consent, authorization or other action by or filing with any governmental authority is required in connection with the execution, delivery or performance of the Lease by each party (other than the City) to the Lease or the transactions contemplated thereby, and that the execution, delivery and performance by each party (other than the City) to the Lease of its obligations under such Lease does not and will not violate, conflict with, or constitute a breach of, or default under, any existing law, statute, administrative regulation or rule, court order, injunction, decree, ordinance, resolution, note, indenture, agreement, contract or other instrument to which such part is a party or may otherwise be subject. We have not made any independent investigation whatsoever of factual matters except my review of the documents listed hereinabove.

The City has covenanted in the Lease, among other covenants, to the effect that the Equipment financed by the Lease will be owned for federal income tax purposes continuously by the City in its governmental capacity and will be used solely by the City and solely for its governmental purposes.

Based on the foregoing, and subject to the assumptions, qualifications and limitations set forth in this letter, we are of the opinions, as of the date hereof, that:

1. The City has been duly created and is validly existing as a political subdivision of the State of Mississippi (the "State") and is in good standing under the Constitution and laws of the State with all requisite power and authority to control, manage, and operate its properties and to carry on the business as now being conducted and as contemplated by the Lease, own the Equipment, and to consummate the transactions contemplated thereby.

2. The Lease has been duly authorized and approved and has been duly executed and delivered by and on behalf of the City by authorized signatures of the City, and constitutes the legal, valid, and binding obligation of the City, enforceable against the City in accordance with its terms, except as provided hereinafter.

3. The authorization, approval, execution and delivery of the Lease and all other proceedings of the City relating to the transactions contemplated thereby have been performed in accordance with all open meetings laws, public bidding laws and all other applicable State or federal laws.

4. There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending or threatened against or affecting the City, nor to our knowledge is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by the Lease or any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the Lease.

5. No approval, authorization, filing qualification, registration or withholding of objection on the part of any governmental authority, not obtained prior to the date hereof, is required to be obtained by the City in connection with the execution or delivery of or compliance

by the City with the provisions of the Lease, and the consummation of the transactions in the manner and under the terms and provisions of the Lease will comply with the provisions of any and all applicable federal, State or local laws and any rules and regulations promulgated thereunder by any governmental authority.

6. No event has occurred and no condition exists which would constitute an event of default under the Lease, or with the lapse of time or with the giving of notice or both would become an event of default under the Lease; and the City is not in default in any respect under any agreement or other instrument to which it is a party or by which it may be bound, or under any license, order, law, constitutional provision, statute, ordinance or governmental rule or regulation applicable to the City, which would affect the validity of the Lease.

The legality, validity, binding nature and enforceability of the Lease may be limited or otherwise affected by the following: (i) bankruptcy, insolvency, reorganization, liquidation, readjustment of debt, receivership, moratorium, equity of redemption, fraudulent conveyance or other similar laws now or hereafter in effect governing the rights and remedies of debtors and creditors generally; (ii) with respect to enforcement by specific performance of the Lease, State law may affect the enforcement by specific performance of terms of the Lease; (iii) applicable laws or judicial decisions of the State may render certain of the rights, remedies, waivers, appointments as attorney-in-fact, and indemnities contained in the Lease unenforceable or ineffective, but the inclusion thereof do not render such Lease invalid as a whole or preclude Lessor from exercising adequate remedies; and (iv) general principles of equity, regardless of whether considered in a proceeding at law or in equity.

Notwithstanding the foregoing opinions and without limiting the generality of the foregoing exceptions, we express no opinion with respect to (1) the availability of the remedies of specific performance or injunctive relief, or (2) the legality, validity, binding effect, or an event of default predicated solely upon commencement of bankruptcy, reorganization or similar proceedings with respect to the City or any provisions determined to constitute an unreasonable restraint on the alienation or contrary to public policy.

Contractual indemnification and hold harmless provisions may not be enforceable to the extent the contract does not specify that the indemnity or exculpation does not cover claims, losses, expenses, or other liabilities arising or alleged to arise, in whole or in part, from the negligence, strict liability or other acts or omissions of the party to be or seeking to be indemnified. Further, indemnification or exculpation as against certain claims, losses, expenses, or other liabilities arising as the result of the indemnified party's violation of federal or state laws, or the indemnified party's own tort liability or other acts or omissions may be considered contrary to public policy and therefore invalid and/or unenforceable.

We express no opinion on the enforceability of any provision in the Lease that excludes, waives or limits the liability of any party (a) for its own gross fault or intentional fault or for causing physical injury to the other party, or (b) for the release or indemnified party's negligence or strict liability, where the release or indemnity does not expressly exclude liability arising out of such negligence or strict liability, or (c) for matters relating to the maintenance and preservation of collateral and the exercise of remedies against collateral to the extent proscribed by applicable law.

Provisions of the Lease that require additional payments or impose higher rates of interest or impose interest on interest upon default or an event of taxability or an event of non-appropriation may not be enforceable to the extent that the same exceed or that required to adequately compensate for any losses occasioned by the default, event of taxability or event of non-appropriation.

For the purposes of this opinion letter, we have not made any independent investigation into any financial matters of the City, and we have not prepared or independently investigated any financial information that has been or may be furnished to Lessor. Accordingly, we express herein no opinion whatsoever as to the accuracy or completeness of any such financial information furnished in connection with the Lease or any other statements made to Lessor or any representative thereof in connection with the Lease.

We express herein no opinion whatsoever as to title matters, including, without limitation, no opinion as to the title to, description of, or the existence of any liens, charges, or encumbrances on the Equipment.

In rendering this opinion letter, we have not considered the laws of any jurisdiction other than the laws of the State and federal law of the United States of America, and we are not rendering any opinion, by implication or otherwise, regarding the laws of any jurisdiction other than the laws of the State and federal law, provided, however, we express no opinion as to any state or federal income tax laws or any state or federal securities laws.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter and no expansion of my advice or opinions may be made by implication or otherwise. the advice and opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings, and court decisions in effect on the date hereof and not as of any future date. It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. We expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to my attention or for any other reason.

This opinion letter is being furnished only to the named addressees hereof and the successors and assigns of Lessor under the Lease and is solely for their benefit and use in connection with the execution and delivery of the Lease as of the date hereof. This letter may not be utilized by the foregoing parties for any other purpose whatsoever and may not be quoted or distributed by the foregoing parties without my express prior written consent in each instance, and no person or entity other than the foregoing parties may rely upon this letter without our express prior written consent. No attorney-client relationship has existed or exists between us and any party or entity other than the City as the lessee in connection with the Lease by virtue of the delivery of this opinion letter or otherwise.

Sincerely,

[FORM OF OPINION OF SPECIAL TAX COUNSEL]

[On Letterhead of Butler Snow LLP]

February __, 2025

Mayor and City Council
City of Laurel, Mississippi

Trustmark National Bank, as Lessor
Laurel, Mississippi

Re: Lease and Option to Purchase dated February __, 2025, by and between the City of Laurel, Mississippi, and Trustmark National Bank (the "Lease")

Ladies and Gentlemen:

We have acted as special tax counsel ("Special Counsel") to the City of Laurel, Mississippi (the "City"), in connection with the above-captioned and defined Lease.

The City has leased certain equipment pursuant to the Lease and that certain resolution of the Mayor and City Council of the City adopted on February 4, 2025 (the "Resolution"). Under the Lease, the City has the use of and an option to purchase certain equipment on certain conditions upon payment of the rentals and purchase price set forth therein. Capitalized terms not defined herein shall have the same meaning as set forth in the Resolution.

We have acted as Special Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Lease under the laws of the State of Mississippi (the "State"), and with respect to the excludability of interest on Lease Payments due under the Lease from federal and State income taxation. Regarding questions of fact material to our opinions, we have not investigated or verified original proceedings, records, data, or other material, but have relied solely upon the certified transcript of proceedings described in the following paragraph and on the authenticity, truthfulness and completeness set forth in such documents, instruments, and certificates. We have not assumed any responsibility with respect to the financial condition or capabilities of the City or the disclosure thereof in connection with the Lease.

In our capacity as Special Counsel, we have participated in the preparation of the Resolution and have examined a certified transcript of proceedings pertaining to the Lease which contains copies of certain proceedings of the City, customary certificates of officers, agents and representatives of the City and other public officials and other matters relating to the authorization and delivery of the Lease, including a certification of the City prepared pursuant to Section 1.148-2(b)(2)(i) of the United States Treasury Regulations (the "Non-Arbitrage Certificate").

Based upon the foregoing examinations, and subject to the qualifications, assumptions, and statements of reliance herein, it is our opinion as Special Counsel, on the date hereof, that:

1. The transcript of proceedings evidences complete legal authority for the Lease, in full compliance with the laws of the State presently in effect, and the Lease, including the City's obligation to make Lease Payments thereunder, constitutes a valid and legally binding obligation

of the City, payable from legally available revenues of the City, in accordance with the provisions of the Resolution.

2. Under existing law, regulations, and court decisions, as presently interpreted and construed, interest Lease Payments made by the City under on the Lease is exempt from all present income taxes imposed by the State.

3. Under existing law, regulations and court decisions, as presently interpreted and construed, assuming compliance with certain covenants set forth in the Resolution which contain such provisions as are necessary to satisfy the requirements of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and except as set forth below, interest on Lease Payments made by the City under the Lease is excludable from gross income of the owners thereof for federal income tax purposes, and interest on Lease Payments made by the City under the Lease is not treated as a specific item of tax preference under Section 57 of the Code in calculating the alternative minimum tax imposed by Section 55 of the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The Board of Supervisors of the City, acting for and on behalf of the City, has covenanted in the Resolution that the City will not make any use of the gross proceeds of the Lease or amounts that may be treated as proceeds of the Lease or do or take or omit to take any other action that would cause: (i) the Lease to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder; (ii) the interest on Lease Payments made by the City under the Lease to be includable in the gross income of the registered owners for federal income taxation purposes; or (iii) the interest on Lease Payments made by the City under the Lease to be treated as an item of tax preference under Section 57(a)(5) of the Code. Failure of the City to comply with such covenants could result in the interest on Lease Payments made by the City under the Lease being subject to federal income tax from the date of issue.

In rendering the foregoing opinion in paragraph numbered 3 above, Special Counsel has assumed the continuing compliance by the City with the tax covenants and representations in the Resolution and the representations in the Non-Arbitrage Certificate. These requirements relate to, *inter alia*, the use and investment of the gross proceeds if any, produced or deemed produced under or as a result of the Lease, the use of any facility, equipment or improvement financed or refinanced directly or indirectly by the Lease and rebate to the United States Treasury of specified arbitrage earnings, if any. Special Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the effective date of the Lease have resulted in a failure of the City to comply with its covenants. Failure of the City to comply with such covenants could result in the interest on Lease Payments made by the City under the Lease becoming subject to federal income tax from the date of issue.

Section 265(b)(1) of the Code provides that certain financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Code. In the Resolution, the City has designated the Lease as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3)(B) of the Code.

Lessors under the Lease should consult their own tax advisors as to the applicability and effect on their federal income taxes of any other collateral federal income tax consequences.

It is understood that the rights of the Lessors under the Lease and the enforceability of the Lease and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that the enforcement thereof may be subject to the exercise of judicial discretion in appropriate cases.

In this opinion letter issued in our capacity as Special Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of any statements made in connection with the Lease or upon any federal or state tax consequences arising from the receipt or accrual of interest on Lease Payments, or the ownership or disposition of rights under the Lease, except those specifically addressed herein.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certificates, resolutions, documents, and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certifications, resolutions, documents, and proceedings. In rendering this opinion, we have relied upon the opinion of Hortman, Harlow, Bassi, Robinson & McDaniel, PLLC, Laurel, Mississippi, acting as counsel for the City, dated the date hereof, as to the due authorization and execution by and enforceability against the City as to the Lease and the Resolution.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

BUTLER SNOW LLP

EXHIBIT F

LEASE AND OPTION TO PURCHASE DATED AS OF FEBRUARY __, 2025 FEDERAL TAX CERTIFICATE

Pursuant to the U.S. Internal Revenue Code of 1986, as amended and/or supplemented from time to time (“Code”) and the regulations promulgated thereunder, I, the undersigned of **City of Laurel, Mississippi** (the “Lessee” or “City”), execute and deliver this certificate for the benefit of all persons interested in the exemption from federal income taxation of the interest to be paid on the Lease and Option to Purchase (the “Lease”) for the purchase of the equipment detailed in Exhibit A, attached hereto, between the Lessee and Trustmark National Bank, as lessor (“Lessor”) dated and the tax treatment thereof under the Code.

This certificate may be relied upon as the certificate of the Lessee and is executed for the purpose of establishing the facts and reasonable expectations of the Lessee regarding the Lease. It is based upon facts, circumstances, estimates and expectations of the Lessee on the later to occur of the date on which the Certificate of Acceptance was executed and delivered or funds were disbursed by the Lessor in payment for the Equipment described therein (the “Closing Date”), and, to the best of my knowledge and belief, the expectations of the Lessee set forth herein are reasonable. I certify as follows:

1. I am the duly chosen, qualified, and acting **Mayor** of the City and as such I am charged with the responsibility for executing the Lease. I am familiar with the facts herein certified, and I am duly authorized to execute and deliver this certificate on behalf of the Lessee.

2. The Lessee has not been notified by the Internal Revenue Service of any listing or proposed listing of its disqualification as an issuer whose certification of its reasonable expectations as to future events on the date of issue of the Lease may not be relied upon by holders of obligations of the Lessee because it made a previous certification which contained a material misrepresentation.

3. The Lease is being issued for the purpose of acquiring the Equipment described in the Lease for use by the Lessee, a governmental use within the meaning of the Code, and is therefore not a private activity bond as such term is defined in the Code. The use of the Equipment by any person other than a governmental unit (including any activity carried on by a person other than a natural person) shall not exceed ten percent (10%) of the total use thereof.

4. The total cost of the Equipment (including the expenses of issuing the Lease) to be financed pursuant to the Lease is **\$420,000.00** The balance, if any, of the Equipment costs will be provided by the Lessee from its own funds. The amount which the Lessee expects to receive pursuant to the Lease does not exceed the amount required for the aforementioned purpose.

5. The Lessor will acquire the Equipment from a vendor and will thereupon lease the Equipment to the Lessee pursuant to the Lease. The acquisition of the Equipment will not require any construction.

6. The Lessee reasonably expects that on the Closing Date the funds needed to acquire the Equipment will be disbursed by the Lessor pursuant to the Lease, and the Lease will thereupon constitute the obligation of the Lessee to repay said funds. The total amount of advances by the

Lessor shall not exceed **\$420,000.00**.

7. The Lessee does not expect the Equipment to be sold or otherwise disposed of, in whole or in part, or for any transaction or series of transactions to occur prior to the termination of the Lease which would enable the Lessee to allow the Lease to remain in force longer than would otherwise be necessary.

8. The Lessee reasonably expects that there will be no investment of money received by Lessee pursuant to the Lease and consequently no investment or reinvestment income therefrom.

9. The Lessee reasonably expects that no separate fund of the Lessee will be used to pay the Principal and Interest Components of the Rental Payments on the Lease.

10. The Lessee is a governmental unit or owned by a government unit with general taxing powers; no obligation of the Lessee pursuant to the Lease (the "Obligation") is a private activity bond (as defined in the Code); and ninety-five percent (95%) or more of the net proceeds of the Obligations are to be used for local governmental activities of the Lessee.

11. (a) The Lessee covenants and certifies to and for the benefit of the owners of the Obligations that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Obligations, including amounts treated as proceeds, if any, which will cause the Obligations to be classified as arbitrage bonds within the meaning of Section 148 of the Code, as amended, supplemented or superseded, and any regulations as such may be applicable to the obligations, at the time of such action, investment or use.

(b) (i) The Lessee hereby determines and represents that no rebate relating to the Obligations will be required to be made under the Code. However, in the event it is subsequently determined for any reason that rebates should be made on the Obligations, then the Lessee shall take all actions necessary in order to comply with the requirements of Subsection 148(f) of the Code ("Subsection 148(f)") in order that none of the Obligations shall be treated as an arbitrage bonds pursuant to Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States in accordance with and within the time limits prescribed in, the making of any and all calculations, computations and filings required pursuant to, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Regulations, thereunder.

(ii) In the event it is determined that a rebate is required to the United States to avoid the Obligations being treated as arbitrage bonds under Subsection 148(f), then, in order to assure that there will be funds available to make any payments required pursuant to Subsection 148(f), the Lessee shall establish a separate and special account of the Lessee (to be designated the Rebate Account) into which the Lessee shall deposit: on or before the 30th day following each bond year (as hereinafter defined), (A) an amount equal to the excess of all earnings on all non-purpose investments (within the meaning of Subsection 148(f)) over the amount which would have been earned if such non-purpose investments had been invested at a rate equal to the yield (computed in accordance with Subsection 148(f) on the Obligations which amounts shall be credited to a fund designated the Excess Income Fund; and (B) all amounts earned on amounts in the Rebate Account, which

amounts shall be credited to a fund designated as the Rebate Account Earning Fund. Amounts in the Rebate Account shall be used solely and only to make payments of rebates to the United States as required pursuant to Subsection 148(f), provided that, if at any time the amount in the Rebate Account exceeds the amount which, together with all amounts previously paid to the United States with respect to the Obligations pursuant to Subsection 148(f), will equal the amount which would be required to be rebated to the United States as a result of earnings on non-purpose investments received during the period beginning on the date of delivery of the Obligations and ending on the date of computation, the Lessee may, in its discretion, withdraw such excess from the Rebate Account and apply such monies to the rental payments due under the Lease or, if all payments due on the Obligations shall have been paid in full, and all rebates to the United States payable pursuant to Subsection 148(f) shall have been paid in full, the Lessee may use the amount withdrawn for any purpose permitted under the applicable laws of the State of Mississippi.

(iii) As used above, the term “Bond Year” shall mean the one-year period beginning on the date of delivery of the Obligations and each succeeding one-year period beginning on the day succeeding the immediately preceding Bond Year or shall have such other meaning based on facts and circumstances relating to the Obligations as shall be specified in the Subsection 148(f) Regulations.

(c) The Lessee shall not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Obligations to acquire higher yielding investments (as defined in Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder,

(d) The Lessee shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Obligations in a manner or for a price which would cause any of the obligations to be or become an arbitrage bond, within the meaning of Section 148 of the Code and the regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their “market price.”

(e) In connection with the delivery of the Obligations, the Lessee has not and will not engage in any transaction or series of transactions that attempts to circumvent the provisions of section 148 of the Code and the Treasury Regulations issued thereunder or applicable thereto (a) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (b) increasing the burden on the market for exempt obligations, including, without limitation, the delivery of obligations in the nature of the Obligations that would not otherwise be sold, the incurring of more obligations in the nature of the Obligations than would otherwise be necessary, or the incurring of such obligations sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

12. (a) The Obligation(s) are not private activity bonds within the meaning of Section 141 of the Code.

(b) No more than 10% of the proceeds of the Obligation(s) will be used, directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person) carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(c) No more than 10% of any property with respect to which all or any part of the proceeds of the Obligation(s) will be used, directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person), other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(d) None of the proceeds of the Obligation(s) will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to a governmental use (within the meaning of Section 141 of the Code) of such proceeds.

(e) The amount of proceeds of the Obligation(s) used with respect to any private business use which is related to a governmental use of such proceeds will not exceed the amount of proceeds of the Obligation(s) which are to be used for the governmental use to which such private business use relates.

(f) None of the proceeds of the Obligation(s) will be used to make or finance loans for persons other than governmental units.

(g) In no event will the payment of the principal of or the interest on more than 10% of the proceeds of the Obligation(s) be (under the terms of the Lease or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the Lessee) in respect of property or borrowed money used or to be used for a private business use. No party (other than a governmental unit) which shall use all or any part of the property acquired pursuant to the Lease shall make any payments to the Lessee which are in any way related to any property acquired pursuant to the Lease or in any other way related thereto, if the aggregate of all such payments from all such private parties shall in any year equal or exceed 10% of the principal or interest portion of the Rental Payments under the Lease payable during such year, unless the Lessee shall have received an opinion of nationally recognized bond counsel to the effect that receipt of such payments will not adversely affect the exclusion of interest on the Lease from gross income for federal income tax purposes.

13. The Lessee covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Lessee, which (1) were or are to be sold at substantially the same time as the Obligation(s), (2) was or is to be sold at substantially the same interest rate as the Interest Component of the Rental Payments, (3) was or is to be sold pursuant to a common plan of marketing as the marketing plan for the Obligation(s), and (4) is payable directly or indirectly by the Lessee or from the source from which the Obligation(s) is payable. The Lessee covenants and certifies that there are no

additional facts or circumstances which may further evidence that the Obligation(s) is part of any other issue of obligations.

14. The Lessee covenants and certifies that no payment of principal of or interest on the Obligation(s) is or will be guaranteed (in whole or in part, directly or indirectly) by the United States, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States. The Lessee represents, warrants and covenants that none of the proceeds of the Obligation(s) will be: (a) used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States, or (b) invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation, other than: (i) the investment of the proceeds of the Obligations for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Obligations are being issued; (ii) investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); (iii) investments of a reserve which meets the requirements of Subsection 148(d) of the Code; (iv) investments in notes issued by the United States Treasury; (v) or other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

15. The Lessee covenants and certifies that, notwithstanding any provision of this Certificate or the rights of the Lessee hereunder, the Lessee will not take or permit to be taken on its behalf any action which would impair the exemption of interest on the Obligation(s) from federal income taxation, and it will take such reasonable action as may be necessary to continue such exemption, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exemption.

All representations, warranties and covenants contained in the Lease are true and correct as of the date of this Certificate.

Dated as of the ____ of February 2025

City of Laurel, Lessee

By **Johnny Magee**
Its **Mayor**

ATTEST:

By:
Its:

(SEAL)

EXHIBIT G

INSURANCE REQUIREMENTS