

LEASE AND OPTION TO PURCHASE

between

TRUSTMARK NATIONAL BANK

as Lessor

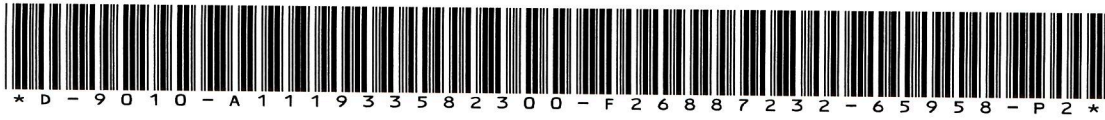
and

City of Laurel, MS

as Lessee

Dated as of the 18th day of December, 2019

Prepared by: **Trustmark National Bank**



LEASE AND OPTION TO PURCHASE

THIS LEASE AND OPTION TO PURCHASE (“Lease”) effective as of **December 18, 2019** (the “Effective Date”) between **Trustmark National Bank**, a national banking association organized and existing under the laws of the United States of America, as lessor (“Lessor”) whose address is **415 N Magnolia Street, Laurel, MS 39440** and the **City of Laurel, MS**, a political subdivision of the State of Mississippi as lessee (“Lessee”), whose address is **401 N. 5th Ave, Laurel, MS 39441-0647**.

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; 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 Sections 31-7-13(e), Mississippi Code of 1972, as amended; 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 years**.

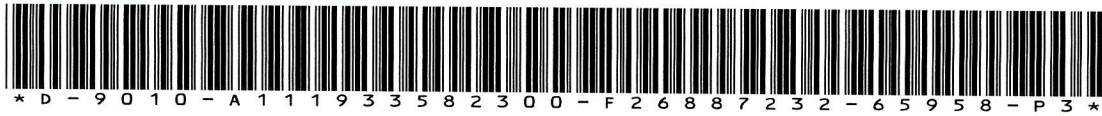
NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

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 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.

Code: The Internal Revenue Code of 1986, as amended.

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.

Fiscal Year: The twelve month fiscal period of Lessee which commences on **Oct 1st** in every year and ends on the following **Sept 30th**.

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

Governing Body Representative: means either **Johnny Magee, Mayor** of the **City of Laurel, MS** or the **City Clerk** of the **City of Laurel, MS**, being the duly authorized official to execute and deliver this Lease as approved by official action taken by the Governing Body on **December 17, 2019**.

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

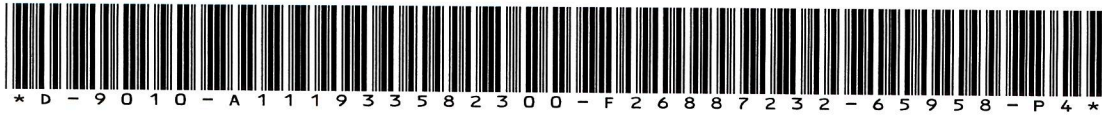
Lease Term: Unless sooner terminated pursuant to the provisions of this Lease, the period of time commencing upon the Effective Date and ending on **December 18, 2024**, but in no event extending past **December 18, 2024**, which Lessor and Lessee agree represents the useful economic life of the Equipment.

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 act of the Governing Body in not appropriating 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, and any rule or regulation of any agency of the United States.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

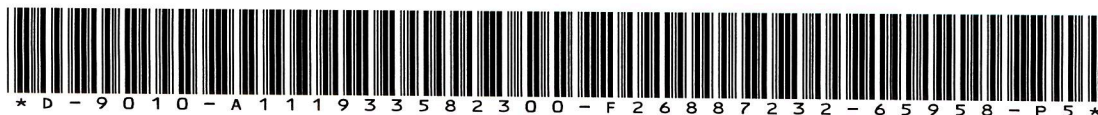
Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, warrants and covenants as follows:

(a) Lessee is a **Municipal Corporation**, 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 Governing Body Representative has been duly authorized to execute and deliver this Lease under the terms and provisions of appropriate official action of the Governing Body taken on **December 17, 2019**.

(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 Lessors 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.

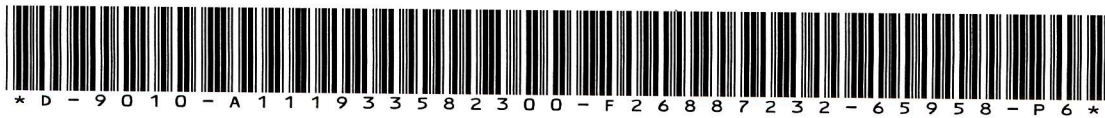
ARTICLE III

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.

ARTICLE IV

TERM OF LEASE

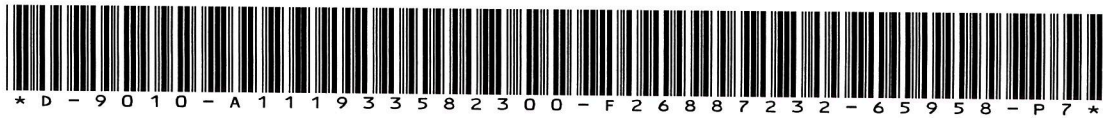
Section 4.1. Lease Term. Unless terminated as set forth herein, this Lease shall be in effect for the Lease Term, which shall not exceed **five years**.

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 Lessee 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.

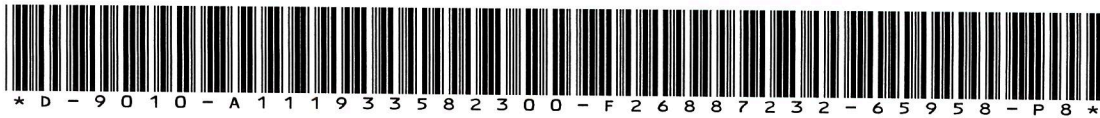
Section 4.3. Termination Due to Non-Appropriation. In the sole event of Non-appropriation prior to an Event of Default, Lessee shall have the right to terminate this Lease, in whole, but not in part, at the end of any Fiscal Year of Lessee, in the manner and subject to the terms specified in this Section and Sections 4.4 and 4.6. Lessee may effect such termination by giving Lessor written notice of termination and by paying to Lessor all Rental Payments which are due 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, 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 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. Nonsubstitution. If this Lease is terminated by Lessee in accordance with Section 4.3, 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;
- (b) the exercise by Lessee of its option to purchase the Equipment under Article X;



(c) a Default by Lessee and Lessor's election to terminate this Lease pursuant to Article XII; 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

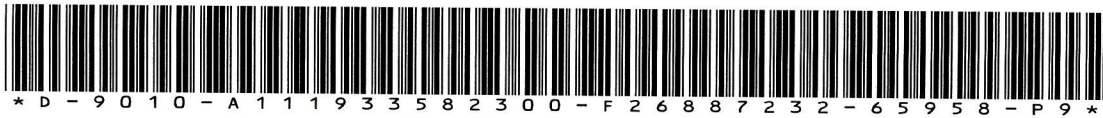
Section 5.1. Rental Payments. Lessee agrees to pay Rental Payments during the Lease Term in the amounts and on the Payment Dates. All Rental Payments shall be paid to Lessor on or before the Payment Date at Lessor's offices at the address specified in the first paragraph of this Lease or to such other 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 due 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 at the per annum rate of interest equal to the lesser of eleven percent (11%) or 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, 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 insure 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.

(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 Project 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) All fees and expenses of the Lessor in connection with the transactions contemplated herein; and

(d) 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 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 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; and to the extent allowed under Mississippi 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, 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 insure 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.

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 "Indemnatee") 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 indemnities, 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 indemnatee 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 Indemnatee. 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. 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 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 be in Lessee. Upon termination of this Lease for any of the reasons specified in clauses (a) and (c) of Section 4.6., 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, 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 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary promptly to 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 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.

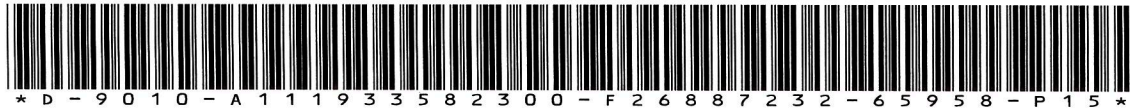
Section 8.5. Modification of Equipment.

(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.

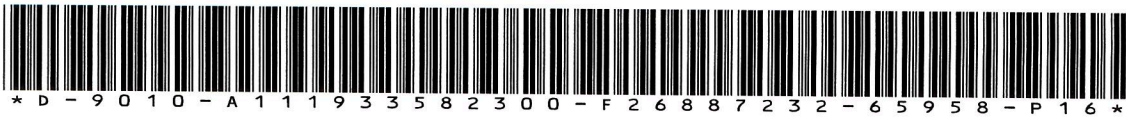
Section 9.4. Patent Infringement. To the extent it may legally do so, Lessor hereby assigns to Lessee for and during the Lease Term of this Lease all of its interest in patent indemnity protection provided by any Contractor with respect to the Equipment. Such assignment of patent indemnity protection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

Section 10.3. Release of Lessor's Interest. Upon exercise of the Purchase Option by Lessee, Lessor shall convey 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 subassignee 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.

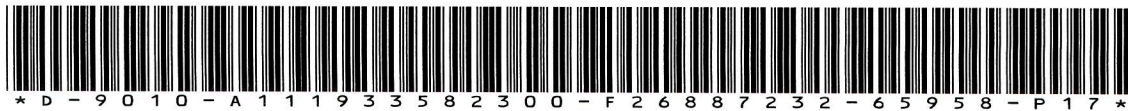
Section 11.2. Assignment and Subleasing by Lessee. Neither this Lease nor Lessee's interest in the Equipment may be assigned transferred, mortgaged, or otherwise pledged by Lessee, in whole or in part, without the written consent of Lessor. However, the Equipment may be subleased by Lessee, in whole 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 five days of the time specified herein, except as provided in Section 4.3 herein.

(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) or (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 a 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 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



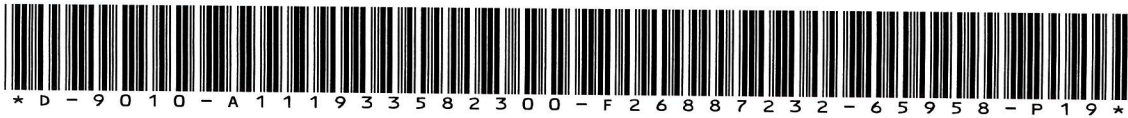
their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals (excluding the Equipment); or any other cause or event not 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 unuseable, 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). 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.

To the extent permitted by law, 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, 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.

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. [Reserved].

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 or deposited in the United States mail, postage prepaid, to the addresses specified on the first page hereof or 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.

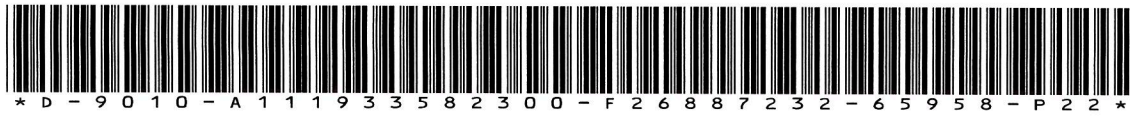
Section 13.7. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

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 page follows]



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, MS, 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 definition of Purchase Option Price and Section 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-Purchase Agreement is as follows:

<u>Quantity</u>	<u>Description</u>	<u>Serial Number(s)</u>
		#
	2020 International MV607 (VIN 1HTEUTAN8LH219030) with knuckleboom/trailer and 2020 Western Star (VIN 5KKHAXFE7LPLX0691) with attached RLX25 Serial Number	
	RLX252019120140	

(See attached Invoice)

ORIGINAL

Salesperson: BRANDON BOOKER



Motor Trucks
New & Used

Bill of Sale

4219

Waters International Trucks, Inc.
65 Hwy 19 North
P.O. Box 4199
Meridian, MS 39304
Phone: 601/693-4807

- Parts and Service -

Sold to: CITY OF LAUREL
PO BOX 647
LAUREL, MS 39441

Date: 11-Nov-19

Ship To: LORENZO ANDERSON

Phone: 601-422-3921

Serial #: 1HTEUTAN8LH219030

Quantity	N/U	Description	Amount
1	N	2020 INTERNATIONAL MV607 BODY: KNUCKLEBOOM / TRAILER FROM PACMAC TRUCK PRICE BODY PRICE TRUCK AND BODY PRICE EXT. WARRANTY TITLE FEE TOTAL SALE PRICE PER PO# 49-83739 20-89270 NO TRADE NO LIENHOLDER EXTENDED WARRANTY: 5YR/100,000 MILE ENGINE/AFTERTREATMENT 1YR UNLIMITED MILEAGE TOWING CUSTOMER TO PROVIDE OWN INSURANCE DEALER RETAINS TITLE AND OWNERSHIP OF VEHICLE UNTIL SALES PRICE IS PAID IN FULL AND ALL ELEMENTS OF THE SALES TRANSACTION ARE COMPLETED.	\$73,405.78 \$84,754.22 \$158,160.00 \$2,330.00 \$10.00 \$160,500.00

BS NO. 4219

Goods Received in Good Condition

X

"Manufacturer of Hydraulic Cylinders, Fluid Power Components and Steel Fabrications"

REMIT TO: HOL-MAC CORP. PLT-03
P.O. BOX 349
BAY SPRINGS, MS 39422
HOL-MAC PLANT 3
160 COMMERCE DRIVE
601-764-4121 FAX NO. 601-764-4282
BAY SPRINGS, MS 39422
INVOICE NUMBER *** ORIGINAL ***
361824

SOLD TO: 39440
SHIP TO: 1
LAUREL, CITY OF
401 NORTH 5TH AVE.
LAUREL MS 39440
2504 MOOSE DRIVE
LAUREL MS 39440

OUR ORDER#: 342099 EC#: INVOICE DATE: 11/01/19 TERMS: NET 30
PO NUMBER: 19-87615 LAUREL DESC: RLX25 SHIPPED VIA: JOE MOSS

Line Item#	Description	Cust Req Date	Packing List#	BOL#	Qty Ord	Qty Ship	Unit Price	(USD) TOTAL
1	RLX252019120140 Serial Number(s): RLX252019120140	11/29/19	71488	24463	1	1	66313.000	66,313.00
2	WST-00002 Serial Number(s): 5KKHAXFE7LPLX0691	11/29/19	71488	24463	1	1	109216.000	109,216.00

Invoice Total: 175,529.00

Invoices not paid within 30 days from date will have a finance charge of 1-1/2% per month added, which is an annual percentage rate of 18%. Claims for shortage will not be allowed unless we receive written notice within 10 days of receipt of goods. Refer to Bill-of-lading number(BOL#) and Packing List number when writing about this order.
CURRENCY = USD-UNITED STATES DOLLARS

(USD) AMOUNT DUE: 175,529.00



EXHIBIT B

SCHEDULE OF RENTAL PAYMENTS

Lessee: **City of Laurel, MS**
Commencement Date of Lease: **December 18, 2019**
Number and Frequency of Payments: **Ten (10) Semi-Annual Payments**

Rental Payment Schedule

<u>Due Date</u>	<u>Payment Number</u>	Total Payment	<u>Principal Component</u>	<u>Interest Component</u>
-----------------	---------------------------	---------------	--------------------------------	-------------------------------

See Attached
Schedule

Dated: 12/18/2019
Delivered: 12/18/2019

Debt Service Schedule
City of Laurel

1
SLA 30/360 SEMI 7/6
BondRule

Period	Coupon Date	Int Calc Day Cnts	Principal Payment	Effective Coupon Rate	Interest Payment	Credit Enhancements	Periodic Debt Service	Outstanding Balance
1	6/18/2020		32,001.95	2.16000	3,629.11		35,631.06	304,027.05
2	12/18/2020		32,347.57	2.16000	3,283.49		35,631.06	271,679.48
3	6/18/2021		32,696.92	2.16000	2,934.14		35,631.06	238,982.56
4	12/18/2021		33,050.05	2.16000	2,581.01		35,631.06	205,932.51
5	6/18/2022		33,406.99	2.16000	2,224.07		35,631.06	172,525.52
6	12/18/2022		33,767.78	2.16000	1,863.28		35,631.06	138,757.74
7	6/18/2023		34,132.48	2.16000	1,498.58		35,631.06	104,625.26
8	12/18/2023		34,501.11	2.16000	1,129.95		35,631.06	70,124.15
9	6/18/2024		34,873.72	2.16000	757.34		35,631.06	35,250.43
10	12/18/2024		35,250.43	2.16000	380.70		35,631.13	0.00
10	Records =	10	\$336,029.00		\$20,281.67	\$0.00	\$356,310.67	

True Interest Cost (TIC)	2.1600000
Arbitrage Yield Limit (AYL)	0.0000000
Average Life	2.7943030

Face Value of Bond Issue	\$336,029.00
Accrued Interest (+)	\$0.00
Original Issue Premium/Discount (+)	\$0.00
Underwriter Discount (+)	\$0.00
Lump-sum credit enhancements (-)	\$0.00

Prepared by: Clayton Jarvis
Prepared on: 12/10/2019 11:8 1699 Rpt 01j

:Mun-EaseElevateMainDb
LAUREL-2019-I



EXHIBIT C

SCHEDULE OF PURCHASE OPTION PRICE

After Payment Number
Ten (10) Semi-Annual Payments

Purchase Option Price
\$1.00

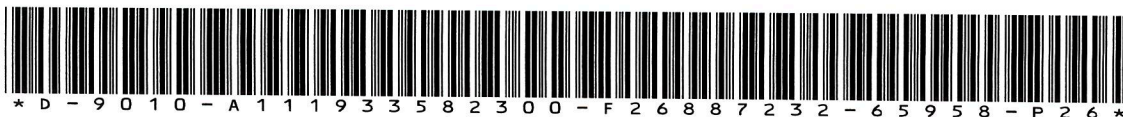


EXHIBIT D

CERTIFICATE OF ACCEPTANCE

I, the undersigned, hereby certify that I am the duly qualified and acting **Mayor** of the **City of Laurel, MS** ("Lessee"); and, with respect to the Lease-Purchase Agreement dated **December 18, 2019** (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 **June 18, 2020** and on the **18th** of each semi-annual thereafter, in the 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 **Municipal Corporation**.

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: **December 18, 2019**.

City of Laurel, MS

By _____
Johnny Magee
Its **Mayor**



EXHIBIT F
LEASE AND OPTION TO PURCHASE DATED AS OF THE 18th day of December, 2019
FEDERAL TAX CERTIFICATE

Pursuant to the U.S. Internal Revenue Code of 1986, as amended. ("Code") and regulations thereunder, I, the undersigned **Mayor** of the **City of Laurel, MS** (the "Lessee"), 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-Purchase Agreement (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 **December 18, 2019**, 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 **December 18, 2019** (the "Closing Date"). I certify for and on behalf of Lessee as follows:

1. I am the duly chosen, qualified and acting **Mayor** of the Lessee 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 **\$336,029.00**. 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 **\$336,029.00**.

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 Closing Date 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 **18th day of December, 2019**

City of Laurel, MS, Lessee

By: _____
Johnny Magee
Its: **Mayor**

ATTEST:

By:
Its:

(SEAL)

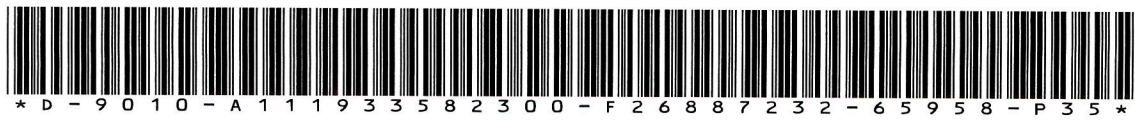


EXHIBIT G

INSURANCE REQUIREMENTS