

Solid Waste Leases

Equipment	Serial Number	Bank	Monthly Lease Amount
2024 Volvo EC140EL	140E316313	Kansas State Bank	\$2,168.46
2024 Ottawa T2 4x2	368913	Wells Fargo	\$2,144.06

GOVERNMENT OBLIGATION CONTRACT

Obligor

Jackson County, North Carolina
401 Grindstaff Cove Road
Sylva, North Carolina 28779

Obligee

KS StateBank
1010 Westloop, P.O. Box 69
Manhattan, Kansas 66505-0069

Dated as of April 15, 2025

This Government Obligation Contract dated as of the date listed above is between Obligee and Obligor listed directly above. Obligee desires to finance the purchase of the Equipment described in Exhibit A to Obligor and Obligor desires to have Obligee finance the purchase of the Equipment subject to the terms and conditions of this Contract which are set forth below.

I. Definitions

Section 1.01 Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Additional Schedule" refers to the proper execution of additional schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by the Obligee all of which relate to the financing of additional Equipment.

"Budget Year" means the Obligor's fiscal year.

"Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.

"Contract" means this Government Obligation Contract and all Exhibits attached hereto, all addenda, modifications, schedules, refinancings, guarantees and all documents relied upon by Obligee prior to execution of this Contract.

"Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit B.

"Contract Term" means the Original Term and all Renewal Terms.

"Exhibit" includes the Exhibits attached hereto, and any "Additional Schedule", whether now existing or subsequently created.

"Equipment" means all of the items of Equipment listed on Exhibit A and any Additional Schedule, whether now existing or subsequently created, and all replacements, restorations, modifications and improvements.

"Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

"Obligee" means the entity originally listed above as Obligee or any of its assignees.

"Obligor" means the entity listed above as Obligor and which is financing the Equipment through Obligee under the provisions of this Contract.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year and each succeeding Budget Year for the number of Budget Years necessary to comprise the Contract Term.

"State" means the state which Obligor is located.

II. Obligor Warranties

Section 2.01 Obligor represents, warrants and covenants as follows for the benefit of Obligee or its assignees:

- (a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- (b) Obligor has complied with any requirement for a referendum and/or competitive bidding.
- (c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.
- (d) Obligor shall use the Equipment only for essential, traditional government purposes.
- (e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would attain if the transaction continued to be tax-exempt.
- (f) Obligor has never non-appropriated funds under a contract similar to this Contract.
- (g) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (h) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.
- (i) Obligor shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. as amended and supplemented.
- (j) Obligor hereby warrants the General Fund of the Obligor is the primary source of funds or a backup source of funds from which the Contract Payments will be made.
- (k) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit B hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.
- (l) Obligor has selected both the Equipment and the vendor(s) from whom the Equipment is to be purchased upon its own judgment and without reliance on any manufacturer, merchant, vendor or distributor, or agent thereof, of such equipment to the public.
- (m) Obligor owns the Equipment and any additional collateral free and clear of any liens, and Obligor has not and will not, during the Contract Term, create, permit, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment or any additional collateral except those created by this Contract.
- (n) Obligor warrants, as applicable, the purchase of any telecommunications and video surveillance services or equipment financed hereunder complies with 2 CFR § 200.216 and 2 CFR § 200.471.
- (o) Obligor warrants that it understands and has complied with 2 CFR § 200.322 in relation to domestic preferences for procurements, as applicable.

Section 2.02 Escrow Agreement. In the event both Obligee and Obligor mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Contract, Obligee and Obligor agree to execute and deliver and to cause Escrow Agent to execute and deliver the Escrow Agreement. This Contract shall take effect only upon execution and delivery of the Escrow Agreement by the parties thereto. Obligee shall deposit or cause to be deposited with the Escrow Agent for credit to the Equipment Acquisition Fund the sum of N/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

III. Acquisition of Equipment, Contract Payments and the Purchase Option Price

Section 3.01 Acquisition and Acceptance. Obligor shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. Execution of the Certificate of Acceptance or, alternatively, Payment Request and Equipment Acceptance Form, by a duly authorized representative of Obligor, shall constitute acceptance of the Equipment on behalf of the Obligor.

Section 3.02 Contract Payments. Obligor shall pay Contract Payments exclusively to Obligee or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Obligee or its assignees. The Contract Payments shall constitute a current expense of the Obligor and shall not constitute an indebtedness of the Obligor. The Contract Payments, payable without notice or demand, are due as set forth on Exhibit B. Obligee shall have the option to charge interest at the highest lawful rate on any

Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Obligor shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. Furthermore, Obligor agrees to pay any fees associated with the use of a payment system other than check, wire transfer, or ACH. Once all amounts due Obligor hereunder have been received, Obligor will release any and all of its rights, title and interest in the Equipment.

Section 3.03 CONTRACT PAYMENTS UNCONDITIONAL. Except as provided under Section 4.01, THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR SUBJECT TO DEFENSE OR COUNTERCLAIM.

Section 3.04 Purchase Option Price. Upon thirty (30) days written notice, Obligor shall have the option to pay, in addition to the Contract Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Obligor on the Contract Payment date and no partial prepayments are allowed. If Obligor chooses this option and pays the Purchase Option Price to Obligor then Obligor will transfer any and all of its rights, title and interest in the Equipment to Obligor.

Section 3.05 Contract Term. The Contract Term shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 4.01 and Section 9.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Obligor has not non-appropriated as provided for in this Contract then the Contract Term shall be extended into the next Renewal Term and the Obligor shall be obligated to make all the Contract Payments that come due during such Renewal Term.

Section 3.06 Disclaimer of Warranties. OBLIGOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. OBLIGOR IS NOT A MANUFACTURER, SELLER, VENDOR OR DISTRIBUTOR, OR AGENT THEREOF, OF SUCH EQUIPMENT; NOR IS OBLIGOR A MERCHANT OR IN THE BUSINESS OF DISTRIBUTING SUCH EQUIPMENT TO THE PUBLIC. OBLIGOR SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY OBLIGOR.

IV. Non-Appropriation

Section 4.01 Non-Appropriation. If insufficient funds are available in Obligor's budget for the next Budget Year to make the Contract Payments for the next Renewal Term and the funds to make such Contract Payments are otherwise unavailable by any lawful means whatsoever, then Obligor may non-appropriate the funds to pay the Contract Payments for the next Renewal Term. Such non-appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Obligor specifically prohibiting Obligor from performing its obligations under this Contract and from using any moneys to pay the Contract Payments due under this Contract for a designated Budget Year and all subsequent Budget Years. If Obligor non-appropriates, then all obligations of the Obligor under this Contract regarding Contract Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Obligor of any kind provided that if Obligor has not delivered possession of the Equipment to Obligor as provided herein and conveyed to Obligor or released its interest in the Equipment by the end of the last Budget Year for which Contract Payments were paid, the termination shall nevertheless be effective but Obligor shall be responsible for the payment of damages in an amount equal to the amount of the Contract Payments thereafter coming due under Exhibit B which are attributable to the number of days after such Budget Year during which Obligor fails to take such actions and for any other loss suffered by Obligor as a result of Obligor's failure to take such actions as required. Obligor shall immediately notify the Obligor as soon as the decision to non-appropriate is made. If such non-appropriation occurs, then Obligor shall deliver the Equipment to Obligor as provided below in Section 9.04. Obligor shall be liable for all damage to the Equipment other than normal wear and tear. If Obligor fails to deliver the Equipment to Obligor, then Obligor may enter the premises where the Equipment is located and take possession of the Equipment and charge Obligor for costs incurred.

V. Insurance, Damage, Insufficiency of Proceeds

Section 5.01 Insurance. Obligor shall maintain both property insurance and liability insurance at its own expense with respect to the Equipment. Obligor shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Obligor is required to make Contract Payments. Obligor shall provide Obligor with a certificate of insurance which lists the Obligor and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment.

- (a) Obligor shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Obligor in an amount at least equal to the then applicable Purchase Option Price of the Equipment. Alternatively, Obligor may insure the Equipment under a blanket insurance policy or policies.
- (b) The liability insurance shall insure Obligor from liability and property damage in any form and amount satisfactory to Obligor.
- (c) Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Obligor with a certificate and/or other documents which evidences such coverage.
- (d) All insurance policies issued or affected by this Section shall be so written or endorsed such that the Obligor and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Obligor or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Obligor or its assignees. Obligor shall furnish to Obligor certificates evidencing such coverage throughout the Contract Term.

Section 5.02 Damage to or Destruction of Equipment. Obligor assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Obligor will immediately report all such losses to all possible insurers and take the proper procedures to obtain all insurance proceeds. At the option of Obligor, Obligor shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03 Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Obligor shall, at the option of Obligor, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Obligor.

Section 5.04 Obligor Negligence. Obligor assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Obligor or of third parties, and whether such property damage be to Obligor's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any State or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Equipment by Obligor), which is proximately caused by the negligent conduct of Obligor, its officers, employees and agents.

Section 5.05 Reimbursement. Obligor hereby assumes responsibility for and agrees to reimburse Obligor for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Obligor that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Obligor, its officers, employees and agents, or arose out of installation, operation, possession, storage or use of any item of the Equipment, to the maximum extent permitted by law.

VI. Title and Security Interest

Section 6.01 Title. Title to the Equipment shall vest in Obligor when Obligor acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Obligor in the event Obligor non-appropriates under Section 4.01 or in the event Obligor defaults under Section 9.01. In such event, Obligor shall execute and deliver to Obligor such documents as Obligor may request to evidence the passage of legal title to the Equipment to Obligor.

Section 6.02 Security Interest. To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, plus interest thereon, whether now existing or subsequently created, Obligor hereby grants to Obligor a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit A. Furthermore, Obligor agrees that any other collateral securing any other obligation(s) to Obligor, whether offered prior to or subsequent hereto, also secures this obligation. The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Obligor authorizes Obligor to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder. Obligor agrees that any Equipment listed on Exhibit A is and will remain personal property and will not be considered a fixture even if attached to real property.

VII. Assignment

Section 7.01 Assignment by Obligor. All of Obligor's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Obligor at any time without the consent of Obligor. No such assignment shall be effective as against Obligor until the assignor shall have filed with Obligor written notice of assignment identifying the assignee. Obligor shall pay all Contract Payments due hereunder relating to such Equipment to or at the direction of Obligor or the assignee named in the notice of assignment. Obligor shall keep a complete and accurate record of all such assignments.

Section 7.02 Assignment by Obligor. None of Obligor's right, title and interest under this Contract and in the Equipment may be assigned by Obligor unless Obligor approves of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

VIII. Maintenance of Equipment

Section 8.01 Equipment. Obligor shall keep the Equipment in good repair and working order, and as required by manufacturer's and warranty specifications. If Equipment consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. Obligor shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Obligor will be liable for all damage to the Equipment, other than normal wear and tear, caused by Obligor, its employees or its agents. Obligor shall pay for and obtain all permits, licenses and taxes related to the ownership, installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Obligor is listed as First Lienholder on all of the title(s). Obligor shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor agrees that Obligor or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Obligor deems necessary or appropriate to protect Obligor's interest in the Equipment and in this Contract. Obligor shall allow Obligor to examine and inspect the Equipment at all reasonable times.

IX. Default

Section 9.01 Events of Default defined. The following events shall constitute an "Event of Default" under this Contract:

- (a) Failure by Obligor to pay any Contract Payment listed on Exhibit B for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit B.
- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Obligor that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Obligor may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Obligor, unless Obligor agrees in writing to an extension of time. Obligor will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Obligor under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Obligor.
- (f) Except as provided in Section 4.01 above, Obligor admits in writing its inability to pay its obligations.
- (g) Obligor defaults on one or more of its other obligations.
- (h) Obligor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee, conservator, custodian, or liquidator of Obligor, or all or substantially all of its assets, or a petition for relief is filed by Obligor under federal bankruptcy, insolvency or similar laws, or is filed against Obligor and is not dismissed within thirty (30) days thereafter.

Section 9.02 Remedies on Default. Whenever any Event of Default exists, Obligor shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Contract, Obligor may declare all Contract Payments and other amounts payable by Obligor hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Contract, Obligor may require Obligor at Obligor's expense to redeliver any or all of the Equipment and any additional collateral to Obligor as provided below in Section 9.04. Such delivery shall take place within fifteen (15) days after the Event of Default occurs. If Obligor fails to deliver the Equipment and any additional collateral, Obligor may enter the premises where the Equipment and any additional collateral is located and take possession of the Equipment and any additional collateral and charge Obligor for costs incurred. Notwithstanding that Obligor has taken possession of the Equipment and any additional collateral, Obligor shall still be obligated to pay the remaining Contract Payments due up until the end of the then current Original Term or Renewal Term. Obligor will be liable for any damage to the Equipment and any additional collateral caused by Obligor or its employees or agents.
- (c) Obligor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Obligor shall be responsible to Obligor for all costs incurred by Obligor in the enforcement of its rights under this Contract including, but not limited to, reasonable attorney fees.

Section 9.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Obligor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 9.04 Return of Equipment and Storage.

- (a) Surrender: The Obligor shall, at its own expense, surrender the Equipment, any additional collateral and all required documentation to evidence transfer of title from Obligor to the Obligor in the event of a default or a non-appropriation by delivering the Equipment and any additional collateral to the Obligor to a location accessible by common carrier and designated by Obligor. In the case that any of the Equipment and any additional collateral consists of software, Obligor shall destroy all intangible items constituting such software and shall deliver to Obligor all tangible items constituting such software. At Obligor's request, Obligor shall also certify in a form acceptable to Obligor that Obligor has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Obligor and/or the vendor of the software to inspect Obligor's locations to verify compliance with the terms hereto.
- (b) Delivery: The Equipment and any additional collateral shall be delivered to the location designated by the Obligor by a common carrier unless the Obligor agrees in writing that a common carrier is not needed. When the Equipment and any additional collateral is delivered into the custody of a common carrier, the Obligor shall arrange for the shipping of the item and its insurance in transit in accordance with the Obligor's instructions and at the Obligor's sole expense. Obligor at its expense shall completely sever and disconnect the Equipment and any additional collateral or its component parts from the Obligor's property all without liability to the Obligor. Obligor shall pack or crate the Equipment and any additional collateral and all of the component parts of the Equipment and any additional collateral carefully and in accordance with any recommendations of the manufacturer. The Obligor shall deliver to the Obligor the plans, specifications, operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and any additional collateral and such other documents in the Obligor's possession relating to the maintenance and methods of operation of such Equipment and any additional collateral.
- (c) Condition: When the Equipment is surrendered to the Obligor it shall be in the condition and repair required to be maintained under this Contract. It will also meet all legal regulatory conditions necessary for the Obligor to sell or lease it to a third party and be free of all liens. If Obligor reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Obligor may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Obligor shall promptly reimburse Obligor for all amounts reasonably expended in connection with the foregoing.
- (d) Storage: Upon written request by the Obligor, the Obligor shall provide free storage for the Equipment and any additional collateral for a period not to exceed 60 days after the expiration of the Contract Term before returning it to the Obligor. The Obligor shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Obligor shall reimburse the Obligor on demand for the incremental premium cost of providing such insurance.

X. Miscellaneous

Section 10.01 Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 10.02 Binding Effect. Obligor acknowledges this Contract is not binding upon the Obligor or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Obligor's satisfaction, and Obligor has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Obligor and Obligor and their respective successors and assigns.

Section 10.03 Severability. In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.04 Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Obligor and Obligor. Furthermore, Obligor reserves the right to directly charge or amortize into the remaining balance due from Obligor, a reasonable fee, to be determined at that time, as compensation to Obligor for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Obligor.

Section 10.05 Execution in Counterparts and Electronic Signatures. This Contract may be simultaneously executed in several counterparts, including electronically, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 10.06 Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

Section 10.07 Master Contract. This Contract can be utilized as a Master Contract. This means that the Oblige and the Obligor may agree to the financing of additional Equipment under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Oblige. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Contract shall govern each Additional Schedule.

Section 10.08 Entire Writing. This Contract constitutes the entire writing between Oblige and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Contract, the Equipment or any additional collateral, financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Oblige and will not apply to this Contract.

Oblige and Obligor have caused this Contract to be executed in their names by their duly authorized representatives listed below.

Jackson County, North Carolina

KS StateBank

Signature

Printed Name and Title

Signature

Jaymie Paavola-Luckert, Vice President

Printed Name and Title

EXHIBIT A

DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of April 15, 2025, between KS StateBank (Obligee) and Jackson County, North Carolina (Obligor)

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

One (1) 2024 Volvo EC140EL Crawler Excavator, SN: 140E316313

Physical Address of Equipment after Delivery : 1172 Mineral Springs Dr., Sylva, NC 28779

EXHIBIT B

PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of April 15, 2025, between KS StateBank (Obligee) and Jackson County, North Carolina (Obligor)

Date of First Payment:	At Closing
Original Balance:	\$192,489.00
Total Number of Payments:	Sixty-One (61)
Number of Payments Per Year:	Twelve (12)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	At Closing	\$2,168.46	\$0.00	\$2,168.46	Not Available
2	15-May-25	\$2,168.46	\$950.02	\$1,218.44	\$192,037.33
3	15-Jun-25	\$2,168.46	\$943.93	\$1,224.53	\$190,755.44
4	15-Jul-25	\$2,168.46	\$937.82	\$1,230.64	\$189,467.63
5	15-Aug-25	\$2,168.46	\$931.68	\$1,236.78	\$188,173.88
6	15-Sep-25	\$2,168.46	\$925.51	\$1,242.95	\$186,874.16
7	15-Oct-25	\$2,168.46	\$919.30	\$1,249.16	\$185,568.44
8	15-Nov-25	\$2,168.46	\$913.07	\$1,255.39	\$184,256.69
9	15-Dec-25	\$2,168.46	\$906.80	\$1,261.66	\$182,938.88
10	15-Jan-26	\$2,168.46	\$900.50	\$1,267.96	\$181,614.99
11	15-Feb-26	\$2,168.46	\$894.17	\$1,274.29	\$180,284.99
12	15-Mar-26	\$2,168.46	\$887.81	\$1,280.65	\$178,948.85
13	15-Apr-26	\$2,168.46	\$881.42	\$1,287.04	\$177,606.54
14	15-May-26	\$2,168.46	\$874.99	\$1,293.47	\$176,258.03
15	15-Jun-26	\$2,168.46	\$868.54	\$1,299.92	\$174,903.29
16	15-Jul-26	\$2,168.46	\$862.05	\$1,306.41	\$173,542.30
17	15-Aug-26	\$2,168.46	\$855.53	\$1,312.93	\$172,175.03
18	15-Sep-26	\$2,168.46	\$848.97	\$1,319.49	\$170,801.44
19	15-Oct-26	\$2,168.46	\$842.39	\$1,326.07	\$169,421.51
20	15-Nov-26	\$2,168.46	\$835.77	\$1,332.69	\$168,035.21
21	15-Dec-26	\$2,168.46	\$829.12	\$1,339.34	\$166,642.51
22	15-Jan-27	\$2,168.46	\$822.43	\$1,346.03	\$165,243.38
23	15-Feb-27	\$2,168.46	\$815.71	\$1,352.75	\$163,837.79
24	15-Mar-27	\$2,168.46	\$808.96	\$1,359.50	\$162,425.71
25	15-Apr-27	\$2,168.46	\$802.17	\$1,366.29	\$161,007.12
26	15-May-27	\$2,168.46	\$795.35	\$1,373.11	\$159,581.98
27	15-Jun-27	\$2,168.46	\$788.50	\$1,379.96	\$158,150.26
28	15-Jul-27	\$2,168.46	\$781.61	\$1,386.85	\$156,711.93
29	15-Aug-27	\$2,168.46	\$774.69	\$1,393.77	\$155,266.96
30	15-Sep-27	\$2,168.46	\$767.73	\$1,400.73	\$153,815.32
31	15-Oct-27	\$2,168.46	\$760.74	\$1,407.72	\$152,356.97
32	15-Nov-27	\$2,168.46	\$753.71	\$1,414.75	\$150,891.89
33	15-Dec-27	\$2,168.46	\$746.65	\$1,421.81	\$149,420.05
34	15-Jan-28	\$2,168.46	\$739.55	\$1,428.91	\$147,941.41
35	15-Feb-28	\$2,168.46	\$732.42	\$1,436.04	\$146,455.95
36	15-Mar-28	\$2,168.46	\$725.25	\$1,443.21	\$144,963.63
37	15-Apr-28	\$2,168.46	\$718.05	\$1,450.41	\$143,464.42
38	15-May-28	\$2,168.46	\$710.81	\$1,457.65	\$141,958.29
39	15-Jun-28	\$2,168.46	\$703.53	\$1,464.93	\$140,445.20
40	15-Jul-28	\$2,168.46	\$696.22	\$1,472.24	\$138,925.13

EXHIBIT B - CONTINUED

PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of April 15, 2025, between KS StateBank (Obligee) and Jackson County, North Carolina (Obligor)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
41	15-Aug-28	\$2,168.46	\$688.87	\$1,479.59	\$137,398.04
42	15-Sep-28	\$2,168.46	\$681.48	\$1,486.98	\$135,863.90
43	15-Oct-28	\$2,168.46	\$674.06	\$1,494.40	\$134,322.68
44	15-Nov-28	\$2,168.46	\$666.60	\$1,501.86	\$132,774.34
45	15-Dec-28	\$2,168.46	\$659.11	\$1,509.35	\$131,218.85
46	15-Jan-29	\$2,168.46	\$651.57	\$1,516.89	\$129,656.18
47	15-Feb-29	\$2,168.46	\$644.00	\$1,524.46	\$128,086.30
48	15-Mar-29	\$2,168.46	\$636.39	\$1,532.07	\$126,509.17
49	15-Apr-29	\$2,168.46	\$628.74	\$1,539.72	\$124,924.76
50	15-May-29	\$2,168.46	\$621.06	\$1,547.40	\$123,333.04
51	15-Jun-29	\$2,168.46	\$613.33	\$1,555.13	\$121,733.97
52	15-Jul-29	\$2,168.46	\$605.57	\$1,562.89	\$120,127.52
53	15-Aug-29	\$2,168.46	\$597.77	\$1,570.69	\$118,513.65
54	15-Sep-29	\$2,168.46	\$589.93	\$1,578.53	\$116,892.33
55	15-Oct-29	\$2,168.46	\$582.05	\$1,586.41	\$115,263.52
56	15-Nov-29	\$2,168.46	\$574.13	\$1,594.33	\$113,627.19
57	15-Dec-29	\$2,168.46	\$566.17	\$1,602.29	\$111,983.31
58	15-Jan-30	\$2,168.46	\$558.17	\$1,610.29	\$110,331.84
59	15-Feb-30	\$2,168.46	\$550.14	\$1,618.32	\$108,672.75
60	15-Mar-30	\$2,168.46	\$542.06	\$1,626.40	\$107,006.00
61	15-Apr-30	\$107,500.00	\$533.93	\$106,966.07	\$0.00

Jackson County, North Carolina

Signature_____
Printed Name and Title

*Assumes all Contract Payments due to date are paid

EXHIBIT D

OBLIGOR RESOLUTION

RE: Government Obligation Contract dated as of April 15, 2025, between KS StateBank (Obligee) and Jackson County, North Carolina (Obligor)

At a duly called meeting of the Governing Body of the Obligor (as defined in the Contract) held on May 6, 2025 the following resolution was introduced and adopted:

BE IT RESOLVED by the Governing Body of Obligor as follows:

1. **Determination of Need.** The Governing Body of Obligor has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Government Obligation Contract dated as of April 15, 2025, between Jackson County, North Carolina (Obligor) and KS StateBank (Obligee).
2. **Approval and Authorization.** The Governing Body of Obligor has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract on Obligor's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Contract.

Authorized Individual(s): Darlene Fox, Finance Director

(Typed or Printed Name and Title of individual(s) authorized to execute the Contract)

3. **Adoption of Resolution.** The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

Signature: _____

(Signature of Board Chairman or other authorized member of the Obligor's Governing Body)

Printed Name & Title: Mark Letson, Chairman

(Printed Name and Title of individual who signed directly above)

Attested By: _____

(Signature of Obligor's Board Secretary or Board Clerk)

Printed Name & Title: Angela Winchester, Clerk to the Board

(Printed Name of Individual who signed directly above)

Master Lease Agreement

WELLS
FARGO

Wells Fargo Equipment Finance, Inc.
600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

Master Lease Number 010-0013414 dated as of April 28, 2025

Name and Address of Customer:
JACKSON COUNTY, NORTH CAROLINA
401 Grindstaff Cove Rd Ste A241
Sylva, NC 28779-3250

TERMS AND CONDITIONS

This Master Lease Agreement ("**Master Lease**") sets forth terms and conditions that will be applicable to equipment leasing transactions that may be entered into from time to time by Lessee and Lessor if they enter into one or more Schedules that incorporate the terms of this Master Lease. This Master Lease is not a commitment by Lessor to enter into any Schedule and nothing in this Master Lease shall impose, or be construed to impose, any obligation upon Lessor to enter into any proposed Schedule. In the event of a conflict between the provisions of this Master Lease and a Schedule, the provisions of such Schedule will control. Lessee and Lessor agree, for good and valuable consideration and intending to be legally bound, as follows:

1. CERTAIN DEFINITIONS. The following capitalized terms used herein will be defined as follows: "**Equipment**" means the equipment and other property described on the applicable Schedule, as well as any attachments, accessories, accessions, replacements, substitutions, additions, upgrades, exchanges and repairs to the equipment and other property and shall also be deemed to include any embedded software that otherwise falls within the definition of "**Goods**" under Article 9 of the Uniform Commercial Code ("**UCC**"). "**Fair Market Value**" of the Equipment means an amount estimated by us that may reasonably be expected for an installed and in-use property in an equitable exchange between a willing buyer and a willing seller, neither under any compulsion to buy or sell, both aware of all relevant facts, and assuming the Equipment is in the condition required by the applicable Lease. "**Lessee**" means the party or parties who sign this Master Lease as Lessee. If more than one party signs below as Lessee, each Lessee (a) shall be jointly and severally liable for all obligations under each Schedule, (b) authorizes any other Lessee to act as its agent and shall be bound by all actions taken and documents executed by any other Lessee, (c) waives all defenses available to a guarantor, surety, accommodation party or co-obligor, (d) agrees that its obligations shall not be released or modified for any reason other than irrevocable payment in full of all of the obligations or by written agreement signed by Lessor in favor of such Lessee, (e) waives, until all of the obligations have been irrevocably paid in full, any right of subrogation against any other Lessee or Guarantor and (f) represents that it is receiving a direct economic benefit from the incurrence of the obligations under each Schedule. The Lessee may be referred to herein as "you" and "your". "**Lessor**" means the party signing as Lessor on this Master Lease and applicable Schedule or any of its affiliates signing as Lessor on the applicable Schedule, and may be referred to herein as "we", "us", and "our". "**Person**" means any individual, corporation, business trust, association, company, partnership, joint venture, or other entity. "**QFC Obligations**" means obligations arising under a securities contract, commodities contract, forward contract, repurchase agreement, swap agreement, or any similar agreement (as defined for purposes of Treasury Part 148 under 12 U.S.C. 5390(c)(8)(D) or FDIC Part 371 under 12 U.S.C. 1821(e)(8)(D)) that the FDIC determines by regulation, resolution, or order to be a qualified financial contract. "**Schedule**" means any schedule signed by Lessee and Lessor that incorporates the terms of this Master Lease, each of which will constitute a separate contract between Lessee and Lessor and shall be referred to as a "**Lease**". "**Stipulated Loss Value**" means the sum of: (i) all past due and current Payments; (ii) the present value of (A) all remaining Payments, and (B) the amount of the purchase option price or final purchase payment set forth in the applicable Schedule, or if no purchase option price or final purchase payment is specified or if the purchase option price is Fair Market Value, then the anticipated end of Term Fair Market Value of the affected item(s) of Equipment, discounted at 2% per annum; and (iii) all other amounts due under the Lease.

2. COMMENCEMENT. The commencement of a Lease (the "**Commencement Date**") will be the date that you satisfy all pre-conditions to the Lease, as determined by us, or any later date that we designate. Without limiting the foregoing, we may, in our sole discretion, require that you verify your acceptance of the Equipment either by telephone or by delivery to us of an executed certificate of acceptance. If you signed a purchase order or similar agreement for the purchase of the Equipment, by signing a Schedule you assign to us all of your rights, but none of your obligations under it. If, for any reason: (i) the manufacturer, supplier, wholesaler, or other vendor of the Equipment (any, a "**Supplier**") fails to deliver, or delays the delivery of, the Equipment; or (ii) the Equipment is unsatisfactory upon delivery or at any time thereafter, you agree that we are not liable, and you will not make any claim against us for damages or for specific performance of such Lease. If the Equipment includes any non-embedded software: (i) we do not own the software and do not provide any software licenses, (ii) you are responsible for obtaining any software license related to any software that is part of or used in connection with the Equipment from the owners or licensors of such software, (iii) you shall comply with the terms of all such licenses if any, and (iv) any default by you under any such software licenses shall also constitute a default by you under all Leases.

3. LEASE PAYMENTS. You agree to remit all payments under each Lease ("**Payments**") in U.S. dollars to the address or account designated by us from time to time. Unless indicated otherwise in the Schedule, your Payments are due in arrears and your first payment date will be one month from the Commencement Date, and subsequent payments shall be due on that same day of each month thereafter, unless such day does not exist for the applicable month, in which case it will be the last day of such month (the "**Payment Date**"). If you request that your Payment Date start later than one month after the Commencement Date, if we approve such a request, we may increase your first Payment by 1/30th of the scheduled Payment for each day between the originally scheduled Payment Date and the re-scheduled Payment Date (the "**Additional Days**") and the term of the Schedule will be extended by a number of days equal to the Additional Days. If there are changes in the type or amount or cost of the Equipment or the calculation of related sales or other taxes, you authorize us to adjust the Payments to maintain our after tax economic yield and cash flow so long as the change is not more than 15% of the original Payment amount. We may apply all your payments under a Lease to delinquency charges, Payments, and any other liabilities due and owing under such Lease or under any other agreement, in any order and manner selected by us. You waive all rights to direct the application of payments made on account of any Lease. We may offset and deduct any of your liabilities or obligations to us from any sums we owe to you. The financial terms of any Lease may have been determined taking into account fees we have paid to, or rebates, discounts, subsidies or other compensation or financial benefits (including the ability to fund over time amounts that may be financed hereunder) we have received from, the Supplier, a broker, or other third party in connection with such Lease. Payments are due on each Payment Date whether or not you receive an invoice.

4. TAXES. You agree to pay, and indemnify and hold us harmless from all sales, use, rental, property, excise, gross receipts, withholding and other taxes, charges and fees upon or with respect to the Equipment or the possession, ownership, leasing, use or operation, control or maintenance thereof and relating to such Lease (or any Payments or other payments), assessed by any governmental entity or taxing authority arising during or with respect to any part of the term, whether due before or after the end of the term shown on the corresponding Schedule. In connection with the expiration or earlier termination of a Lease, you agree to pay us any taxes accrued or assessed but not yet due and payable, or our estimate of such amounts.

5. LATE CHARGES. For any payment which is not received within 10 days of its due date, you agree to pay us a late charge equal to the greater of 5% of the amount due or \$35.00 (but in either case, not to exceed the maximum amount permitted by law).

THIS MASTER LEASE INCLUDES THE TERMS ON THE ATTACHED PAGE(S).

THIS MASTER LEASE SHALL NOT BE EFFECTIVE UNLESS AND UNTIL EXECUTED BY US.

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

Lessor: **WELLS FARGO EQUIPMENT FINANCE, INC.**

Lessee: **JACKSON COUNTY, NORTH CAROLINA**

Signature of authorized signer

Signature of authorized signer

Print Name and Title

Print Name and Title

6. OWNERSHIP, SECURITY INTEREST, USE, MAINTENANCE AND REPAIR. Unless otherwise specified in the applicable Schedule, we own the Equipment, excluding any non-embedded software. If the Lease is a secured transaction, you grant us a security interest in the Equipment and all proceeds thereof to secure all of your obligations now or hereafter owing to us (except QFC Obligations). In no event shall your obligations under a Lease be secured by any improved real property, building or mobile home insurable under the National Flood Insurance Program unless the document granting an interest in real property specifically references the Lease by date, its Schedule number and/or this Master Lease number. You authorize us or our agents to prepare and file, electronically or otherwise, UCC financing statements and any amendments or continuation statements relating to the Equipment and proceeds. So long as you are not in default of your obligations, we hereby assign to you our rights, if any, under Supplier written warranties, to the extent assignable. You (a) shall not permit the Equipment to attach to real property and (b) must keep the Equipment free of all security interests, encumbrances and liens, except those in favor of us. Other than the temporary relocation of mobile Equipment, or as otherwise set forth in the applicable Schedule, you will not remove the Equipment from the address indicated on the applicable Schedule without first obtaining our written approval. You shall: (a) keep the Equipment in your exclusive control and possession and not discontinue use of the Equipment; (b) USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES; (c) use the Equipment in conformity with all insurance requirements, manufacturer's instructions and manuals; (d) at your cost, keep the Equipment repaired and maintained in good working order as when originally delivered to you (absent only ordinary wear and tear) and as required by the manufacturer's warranty, certification and standard full service maintenance contract; (e) at your cost, furnish and replace all parts of the Equipment as may from time to time become worn out, damaged or unfit for use; (f) allow only qualified and properly licensed personnel to operate the Equipment; (g) maintain accurate and complete records of all repairs and maintenance of the Equipment; (h) give us reasonable access to inspect the Equipment and its maintenance and other records; (i) at your cost, mark and identify the Equipment with all information and in such manner as we may request from time to time and replace promptly any such markings or identification which are removed, defaced or destroyed and not permit the name of any person, association or corporation other than your name or our name to be placed on the Equipment as a designation that might be interpreted as a claim of ownership or security interest; (j) pay all shipping and delivery charges and other expenses incurred in connection with the Equipment and pay all lawful claims, whether for labor, materials, supplies, rent, assessments, taxes or services, which might or could if unpaid become a lien on the Equipment; and (k) not enter into any lease or sale of any Equipment. Without our prior written consent, you will not make any alterations, additions or improvements to the Equipment which are permanent or which detract from its value, useful life, or functional utility. Any such alterations, additions or improvements shall be deemed part of the Equipment. The Equipment must remain in the continental United States, Alaska, or Hawaii at all times. In case you fail to comply with any provision of any Lease, we may take action to bring such Lease into compliance, and all expenses incurred by us in doing so will constitute additional expenses under such Lease due to us within 5 days after we send notice to you requesting payment. Our effecting such compliance will not be a waiver of your default.

7. INDEMNITY. YOU AGREE TO DEFEND AND INDEMNIFY US FOR ALL LOSSES, DAMAGES, CLAIMS, LIABILITIES, OBLIGATIONS, SUITS, TOLLS, FEES, INJURIES, COSTS AND REASONABLE ATTORNEYS' FEES, OR THE LIKE, WHETHER BASED ON A THEORY OF NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE, INCURRED, CAUSED OR ASSERTED BY ANY PERSON, IN ANY MANNER RELATING TO THE LEASE OR THE EQUIPMENT including, without limitation, the manufacture, purchase, lease, financing, selection, ownership, delivery, possession, use, storage, operation, condition, maintenance, repair, return or other disposition thereof.

8. LOSS OR DAMAGE. You assume all risks of loss, theft, governmental taking, damage to or destruction of the Equipment. If any item of Equipment is damaged and can be repaired, you shall promptly notify us in writing and, at your cost, within 30 days of such damage, repair the affected item. If any item of Equipment is lost, stolen, taken by any governmental authority or damaged beyond repair, you will immediately notify us in writing and, at our option you will, at your cost, within 30 days after such event, either: (a) replace the affected item with a comparable item acceptable to us, or (b) for each affected item of Equipment (calculated on the pro rata cost of the affected item(s) as compared to the total cost of all items on the Schedule), pay us the total of the Stipulated Loss Value for each such item of Equipment. Upon our receipt of such Stipulated Loss Value, we will then notify you of the applicable reduction of rent and transfer to you all our rights, title and interest in the affected item(s) of Equipment AS-IS AND WHERE-IS, WITHOUT ANY RECOURSE TO OR WARRANTY FROM US, EXPRESS OR IMPLIED AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, OR OTHERWISE. Insurance proceeds will be applied toward repair, replacement or payment owing to us, as applicable.

9. INSURANCE. You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee (with a lender's loss payable endorsement if required by us); and (b) maintain commercial general liability insurance, covering personal injury and property damage in amounts acceptable to us, naming us as additional insured. All insurance policies must be issued by insurance carriers acceptable to us, must provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and must provide deductible amounts acceptable to us. You hereby appoint us as your attorney-in-fact to make proof of loss and claims for insurance, to make adjustments with insurers and to receive payment of and execute or endorse all documents, checks or drafts in connection with payments made as a result of such insurance policies. Property insurance proceeds shall be payable to us irrespective of any breach of warranty or other of your acts or omissions and no insurance shall be subject to any co-insurance clause. Promptly upon our request you agree to deliver to us evidence of insurance reasonably satisfactory to us, including evidence of renewal and replacement coverage.

10. NET LEASE; UNCONDITIONAL OBLIGATION. Each Lease is a net lease. WE HAVE NOT SELECTED THE EQUIPMENT. THE SUPPLIER AND ITS REPRESENTATIVES ARE NOT OUR AGENTS AND ARE NOT AUTHORIZED TO MODIFY THE TERMS OF ANY LEASE. WE MAKE NO WARRANTIES TO YOU, EXPRESS OR IMPLIED, AS TO THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, OR OTHERWISE. YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL AND YOU HAVE NO RIGHT TO CANCEL ANY LEASE ONCE SIGNED, OR REDUCE OR SET-OFF AGAINST ANY PAYMENT FOR ANY REASON WHATSOEVER INCLUDING, WITHOUT LIMITATION, FAILURE, LOSS OR DAMAGE OF, OR TO, ANY EQUIPMENT. WE SHALL NOT BE LIABLE TO YOU FOR ANY LOSSES, DAMAGES, OR EXPENSES OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY EQUIPMENT OR THE USE, INABILITY TO USE, OR MAINTENANCE OF ANY EQUIPMENT, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED. If any Supplier fails to provide any service or fulfill any other obligation to you, you shall not make any claim against us and shall continue to fully perform your obligations to us under each Lease.

11. REPRESENTATIONS, WARRANTIES AND COVENANTS. You hereby represent and warrant to us that, on the date hereof and on the date of execution of each Schedule, and you covenant that: (a) you have the authority to enter into, and perform all of your obligations under, each Lease, and all related documents (together, the "Documents"); (b) you have duly authorized, executed and delivered the Documents; (c) the Documents constitute valid, legal and binding agreements, enforceable in accordance with their terms; (d) no approval or consent is required from any governmental authority or other lender with respect to your entry into or performance of the Documents except such as have already been obtained and disclosed to us; (e) your execution and performance of the Documents will not: (i) violate any judgment, order, law or regulation applicable to you or any provision of your organizational documents or any other financing arrangement to which you are a party; or (ii) result in any breach of, constitute a default under, or result in the creation of any lien or other encumbrance upon any Equipment pursuant to, any agreement or instrument (other than in favor of us) to which you are a party; (f) there are no suits or proceedings pending or threatened in court or before any commission, board or other administrative agency against or affecting you, which may have a material adverse effect on your ability to fulfill your obligations under the Documents; (g) the Equipment is and will remain tangible personal property; (h) your exact legal name is as set forth in the signature block on the first page of this Master Lease; (i) you are and will be at all times validly existing and in good standing under the laws of the State of your organization; (j) you are and will remain duly qualified to do business in each jurisdiction where Equipment is located and wherever necessary to conduct your business; (k) you are and will remain in compliance with all laws, rules and regulations applicable to the operation of your business, the Equipment and/or its use, and at your cost you shall make all modifications and improvements to the Equipment required by law; (l) you and each person who you control or own a controlling interest in, or who owns a controlling interest in or otherwise controls you (collectively, "Representatives") are and will remain in compliance with all laws, rules, regulations and orders concerning sanctions, embargoes, and the prevention and detection of corruption, bribery, money laundering and terrorism; and (m) neither you nor any of your Representatives does or will do business in, or is or will be located in a jurisdiction subject to any territorial or country-based sanctions program or listed on any sanctions-related list of designated persons maintained or enforced by the United States government or any other jurisdiction in which you or your Representatives are located or operate or which has authority over you or your Representatives.

12. DEFAULT. You will be in default under a Lease if: (a) you fail to make any payment under any Lease within 10 days of the due date; (b) you or any guarantor of your obligations under any Document ("Guarantor") breach any other obligation under any Document or guaranty and fail to correct such violation within 10 days following notice; (c) you or a Guarantor becomes insolvent, are liquidated or dissolved, stop doing business or assign your or such Guarantor's rights or property for the benefit of creditors, or a petition is filed by or against you or any Guarantor under any bankruptcy or insolvency law; (d) you or any Guarantor default under any other agreement now existing or hereafter entered into with us or any material agreement with any of our affiliates or any third party lender, lessor, or creditor; (e) any representation made or information provided by you or a Guarantor in connection with any Document or guaranty is or will be false or misleading in any material respect; (f) any Equipment is illegally used; (g) without our prior written consent, you permit (1) the sale of all or substantially all of your assets, or (2) the sale or transfer of any shares of your capital stock or of any ownership interest in you to any person, persons, entity or entities (whether in one transaction or in multiple transactions) which results in a transfer of a majority interest in the ownership and/or the control of you from the person, persons, entity or entities who hold ownership and/or control of you as of the date of this Master Lease; (h) if you are a sole proprietorship or a

partnership, you, or any partner, as applicable, die or have a guardian appointed; (i) any individual Guarantor dies or has a guardian appointed; (j) you or any Guarantor suffers a material adverse change in your or their financial condition; or (k) you default under any software license or similar agreement financed by us or subject to our security interest. **Time is of the essence regarding performance of your Lease obligations.**

13. REMEDIES. If you default, we may, in our sole discretion, do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BENEFIT OF THE BARGAIN AND NOT AS A PENALTY, the Stipulated Loss Value, which amount shall be due upon demand; (b) declare any other agreements between you and us in default; (c) require you to return all of the Equipment at your cost to a place designated by us in the manner described in the applicable Lease; (d) we or our agent may enter the property where the Equipment is located, with or without legal process, and repossess or disable the Equipment and you waive and will not make any claims against us for damages, for trespass or for any other reason, and upon recovery of the Equipment, we will not be held responsible for any losses directly or indirectly arising out of, or by reason of the presence and/or use of, any and all information residing on or within the Equipment; (e) lease or sell the Equipment or any portion thereof, and we may apply the proceeds as may be acceptable to us to the extent permitted by applicable law; (f) charge you interest on all amounts due to us from the due date until date of payment at the rate of 1.5% per month, but in no event more than the lawful maximum rate; (g) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorneys' fees and court costs; and (h) cancel or terminate any Lease. These remedies are cumulative and nonexclusive of any other rights and remedies at law or in equity and may be exercised individually or concurrently. No failure or delay by us to exercise any right nor any course of dealing will operate as a waiver of any other right or remedy. To the extent permitted by applicable law, you hereby waive any rights now or hereafter conferred by statute or otherwise that may limit or modify any of our rights or remedies under any Lease, including any rights you may have which require us to sell any Equipment to mitigate damages or provide you with notices of default, intent to accelerate amounts becoming due or acceleration of such amounts.

14. REMOVAL OF DATA. You are solely responsible for removing all data from any digital storage device, hard drive or other electronic medium prior to returning or disposing of any Equipment (and you are solely responsible for selecting an appropriate removal standard that meets your business needs and complies with applicable laws). We shall not be liable for any losses, directly or indirectly arising out of, or by reason of the presence and/or use of any information, images or content retained by or resident in any Equipment returned to us or repossessed by us.

15. ASSIGNMENT. You may not assign, sell, transfer, encumber or dispose of any rights or obligations under the Lease or sub-lease the Equipment. We may, without notifying you, sell, assign or encumber any or all of our interest in any Lease and/or our interest in any Equipment. If we sell, assign or encumber a Lease, the buyer, assignee or secured party will have all of our rights under the Lease, but none of our obligations, unless expressly assumed by them. You will pay all Payments under any assigned Lease to the assignee if you receive written instructions from us to do so. You agree not to assert against any buyer, assignee or secured party, any claims, offsets or defenses you may have against us.

16. NOTICES. Notices must be in writing and will be deemed given 5 days after mailing first class or sent by recognized overnight courier to the recipient's address set forth above or at such other address as may be last known to the sender.

17. INFORMATION. We may receive from and disclose to any Person, including, without limiting any affiliate of ours, and any credit reporting agency whether or not related to us, for any purpose, information about your accounts, credit application and credit experience with us and you authorize any Person to release to us or any affiliate of ours on a "need to know" basis, any information related to your accounts, credit experience and account information. This shall be continuing authorization for all present and future disclosures of your account information, credit application and credit experience made by us, or any Person requested to release such information to us.

18. LIMITATIONS ON CHARGES. Any part of any Lease that could, but for this Section, be read under any circumstance to allow for a charge higher than that allowable under any applicable legal limit, is limited and modified by this Section to limit the amounts chargeable under the Lease to the maximum amount allowed under the legal limit. Any amount received by us in excess of that legally allowed will at our sole discretion be applied by us to the payment of amounts legally owed under the Lease or refunded to you.

19. EXECUTION AND TRANSMISSION OF DOCUMENTATION. We may, in our sole discretion, accept a photocopy, electronically transmitted, facsimile, or other reproduction (any a "Counterpart") of this Master Lease and any other Documents as the binding and effective record of such Documents whether or not a manually signed copy hereof or thereof is also received by us. Counterparts may, in our sole discretion, be executed manually or by electronic means by either party. No Document requiring our signature is binding on us until we sign it. When a Counterpart of a Document showing your signature is signed by us (manually or electronically), then the Counterpart bearing our signature, if executed by us manually, or the Counterpart electronically maintained by us, if executed by us electronically, shall constitute the sole original document for all purposes and shall constitute the authoritative record of such Document for the purposes of establishing the provisions of such Document and to the extent that such Document constitutes chattel paper as that term is defined in the UCC, perfection of a security interest by possession or control may only be accomplished by possession or control of such Counterpart. You agree not to raise as a defense to the enforcement of any Document that it was executed by electronic means by either party or transmitted to us by facsimile or other electronic means.

20. SURVIVAL. Your representations, warranties, indemnification obligations, and your obligations to pay or reimburse us for any taxes or any other amounts due by you with respect to a Lease, as such representations, warranties, and obligations are set forth in this Master Lease and any Lease, shall survive the expiration, cancellation or termination of this Master Lease and any Lease.

21. APPLICABLE LAW, VENUE. THIS MASTER LEASE AND EACH OTHER DOCUMENT WILL BE GOVERNED BY THE SUBSTANTIVE LAWS OF THE STATE OF MINNESOTA, AND ANY LEGAL ACTION OR PROCEEDING MAY BE BROUGHT IN THE FEDERAL OR STATE COURTS OF MINNESOTA. YOU AGREE THAT IN NO EVENT SHALL YOU HAVE A REMEDY OF, AND IN NO EVENT SHALL WE BE LIABLE TO YOU FOR, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR PUNITIVE OR EXEMPLARY DAMAGES, AND YOU HEREBY EXPRESSLY WAIVE ANY RIGHT OR CLAIM TO PUNITIVE OR EXEMPLARY DAMAGES.

22. ARBITRATION. Upon demand by either party, whether before the institution of a civil proceeding or within 60 days thereafter, any controversy or claim arising out of or relating to the Equipment or any Lease or the breach thereof whether in tort, contract or otherwise shall be settled by arbitration decided by a single arbitrator governed by the Federal Arbitration Act and administered by the American Arbitration Association in accordance with its commercial dispute resolution procedures and judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall resolve all disputes in accordance with the substantive law of Minnesota and shall have the power to award recovery of all costs and fees. This provision does not limit the right of any party to (i) exercise any rights or remedies against the Equipment or any other collateral such as foreclosure, setoff or repossession, or (ii) to obtain provisional or ancillary remedies such as replevin, injunctive relief, or attachment or (iii) to pursue in small claims court any dispute in which the remedy sought is entirely within that court's jurisdiction.

23. MISCELLANEOUS. If a court finds any provision of the Lease to be unenforceable, all other terms will remain in effect and enforceable. You authorize us to insert or correct missing or incorrect information on the Lease, including your proper legal name, serial numbers and any other information describing the Equipment. You have no right to terminate or prepay any Lease or any Payments. If you so request, and we permit, the early termination or prepayment of a Lease, you agree to pay a fee determined by us for such privilege. YOU HEREBY ACKNOWLEDGE AND CONFIRM THAT YOU HAVE NOT RECEIVED ANY LEGAL, TAX, FINANCIAL OR ACCOUNTING ADVICE FROM US OR ANY SUPPLIER. You shall furnish us with current financial statements, any other financial information and/or information regarding your business and its owners and affiliates as we may reasonably request from time to time. You agree to promptly execute and deliver to us such further documents, and take such further action as we may request, in order to carry out more effectively the intent and purpose of this Master Agreement and any Schedule and/or comply with laws or regulations applicable to us, you, the Equipment and/or the Lease. You acknowledge that we may incur out-of-pocket costs and expenses in connection with the transactions contemplated by each Lease, and accordingly agree upon our request to pay (or reimburse us for) the reasonable costs and expenses related to (a) filing any financing, continuation or termination statements; (b) any title and lien searches with respect to a Lease and the Equipment; (c) documentary stamp taxes relating to a Lease; and (d) procuring your and any Guarantor's certified charter documents and good standing certificates. Restrictive endorsements on checks you send to us will not reduce your obligations to us. We may charge you a return check or non-sufficient funds charge for any check that is returned by the bank for any reason (not to exceed the maximum amount permitted by law). You will notify us in advance of any proposed change in your legal name, your address, your type of legal entity or your state of incorporation or formation. Credit of your payments toward the amounts you owe on your Leases will not occur until final payment has cleared through your bank and may also be delayed if payment is not received at the correct payment address. You shall remit payments in the form of direct debit, wire transfers, or your company's checks. You agree that the fees and other amounts payable by you under this Master Lease and any Lease may include a profit to us. ANY AGREEMENT REACHED BY THE PARTIES ON THE SUBJECT MATTER HEREOF ARE CONTAINED IN THE MASTER LEASE AND THE APPLICABLE SCHEDULE, WHICH INCORPORATE THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES, EXCEPT AS THE PARTIES MAY LATER AGREE TO MODIFY IN A WRITING SIGNED BY US. ORAL AGREEMENTS OR COMMITMENTS TO MODIFY SUCH DOCUMENTS, OR TO FORBEAR FROM ENFORCING REPAYMENT OF THE SAME, ARE NOT ENFORCEABLE.

Equipment Schedule

FMV Purchase Option Lease

Wells Fargo Equipment Finance, Inc.

600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

WELLS
FARGO

Equipment Schedule Number **010-0013414-001** dated as of **April 28, 2025** to
Master Agreement Number **010-0013414** dated as of **April 28, 2025**

Name and Address of Lessee:

JACKSON COUNTY, NORTH CAROLINA
401 Grindstaff Cove Rd Ste A241
Sylva, NC 28779-3250

"Master Agreement" means that certain master agreement between you and us which has been assigned an account number corresponding to the Master Agreement Number referenced above. **"Schedule"** means this Equipment Schedule. **"Lessee"** means the above referenced entity or sole proprietorship and any other entity or sole proprietorship listed as a Lessee in the signature blocks below, and is also referred to as **"you"** and **"your."** Each entity that signs below as Lessee agrees that its liability in connection with this Schedule is joint and several. The terms and conditions of the Master Agreement are incorporated into this Schedule, and together, this Schedule and the Master Agreement as it relates to this Schedule, constitute a lease (**"Lease"**) between us and you for the Equipment described in this Schedule, provided however, that if the Lessor named above is not the lessor named in the Master Agreement, then, for purposes of the Lease evidenced by this Schedule, all references to the **"lessor"**, **"we"** or **"us"** in said Master Agreement shall be deemed to refer to the Lessor named above. **"Payment"** shall mean any **"Payment"** or **"Lease Payment"** as such term is defined in the applicable Master Agreement, and shall be in the amount set forth in Section B herein. Capitalized terms used but not defined herein shall have the meanings given to them in the Master Agreement.

A. EQUIPMENT. Pursuant to the terms of the Lease, we agree to acquire and lease to you the Equipment listed below:

Qty	Make	Model	Year	Equipment Type	Serial/VIN Number
1	OTTAWA	T2 4x2	2024	New TSP-Yard Tractors NonDOT	368913

Equipment Location: 30 Recycle Pl , Sylva, NC 28779

Supplier of Equipment (Name): As identified in the invoice(s) for the Equipment referenced above

THE PARTIES INTEND THIS LEASE TO BE A "FINANCE LEASE" UNDER ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE ("UCC"). YOU WAIVE ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC.

B. FINANCIAL TERMS

1. Term (No. of Months): 60	6. Purchase Option Price at end of Term (plus taxes): Fair Market Value
2. Payment: \$2,144.06 (plus applicable taxes)*	7. Total Cost: \$142,500.00
3. Frequency of Payment: Monthly (in Arrears)	8. Approval Expiration Date: July 23, 2025
4. Administrative Fee: \$500.00 (will be billed on your first invoice)	
5. Lessee Purchase Order # (for invoicing purposes only):	

*In states assessing upfront sales tax and use tax, if you choose to include such tax amount as part of the Lease, your Payment, starting with the first invoice, will be adjusted to reflect such tax as a component of the total amount funded by us under this Lease. In other states, the applicable sales tax and use tax is charged on a periodic basis, and will be included on your invoice. **If you are exempt from paying sales and use tax you shall provide to us a valid exemption certificate prior to the Commencement Date.**

C. APPROVAL EXPIRATION DATE. If the Commencement Date does not take place on or before the Approval Expiration Date set forth above, we may either terminate the Schedule, in which case you will pay us all amounts we have paid on account of any Equipment, or extend the Approval Expiration Date, provided that in consideration of any such extension, we reserve the right to adjust the lease rate factor and your Payments to maintain our after tax economic yield and cash flow. However, no such modifications will be binding on you unless and until you execute the modified Schedule (or other document containing all such modifications).

D. RECEIPT OF DOCUMENTS; PAYMENT ADJUSTMENTS. We reserve the right to withdraw the terms of this Lease and issue a modified Schedule without notice to you if we are not in receipt of a fully executed Documents within five (5) business days of the date of this Schedule. However, in that event, no such modifications will be binding on you unless and until you execute the modified Documents containing all such modifications. Further, the amount of each Payment was calculated in part based on our cost of funds within two business days of the date of this Schedule set forth above. Notwithstanding anything in this Lease to the contrary, if the first payment period begins more than fifteen (15) business days after the date of this Schedule and our cost of funds has increased subsequent to the date of this Schedule, the amount of Payments will be increased to provide the same yield to us as would have been obtained if our cost of funds had not increased. The amount of the Payments shall be determined by our taking into account its cost of funds two business days prior to the date that the first Payment period begins. You agree that the Lease shall not commence until we received all documentation and information required by us, which may include, without limitation, evidence of insurance, invoices, landlord waivers and evidence of no adverse liens or security interests on the Equipment. In such event the parties hereto shall sign an amendment to this Schedule reflecting the change in the Payments.

E. PURCHASE OPTION. Provided no default exists hereunder, upon not less than 90 days nor more than 180 days, prior written notice to us, at Lease expiration you will either (1) return all, but not less than all, of the Equipment; or (2) purchase all, but not less than all, of the Equipment AS-IS AND WHERE-IS, WITHOUT ANY RECOURSE TO OR WARRANTY FROM US, EXPRESS OR IMPLIED, for cash equal to the Purchase Option Price, plus applicable sales and use and other taxes.

F. HOLDOVER RENT. If you do not purchase the Equipment at the end of the Term, extend the Term, or fully comply with the Lease return conditions, this Lease WILL CONTINUE ON A MONTH-TO-MONTH BASIS NOTWITHSTANDING ANY EXPIRATION, CANCELLATION OR TERMINATION OF THE TERM OF THIS LEASE and you will pay us the same Payments and other Lease charges as applied during the Term until the Equipment is returned to us or you pay us the applicable purchase price (plus applicable taxes) and the Payments shall be for the leasing of the Equipment and not be applied to the applicable purchase

THIS SCHEDULE INCLUDES THE TERMS ON THE ATTACHED PAGE(S).

THIS SCHEDULE SHALL NOT BE EFFECTIVE UNLESS AND UNTIL EXECUTED BY US.

IN WITNESS WHEREOF, Lessee and Lessor have caused this Schedule to be executed by their duly authorized representatives as of the date first above written.

Lessor: **WELLS FARGO EQUIPMENT FINANCE, INC.**

Lessee: **JACKSON COUNTY, NORTH CAROLINA**

Signature of authorized signer

Signature of authorized signer

Print Name and Title

Print Name and Title

price. We may terminate such continued leasehold interest upon 30 days' notice to you.

G. PROPERTY TAX ADMINISTRATION. UNLESS THE EQUIPMENT IS TITLED, WE WILL FILE ALL PERSONAL PROPERTY TAX RETURNS COVERING THE EQUIPMENT AND WILL PAY THE PERSONAL PROPERTY TAXES LEVIED OR ASSESSED THEREON AND YOU WILL, PROMPTLY UPON DEMAND, PAY TO US, AS SUPPLEMENTAL RENT, AN AMOUNT EQUAL TO THE PROPERTY TAXES PAID BY US. IF THE EQUIPMENT IS TITLED, YOU AGREE TO FILE ALL PERSONAL PROPERTY TAX RETURNS ON THE APPLICABLE EQUIPMENT AND PROMPTLY PAY ALL PROPERTY TAXES WHICH MAY BE ASSESSED AGAINST SUCH EQUIPMENT, AND IF WE REQUEST, PROMPTLY PROVIDE US WITH PROOF OF SUCH PAYMENT. As compensation for our internal and external costs in the administration of taxes related to each unit of Equipment, you agree to pay us a tax administrative fee equal to \$12 per unit of Equipment (not to exceed 10 units of Equipment) per year during the Term, not to exceed the maximum permitted by applicable law.

H. RETURN OF EQUIPMENT. If (1) a default occurs and we terminate the Lease, (2) you do not purchase the Equipment at the end of the Term, (3) you do not extend the Term, or (4) the Lease otherwise terminates, at your cost you will promptly (i) place the Equipment in good order and condition (except for ordinary wear and tear from normal use), (ii) cause the Equipment to be disassembled, deinstalled, inspected, tested and crated in accordance with the manufacturer's recommendations and any and all local, state and federal regulatory requirements then in effect, and (iii) immediately return the Equipment, freight and insurance prepaid, at your risk to any location and aboard any carrier we may designate in the continental United States. Any such Equipment will be accompanied by all accessories originally included with the Equipment, qualifies (if applicable) for continued maintenance under a manufacturer's service and maintenance contract, and includes the latest software release provided by the manufacturer or Supplier to you. You will continue to remit Payments until the first day of the month which follows the date the Equipment is received by us in the condition required by this Lease. You will pay us for any loss in value resulting from the failure to maintain the Equipment in accordance with the Lease and any Return Conditions described below or for damages incurred in shipping and handling.

Standard Commercial and Industrial

In addition to the above provisions, you shall, at your expense, comply with the following return requirements. (a) At least 90 days and no more than 180 days prior to expiration or termination of the Lease: (i) ensure that the Equipment has been maintained, starts under its own power and is operating within manufacturer's specifications; and (ii) cause a manufacturer's representative or other qualified maintenance provider, acceptable to us, to perform a physical inspection and test of all the components and capabilities of the Equipment to ensure the Equipment conforms to the return provisions outlined herein. The results of the testing and appraisal, with necessary reconditioning, documenting that the Equipment meets the return conditions required herein are to be provided to us in a "Return Inspection Report" in form acceptable to us no later than 30 days prior to the return of the Equipment. In addition, if requested, you must make the Equipment available to us or our designee during regular working hours for a walk-around appraisal/inspection. If during such inspection the Equipment is found not to be in compliance with the above or any of the material or workmanship is found to be defective beyond ordinary wear and tear or the Equipment is not operating within manufacturer's specifications then you shall make all necessary replacements and proper repairs at your expense, utilizing only original manufacturer approved parts and using generally accepted procedures to cause the Equipment to conform to the condition required herein. After corrective measures are completed, you will provide for a follow up inspection of the Equipment by the manufacturer's representative or other qualified maintenance provider as outlined in the preceding clause. (b)(i) **General Condition:** You will maintain the Equipment in a condition and manner suggested by the original manufacturer as required to validate any warranty, normal wear and tear expected. The equipment will be in a condition whereby it can immediately be put into revenue service at its original designated function and capacity. With respect to each unit, no glass shall be broken, chipped or cracked, no upholstery shall have any cut, tear or burn, there shall be no un-repaired damage to exterior or interior materials (including but not limited to, cabs, lights, GPS and other accessories) that exceeds \$250 and all decals, numbers, customer identification, glue and adhesives shall have been removed in a workmanlike manner, and so as to not detract from the overall paint and appearance of the Equipment. All usage meters must be free of damage and accurately reflect the actual number of hours on each item of Equipment. Frame and structural members including but not limited to all forks, overhead guards, load backrests, sheet metal, loader arms, buckets, stick, booms, masts, frame rails, all ground engaging tools and all attachments will be structurally sound, without breaks, bends, cracks or missing teeth. Cooling, heating and lubrication systems shall not be contaminated and there shall be no leaking between systems. The electrical system will be in good operating condition with wiring free of cuts, breaks or cracks, and batteries being able to maintain a charge in accordance with the original manufacturer's specifications. No battery shall have any dead cells, cracked case or be inoperative. All units must be able to move through normal speed ranges in both forward and reverse with no slipping or grabbing, steer normally right and left in both forward and reverse gears. All units returned will be cleaned and cosmetically acceptable, with all rust and corrosion properly removed and/or treated. All material (i.e. dirt, refuse, asphalt, gravel, etc.) must be properly removed from the Equipment and disposed of in accordance with all applicable federal, state and local laws and regulations. All safety equipment must be in proper working order. All internal fluids such as lube oil and hydraulic fluids are to be filled at operating levels and all filter caps are to be secured. (ii) **Tires/Wheels/Tracks:** All tires shall be of the same original size, type and manufacturer (or similar quality manufacturer if the original manufacturer no longer produces tires of that type) as upon delivery to you. The tires shall have no missing or damaged parts, gouges or patches. All tires shall have a minimum of 50% remaining wear. (iii) **Mechanical Drive Train:** If so equipped, the transmission/hydrostatic drive systems (including but not limited to differentials and final drives), will be in good condition and operate quietly without vibrations or leaks. (iv) **Electric Drive Train:** If so equipped, the electric drive system (including, but not limited to alternators, generators, control systems and motorized wheels), shall have at least 50% time/wear remaining before the next overhaul or replacement as recommended by the manufacturer and published in standard maintenance manuals. (v) **Undercarriage:** If so equipped, the undercarriage (including sprockets, links, idlers, bogies, carrier and track rollers, pins and bushings and track shoes/pads) shall have at least 50% time/wear remaining before the next overhaul or replacement as recommended by the manufacturer and published in standard maintenance manuals. (vi) **Engine:** The engine must have been maintained in accordance with manufacturer's recommendations, including overhauling the engine as required. At the time of redelivery, the engine must have at least 50% time remaining before the next overhaul or replacement as recommended by the manufacturer and/or published in standard maintenance manuals. Each unit shall show no evidence of smoking and excessive arcing or sparking and must meet the current smoke emission standards. Determination of satisfaction of these specifications shall be made by subjecting the engine to standard industry testing to include (but not limited to) testing of the crankcase, manifold pressure, oil analysis, blowby tests and visual inspection of all external componentry, linkages, ducting, connections, harnesses belts and hoses. All tests shall be performed by a manufacturer authorized service center. (vii) **Brakes:** The brakes shall have at least 50% time remaining before the next overhaul or replacement as recommended by the manufacturer and/or published in standard maintenance manuals. No drums or other braking components shall be damaged, cracked or warped and each unit must stop safely with its service brake in both forward and reverse gears. (viii) **Sweeper/Brushes:** If so equipped, the sweeper brushes will have a minimum of 50% useful life remaining. (ix) **Tanks:** Water/solution/recovery tanks will be dry, clean and free of all foreign debris. (x) **Booms/Mast:** If so equipped, all booms/masts shall be straight and true within original manufacturer's specifications and tolerances. Each unit will lift, lower and tilt normally with and without a load a minimum of three (3) times. All standard rigging (including sheaves, pendants and fairleads) necessary for industry standard lift crane and boom trucks shall be returned with each machine. (xi) **Hydraulic Equipment:** All hydraulic pumps, cylinders and hoses must be fully operational at rated capacity with no leaks. (xii) **Cooling System:** The radiator and cooling system will be free of leaks, punctures or holes, and be able to maintain unit in normal operating temperature range as specified by the original manufacturer. (xiii) **Battery Operated Equipment:** With respect to Equipment powered by lithium-ion batteries, at least 6 months but not more than 12 months prior to return of the Equipment, you will at your expense provide a full performance report direct from the Battery Management System to determine if the batteries are eligible for warranty repair or replacement (i.e. that they maintain sufficient storage, output, etc.), and if so qualified, have the repair or replacement completed prior to return of the Equipment; further, each lithium-ion battery powered lift truck must be returned with (1) fully charged batteries which are capable of sustaining a charge that will permit use of the Equipment for an eight hour shift and batteries and chargers that are able to perform at 75% of rated capacity, and (2) all manufacturer warranties relating to the batteries must be fully transferable. (c) Each unit shall meet and conform to all applicable federal, state, and local health and safety laws and requirements, and, if applicable, have appropriate ANSI inspection certificates, permits and other certification necessary to operate the Equipment. Without limiting the foregoing, you shall maintain and provide to us written records of preventative maintenance and repairs, indicating date, and (hobbs) hour meter readings to show when such maintenance or repair work was performed. (d) YOU SHALL BE RESPONSIBLE TO RETURN THE EQUIPMENT FREE FROM CONTAMINATION OF ANY HAZARDOUS SUBSTANCE AND SHALL BE SOLELY RESPONSIBLE FOR ANY EXPENSES AND COSTS ASSOCIATED WITH THE CLEAN-UP THEREOF. FOR PURPOSES OF THIS LEASE, THE TERM "HAZARDOUS SUBSTANCE" SHALL MEAN AND INCLUDE ANY HAZARDOUS SUBSTANCE, HAZARDOUS WASTE, CONTAMINANT, TOXIC SUBSTANCE, AND/OR DANGEROUS GOODS WHICH IS/ARE REGULATED UNDER ANY ENVIRONMENTAL, HEALTH AND/OR SAFETY LAW, REGULATION, GUIDELINE, POLICY AND/OR BY-LAW, OR WHICH MAY FORM THE BASIS OF LIABILITY UNDER ANY SUCH LAW, REGULATION, GUIDELINE, POLICY AND/OR BY-LAW OR COMMON OR CIVIL LAW AND SHALL INCLUDE, WITHOUT LIMITATION, ASBESTOS, POLYCHLORINATED BIPHENYLS, UREA FORMALDEHYDE, AND/OR FLAMMABLE, EXPLOSIVE AND RADIOACTIVE SUBSTANCES.

I. TAX BENEFIT AND TAX INDEMNIFICATION. You agree that this Lease has been entered into on the assumption that we will be entitled to certain tax

benefits available to the owner of the Equipment. You agree to indemnify us for the loss of any income tax benefits caused by your acts or omissions inconsistent with such assumption or the Lease. This indemnity continues beyond the expiration or other cancellation or termination of this Lease.

ALL TERMS AND CONDITIONS ON THIS SCHEDULE ARE BINDING UPON THE PARTIES HERETO. To the extent of any conflict or inconsistency between this Schedule and the Master Agreement, this Schedule will prevail, but only with respect to the Lease created hereunder. This Schedule is not binding or effective with respect to the Master Agreement or Equipment until executed on behalf of us and you by authorized representatives.

State and Local Government Addendum

WELLS
FARGO

Wells Fargo Equipment Finance, Inc.
600 South 4th Street | MAC N9300-100 | Minneapolis, MN 55415

Agreement Number **010-0013414-001** dated as of **April 28, 2025**

Name and Address of Customer:
JACKSON COUNTY, NORTH CAROLINA
401 Grindstaff Cove Rd Ste A241
Sylva, NC 28779-3250

This Addendum (this "Addendum") between the above-referenced customer ("Customer") and WELLS FARGO EQUIPMENT FINANCE, INC. ("Company") is made and entered into as of the date of the financing arrangement corresponding to the account number set forth above (the "Agreement").

1. INCORPORATION AND EFFECT. This Addendum is hereby made a part of, and incorporated into, the Agreement as though fully set forth therein. As modified or supplemented by the terms set forth herein, the provisions of the Agreement shall remain in full force and effect, provided that, in the event of a conflict between any provision of this Addendum and any provision of the Agreement, the provision of this Addendum shall control.

2. GOVERNMENTAL PROVISIONS. Customer hereby represents, warrants and covenants to Company that: (a) Customer intends, subject only to the provisions of this Addendum, to remit to Company all sums due and to become due under the Agreement for the full term; (b) Customer's governing body has appropriated sufficient funds to pay all payments and other amounts due during Customer's current fiscal period; (c) Customer reasonably believes that legally available funds in an amount sufficient to make all payments for the full term of the Agreement can be obtained; and (d) Customer intends to do all things lawfully within its power to obtain and maintain funds from which payments due under the Agreement may be made, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable law. If Customer's governing body fails to appropriate sufficient funds to pay all payments and other amounts due and to become due under the Agreement in Customer's next fiscal period ("Non-Appropriation"), then (i) Customer shall promptly notify Company of such Non-Appropriation, (ii) the Agreement will terminate as of the last day of the fiscal period for which appropriations were received, and (iii) Customer shall return the Equipment to Company pursuant to the terms of the Agreement. Customer's obligations under the Agreement shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements concerning Customer's creation of indebtedness or require voter approval, nor shall anything contained herein constitute a pledge of Customer's general tax revenues, funds or monies. Customer further represents, warrants and covenants to Company that: (a) Customer has the power and authority under applicable law to enter into the Agreement and this Addendum and the transactions contemplated hereby and thereby and to perform all of its obligations hereunder and thereunder, (b) Customer has duly authorized the execution and delivery of the Agreement and this Addendum by appropriate official action of its governing body and has obtained such other authorizations, consents and/or approvals as are necessary to consummate the Agreement and this Addendum, (c) all legal and other requirements have been met, and procedures have occurred, to render the Agreement and this Addendum enforceable against Customer in accordance with their respective terms, and (d) Customer has complied with all public bidding requirements applicable to the Agreement and this Addendum and the transactions contemplated hereby and thereby.

3. LIMITATIONS. The parties intend that the collection of any damages, the exercise of any remedy, the enforceability of any indemnity, and any requirements of Customer relative to Non-Appropriation set forth in the Agreement or in this Addendum are subject to any limitations imposed by applicable law. To the extent Company's remedies for a Customer default under the Agreement include any right to accelerate amounts to become due under the Agreement, such acceleration shall be limited to amounts to become due during Customer's then current fiscal period.

4. CHOICE OF GOVERNING LAW. Notwithstanding anything in the Agreement to the contrary, the Agreement and this Addendum shall be governed by, construed and enforced in accordance with the laws of the state in which Customer is located and the parties agree to the non-exclusive jurisdiction and venue of the state and federal courts in such state.

5. MISCELLANEOUS. This Addendum, together with the provisions of the Agreement not expressly inconsistent herewith, constitutes the entire agreement between the parties with respect to the matters addressed herein, and shall supersede all prior oral or written negotiations, understandings and commitments regarding such matters. Company may in its sole discretion, accept a photocopy, electronically transmitted, facsimile or other reproduction of this Addendum as the binding and effective record of this Addendum whether or not an ink signed copy hereof is also received by Company from Customer.

IN WITNESS WHEREOF, Customer and Company have caused this Addendum to be executed by their duly authorized representatives as of the date first above written.

Company: **WELLS FARGO EQUIPMENT FINANCE, INC.**

Customer: **JACKSON COUNTY, NORTH CAROLINA**

Signature of authorized signer

Signature of authorized signer

Print Name and Title

Print Name and Title