MASTER LEASE AGREEMENT
MUNICIPAL

The Bancorp Bank, National Association ("Lessor") with offices at 3755 Park Lake Street, Orlando, FL 32803 and the undersigned City of Yucaipa ("Lessee") with offices at 34272 Yucaipa Blvd, Yucaipa, CA 92399 hereby agree as follows:

1. **Use of Lease.** Lessee may finance Lessee's acquisition of vehicles (with all accessories, individually a "vehicle" and collectively "vehicles") under this lease. When Lessee wishes a vehicle to be covered hereby, Lessee will advise Lessor and upon agreement as to the terms the vehicle will be ordered and delivered in accordance with Lessor's usual procedures. Lessee will accept a vehicle on delivery. Lessor will deliver to Lessee a Schedule reflecting the agreed terms, which Lessee will sign promptly and return to Lessor.
2. **Lease Intended for Security.** This lease is a "lease intended for security". Accordingly, Lessee grants Lessor a security interest in each vehicle, which will secure Lessee's obligations to Lessor hereunder and under any other agreement in favor of Lessor. Lessee shall insure that Lessee has vehicle ownership and that Lessor's lien is the sole lien against a vehicle, other than the lien for property and similar taxes not yet due. As between the parties, Lessee takes the vehicles, AS-IS AND WITH ALL FAULTS. Lessee acknowledges that Lessee's obligations hereunder will not be released or otherwise affected if Lessee has any problems with any vehicle or for any other reason.
3. **Payments.** The monthly payment shall be due on the tenth day of the month following delivery of the vehicle(s). Subsequent lease payments will be due on the (**10th**) of each succeeding month up to and including the month during which the term expires for the vehicle, Lessee surrenders the vehicle to Lessor pursuant to the Termination Settlement paragraph or the Settlement Value thereof becomes due in accordance with the Loss or Destruction or Remedies paragraph, whether or not Lessor has rendered an invoice for any such payment. Any other amounts due hereunder will be payable upon demand. Upon payment of all amounts due under this lease as to a vehicle and the curing of any then defaults, Lessor will release Lessor's lien in the vehicle. Lessee will pay a late charge of $25 if any amount is not paid within 10 days of the due date and interest at 1.5% per month from the due date until paid on all amounts past due.
4. **Tax Consideration**. This lease is intended to provide Lessor (or its consolidating entity) (a) tax free interest as provided by the Internal Revenue Code of 1986, as amended ("the Code") without any loss of deductibility of carrying costs and (b) similar tax exempt and deductibility treatment to the extent so provided under the laws of the State of Florida, (the "State").
5. **Left blank intentionally.**
6. **Non-Appropriation.** If no funds or insufficient funds are appropriated in any fiscal year for lease amounts due as to any vehicle and under law Lessee has a right to terminate this lease as to the related vehicle because of such non-appropriation, Lessee shall immediately notify Lessor of such occurrence, and this lease shall terminate as to such vehicle on the last day of the fiscal period for which appropriations were received, without penalty or expense to Lessee except as to related amounts herein for which funds shall have been appropriated and budgeted or are otherwise available and past due amounts and damages because of Lessee's default hereunder. Upon such termination, Lessee shall peaceably surrender possession of the vehicle to Lessor at a location contemplated in the Termination Settlement paragraph. Lessor shall have all legal and equitable rights and remedies to take possession of the vehicle. Lessee agrees (a) that it will not cancel this lease if any funds are appropriated to it, or by it, for the acquisition, retention, or operation of another vehicle performing functions similar to the vehicle for the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter and (b) that Lessee shall not give priority in the application of funds to any other functionally similar property.
7. **Titling; Registration.** Except as Lessor may title or register a vehicle, each vehicle will be titled and/or registered by Lessee as Lessor's agent and attorney-in-fact with full power and authority to register (but without power to affect title to) the vehicle in such manner and in such jurisdiction or jurisdictions as Lessor directs. Lessee will promptly notify Lessor of any necessary or advisable re-titling and/or re-registration of a vehicle in a jurisdiction other than the one in which such vehicle is then titled and/or registered. Lessee will use reasonable efforts to cause any and all documents of title will be furnished or caused to be furnished Lessor by Lessee within sixty (60) days of the date any titling or registering or re-titling or re-registering, as appropriate, is directed by Lessor.
8. **Other Duties Regarding Vehicles**. Lessee will file all returns and pay all taxes related to each vehicle or this lease. Lessee will use a vehicle in accordance with all laws and manufacturer's and insurance company instructions. Each vehicle will be permanently garaged, and not removed from that state for more than thirty (30) days or the United States, at the vehicle location set forth in the applicable Schedule A, unless Lessor consents to Lessee's movement of the vehicle. Lessee will maintain each vehicle in good condition and repair, pay all costs of operation and not make any detrimental additions or modifications. Lessee will allow Lessor to inspect any vehicle and Lessee's related records upon reasonable prior notice.
9. **Assignment.** Lessee will not sell, transfer, lend, lease or grant a further lien in any vehicle. Lessor may assign Lessor's rights hereunder without the prior written consent of Lessor, and if Lessee receives notice of an assignment, Lessee will pay any assigned amounts as directed in the notice.

10. **Loss or Destruction**. Lessee will notify Lessor of any significant damage to or the loss or destruction of vehicle. If Lessor determines the vehicle is repairable or may be replaced, Lessee will promptly repair or replace the vehicle. Otherwise Lessee will pay Lessor the sum (the "Settlement Value") of (a) all amounts then owed by Lessee to Lessor, (b) the amortized depreciated value of the original value of the vehicle set forth in the Schedule and (c) sum of two (2) rent payments. Upon such payment, Lessee's payment obligations as to the vehicle will be satisfied.
11. **Insurance; Indemnity**. Lessee will maintain physical damage insurance on the Vehicles. Lessee shall also provide liability insurance of at least $500,000 single limit. The insurance must be primary, list Lessor as loss payee and, if relevant, an additional insured, provide Lessor at least 10 days' notice of change or cancellation and be issued by an insurance company acceptable to Lessor. Lessee will provide Lessor such evidence of this coverage as Lessor may request. Lessee can self-insure for physical damage coverage and liability up to the state limit. Lessee also agrees to indemnify, defend and hold Lessor harmless against all claims, suits, losses, damages and expenses, including attorney's fees and court costs, incurred by or asserted against Lessor arising out of the Vehicles or this lease. This indemnity includes strict and vicarious liability. This indemnity excludes any claims, suits, losses, damages and expenses arising out of the Vehicles or this lease as a result of negligence or willful misconduct of the Lessor.
12. **Termination Settlement**. If the term of the lease exceeds twelve (12) months, at any time after twelve (12) months from delivery of a vehicle Lessee, upon not less than ten (10) days prior notice to Lessor and provided the lease is not in default, may surrender the vehicle to Lessor at Lessor's office address shown above or at a location mutually agreed upon by the parties for sale by Lessor as more fully set forth above. Lessee will so surrender the vehicle at such location for such sale at lease expiration. Following such surrender Lessor will sell the vehicle through Lessor's standard wholesale sales procedure for the highest bona fide bid received and open at time of sale, provided that Lessor may choose alternatively to retain the vehicle. Lessor may move the vehicle from the location where surrendered to any other location, including to Lessor's office location shown above where the vehicle is returned to another location, Lessor deems advisable and/or clean and repair the vehicle in connection with such sale in Lessor's sole discretion. If the amount received by Lessor on account of such sale or the highest bona fide bid received and open at time of crediting where the vehicle is retained, as appropriate, net in either instance of a handling charge of $150.00 and Lessor's cost of sale, including sales commissions and costs of cleaning, repairing or transporting the vehicle, is greater than the vehicle's then Settlement Value, Lessee will have no settlement obligation to Lessor as to the vehicle and the excess will be returned to Lessee after application to any amounts then owed by Lessee to Lessor; if less, Lessee will pay Lessor the difference. Alternatively, if the lease is not in default, Lessee may pay the Settlement Value and retain the vehicle free of Lessor's lien.
13. **Default**. If (a) Lessee fails to make any payment due hereunder within 10 days of the due date, (b) Lessee breaches any of its other obligations hereunder or under any other agreement under which Lessee has obligations to Lessor, (c) any warranty or representation made by Lessee to Lessor is materially incorrect or misleading when made, (d) there is a cessation of Lessee's governmental functions, or (e) insolvency proceedings are instituted by or against Lessee, this lease will be in default.
14. **Remedies**. If a default occurs, Lessor may (a) declare the Settlement Value due as to any or all vehicles, (b) exercise all rights of a secured creditor under the Uniform Commercial Code, (c) perform any obligation Lessee has failed to perform, in which case Lessee will reimburse Lessor's related costs and expenses, and (d) exercise any other rights available to Lessor under law or equity. Lessee will pay Lessor all costs and expenses, including repossession and court costs and attorneys' fees, Lessor expends in enforcing its rights. All remedies are cumulative and may be exercised separately or together from time to time. No waiver by Lessor of any default or remedy will be binding unless acknowledged by Lessor in writing.
15. **Representations**. Lessee represents that this lease has been duly authorized, executed and delivered by Lessee and constitutes Lessee's valid and binding obligation enforceable in accordance with its terms. Lessee also represents that this lease does not violate Lessee's charter documents, any agreement by which Lessee is bound or any law or obligation binding on Lessee and that Lessor's lien rights are governed by the Uniform Commercial Code. Lessor represents that is a nationally-chartered bank and eligible to conduct business in all 50 U.S. states
16. **Notices.** Any notices relating to this lease must be in writing and will be effective when deposited in the United States Mail with proper first class postage paid, addressed to the appropriate party at the respective address indicated above or at such other address of which the party has provided the other notice as contemplated in this paragraph.
17. **General Provisions**. Any security deposit set forth in a Schedule A will be held by Lessor without interest and may be applied by Lessor to any of Lessee's past due obligations hereunder. Any balance remaining will be returned to Lessee upon payment of all amounts due under this lease as to the relevant vehicle and the curing of any then defaults. Lessee will provide Lessor any further documents and information Lessor may request in connection with this lease. This lease binds the parties and their successors and assigns and constitutes the entire agreement between the parties respecting the vehicles. Any amendment must be in writing signed by the party to be bound. Any unenforceable provision shall be deemed deleted without affecting the remainder of the lease. This lease will be governed by California law. Paragraph headings are for convenience only. Time is of the essence of this lease. **The parties agree to litigation to be held in San Bernardino County only. Any waiver must be in writing.**

18. **Bank-Qualified Tax Designation**. ☐ **Initial box if this paragraph applies.** Lessee certifies that Lessee and any subordinate entities does not expect to, and will not issue more than **$10,000,000** of obligations the interest on which is excludable from the gross income of the holder thereof for federal income tax purposes during any calendar year in which a vehicle is accepted under this lease. Lessee will designate the obligations undertaken pursuant to this lease with respect to all vehicles covered hereby as "qualified tax exempt obligations" within the meaning of §265 (b)(3)(D) of the Code. Lessee agrees to take all actions required of Lessee for Lessor to have, and not to take any action which would preclude Lessee from having, available such treatment, including, without limitation, filing of an IRS Form 8038-G. If Lessor (a) loses the right to claim, does not have or does not claim (based upon the advice of the Lessor's tax counsel) such exclusion of interest or deductibility or (b) if there is disallowed, deferred or recaptured, in whole or in part, any such tax free interest or deductibility for any reason (unless due solely to Lessor's failure to claim the tax free interest or deductibility on a timely basis in the absence of such advice) or (c) there is after the date hereof any change in federal, state, local or foreign tax law or tax rates which Lessor calculates has the direct effect of reducing Lessor's net after tax return respecting this lease (any of the foregoing constituting a "Loss"), then Lessee shall pay to Lessor, on demand, an after tax amount which after payment of all taxes, interest and penalties required to be paid by Lessor, restores Lessor to the same net after tax position Lessor would have enjoyed had such Loss not occurred. Upon Lessor's being notified by any tax authority of a potential Loss, Lessor will notify Lessee promptly thereof. Lessor agrees to exercise in good faith Lessor's best efforts, as determined in the sole discretion of Lessor's tax counsel to be reasonable for Lessor, to avoid Lessee's payment of such additional amounts; provided that Lessor has sole discretion as to proceeding beyond the level of an auditing agent; and Lessor shall not take any action unless Lessee shall indemnify Lessor in advance for all costs and expenses to be incurred, including accountants' and attorneys' fees.

By signing below, Lessor and Lessee agree the terms of this lease will govern Lessor's financing of Lessee's acquisition of the vehicles.

Dated: **01/09/2026**

LESSEE City of Yucaipa	Signature _____
ADDRESS 34272 Yucaipa Blvd, Yucaipa, CA 92399	Signature _____
Signature _____	
Signature _____	
Signature _____	**LESSOR**
	Signature _____