

Supplement to Master Lease

TRAC



Lease Servicing Center, Inc. dba NCL Government Capital | 510 22nd Ave E., Suite 501 | Alexandria, MN 56308

Supplement Number **005** dated as of **March 18, 2025** to
Master Lease Number **15905** dated as of **March 31, 2021**

Name and Address of Lessee:

City of Saint Paul
15 W. Kellogg Blvd
Saint Paul, MN 55102

Notice: Lessor reserves the right to withdraw the terms of this Supplement and issue a modified Supplement without notice to Lessee if Lessor is not in receipt of a fully executed original or facsimile of this document within five (5) business days of the date of this Supplement. However, in that event, no such modifications will be binding on Lessee unless and until Lessee executes the modified document containing all such modifications.

This is a Supplement to the Master Lease identified above between Lessor and Lessee (the "Master Lease"). Upon the execution and delivery by Lessor and Lessee of this Supplement, Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the equipment described below upon the terms and conditions of this Supplement and the Master Lease. All terms and conditions of the Master Lease shall remain in full force and effect except to the extent modified by this Supplement. This Supplement and the Master Lease as it relates to this Supplement are hereinafter referred to as the "Lease".

Equipment Description: 81 (Quantity) 2021 Chevrolet Bolt EV

After Lessee signs this Lease, Lessee authorizes Lessor to insert any missing information or change any inaccurate information (such as the model year of the Equipment or its serial number or VIN) into this Equipment Description.

Equipment Location: 755 Prior Avenue North, Saint Paul, MN 55103

SUMMARY OF PAYMENT TERMS	
Initial Term (Months): 36	Total Cost: \$325,783.30
Payment Frequency: Annual	Total Basic Rent: \$393,925.26
Basic Rental Payment: \$131,308.42 plus applicable sales and use tax	Interim Rent Daily Rate: N/A
Number of Installments: 3	Cutoff Date: N/A
Advance Payments: First due on 5/1/2026	Security Deposit: N/A

The Basic Rental Payment amount, the Total Basic Rent and the Interim Rent Daily Rate set forth above were calculated based on Lessor's cost of funds within two business days of the date of this Supplement set forth above. Notwithstanding anything in this Supplement or the Master Lease to the contrary, if Lessor has not received a Delivery and Acceptance Certificate signed by Lessee covering all of the items of Equipment that are the subject of this Supplement and all other documentation and information required by Lessor, which may include, without limitation, evidence of insurance, invoices, landlord waivers and evidence of no adverse liens or security interests on the Equipment within fifteen (15) business days of the date of this Supplement, and Lessor's cost of funds has increased subsequent to the date of this Supplement, the Basic Rental Payment amount, the Total Basic Rent and the Interim Rent Daily Rate will be increased to provide the same yield to Lessor as would have been obtained if Lessor's cost of funds had not increased. The Basic Rental Payment amount, the Total Basic Rent and the Interim Rent Daily Rate shall be calculated by Lessor taking into account its cost of funds two business days prior to the date that this Lease is funded. Lessee agrees that the funding date shall not occur until Lessor has received all documentation and information required by Lessor. In such event Lessee and Lessor shall sign an amendment to this Supplement reflecting the change in Total Basic Rent, Basic Rental and Interim Rent Daily Rate.

Option to Purchase. At the expiration of the Initial Term, provided no Event of Default has occurred and is continuing, upon not less than ninety (90) days prior written notice to Lessor, Lessee shall have the option to purchase all but not less than all of the Equipment subject to this Supplement for amount equal to **2%** of the original cost of the Equipment not including the title and registration fees (the "TRAC Amount"), which is the parties' good faith estimate of the fair market value of the Equipment at the expiration of the Initial Term. Upon payment of such amount and any applicable sales tax, Lessor will convey all of its right, title and interest to the Equipment to the Lessee, WITHOUT RECOURSE OR WARRANTY WHATSOEVER, except that Lessor will convey such title as it received free and clear of any liens and encumbrances by or through Lessor.

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

Terminal Rental Adjustment Clause (TRAC):

(a) In accordance with Section 7701(h) of the Internal Revenue Code of 1986, under penalty of perjury, Lessee hereby certifies that it intends that more than 50% of the use of the Equipment is to be in a trade or business of Lessee.

(b) If the Lessee does not exercise its option to purchase the Equipment for the TRAC Amount, then during the last ninety (90) days of the Initial Term of the Lease, Lessee shall have the obligation to obtain bona fide bids for the purchase of the Equipment subject to this Supplement and shall provide Lessor with notice of each such bid. Not later than the last day of the Initial Term, Lessor shall sell such Equipment for cash on an "AS-IS, WHERE IS" basis and without recourse or warranty to the highest bona fide bidder. The proceeds of sale (the "Proceeds") shall be distributed as follows:

First, to pay to Lessor any amounts then due and payable under this Lease;

Second, to pay all sales taxes and other taxes applicable to the sale or transfer of such Equipment to the extent not paid by the buyer and to reimburse Lessor or its agent for any expenses incurred by Lessor relating to the sale;

Third, if Proceeds remaining after payment of the amounts in the preceding clauses ("Remaining Proceeds") are less than the TRAC Amount, then Lessor shall retain the Remaining Proceeds and Lessee shall pay Lessor on the last day of the Initial Term, the amount of the deficiency between the Remaining Proceeds and the TRAC Amount as an adjustment to the rent payable under this Lease, but in any event not more than **2%** of the original cost of the Equipment not including the title and registration fees.

Any amount paid to or by the Lessee pursuant to this clause shall be the "Terminal Rental Adjustment".

If the Remaining Proceeds are greater than the TRAC Amount, then Lessor shall retain the Remaining Proceeds up to the TRAC Amount and then pay to Lessee the balance of the Remaining Proceeds as an adjustment to the rent payable under this Lease.

(c) If no bona fide bids are received for the Equipment during such ninety (90) day period, then the actual fair market value of such Equipment shall be deemed to equal zero for purposes of the rental adjustment set forth herein, and Lessee shall pay to Lessor the full TRAC Amount on the last day of the Initial Term as an adjustment to the rent payable under this Lease and Lessor will convey all of its right, title and interest to the Equipment to Lessee, WITHOUT RECOURSE OR WARRANTY WHATSOEVER.

Lessee acknowledges that it has been advised that it will not be treated as the owner of the Equipment for federal income tax purposes.

Notwithstanding anything to the contrary contained herein, if the rate of interest, late payment fee, prepayment premium or any other charges or fees due hereunder are determined by a court of competent jurisdiction to be usurious, then said interest rate, fees or charges shall be reduced to the maximum amount permissible under applicable law and any excess amounts shall be applied towards the Lessee's obligations hereunder.

Amendment Regarding this Lease: For the purposes of the Lease evidenced by this Supplement only, the Master Lease is amended, as it relates to this Supplement, as follows:

1. The second paragraph of paragraph 2 (relating to automatic extension) is hereby deleted.
2. Paragraph 18 (relating to Lessor's Loss) is amended by changing "10%" where it appears therein to **2%** of the equipment cost not including the title and registration fees.

Secured Party:

**Lease Servicing Center, Inc. dba
NCL Government Capital**

Debtor:

City of Saint Paul

Dated as of March 18, 2025

By

Title

By Kyle Citta

City Attorney

Title

By Jaime Tincher

Deputy Mayor

Title

Rent Commencement Date

By Sean Kershaw

Director of Public Works

Title

By John McCarthy

Director of Office of Financial Services

Title

TRAC Delivery and Acceptance Certificate

Lease Servicing Center, Inc. dba NCL Government Capital | 510 22nd Ave E., Suite 501 | Alexandria, MN 56308

Contract Number **15905** dated as of **March 31, 2021**
Supplement Number **005** dated as of **March 18, 2025**

Name and Address of Customer:

City of Saint Paul
15 W. Kellogg Blvd
Saint Paul, MN 55102

Equipment Description: 81 (Quantity) 2021 Chevrolet Bolt EV
-Refer to "2021 Chevy Bolt EV VINs Spreadsheet"

Equipment Location: 755 Prior Avenue North, Saint Paul, MN 55103

Delivery and Acceptance Certification:

Customer, by its signature below, acknowledges and confirms to Lease Servicing Center, Inc. dba NCL Government Capital that (i) Customer has received and irrevocably accepted all of the personal property described above (the "Equipment") as of the Acceptance Date set forth below and agrees that the Equipment is now subject to the agreement referred to above, (the "Contract"); (ii) Customer shall bear all risk of loss or damage to the Equipment and shall insure the Equipment in accordance with the terms of the Contract; and (iii) Customer's obligations under the Contract are absolute and unconditional. Customer further acknowledges and agrees that Lease Servicing Center, Inc. dba NCL Government Capital may advance funds on account of the Equipment in reliance upon this certificate, and that Customer is fully obligated under the Contract.

Delivery and Acceptance Date: _____

TRAC Certificate:

Customer certifies, under penalty of perjury, that it intends that more than 50 percent of the use of the Equipment is to be in a trade or business of the Customer and that it has been advised that it will not be treated as the owner of the Equipment for Federal income tax purposes.

Customer: **City of Saint Paul**

By Kyle Citta
City Attorney
Title

By Jaime Tincher
Deputy Mayor
Title

By Sean Kershaw
Director of Public Works
Title

By John McCarthy
Director of Office of Financial Services
Title

Certification By Lessee

Lease Servicing Center, Inc. dba NCL Government Capital / 510 22nd Ave E., Suite 501 / Alexandria, MN 56308

This Certification is provided by the undersigned ("**Lessee**") in connection with that certain Lease Supplement Number. 005 dated as of March 18, 2025 between **Lease Servicing Center, Inc. dba NCL Government Capital** ("**Lessor**") and Lessee (the "**Lease Schedule**", and together with the Master Lease Agreement (the "**Master Lease**") dated as of March 31, 2021, between Lessor and Lessee, the "**Lease**").

The parties intend and agree that the Lease constitute a "qualified motor vehicle operating agreement" within the meaning of Section 7701(h) of the Internal Revenue Code of 1986, as now or hereafter amended, and this Certification is required to be provided pursuant to that Section.

Lessee hereby certifies, under penalty of perjury, that it intends that more than fifty (50) percent of the use of the Equipment (as defined in the Lease Schedule) is to be in a trade or business of the Lessee.

Lessee acknowledges that it has been advised that it will not be treated as the owner of the Equipment for Federal income tax purposes.

Lessee agrees to indemnify Lessor pursuant to the Lease for any claim, losses, costs, damages and expenses (including, without limitation, attorneys' fees and expenses) of whatsoever kind and nature resulting from Lessee's breach of the above representations and certifications.

IN WITNESS WHEREOF, Lessee has caused this Certification to be duly executed as of the [redacted] day of [redacted], 2025.

City of Saint Paul

Lessee

By Kyle Citta

City Attorney

Title

By Jaime Tincher

Deputy Mayor

Title

By Sean Kershaw

Director of Public Works

Title

By John McCarthy

Director of Office of Financial Services

Title

Certification of Authority



Lease Servicing Center, Inc. dba NCL Government Capital | 510 22nd Ave E., Suite 501 | Alexandria, MN 56308

CERTIFICATION OF AUTHORITY TO SIGN GOVERNMENTAL LEASE

Re:

Between Lease Servicing Center, Inc. dba NCL Government Capital, Lessor
And City of Saint Paul, Lessee
For Lease #15905 and all Supplements (The LEASE)

The undersigned hereby certifies that he/she has signed the LEASE; that he/she had, and continues to have, full power and authority to do so, and that he/she has followed all required administrative procedures and has complied with all legal or other provisions necessary to ensure that the LEASE is a legal and binding obligation of the LESSEE.

Date of this certification:

Lease Signatory:

Signature

X

Name

Kyle Citta

Title

City Attorney

Signature

X

Name

Jamie Tincher

Title

Deputy Mayor

Signature

X

Name

Sean Kershaw

Title

Director of Public Works

Signature

X

Name

John McCarthy

Title

Director of Office of Financial Services

Attesting Official:

Signature

X

Name

Title



Certification of Authority

Lease Servicing Center, Inc. dba NCL Government Capital | 510 22nd Ave E., Suite 501 | Alexandria, MN 56308

Please sign this document in the presence of a notary to confirm signatures. The notary may sign in the space below. If no notary is available each above signor may provide a photocopy of his/her driver's license. This is a legal document, which confirms your signatures and does NOT personally obligate you for the lease payments.

Signed before me on this day of , 2025.

X

Signature of Notary

(Stamp)

EXHIBIT C-1
PAYMENT REQUEST AND PARTIAL ACCEPTANCE CERTIFICATE

RE: Master Lease dated as of March 31, 2021, between Lease Servicing Center, Inc. dba NCL Government Capital (Lessor) and City of Saint Paul (Lessee) and Schedule No. 005 dated as of March 18, 2025 thereto.

I, the undersigned, hereby certify that I am a duly qualified representative of Lessee and that I have been given the authority by the Governing Body of Lessee to sign this Certificate of Acceptance with respect to the above referenced Master Lease and Schedule No. 005 (the "Lease"). I hereby certify that:

1. The Equipment described below (comprising part of the Equipment described on the Supplement to Master Lease) has been delivered and installed in accordance with Lessee's specifications and Lessee hereby requests and authorizes Lessor to disburse, or direct the escrow agent to disburse, to Lessee or the vendor described below net proceeds of the Lease in the amount specified by wire transfer or by check. Such amount has not formed the basis for a previous request for payment.
2. Lessee has conducted such inspection and/or testing of such Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts such Equipment for all purposes.
3. Rental Payments are due and owing as set forth on the Supplement to Master Lease.
4. Lessee has obtained insurance coverage as required under the Lease.
5. Lessee is exempt from all personal property taxes and is also exempt from sales and/or use taxes with respect to the Equipment and the Rental Payments.
6. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.

Quantity	Year	Make	Type/Style/Model	VIN/Serial Number	Price
81	2021	Chevrolet	Bolt EV	See "2021 Chevy Bolt EV VINs Spreadsheet"	\$325,783.30
				Total Cost:	\$325,783.30
				Down Payment	\$0
				Total Amount Financed	\$325,783.30

Vendor Name and Address: Lease Servicing Center, Inc. dba NCL
Government Capital

510 22nd Ave E, Ste. 501

Alexandria, MN 56308

Lessee: City of Saint Paul

By:
Name: Kyle Citta
Title: City Attorney
Date:

By:
Name: Jaime Tincer
Title: Deputy Mayor
Date:

By:
Name: Sean Kershaw
Title: Director of Public Works
Date:

By:
Name: John McCarthy
Title: Director of Office of Financial Services
Date:

LEASE PAYMENT INSTRUCTIONS

Lessee: _____

Tax ID#: _____

Invoice Mailing Address: _____

Mail invoices to the attention of: _____

Phone: _____

Fax: _____

Email: _____

Approval of Invoices required by: _____

Phone: _____

Fax: _____

Email: _____

Accounts Payable Contact: _____

Phone: _____

Fax: _____

Email: _____

Processing time for Invoices: _____ Approval: _____ Checks: _____

Do you have a Purchase Order Number that you would like included on the invoice? No ___ Yes ___
PO# _____

Description needed for Lease Payment Invoices (up to 54 characters including a PO#) : _____

Does your PO# change annually? No ___ Yes ___

Processing time for new purchase orders: _____