

MASTER OPEN-END VEHICLE LEASE AGREEMENT

MASTER OPEN-END VEHICLE LEASE AGREEMENT (“Master Lease”) is entered into as of January 22, 2019 (“Effective Date”) between COMMERCIAL VEHICLE LEASING, LP, d/b/a D&M Leasing, a Nevada limited partnership (“Lessor”) and City of North Richland Hills (“Lessee”).

1. Vehicles. Lessor will, from time to time at the request of Lessee, lease to Lessee motor vehicles (together with all parts, accessions and accessories individually a “Vehicle” and collectively the “Vehicles”) to be more fully described in schedules now or hereafter executed with reference to and incorporating therein this Master Lease (individually the “Schedule”). When Lessor accepts Lessee’s request to lease a Vehicle, Lessor will order the Vehicle, and Lessee will take delivery of the Vehicle upon notice that the Vehicle is available for delivery. The taking by Lessee of delivery of a Vehicle shall conclusively establish Lessee’s acceptance thereof for all purposes of this Master Lease. Subsequent to acceptance of the Vehicle Lessor shall provide Lessee the Schedule applicable to the Vehicle which describes the Vehicle, indicates the applicable rent and sets forth certain other matters relative to the Vehicle as determined in accordance with the prior agreement of Lessor and Lessee. Lessee will promptly execute and return the specified copies of the Schedule to Lessor. The Schedule shall constitute a separate lease incorporating the terms of this Master Lease. References in this Master Lease to the “Lease,” “this Lease”, “hereunder” and “herein” shall be construed to mean each Schedule together with this Master Lease as incorporated herein.

2. Lessee’s Obligations. Except as provided in paragraph 3 the obligations of Lessee under this Lease respecting the Vehicle commence at the earliest time any purchase order, confirming purchase order or contract of any nature transfers any interest in the Vehicle to Lessor or creates or gives rise to any obligation or liability on the part of Lessor respecting the Vehicle. Except as provided in paragraphs 4, 13 and 18 and subject to paragraph 6, the term of this Lease with respect to the Vehicle shall end upon the date Lessor no longer has any interest therein.

3. Rent and Other Payments. Lessee shall pay to Lessor, or to Lessor’s Assignee (after notice of assignment), rent for the Vehicle in the amounts and at the times set forth in the applicable Schedule, whether or not an invoice is submitted for same; provided that if this Lease is extended as to the Vehicle as contemplated in paragraph 13, subsequent to the time the portion of the Termination Value related to the Vehicle calculated as provided in paragraph 13 equals \$0, the rent shall be \$35 per month. Amounts other than rent payments due hereunder will be payable upon Lessee’s receipt of an invoice for same from Lessor or Lessor’s Assignee, or as otherwise specified in the Schedule. Any and all amounts payable hereunder will be paid to Lessor at 17090 N Dallas Parkway, Dallas, TX 75248, or as otherwise directed by Lessor or Lessor’s Assignee. Payments under this Lease may be applied to Lessee’s then accrued obligations to Lessor in such order as Lessor may choose.

4. Non-Appropriation. Notwithstanding the foregoing paragraph 3, in the event sufficient funds are not appropriated by the applicable government body or authority of Lessee for a budget period prior to the beginning of that budget period, or sufficient funds are otherwise not

legally available with respect to the rent for the budget period for one or more Vehicle(s) (a “Non-Appropriation Event”), Lessee shall have no obligation to make payments for such Vehicle(s) for that budget period and shall only be obligated to make payments for the then current budget period, including any past due amounts. If a Non-Appropriation Event occurs, this Master Lease shall terminate as of the end of the then current budget period for all Vehicles and Schedules affected by the Non-Appropriation Event. Lessee agrees to provide notice of any Non-Appropriation Event promptly. If this Master Lease is terminated in accordance with this Section with respect to some or all Vehicles and Schedules, Lessee agrees to deliver the affected Vehicles to the location(s) specified by Lessor.

5. Deposit. Lessee will have deposited or will deposit with Lessor any Deposit amount set forth in the Schedule. Lessor may, but will not be obligated to, apply any Deposit amount toward the cure of a default of Lessee hereunder or under any other agreement under which Lessee has obligations to Lessor, in which event Lessee will promptly restore the Deposit amount to the full amount originally deposited. Upon termination of the Lease, or if a default has then occurred hereunder, upon the curing thereof, Lessor will return to Lessee the remaining balance of any Deposit amount furnished by Lessee with respect to the Schedule.

6. Unconditional Net Lease; No Offset; Survival. This Lease is a net lease, and Lessee will not be entitled to any abatement of rent or other payments due hereunder or any reduction thereof under any circumstances or for any reason whatsoever. Lessee hereby waives any and all existing and future claims and offsets, against any rent or other payments due hereunder and agrees to pay such rent and other amounts as and when due regardless of any claim which may be asserted by Lessee. Lessee by agreeing to make all payments under this Lease without offset has not waived any rights Lessee may have to prosecute any claim against Lessor in an action unrelated to this Lease. This Lease is terminable only as provided herein. The respective obligations of Lessor or Lessee will not be affected, nor will Lessor have any liability whatsoever to Lessee, by reason of any failure or delay in delivery of the Vehicle, any defect in or damage to or loss or destruction of the Vehicle from whatever cause, the prohibition of Lessee’s use of the Vehicle, the interference with such use by any government, person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, any lack of right, power or authority of Lessor or Lessee to enter into this Lease or any other cause whether similar or dissimilar to the foregoing. The obligations and liabilities of Lessee hereunder respecting events occurring with respect to the Vehicle while covered hereby will survive the termination of this Lease.

7. Lessor’s Disclaimer of Warranties; Finance Lease Treatment under UCC and Waiver of UCC and Similar Rights. Lessee agrees that it has selected each Vehicle leased hereunder based upon its own judgment and disclaims any reliance upon any statements or representations made by Lessor. LESSEE ACKNOWLEDGES THAT: THE VEHICLE IS OF A SIZE, DESIGN, TYPE AND MANUFACTURE SELECTED BY LESSEE; LESSOR IS NOT THE MANUFACTURER OF THE VEHICLE; LESSOR IS NOT AN AGENT FOR THE MANUFACTURER OF THE VEHICLE; LESSOR IS NOT A DEALER WITH RESPECT TO THE VEHICLE; LESSEE IS LEASING THE VEHICLE AS-IS AND THAT ACCORDINGLY LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY EXPRESS AGREEMENT, REPRESENTATION OR WARRANTY WITH RESPECT TO THE VEHICLE AND FURTHER SPECIFICALLY DISCLAIMS ANY AGREEMENT, REPRESENTATION

OR WARRANTY IMPLIED BY LAW, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, WITH RESPECT THERETO, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. Lessor does warrant, however, that Lessor has whatever quality of title to the Vehicle Lessor obtains from the supplier thereof, subject to this Lease and any liens or encumbrances created by Lessor pursuant to paragraph 21 hereof or which Lessee is obligated to discharge or satisfy. Lessee will make any claims as to the Vehicle against the manufacturers or suppliers or other appropriate third parties, and in connection therewith Lessor agrees, so long as no event of default has occurred and is continuing hereunder, that Lessee will have the right to obtain the benefit of and enforce in Lessee's own name and at Lessee's sole expense any manufacturer's or other third party's warranty or agreement in favor of Lessor with respect to the Vehicle to the extent such warranty or agreement is assignable. Lessor will execute and deliver such instruments as may be reasonably requested by Lessee to enable Lessee to obtain such benefits.

LESSEE UNDERSTANDS AND AGREES THAT THIS LEASE WILL BE TREATED AS A "FINANCE LEASE" WITHIN THE PURVIEW OF THE UNIFORM COMMERCIAL CODE ("UCC") AND THUS UNDER LAW LESSEE WILL BE ENTITLED TO THE PROMISES AND WARRANTIES LESSOR RECEIVES UNDER THE CONTRACT EVIDENCING LESSOR'S PURCHASE OF THE VEHICLE, INCLUDING ANY MANUFACTURER, DEALER OR OTHER THIRD-PARTY WARRANTIES. LESSEE ACKNOWLEDGES THAT LESSOR HAS ADVISED LESSEE TO CONTACT THE DEALER FOR A DESCRIPTION OF THOSE PROMISES AND WARRANTIES, INCLUDING ANY RELATED DISCLAIMERS OR LIMITATIONS, INCLUDING OF REMEDIES. CONSISTENT WITH THE ASSUMPTION BY LESSEE OF ALL RISKS RESPECTING THE VEHICLE AND THE TREATMENT OF THIS LEASE AS A "FINANCE LEASE," LESSEE WAIVES ANY RIGHTS, DEFENSES AND CLAIMS AGAINST LESSOR WHICH RELATE TO THE VEHICLE ARISING UNDER THE UCC OR SIMILAR APPLICABLE LAW.

LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LOSS, DAMAGE, OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE VEHICLE OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OR OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED. LESSOR SHALL NOT BE LIABLE FOR DAMAGES OF ANY KIND INCLUDING ANY LIABILITY FOR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE VEHICLE.

8. No Agency. LESSEE ACKNOWLEDGES THAT NO AGENT OF A LEASE BROKER OR THE DEALER OF THE VEHICLE IS AN AGENT OF LESSOR. LESSOR IS NOT BOUND BY A REPRESENTATION OF ANY SUCH PARTY AND, AS CONTEMPLATED IN PARAGRAPH 26 BELOW, THE ENTIRE AGREEMENT OF LESSOR AND LESSEE CONCERNING THE LEASING OF THE VEHICLE IS CONTAINED IN THIS LEASE AS IT MAY BE AMENDED AS PROVIDED IN THAT PARAGRAPH.

9. Location; Inspection; Use. Lessee will permanently garage the Vehicle at the Garaging Location designated in the Schedule, or at such other location at which the Vehicle may be garaged with the prior written consent of Lessor, and at all times, unless Lessor otherwise consents in writing, keep the Vehicle in Lessee's possession and control. Lessee will not remove the Vehicle from the United States for any period or from the state where then garaged in accordance with this Lease for more than thirty (30) consecutive days without Lessor's prior written consent. Whenever requested by Lessor, Lessee will advise Lessor as to the exact location of the Vehicle. Lessor will have the right to inspect the Vehicle and observe its use during normal business hours, and Lessee will ensure Lessor's ability to enter into and upon the premises where the Vehicle may be located for such purpose. The Vehicle will at all times be used primarily for commercial or business purposes, exclusive of transportation for hire, and operated by duly licensed adult drivers in a careful and proper manner and in compliance with all applicable laws, ordinances, rules and regulations, all conditions and requirements of the policy or policies of insurance required to be carried by Lessee under the terms of this Lease and all manufacturer's instructions and warranty requirements. Any modifications or additions to the Vehicle required by any such governmental edict or insurance policy will be promptly made by Lessee at its own expense.

10. No Alterations. Lessee shall not make any alterations, additions or improvements to the Vehicle which detract from the Vehicle's value or functional utility without Lessor's prior written consent. All additions and improvements of whatever kind or nature made to the Vehicle which cannot be removed without detracting from the Vehicle's value or functional utility shall belong to and immediately become the property of Lessor and shall be returned to Lessor with the Vehicle upon the Vehicle's return to Lessor.

11. Vehicle Maintenance; Factory Recall. Lessee, at its own expense, will maintain the Vehicle in good repair, condition and working order, will furnish all parts, mechanisms, devices and labor required to keep the Vehicle in such condition and will pay all costs of the Vehicle's operation. All maintenance will be procured through qualified service facilities. If the manufacturer announces a recall campaign of which Lessee has knowledge for the repair and/or replacement of defective parts, Lessee shall promptly have the relevant work performed on the Vehicle by a factory-authorized dealer. Lessor will send Lessee a copy of any manufacturer's notification received by Lessor indicating that the Vehicle or any part attached thereto has a potential defect or other possibly unsafe condition unless Lessor has previously sent Lessee the same notice as to another Vehicle of the same type. Lessor has no further obligation with respect to any manufacturer's recall campaign respecting the Vehicle.

12. Loss and Damage; Termination Value. Lessee assumes the risk of loss or damage to the Vehicle and, except as provided in this paragraph, no such event will affect the duties of the parties under this Lease. If the Vehicle is lost, stolen, damaged, confiscated, requisitioned, destroyed or otherwise rendered incapable of being in service, Lessee will notify Lessor thereof within two (2) business days. If the Vehicle has been damaged, Lessor determines the Vehicle is repairable and Lessee's insurer does not declare the Vehicle a total loss, Lessee will cause the repairs to be made, and upon receipt of proof of the making thereof Lessor will reimburse Lessee's repair costs up to the amount of any insurance proceeds Lessor receives under any insurance Lessee maintains hereunder with any excess being applied as contemplated in paragraph 14. If

Lessor determines the Vehicle is not reasonably repairable, Lessee's insurer declares the Vehicle a total loss or any of the other events specified in the second preceding sentence occurs, Lessee will pay Lessor the Termination Value of the Vehicle set forth in paragraph 13. Upon such payment this Lease shall terminate, and Lessee or Lessee's insurer will be entitled to retain possession and ownership of the Vehicle on an **AS-IS, WHERE-IS** basis.

13. Lease Settlement. At any time after the expiration of one (1) year from delivery of the Vehicle to Lessee, Lessee, upon not less than thirty (30) days prior notice to Lessor, may surrender the Vehicle to Lessor, for purposes of Lessor selling the Vehicle, at a location reasonably specified by Lessor, as more fully set forth below provided the Lease is not then in default. Lessee shall so surrender the Vehicle upon expiration of the term hereof specified in the Schedule, unless Lessor and Lessee agree to extend this Lease, in which case the Vehicle will be returned on or prior to expiration of the extended term with the same thirty (30) day notice to be given if the return is prior to expiration of the extended term. Following such surrender, Lessee's obligation to make further rent payments will cease, and Lessor shall sell the Vehicle through Lessor's standard wholesale sales procedure for the highest bona fide bid received and open at the time of sale; provided Lessor may choose ultimately to retain the Vehicle. Lessor may move the Vehicle from the location where surrendered to any other location Lessor deems advisable and/or clean or 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 the time of crediting when the Vehicle is retained by Lessor, as appropriate, net in either instance of a handling charge of \$750 and Lessor's costs of sale, including sales commission costs and costs of cleaning, repairing or transporting the Vehicle, exceeds the Vehicle's then Termination Value, Lessee shall have no further settlement obligation to Lessor as to the Vehicle, and the excess shall be returned to Lessee after application to any amounts then owed by Lessee to Lessor. If the net amount is less than the Vehicle's Termination Value, Lessee shall pay Lessor the deficiency. The Termination Value of the Vehicle shall equal the sum of (a) all then due amounts hereunder other than rent and (b) the then outstanding Capitalized Cost of the Vehicle plus any accrued and unpaid lease charges. For purpose of calculating the outstanding Capitalized Cost any Capitalized Cost Reduction will be deducted at lease inception and thereafter rents will be applied as of receipt first to related taxes, then to lease charges which have accrued on the outstanding Capitalized Cost since the prior rent payment at the "level yield" rate implicit in the lease as to the Vehicle and finally to reduce the outstanding Capitalized Cost. The level yield rate will be calculated as contemplated in Financial Accounting Standards Board, Standard No. 13 for direct financing leases with reference to the net Capitalized Cost after deducting any Capitalized Cost Reduction, Residual Value, rents and term for the Vehicle and the 30 day month, 360 day year and timely payment assumptions employed under that Standard.

As an alternative to surrendering the Vehicle to Lessor, if the Lease is not in default, Lessee may purchase the Vehicle for a purchase fee of \$500 plus its then fair market value equal to its then average wholesale value. Payment of such purchase price will be subject to the same credit and deficiency rules which apply when a Vehicle is surrendered to Lessor. Any transfer of Lessor's interest in a Vehicle, whether to Lessee or a third party, shall be **AS-IS, WHERE-IS** and without any other warranty.

14. Insurance. Lessee shall keep the Vehicle insured under a standard collision and comprehensive policy providing coverage for not less than the Termination Value thereof and deductibles not in excess of \$1,000 naming Lessor and/or such other party as Lessor may designate as loss payee, and shall carry public liability and property damage insurance and uninsured motorist coverage with limits of not less than \$1,000,000 single limit covering the Vehicle and naming Lessor and such other parties as Lessor may designate as additional insureds. All said insurance shall be primary, shall name Lessee as a named insured and shall be in a form and with companies approved by Lessor. Lessee shall deliver to Lessor a certificate or other evidence of the required insurance satisfactory to Lessor. Each insurer shall agree to give Lessor at least thirty (30) days written notice before the policy in question may be altered or canceled. The proceeds of such insurance, at the option of Lessor, will be applied toward (a) the restoration or repair of the Vehicle or (b) payment of amounts due under paragraph 12 and (c) payment of other obligations of Lessee then due hereunder. Any excess of such proceeds remaining shall belong to Lessee. **To the extent Florida law may apply to an event covered by the insurance maintained hereunder, the valid and collectible liability insurance and personal injury protection of any authorized rental or leasing driver is primary for the limits of liability and personal injury protection required by §324.021(7) and 627.736 Florida Statutes.**

15. Titling; Registration. Except as Lessor may effect titling or registration, in which event Lessee will reimburse Lessor its related expenses, the Vehicle will at all times be titled and/or registered by Lessee, at its own expense and 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 the Vehicle in a jurisdiction other than one in which the Vehicle is then titled and/or registered. Lessee will use reasonable efforts to cause any and all documents of title to be furnished Lessor within sixty (60) days of the date of filing any application for titling or for re-titling of the Vehicle by or at the direction of Lessee.

16. Taxes; Fines. Lessee will pay as directed by Lessor or reimburse Lessor for all applicable taxes, including but not limited to property, excise and sales and use taxes (exclusive of federal and state taxes based on Lessor's net income, unless such net income taxes are in substitution for or relieve Lessee from any taxes which Lessee would otherwise be obligated to pay under the terms of this paragraph 16), registration and other fees, charges and assessments whatsoever, however designated, whether based on the rent or levied, assessed or imposed upon the Vehicle or upon, or in respect of, the manufacture, purchase, delivery, ownership, leasing, use, return or other disposition of the Vehicle, now or hereafter levied, assessed or imposed under the authority of a federal, state or local taxing jurisdiction, regardless of when and by whom payable. Returns required in connection with the obligations which Lessee has assumed under this paragraph 16 will, at Lessor's option, be prepared and filed by Lessor or by Lessee in such manner as Lessor may direct. Each party will upon request furnish the other a copy of any such filing made or any governmental invoice received by such party covering such obligations. If Lessee holds an exemption which would exempt Lessor and Lessee from any assessment contemplated hereby, until presentation of evidence of the exemption satisfactory to Lessor, Lessor will proceed on the assumption that the applicable assessment is due. Once Lessee has provided evidence of the exemption satisfactory to Lessor, Lessor will adjust its procedures prospectively, but no

retroactive adjustment will be made. Lessor will assign to Lessee, to the extent assignable, any claim for refund Lessor has with respect to prior payment of the subject assessment.

17. Lessor's Payment. If Lessee fails to procure or maintain insurance, to pay any taxes or other assessments required to be paid by Lessee or to perform any other obligation hereunder, Lessor shall have the right, but shall not be obligated, to effect such insurance, pay said assessments or perform such other obligation. In that event, Lessee will reimburse Lessor's cost thereof and pay Lessor a service charge of \$25.

18. Indemnification. Only to extent permissible under applicable law, Lessee agrees to indemnify, protect, defend and hold harmless Lessor from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including court costs and reasonable attorneys fees as awarded by a court of competent jurisdiction, of whatever kind and nature, incurred by or asserted against Lessor (whether or not also indemnified against by any other person) in any way relating to or arising out of this Lease or the manufacture, purchase, ownership, delivery, lease, possession, use, operation, condition, repair, return or other disposition of the Vehicle as long as such loss, claim, damage, penalty or action is not caused by the negligent acts, omissions or intentional misconduct of Lessor. Notwithstanding any of the foregoing, nothing herein shall require Lessee to create a sinking fund to satisfy any obligation under this Master Lease. Lessee agrees to give Lessor, and Lessor agrees to give Lessee, notice of any claim or liability hereby indemnified against within five (5) business days of learning thereof.

19. Default and Remedies. Any of the following will constitute an "Event of Default" hereunder: (a) Lessee's failure to pay when due any rent or other amount due hereunder, which failure continues for ten (10) days after the due date thereof; (b) Lessee's default in performing any other covenant, obligation, term or condition of this lease or any other agreement between Lessor and Lessee or default under any agreement providing security for the performance by Lessee of its obligations hereunder, provided such default continues for more than twenty (20) days, except as provided in (c) and (d) below; (c) any writ or order of attachment or execution or other legal process being levied on or charged against the Vehicle as a result of Lessee's conduct and not being released or satisfied within ten (10) days; (d) Lessee's failure to comply with its obligations under paragraph 14 or any attempted assignment of Lessee's interest in this Lease or to the Vehicle in violation of paragraph 21; (e) a final judgment for the payment of money in excess of \$100,000 being rendered by a court of record against Lessee which Lessee does not discharge or make provision for discharge in accordance with the terms thereof within ninety (90) days from the date of entry thereof; (f) death or judicial declaration of incompetency of Lessee, if an individual; (g) the filing by Lessee of a petition under the Bankruptcy Act or any amendment thereto or under any other insolvency law or law providing for the relief of debtors, including, without limitation, a petition for reorganization, arrangement or extension, or the commission by Lessee of an act of bankruptcy; (h) the filing against Lessee of any such petition not dismissed or stayed within thirty (30) days of the filing thereof and, if the latter, thereafter continually stayed or dismissed; (i) the voluntary or involuntary making of an assignment of a substantial portion of its assets by Lessee for the benefit of creditors, appointment of a receiver or trustee for Lessee or for any of Lessee's assets, institution by or against Lessee or any other type of insolvency proceeding (under the Bankruptcy Act or otherwise) or of any formal or informal proceeding for dissolution, liquidation, settlement of claims against or winding up of the affairs of Lessee, Lessee's cessation

of business activities or the making by Lessee of a transfer of all or a material portion of Lessee's assets or inventory not in the ordinary course of business; (j) the occurrence of any event described in parts (e), (f), (g), (h) or (i) hereinabove with respect to any guarantor or other party liable for payment or performance of this Lease; (k) any certificate, statement, representation, warranty or audit heretofore or hereafter furnished with respect hereto by or on behalf of Lessee or any guarantor or other party liable for payment or performance of this Lease proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified or having omitted any substantial contingent or unliquidated liability or claim against Lessee or any such guarantor or other party; (l) breach by Lessee of any other lease or agreement providing financial accommodation under which Lessee or its property is bound or (m) a transfer of effective control of Lessee, if an organization.

Upon the occurrence of an Event of Default, Lessor may exercise any one or more of the following remedies:

(n) Lessor may sue for and recover all amounts then due hereunder and as they shall thereafter become due;

(o) As liquidated damages for the loss of the bargain and not as a penalty Lessor may declare due and payable and sue for and recover a sum equal to the Termination Value plus \$500 if the Vehicle is not returned;

(p) Lessor may demand the Vehicle be returned to Lessor at a location designated by Lessor or Lessor may take possession of the Vehicle, with or without demand or notice, wherever same may be located, without any court order or process of law and without liability for any damages occasioned by such taking of possession;

(q) Lessor may sell or otherwise dispose of the Vehicle, whether or not in Lessor's possession, at public or private sale and with or without notice to Lessee and apply the net proceeds of such disposal, after deducting all costs thereof, including, but not limited to, costs of transportation, repossession, storage, refurbishing, advertising and broker's fees, to the Termination Value plus \$750, in which case the credit and deficiency rules of paragraph 13 will apply. If a disposition is by a re-lease, the proceeds of the disposition shall equal the present value of the rental stream, excluding taxes, under the new lease using as the discount rate the implicit rate in the new lease or, if none, the then most recently published Wall Street Journal Prime Rate (or its equivalent if such rate is no longer published) per annum;

(r) Lessor may retain the Vehicle and credit the reasonable value thereof, after deducting all disposition-related costs incurred to the date of crediting, to the Termination Value plus \$750, in which case the credit and deficiency rules of paragraph 13 will also apply;

(s) Lessor may cancel this Lease on notice to Lessee; and

(t) Lessor may pursue any other remedy at law or in equity.

No right or remedy conferred herein is exclusive of any other right or remedy conferred herein or by law; but all such remedies are cumulative of every other right or remedy conferred hereunder or at law or in equity, by statute or otherwise, and may be exercised concurrently or separately from time to time.

20. Lessor's Expenses. To the extent permitted by applicable law, Lessee will pay or reimburse Lessor for all costs and expenses, including repossession, Vehicle disposition and court costs and reasonable attorney's fees as awarded by a court of competent jurisdiction, not offset against amounts recovered or credited as contemplated in paragraph 19, incurred by Lessor in exercising any of its rights or remedies hereunder or enforcing any of the terms, conditions or provisions hereof. This obligation includes the payment or reimbursement of all such amounts whether an action is ultimately filed and whether an action filed is ultimately dismissed.

21. Assignment; Liens. Without the prior written consent of Lessor, Lessee shall not: (a) assign or otherwise transfer any of Lessee's rights or obligations under this Lease, (b) lend the Vehicle to any party or transfer any other interest in the Vehicle to any party by sublease or otherwise or (c) permit the Vehicle or this Lease to be subject to any lien, charge or encumbrance of any nature not created by Lessor.

Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by Lessee or any other person. Lessee's rights hereunder are not assignable and shall not be assigned or transferred by operation of law.

All rights of Lessor hereunder and in and to the Vehicle may be assigned, pledged, mortgaged, transferred or otherwise disposed of, either in whole or in part, without notice to Lessee, but always, however, subject to the rights of Lessee under this Lease. If Lessee is given notice of any such assignment, Lessee will acknowledge receipt thereof in writing and will thereafter pay any amounts due hereunder specified in said notice as directed therein. In the event Lessor assigns this Lease or the rent due or to become due hereunder or any other interest herein, whether as security for any of its indebtedness or otherwise, no breach or default by Lessor hereunder or pursuant to any other agreement between Lessor and Lessee will excuse performance by Lessee of any provision hereof, it being understood that in the event of default or breach by Lessor that Lessee will pursue any rights on account thereof solely against Lessor, that the rights of the assignee will be free of any claim or defense Lessee may have against Lessor and that Lessee will not assert against the assignee any claim or defense Lessee may have against Lessor. Without limiting the generality of the foregoing, the rights of an assignee will not be affected by any claim Lessee may have against Lessor resulting from Lessor's rejection of the Lease in a bankruptcy proceeding or Lessor's interference with Lessee's quiet enjoyment of the Vehicle. No such assignee will be obligated to perform any duty, covenant or condition required to be performed by Lessor under the terms of this Lease, and Lessee agrees that no such assignment shall be deemed to increase or change Lessee's obligations hereunder.

Subject always to the foregoing, this Lease inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors and assigns of the parties hereto.

22. Late Charge; Dishonored Check. If Lessee fails to pay any rent or any other sum to be paid by Lessee to Lessor within ten (10) days after the due date thereof, Lessee shall pay Lessor a late charge of the greater of five percent (5%) of the amount or \$35, or such lesser maximum charge as may be set by law. Lessee further will pay Lessor's then standard dishonored check charge for any payment instrument which is returned for insufficient funds.

23. Markings. If Lessor supplies Lessee with decals or other markings stating that the Vehicle is owned by Lessor, Lessee will affix and keep the same displayed on the Vehicle as directed by Lessor.

24. Additional Documents. If requested by a party, the other party shall procure and deliver to the requesting party such documents as the requesting party shall reasonably deem necessary or desirable in connection with this Lease. Without limiting the generality of the foregoing, Lessee further will furnish Lessor (a) a fiscal year end financial statement including balance sheet and profit and loss statement within one hundred twenty (120) days of the close of each fiscal year, (b) any other information normally provided by Lessee to the public and (c) such other financial data or information relative to this Lease and the Vehicle as Lessor may from time to time request.

25. Non Waiver. No covenant or condition of this Lease can be waived except by the written consent of the party whose rights are affected. Forbearance or indulgence by a party in any regard whatever shall not constitute a waiver of the covenant or condition to be performed by the other party, and, until complete performance by said party of said covenant or condition, the party to which the performance is owed shall be entitled to invoke any remedy available to that party despite such forbearance or indulgence.

26. Entire Agreement. This Master Lease and the Schedule constitute the entire agreement between Lessee and Lessor respecting the lease by Lessor to Lessee of the Vehicle, and the Master Lease and the Schedule may be amended, altered or changed only by a written agreement signed by the party to be bound.

27. Notices. Notices under this Lease shall be sufficient if in writing and given personally or mailed, U.S. mail certified postage prepaid, to the party involved at its respective address set forth below or at such address as such party may provide from time to time on notice given as provided in this paragraph. Any such notice so mailed to such address shall be effective when deposited in the United States mail, duly addressed, with postage prepaid. Notices personally delivered will be effective upon delivery.

28. Number; Joint and Several Liability. Whenever the context of this Lease requires, the singular number includes the plural. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several.

29. Titles. The titles to the sections of this Lease are solely for the convenience of the parties and are not an aid in the interpretation hereof.

30. Time. Time is of the essence of this Lease and each and all of its provisions.

31. Governing Law; Venue. This Lease will be governed by the internal laws of the State of Texas except any portions as stated herein in this Lease which apply the laws of another state. Venue for any action related hereto will be in an appropriate court in Tarrant County, Texas, to which Lessee consents.

32. Lessee's Representations and Warranties. As of the Effective Date of this Master Lease, and the date on which Lessee signs the Schedule, Lessee represents and warrants to Lessor: (a) if Lessee is a partnership, corporation, limited liability company or other legal entity: (i) Lessee is duly organized, validly existing and in good standing under the laws of the state of its formation, and is duly qualified and authorized to do business wherever the nature of its activities or properties require such qualification and authorization; and (ii) the execution and delivery of this Master Lease and the Schedule and the performance of Lessee's obligations hereunder and thereunder have been duly authorized by all necessary action on the part of Lessee; (b) each person executing this Master Lease, the Schedule or any other related document on behalf of Lessee has been duly authorized to do so (each person so signing, joins in and makes this representation and warranty along with Lessee); (c) any and all financial data and other information which Lessee has submitted, or will submit, to Lessor is, or shall be at the time of delivery, as appropriate, a true, correct and complete statement of the matters therein contained; (d) this Master Lease and the Schedule constitute legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms; (e) the Vehicle, if delivered in conjunction herewith by Lessor to a subsidiary of Lessee or to any other entity or person designated by Lessee, whether at the request of Lessee, such subsidiary, entity or person, is the Vehicle for all purposes of this Lease, and Lessee is primarily liable and shall remain primarily liable for its obligations under this Lease with respect to the Vehicle; (f) the Vehicle is essential to the governmental functions of Lessee, that Lessee has an immediate need for the Vehicle and will be used by Lessee solely for the purpose of performing one or more of Lessee's essential governmental functions consistent with the permissible scope of Lessee's governmental authority immediately after delivery and for the foreseeable future; and (g) the Vehicle will not be used in a non-governmental capacity such as by a business or for the personal use of a person or entity other than the Lessee.

Certification by Lessee under Section 7701(h)
of the Internal Revenue Code

Lessee hereby certifies under penalty of perjury that Lessee intends that more than 50% of the use of each Vehicle will be in Lessee's trade or business. Lessee further states that Lessee has been advised that Lessee will not be treated as the owner of any of the Vehicles for federal income tax purposes.

LESSEE:

City of North Richland Hills

By: _____

Name: _____

Title: _____

33. Waiver of Trial by Jury. LESSOR AND LESSEE IRREVOCABLY AND UNCONDITIONALLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT A RIGHT TO A JURY IS A CONSTITUTIONAL RIGHT, THAT THEY HAVE HAD AN OPPORTUNITY TO CONSULT WITH INDEPENDENT COUNSEL, AND THAT THIS JURY WAIVER HAS BEEN ENTERED INTO KNOWINGLY AND VOLUNTARILY BY THE PARTIES. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY THE COURT.

IN WITNESS WHEREOF, the parties hereto have executed this Master Lease as of the Effective Date set out above.

LESSOR:

COMMERCIAL VEHICLE LEASING,
LP, d/b/a D&M Leasing, a Nevada
limited partnership

By: _____
Name: _____
Title: _____

Address:
17090 N Dallas Parkway,
Dallas, Texas 75248

LESSEE:

City of North Richland Hills

By: _____
Name: _____
Title: _____

Address:
4301 City Pointe Drive
North Richland Hills, TX 76180