



May 9, 2024

Lexington Fayette Urban County Government
200 East Main Street
Lexington, KY 40507-1310

Dear Ms. Linda Gorton :

Re: STEP26079-001

Thank you for choosing STEP CG, LLC for your financing needs. Attached are the documents (outlined below) for your financing of equipment, software or other items supplied by Step CG, LLC. Please sign/initial/complete the attached doc(s) in blue ink as indicated and return a fully executed scan along with a copy of the advanced payment outlined herein to the email address below. Your second package will be sent when your equipment arrives at your facility. **EXECUTED BLUE INK ORIGINALS MUST ALSO BE RETURNED TO US AS OUTLINED BELOW.**

Document Package 1

1. Master Equipment Agreement **{Must be executed}**
2. Customer Incumbency (Doc Signer(s) middle sections – Attesting Officer – bottom section) **{Must be executed by all applicable Customer parties}**
3. Municipal Attorney Opinion of Counsel **{Must be executed by Legal Team}**
4. Billing Information Sheet **{Must be executed}** & include a copy of your executed W-9
5. {Requested} ACH – **{Request to be executed}** (Please note completing this form will result in the advance payment outlined below as well as all contractual payments to be electronically withdrawn from your account)
6. Schedule STEP26079-001 **{Must be executed}**
7. Pay Proceeds Letter **{Must be executed}**
8. Muni Amendment **{Must be executed}**
9. Insurance Verification **{A copy of this form must be sent to your insurance agent to obtain the required property and liability certificates PRIOR to final funding and commencement. Failure to provide these certificate(s) will result in your transaction being delayed. {Form must be executed}** Note: If available please upload a copy of the required certificates with this signing.

Document Package 2

10. Acceptance Certificate **{Must be executed}**

The advance payment due consists of the following:

1 Payment(s) of	*\$153,459.00	*Based on our cost of funds as of 4/19/2024 (Customer Responsible)
Sales Tax	\$ 0.00	
Processing Fee	<u>\$ 195.00</u>	
Total Advance Payment	\$153,654.00	

If ACH is not selected - Please make sure to mail in the check to the following address:

Please forward all documents and advance payment or ACH Authorization with your blue ink original signature(s) using the enclosed prepaid overnight label to:

Finance Administration Center
Attn: Alyssa Dyer
4680 Parkway Drive, Suite 300
Mason, OH 45040

Thank you for allowing STEP CG, LLC to be of service. If you have any questions or concerns, please feel free to contact me at your convenience.

Sincerely,

Alyssa Dyer

Alyssa Dyer
adyer@financeadmin.com
(513) 605-1095
Sales Support Specialist
Finance Administration Center
Vendor Finance Division
STEP CG, LLC

MASTER EQUIPMENT AGREEMENT #STEP26079

"We" or "us" or "our" means Step CG, LLC ("STEP"), an Ohio Limited Liability Company, and our successors and assigns. We are located at 4680 Parkway Drive, Suite 300, Mason, OH 45040. "You" or "your" means Lexington Fayette Urban County Government ("Customer"), a Kentucky State/Local Government. You are located at 200 East Main Street, Lexington, KY 40507-1310. You want us to provide lease, rental, or financing for equipment, other tangible items, non-tangible items including but not limited to software and licensing ("Software"), and all related parts, modifications, additions, replacements, improvements, and upgrades (together, the "Equipment") supplied by one or more vendors, dealers, licensors, or other suppliers of your choosing (together, the "Supplier"). Each lease, rental, or financing will be evidenced by a numbered schedule ("Schedule") incorporating this Master Equipment Agreement ("Master Equipment Agreement"). **Words that are capitalized but not defined in this Master Equipment Agreement have the meanings given to them in a Schedule.** This Master Equipment Agreement contains general contract provisions. A Schedule will contain deal-specific provisions such as the Equipment description and payment terms. A Schedule controls if there is a conflict between it and this Master Equipment Agreement. Each Schedule is an independent contract. This Master Equipment Agreement, together with all related documents also known as the ("Agreement"), is legally binding. When fully signed, this Master Equipment Agreement will be made in Mason, Ohio and effective as of April 19, 2024.

1. Delivery, Installation, and Acceptance. You are responsible for ensuring the delivery and installation of the Equipment. You will provide us with an acceptance certificate confirming the delivery date and the date you accept the Equipment for purposes of a Schedule. The acceptance certificate will become part of the applicable Schedule when you sign it.

2. Payments, Taxes, and Charges. Pursuant to each Schedule, you will make Payments to us on the First Payment Due Date and on the same day of each future Payment Period until you have made the Number of Payments. Payments may include charges for sales, use, and other taxes. If approved by us, Payments may also include charges for software licenses, delivery and installation charges, warranties, third-party services, and other items that you ask us to pay for or finance. Prior to schedule commencement, we reserve the right to adjust Payments by up to 15% to accommodate delivery, installation, change in invoiced cost of Equipment, or other costs. In addition, prior to schedule commencement your payment may fluctuate based on our cost of funds. You will pay us a nonrefundable processing fee of as set forth in the Schedule. You will pay us \$35 when any Payment or other amount is returned or rejected. If you fail to pay or reimburse any amount when due and the failure continues for ten days, then you will immediately pay us a late charge equal to the lesser of 10% of the overdue amount and the maximum allowed under applicable law.

3. No Warranties or Setoff. WE MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION, WARRANTY, OR ASSURANCE OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INTERFERENCE BY THIRD PARTIES, OR NON-INFRINGEMENT. WE ARE LEASING, RENTING, OR FINANCING THE EQUIPMENT AS IS AND WHERE IS. You must bring all Equipment related claims against the Equipment manufacturer, the Supplier, or other third parties. **Your obligations are absolute, irrevocable, independent, unconditional, and not subject to defense, claim, abatement, or setoff for any reason.** To the extent permitted by applicable law, you will not assert against us any claim or defense arising under the Uniform Commercial Code and your exclusive remedy against us is to maintain a separate action for direct damages if we breach our obligations under a Schedule. We will never be liable to you for lost profits or special, indirect, incidental, consequential, or punitive damages. We make no representation or warranty of any kind, express or implied, as to the tax or accounting treatment or consequences of a Schedule, its Equipment or its Payments.

4. Use, Maintenance, Repair, and Inspections. Except for mobile devices, you must keep the Equipment at the Equipment Location. You may not use the Equipment for consumer, family, household, or personal purposes. You must use the Equipment in compliance with applicable law and the manufacturer's and Supplier's recommendations and warranty terms. You will promptly notify us if any Equipment is damaged, lost, stolen or taken by the government. You will promptly repair any damaged Equipment. You will maintain the Equipment in its original condition, ordinary wear and tear from proper use excepted. You will keep the Equipment

free from all liens, encumbrances, and third-party interests except those created by us. We may inspect the Equipment and copy all related documents and records during normal business hours by providing prior notice to you of such inspection and conducting such inspection on a non-interference basis with your business operations.

5. Insurance. You assume all risk of loss beginning on the date title to the Equipment is transferred from the Supplier or, if earlier, the date the Supplier parts with possession of the Equipment. You will maintain property insurance covering the Equipment in an amount not less than the Stipulated Loss Value. You will maintain general liability insurance in an amount reasonably acceptable to us. You will send us certificates proving these coverages are in place prior to your Schedule commencement or within 5 days of our request on insurance renewals or replacement. If we do not receive this proof (except for specialty equipment, titled equipment and titled vehicles, for which we must have proof of insurance from you) we may obtain equipment protection coverage directly and you agree that you will immediately pay us our cost to do so plus an administrative fee per month. You appoint us as your attorney-in-fact, providing us a limited power of attorney to make claims for, receive payment of, and endorse all documents, checks or other drafts for loss, theft, or damage to the Equipment under insurance and you will cooperate with us and/or insurance agents for the procurement of insurance and processing of claims.

6. Security Interest. By each Schedule, you grant us a first-priority security interest in and to its Equipment and the cash, noncash, insurance, and other proceeds thereof as collateral security for your obligations under such Schedule. You authorize us to sign and file all Uniform Commercial Code financing statements and other documents and records to protect or evidence our interest. If we own or are deemed to own the Equipment, then this grant is made on a precautionary basis.

7. Assignment. You may not assign, sell, grant a security interest in, sublet, rent, allow a third party to use, or otherwise transfer any of your obligations or interest in a Schedule or the Equipment. We may assign, sell, grant a security interest in, or otherwise transfer any of our rights or interest in a Schedule or the Equipment without notice to you or your consent. You may not assert against our assignee any defense or claim that you have against us. You will sign and deliver any reasonable form of assignment acknowledgement within five business days of our assignee's request.

8. Default. The occurrence of one or more of the following is a default under a Schedule: (1) you fail to pay or reimburse any amount when due and the failure continues for five business days after you receive written notice from us, (2) you fail to perform or observe any other obligation and the failure continues for ten business days after you receive written notice from us, (3) some or all of the Equipment is lost or stolen, is taken by the government, or incurs a total loss as reasonably determined by us, (4) any representation, warranty, certification, written or oral information,


financial statement, tax return, document, or record provided by you or on your behalf was inaccurate or incomplete in any material respect when provided, (5) you change your legal name, jurisdiction of organization, or form of organization without giving us at least one month prior written notice, (6) your existence under your jurisdiction of organization is voluntarily or involuntarily canceled, dissolved, or terminated, (7) you become a party to or the subject of any liquidation, sale of all or substantially all of your assets, merger, or change in control without our prior written consent, (8) you voluntarily or involuntarily take action under, or become the subject of, any bankruptcy, insolvency, reorganization, or similar law, (9) any guarantor is in default under any guaranty provided to us, or (10) a material adverse change occurs in the financial condition or business of you or any guarantor.

9. Remedies. We may do one or more of the following upon a default under a Schedule: (1) terminate the Schedule and your rights, but not your obligations, (2) immediately recover from you, as liquidated damages for loss of bargain and not as a penalty, the Stipulated Loss Value, (3) render unusable or repossess the Equipment with or without judicial or other process, (4) sell, lease, or dispose of the Equipment without limiting our right to recover any deficiency from you, (5) immediately recover from you all amounts incurred by us relating to your default, including, but not limited to, applicable taxes, repossession costs, insurance premiums, repair costs, remarketing commissions, filing fees, and attorneys' fees, and (6) exercise all other rights available under applicable law. All remedies are cumulative. If we sell, lease, or dispose of the Equipment we will apply the net proceeds, as reasonably determined by us, to your obligations under the Schedule. We will retain any surplus if we own or are deemed to own the Equipment. If we do not own or are deemed not to own the Equipment, then we will remit any surplus to you. You will pay us interest on unpaid amounts due at a rate equal to the lesser of 1.5% per month and the highest rate allowed under applicable law.


11. Miscellaneous. You will send us up-to-date financial statements, tax returns, and other information promptly after our request, and

you will take additional actions reasonably requested by us. You authorize us, on our behalf and as your agent, to insert or revise blank or incorrect dates, serial numbers, or other information in a Schedule or any related document or record, including, but not limited to, the acceptance certificate. Time is of the essence. Section headings will not affect the interpretation of any provision. The provisions in this Master Equipment Agreement, a Schedule, and all related documents and records supersede all previous agreements, quotes, proposals, and other understandings, written or oral, and are a complete statement of the agreement with respect to the Equipment. If any part of these provisions is unenforceable, the remaining parts will remain in full force and effect and the court will rewrite the unenforceable portion to give it maximum effect. No amendment or waiver of any provision will be effective unless it is in writing and signed by one of our officers. All communications that you are required to send us in writing must be signed by an authorized representative, require our signature to confirm delivery, and be sent to our "Legal Department" at our location above. This Master Equipment Agreement, a Schedule, and all related documents and records will be governed by Kentucky law without regard to conflict-of-law principles. Any litigation or other proceeding may be brought in the state or federal courts covering Lexington, Kentucky. You submit to the nonexclusive jurisdiction of these courts and waive all existing and future objections to venue and convenience of forum. YOU WAIVE YOUR RIGHT TO A JURY TRIAL IN ANY LITIGATION OR OTHER PROCEEDING INVOLVING US. This Master Equipment Agreement may be signed in counterparts, either via ink or electronically as directed solely by us. Signatures on this Master Equipment Agreement transmitted by fax, email, or an electronic document management system chosen solely by us will be originals for all purposes, except to the extent that a Lease constitutes "chattel paper" under the UCC; in that case, no security in the Lease may be created in any Document other than the one signed by both parties in ink or, if electronic, designated "Original" and stored and issued solely by our electronic document management system.

STEP CG, LLC

Signature: 
Print Name: Jeanette N. Dannenfels
Title: SVP and General Counsel

Lexington Fayette Urban County Government

Signature: 
Print Name: Linda Gorton
Title: Mayor

INCUMBENCY CERTIFICATE

APRIL 19, 2024

"We" or "us" or "our" means STEP CG, LLC ("STEP"), a Delaware Corporation, and our successors and assigns. "You" or "your" means the undersigned individual of Lexington Fayette Urban County Government ("Company"). The Company wants us to provide Equipment lease, rental, or financing pursuant to Master Equipment Agreement #STEP26079 dated April 19, 2024 and all existing and future Schedules, acceptance certificates, and other related documents and records (together, the "Agreements"). Words that are capitalized but not defined in this Incumbency Certificate have the meanings given to them in the Agreements. You certify to us that:

1. You are familiar with the books, records, and governing documents of the Company.
2. You have received, or will receive, forms of the Agreements from the Company.
3. The Company: (a) is, and will remain at all times, duly organized, validly existing and in good standing under the laws of the state of its organization; (b) has, and will have at all times, full power, authority and legal right to sign, deliver and perform the Agreements and such actions have been, and will be, duly authorized by all necessary action of the Company; and (c) the Agreements have been, and will be, duly signed and delivered by the Company and each such Agreement constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms.
4. You are an authorized representative of the Company or, if applicable, its general partner, manager, or other entity authorized to act on the Company's behalf. The following individuals are officers, employees, or agents of the Company. Each such individual is authorized, whether acting together or alone, to sign and deliver the Agreements on the Company's behalf. Next to each individual's Name and Title(s) is his or her signature.

<u>Name</u>	<u>Title(s)</u>	<u>Signature</u>
Linda Gorton	Mayor	Linda Gorton
_____	_____	_____
_____	_____	_____

5. We may rely on this Incumbency Certificate until the Company gives us written notice that we may no longer do so.

Signatures on this Incumbency Certificate transmitted by fax, email, or an electronic document management system chosen solely by us will be originals for all purposes.

Signature: Abigail Allan
Print Name: Abigail Allan
Title: Council Clerk
Corporate Officer other than Signer(s) above

MUNICIPAL ATTORNEY
OPINION OF COUNSEL
April 24, 2024

Installment Payment Agreement #STEP26079-001

Dated: 5/24/24

We are legal counsel for Lexington Fayette Urban County Government ("Municipality"), a political subdivision of the State of Kentucky ("State"). In that capacity, we have examined a record of the proceedings of Municipality in connection with the execution of the Installment Payment Agreement dated April 19, 2024 ("IPA"). Based upon that examination, we are of the opinion that:

1. The Municipality is a public body corporate and political, or a political subdivision thereof, legally existing under the laws of the State.
2. The IPA and all other documents executed pursuant thereto shall have been authorized by the Municipality and have been properly executed and delivered by authorized officers of the Municipality, and constitute legal, valid and binding agreements of the Municipality, enforceable in accordance with their terms, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

COUNSEL: Michael S. Cravens

SIGNATURE: Michael S. Cravens

LAW FIRM: LFUCG - Dept of Law

ADDRESS: 200 E. Main St

Lexington, Ky 40507

BILLING INFORMATION

*****PLEASE COMPLETE AND RETURN THIS FORM TO US*****

"We" or "us" or "our" means STEP CG, LLC ("STEP"), an Ohio Limited Liability Company, and our successors and assigns. "You" or "your" means Lexington Fayette Urban County Government ("Customer"), a Kentucky State/Local Government. You want us to provide lease, rental, or financing for the Equipment to Master Equipment Agreement #STEP26079 dated April 19, 2024. Words that are capitalized but not defined in this Billing Information form have the meanings given to them in the Agreement.

Please Verify or fill in all items or mark them as N/A.

BILLING / ACCOUNTS PAYABLE INFORMATION

Federal Employer Identification Number as outlined on W-9:		Please attach a current executed copy of your W-9	
DBA:			
Contact Name:			
Title:			
Phone:			

IF WE ELECT TO SEND INVOICES OR BILLING NOTICES, PLEASE VERIFY THE INFORMATION BELOW

Address:	200 East Main Street,		
	Lexington, KY 40507-1310		
Department:	Attn: Accounts Payable		
Phone:			
Your PO# Required? <i>(Please Provide #)</i>			
Additional Routing/ Processing Requirements? <i>(Please Specify and attach additional pages if necessary)</i>	INCLUDE ALL SPECIFIC INVOICE REQUIREMENTS HERE.		
	LATE PAYMENTS OR NON-PAYMENT DUE TO YOUR FAILURE TO PROVIDE US WITH YOUR INVOICING REQUIREMENTS CAN LEAD TO DEFAULT AND RECOVERY ACTION AGAINST YOU.		

OR

Email:			
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REQUESTED ACH AUTHORIZATION

The undersigned ("Customer") hereby authorizes STEP CG, LLC ("STEP") and its affiliates, successors, and assigns (collectively, "Company") to initiate debit entries to Customer's account indicated below at the financial institution named below ("Financial Institution") for any and all rent payment(s) and other amounts due including but not limited to all costs, charges, and fees payable to Company by Customer as outlined under Master Equipment Agreement #STEP26079 dated April 19, 2024 and any Schedules under this Master Equipment Agreement. Customer acknowledges that the origination of ACH transactions to Customer's account must comply with the provisions of U.S. law.

(Financial Institution Name) (Branch)

(Address) (City, State) (Zip)

Company Name on Business Checking Account: _____

Account Number at Financial Institution _____

Financial Institution Routing Number _____
(Please verify the routing number with your bank, as it is not always the same as the number on your check.)

This authority shall remain in full force and effect until Company has received written notification from Customer of the termination of such authority in such time and manner as to afford Company and Financial Institution a reasonable opportunity to act on it.

Lexington Fayette Urban County Government

Signature: Linda Gorton
Print Name: Linda Gorton
Title: Mayor

**PLEASE ATTACH A COPY OF VOIDED CHECK HERE OR COPY OF BANK LETTER
VERIFYING THE ABOVE INFORMATION (REQUIRED)**

**SCHEDULE #STEP26079-001
"INSTALLMENT PAYMENT AGREEMENT"**

This Schedule ("Schedule") incorporates Master Equipment Agreement #STEP26079 dated April 19, 2024 ("Master Equipment Agreement"). "We" or "us" or "our" means STEP CG, LLC ("STEP") an Ohio Limited Liability Company, and our successors and assigns. We are located at 4680 Parkway Drive, Suite 300, Mason, OH 45040. "You" or "your" means Lexington Fayette Urban County Government ("Customer"), a Kentucky State/Local Government. You are located at 200 East Main Street, Lexington, KY 40507-1310. You want us to provide capital lease financing for tangible items, non-tangible items, and all related parts, modifications, additions, replacements, improvements, and upgrades (together, the "Equipment") supplied by one or more vendors, dealers, licensors, or other suppliers of your choosing (together, the "Supplier"). Words that are capitalized but not defined in this Schedule have the meanings given to them in the Master Equipment Agreement.

EQUIPMENT DESCRIPTION						
Qty	Description	Serial #(s)	Location Address	City	State	Zip
2	Palo Alto Networks : PA-3430		200 East Main Street	Lexington	KY	40507-1310
1	PA-3430 Core Security Subscription Bundle and GlobalProtect subscription	N/A	200 East Main Street	Lexington	KY	40507-1310
2	Palo Alto Networks : PA-3440		200 East Main Street	Lexington	KY	40507-1310
1	PA-3440 Advanced Threat Prevention subscription	N/A	200 East Main Street	Lexington	KY	40507-1310
1	Engineering Services	N/A	200 East Main Street	Lexington	KY	40507-1310
PAYMENT		PAYMENT PERIOD	NUMBER OF PAYMENTS	("BASE RENT COMMENCEMENT DATE") FIRST PAYMENT DUE DATE		
\$153,459.00 (Excluding S/U Tax)		ANNUAL	4	The first day of the month immediately following the Acceptance Date (unless the Acceptance Date is on the first day of a month, in which case the Base Rent Commencement Date will be the Acceptance Date)		
PROCESSING FEE						
\$195.00						
STIPULATED LOSS VALUE						
The sum of (1) all accrued and unpaid amounts, (2) the present value of all remaining Payments to be paid by you discounted at the rate of 2% per year, and (3) applicable taxes.						
This Agreement will be deemed automatically renewed by you each year (your fiscal year) unless earlier terminated by you due to non-appropriation as otherwise provided in the Addendum hereto.						

A. Reporting and Remitting Taxes. Except to the extent included in or assessed upon Payments, and except for taxes assessed on our net income, you will timely report and remit all taxes related to this Schedule and the Equipment.

B. GRANT OF SECURITY INTEREST. To secure Customer's obligations hereunder, Customer hereby grants to STEP a continuing first priority security interest in all of the rights, benefits, interests, and remedies of Customer granted under the license and with respect to the Software, including any right to a refund, indemnification, and/or abatement from Supplier. Customer hereby authorizes STEP to file such UCC-1 financing statements as STEP determines is necessary or desirable to perfect such security interest.

C. Warranties from Third Parties. It is your sole obligation to ensure you are the beneficiary of any warranty you desire from the Equipment manufacturer, the Supplier, or anyone else.

D. Interim Rent. On the First Payment Due Date you will pay us, in addition to the first Payment, a pro rata payment equal to 1/30th of the Payment amount multiplied by the number of days from the acceptance date on the acceptance certificate to the First Payment Due Date. *For payments that are scheduled in arrears, there is no Interim Period between acceptance and the First Payment Due Date; therefore, Interim Rent will not apply.*

E. Quiet Enjoyment. Except for our inspection rights and our rights upon a default, we will not interfere with your quiet enjoyment of the Equipment.

F. No Early Termination and Prepayment. Unless specifically provided for by, and subject to the terms of, this Schedule, you may not cancel, repudiate, or terminate this Schedule. Prepayment is only allowed provided no event of default has occurred or is occurring, and if all outstanding billed and future unbilled payments over the balance of the term of this Agreement are received and any outstanding charges are paid, and will equal all amounts then due under the agreement together with the present value of the remaining unpaid payments due over the balance of the term of this Agreement, discounted at an annual rate of 2%, as determined by us in our sole discretion.

G. Your Representations and Warranties. You represent and warrant to us that: (1) you are duly organized, validly existing and in good standing under the laws of the state of your organization and you are qualified to do business under the laws of the state in which the Equipment is located; (2) you have full power, authority and legal right to sign, deliver and perform this Schedule and the Master Equipment Agreement and such actions have been duly authorized by all necessary company action; and (3) this Schedule and the Master Equipment Agreement have been duly signed and delivered by you and each such agreement constitutes a legal, valid and binding obligation of you enforceable in accordance with its terms.

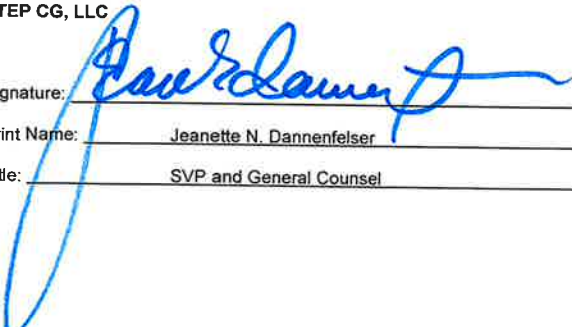
H. USA PATRIOT ACT NOTIFICATION. The following notification is provided to you pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318: IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. What this means for you: When you open an account, if you are an individual, we will ask for your name, tax payer identification number, residential address, date of birth, and other information that will allow us to identify you, and if you are not an individual, we will ask for your name, taxpayer identification number, business address, and other information that will allow us to identify you. We may also ask, if you are an individual, to see your driver's license or other identifying documents, and if you are not an individual, to see your legal organizational documents or other identifying documents.


I. Usury. You represent and warrant to us that the interest payable under this Schedule does not violate any laws of any applicable jurisdiction relating to usury ("Usury Laws"). Regardless of any provision in this Schedule, we will not be entitled to receive, collect or apply, as interest on the unpaid principal amount of this Schedule ("Outstanding Principal"), any amount in excess of the Maximum Amount (the "Excess"). "Maximum Amount" means the maximum amount of interest which would have accrued if the Outstanding Principal from time to time had borne interest each day at the maximum amount of interest which we are permitted to charge on the Outstanding Principal under the Usury Laws. If we ever receive, collect or apply as interest any Excess, such Excess shall be deemed a partial repayment of principal and treated hereunder as such; and if principal is paid in full, any remaining Excess will be paid to you. In determining whether or not the interest paid or payable under any specific contingency exceeds the Maximum Amount, we will, to the maximum extent permitted under the Usury Laws, (a) characterize any non-principal payment as an expense, fee or premium rather than as interest, (b) exclude voluntary prepayments and the effect thereof, and (c) amortize, prorate, allocate and spread in equal parts, the total amount of interest throughout the entire contemplated term of this Scheduler so that the interest rate is uniform throughout the entire term of this Schedule.

J. Signatures. You must sign this Schedule in ink or electronically as directed solely by us. If in ink, it may be executed in counterparts which together will constitute an original. You may send us your ink-signed counterpart by mail, overnight courier, fax, email, or other method acceptable to us. The version of this Schedule with each party's: 1) true ink signature, or 2) electronic signatures that has been generated and stored solely by us, will be the only original for designation as "chattel paper" under the UCC. We will finance the Equipment to you only after (1) we have received signed copies of this Schedule, an acceptance certificate, and all other documents and records requested by us, (2) we have paid the Supplier, and (3) we have signed this Schedule. Until then, this Schedule will be an irrevocable offer from you, and we will have no obligation or liability to you, the Supplier, or anyone else. When fully signed, this Schedule will be made in Mason, Ohio and effective as of April 19, 2024.

STEP CG, LLC

Lexington Fayette Urban County Government

Signature: 
 Print Name: Jeanette N. Dannenfelser
 Title: SVP and General Counsel

Signature: 
 Print Name: Linda Gorton
 Title: Mayor

PAY PROCEEDS DIRECTION

TO: STEP CG, LLC
4680 Parkway Drive, Suite 300
Mason, OH 45040

RE: Schedule #STEP26079-001 between Lexington Fayette Urban County Government ("Customer") and STEP CG, LLC ("STEP").

Except for any applicable taxes that we assume full responsibility and liability for, you are hereby irrevocably instructed to disburse from the proceeds of the Schedule Agreement evidenced by the above-referenced instruments the respective amounts to the respective payees designated below:

<u>AMOUNT</u>	<u>PAYEE NAME AND ADDRESS</u>
\$557,586.80	Step CG, LLC 525 W Fifth Street, Suite 332 Covington, KY41011
\$ 0.00	Customer is responsible to pay all applicable sales/use tax directly to the State.
\$	
\$	

Disbursement by you in accordance with the foregoing instructions shall be and constitute payment and delivery to and receipt by Summit of any and all of such proceeds.

NOTE: SIGNER OF THIS ADDENDUM MUST BE THE SAME AS ON THE FRONT OF THE SCHEDULE AGREEMENT. Signatures on this Pay Proceeds Direction transmitted by fax, email, or an electronic document management system chosen solely by us will be originals for all purposes.

Lexington Fayette Urban County Government

Signature: Linda Gorton
Print Name: Linda Gorton
Title: Mayor

We are not able to provide insurance for certain specialty equipment & thresholds. Please make sure you send in proof of insurance that meets the below requirements with your original documents.

Pursuant to Section 5 of your Master Equipment Agreement, You will maintain property insurance covering the Equipment at all times in an amount not less than the Stipulated Loss Value. You will maintain general liability insurance at all times in an amount not less than \$1,000,000 per occurrence, and 2,000,000 aggregate. You will send us certificates proving these coverages are in place before we enter into the Schedule and no later than five business days after any future request.

You will obtain and maintain these insurance coverages from one or more nationally recognized, reputable insurance companies acceptable to us and our assignee (if any) in their absolute discretion. Each insurance policy will provide that it may not be cancelled or materially modified without one month prior written notice to us and our assignee (if any) and that it may not be cancelled or invalidated by any action or inaction of you.

Equipment Descriptions, Locations and values:

Note: Equipment location & deductible must be referenced on Property Insurance Certificate

Qty	Description	Serial Number(s)	Equipment Location	City	State	Zip	Extended Cost
2	Palo Alto Networks : PA-3430		200 East Main Street	Lexington	KY	40507-1310	\$46,746.00
1	PA-3430 Core Security Subscription Bundle and GlobalProtect subscription	N/A	200 East Main Street	Lexington	KY	40507-1310	\$258,177.60
2	Palo Alto Networks : PA-3440		200 East Main Street	Lexington	KY	40507-1310	\$54,331.20
1	PA-3440 Advanced Threat Prevention subscription	N/A	200 East Main Street	Lexington	KY	40507-1310	\$138,332.00
1	Engineering Services	N/A	200 East Main Street	Lexington	KY	40507-1310	\$60,000.00

Please provide us with a certificate(s) of insurance as follows:

INSURED:

Lexington Fayette Urban County Government
200 East Main Street
Lexington, KY 40507-1310

LENDERS LOSS PAYEE :

STEPCG, LLC. its Successors and/or Assigns (ISAOA)
4680 Parkway Drive, Suite 300
Mason, OH 45040

Please make sure you send proof of insurance that meets the above requirements with your documents.

MUNICIPAL AMENDMENT
April 19, 2024

This Amendment ("Amendment") is entered into between STEP CG, LLC ("STEP"), an Ohio Limited Liability Company, and Lexington Fayette Urban County Government ("Customer") a Kentucky State/Local Government.

Recitals

- A. STEP and Customer are parties to Schedule No. STEP26079-001 ("Agreement").
- B. STEP and Customer desire to enter into this Amendment to amend and/or supplement the Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that:

- 1. Definitions. Words and phrases capitalized but not defined herein have the meanings given to them in the Agreement.
- 2. Amendment and/or Supplement. The following terms and conditions are hereby added to the Agreement:

(A) Customer represents and warrants to STEP that (i) Customer is authorized by applicable law and any required governing resolutions to enter into and perform its obligations under the Agreement, (ii) you are a body politic and have statutory authority to enter into this transaction and you carry out its obligations; (iii) you have authorized the execution of this Agreement by your appropriate officials; (iv) you have never failed to appropriate or make available funds sufficient to pay rental or other payments coming due under any lease purchase, installment sale, or other similar agreement; (v) you warrant this lease as a "bank qualified tax-exempt obligation" as defined in section 265(b)(3)(B) of the Internal Revenue Code and represent that the aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by you and your subordinated entities during the calendar year in which we fund this Agreement is not reasonably expected to exceed \$10,000,000' and (vi) you and all of your subordinate entities will not issue in excess of \$10,000,000 of qualified tax-exempt obligations (including this Agreement but excluding private activity bonds other than qualified 501(c)(3) bonds) during the calendar year in which we fund this Agreement without first obtaining an opinion of counsel in the area of tax-exempt municipal obligations acceptable to us that the designation of this Agreement as a "bank-qualified tax-exempt obligation" will not be adversely affected. all legal requirements have been met, and procedures have been followed, including, but not limited to, any required public bidding, in order to ensure the enforceability of the Agreement, (iii) the Equipment and/or Software subject to the Agreement will be used by Customer only for essential governmental or proprietary functions of Customer consistent with the scope of Customer's authority and will not be used in a trade or business of any person or entity, by the federal government, or for any personal, family or household use, (iv) Customer's need for the Equipment and/or Software subject to the Agreement is not expected to diminish during the term of the Agreement, and (v) Customer has funds available to pay all amounts due or payable under the Agreement until the end of its current appropriation period, and it intends to, and will make a good faith effort to, request funds to make the foregoing payments in each appropriation period from now until the end of the term of the Agreement.

(B) If sufficient funds are not appropriated to pay all amounts due or payable under the Agreement, the Agreement will terminate (subject to the terms and conditions that survive) and Customer will not be obligated to make the foregoing payments beyond the then-current fiscal year for which funds have been appropriated. Upon such an event, Customer will, no later than the end of the fiscal year for which the foregoing payments have been appropriated, peaceably, promptly, and at its cost deliver possession of the Equipment and/or Software subject to the Agreement to STEP. If Customer fails to deliver possession of the Equipment and/or Software subject to the Agreement to STEP, the termination will nevertheless be effective but Customer will be responsible for the payment of damages in an amount equal to the portion of the foregoing payments thereafter coming due that is attributable to the number of days after the termination during which the Customer fails to deliver possession and for any other loss suffered by STEP as a result of Customer's failure to deliver possession as required. Customer will notify STEP in writing within ten days after the failure of Customer to appropriate funds sufficient for the payment of the foregoing payments.


(C) Unless you have provided us with valid evidence of an exemption, you agree to pay any license or registration fees, gross receipts, taxes, assessments, charges and sale, sue , property, excise and other taxes imposed by any governmental agency upon the Equipment. Any fees, taxes or other lawful charges paid by us or our assigns for you shall become immediately due from you to us or our assignee. If you lose your eligibility for the "Small Issuer Exemption" during the calendar year or this transaction is deemed by any tax authority not to be tax exempt from federal and/or state income taxation, you agree that the implicit interest rate and corresponding monthly interest payment will be increased to preserve our originally anticipated yield.


3. Miscellaneous. Except as set forth in Section 2, the terms and conditions of the Agreement are not amended and/or supplemented hereby, and the terms and conditions of the Agreement are hereby ratified and confirmed. No amendment of or supplement to the terms of this Amendment will be effective unless it is in writing and executed by authorized representatives of the parties.

IN WITNESS WHEREOF, the undersigned have executed this Amendment effective as of the date first set forth above.

STEP CG, LLC

Lexington Fayette Urban County Government

Signature: 
 Print Name: Jeanette N. Dannenfels
 Title: SVP and General Counsel

Signature: 
 Print Name: Linda Gorton
 Title: Mayor