

**TARRANT CITY COUNCIL MEETING
CITY HALL COUNCIL CHAMBERS
REGULAR MEETING
FEBRUARY 2, 2026**

AGENDA

REGULAR SESSION - 6:30PM

I. PRAYER

II. PLEDGE OF ALLEGIANCE

III. CALL TO ORDER

IV. ROLL CALL

V. APPROVAL OF THE MEETING AGENDA

- A. Approval of Agenda for Council Meeting of February 2, 2026

VI. APPROVAL OF MINUTES FROM PRIOR MEETINGS

- A. Approval of Minutes from the Council Meeting of January 5, 2026

VII. REPORT OF COMMISSIONS, COMMITTEES, OR BOARDS (IF ANY)

A. Report of Officers:

1. Mayor's Report
2. Department Head Report

- B. Report of City Councilors / Council Comment

VIII. CONSENT AGENDA

IX. PUBLIC HEARINGS (IF ANY)

X. UNFINISHED OR "OLD" BUSINESS

XI. NEW BUSINESS

- A. Ordinance No. 1171 -An Ordinance Prohibiting the Use of Engine Compression Brakes Within the Corporate Limits of the City of Tarrant, Alabama.
- B. Resolution No. 9377 -A Resolution Authorizing the City of Tarrant to Renew its Membership in the National league of Cities.
- C. Resolution No. 9378 -A Resolution Pre-Approving of and Authorizing Travel for Mayor Tracie B. Threadford, Councilwoman Valarie McClellan, Councilman John T. Bryant, and Mayors Assistant Tracy Wright to Attend the Alabama League of Municipalities 2026 Annual Convention.
- D. Resolution No. 9379 -A Resolution Encouraging the Alabama Legislature, to Oppose, any Legislative Changes that would Disrupt SSUT Program's Operations and Supporting Jefferson County's in it's Position Against Altering or Amending the SSUT as Currently Implemented.
- E. Resolution No. 9380 -A Resolution Approving of the Disposition and Conveyance of the Property Located at 2518 and 2528 Commerce Way to Montgomery Commercial Lease Agreement Dated August 8, 2016.
- F. Resolution No. 9381 -A Resolution Proclaiming February, 2026 to be American Heart Month.
- G. Vouchers and Expenses Ending February 2, 2026.

XII. PUBLIC COMMENT

XIII. ADJOURN

CITY OF TARRANT, ALABAMA

Ordinance No. 1171

AN ORDINANCE PROHIBITING THE USE OF ENGINE COMPRESSION BRAKES WITHIN THE CORPORATE LIMITS OF THE CITY OF TARRANT, ALABAMA.

Whereas, the City of Tarrant is a municipality formed under the laws of Alabama which has been which has been vested with a portion of the state's sovereign power to protect the health, safety, and welfare of its citizens pursuant to Ala. Code § 11-45-1; and

Whereas, the City has received complaints from residents about the braking noise generated by semi tractor/trailers while traveling through City of Tarrant; namely, the residents have complained that the noise from trucks using an Engine Compression Brake, or "jake brake," for the purposes of reducing speed is loud and poses a negative effect to the residents' right to peaceful enjoyment of their property; and

Whereas, the loud noise generated from the use of Engine Compression Brakes occurs at all hours, including those hours at night when most citizens of the City are asleep; and

Whereas, in considering the most appropriate action, other municipalities within the state and within the area have restricted or otherwise prohibited the use of Engine Compression Brakes within their corporate limits; and

Whereas, the City Council of the City of Tarrant finds it in the best interest of the health, safety, and welfare of its citizens to prohibit the use of Engine Compression Brakes within the City.

Now, therefore, be it ordained by the City Council of the City of Tarrant, Alabama, while in regular session on Monday, February __, 2026, at 6:30pm, a quorum duly assembled as follows:

Section 1. Short Title and Purpose.

This ordinance is to be known and cited as the "Tarrant Braking Noise Ordinance," is enacted to protect, preserve, and promote the safety and welfare of the citizens of the City of Tarrant, Alabama.

Section 2. Definitions.

"Engine Compression Brake" shall mean any device that utilizes compression and/or rapid release of compressed air in the cylinders of diesel engines to slow or stop vehicle speed.

"Noise Baffling Device" shall mean a properly functioning muffler or engine exhaust silencer that eliminates the offensive and disturbing noise caused by use of engine compressions brakes. The muffler or engine exhausts silencer must reduce the noise to levels meeting vehicle noise emissions standards set or authorized by the Noise Control Act (42 U.S.C. § 4901 et seq.) and the United States Environmental Protection Agency and must also comply with all other federal, state, and local laws and regulations relating to vehicle noise levels.

"Public Safety Vehicle" shall mean authorized emergency vehicles as defined in Ala. Code § 32-1-1.1

Section 3. Operation of Engine Compression Brakes Prohibited.

A. It shall be unlawful and a violation of the ordinance of the City for the operator of any motor vehicle to engage or allow to be engaged, to operate, or to use an Engine Compression Brake while the vehicle is operated on any public roadway within the corporate limits of the City of Tarrant.

B. This section shall not apply to the operation of the following vehicles:

1. A Public Safety Vehicle;
2. A vehicle where the operator of the vehicle utilizes the Engine Compression Brake in order avoid or mitigate an accident or collision;
3. A vehicle equipped with a Noise Baffling Device;
 - i. A law enforcement officer or other competent witness may give his or her opinion based on direct and personal observation as to whether a vehicle had a properly functioning Noise Baffling Device.

Section 4. Penalty.

Any person convicted of violating the provisions of the ordinance shall be guilty of an offense against the City and shall be punished by a fine not to exceed \$500.00 and / or a sentence not to exceed ten (10) days in the City jail plus any and all costs of court.

Section 5. Severability.

The provisions of this ordinance are severable. If any provision of the ordinance shall be found to be invalid, the remaining provisions shall not be affected and shall remain in full force and effect.

Section 6. Enactment and Other Provisions.

A. The City of Tarrant is authorized but is no way required to place informational and traffic signage in appropriate locations to assist in the notice and enforcement of this ordinance. Whether or not a sign is in place shall have no bearing on charge or conviction. Such signage indicating that all Engine Compression Brakes are prohibited in the City is for informational purposes only.

B. This ordinance shall become effective upon its passage and publication as provided by law.

Adopted and approved this the ____ day of February, 2026.

Approved:

Tracie B. Threadford, Mayor

Attest:

Laverne Knight, Ph.D., City Clerk

Certification of City Clerk

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, Laverne Knight, Ph.D., City Clerk of the City of Tarrant, Alabama, do hereby certify that the above and foregoing is a true and correct copy of an Ordinance duly adopted by the City Council of the City of Tarrant, Alabama, on the ____ day of February, 2026.

The above and foregoing ordinance was published on the ____ day of February, 2026 by posting copies thereof in three public places within the City of Tarrant, one of which was at Tarrant City Hall.

Witness my hand and seal of office this ____ day of February, 2026.

Laverne Knight, City Clerk

RESOLUTION NO. 9377

A RESOLUTION AUTHORIZING THE CITY OF TARRANT TO RENEW ITS MEMBERSHIP IN THE NATIONAL LEAGUE OF CITIES.

WHEREAS, the National League of Cities ("NLC") is an organization comprised of city, town, and village leaders that are focused on improving the quality of life for their current and future constituents for the past ninety (90) years with a mission of strengthening local leadership and driving innovative solutions; and

WHEREAS, the City of Tarrant, Alabama, ("City") has joined and is presently a member of the NLC; and

WHEREAS, the City Council deems it in the best interest of the City to renew its membership in the NLC and authorize the expenditure of annual dues for that purpose in the amount of \$1,353.00 as identified in EXHIBIT A.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tarrant, Alabama, while in regular session on February 2, 2026, at 6:30 PM, a quorum being present as follows:

Section 1. That the City Council authorizes the payment of \$1,353.00 to the NLC representing the annual dues for the City to renew its membership in the NLC.

Section 2. That this Resolution shall become effective immediately upon its adoption by the City Council or as otherwise becoming law.

ADOPTED this the 2nd day of February, 2026.

The City of Tarrant, Alabama



APPROVED:

TRACIE B. THREADFORD, MAYOR

ATTEST:

Dr. Laverne Knight, City Clerk

Membership Renewal Statement

LaShawn Pegues
City Clerk
City of Tarrant
PO Box 170220
Tarrant, AL 35217-0220

Date: 12/08/2025
Invoice #: 195951
Member #: 0000001520
Member Since: 05/01/2003
Membership Expiration: 01/31/2026

Description	Price	Discount	Amount
Direct Member Dues 02/01/2026 - 02/01/2027	\$1,353.00	\$0.00	\$1,353.00

Invoice Total	\$1,353.00
Amount Paid	\$0.00
PLEASE PAY	\$1,353.00

Credit Card payments: visit the MyNLC Portal or nlc.org/expresspay (no log in needed)
Check payments: Please address to NATIONAL LEAGUE OF CITIES, PO BOX 70511 Philadelphia, PA 19176-0511
ACH/EFT payments for NLC: Account Name – National League of Cities; Account Number – 2000033034119; Wire/ACH Routing Number – 121000248; Bank – Wells Fargo Bank, N.A.; Bank Address – 420 Montgomery San Francisco, CA 94104; Please include the invoice number in the subject line.

PLEASE DETACH AND REMIT WITH YOUR PAYMENT

Invoice #: 195951

Member #: 0000001520

LaShawn Pegues
City Clerk
City of Tarrant
PO Box 170220
Tarrant, AL 35217-0220

For online payments, visit us at:
<https://my.nlc.org/eweb>

If paying by check,
please make check payable and mail to:

National League of Cities
PO Box 70511, Philadelphia, PA 19176-0511

Total Due: \$1,353.00
Amt Remitted: _____

We Value Your Membership!

Dear LaShawn,

It has been a pleasure to serve the City of Tarrant, as a member of the National League of Cities (NLC). Our records indicate that your NLC membership will expire on 1/31/26, We appreciate your membership and thank you for being a part of the NLC family.

We remain flexible and NLC is committed to working with your municipality. We offer a number of options to pay your dues.

1. Pay online by credit card on the MyNLC portal (nlc.org/mynlc)
2.  Pay online via the Express Pay feature without logging in (nlc.org/expresspay)
3. Send a check to the NLC lockbox address listed on your invoice
4. Complete an ACH transfer payment

Our records indicate that you are the billing contact for City of Tarrant. If this has changed or if you have any questions, please contact our membership team at membership@nlc.org or call 877-827-2385.

Sincerely,



Timothy Evans

Director, Member Services and Engagement

Regional Membership Representatives

EBONE CLIFTON
Program Director, Regional Initiatives – Interim West Rep.
(202) 626-3153
clifton@nlc.org

JOSÉ ALVARADO
Northeast/Mid-Atlantic Region
Puerto Rico
(202) 626-3068
alvarado@nlc.org

KATYA MAYER
South Region
(202) 968-7540
kmayer@nlc.org

FY2025-FY2026 Membership Dues

The National League of Cities Board of Directors voted in 2017 to implement a policy to adjust dues annually based on the Consumer Price Index (CPI), with a maximum dues adjustment of three percent (3%). The membership dues adjustment for FY2026 is 3%, effective October 1, 2024. In addition, with the final 2020 U.S. Census numbers being released, NLC has transitioned to 2020 population numbers starting with FY24 dues. This means some members may see a shift in categories after FY23 due to population changes between the 2010 and 2020 counts. For questions, please call us at 877-827-2385 or email membership@nlc.org.

Four methods to remit membership dues:

ACH Transfer

Account: National League of Cities
 Account Number: 2000033034119
 Routing/ Transit Number: 121000248
 Bank Name: Wells Fargo Bank, N.A.
 Bank Address: 1300 I St., NW 12th Fl
 Washington, D.C. 20005

Credit Card

nlc.org/mynlc
 Try Express Pay
 to avoid singing in:
nlc.org/expresspay

First Class Mail

National League of Cities
 PO Box 70511
 Philadelphia, PA 19176-0511

Overnight Mail

Lockbox Services (Box #4047)
 National League of Cities
 MAC Y1372-045
 401 Market Street
 Philadelphia, PA 19106

POPULATION	FY25 DUES	FY26 DUES
Under 1,000	\$309	\$318
1,001-2,000	\$631	\$650
2,001-5,000	\$952	\$981
5,001-10,000	\$1,314	\$1,353
10,001-20,000	\$1,752	\$1,805
20,001-30,000	\$2,190	\$2,256
30,001-40,000	\$3,834	\$3,949
40,001-50,000	\$4,487	\$4,622
50,001-60,000	\$5,256	\$5,414
60,001-70,000	\$6,356	\$6,547
70,001-80,000	\$7,004	\$7,214
80,001-90,000	\$7,881	\$8,117
90,001-100,000	\$9,197	\$9,473
100,001-125,000	\$10,288	\$10,597
125,001-150,000	\$11,384	\$11,726
150,001-175,000	\$12,485	\$12,860
175,001-200,000	\$13,573	\$13,980
200,001-225,000	\$14,671	\$15,111

POPULATION	FY25 DUES	FY26 DUES
225,001-250,000	\$15,767	\$16,240
250,001-275,000	\$16,860	\$17,366
275,001-300,000	\$17,955	\$18,494
300,001-325,000	\$19,054	\$19,626
325,001-350,000	\$20,144	\$20,748
350,001-375,000	\$21,240	\$21,877
375,001-400,000	\$22,333	\$23,003
400,001-425,000	\$23,428	\$24,131
425,001-450,000	\$24,525	\$25,261
450,001-475,000	\$25,613	\$26,381
475,001-500,000	\$26,709	\$27,510
500,001-600,000	\$27,807	\$28,641
600,001-700,000	\$28,893	\$29,760
700,001-800,000	\$29,995	\$30,895
800,001-900,000	\$31,091	\$32,024
900,001-1,000,000	\$32,185	\$33,151
1,000,001-1,333,333	\$40,722	\$41,944
1,333,334-1,666,666	\$45,978	\$47,357
Over 1,666,667	\$52,952	\$54,541

EXHIBIT "A"

CERTIFICATION OF CITY CLERK

STATE OF ALABAMA)

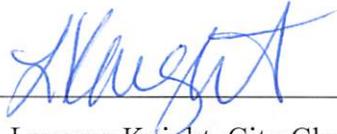
JEFFERSON COUNTY)

I, Laverne Knight, City Clerk of the City of Tarrant, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly and legally adopted by the City Council of the City of Tarrant, Alabama, on the 2nd day of February, 2026, while in regular session on Monday, February 2nd, 2026, and the same appears of record in the minute book of said date of said City.

Witness my hand and seal of office this the 3rd day of February, 2026.

[SEAL]





Dr. Laverne Knight, City Clerk

RESOLUTION NO 9378

A RESOLUTION PREAPPROVING OF AND AUTHORIZING TRAVEL FOR MAYOR TRACIE B. THREADFORD, COUNCILWOMAN VALARIE MCCLELLAN, COUONCILMAN JOHN T. BRYANT, AND MAYOR ASSISTANT TRACY WRIGHT TO ATTEND THE ALABAMA LEAGUE OF MUNICIPALITIES 2026 ANNUAL CONVENTION.

WHEREAS, the Alabama League of Municipalities (ALM) is an organization established in 1935 and is composed of 450+ municipalities including the City of Tarrant; and

WHEREAS, the ALM is hosting the 2026 Annual Convention at Montgomery, Alabama from April 28 to May 1, 2026 with discounted rooms be to booked no later than March 27, 2026; and

WHEREAS, the City Council deems it in the best interests of the City that Mayor Threadford, Councilwoman McClellan and Councilman Bryant attend the Convention at registration fees of \$450 per each council; and

WHEREAS, the City Council deems it in the best interest of the City that the Mayor Threadfords' Assistant Tracy Wright attend the Convention at a guest registration fee of \$75.00; and

WHEREAS, in addition that the \$450 fee per each council and \$75 for one guest to be paid before April 11, 2026 as identified in EXHIBIT A; and

WHEREAS, all receipts for items including lodging, meals and tips, mileage, and miscellaneous be submitted and paid upon return from the Convention in accordance with § 2-221 of the Code of Ordinances of the City of Tarrant.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tarrant, Alabama, at its regular meeting on Monday, February 2, 2026, at 6:30PM, duly assembled, a quorum being present as follows:

Section 1. The City Council deems it in the best interests of the City that Mayor Threadford, Councilor McClellan and Councilor Bryant attend the Convention, and that the City authorizes the registration fee in the amount of \$450.00 for each Councilor to attend the convention be prepaid.

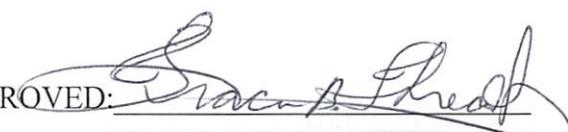
Section 2. That The City Council deems it in the best interests of the City that the Mayor Threadfords' Assistant Tracy Wright attend the Convention, and that the City authorizes the registration fee in the amount of \$75 to attend the convention be prepaid.

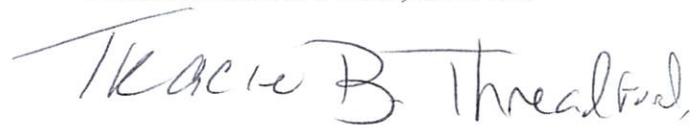
Section 3. That upon return from the convention, Mayor Threadford, Councilor McClellan, Councilor Bryant, and the Mayors' Assistant Tracy Wright shall submit all receipts from the above-listed items to the City as required by § 2-221 of the Code of Ordinances of the City of Tarrant.

Section 3. This Resolution shall become effective immediately upon its adoption.

ADOPTED this the 2nd day of February, 2026

The City of Tarrant, Alabama

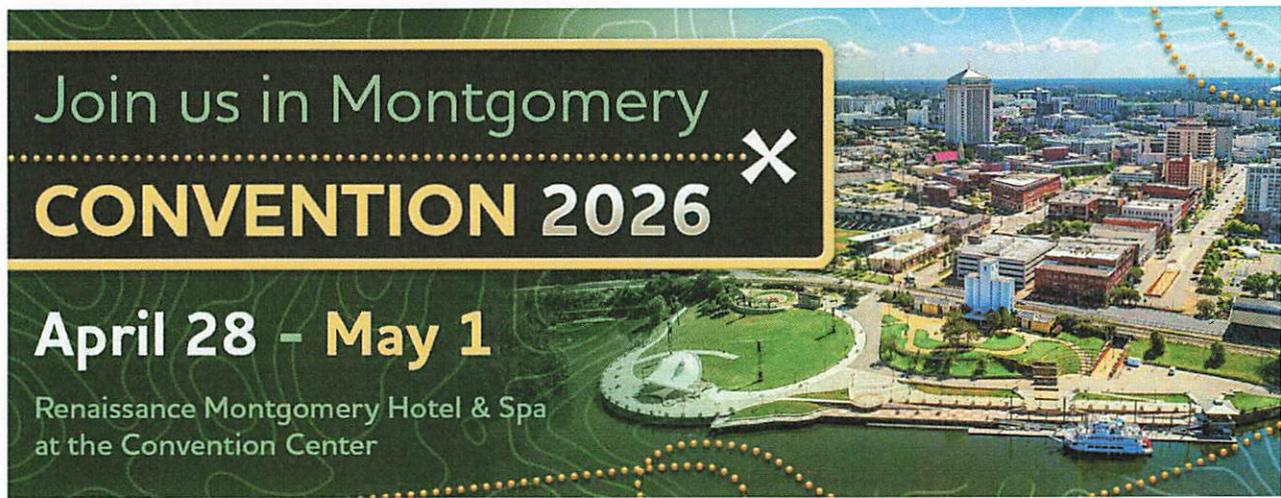
APPROVED: 
WAYMAN NEWTON, MAYOR


Tracie B. Threadford,
Mayor



ATTEST: 
Dr. Laverne Knight, City Clerk

EXHIBIT "A"



[Quick Guide](#) | [Hotel Information](#) | [Renaissance Parking](#) | [EXPO](#) | [Sponsorship](#) | [2026 Strategic Partners](#) | [CMO Credit Hours](#) | [Distinguished Service Award](#) | [Ethics Advisory](#) | [Harassment Policy](#) | [Things to do in Montgomery](#)

The Alabama League of Municipalities is excited to host our 2026 Annual Convention and Expo in Montgomery at the Renaissance Montgomery Hotel & Spa at the Convention Center on April 28-May 1, 2026. This multi-day event is our largest event of the year and is carefully planned to provide attendees with opportunities to learn, engage in critical discussions, vote on League leadership, network and of course have FUN! We have an exciting line up for our general and concurrent sessions, exhibitor hall (showcasing municipal vendors and state agencies) and MORE.

Registration for Municipal Officials:

Member Rates (*officials whose municipalities are members of the League*)

\$450 from January 20 through April 11

\$550 from April 12 through onsite registration

Nonmember Rates (*officials whose municipalities are not members of the League*)

\$500 from January 20 through April 11

\$600 from April 12 through onsite registration

Guest Registration:

\$75 (non-refundable)

**Guests are considered as any individual who is not a municipal or public official, not affiliated with vendor companies and have no professional reason to attend the convention. Guests include significant others, spouses or family members.*

[Register for the 2026 Annual Convention](#)

CERTIFICATION OF CITY CLERK

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, Laverne Knight, City Clerk of the City of Tarrant, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly and legally adopted by the City Council of the City of Tarrant, Alabama, on the 2nd day of February, 2026, while in regular session on Monday, February 2nd, 2026, and the same appears of record in the minute book of said date of said City.

Witness my hand and seal of office this the 11th day of February, 2026.

[SEAL]





Dr. Laverne Knight, City Clerk

CITY COUNCIL OF THE CITY OF TARRANT, ALABAMA

RESOLUTION NO. 9379

A RESOLUTION ENCOURAGING THE ALABAMA LEGISLATURE TO OPPOSE ANY LEGISLATIVE CHANGES THAT WOULD DISRUPT THE SSUT PROGRAM'S OPERATIONS AND SUPPORTING JEFFERSON COUNTY'S IN ITS POSITION AGAINST ALTERING OR AMENDING THE SSUT AS CURRENTLY IMPLEMENTED.

WHEREAS, the Alabama Simplified Seller Use Tax (SSUT) Remittance Act, codified at Ala. Code § 40-23-101, set seq., establishes a process by which the state of Alabama collects use and taxes from eligible sellers on behalf of consumers; and

WHEREAS, on August 12, 2025, certain cities around the state filed a lawsuit in the Circuit Court of Montgomery County, Alabama, against Vernon Barnett in his official capacity as Commissioner of the Alabama Dept. of Revenue, asking the circuit court to direct the department and the commissioner to disqualify particular business entities from the SSUT program; and

WHEREAS, the SSUT program has been an essential source of revenue for the City of Tarrant ("City"), and any change to the SSUT program would run the risk of losing between \$40,000 and \$60,000 per month should the SSUT collection and remittance calculation change; and

WHEREAS, the City Council of the City of Tarrant ("City Council") finds it in the best interest of the health, safety, and welfare of its citizens to support the currently enacted SSUT and support the position of all 67 counties and other municipalities that the SSUT is constitutional and should be upheld and remain unchanged.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Tarrant, Alabama, while in regular session on Monday, February 2, 2026, at 6:30pm, a quorum duly assembled, as follows:

Section 1. The preamble is hereby adopted, ratified, and restated as if fully set out herein.

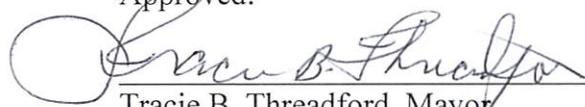
Section 2. The City Council hereby finds it in the best interest of the health, safety, and welfare of its citizens to announce the City of Tarrant's support for the current SSUT as collected and allocated. Further, the City of Tarrant opposes any changes through legislative means or through the current pending lawsuit to the SSUT.

Section 3. The Clerk shall provide a certified copy of this Resolution to Jefferson County, Alabama, for it to be incorporated in and provided to its representation in defense of the pending litigation.

Section 4. This Resolution shall become effective immediately upon its adoption.

APPROVED & ADOPTED THIS THE 2nd DAY OF FEBRUARY, 2026.

Attest:  Laverne Knight, Ph.D., City Clerk

Approved:  Tracie B. Threadford, Mayor

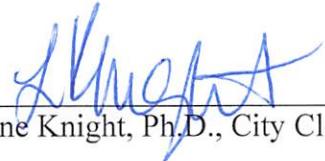
CERTIFICATION OF CITY CLERK

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, Laverne Knight, Ph.D., City Clerk of the City of Tarrant, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly and legally adopted by the City Council of the City of Tarrant, Alabama, on the 2nd day of February, 2026, while in regular session on Monday, February 2, 2026, and the same appears of record in the minute book of said date of said City.

Witness my hand and seal of office this the 11th day February, 2026.



Laverne Knight, Ph.D., City Clerk



CITY COUNCIL OF THE CITY OF TARRANT, ALABAMA

RESOLUTION NO. 9380

A RESOLUTION APPROVING OF THE DISPOSITION AND CONVEYANCE OF THE PROPERTY LOCATED AT 2518 AND 2528 COMMERCE WAY TO MONTGOMERY TRANSPORT, LLC, MKM LEASING, LLC, OR ITS ASSIGNS PURSUANT TO A COMMERCIAL LEASE AGREEMENT DATED AUGUST 8, 2016.

WHEREAS, on or about August 8, 2016, by and through Ordinance No. 1091, the City of Tarrant, Alabama, (“City”) entered into a Commercial Lease Agreement (the “Agreement”), a copy of which is attached hereto as Exhibit “A,” with Montgomery Transport, LLC and MKM Leasing, LLC for the lease of certain property owned by the City located at 2518 Commerce Way and 2528 Commerce Way (the “Property”); and

WHEREAS, section 21 of the Agreement provided an option for Montgomery Transport, LLC and MKM Leasing, LLC to purchase the Property following fulfillment of the duties and obligations and notice of the intent of Montgomery Transport, LLC and MKM Leasing, LLC, which have been met; and

WHEREAS, pursuant to a January 14, 2026, letter from Aurora Management Partners, Inc., appointed as the Receiver for Montgomery Transport, LLC and MKM Leasing, LLC, by the U.S. District Court for the Northern District of Alabama, has provided notice of its intent to exercise its option to purchase the Property in accordance with the terms of the Agreement with all terms and conditions having been satisfied (a copy of the letter is attached hereto as Exhibit “B”); and

WHEREAS, the City Council of the City of Tarrant, Alabama, (“City Council”) having reviewed the Agreement and the Notice is satisfied that all relevant duties and obligations have been satisfied by Montgomery Transport, LLC, MKM Leasing, LLC, and / or the Receiver, the City Council authorizes the Mayor, on behalf of the City, to dispose of and convey the Property as provided in the Agreement and to execute all documents related thereto, and to take any and all necessary actions to fulfill the City’s requirements under the Agreement.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Tarrant, Alabama, while in regular session on Monday, February 2, 2026, at 6:30pm, a quorum duly assembled, as follows:

Section 1. The preamble is hereby adopted, ratified, and restated as if fully set out herein.

Section 2. The City Council hereby authorizes and directs the Mayor to dispose of the Property located at 2518 Commerce Way and 2528 Commerce Way to Montgomery Transport, LLC, MKM Leasing, LLC, Aurora Management Partners, Inc., and / or their assigns in accordance with the Agreement and Ordinance No. 1091 (Exhibit A).

Section 3. Further, the Mayor, in the name of the City, is hereby authorized to execute any and all necessary documents necessary to complete and close the transaction.

Section 4. Further, the Mayor and the City Attorney are authorized to take any and all necessary actions to effectuate the transfer of the Property as provided in the terms of the Agreement (Exhibit A).

Section 5. The Clerk shall provide a certified copy of this Resolution to the necessary parties closing the transaction.

Section 6. This Resolution shall become effective immediately upon its adoption.

APPROVED & ADOPTED THIS THE 2nd DAY OF FEBRUARY, 2026.

Approved:

Tracie B. Threadford, Mayor

John T. "Tommy" Bryant, Mayor Pro Tem

Attest:

Laverne Knight, Ph.D., City Clerk

TABLED 2/2/26

Exhibit A

Ordinance No. 1091 and Commercial Lease Agreement by and between the City of Tarrant,
Alabama, and Montgomery Transport, LLC and MKM Leasing, LLC

Tabled 2226

Exhibit B

January 14, 2026, Correspondence from Aurora Management Partners, Inc. as Receiver for
Montgomery Transport, LLC and MKM Leasing, LLC

Tabled 2.2.26

EXHIBIT "A"

Tabled 2.2.26

ORDINANCE NO. 1091

**AN ORDINANCE OF THE CITY OF TARRANT,
ALABAMA, TO AUTHORIZE THE LEASE OF CERTAIN
REAL PROPERTY.**

WHEREAS, the City of Tarrant, Alabama (“the City”) desires to enter into the Commercial Lease Agreement attached hereto as Exhibit 1 hereof (the “Lease Agreement”) with Montgomery Transport, LLC and MKM Leasing, LLC (together “Lessees”);

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TARRANT AS FOLLOWS:

Section 1. It is hereby established and declared that the following described real property of the City is no longer needed for public or municipal purposes, to-wit:

DESCRIPTION FOR LOT 1 @

Address

2518 Commerce Way, Tarrant, Alabama 35217

Parcel ID No.

23-00-05-2-001-003.019

Legal Description

Lot 1, according to a Resurvey of Lot 15-B of a Reserve of Lots 11 and 15-B of Tarrant Industrial Park, as recorded in Map Book 188, page 40, in the Probate Office of Jefferson County, Alabama.

DESCRIPTION FOR LOT 2 @

Address

2528 Commerce Way, Tarrant, Alabama 35217

Parcel ID No.

23-00-05-2-001-003.021

Legal Description

Lot 3-AA, according to the Amended Map of the Resurvey of Lots 2, 3, and 15-C of a Resurvey of Lots 15-B of a Resurvey of Lots 11 and 15-B of Tarrant Industrial Park, as recorded in Map Book 203, page 91, in the Probate Office of Jefferson County, Alabama, Birmingham Division.

Section 2. The City having received an offer from Lessees to lease that real property described in Section 1, above, it is hereby declared to be in the best interest of the public and the City to lease said real property to Lessees under the terms and conditions set forth in the Lease Agreement.

Section 3. Pursuant to the authority granted by Section 11-47-21 of the *Code of Alabama* (1975), the Mayor of the City is hereby directed to execute the Lease Agreement in the name of the City. The City Clerk is hereby authorized to attest the Lease Agreement on behalf of the City. On behalf of the City, the Mayor is expressly authorized, in the Mayor's sole discretion, to provide or withhold any consent related to the Lease Agreement. On behalf of the City, the Mayor is expressly authorized to take all actions that are required by the Lease Agreement. On behalf of the City, the Mayor and City Attorney are authorized to enforce the City's rights under the Lease Agreement.

Section 4. This Ordinance shall become effective only upon the delivery to the Mayor of the Project Development Agreement, a copy of which is attached as Exhibit 1 to Resolution No. 8524 of the City, having been fully executed by and on behalf of Lessees.

ADOPTED AND APPROVED THIS THE 8th DAY OF AUGUST, 2016.

Loxcil B Tuck
LOXCIL B. TUCK, MAYOR

ATTEST:

Lillian A. Keith
Lillian A. Keith, City Clerk

CERTIFICATION OF CITY CLERK

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, Lillian A. Keith, City Clerk of the City of Tarrant, Alabama, do hereby certify that the above and foregoing is a true and correct copy of an Ordinance duly adopted by the City Council of the City of Tarrant, Alabama, on the 8th day of August, 2016.

The above and foregoing Ordinance was published on the 8th day of August, 2016, by posting copies thereof in three public places within the City of Tarrant, one of which was the post office of the Mayor's office in the City of Tarrant.

Witness my hand and seal of office this 8th day of August, 2016.

Lillian A. Keith
Lillian A. Keith, City Clerk

TABLED
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**EXHIBIT 1
TO ORDINANCE NO. 1091
Commercial Lease Agreement**

Commercial Lease Agreement

between

City of Tarrant, Alabama, Lessor

and

Montgomery Transport, LLC, Lessee

and

MKM Leasing, LLC, Purchaser

dated as of

August 8, 2016

Tabled 2.26

COMMERCIAL LEASE AGREEMENT

This COMMERCIAL LEASE AGREEMENT (the "Lease") is made and entered into as of this 8th day of August, 2016, by and between the CITY OF TARRANT, ALABAMA, an Alabama municipal corporation, having an office at 1604 Pinson Valley Parkway, Tarrant, Alabama 35217 ("Lessor"), MONTGOMERY TRANSPORT, LLC, a Delaware limited liability company that is registered to do business in the State of Alabama, having an office at 2563 Commerce Circle, Tarrant, Alabama 35217 ("Lessee"), and MKM Leasing, LLC, a Delaware limited liability company that is registered to do business in the State of Alabama, having an office at 2563 Commerce Circle, Tarrant, Alabama 35217 ("Purchaser").

Recitals:

Lessor desires to lease to Lessee and Lessee desires to lease from Lessor certain real property, including improvements thereon, for the purposes and subject to the terms and conditions set forth herein.

Agreement:

NOW THEREFORE, for and in consideration of the premises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Lessor and Lessee hereby covenant and agree as follows:

Section 1. LEASED PROPERTY. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, those certain parcels of real property, located at 2518 Commerce Way, Tarrant, Alabama 35217 and 2528 Commerce Way, Tarrant, Alabama 35217 as more particularly described on Exhibit A attached hereto and by reference made a part hereof, together with all of the beneficial appurtenances, privileges and easements pertaining thereto, and all improvements located thereon (the "Leased Property").

Section 2. TERM OF LEASE.

(a) **Initial Term.** The Leased Property shall be leased by Lessor to Lessee from the date hereof (the "Commencement Date") to the Expiration Date (as defined below) (the "Term"). "Expiration Date" shall mean the last day of the month in which occurs the sixty (60)-month anniversary of the Commencement Date, as same may be extended pursuant to Sections 2(b) and (c) hereof, or such earlier date on which the Term shall sooner end pursuant to any of the terms, covenants or conditions of this Lease or pursuant to Law.

(b) **Failure to Deliver Possession.** It is expressly contemplated by this Lease that Lessor shall not deliver vacant possession of the Leased Property to Lessee on the Commencement Date. Lessor shall have no liability to Lessee for any failure to deliver vacant possession of the Leased Property to Lessee on the Commencement Date. This Lease shall remain in full force and effect according to its terms, but the Term shall not commence until the

date on which Lessor delivers vacant possession of the Leased Property to Lessee. Notwithstanding the foregoing, if Lessor fails to deliver vacant possession of the Leased Property on or before November 30, 2016, Lessee may at its option, upon sixty (60) days' prior written notice to Lessor, elect to terminate this Lease by giving Lessor notice of termination. Upon the date that is sixty (60) days following receipt of such notice by Lessor, this Lease shall terminate and be of no further force and effect. The parties shall have no further liability to the other (except for those liabilities that expressly survive the termination of the Lease) and Lessor shall return to Lessee any Rent paid by Lessee to date. Notwithstanding the foregoing, if Lessor delivers vacant possession of the Leased Property within such sixty (60)-day period following its receipt of Lessee's notice of termination, Lessee's notice shall be void and of no further force and effect and this Lease shall not terminate.

(c) **Extended Term.** Lessee is granted the option to extend the initial Term of this Lease for two (2) successive additional terms of five (5) years each (each such additional term being referred to as an "Extension Term" and each such option being referred to as an "Extension Option") provided all of the following conditions (the "Extension Conditions") are met with respect to each Extension Term:

- (i) Lessee gives Lessor written notice (the "Extension Notice") no less than one hundred twenty (120) days prior to the commencement of the applicable Extension Term, that Lessee is exercising the Extension Option; and
- (ii) At the date the Extension Option is exercised, and at the commencement of the applicable Extension Term, no Event of Default exists; and
- (iii) Lessee shall pay all transfer taxes, if any, imposed in connection with each Extension Term.

Each such Extension Term shall commence at the expiration of the prior term. If any Extension Option is not timely exercised or if the Extension Conditions are not met with respect to any Extension Term, such Extension Option or Extension Term and all further Extension Options and Extensions Terms shall be deemed null and void. **TIME IS OF THE ESSENCE WITH RESPECT TO THE GIVING OF EACH EXTENSION NOTICE.**

Section 3. BASE RENTAL.

(a) **Base Rent.** Lessee covenants and agrees to pay Base Rent to Lessor throughout the Term of this Lease as follows: For the period commencing on the Commencement Date and ending on the initial Expiration Date an amount equal to One Hundred Eighty Thousand and 00/100 Dollars (\$180,000.00) per Term with One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) due within ten (10) days of the Commencement Date and the remaining Thirty Thousand and 00/100 Dollars (\$30,000.00) to be paid in equal monthly installments, in advance, commencing on the first day of each month during the final ten (10) months of the Term (Three Thousand Dollars and 00/100 Dollars (\$3,000.00) per month).

(b) **Late Charge.** If the Base Rent is not received on or before the tenth (10th) day of any month, Lessee shall pay a late charge equal to five percent (5%) of the total amount due for such month, and such payment shall be in addition to, and not in lieu of, any other remedy Lessor may have.

(c) **Determination of Base Rent for the Extension Term.** For each Extension Term, the Base Rent shall be Thirty-Six Thousand and 00/100 Dollars (\$36,000.00) per annum (Three Thousand Dollars and 00/100 Dollars (\$3,000.00) per month) to be paid in equal monthly installments, in advance, commencing on the first day of each month.

Section 4. NET LEASE PROVISION.

(a) **Net Rental.** The Base Rent provided for in Section 3 shall be net to Lessor. Accordingly, Lessee shall pay, as additional rent (collectively, the "Additional Rent"):

- (i) the insurance as provided in Section 7;
- (ii) the repairs and maintenance described in Section 9;
- (iii) all utilities as provided in Section 10; and
- (iv) the taxes and assessments as provided in Section 11.

The Base Rent and the Additional Rent are sometimes hereinafter referred to collectively as the "Rent". Unless otherwise specified herein, Lessee shall pay to Lessor all Additional Rent within ten (10) days after written demand therefor from Lessor. If Lessee shall fail to pay any demand for Additional Rent when due, then Lessee shall pay a late charge equal to five percent (5%) of the total amount due, and such payment shall be in addition to, and not in lieu of, any other remedy Lessor may have.

(b) **Proof of Payment.** Upon the request of Lessor, Lessee shall furnish to Lessor for its inspection, within ten (10) days after request therefor, official receipts of the appropriate authority, or such other proof as is reasonably satisfactory to Lessor, evidencing payment of any amount payable by Lessee under the provisions hereof.

(c) **Default in Payment.** All amounts which Lessee assumes or agrees to pay pursuant to this Lease, including any Additional Rent, which are not paid when due may be paid by Lessor. Any amount so paid by Lessor, together with interest at the rate of eighteen percent (18%) per annum (the "Default Rate") from the date of Lessor's payment, shall be due and payable by Lessee on demand by Lessor.

Section 5. CONDITION OF LEASED PROPERTY

(a) **Ordinances and Restrictions.** The Leased Property is leased to Lessee subject to existing easements, covenants and restrictions of record in the Probate Court of

Jefferson County, Alabama, and all laws, orders, ordinances, rules and regulations of governmental authorities.

(b) **Improvements to Leased Property by Lessee.** Lessee, at its option and at its sole cost and expense, may demolish, replace or materially alter any improvements, or any part thereof, or make any addition thereto, whether voluntarily or in connection with repairs required by this Lease (“Alteration” or “Alterations”). Each Alteration, when completed, shall be of such a character as not to reduce the value of the Leased Property below its value immediately before construction of such Alteration. In any event, the Rent owed by Lessee to Lessor pursuant to this Lease shall not be reduced or abated by the cost of any improvements constructed by Lessee on the Leased Property or by any increases in the value of the Leased Property as a result of improvements constructed by Lessee.

(c) **Condition of Leased Property.** Subject to the additional provisions of Section 5.5 of the Project Development Agreement entered into between Lessor, Lessee, and Purchaser on August 3, 2016, as it may be amended over time (the “Project Development Agreement”), Lessee accepts the Leased Property “AS IS, WHERE IS” in its present condition on the date of execution of this Lease, and as suited for the Business (as described herein). Lessor has made no representation or warranty as to the condition of the Leased Property or its suitability for any particular purpose. Lessor shall not be responsible for any latent defect or change of condition in the Leased Property, and the Base Rent shall in no event be withheld or diminished on account of any defect therein, nor any change of condition thereof, nor for any damage occurring thereto. Lessee acknowledges that Lessee is familiar with the Leased Property and is aware of all conditions and defects, latent or otherwise, existing on the Leased Property and is solely responsible for same in all respects. Furthermore, Lessee does hereby acknowledge and agree that Lessee is responsible in all respects for the condition of the Leased Property as of the execution and delivery of this Lease. Lessor has no obligation whatsoever for the repair, alteration, maintenance and replacement of the Leased Property except as expressly provided herein.

Section 6. USE OF LEASED PROPERTY.

(a) **Business Use.** Lessee covenants and agrees to use and occupy the Leased Property only for the operation of a Headquarters Facility, General Freight Trucking for Long Distance Truck Load, commercial offices, logistical operations, related operations, and parking (the “Business”) and for no other purpose whatsoever, unless Lessor shall consent in advance in writing to any such purpose other than the Business.

(b) **Compliance with Ordinances and Restrictions.** Lessee shall comply with all laws, ordinances, orders, rules, regulations and requirements of governmental authorities regulating the use by Lessee of the Leased Property, including all environmental laws.

Section 7. INSURANCE.

(a) **Lessee to Maintain Insurance.** It is the intent of the parties that all risk of loss for the Leased Property be shifted to insurance to the maximum extent practicable. Accordingly, unless Lessor otherwise agrees in its sole discretion, Lessee shall maintain, or cause to be maintained, insurance covering the risks enumerated below. The premiums for such insurance shall be paid by Lessee, except for the coverages set forth in Section 7(j) below, which will be the responsibility for the party providing such insurance coverage. Such insurance shall be written on an occurrence basis unless Lessor otherwise consents in writing, which consent shall not be unreasonably withheld or delayed, but for errors and omissions insurance issued on a claims made basis, Lessor may condition such consent on the purchase of a one (1) year tail policy with such limits as Lessor may reasonably determine appropriate. The policy shall provide that: (a) such insurance shall be primary coverage without reduction or right of offset or contribution on account of any insurance provided by Lessor to itself or its officers, officials or employees; and (b) such insurance shall not be altered or cancelled without thirty (30) days' written notice to Lessor; such insurance shall name Lessor as an additional insured. The insurance policies purchased by Lessee must be issued by a company authorized to conduct business in the State or by a company acceptable to the Lessor and which has a rating of B++ or better by A.M. Best.

(b) **Workers' Compensation, Employer's Liability.** At all times prior to the expiration or earlier termination of this Lease during any construction conducted by or on behalf of Lessee in or on the Leased Property, Lessee shall maintain, and cause its contractors to maintain, Workers' Compensation Insurance as required by the Laws of the State. The Workers' Compensation policy must include Coverage B-Employer's liability limits of: Bodily Injury by Accident-\$2,000,000.00 for each accident; and Bodily Injury by Disease-\$2,000,000.00 for each employee. Lessee shall require all subcontractors performing work under this Lease to obtain an insurance certificate showing proof of Workers' Compensation and Employer's Liability Insurance.

(c) **Property/Business Interruption.** Lessee shall, at its sole cost and expense throughout the entire Term of this Lease:

(i) Keep any improvements on the Leased Property insured against loss or damage by fire, windstorm, flood, earthquake, and such other, further and additional risks as now are or hereafter may be embraced by the ISO special form and Builder's Risk extended coverage form or endorsements, with a deductible of no more than Five Thousand and 00/100 Dollars (\$5,000.00) per occurrence, in each case in amounts equal to the full replacement cost of the improvements from time to time. The full replacement cost shall be re-determined from time to time (but not more frequently than every two (2) years at the request of Lessor, by a Qualified Appraiser designated by Lessee and approved by Lessor; and

(ii) Maintain business interruption insurance covering loss of revenues or other income by Lessee by reason of total or partial suspension of, or interruption in, the operation of the Leased Property caused by damage or destruction of the Leased Property.

(d) **Public Liability.** At all times during the Term of this Lease, Lessee shall maintain a primary commercial general liability insurance ("CGL") policy covering all claims for bodily injury (including death) and property damage, including loss of use thereof, in an amount not less than Two Million and 00/100 Dollars (\$2,000,000.00) per occurrence and Five Million and 00/100 Dollars (\$5,000,000.00) aggregate, with deductible provisions not to exceed Ten Thousand and 00/100 Dollars (\$10,000.00) per occurrence, to include personal and advertising injury, general aggregate, products and completed operations aggregate insurance, and contract liability to cover all insurable obligations in this Lease. The policy limits shall be adjusted every two (2) years from the Commencement Date. Coverage shall be specific for this project or, upon approval of Lessor, covered under umbrella or pooled policies. The policy or policies must be on an "occurrence" basis unless waived by the Lessor. The CGL policy shall include contractual liability coverage, which shall be endorsed to state that indemnity obligations specified in this Lease are insured by the carrier.

(e) **Automobile.** At all times during the Term of this Lease, Lessee shall maintain business automobile insurance (with deductible provisions not to exceed Five Thousand and 00/100 Dollars (\$5,000.00) per occurrence) with liability limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) combined single limit covering liability for Lessee's vehicles used in conjunction with the Leased Property, whether owned, non-owned or hired. The policy limits shall be adjusted every two (2) years from the Commencement Date.

(f) **Errors and Omissions.** Lessee shall obtain and maintain or cause to be obtained and maintained Professional Errors and Omissions Insurance covering all architects, engineers, specialists, and consultants in an amount and with coverage subject to the reasonable approval of Lessor. Coverages shall be specific for any construction work undertaken by Lessee on the Leased Property and not aggregated with insurance for other undertakings of the insureds.

(g) **Umbrella.** Lessee shall obtain and maintain an additional umbrella or all risk coverage in an amount of Two Million and 00/100 Dollars (\$2,000,000.00) for any one occurrence and Five Million and 00/100 Dollars (\$5,000,000.00) in the aggregate, which shall include all insured coverages required by this Section 7. The policy limits shall be adjusted every two (2) years from the Commencement Date.

(h) **No Invalidation of Insurance by Lessee.** Lessee agrees and covenants that it will not do or permit to be done in, to, or about the Leased Property any act or thing which will violate, suspend, invalidate or make inoperative any insurance pertaining to any buildings, other structures or improvements now located in or upon Leased Property or hereafter constructed and located thereon or therein; and, further, that Lessee will not permit any buildings, other structures or improvements at any time to be put, kept or maintained on the property in the condition that the same cannot be insured in the amount of the full insurable replacement value thereof.

(i) **Evidence of Payment of Premiums.** Lessee shall within ten (10) days of payment furnish to Lessor duplicate receipts or satisfactory evidence of the payment of all premiums on any and all insurance required to be carried by Lessee in accordance with this Lease. The insurance carrier shall give Lessor thirty (30) days' prior notice (with respect to nonpayment of premiums) of cancellation, modification or non-renewal.

(j) **Insurance Requirements for Subtenants, Contractors, and Managers.** Lessee also shall require the persons or entities described below to carry the following insurance:

- (i) Lessee shall require all of its subtenants to:
 - a. maintain customary insurance required of tenants in similar properties;
 - b. include Lessor and Lessee as additional insureds on their commercial general liability policies (or equivalent policies); and
 - c. obtain a waiver of subrogation endorsement in all policies in favor of Lessor and Lessee;
- (ii) Lessee shall require all of its subtenants' contractors, subcontractors, design-builders, construction managers, consultants, and other entities providing services, materials or labor to all or any portion of the Leased Property to:
 - a. include Lessor and Lessee as additional insureds in their commercial general liability policies; and
 - b. obtain a waiver of subrogation endorsement in all policies in favor of Lessor and Lessee.

- (iii) Lessee shall require any third-party manager the Leased Property or any portion thereof to maintain at all times during the term of its management agreement:
- a. workers' compensation insurance as required by law and which shall include employer's liability insurance for all employees of the manager;
 - b. liability insurance with a per occurrence combined single limit of at least Two Million and 00/100 Dollars (\$2,000,000.00) including the Lessor as additional insured;
 - c. automobile liability insurance on owned, non-owned and hired motor vehicles used in connection with the operation of the Leased Property with a combined single limit for bodily injury and property damage of not less than One Million and 00/100 Dollars (\$1,000,000.00); and
 - d. professional liability (Errors & Omissions) insurance coverage having a policy limit of not less than Two Million and 00/100 Dollars (\$2,000,000.00) per claim occurrence and Five Million and 00/100 Dollars (\$5,000,000.00) in the aggregate.
 - e. The policy limits set forth above shall be adjusted every two (2) years from the Commencement Date.

Each of the required coverages, excluding the professional liability insurance, and automobile liability insurance, shall contain a waiver of subrogation endorsement, in form and substance reasonably satisfactory to Lessor, in favor of Lessor and Lessee.

Section 8. WAIVER OF SUBROGATION. Lessee hereby releases Lessor from any and all liability or responsibility to Lessee, or any other claim through or under Lessor by way of subrogation or otherwise, for any insured loss or damage covered by any insurance policies maintained on the Leased Property, whether pursuant to this Lease or otherwise.

Section 9. MAINTENANCE AND REPAIR.

(a) **Responsibility of Lessee.** Lessee shall throughout the Term, at Lessee's own cost and expense, put, keep and maintain the Leased Property in good condition, and shall make all necessary repairs and replacements to the Leased Property, including without limitation the plumbing system, heating and cooling systems, roofing and other interior and exterior structural and non-structural components. Any and all repairs for such damage shall be in quality and class at least equal to the original work prior to such work being damaged. Lessee shall be solely responsible for the maintenance and repair of the Leased Property (interior and

exterior, structural and non-structural), any and all fixtures, including but not limited to heating and cooling systems, furniture and personal property of Lessee. Lessee shall be responsible for repairing and/or replacing all damaged or broken window glass, whether as a result of the actions of Lessee (or its customers, business vendor or invitees) or as a result of any actions by third parties or acts of God, and shall be solely responsible for all damage occasioned thereby. Lessee shall also have the sole responsibility to maintain the exterior landscaping of the Leased Property, including mowing the grass, if any, on a regular basis as needed in the judgment of Lessor. Lessee hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Leased Property except to the extent not specifically assumed by Lessor herein.

(b) **Condition at End of Term.** Except as otherwise provided in this Lease, upon the expiration or termination of this Lease, Lessee will surrender the Leased Property to Lessor in substantially identical condition and repair as existed at the inception of this Lease, except for any improvements made pursuant to this Lease.

Section 10. UTILITIES.

(a) **Responsibility of Lessee.** Lessee shall furnish or arrange for the furnishing of all necessary utility services to the Leased Property, including, but not limited to, electricity, sewer service, gas and water, whether for heating, cooling, or otherwise. Lessor shall not be liable for any failure of water, gas, electric, or any other utility supply, or for injury or damage to person (including death) or property caused by or resulting from steam, gas, electricity, water, rain or snow which may flow or leak from any part of the Leased Property, or from any pipes, appliances or plumbing works, or from the street or other subsurface, or from any other place.

(b) **Payment to be Made by Lessee.** Lessee shall pay promptly all charges for heat, light, power, gas, water and other utilities used on or upon the Leased Property including sewer service, garbage service, water charges and any other utility-type charges imposed upon the Leased Property or any use thereof and shall indemnify and hold harmless Lessor from and against any and all liability on account thereof.

Section 11. TAXES AND ASSESSMENTS. Lessor shall deliver to Lessee a copy of any bills for real property taxes levied against the Leased Property at least thirty (30) days before the due date of such taxes. In the event the Leased Property is not assessed as a single tax parcel, both parties agree that Lessee shall only be liable to pay the proportion of real property taxes that the area of the Leased Property bears to the total area of the land included in the assessment. Lessee shall pay its part of any such bill on or before the due date of such taxes. Lessee shall exhibit to Lessor, from time to time upon reasonable request, official receipts evidencing payment of Lessee's share of such real property taxes.

Section 12. DESTRUCTION. If the Leased Property shall be partially damaged by any casualty which is not insurable under Lessee's insurance policy but which is insurable under Lessor's insurance policy, if Lessor shall have insurance on the Leased Property, Lessor shall, upon receipt of the insurance proceeds, repair the same. Nothing contained herein shall render

Lessor liable for any repairs to, rebuilding, or replacement of Lessee's property or the Leased Property. The provisions of this Section 12 shall be applicable only if Lessee's insurance shall not cover any damage to the Leased Property, and such damage is covered by Lessor's insurance policy, if any. Lessor and Lessee acknowledge and agree that Lessor shall not be required to obtain any insurance with respect to the Leased Property.

Section 13. PAYMENT FOR LESSEE BY LESSOR. If Lessee fails to procure the insurance required to be procured by Lessee under this Lease, or fails to pay any premium of insurance, fails to pay any utilities due as provided by this Lease, fails to satisfy its maintenance or repair obligations as provided by this Lease, fails to pay the taxes or assessments as provided by this Lease, or fails to pay any other sum in this Lease required to be paid by Lessee (other than Rent), Lessor may, after expiration of the applicable cure period, at Lessor's option, and as applicable, procure on behalf of Lessee any such insurance, and pay on behalf of Lessee any such payment or payments as may be necessary. Any sum(s) so paid or expended by Lessor on behalf of Lessee shall immediately be reimbursed and paid by Lessee to Lessor, as Additional Rent, within ten (10) days after demand by Lessor.

Section 14. CONDEMNATION.

(a) **Whole Taking.** If the whole of the Leased Property shall be acquired or taken by eminent domain or exercise of similar right by any governmental or quasi-governmental entity, then this Lease shall terminate as of the date Lessee is no longer permitted to use the Leased Property.

(b) **Partial Taking Rendering Remainder Unsuitable.** If any part of the Leased Property shall be taken rendering the remaining portion unsuitable for the Business, then this Lease shall terminate as of the date of such partial taking. If such partial taking is not extensive enough to render the Leased Property unsuitable for the Business of Lessee, then this Lease shall continue in full force and effect.

(c) **50% Taking.** If more than fifty percent (50%) of the Leased Property shall be taken, Lessor may, by written notice, terminate this Lease, such termination to be effective as of the date Lessee shall be deemed to have received such notice.

(d) **Proration of Prepaid Rents.** If this Lease is terminated as provided in this Section 14, Base Rent shall be paid up to the day that Lessee is no longer permitted to use the Leased Property and Lessor shall refund any Base Rent paid by Lessee in advance for any period subsequent to the date this Lease is terminated.

(e) **Waiver of Awards.** Lessee shall not be entitled to and expressly waives all claims to any condemnation award for any taking, whether whole or partial, and whether for the diminution in value of the leasehold or to the fee.

Section 15. MECHANIC'S LIENS.

(a) **Lessee's Responsibility to Remove Liens.** Should any mechanic's, materialmen's, or other lien be filed against the Leased Property, or any part thereof for any reason whatsoever by reason of Lessee's acts or omissions or because of a claim against Lessee, Lessee shall, at its own cost and expense, cause the same to be canceled and discharged of record by bond or otherwise within ten (10) days after notice by Lessor, and Lessee shall indemnify and hold harmless Lessor from and against all costs, liabilities, suits, penalties, claims and demands, including reasonable attorney's fees resulting therefrom.

(b) **Ramifications for Failing to Remove Liens.** If Lessee fails to comply with Section 15(a), Lessor shall have the option, without the necessity of investigating the validity thereof, of discharging or bonding any lien, charge order or encumbrance, and Lessee agrees to reimburse Lessor for all costs, expenses and other sums of money in connection therewith, as Additional Rent, with interest at the Default Rate specified herein.

Section 16. LIABILITY.

(a) **Indemnification by Lessee.** Lessee hereby agrees to indemnify, defend, and hold harmless Lessor, and Lessor's members, managers, officers, agents, contractors, affiliates, servants, licensees, invitees and employees, from and against, any and all suits, actions, causes of action, damages, liability, costs, expenses and attorney's fees, of any kind or nature whatsoever incurred, paid by or demanded to be paid by Lessor, its members, managers, officers, agents, contractors, affiliates, servants, licensees, invitees or employees, arising from, relating to or in connection with any loss of life, bodily or personal injury or property damage arising from or out of the use or occupancy of the Leased Property or any part thereof, including the parking areas and any common areas and facilities within the Leased Property, by any person or entities, including licensees and invitees of Lessee, and which is occasioned wholly or in part by any act or omission of Lessee, its agents, contractors, employees, servants, invitees, licensees or concessionaries or any other person, or otherwise. ♦ This indemnification is binding on the successors and assigns of the Lessee, and this indemnification survives the expiration or earlier termination of the Lease, or the dissolution or, to the extent allowed by law, the bankruptcy of the Lessee.

(b) **Lessee Responsible for Leased Property.** Lessee shall store its property in and shall occupy the Leased Property and all other portions of the Leased Property at its own risk, and hereby releases Lessor and its members, managers, officers, affiliates, servants, licensees, invitees and employees to the full extent permitted by law, from all claims of every kind resulting in loss of life, personal or bodily injury or property damage. Lessor and its members, managers, officers, affiliates, servants, licensees, invitees and employees shall not be responsible or liable at any time for any loss or damage to Lessee's merchandise, equipment, fixtures or other personal property of any nature whatsoever of Lessee, or to Lessee's Business.

(c) **Lessor Not Liable to Others Claiming Through Lessee.** Lessor and its members, managers, officers, affiliates, servants, licensees, invitees and employees shall not be responsible or liable to Lessee or to those claiming by, through or under Lessee, or Lessee's employees, agents, customers, invitees, licensees or visitors for any loss or damage to either the person or property of Lessee or any other person or entity whatsoever, that may be occasioned by

or through the acts or omissions of any persons or entities, whether occupying adjacent, connected or adjoining premises, or otherwise, and Lessee agrees to indemnify and hold harmless Lessor and its members, managers, officers, affiliates, servants, licensees, invitees and employees from and against all such loss or damage.

(d) **Defects: Lessor Not Liable.** Lessor shall not be responsible or liable to Lessee for any defect, latent or otherwise, in the building on the Leased Property or any of the equipment, machinery, utilities, appliances or apparatus therein, nor shall it be responsible or liable for any injury, loss or damage to any person or to any property of Lessee or other person caused by theft or otherwise; by or resulting from fire or explosion; by bursting, breakage, or by or from leakage of steam, snow, ice, or water; by or from running, backing up, seepage, dampness, or the overflow of water or sewerage in any part of said Leased Property; by broken glass; or from any injury or damage caused by or resulting from any defect or act or omission in the occupancy, construction, operation or use of any of the Leased Property, including the building, machinery, apparatus, or equipment thereon, by any person or by or from the acts of negligence of any occupant of the Leased Property.

(e) **Notice.** Lessee shall give prompt notice to Lessor in case of fire, destruction, casualty, damage or accidents in, on or around the Leased Property or of defects therein or in any fixtures or equipment.

Section 17. QUIET ENJOYMENT. Lessee, upon paying the rents and performing all of the terms of this Lease, shall peacefully and quietly enjoy the Leased Property, subject, nevertheless, to the terms of this Lease and to any mortgage, ground lease, or agreements to which this Lease is or shall become subordinated.

Section 18. FIXTURES AND EQUIPMENT.

(a) **Furniture, Trade Fixtures and Equipment of Lessee.** All improvements and additions to the Leased Property shall adhere thereto and become the property of Lessor, with the exception of: machinery, equipment, such additions as are usually classified as furniture and trade fixtures, and such other items (other than leasehold improvements) which have been brought onto the Leased Property by and at the expense of Lessee (collectively, "Lessee Property"). Any such Lessee Property shall remain the property of the Lessee, and Lessee may remove Lessee Property provided all terms and conditions of this Lease have been complied with by Lessee.

(b) **Damage Occasioned by Removal.** In case of damage to the Leased Property by reason of the removal of Lessee Property, Lessee shall, at its expense, make all repairs to the Leased Property reasonably required by Lessor.

(c) **Procedure at End of Term.** Notwithstanding anything contained in Section 18(a) hereof to the contrary, in the event Lessee does not remove any or all of the Lessee Property from the Leased Property before the expiration of this Lease ("Abandoned Lessee Property"), Lessee shall be deemed to have abandoned any such Abandoned Lessee Property.

Lessor may dispose of or otherwise deal with any Abandoned Lessee Property in whatever manner Lessor shall deem appropriate.

Section 19. SIGNS. Lessee shall have the right to place on or in the Leased Property such signs as it deems necessary and proper in the conduct of the Business; provided that: (i) such signs conform to all laws and municipal regulations; (ii) Lessee shall obtain such building permits or licenses as may be required for the erection and maintenance of any such signs and shall pay any required fees therefor; and (iii) such signs must be removed at the Lessee's expense at the termination of this Lease and any damage to the Leased Property occasioned thereby shall be repaired by Lessee, unless Lessor shall provide otherwise in writing.

Section 20. ASSIGNMENT AND SUBLEASING.

(a) **Assignments.** Lessee shall not assign this Lease in whole or in part without the prior written consent of Lessor, which may be withheld in Lessor's sole discretion. Any consent by Lessor to an assignment of this Lease shall not constitute a waiver of the necessity of such consent for subsequent assignment.

(b) **Subleases.**

(i) Lessee shall have the right, without the consent of Lessor, to enter into subleases with any person or entity who is not a debtor or debtor-in-possession in a voluntary or involuntary bankruptcy proceeding at the commencement of the sublease term for the use permitted by this Lease.

(ii) Each Sublease shall provide that: (i) it is subordinate and subject to this Lease; (ii) the fixed expiration date thereunder shall not extend beyond the Expiration Date; and (iii) at Lessor's option, on the earlier termination of this Lease pursuant to this Lease, the subtenant shall attorn to, or shall enter into a direct lease on the terms of its sublease with, Lessor for the balance of the unexpired term of the sublease, provided that, notwithstanding anything to the contrary contained in the sublease, Lessor shall not be: (A) liable for any previous act or omission of Lessee, as sublandlord under the sublease unless such act continues as a default under the sublease after the subtenant's attornment to Lessor and is the obligation of the sublandlord under the sublease; (B) responsible for any monies owing by Lessee to the credit of subtenant, except to the extent that Lessor is in possession of, or has control over, such monies; (C) subject to any offsets, claims, counterclaims, demands or defenses which subtenant may have against Lessee; (D) bound by any payments of rent which subtenant might have made for more than three (3) months in advance to Lessee; (E) bound by any covenant in the sublease to either: (1) undertake or complete any construction of, in or about the Leased Property (or

any part thereof); or (2) undertake or complete any construction of, in or about or the space demised by such sublease (or any part thereof); or (3) provide any money, by way of an allowance to subtenant or otherwise, to or for any such construction; (F) required to account for any security or other deposit hereunder, other any such deposit actually delivered to, or collected by, Lessor; (G) bound by any amendment or other modification of the sublease which was entered into in violation of this Lease; or (H) required to remove any person or entity occupying the space demised by the sublease (or any part thereof) unless Lessor shall have caused the space demised by such sublease to be occupied by a person or entity other than the subtenant.

(ii) Lessee shall not, without Lessor's consent, amend or modify any sublease in a manner which would cause such sublease (as amended or modified) to violate the provisions of this Section 20 and Lessee shall deliver to Lessor, or shall cause to be delivered to Lessor, within two (2) business days after the full execution and delivery thereof, a true and complete copy of any executed sublease or any material amendment and modification thereto.

(c) **Assumption.** Any proposed assignee or subtenant of Lessee shall assume the obligations hereunder and deliver to Lessor an assumption agreement in a form satisfactory to Lessor on the effective date of transfer. Provided, however, except as is specifically set forth hereinabove, upon any sublease or assignment by Lessee hereunder, Lessee shall remain responsible for all obligations of Lessee hereunder and Lessor shall not be required to seek enforcement of the terms of this Lease against any such sublessee or licensee.

Section 21. PURCHASE OPTION.

(a) **Agreement to Sell.** At Lessee and Purchaser's joint election, Lessor agrees to sell and convey to Purchaser the Leased Property upon the terms and conditions hereinafter set forth, all right, title and interest of Lessor in and to the Leased Property, subject to and limited by the easement described in Exhibit B-1 to the Project Development Agreement ("Easement"). Notwithstanding anything herein to the contrary, "Leased Property" does not include any subtenant fixtures or other property belonging to the subtenants at the Leased Property, or any item leased from third-parties. Purchaser is not obligated to purchase the Leased Property from Lessor, but if Purchaser does so, it does so subject to the terms and conditions set forth herein.

(b) **Notice of Intention to Purchase.** Lessee and Purchaser may jointly give notice of their intention for Purchaser to purchase the Leased Property at any time during the Term, provided that notice is given in writing to Lessor no less than one hundred twenty (120) days before the Expiration Date.

(c) **AS-IS, WHERE IS Purchase.**

(i) Purchaser acknowledges that Purchaser has made thorough inspections and investigations of the Leased Property and Purchaser agrees to take title to the Leased Property "AS-IS, WHERE IS, AND WITH ALL FAULTS" and in the condition existing as of the Closing Date, subject to reasonable use, ordinary wear and tear and without any reduction in or abatement of the Purchase Price (as defined below). Purchaser has undertaken all such investigations of the Leased Property as Purchaser deems necessary or appropriate under the circumstances as to the status of the Leased Property and the existence or non-existence of curative action to be taken with respect to any hazardous or toxic substances on or discharged from the Leased Property, and based upon same, Purchaser is and will be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel and officers.

(ii) Neither Lessor, Lessee, nor Purchaser is relying on any statement or representation not expressly stated in this Lease. Lessee and Purchaser specifically confirm and acknowledge that in entering into the agreement set forth in this Lease, Lessee and Purchaser have not been induced by, and have not relied upon, whether express or implied, warranties, guaranties, promises, statements, inducements, representations or information pertaining to the Leased Property or its use, the physical condition, environmental condition, state of title, income, expenses or operation of the Leased Property, or any other matter or thing with respect thereto, written or unwritten, whether made by Lessor or any agent, employee or other representative of Lessor, or any broker or any other person representing (or purporting to represent) Lessor, which are not expressly set forth in this Lease. Lessor shall not be liable for or bound by any written or unwritten statements, representations, warranties, broker's statements or other information pertaining to the Leased Property furnished by Lessor, any broker, any agent, employee or other actual (or purported) representative of Lessor, or any person, unless and only to the extent the same are expressly set forth in this Lease.

(iii) Lessor makes no warranty with respect to the presence of any hazardous or toxic substances on, above, beneath or discharged from the Leased Property (or any adjoining or neighboring property) or in any water on or under the Leased Property. The Closing hereunder shall be deemed to constitute an express waiver of Purchaser's right to recover from Seller, and forever releases, covenants not to sue and discharges Seller from, any and all damages, demands, claims, losses, liabilities, penalties, fines, liens,

judgments, costs or expenses whatsoever, including attorneys' fees and costs, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with the physical condition of the Leased Property.

- (iv) The provisions of this Section shall survive the Closing and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

(d) **Purchase Price and Deposit.** "Purchase Price" shall mean Three Hundred Fifty-Thousand Dollars (\$350,000.00) less any amounts of Base Rent actually paid by Lessee to Lessor prior to the Closing (as defined below). The balance of the Purchase Price shall be paid to Lessor on the Closing Date (as defined below), subject to any credits or apportionments as provided for herein, simultaneously with delivery of the deed, by certified or official bank checks.

(e) **Closing Date.** The closing of the transaction contemplated by this Section (the "Closing") shall take place at a mutually agreeable time and date, not to occur more than sixty (60) days after the latest of the following (the "Closing Date"): (i) Lessee and Purchaser have provided written notice that they are jointly exercising the purchase option pursuant to this Section, (ii) the United States Environmental Protection Agency ("EPA")-determined closeout of Tarrant, AL EPA Region 4 Brownfield Cleanup Grant No. 00D47216-0, and (iii) the Alabama Department of Environmental Management ("ADEM")-determined closeout of all revolving loan funds for ADEM Voluntary Cleanup Program Site number 461-073-127. It is the intent of the parties that the inclusion of the purchase option in this Section in no way endanger or compromise the receipt of funding from the EPA or ADEM for the benefit of the Leased Property, and the parties agree to take all reasonable measures necessary to ensure the successful administration of such EPA grant and ADEM revolving loan funds. Lessor shall have the right to select the closing attorney, and the Closing shall take place at the offices of the closing attorney. In the event that Lessor sells and conveys the Leased Property to the Purchaser pursuant to this Section, the Expiration Date of this Lease shall be established as the date of the Closing.

(f) **Conveyance.** Lessor agrees to convey the Leased Property to Purchaser by statutory warranty deed, free and clear of all encumbrances except for the Permitted Exceptions as herein set forth. Lessor shall provide at Purchaser's expense within fourteen (14) days after the Lessee has provided the written notice that it is exercising its purchase option pursuant to this Section a standard owner's title insurance commitment for the issuance of an owner's title insurance policy by Land Title (or other title company specified by Lessor) in the amount of Three Hundred Fifty and 00/100 Dollars (\$350,000.00) showing fee simple title to the Leased Property to be in the City, together with the document relating to exceptions to the title referred to therein. Purchaser shall notify Lessor of any unacceptable liens, encumbrances, restrictions, or other defects or matters ("title objections") within ten days of having been provided the same. In the event that Purchaser does provide title objections within said time period, Lessor shall elect (by written notice to Purchaser) to cure or decline to correct such title objections. If Lessor advises Purchaser that Lessor is unwilling or unable to correct any or all

title objections or if Lessor fails to respond, within five (5) days thereafter, Purchaser may elect not to proceed with the sale contemplated by this Section by giving written notice to Lessor. In the event that Purchaser fails to provide such notice during such time, Purchaser shall be deemed to have accepted such title and such matters shall be deemed to be "Permitted Exceptions." At or before the Closing, Purchaser agrees to execute a permanent easement in favor of Lessor to provide for the Easement. Permitted Exceptions shall include the Easement.

(g) **Costs.** At closing, Purchaser shall pay for the owner's title insurance policy to be issued by Land Title pursuant to the title commitment and the closing attorney's fees.

(h) **Proration.** Because of the prior landlord/tenant relationship of the parties, there shall be no proration of items customarily prorated in connection with the closing of real estate, including all ad valorem taxes, as of the closing date. Purchaser shall be responsible for any and all such items.

(i) **Acknowledgments.** Lessor, Lessee, and Purchaser acknowledge that they have not relied upon advice or representations of anyone relative to (i) the legal or tax consequences of this the agreements set forth in this Lease and the sale, purchase or ownership of the Leased Property; (ii) the structural condition of the Leased Property, including condition of the roof and basement; (iii) construction materials; (iv) the nature and operating condition of the electrical, heating, air conditioning, plumbing, water heating systems and appliances; (v) the availability of utilities or sewer service; (vi) the character of the neighborhood; (vii) the investment or resale value of the Leased Property including projections of income or operating expenses; (viii) compliance requirements of the American with Disabilities Act; (ix) the existence of any hazardous or toxic waste, substance or material, including without limitation any asbestos or any oil or pesticides; (x) any state of facts which would be disclosed by an accurate survey of the Leased Property; or (xi) any other matters affecting their willingness to sell or purchase the Leased Property on the terms and price herein set forth. Lessor, Lessee, and Purchaser have sought and obtained independent advice relative thereto.

Section 22. LESSOR'S RIGHT TO INSPECT LEASED PROPERTY. Lessor, its agents and representatives, shall have the right to enter into and upon the Leased Property, or any part thereof, at all reasonable hours for the purpose of examining the same.

Section 23. DEFAULT.

(a) **Events of Default.** The following shall constitute events of default hereunder: (i) failure by Lessee to pay any Rents or other charges when due when such failure continues for ten (10) days; (ii) failure by Lessee or Purchaser to comply with any provision of this Lease other than payments of Rent, when such failure is not cured within thirty (30) days after written notice to Lessee; (iii) Lessee deserts, abandons, vacates or fails to continuously operate its Business in all or any portion of the Leased Property; (iv) Lessee or Purchaser become the subject of an action or proceeding relating to bankruptcy or insolvency; (v) Lessee or Purchaser shall make any material misrepresentation herein, or other materials provided by Lessee or Purchaser in connection with negotiating or entering into this Lease; (vi) any

fraudulent conveyance or making of assignment by Lessee for the benefit of any or all of its creditors; (vii) Lessee does or permits to be done anything which creates a lien upon the Leased Property; (viii) failure by Lessee or Purchaser to comply with any term or condition of this Lease. The notice and cure periods provided herein are in lieu of, and not in addition to, any notice and cure periods provided by law.

(b) **Remedies.** Upon the occurrence of any of such events of default, Lessor shall have the option of pursuing any one or more of the following remedies, without notice or demand except as specifically provided herein: (i) to either annul and terminate this Lease on ten (10) days written notice to Lessee and Purchaser, and thereupon re-enter and take possession of the Leased Property and dispossess Lessee; (ii) to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof; (iii) to sue for and collect any unpaid rent or other amounts due; (iv) Lessor may without terminating or canceling this Lease declare all amounts and Rent due under this Lease for the remainder of the existing Term (or any applicable extension or renewal thereof) to be immediately due and payable, and thereupon all Rent and other charges due hereunder to the end of the Term of any renewal term, if applicable, shall be accelerated; and (v) upon ten (10) days written notice to Lessee and Purchaser, to re-enter, repossess and re-let the Leased Property from time to time as an agent of Lessee, it being agreed by Lessee that such reentry and/or re-letting shall not discharge Lessee from any liability or obligations hereunder, except that Base Rent plus Additional Rent collected as a result of such re-letting shall be a credit on the Lessee's liability for Rents under the terms of this Lease. Nothing herein, however, shall be construed to require Lessor to re-enter and re-let in such event. Any such re-entry upon default shall be allowed by Lessee without hindrance and Lessor shall not be liable in damages for any such reentry or guilty of trespass or forcible entry. Any and all rights and remedies given under this Lease to Lessor in the event of any such default shall be cumulative, in addition to, and without waiver of or in derogation of, any right or remedy given to Lessor under any law now or hereafter in effect.

Section 24. ATTORNEY'S FEES. In the event that Lessor brings legal action against Lessee or Purchaser arising out of this Lease, Lessor shall be entitled to recover from Lessee or Purchaser all costs of suit and reasonable attorney's fees.

Section 25. END OF TERM.

(a) **Extinguishment of Lessee's Rights.** Upon the termination or expiration of this Lease from any cause, all rights and interests of Lessee, and all persons whomsoever claiming by, through or under Lessee (with the exception of the rights of Lessor arising hereunder), shall immediately cease and terminate, and the Leased Property, all improvements and all personalty located thereon, shall thence forward constitute and belong to and be the absolute property of Lessor or Lessor's successors and assigns, without further act or conveyance, and without liability to make such compensation to Lessee or to anyone whomsoever, and free and discharged from all and every lien, encumbrance, claim and charge of any character created or attempted to be created by Lessee at any time. Lessee agrees, at the termination of this Lease, to surrender unto Lessor, all and singular the Leased Property with the then existing improvements constructed and located thereon and therein, in the same condition as

when the construction of improvements was completed, only natural and normal wear and tear excepted.

(b) **Prepaid Items Assigned.** Upon the expiration of the Term of this Lease, or upon the prior termination of this Lease from any cause, all expense items prepaid by Lessee with respect to constructing, operating, maintaining and protecting the Leased Property, including, but not limited to, prepaid insurance premiums, any tax and utility deposits, shall inure to the benefit of and become the property of Lessor and to this extent Lessee does hereby transfer, assign and convey any such prepaid expense items to Lessor.

(c) **Amounts Remaining in Funds and Accounts.** Upon the expiration of the Term of this Lease, or upon the prior termination of this Lease from any cause, any amounts remaining in any fund, account or reserve created in connection with the maintenance and management of the Leased Property shall inure to the benefit of and become the property of Lessor and to this extent Lessee does hereby transfer, assign and convey any such funds to Lessor.

Section 26. HOLD OVER. Unless Lessor expressly agrees otherwise in writing, Lessee shall pay Lessor one hundred fifty percent (150%) of the amount of Rent then applicable, or the highest amount permitted by law, whichever shall be less, for each month Lessee shall retain possession of the Leased Property or any part thereof after expiration or earlier termination of this Lease, together with all damages sustained by Lessor on account thereof. The foregoing provision shall not serve to extend the Term. Notwithstanding the foregoing, at any time before or after expiration or earlier termination of the Lease, Lessor may serve notice advising Lessee of the amount of Rent and other terms required should Lessee desire to enter a month-to-month tenancy, and if Lessee shall hold over more than the full calendar month after such notice, Lessee shall thereafter be deemed a month-to-month tenant on the terms and provisions of this Lease then in effect as modified by Lessor's notice, and except that Lessee shall not be entitled to any renewal or expansion of rights contained in this Lease or any amendments thereto.

Section 27. FORCE MAJEURE. Lessor shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by cause or causes beyond Lessor's control which shall include without limitation, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, fire and other casualty, inability to obtain any material services or financing or through acts of God.

Section 28. WAIVER OF LIABILITY. Anything contained in this Lease to the contrary notwithstanding, Lessee agrees that Lessee shall look solely to the estate and property of Lessor in the land and buildings comprising the Leased Property for the collection of any judgment (or other judicial process) requiring the payment of money by Lessor in the event of any default or breach by Lessor with respect to any of the terms and provisions of this Lease to be observed and/or performed by Lessor; subject, however, to the prior rights of the holder of any mortgage covering the Leased Property; and no other assets of Lessor shall be subject to levy, execution or other judicial process for the satisfaction of Lessee's claim. This provision shall not be deemed, construed or interpreted to be or constitute an agreement, expressed or

implied, between Lessor and Lessee that Lessor's interest hereunder and in the Leased Property shall be subject to impressment of an equitable lien or otherwise.

Section 29. NOTICES. Each notice, request, and communication required under this Lease shall be in writing. It will be deemed to have been received: (i) on personal delivery; (ii) on the first business day after its deposit for overnight delivery with a recognized overnight delivery service; (iii) if by electronic mail, on receipt of electronic confirmation of its receipt (but only if the electronic mail is followed by delivery by United States mail); or (iv) if mailed, on actual receipt (but only if sent by registered or certified mail, with return receipt requested, addressed to the other party's address below):

Lessor: City of Tarrant, Alabama
ATTN: Mayor
1604 Pinson Valley Parkway
Tarrant, AL 35217

with a copy to: Benjamin S. Goldman
Hand Arendall LLC
2001 Park Place North, Ste. 1200
Birmingham, AL 35213
and via email to: bgoldman@handarendall.com

Lessee: Montgomery Transport, LLC
ATTN: Rollins Montgomery
2563 Commerce Circle
Tarrant, AL 35217

Purchaser: MKM Leasing, LLC
ATTN: Rollins Montgomery
2563 Commerce Circle
Tarrant, AL 35217

Section 30. INVALIDITY. If any term or provision of this Lease, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 31. BINDING EFFECT. The covenants and agreements herein contained shall be binding upon and inure to the benefit of the respective parties hereto, their legal representatives, heirs, executors, administrators, successors and assigns (subject to the restrictions against assignment as set forth above).

Section 32. USE OF GENDER OR NUMBER. Words of any gender used in this Lease shall be held to include any other gender, and words in the singular number shall be held to include the plural, and vice-versa when the context requires.

Section 33. CAPTIONS OR TITLES. The captions or titles used throughout this Lease are for reference and convenience only and shall in no way define, limit or describe the scope or intent of this Lease.

Section 34. GOVERNING LAW. This Lease shall be governed by, and construed in accordance with, the internal laws of the State of Alabama without regard to its principles concerning conflicts of law.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the date first above written.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

SIGNATURES APPEAR ON THE FOLLOWING THREE (3) PAGES.]

Tabled 2.2.26

IN WITNESS WHEREOF, the Lessor has caused this Commercial Lease Agreement to be executed in its name, under seal, and the same attested, all by officers thereof duly authorized thereunto; the Lessee has executed this Commercial Lease Agreement under seal; the Purchaser has executed this Commercial Lease Agreement under seal; and the parties have caused this Commercial Lease Agreement to be dated the date and year first above written.

CITY OF TARRANT, ALABAMA

By: Loxcil B Tuck
Name: Loxcil B. Tuck
Title: Mayor

[S E A L]

ATTEST: Debra D. Kitch
Its Clerk

Tabled 2.2.26

MONTGOMERY TRANSPORT, LLC

By: [Signature]
Name: Rollins Montgomery
Title: President

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Rollins Montgomery, whose name as President of Montgomery Transport, LLC, a limited liability company organized and existing under the laws of the State of Delaware, is signed to the foregoing Commercial Lease Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily for and as the act of said limited liability company on the day the same bears date.

GIVEN under my hand and official seal this 9 day of August, 2016.

[Signature]
Notary Public
My commission expires: 8/19/2016

2016-08-22-26

MKM LEASING, LLC

By: [Signature]
Name: Rollins Montgomery
Title: President

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Rollins Montgomery, whose name as President of MKM Leasing, LLC, a limited liability company organized and existing under the laws of the State of Delaware, is signed to the foregoing Commercial Lease Agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he executed the same voluntarily for and as the act of said limited liability company on the day the same bears date.

GIVEN under my hand and official seal this 9 day of August, 2016.

[Signature]
Notary Public
My commission expires: 9/29/2019

2016-08-22-26

Table 2.2.26

EXHIBIT A
Description of the Leased Property

EXHIBIT A

Description of the Leased Property

DESCRIPTION FOR LOT 1 @

2518 COMMERCE WAY, TARRANT, AL 35217

PARCEL # 23 00 05 2 001 003.019

Lot 1, according to a Resurvey of Lot 15-B of a Resurvey of Lots 11 and 15-B of Tarrant Industrial Park, as recorded in Map Book 188, page 40, in the Probate Office of Jefferson County, Alabama.

SUBJECT TO:

A twenty foot (20') easement to establish and maintain a vegetative border for the reduction of ground water and storm water runoff, to improve surface water runoff, to provide for hydraulic control, and to provide a demonstration area for the City's Enviroplex as depicted in Exhibit B-1 to the Project Development Agreement.

AND SUBJECT TO:

All easements for Tarrant Electric Department's transmission lines and any service lines required for the property herein described, including, but not limited to, as depicted in Exhibit G to the Project Development Agreement.

AND SUBJECT TO:

All other easements existing of record, including, but not limited to, the fifty foot (50') drainage easement.

AND SUBJECT TO:

The Agreement for Occupancy After Closing attached as Exhibit H to the Project Development Agreement.

AND TOGETHER WITH:

[DESCRIPTION CONTINUED ON NEXT PAGE.]

DESCRIPTION FOR LOT 2 @

2528 COMMERCE WAY, TARRANT, AL 35217

PARCEL # 23 00 05 2 001 003.021

Lot 3-AA, according to the Amended Map of the Resurvey of Lots 2, 3, and 15-C of a Resurvey of Lots 15-B of a Resurvey of Lots 11 and 15-B of Tarrant Industrial Park, as recorded in Map Book 203, page 91, in the Probate Office of Jefferson County, Alabama, Birmingham Division.

SUBJECT TO:

A twenty-foot (20') easement to establish and maintain a vegetative buffer for the reduction of ground water and storm water runoff, to improve surface water runoff, to provide for hydraulic control, and to provide a demonstration area for the City's Enviroplex as depicted in Exhibit B-1 to the Project Development Agreement.

AND SUBJECT TO:

All easements for Tarrant Electric Department's transmission lines and any service lines required for the property herein described, including, but not limited to, as depicted in Exhibit G to the Project Development Agreement and the May 26, 1945 Power Line Easement executed on behalf of James B. Clow & Sons, as recorded in Volume 3634, page 492, in the Probate Office of Jefferson County, Alabama.

AND SUBJECT TO:

All other easements existing of record, including, but not limited to, those depicted in The Amended Map of the Resurvey of Lots 2, 3, and 15-C of a Resurvey of Lots 15-B of a Resurvey of Lots 11 and 15-B of Tarrant Industrial Part, as recorded in Map Book 0203, page 0091.

EXHIBIT "B"

Tabled 2.2.26



Aurora Management Partners Inc.
212 S. Tryon St.
Suite 1680
Charlotte, NC 28281

January 14, 2026

Via Certified Mail (Return Receipt Requested), Regular Mail and E-mail

City of Tarrant, Alabama
Attention: Mayor Wayman Newton
1604 Pinson Valley Parkway
Tarrant, AL 35217

Hand Arendall Harrison Sale LLC
Attention: Benjamin S. Goldman, Esq.
1801 5th Avenue North, Suite 400
Birmingham, AL 35203
Email: bgoldman@handfirm.com

Massey, Stotser & Nichols, PC
Attention: Michael Brymer, Esq.
1780 Gadsden Highway
Birmingham, AL 35235
Email: mbrymer@msnattorneys.com

**Re: Notice of Intention to Purchase 2118 and 2528 Commerce Way, Tarrant,
Alabama 35217**

Dear Mayor Newton:

Reference is made to that certain Commercial Lease Agreement dated as of August 8, 2016 (the "Lease"), by and between the City of Tarrant, Alabama, an Alabama municipal corporation ("Lessor"), Montgomery Transport, LLC, a Delaware limited liability company ("Lessee"), and MKM Leasing, LLC, a Delaware limited liability company ("Purchaser", and together with Lessee, collectively, the "MT Parties"). All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Lease.

Aurora Management Partners, Inc. (the "Receiver"), pursuant to an Order Appointing Receiver entered on October 28, 2025 by the U.S. District Court for the Northern District of Alabama, Southern Division, was appointed as Receiver in the case captioned *Regions Bank, as administrative agent, collateral agent and lender and Cadence Bank, as lender v. Montgomery Transport Group, Inc. (fka Montgomery Buyer, LLC); Montgomery Intermediate, LLC; Capacity Lease, LLC; MKM Leasing, LLC; Montgomery One, LLC; Montgomery Transport, LLC; Montgomery Logistics DE, LLC; MT Select, LLC; RM Logistics, LLC; Breaker One-Swine, LLC, Case No. 2:25-cv-01772-MHH.*

Pursuant to Section 21 of the Lease, the MT Parties, by and through the Receiver, hereby jointly provide written notice of their intention for Purchaser to purchase the Leased Property, at a date and time mutually acceptable to Lessor and Purchaser, on or before February 12, 2026 or such earlier date as Purchaser and Lessor may mutually agree. Additionally, in accordance with Section 21(f) of the Lease, please deliver to the undersigned an owner's title insurance commitment issued by Tuscaloosa Title Company, Inc. within fourteen (14) days of the date hereof.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Laura Kendall

Senior Managing Director of Aurora Management Partners, Inc., as Receiver for Montgomery Transport, LLC and MKM Leasing, LLC

Tabled 2.2.26

CERTIFICATION OF CITY CLERK

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, Laverne Knight, Ph.D., City Clerk of the City of Tarrant, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly and legally adopted by the City Council of the City of Tarrant, Alabama, on the 5th day of January, 2026, while in regular session on Monday, January 6, 2026, and the same appears of record in the minute book of said date of said City.

Witness my hand and seal of office this the ____ day January, 2026.

Laverne Knight, Ph.D., City Clerk

CITY COUNCIL OF THE CITY OF TARRANT, ALABAMA

RESOLUTION NO. 9381

A RESOLUTION PROCLAIMING FEBRUARY, 2026 TO BE AMERICAN HEART MONTH.

WHEREAS, cardiovascular disease is responsible for approximately one (1) in four (4) deaths in the United States and is the leading cause of death among both men and women; and

WHEREAS, the risk factors for cardiovascular disease include smoking, high blood pressure, high cholesterol, obesity, physical inactivity, diabetes, family history and age; and

WHEREAS, the research is clear that there are tools available to increase survival rates of cardiovascular disease, with the American Heart Association encouraging citizens to help save lives by calling 9-1-1 if symptoms occur, becoming trained in CPR, and supporting comprehensive automated external defibrillator (“AED”) programs in their communities; and

WHEREAS, the American Heart Association and numerous governmental entities are celebrating February 2026 as American Heart Month and encouraging citizens to learn the warning signs of heart attack and stroke; and

WHEREAS, this Council joins with these entities to encourage residents to raise their awareness about heart disease in order to make healthy lifestyle choices to reduce their own risk and to recognize the warning signs and be able to assist other persons suffering cardiovascular symptoms.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Tarrant, Alabama, while in regular session on Monday, February 2, 2026, at 6:30pm, a quorum duly assembled, as follows:

Section 1. The preamble is hereby adopted, ratified, and restated as if fully set out herein.

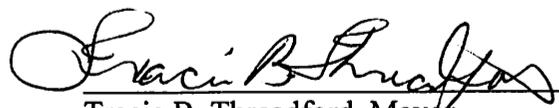
Section 2. This Council hereby proclaims February 2026 to be American Heart Month in the City of Tarrant, Alabama in order to promote education and awareness of cardiovascular disease with the goal of reducing cardiovascular deaths in this community and nationwide.

Section 3. The Clerk shall provide a certified copy of this Resolution to the American Heart Association.

Section 4. This Resolution shall become effective immediately upon its adoption.

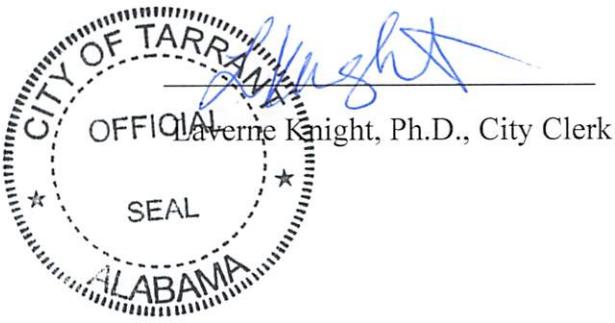
APPROVED & ADOPTED THIS THE 2nd DAY OF FEBRUARY, 2026.

Approved:


Tracie B. Threadford, Mayor

John T. “Tommy” Bryant, Mayor Pro Tem

Attest:



CERTIFICATION OF CITY CLERK

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, Laverne Knight, City Clerk of the City of Tarrant, Alabama, do hereby certify that the above and foregoing is a true and correct copy of a Resolution duly and legally adopted by the City Council of the City of Tarrant, Alabama, on the 2nd day of February, 2026, while in regular session on Monday, February 2nd, 2026, and the same appears of record in the minute book of said date of said City.

Witness my hand and seal of office this the 11th day of February, 2026.





 Dr. Laverne Knight, City Clerk

CITY OF TARRANT
VOUCHER LIST
MONDAY, FEBRUARY 2 , 2026

GENERAL FUND

55837	ACCOUNTS PAYABLE RUN	\$ 26,051.75
55838-55853	ACCOUNTS PAYABLE RUN	\$ 96,684.00
55854-55856	ACCOUNTS PAYABLE RUN	\$ 8,386.85
55857	ACCOUNTS PAYABLE RUN	\$ 169,069.89
55858-55887	ACCOUNTS PAYABLE RUN	\$ 70,484.47

NET PAYROLL

1/30/2026	PAY PERIOD 1/10/2026-1/23/2026	\$ 139,494.72
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<u>Bank Name</u>	<u>Bank Number</u>					
General Fund						
<u>Payment Number</u>	<u>Type</u>	<u>Vendor Name</u>	<u>Vendor ID</u>	<u>Pymt Grp.</u>	<u>Payment Date</u>	<u>Payment Amount</u>
55837	CHK	Wright Specialty Insurance	2104		01/20/2026	\$26,051.75
Bank Total:						\$26,051.75
Bank Payment Count:						1

Bank NameBank Number

General Fund

<u>Payment Number</u>	<u>Type</u>	<u>Vendor Name</u>	<u>Vendor ID</u>	<u>Pymt Grp.</u>	<u>Payment Date</u>	<u>Payment Amount</u>
55838	CHK	ABS PURE WATER	3425		01/21/2026	\$221.28
55839	CHK	Aflac	98		01/21/2026	\$154.42
55840	CHK	Avenu	1773		01/21/2026	\$44,639.20
55841	CHK	Central Alabama Water	16		01/21/2026	\$4,968.65
55842	CHK	Express Oil Change Llc	66		01/21/2026	\$126.85
55843	CHK	Green Valley Landfill	3329		01/21/2026	\$22,285.00
55844	CHK	Iron City Heating & Air	3399		01/21/2026	\$139.00
55845	CHK	Keith The Plumber	1817		01/21/2026	\$365.40
55846	CHK	Lloyd, Gray, Whitehead & Monroe, P.C.	3377		01/21/2026	\$73.01
55847	CHK	National Industrial & Safety Supply	3315		01/21/2026	\$503.28
55848	CHK	O'reilly Auto Parts	315		01/21/2026	\$656.62
55849	CHK	Sun Life Financial	1848		01/21/2026	\$2,370.29
55850	CHK	Texas Life Insurance Co.	1801		01/21/2026	\$25.80
55851	CHK	The Sports Spot	2015		01/21/2026	\$11,466.50
55852	CHK	Valley Printing Company, Inc.	548		01/21/2026	\$128.70
55853	CHK	We R Smart Llc	1887		01/21/2026	\$8,560.00
Bank Total:						\$96,684.00
Bank Payment Count:						16

Bank Name Bank Number

General Fund

<u>Payment Number</u>	<u>Type</u>	<u>Vendor Name</u>	<u>Vendor ID</u>	<u>Pymt Grp.</u>	<u>Payment Date</u>	<u>Payment Amount</u>
55854	CHK	Avenu	1773		01/22/2026	\$1,726.85
55855	CHK	Bama Hot Dogs	3469		01/22/2026	\$660.00
55856	CHK	Charlie D. Waldrep	3468		01/22/2026	\$6,000.00
Bank Total:						\$8,386.85
Bank Payment Count:						3

Bank Name Bank Number
General Fund

<u>Payment Number</u>	<u>Type</u>	<u>Vendor Name</u>	<u>Vendor ID</u>	<u>Pymt Grp.</u>	<u>Payment Date</u>	<u>Payment Amount</u>
55857	CHK	Higginbotham Insurance Agency, Inc	3393		01/28/2026	\$169,069.89
Bank Total:						\$169,069.89
Bank Payment Count:						1

<u>Bank Name</u>	<u>Bank Number</u>							
General Fund		<u>Payment Number</u>	<u>Type</u>	<u>Vendor Name</u>	<u>Vendor ID</u>	<u>Pymt Grp.</u>	<u>Payment Date</u>	<u>Payment Amount</u>
		55858	CHK	Aaa Environmental Services	4		01/29/2026	\$768.96
		55859	CHK	Alabama Child Support	37		01/29/2026	\$1,907.09
		55860	CHK	Alabama Law Enforcement Agency	1499		01/29/2026	\$330.00
		55861	CHK	Birmingham Freightliner	146		01/29/2026	\$3,992.63
		55862	CHK	Bound Tree Medical, Llc	772		01/29/2026	\$764.35
		55863	CHK	Center Point Large Print	1838		01/29/2026	\$245.70
		55864	CHK	Central Alabama Training	1685		01/29/2026	\$974.00
		55865	CHK	Coleman, Patrick	414		01/29/2026	\$149.35
		55866	CHK	Express Oil Change Llc	66		01/29/2026	\$128.96
		55867	CHK	Genesis Tire	1291		01/29/2026	\$1,741.10
		55868	CHK	Greater Birmingham Humane Society	1503		01/29/2026	\$1,898.60
		55869	CHK	Jefferson County Mayors Assc	18		01/29/2026	\$1,224.80
		55870	CHK	Kenworth of Birmingham, Inc	3415		01/29/2026	\$1,361.82
		55871	CHK	Lloyd, Gray, Whitehead & Monroe, P.C.	3377		01/29/2026	\$371.91
		55872	CHK	Municipal And Commercial Uniform And	134		01/29/2026	\$4,858.40
		55873	CHK	Nexair, Llc	23		01/29/2026	\$189.67
		55874	CHK	Nicole Landers	1795		01/29/2026	\$149.35
		55875	CHK	O'reilly Auto Parts	315		01/29/2026	\$396.14
		55876	CHK	Peach State-Birmingham Freightliner	3313		01/29/2026	\$220.16
		55877	CHK	Regional Training Institute RTI	3244		01/29/2026	\$632.00
		55878	CHK	Rocic	334		01/29/2026	\$300.00
		55879	CHK	Spire Alabama Inc	1704		01/29/2026	\$1,927.93
		55880	CHK	Tarrant Electric Department	111		01/29/2026	\$32,210.57
		55881	CHK	The Sports Spot	2015		01/29/2026	\$9,291.50
		55882	CHK	Thompson Tractor Co, Inc	3209		01/29/2026	\$853.13
		55883	CHK	Tops Business Systems	378		01/29/2026	\$192.35
		55884	CHK	Trigreen Equipment, Llc	683		01/29/2026	\$174.90
		55885	CHK	We R Smart Llc	1887		01/29/2026	\$2,780.00
		55886	CHK	Wells Fargo Vendor Fin Serv	1605		01/29/2026	\$317.10
		55887	CHK	West Med Disposal, Inc.	1687		01/29/2026	\$132.00
							Bank Total:	\$70,484.47
							Bank Payment Count:	30