

Sourcewell

Leasing and Financing Solutions with Related Services Contract #011620

Purchase Order Only Terms and Conditions

I. Terms and Conditions for Tax Exempt Governmental Lease

The terms, conditions and obligations of this Purchase Order Only Terms and Conditions (the "Additional Terms and Conditions") attached to Leasing and Financing Solutions with Related Services Contract #011620, by and between Sourcewell and Lease Servicing Center, Inc. dba NCL Government Capital, including all attachments hereto, any Purchase Order incorporating these Additional Terms and Conditions by reference (the "Purchase Order") and any related escrow agreement, collectively constitute the Tax Exempt Governmental Lease referred to in such Purchase Order (the "Lease"). Words "YOU" and "YOUR" refer to the "Lessee," and the words "WE," "US" and "OUR" refer to the "Lessor," its successors and assigns.

Attachments to the Lease include the following unless specifically designated as inapplicable:

Attachment 1:	Lease Payment Schedule
Attachment 2:	Equipment Description Schedule
Attachment 3:	Acceptance Certificate
Attachment 4:	Bank Qualification Designation
Attachment 5:	Opinion of Counsel
Attachment 6:	Resolution
Attachment 7:	Certificate of Incumbency
Attachment 8:	Insurance Coverage Disclosure

An addendum required for the Lease to be in compliance with the applicable laws of the state where the Lessee resides may be required.

1. LEASE: WE agree to lease to YOU and YOU agree to lease from US, the equipment listed on the Purchase Order and Attachment 2 hereto, including all replacement parts, repairs, additions and accessories ("Equipment") on the terms and conditions of this Lease.

2. TERM: This Lease is effective on the earlier of the date on which WE disburse funds to the vendor of the Equipment or the date on which WE deposit funds for the purchase of the Equipment with an escrow agent (the "Commencement Date"), which date YOU hereby authorize US to fill in on the executed Attachment 1, Lease Payment Schedule following OUR receipt from YOU of the executed Acceptance Certificate in the form set forth as Attachment 3 hereto, and continues thereafter for an Initial Term ("Initial Term") ending at the end of YOUR budget year in effect on the Commencement Date and may be continued by YOU for additional one-year renewal terms ("Renewal Terms"), coinciding with YOUR budget year, up to the total number of months indicated on Attachment 1, Lease Payment Schedule ("Lease Term"); provided, however, that at the end of the Initial Term and at the end of each Renewal Term until the Lease Term has been completed, YOU will be deemed to have continued this Lease for the next Renewal Term unless YOU have terminated this Lease pursuant to Section 5 or Section 17. Lease Payments as set forth on Attachment 1 and any amounts chargeable to YOU under this Lease shall be paid by YOU to US during the Initial Term and each Renewal Term during which this Lease remains in effect. As set forth in the Lease Payment Schedule, a portion of each Lease Payment is paid as, and represents payment of, interest. YOUR obligation to pay Lease Payments and YOUR other Lease obligations are absolute and unconditional and are not subject to cancellation, reduction, setoff or counterclaim except as provided in Section 5. **THIS LEASE IS NON-CANCELABLE, EXCEPT AS PROVIDED IN SECTION 5.**

3. LATE CHARGES. If a Lease Payment is not made on the date when due, YOU will pay US a late charge at the rate of 10% per annum or the maximum amount permitted by law, whichever is less, from the due date.

4. CONTINUATION OF LEASE TERM. YOU currently intend, subject to Section 5, to continue this Lease, and to pay Lease Payments hereunder, through the Lease Term. YOU reasonably believe that legally available funds in an amount sufficient to make all Lease Payments during the Lease Term can be obtained. YOUR responsible financial officer will do all things lawfully within his or her power to obtain and maintain funds from which Lease Payments may be made, including making provision for Lease Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with YOUR applicable procedures and to exhaust all available reviews and appeals if that portion of the budget is not approved. Notwithstanding the foregoing, the decision whether to budget or appropriate funds and to extend this Lease for any Renewal Term is solely within the discretion of YOUR governing body.

5. NONAPPROPRIATION. YOU are obligated only to pay such Lease Payments and other amounts under this Lease as may lawfully be made from funds budgeted and appropriated for that purpose during YOUR then current budget year. If YOU fail to appropriate or otherwise make available funds to pay the Lease Payments and other amounts required to be paid in the next occurring Renewal Term, this Lease will be deemed terminated at the end of the then current Initial Term or Renewal Term. YOU agree to deliver written notice to US of such termination at least 90 days prior to the end of the then current Initial Term or Renewal Term, but failure to give such notice will not extend the term of this Lease beyond the then current Initial Term or Renewal Term. If this Lease is terminated in accordance with this Section, YOU agree, at YOUR cost and expense, to peaceably deliver the Equipment to US at the location or locations specified by US, by the end of the Initial Term or Renewal Term then in effect. If the Equipment is not so returned by the end of the Initial Term or Renewal Term then in effect, WE may charge YOU additional rental at the Lease rate until the date of Equipment return.

6. WARRANTIES. WE are leasing the Equipment to YOU "AS-IS" and WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. To the extent such warranties are transferrable, WE transfer to YOU, without recourse, for the term of this Lease all warranties, if any, made by the manufacturer. YOU ALSO ACKNOWLEDGE THAT NO ONE IS AUTHORIZED TO WAIVE OR CHANGE ANY TERM, PROVISION OR CONDITION OF THIS LEASE EXCEPT IN WRITING AND SIGNED BY THE PARTIES HERETO, AND, EXCEPT FOR THE MANUFACTURER WARRANTIES, MAKE ANY REPRESENTATION OR WARRANTY ABOUT THIS LEASE OR THE EQUIPMENT. WE WILL NOT BE LIABLE FOR SPECIAL, RESULTING OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFIT OCCASIONED BY ANY BREACH OF WARRANTY OR REPRESENTATION OR RESULTING FROM THE USE OR PERFORMANCE OF THE EQUIPMENT. YOUR OBLIGATION TO PAY IN FULL ANY AMOUNT DUE UNDER THE LEASE WILL NOT BE AFFECTED BY ANY DISPUTE, CLAIM, COUNTERCLAIM, DEFENSE OR OTHER RIGHT WHICH YOU MAY HAVE OR ASSERT AGAINST THE EQUIPMENT SUPPLIER OR THE EQUIPMENT MANUFACTURER.

7. DELIVERY AND ACCEPTANCE. YOU are responsible, at YOUR own cost (unless financed by this Lease), to arrange for the delivery and installation of the Equipment. When the Equipment has been delivered and installed, YOU will immediately sign and deliver to US a separate acceptance certificate in the form set forth as Attachment 3 hereto.

8. TITLE, PERSONAL PROPERTY, LOCATION, INSPECTION, NO MODIFICATIONS OR ALTERATIONS. YOU have title to the Equipment; provided that title to the Equipment will immediately and without any action by YOU vest in US, and YOU will immediately surrender possession of the Equipment to US, (a) upon any termination of this Lease other than upon payment of all Lease Payments due hereunder termination pursuant to Section 17 (including but not limited to any termination pursuant to Section 5) or (b) if YOU are in default of this Lease. It is the intent of the parties hereto that any transfer of title to US pursuant to this Section will occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. YOU will, nevertheless, execute and deliver any such instruments as WE may request to evidence such transfer. As security for YOUR obligations hereunder, to the extent permitted by law, YOU grant to US a first and prior security interest in the Equipment, all cash and negotiable instruments comprising the escrow fund held under any related escrow agreement, and all proceeds of the foregoing. YOU agree that WE may record such instruments as WE deem necessary to perfect such security interest. YOU have the right to use the Equipment during the term of this Lease, except as otherwise expressly set forth in this Lease. Although the Equipment may become attached to real estate, it remains personal property. YOU agree not to alter or modify the Equipment or permit a lien to be placed upon the Equipment or to remove the Equipment without OUR prior written consent. YOU agree to provide US with

waivers of interest or liens from anyone claiming any interest in the real estate on which any items of Equipment is located. WE also have the right, at reasonable times, to inspect the Equipment.

9. MAINTENANCE. YOU are required, at YOUR own cost and expense, to keep the Equipment in good repair, condition and working order, except for ordinary wear and tear, and to supply all parts and servicing required. All replacement parts used or installed and repairs made to the Equipment will become part of the Equipment. YOU acknowledge that WE are not responsible for providing any required maintenance and/or service for the Equipment. YOU will make all claims for service and/or maintenance solely to the supplier and/or manufacturer and such claims will not affect YOUR obligation to make Lease Payments.

10. ASSIGNMENT. YOU agree not to transfer, sell, sublease, assign, pledge or encumber either the Equipment or any rights or obligations under this Lease without OUR prior written consent. YOU agree that WE may sell, assign or transfer our rights and benefits under this Lease and, if WE do, the new owner will have the same rights and benefits, but not the obligations, that WE now have. The rights of the new owner will not be subject to any claims, counterclaims, defenses or set-offs that YOU may have against US, if any. No assignment will be effective until YOU have received written notice from the assignor of the name and address of the assignee. YOU or YOUR agent will maintain a written record of each assignment in form necessary to comply with Section 149(a) of the Internal Revenue Code of 1986, as amended.

11. LOSS OR DAMAGE. YOU are responsible for the risk of loss or destruction of, or damage to, the Equipment. No such loss or damage relieves YOU from any obligation under this Lease. If any of the Equipment is damaged by fire or other casualty or if title to, or the temporary use of, any of the Equipment is taken under the exercise of the power of eminent domain, the net proceeds ("Net Proceeds") of any insurance claim or condemnation award will be applied to the prompt replacement, repair, restoration, modification or improvement of that Equipment, unless YOU have exercised YOUR option to purchase the Equipment pursuant to Section 17. Any balance of the Net Proceeds remaining after such work has been completed will be paid to YOU.

12. YOUR NEGLIGENCE. WE are not responsible for any losses or injuries caused by the manufacture, acquisition, delivery, installation, ownership, use, lease, possession, maintenance, operation or rejection of the Equipment or defects in the Equipment. To the extent permitted by law, YOU agree to reimburse US for and to defend US against any claim for losses or injuries (including attorneys' fees and other expenses for the defense of such claim), relating to the Equipment, including, without limitation, its manufacture, acquisition, delivery, installation, ownership, use, lease, possession, maintenance or operation, to the extent such claim proximately results from the negligent conduct of YOU or YOUR agents. YOUR obligations under this Section 12 will continue even after the termination of this Lease.

13. TAXES. YOU agree to pay any applicable license and registration fees, sale and use taxes, personal property taxes and all other taxes and charges, relating to the ownership, leasing, rental, sale, purchase, possession or use of the Equipment (except those based on OUR net income). YOU agree that if WE pay any taxes or charges, YOU will reimburse US for all such payments and will pay US interest and a late charge (as calculated in Section 3) on such payments with the next Lease Payment, plus a fee for OUR collecting and administering any taxes, assessments or fees and remitting them to the appropriate authorities.

14. INSURANCE. During the term of this Lease, YOU will keep the Equipment insured against all risks of loss or damage in an amount not less than the replacement cost of the Equipment. YOU will also obtain and maintain for the term of this Lease, liability insurance insuring against liability for bodily injury and property damage in an amount satisfactory to US or such greater amount as may be prescribed by any applicable state law. WE will be the sole named loss payee on the property insurance and named as an additional insured on the liability insurance, and such insurance shall provide US at least thirty days written notice of cancellation. YOU will pay all premiums for such insurance and must deliver proof of insurance coverage satisfactory to US. If YOU do not provide such insurance, YOU agree that WE have the right, but not the obligation, to obtain such insurance and add an insurance fee to the amount due from YOU.

15. DEFAULT. Subject to Section 5, YOU are in default of this Lease if any of the following occurs: (a) YOU fail to pay any Lease Payment or other sum when due; (b) YOU breach any warranty or other obligation under this Lease, or any

other agreement with US, (c) YOU become insolvent or unable to pay YOUR debts when due or YOU make an assignment for the benefit of creditors, or (d) YOU file or have filed against YOU a petition for liquidation, reorganization, adjustment of debt or similar relief under the Federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver or liquidator is appointed for YOU or a substantial part of YOUR assets.

16. REMEDIES. WE have the following remedies if YOU are in default of this Lease: WE may declare the entire balance of the unpaid Lease Payments for the then current Initial Term or Renewal Term immediately due and payable; sue for and receive all Lease Payments and any other payments then accrued or accelerated under this Lease; take whatever action at law or in equity may appear necessary or desirable to enforce OUR rights as owner of the Equipment; charge YOU interest on all monies due US at the rate of eighteen percent (18%) per year from the date of default until paid, but in no event more than the maximum rate permitted by law; charge YOU a return-check or non-sufficient funds charge ("NSF Charge") of \$25.00 for a check that is returned for any reason; and require that YOU return the Equipment to US and, if YOU fail to return the Equipment, enter upon the premises peaceably with or without legal process where the Equipment is located and repossess the Equipment. Such return or repossession of the Equipment will not constitute a termination of this Lease unless WE expressly notify YOU in writing. If the Equipment is returned or repossessed by US and unless WE have terminated this Lease, WE will sell or re-rent the Equipment to any persons with any terms WE determine, at one or more public or private sales, with or without notice to YOU, and apply the net proceeds after deducting the costs and expenses of such sale or re-rent, to YOUR obligations with YOU remaining liable for any deficiency and with any excess over the amounts described in this Section plus the then applicable Purchase Price to be paid to YOU. YOU are also required to pay (i) all expenses incurred by US in connection with the enforcement of any remedies, including all expenses of repossessing, storing, shipping, repairing and selling the Equipment, and (ii) reasonable attorneys' fees.

17. PURCHASE OPTION. Provided YOU are not in default, YOU will have the option to purchase all, but not less than all, of the Equipment (a) on the date the last Lease Payment is due, if this Lease is still in effect on that day, upon payment in full of Lease Payments and all other amounts then due and the payment of One Dollar to US; (b) on the last day of the Initial Term or any Renewal Term then in effect, upon at least 30 days' prior written notice to US and payment in full to US of the Lease Payments and all other amounts then due plus the then applicable Purchase Price set forth on the Lease Payment Schedule; or (c) if substantial damage to or destruction or condemnation of substantially all of the Equipment has occurred, on the day specified in YOUR written notice to US of YOUR exercise of the purchase option upon at least 30 days' prior notice to US and payment in full to US of the Lease Payments and all other amounts then due plus the then applicable Purchase Price set forth on the Lease Payment Schedule.

18. REPRESENTATIONS AND WARRANTIES. YOU warrant and represent as follows: (a) YOU are a public body corporate and politic duly organized and existing under the constitution and laws of YOUR State with full power and authority to enter into this Lease and to perform all of YOUR obligations hereunder; (b) YOU have duly authorized the execution and delivery of this Lease by proper action by YOUR governing body, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Lease; (c) YOU have complied with such public bidding requirements and other provisions of law as are applicable to this Lease and the acquisition by YOU of the Equipment; (d) all authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by YOU of this Lease or in connection with the carrying out of YOUR obligations hereunder have been obtained; (e) this Lease constitutes the legal, valid and binding obligation of YOU enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally; (f) YOU have, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year and to meet YOUR other obligations under this Lease during the current budget year, and those funds have not been expended for other purposes; (g) there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by this Lease or our interest in the Equipment; (h) the Equipment is essential to YOUR functions or to the services YOU provide to YOUR citizens, YOU have an immediate need for the Equipment and expect to make immediate use of the Equipment, YOUR need for the Equipment is not temporary and YOU do not expect the need

for any item of the Equipment to diminish in the foreseeable future, including the Lease Term, and the Equipment will be used by YOU only for the purpose of performing one or more of YOUR governmental or proprietary functions consistent with the permissible scope of YOUR authority and will not be used in the trade or business of any other entity or person; and (i) YOU have never failed to appropriate or otherwise make available funds sufficient to pay rental or other payments coming due under any lease purchase, installment sale or other similar agreement.

19. FINANCIAL STATEMENTS. YOU agree to submit financial statements (audited if available) on an annual basis.

20. TAX EXEMPTION. YOU will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended, including without limitation Sections 103 and 148 thereof, and the applicable regulations thereunder to maintain the exclusion of the interest portion of the Lease Payments from gross income for purposes of federal income taxation. In furtherance of the foregoing, YOU will file all necessary informational returns with the IRS, on a timely basis, and provide US with copies of such filed returns relating to this Lease contemporaneous with their filing. If YOU fail to file the necessary informational returns with the IRS on a timely basis, YOU authorize US, in OUR sole discretion, to engage a tax professional to complete the required returns on YOUR behalf and expense, which YOU will promptly execute and file.

21. BANK QUALIFICATION. If this Lease has been designated a “qualified tax-exempt obligation” on Attachment 4 “Bank Qualified Designation”, YOU and all YOUR subordinate entities will not issue in excess of \$10,000,000 of “qualified tax-exempt obligations” (including this Lease, but excluding private activity bonds other than qualified 501(c)(3) bonds) during the calendar year in which WE fund this Lease without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations acceptable to US that the designation of this Lease as a “qualified tax-exempt obligation” will not be adversely affected.

22. CHOICE OF LAW; JURY TRIAL WAIVER. This Lease will be governed and construed in accordance with the laws of the state where YOU are located. To the extent permitted by law, YOU agree to waive YOUR rights to a trial by jury.

23. ENTIRE AGREEMENT; SEVERABILITY; WAIVERS. This Lease contains the entire agreement and understanding between YOU and US. No agreements or understandings are binding on the parties unless set forth in writing and signed by the parties. Any provision of this Lease which for any reason may be held unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective without invalidating the remaining provisions of this Lease.

24. NOTICES; ELECTRONIC TRANSACTION. Notices hereunder shall be deemed given when delivered personally, sent via overnight courier, facsimile or e-mail (with confirmation of transmission), or certified U.S. Mail, addressed as set forth above. Copies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic counterparts for all purposes, including the filing of any claim, action or suit in the appropriate court of law. To the extent that this Lease constitutes chattel paper (as that term is defined by the UCC), a security or ownership interest intended to be created through the transfer and possession of this Lease can be done only by the transfer of such original bearing OUR original signature on the related Purchase Order.

25. ROLE OF LESSOR. WE have not acted and will not act as a fiduciary for YOU or as YOUR agent or municipal advisor. WE have not and will not provide financial, legal, tax, accounting or other advice to YOU or to any financial advisor or placement agent engaged by YOU with respect to this Lease. YOU, YOUR financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain YOUR own financial, legal, tax, accounting and other advice with respect to this Lease from YOUR own advisors (including as it relates to structure, timing, terms and similar matters).

II. Supplemental Terms and Conditions for Lease with Option to Purchase

WE and YOU agree that in the event of the execution and delivery of a Purchase Order for a Lease With Option to Purchase the following changes and additions shall be made to the Purchase Order Only Terms and Conditions set forth above:

- 1. Section 2** of the Lease is hereby amended by deleting the following sentence:

As set forth in the Lease Payment Schedule, a portion of each lease payment is paid as, and represents payment of, interest.

2. **Section 8** of the Lease is hereby deleted in its entirety and the following **Section 8** is inserted in lieu thereof:

8. TITLE, PERSONAL PROPERTY, LOCATION, INSPECTION, NO MODIFICATIONS OR ALTERATIONS. During the term of this Lease, title to the Equipment shall be retained by US, except for those modifications that YOU add to the Equipment that can be removed without damaging the Equipment. YOU will not have any right, title or interest in the Equipment except as expressly set forth in this Lease. If YOU are in default of this Lease, or this Lease is terminated for any reason other than pursuant to Sections 17 or 26 (including but not limited to any termination pursuant to Section 5), YOU will, at your cost and expense, peaceably deliver the Equipment to US at the location or locations specified by US. Upon YOUR exercise of the purchase option pursuant to Section 17 or Section 26, title to the Equipment will immediately and without further action by US vest in YOU, AS IS, WHERE IS, without warranty, express or implied, free and clear of any claim by or through US. It is the intent of both parties that any transfer of title to YOU pursuant to this Section will occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. WE will, nevertheless, execute and deliver any such instruments as YOU may request to evidence such transfer. YOU will, nevertheless, execute and deliver any such instruments as WE may request to evidence such transfer. YOU have the right to use the Equipment during the term of this Lease, except as otherwise expressly set forth in this Lease. Although the Equipment may become attached to real estate, it remains personal property. YOU agree not to alter or modify the Equipment or permit a lien to be placed upon the Equipment or to remove the Equipment without OUR prior written consent. If WE feel it is necessary, YOU agree to provide US with waivers of interest or liens from anyone claiming any interest in the real estate on which any items of Equipment is located. WE also have the right, at reasonable times, to inspect the Equipment.

3. Section 17 of the Lease is hereby deleted in its entirety and the following Section 17 is inserted in lieu thereof:

Section 17. PURCHASE OPTION. Provided YOU are not in default, YOU will have the option to purchase all, but not less than all, of the Equipment (a) on the last day of the Initial Term or any Renewal Term then in effect, upon at least 30 days' prior written notice to US and payment in full to US of the Lease Payments and all other amounts then due plus the then applicable Fair Market Value of the Equipment as defined in Section 26 of the Lease plus all sales and use taxes, if any, arising on the sale of the Equipment; or (b) if substantial damage to or destruction or condemnation of substantially all of the Equipment has occurred, on the day specified in YOUR written notice to US of YOUR exercise of the purchase option upon at least 30 days' prior notice to US and payment in full to US of the Lease Payments and all other amounts then due, plus the then applicable Fair Market Value of the Equipment as defined in Section 26 of the Lease, plus all sales and use taxes, if any, arising on the sale of the Equipment.

4. **Section 20** is hereby deleted.

5. **Section 21** is hereby deleted.

6. The following section is hereby inserted:

Section 26. PURCHASE OPTION AT END OF TERM. So long as this Lease has not been canceled or terminated early and no Event of Default exists, upon expiration of the final Renewal Term set forth on Attachment 1 ("Lease End"), YOU may purchase all, but not less than all, of the Equipment for the Fair Market Value of the Equipment, plus all sales and use taxes arising on the sale of the Equipment. For purposes of this Lease, "Fair Market Value" of the Equipment means the estimated amount that a willing buyer and a willing seller would pay for the Equipment on an installed basis, as mutually determined by YOU and US. If WE and YOU are unable to mutually determine the Fair Market Value, at YOUR request and expense, WE shall select and hire a third-party

certified appraiser to determine the Fair Market Value, and such appraiser's determination shall be binding on the US and YOU. To exercise the foregoing purchase option, YOU must give written notice thereof to US at least 90 days and no more than 120 days prior to Lease End. If YOU fail to give such notice, or if the parties cannot agree on the Fair Market Value of the Equipment by 45 days before Lease End, then this purchase option shall lapse. If this purchase option lapses, then at least 30 days before Lease End, YOU must give US notice of YOUR intent to return the Equipment and request return location instructions. If YOU fail to give such notice, or give notice but fail to return the Equipment in accordance with Section 27 below, this Lease will automatically renew, at the same rental and other terms set forth in this Lease, for additional successive non-cancelable one-month terms after the Initial Term until timely written notice of return and proper return of the Equipment is made.

If YOU give timely notice of election to purchase the Equipment as provided in this Section 26 and fail to timely pay the purchase price, then WE may, in its sole discretion, by written notice to YOU (a) treat the Equipment as purchased and enforce payment of the purchase price, (b) declare a failure to meet those purchase conditions whereupon YOUR interest in the Lease and Equipment shall be canceled automatically and YOU shall return the Equipment in accordance with Section 27 below, or (c) treat the Lease as automatically renewed, at the same rental and other terms set forth in this Lease, for additional successive non-cancelable one-month terms until timely written notice of return and proper return of the Equipment is made.

Upon YOUR exercise of the purchase option and OUR receipt of the purchase price plus any other amount owing under this Lease, the Equipment will be deemed transferred to YOU at its then location and, on YOUR request at such time, WE will deliver to YOU a bill of sale for the Equipment, "WHERE IS, AS IS" WITHOUT ANY WARRANTY AS TO TITLE OR WITH RESPECT TO THE EQUIPMENT, EXPRESS OR IMPLIED.

7. The following Section is hereby inserted:

Section 27. RETURN OF THE EQUIPMENT. Unless YOU purchase the Equipment or the term of this Lease has been extended in accordance with the terms and conditions set forth in this Lease, upon the expiration or earlier termination of this Lease, YOU shall, at YOUR sole expense and risk, de-install, disassemble, pack, crate, insure and return the Equipment to US (all in accordance with applicable industry standards) at any location in the continental United States selected by US. The Equipment shall be in the same condition as when received by YOU, reasonable wear and tear resulting from normal and proper use excepted, shall be free and clear of any liens, shall comply with all applicable laws and regulations and shall include all manuals, specifications, repair and maintenance records and similar documents. Until any Equipment is returned as required above, all terms of this Lease shall remain in full force and effect with respect thereto including, without limitation, obligations to pay rent and to insure and repair such Equipment.

ATTACHMENT 1

TO TAX EXEMPT GOVERNMENTAL LEASE NO. _____

DATED AS OF _____

PAYMENT SCHEDULE

LESSOR:

LESSEE:

COMMENCEMENT DATE*: _____

INTEREST RATE:

PAYMENT FREQUENCY:

The first Lease Payment shall be due [in arrears] on the date that is one month after the Commencement Date, and subsequent Lease Payments shall be due monthly on the same day of each month thereafter until paid in full.

<u>Payment Number</u>	<u>Lease Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Purchase Price</u>
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NAME OF LESSEE: _____

SIGNATURE: _____

NAME AND TITLE OF SIGNER: _____

*YOU hereby authorize US to fill in the Commencement Date based on the earlier of the date that WE disburse funds to the Vendor of the Equipment following receipt of YOUR executed Acceptance Certificate, or the date on which WE deposit funds for the purchase of the Equipment with an escrow agent.

ATTACHMENT 2

TO TAX EXEMPT GOVERNMENTAL LEASE NO. _____

DATED AS OF _____

EQUIPMENT DESCRIPTION

The Equipment consists of the equipment described below, together with any and all replacement parts, additions, repairs, modifications, attachments and accessories thereto, any and all substitutions, replacements or exchanges therefor, and any and all insurance and/or proceeds thereof:

Description/Serial No./Model No.	Location	Total Cost

NAME OF LESSEE: _____

SIGNATURE: _____

NAME AND TITLE OF SIGNER: _____

ATTACHMENT 3

TO TAX EXEMPT GOVERNMENTAL LEASE NO. _____

DATED AS OF _____

ACCEPTANCE CERTIFICATE

Lessor _____

Re: Tax Exempt Governmental Lease No. _____ between Lease Servicing Center, Inc. dba NCL Government Capital, as Lessor (the "Lessor"), and _____, as Lessee (the "Lessee")

Ladies and Gentlemen:

In accordance with the above-referenced Tax Exempt Governmental Lease No. _____ (the "Lease"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. All of the Equipment (as such term is defined in the Lease) listed in the Lease has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment listed in the Lease as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by Section 14 of the Lease.
4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, a default as set forth in Section 15 of the Lease exists at the date hereof.
5. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
6. The serial number for each item of Equipment that is set forth in the Lease is correct.
7. Lessee hereby acknowledges and agrees to the Lease Payment Schedule attached to the Lease as Attachment 1.

Date: _____, 20__

NAME OF LESSEE: _____

SIGNATURE: _____

NAME AND TITLE OF SIGNER: _____

ATTACHMENT 4

TO TAX EXEMPT GOVERNMENTAL LEASE NO _____

DATED AS OF _____

**CERTIFICATE
AS TO
BANK QUALIFICATION**

I, _____, do hereby certify that I am the duly elected or appointed and acting _____ of _____ (Lessee), and that with respect to the Tax Exempt Governmental Lease No. _____ dated as of _____ (the Lease) by and between Lessee and Lease Servicing Center, Inc. dba NCL Government Capital:

1. Lessee hereby designates the Lease as a “qualified tax-exempt obligation” for purposes and within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended (the Code), and treasury regulations promulgated thereunder.
2. The reasonably anticipated amount of tax-exempt obligations (other than obligations listed in Section 265(b)(3)(C)(ii) of the Code) which will be issued by Lessee during the current calendar year does not exceed \$10,000,000.
3. In no event will Lessee designate more than \$10,000,000 of obligations as “qualified tax-exempt obligations” during the current calendar year.

Dated: _____

NAME OF LESSEE: _____

SIGNATURE: _____

NAME AND TITLE OF SIGNER: _____

(Certificate to be used only for bank qualified transactions
where the resolution does not make a bank qualified designation)

ATTACHMENT 5

OPINION OF COUNSEL

(To be on Attorney's Letterhead)

Date:

Lessee: _____

Lessor: _____

Re: Tax Exempt Governmental Lease No. _____, dated as of _____, by and between Lease Servicing Center, Inc. dba NCL Government Capital and _____

Ladies and Gentlemen:

I have acted as counsel to Lessee with respect to the Tax Exempt Governmental Lease No. _____ described above and various related matters, and in this capacity have reviewed a duplicate original or certified copy of (i) Purchase Order No. _____ dated _____, (ii) the Purchase Order Only Terms and Conditions attached to the Leasing and Financing Solutions with Related Services Contract No. 032615 by and between Sourcewell and Lease Servicing Center, Inc. dba NCL Government Capital and (iii) all exhibits and attachments thereto (collectively, "Tax Exempt Governmental Lease No. _____" or the "Lease"). Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is a public corporation and political subdivision of the State of _____ (the "State"), is duly organized, existing and operating under the Constitution and laws of the State, and has a substantial amount of

one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, or (c) the police power. The full, true and correct legal name of Lessee is _____.

2. Lessee is authorized and has power under State law to enter into the Lease and lease the equipment described therein with an option to purchase, and to carry out its obligations thereunder and the transactions contemplated thereby.

3. The Lease and the other documents described above (including, without limitation any related Escrow Agreement) have been duly authorized, approved, executed and delivered by and on behalf of Lessee, and the Lease and such documents are valid and binding contracts of Lessee enforceable in accordance with their terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights. No further approval, consent or withholding of objection is required from any federal, state or local governmental authority with respect to the entering into or performance by the Lessee of the Lease and the transaction contemplated thereby.

4. Lessee has no authority (statutory or otherwise) to terminate the Lease prior to the end of its term for any reason other than pursuant to the terms of Section 5 of the Lease.

5. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable State and Federal laws.

6. The execution of the Lease and the appropriation of moneys to pay the payments coming due under the Lease do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

7. There is no litigation, action, suit, or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the organization or existence of Lessee; the authority of the Lessee or its officers; the proper authorization, approval and execution of the Lease and the other documents described above; the appropriation of monies to make Lease Payments under the Lease for the current fiscal year, or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

8. The equipment leased pursuant to the Lease constitutes personal property and when subject to use by Lessee will not be or become fixtures under applicable law.

9. The leasing of the equipment pursuant to the Lease is exempt from all sales, use and documentary stamp taxes against either Lessor or Lessee during the term of the Lease, and such equipment will be exempt from all state and local personal property or other ad valorem taxes.

This opinion of counsel may be relied upon by _____ and its successors and assigns.

Very truly yours,

ATTACHMENT 6

TO TAX EXEMPT GOVERNMENTAL LEASE NO _____

DATED AS OF _____

RESOLUTION

A resolution authorizing the negotiation, execution, and delivery of Purchase Order No. _____ dated _____ (with the documents incorporated therein, the "Lease"), in the principal amount of _____, between Lease Servicing Center, Inc. dba NCL Government Capital and _____; providing _____ lease payments of _____ each from legally available funds; and prescribing other details in connection therewith.

WHEREAS, _____, (the "Lessee") is a political subdivision duly organized and existing pursuant to the Constitution and laws of the State of _____; and

WHEREAS, Lessee is duly authorized by applicable law to acquire such items of personal property as are needed to carry out its governmental functions and to acquire such personal property by entering into lease-purchase agreements; and

WHEREAS, Lessee hereby finds and determines that the execution of a lease for the purpose of leasing with the option to purchase the property designated and set forth in Attachment 2 to the Lease is appropriate and necessary to the function and operations of the Lessee; and

WHEREAS, Lease Servicing Center, Inc. dba NCL Government Capital (the "Lessor") shall act as Lessor under said Lease; and

WHEREAS, the Lease shall not constitute a general obligation indebtedness of the Lessee within the meaning of the Constitution and laws of the State;

NOW, THEREFORE, BE IT RESOLVED BY THE _____ OF LESSEE:

Section 1. The _____ or _____ acting on behalf of Lessee, are hereby authorized to negotiate, enter into, execute, and deliver the Lease and related documents in substantially the form as presently before _____, which Lease is available for public inspection at the offices of Lessee.

Section 2. The Lease shall be in the principal amount of _____ bearing interest as set forth in Attachment 1 of the Lease; said Lease to contain an option to purchase by the Lessee as therein set forth.

Section 3. The Lessee's obligations under the Lease shall be expressly subject to annual appropriation by Lessee; and such obligations under the Lease shall not constitute a general obligation of Lessee or indebtedness of Lessee within the meaning of the Constitution and laws of the State of _____.

Section 4. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized.

[Section 5. Lessee reasonably anticipates to issue not more than \$10,000,000 of tax-exempt obligations (other than "private activity bonds" which are not "qualified 501(c)(3) bonds") during the current calendar year and hereby designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b) of the Internal Revenue Code of 1986, as amended.]

Section 6. This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this _____ day of _____, 20_____.

NAME OF LESSEE: _____

SIGNATURE: _____

NAME AND TITLE OF SIGNER: _____

ATTACHMENT 7

TO TAX EXEMPT GOVERNMENTAL LEASE NO. _____

DATED AS OF _____

CERTIFICATE OF INCUMBENCY

I, _____, do hereby certify that I am the duly elected or appointed and acting Clerk/Secretary of _____ (the "Lessee"), a political subdivision duly organized and existing under the laws of the State of _____, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names.

NAME	TITLE	SIGNATURE
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have duly executed this certificate this ____ day of _____, 20 ____.

Signed: _____

Title: _____

NOTE: The Clerk or Secretary to the Board should sign unless that person is also the signor of the documents in which case the Board President or some other Officer of the District should execute this document.

ATTACHMENT 8

TO TAX EXEMPT GOVERNMENTAL LEASE NO. _____

DATED AS OF _____

INSURANCE COVERAGE DISCLOSURE

RE: INSURANCE COVERAGE REQUIREMENTS

In accordance with the Tax Exempt Governmental Lease No. _____ dated _____, by and between Lease Servicing Center, Inc. dba NCL Government Capital and _____ (Lessee), Lessee certifies that it has instructed the insurance agent named below (please fill in name, address, and telephone number):

Insurance Company Liability:	Agent Name:	Business Phone # Fax Phone #
Insurance Company Property:	Agent Name:	Business Phone # Fax Phone #

to issue: (check to indicate coverage)

a. All Risk Physical Damage Insurance on the leased Property evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming Lease Servicing Center, Inc. dba NCL Government Capital and/or its assigns as Loss Payee.

Coverage Required: Termination Value Specified.

b. Public Liability Insurance evidenced by a Certificate of Insurance naming Lease Servicing Center, Inc. dba National Cooperative Leasing and/or its assigns as an Additional Insured.

Minimum Coverage Required:

\$1,000,000 per person
 \$1,000,000 aggregate bodily injury liability
 \$1,000,000 property damage liability.

Proof of insurance coverage will be provided to Lease Servicing Center, Inc. dba NCL Government Capital, prior to the time that the property is delivered to Lessee. Please fax a copy of the Certificate of Insurance or binder to Lease Servicing Center, Inc. dba NCL Government Capital at 320-763-9600.

NAME OF LESSEE: _____

SIGNATURE: _____

NAME AND TITLE OF SIGNER: _____

