

TOWN COUNCIL
Town of Trumbull
CONNECTICUT
www.trumbull-ct.gov

TOWN HALL
Trumbull

TELEPHONE
(203) 452-5005



FINANCE COMMITTEE
MINUTES
September 30, 2015

The Vice Chairman Cindy Penkoff called the meeting to order at 7:05 p.m. All present joined in the Pledge of Allegiance and a moment of silence.

PRESENT: Vice Chairman Cindy Penkoff, Tony Scinto, Lori Rosasco Schwartz, Vicki Tesoro, and Mary Beth Thornton (arrived at 7:11 p.m.).

ABSENT: Chairman Mark LeClair, Bethany Llodra Gilman, Alternate and Daniel Marconi, Alternate.

ALSO

PRESENT: Town Council Chairman Carl Massaro, Director of Finance Maria Pires, Director of Public Works John Marsilio, BOE Business Manager Sean O'Keefe, BOE Facilities Director Mark Demming and BOE Bond Counsel Steve Studer.

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1. RESOLUTION TC25-199: Moved by Mr. Scinto, seconded by Ms. Rosasco-Schwartz. BE IT RESOLVED, THAT RESOLUTION AMENDING A RESOLUTION APPROPRIATING \$9,030,000 FOR THE TRUMBULL (TOWN) CAPITAL IMPROVEMENT PLAN 2015-2016 AND AUTHORIZING THE ISSUE OF \$9,030,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE is hereby approved.
- (The purpose of the amendment is to increase the appropriation and bond authorization therein by \$2,400,000, from \$9,030,000 to \$11,430,000, for the highway complex project, to transfer \$1,321,739 from prior bond authorizations thereby making the net additional bond authorization issuance \$804,508 (estimated), to reduce the 2014/15 CIP \$273,753, and to ratify, confirm and adopt all prior authorizations and bond resolutions in connection therewith.)

Mr. Marsilio explained some of the completed Capital Plan projects did not use all of the funds authorized. They are looking to implement a larger plan which addresses the needs at the Highway Department/Yard.

The plan for the Yard is threefold:

1. Design an access way where it would not be necessary for those who need to access the administrative offices to drive the whole length of the area through the area where the trucks are coming and going from the garages.
2. A point of refuge for the workers during emergency and storm events. They have struggled with this through 5 FEMA claims. The staff works 24/7 during such events and is forced sleep in their trucks or anywhere they can find. They will repurpose the existing administrative office by renovating it so it houses a locker room with showers, a room of refuge which will double as a training center.
3. The administrative offices will be built at the front of the Yard behind the gas pumps. This will allow anyone who has to come to the yard to do so in an efficient manner.

(Ms. Thornton arrived at 7:11 p.m.)

Schematic drawings have been developed for the project. The Vice Chair summarized that this plan utilizes what is left over from other bonds (\$1.3 million) and is asking for an additional \$800,000 to cover the project. Mr. Marsilio agreed. Ms. Tesoro stated the total project cost is \$2.3 million and questioned whether non-public works' bonds could be used for a public works project. Ms. Pires stated that within the same authorization funds can be transferred when there are multiple projects within the same authorization. This request is based on several resolutions which is why this body is being asked to approve a separate adjustment. Mr. Marsilio stated this resolution is asking the council to reauthorize the funds. Mr. Massaro explained the previous projects that had been bonded did not expend all of the authorized bonding. These represent \$1.3 million in bond authorizations. The Town shows on the books an obligation to those authorized funds. The \$1.3 million is being captured and reauthorized for a different purpose.

Mr. Marsilio indicated for Ms. Tesoro that they had to rehabilitate an underground water separation tank to accommodate DEEP. The wash bays were not done, but do have the design. The budget for the wash bays was in excess of \$1 million. His priority is to provide a safe refuge for the workers during emergency events as opposed to doing the wash bay project. The salt shed was in the Capital Plan and also came in at a cost that was not worthwhile to pursue while we have these other pressing issues to address. They have been good stewards of the funds, when a project came in at a cost that was unreasonable or out of their comfort zone they did not spend it. If this is approved they could start the administrative piece part of the project right away and it may be ready for transition in the spring but as far as the sleeping/showers & refuge area for the workers for this winter that will not be in place for this winter. There is a part of the current administrative building that could be utilized as a temporary area for cots for this winter, (the Director of Public Works'

office and the Facilities Director's office). There would not be any showers this winter but they would make available an area to heat food.

Mr. Marsilio explained for Ms. Thornton the architect used for the schematic was Antinozzi Associates. Every other year the Town goes out to bid for the on-call vendors for every discipline, such as civil engineer, architectural, electrical and environmental. Antinozzi was part of that bid process. Newfield Construction was hired by Antinozzi Associates to do the estimate on this plan.

Ms. Tesoro stated that she would abstain from this vote because she has questions for bond counsel at the full Town council meeting.

VOTE: 4-0-1 (ABSTENTION: Tesoro).

Motion made by Ms. Rosasco-Schwartz, seconded by Ms. Tesoro to take items #6 &7 out of order. VOTE: Motion CARRIED unanimously.

2. RESOLUTION TC25-205: Moved by Ms. Tesoro, seconded by Ms. Thornton.
BE IT RESOLVED the Town of Trumbull does hereby approve a lease/purchase financing agreement with the Bank of America for an amount not to exceed \$980,000.00 regarding the acquisition, purchase, financing and leasing of energy efficiency equipment regarding energy efficiency improvements and utility cost savings at Hillcrest Middle School, 530 Daniels Farm Road (the School).

Mr. Massaro stated the Town Council has 45 days to act on this resolution, if it is not acted upon within 45 days it would be approved. Ms. Pires stated they may want to consider making this emergency legislation at the full Town Council meeting.

Mr. O'Keefe stated the two resolutions before the council are both related to the Hillcrest Middle School performance contract which will significantly improve the schools energy efficiency. There would be no request for bonding from the Town and all investment costs would be funded from energy savings from the BOE operating budget.

The first resolution asks that they enter into a 10-year lease on behalf of the BOE at a tax exempt rate of 2.17%. These funds will cover the entire cost of the project with a net UI incentive of \$310,000. They anticipate a first year savings of \$145,000 and over a ten-year period \$500,000 on this one project alone. The project was begun immediately after the close of the 2014-2015 school year and other than some minor tweaking is substantially complete. The cost to date had been covered by the BOE operating budget and will be reimbursed by the lease proceeds. The second BOE resolution requires BOF and Town Council approval to apply the proceeds of the lease to the BOE's operating budget. As stated in the letter to the BOF the reason for the request was due to timing, the work needed to be done over the summer and in order to take advantage of the low tax exempt rates they needed to apply for this lease financing through the Town. The BOE unanimously approved this on September 10th.

Mr. O'Keefe explained for Mr. Scinto they would normally have borrowed the money and paid the bank back but because they had to pay the bills with the BOE operating budget they need to pay themselves back. The lease will be paid over the ten-year period with their energy cost savings. They anticipate the first year lease payment to be \$100,000 and the savings will be approximately \$145,000. This will more than adequately cover the payment. There was a surplus of \$20,000 this year. The surplus started at \$307,000, \$159,000 of that was allocated to increase the BOE health reserve at the Town and another \$115,000 to shore up the deficit in the elementary schools. After the two allocations there is a surplus of \$20,000 remaining.

Mr. O'Keefe explained for Ms. Rosasco-Schwartz that the BOE is not allowed to enter into the lease. It is the Town of Trumbull who is named in the lease. There will be a separate MOU, (Memorandum of Understanding) stipulating all payments will be made by the BOE. A draft copy of the MOU was distributed at this meeting (Attached). The Vice-Chair requested of Chairman Massaro to have the MOU reviewed by the Town attorney prior to the full Town Council meeting. Chairman Massaro requested Atty. Studer provide the council the final form of the MOU prior to the full Town Council meeting. Atty. Studer agreed. (Chairman Massaro left the meeting at 7:33 p.m.) Atty. Studer provided a copy of the lease agreement in draft form to the committee, (Attached). The committee reviewed the MOU and the draft lease agreement. The committee requested the lease in its final form be made available before the full Town Council meeting. Mr. Studer agreed.

Mr. Demming explained for Ms. Thornton Branford did not have a MOU, the Town carried the lease for the schools. Trumbull schools are a \$2.3 million energy use district. This proposal will not increase that number; the district's cost of energy will remain flat. This has not happened in over 15 years. By doing these projects they will be able to start bringing the district's cost of energy down. They targeted Hillcrest because they are able to provide that school with significant savings. Hillcrest spends \$250,000 if not more on average per year on energy. The district should be spending \$1.20 per sf. currently the district is at \$2.00+ per sf. With this equipment at Hillcrest they will get to \$1.20 per sf. The \$310,000 UI incentive will go towards paying the contractors. The project cost is \$1.3 million. They will only borrow \$980,000 of the \$1.3 million. The incentive would go the Town and will then go back to the project. The UI incentive will be made available to the Town within 30 days. Mr. Demming stated the UI is planning on coming to the council meeting to present the incentive. Mr. O'Keefe and Mr. Demming explained that Banc of America has an alliance with PURA which is why they are able to give the town a lower interest rate.

The committee reviewed the project list for the Hillcrest pool. Mr. Demming stated they are working on control issues. They have a new boiler system that heats the pool but the new equipment is not communicating with the old equipment effectively. The new equipment is very efficient. The pool was open to the seniors today but not for competition. The water is too warm.

The committee requested the final copy of the MOU and Lease Agreement with the Exhibit C populated be made before the council meeting. Attorney Studer agreed and will forward the aforementioned documents to the council clerk for distribution.

Attorney Studer provided the full version of this Town Council resolution. After review the committee agreed to amend the resolution to include the full version.

Moved by Ms. Rosasco-Schwartz, seconded by Ms. Tesoro to amend Resolution TC25-205 with the attached full version of the resolution provided by Attorney Studer at this meeting.
VOTE: Motion CARRIED 4-1 (AGAINST: Scinto)

The committee reviewed the lease and the multiple names of the lessor included within the lease and resolutions and as a result the following motion was made.

Moved by Ms. Rosasco-Schwartz, seconded by Ms. Tesoro to change the name of the bank in Resolution TC25-205 to read as, **“Banc of America Public Capital Corp or its affiliate or designee”**.

VOTE: Motion CARRIED 4-1 (AGAINST: Scinto)

VOTE: Motion CARRIED as amended 4-1 (AGAINST: Scinto)

3. RESOLUTION TC 25-206: Moved by Ms. Tesoro, seconded Ms. Thornton.
BE IT RESOLVED that the Town of Trumbull , including its Board of Education, (the “Issuer”) hereby expresses its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the “Regulations”), to reimburse expenses paid sixty days prior to the date of passage of this resolution , and thereafter, in the maximum amount of \$980,000.00 for the Hillcrest Middle School energy efficiency project with the proceeds of lease/purchase financing bonds, notes or other obligations (“Obligations”) with Bank of America , said financing obligations to be issued not later than 18 months after the later of the expenditure or substantial completion of the project, or such later date as the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse expressed herein is based upon its reasonable expectations o as of this date. The Treasurer or its designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this resolution.

The committee discussed and reviewed the multiple names of Bank of America between this resolution and the previous resolution. Attorney Studer confirmed for the committee Resolution TC25-206 as written is in the proper form and would be comfortable with amending the name of the bank to **“Banc of America Public Capital Corp or its affiliate or designee”**. He further explained because the work has been completed the form had to be changed and that is when the name of the bank appeared for the first time with three versions in the documents. After the committee reviewed and discussed the resolution the following motion was made and voted upon.

Moved by Ms. Rosasco-Schwartz, seconded by Ms. Tesoro to amend the resolution to change the name of **Bank of America** to **Banc of America Public Capital Corp or its affiliate or designee**.

Also attached to these minutes is the summary of the terms and conditions.

VOTE: Motion to amend CARRIED 4-1 (AGAINST: Scinto)

VOTE: Motion as amended CARRIED 4-1 (AGAINST: Scinto)

4. RESOLUTION TC 25-200: Moved by Ms. Rosasco Schwartz, seconded by Ms. Tesoro. BE IT RESOLVED, That \$14,485 is hereby appropriated from the General Fund to FY 2014-2015 01012200-545501 Purchasing-Legal Notice \$5,757, 01013800-545504 Town Hall-Postage \$5,123, 01013800-590012 Town Hall-Utilities-Electric 2,350, 01050200-590014 Mary Sherlach Counseling-Utilities-Telephone \$1,245.

Ms. Pires noted the legal notice amount should be \$5,767.

Motion made by Ms. Rosasco-Schwartz, seconded by Ms. Thornton to amend Resolution TC25-200 to change Purchasing-Legal Notice from ~~\$5,757~~ to \$5,767.

VOTE: Motion CARRIED unanimously.

Ms. Pires stated this is to close the 2014-2015 FY. The resolution represents overages in legal notices, postage and electric utilities.

VOTE: Motion CARRIED as amended unanimously.

5. RESOLUTION TC 25-201: Motion made by Ms. Thornton, seconded by Ms. Rosasco-Schwartz. BE IT RESOLVED, That \$207,288 is hereby appropriated from the General Fund to FY 2014-2015 01022000-501101 Police-Salaries-FT Payout to Retired Chiefs, Other Retirements \$57,246, 01022000-501105 Police-Salaries-OT \$150,042.

Ms. Pires explained this represents the shortfall for retirements. The funds were paid to the retirees. During the budget process if it is known how many retirements are to take place in the next fiscal year the money is budgeted for and held in contingency. This represents the shortfall of the anticipated amount.

There was no one present from the police department to speak to this resolution.

Motion made by Ms. Thornton, seconded by Ms. Tesoro to pass without recommendation.

VOTE: Motion CARRIED unanimously.

6. RESOLUTION TC 25-202: Moved by Mr. Scinto, seconded by Ms. Thornton BE IT RESOLVED, That \$491,783 is hereby appropriated from the General Fund to FY 2014-2015 01030100-501101 PW-Highway-Salaries FT (leaf pickup/snow removal) \$60,299, 01030100-501105 PW-Highway-Salaries OT-Leaf Pickup \$40,773, 01030100-501103 PW-Highway-Salaries-Seasonal-(Leaf Pickup/Snow Removal) \$44,794, 01030101-501105 PW-Snow Removal-Salaries-OT \$137,099, 01030101-522205 PW-Snow Removal-Program Expenses \$189,943, 01030300-501101 PW Fleet Maintenance-Salaries-FT-Leaf Pickup.

By unanimous consent the committee added the following dollar amount \$18,875 after 01030300-501101 PW Fleet Maintenance-Salaries-FT-Leaf Pickup.

Ms. Pires was present to speak to this resolution.

VOTE: Motion CARRIED unanimously.

VOTE: Motion CARRIED as amended unanimously.

7. RESOLUTION TC25-203: Moved by Ms. Tesoro, seconded by Ms. Thornton.
BE IT RESOLVED, That \$228,230 is hereby transferred from Town Hall Contingency to FY 2014-2015 various accounts. (FY Ending June 30, 2015) (Schedule Attached)

Ms. Pires explained this represents the unsettled contracts at the time of the budget. Two contracts settled were the MATE and HIGHWAY/PARKS. The funds were held in contingency in anticipation of settling the contracts. The funds are not coming from the General Fund.

VOTE: Motion CARRIED unanimously.

Ms. Pires stated the General Fund is \$16,644,081(10.62%).

There being no further business to discuss and upon motion made by Ms. Thornton, seconded by Ms. Tesoro the Finance Committee of the Trumbull Town Council adjourned by unanimous consent at 8:33 p.m.

Respectfully Submitted,

Margaret D. Mastroni, Town Council Clerk.

DATE OF MEETING: SEPTEMBER 10, 2015

TRANSFERS TO/FROM - FY ENDING JUNE 30, 2015						
TRANSFER NUMBER	ACCOUNT DESCRIPTION	ACCOUNT NUMBER	BALANCE BEFORE TRANSFER	AMOUNT OF TRANSFER	BALANCE AFTER TRANSFER	
	FROM					
09-15-07	Town Hall-Contingency	01013800-501116	234,000.00	(228,230.00)	5,770.00	
	TO					
	Assessor - Salaries FT-Mate Cont	01011600-501101	(3,365.66)	3,366.00	0.34	
	Purchasing-FT Salaries	01012200-501101	(595.22)	596.00	0.78	
	Treasurer-Salaries-FT-2 additional day in FYE	01012400-501101	(166.88)	167.00		
	Town Clerk-Salaries-FT (Mate Contract and 2 add'l days in FYE)	01013600-501101	(3,844.13)	3,845.00	0.87	
	Police-Salaries-FT Payout to Retired Chiefs	01022000-501101	(114,245.52)	57,000.00	(57,245.52)	Supplemental
	PW-Highway-Salaries FT-HW/Parks contract	01030100-501101	(129,810.20)	69,512.00	(60,298.20)	Supplemental
	PW-Highway-Salaries OT-HW/Parks contract	01030100-501105	(44,793.21)	4,021.00	(40,772.21)	Supplemental
	PW-Snow Removal-Salaries-OT HWY/Parks Contract	01030101-501105	(148,776.53)	11,678.00	(137,098.53)	Supplemental
	PW-Building Maintenance-Salaries-OT HWY/Parks Contract	01030200-501105	(16,282.39)	8,371.00	(7,911.39)	Transfer
	PW-Fleet Maintenance-Salaries-FT-PW/Parks Contract	01030300-501101	(39,271.39)	20,397.00	(18,874.39)	Supplemental
	PW-Fleet Maintenance-Salaries-OT-PW/Parks Contract	01030300-501105	(6,794.86)	663.00	(6,131.86)	Transfer
	PW-Engineering-Salaries-FT-Mate Contract, 2 add'l days in FYE	01030500-501101	(11,518.20)	11,519.00	0.80	
	Mary Sherlach Counseling - Salaries-FT-Mate Contr	01050200-501101	(4,694.43)	4,695.00	0.57	
	Parks-Salaries-FT-Hwy/Parks contract	01080600-501101	15,859.98	31,998.00	47,857.98	To transfer w/in Dept
	Arts Comm - Salaries PT - 2 additional day in fiscal year	01080900-501102	(401.27)	402.00	0.73	
				<u>228,230.00</u>		
	To transfers salaries for approved contracts, final payouts to retirees and 1 additional day in FYE (budget based on 52 weeks, 2 extra day this year)					

FORM OF AUTHORIZING RESOLUTION

A RESOLUTION OF THE TOWN COUNCIL OF TRUMBULL, CONNECTICUT, AUTHORIZING THE EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE/PURCHASE AGREEMENT WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT REGARDING ENERGY EFFICIENCY IMPROVEMENTS AND UTILITY COST SAVINGS AT HILLCREST MIDDLE SCHOOL, 530 DANIELS FARM ROAD (THE "SCHOOL"); AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, the Town of Trumbull (the "*Lessee*"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of Connecticut, is authorized by the laws of the State of Connecticut to purchase, acquire and lease personal property for the benefit of the Lessee and for the education of its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment with a cost not to exceed \$ 980,000.00 constituting personal property necessary for the efficient provision of lighting, heating and air conditioning at the School (the "*Equipment*"), including, without limitation, for the following purposes: replacement of existing 48-year old boilers with high-efficiency gas-fired modulating and condensing boilers, installation of new automated HVAC and lighting controls, replacement of existing incandescent and fluorescent lighting with LED lighting; and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into an Equipment Lease/Purchase Agreement (the "*Agreement*") with Banc of America Public Capital Corp (or one of its affiliates)(the "*Lessor*"), upon the terms and conditions set forth in a certain proposal letter dated July 2, 2015 (the "*Proposal*"); and

WHEREAS, the Town Council deems it for the benefit of the Town and for the cost-efficient and effective education of its students by the Board of Education of the Town of Trumbull to enter into the Agreement and the documentation related to the financing of the Equipment for the purchase, acquisition and leasing of the Equipment to be therein described on the terms and conditions therein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Town Council as follows:

Section 1. Approval of Documents. The terms and provisions of the Agreement are hereby approved substantially as set forth in the Proposal and the Town Director of Finances is hereby authorized and directed to execute the Agreement and any related Exhibits attached thereto and to deliver the Agreement (including such Exhibits) to the respective parties thereto, and the Town Director of Finance is hereby authorized to affix the seal of the Lessee to such documents.

Section 2. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement to carry out, give effect to and

consummate the transactions contemplated thereby (including the execution and delivery of Acceptance Certificates and any tax certificate and agreement, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

Section 3. No General Liability. Nothing contained in this Resolution, the Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable under the Agreement are special limited obligations of the Lessee as provided in the Agreement.

Section 4. Appointment of Authorized Lessee Representatives. The Town Director of Finance and _____ of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreement.

Section 5. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the Town Council of the Town of Trumbull, Connecticut this ___ day of October, 2015.

[_____] ,

as lessee

[SEAL]

By: _____

Printed Name: _____

Title: _____

ATTEST:

By: _____

Printed Name: _____

Title: _____

Holly Andreozzi
Senior Vice President
Energy Services

Banc of America Public Capital Corp
100 Federal street
Boston, MA 02110
Holly.Andreozzi@baml.com
Tel: (617) 434-7760

July 2, 2015

Attention: Mr. Mark J. Deming
Director of Facilities
Trumbull Board of Education

Re: Master Equipment Lease/Purchase Agreement

Banc of America Public Capital Corp ("BAPCC" or "Lessor") is pleased to submit to the Town of Trumbull (the "Lessee") the Master Equipment Lease/Purchase Agreement proposal (the "Proposed Transaction") as described in the attached Summary of Terms and Conditions (the "Term Sheet").

BAPCC offers unique financing features and qualifications that can be leveraged on behalf of the Board of Education and the Town to complete this transaction at a low interest cost and in a smooth and efficient manner. These features and qualifications include:

1. TAX-EXEMPT PRIVATE PLACEMENT EXPERIENCE: BAPCC is a leading provider of private placement capital to the state government, municipal local government, K-12, housing authority, and higher education tax-exempt markets. Our team is highly experienced in documenting and closing tax-exempt lease purchase transactions;
2. ENERGY EFFICIENCY FINANCING EXPERIENCE: BAPCC's Energy Services group is a leading provider of financial solutions for energy efficiency, renewable energy, water system, and energy generation equipment and assets;
3. PRIVATE PLACEMENT: The proposed transaction is a private placement that will not require (i) any additional public ongoing disclosure requirements, (ii) any additional public offering document generation requirements, or (iii) any underwriting or related fees.

Please understand that this Proposal is not a commitment or offer to purchase, and does not create any obligation for the Lessor. All prospective transactions must meet internal approval requirements for funding.

This proposal must be accepted within ten business days from the date of this letter in order for the Lessor to proceed with its consideration of the Proposed Transaction. To accept this Proposal, please sign the enclosed copy of this Proposal Letter and return it to my attention at holly.andreozzi@baml.com or fax it to me at 404.532.3026. Thank you for allowing us the opportunity to prepare this proposal for the Town of Trumbull.

Very truly yours,

Banc of America Public Capital Corp



By: Holly Andreozzi
Title: Senior Vice President

The undersigned, by its authorized representative below, accepts the above Proposal, agrees to furnish the Lessor, its successors and assigns, any information relating to the business or financial condition of the Lessee or its affiliates, and authorizes the Lessor, Bank of America, N.A. and their affiliates to disclose to, discuss with and distribute such information (and any information they may already have) to any other affiliates or proposed assignees or successors of the Lessor.

Town of Trumbull, Connecticut

By: _____

Title: _____

Date: _____

Tax-ID #: _____

"Bank of America Merrill Lynch" is the marketing name for the global banking and global markets businesses of Bank of America Corporation. Lending, derivatives, leasing, equipment finance, and other commercial banking activities are performed globally by banking affiliates of Bank of America Corporation including Bank of America, N.A., member FDIC. Securities, strategic advisory, and other investment banking activities are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and members of FINRA and SIPC, and, in other jurisdictions, by locally registered entities. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA. Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed. ©2013 Bank of America Corporation

SUMMARY OF TERMS AND CONDITIONS

I. Lessee, Lessor and Project Information - Introduction

Lessee: Town of Trumbull, Connecticut

Lessor: Banc of America Public Capital Corp or its affiliate or designee

Lessor Background: Our Energy Services team has extensive experience in funding tax-exempt equipment lease transactions for energy efficiency projects that benefit governmental entities, K-12, and public higher education institutions throughout the country.

Commitment to energy efficiency and the environment: Bank of America is a proud supporter of energy efficiency and initiatives that have a positive impact on the environment. Attached please find a summary of some of our important environmental announcements.

Financial profile and strength: As mentioned, Bank of America is one of the nation's largest financial holding companies. Our annual report can be found on the following internet link:

<http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=irol-reportsannual>

II. Lease Structure, Project Description

Purpose: The purpose of this transaction is to provide financing for the acquisition, construction and installation of energy efficiency improvements (collectively, the "Equipment") by Earth Core Energy Services ("Vendor") under an energy performance contract with the Trumbull Board of Education.

Structure: This transaction will be structured as a tax-exempt equipment lease purchase agreement ("*Lease/Purchase*") between Lessee and Lessor. Repayments under the Lease/Purchase shall be absolute and unconditional, subject only to annual appropriation of funds by the Lessee's governing body and in accordance with the laws of the State of Connecticut. The lease will be a net financial lease, and all expenses, including but not limited to insurance, maintenance, and taxes, will be for the account of Lessee.

Security: Upon acceptance of the Equipment, title to the Equipment shall be vested in Lessee. Lessor's security interest in the Equipment shall be evidenced by the filing of UCC financing statements and fixture filings. At maturity of the Lease/Purchase, upon payment of all outstanding amounts under the Lease/Purchase, Lessor' security interest in the Equipment shall be released and Lessee shall retain the Equipment. Lessee shall be required to maintain the Equipment free and clear of other liens, to insure the Equipment (public liability and property damage insurance), to promptly repair or replace any damaged or destroyed Equipment and to pay any applicable taxes.

Proceeds: Approximately \$973,000

III. Funding, Interest Rate, Closing

Funding: Proceeds from the Lease will be deposited into an Escrow fund account ("Escrow Fund") acceptable to Lessor. Lessee will be required to direct investments in the Escrow Fund and any interest earned will be for the benefit of Lessee. Disbursements will be made from the Escrow Fund to pay for project costs upon delivery by Lessee of a disbursement request and related documents and approval by Lessor. The Escrow Fund is subject to compliance by Lessee with all applicable regulations under the Internal Revenue Code, including but not limited to arbitrage reporting.

Anticipated Escrow Agent: Bank of America, N.A.

Closing Date: May 2015

Indicative Interest Rate: Fixed rate of 2.17% to be held firm for 30 days from the date of this letter. If the transaction does not close within 30 days, interest rate will be adjusted within 15 days prior to closing according to the formula below:

Swap Term	Swap Rate	x 65%	Spread	Interest Rate
6	1.98%	1.29%	0.88%	2.17%

PLEASE BE ADVISED THAT THE INDICATIVE INTEREST RATE AND THE PROPOSED PRICING SET FORTH ABOVE AND IN EXHIBIT A HERETO ARE ONLY AVAILABLE FOR TRANSACTIONS THAT HAVE BEEN CONSUMMATED WITHIN 90 DAYS HEREOF. THEREAFTER, LESSOR MAY AT ITS DISCRETION ADJUST ITS PRICING TO REFLECT ADVERSE CHANGES IN ITS COST OF FUNDS OR CHANGES GENERALLY IN MARKET CREDIT MARGINS.

Closing Costs: Lessee will be responsible for its own closing costs, including its own legal costs for provided any legal and tax opinions for the transaction.

IV. Repayment, Prepayment and Other Terms

Payments: Lessee shall make semi-annual rental payments, consisting of principal and interest on the Proceeds.

Prepayment: On any periodic rental payment date and following 30 days advance written notice, Lessee shall have the option to prepay its obligations in whole and not in part under the Lease/Purchase upon payment of the then-applicable Termination Value, which will be calculated as 102% of the outstanding principal balance.

Documents: Transaction documents to be provided by Lessor.

Payment and Performance Bonds: Lessor will be named as dual obligee on the payment and performance bond provided by Vendor.

Bank Qualification: This proposal assumes the transaction will NOT be deemed "Bank Qualified" for federal tax purposes.

Opinion of Counsel: Counsel to Lessee shall deliver an opinion to Lessor at closing in form and substance satisfactory to Lessor. The opinion of counsel will provide, among other matters:

- (a) counsel has examined, approved and attached the text of the enabling resolution of Lessee's governing body authorizing Lessee to enter into the Lease/Purchase; and
- (b) the Lease/Purchase has been duly executed by Lessee and is a valid, binding and enforceable obligation against Lessee.

Tax Exempt Lease/Purchase: The rental payments have been calculated on the following assumptions and representations by Lessee that Lessee:

- 1. is a state or political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code (the "Code") and duly created and validly existing under the laws of the State of Connecticut;
- 2. is authorized under the laws of the State of Connecticut to enter into the Lease/Purchase and the transactions contemplated thereby and to perform all of Lessee's obligations thereunder; and
- 3. has duly authorized the execution and delivery of the Lease/Purchase under the terms of a resolution of its governing body or by other appropriate official approval, and all requirements and procedures have been satisfied in order to ensure the enforceability of the Lease/Purchase, and Lessee has complied with all applicable public bidding requirements; and

Lessee shall provide Lessor with such evidence as Lessor may request to substantiate and maintain such tax status, and shall make such further representations and certifications as are customary in tax exempt transactions.

In the event Lessor suffers a loss of Federal income tax exemption of the interest portion of the rental payments, Lessee will indemnify Lessor against any loss of Federal income tax exemption of the interest portion of the rental payments and against any penalties and interest imposed by the Internal Revenue Service in connection therewith on a lump-sum basis, and Lessee shall comply with the filing requirements of Section 149(e) of the Code. Lessee will pay Lessor amounts calculated at a taxable rate sufficient to maintain Lessor's yield in the Lease/Purchase. Lessee shall comply with the filing requirements of Section 149(e) of the Code.

Final Approval: This proposal and the terms set forth herein are an indication of interest in the transaction, and are not and should not be construed as a commitment nor obligation of Lessor or its affiliates to provide any financing. The proposed transaction and the terms set forth herein are subject to all credit, risk, documentation and legal approvals of Lessor as well as execution and delivery of documentation acceptable to all parties. All disbursements are subject to no material adverse change in the financial condition of Lessee from the time of approval.

Assignment:

Lessor shall be entitled to assign its right, title and interest in the Lease and leased equipment on a private placement basis to qualified purchasers. In addition, Lessor shall be entitled to assign its right, title and interest in the Lease/Purchase to a trustee for the purpose of issuing certificates of participation or other forms of certificates evidencing an undivided interest in such Lease, provided such certificates are sold only on a private placement basis (and not pursuant to any "public offering") to a purchaser(s) who represent that (i) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment (ii) such purchaser understands neither the Lease or certificates will be registered under the Securities Act of 1933, (iii) such purchaser is either an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A, and (iv) that it is the intention of such purchaser to acquire such certificates (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933. At any time, Lessor may sell, assign or encumber all or any part of its right title and interest in the Lease/Purchase; however, in no event shall the Lessor assign this agreement as a public offer of participation. Lessee consents to a private placement transaction within the meaning of applicable federal securities laws.

**Proposal Expiration
Date:**

This proposal must be accepted within ten (10) business days to be valid.

**Market
Disruption:**

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, IN THE EVENT ANY MATERIAL CHANGE SHALL OCCUR IN THE FINANCIAL MARKETS AFTER THE DATE OF THIS PROPOSAL LETTER, INCLUDING BUT NOT LIMITED TO ANY GOVERNMENTAL ACTION OR OTHER EVENT WHICH MATERIALLY ADVERSELY AFFECTS THE EXTENSION OF CREDIT BY BANKS, LEASING COMPANIES OR OTHER LENDING INSTITUTIONS, LESSOR MAY MODIFY THE INDEX PRICING DESCRIBED ABOVE.

**USA Patriot Act
Compliance:**

The Lessee acknowledges that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), the Lessor is required to obtain, verify and record information that identifies the Lessee, which information includes the name and address of the Lessee and other information that will allow the Lessor to identify the Lessee in accordance with the Patriot Act.

Standard Disclosures and Disclaimers

The transaction described in this document is an arm's length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or lessor) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take an action with respect to the transaction described in this document, and before taking any action with respect to the this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.

This proposal is submitted in response to your Request for Proposal. The contents of this proposal and Any subsequent discussions between us, including any and all information, recommendations, opinions indicative pricing, quotations and analysis with respect to any municipal financial product or issuance of municipal securities, are provided to you in reliance upon the exemption provided for responses to requests for proposals or qualifications under the municipal advisor rules (the "Rules") of the Securities and Exchange Commission (240 CFR 15Ba1-1 et seq.).

The Staff of the SEC's Office of Municipal Securities has issued guidance which provides that, in order for a request for proposals to be consistent with this exemption, it must (a) identify a particular objective, (b) be open for not more than a reasonable period of time (up to six months being generally considered as reasonable), and (c) involve a competitive process (such as by being provided to at least three reasonably competitive market participants) or by being publicly posted to your official website. In submitting this proposal, we have relied upon your compliance with this guidance.

In submitting this proposal, we are not undertaking to act as a "municipal advisor" to you or any other person within the meaning of the Rules. In connection with this proposal and the transactions described herein, we are not subject to, and we hereby disclaim, any fiduciary duty to you or to any other person. We understand that you will consult with and rely on the advice of your own municipal, financial, tax, legal and other advisors as and to the extent you deem necessary in connection with your evaluation of this proposal and the transactions described herein.

Sample Amortization Schedule

Total Project Costs	973,140.00
Repayment Term (annual)	10
Interest Rate	2.17%
Closing/Funding Date (est.)	8/1/15
Average Life	5.429

Pmt. No.	Year No.	Payment Date	Funding Amount	Total Payment Amount	Interest Portion	Principal Portion	Outstanding Balance
0	0	8/1/2015	973,140.00				973,140.00
1	1	2/1/2016		54,389.53	10,558.57	43,830.96	929,309.04
2	1	8/1/2016		54,389.53	10,083.00	44,306.53	885,002.51
3	2	2/1/2017		54,389.53	9,602.28	44,787.26	840,215.25
4	2	8/1/2017		54,389.53	9,116.34	45,273.20	794,942.06
5	3	2/1/2018		54,389.53	8,625.12	45,764.41	749,177.64
6	3	8/1/2018		54,389.53	8,128.58	46,260.95	702,916.69
7	4	2/1/2019		54,389.53	7,626.65	46,762.89	656,153.80
8	4	8/1/2019		54,389.53	7,119.27	47,270.26	608,883.54
9	5	2/1/2020		54,389.53	6,606.39	47,783.15	561,100.39
10	5	8/1/2020		54,389.53	6,087.94	48,301.59	512,798.80
11	6	2/1/2021		54,389.53	5,563.87	48,825.67	463,973.13
12	6	8/1/2021		54,389.53	5,034.11	49,355.42	414,617.71
13	7	2/1/2022		54,389.53	4,498.60	49,890.93	364,726.78
14	7	8/1/2022		54,389.53	3,957.29	50,432.25	314,294.53
15	8	2/1/2023		54,389.53	3,410.10	50,979.44	263,315.10
16	8	8/1/2023		54,389.53	2,856.97	51,532.56	211,782.53
17	9	2/1/2024		54,389.53	2,297.84	52,091.69	159,690.84
18	9	8/1/2024		54,389.53	1,732.65	52,656.89	107,033.95
19	10	2/1/2025		54,389.53	1,161.32	53,228.21	53,805.74
20	10	8/1/2025		54,389.53	583.79	53,805.74	0.00
				1,087,790.65	114,650.65	973,140.00	

**MEMORANDUM OF UNDERSTANDING BY AND BETWEEN
THE TOWN OF TRUMBULL BOARD OF EDUCATION AND
THE TOWN OF TRUMBULL, CT REGARDING ENERGY
CONSERVATION MEASURES AT HILLCREST MIDDLE SCHOOL**

THIS MEMORANDUM OF UNDERSTANDING is entered into as of the _____ day of October, 2015, by and between the Town of Trumbull Board of Education, with offices at 6254 Main Street, Trumbull, CT 06611 ("Board") and the Town of Trumbull, with offices at 5866 Main Street, Trumbull, CT 06611 ("Town").

WITNESSETH:

WHEREAS, the Town owns the land and improvements at 530 Daniels Farm Road, known as the Hillcrest Middle School (the "School") which is operated by the Board; and

WHEREAS, the Board and the Town have determined that the replacement of certain outdated HVAC and lighting equipment and controls at the School with new high-efficiency, automated equipment and controls (the "Energy Efficiency Improvements") will conserve energy and will result in a significant operational cost savings at the School; and

WHEREAS, the Board has obtained an energy efficiency incentive from the United Illuminating Company in the approximate amount of \$310,204.00 to offset the cost of acquisition and installation of the Energy Efficiency Improvements at the School; and

WHEREAS, the Town is able to finance the acquisition and installation of the Energy Efficiency Improvements at a lower rate of interest than the Board which results in further cost-savings for the taxpayers of the Town; and

WHEREAS, the parties agree that the implementation of cost-saving, energy conservation measures at the School is in the public interest.

NOW, THEREFORE, based upon and in consideration of the foregoing recitals and of the mutual obligations set forth below, the Board and the Town agree as follows:

1. In order to finance the acquisition and installation of the Energy Efficiency Improvements at the School, the Town herewith agrees to enter into a certain energy conservation lease purchase agreement with Banc of America Public Capital Corp., or an affiliate (the "Lender"), for an amount not to exceed NINE HUNDRED EIGHTY THOUSAND AND 00/100 DOLLARS (\$980,000.00) upon terms and conditions substantially as set forth in Exhibit A attached hereto and made a part hereof (the "Energy Conservation Agreement"). The Town further agrees that the proceeds from said Energy Conservation Agreement shall be paid into the operating account of the Board to reimburse

it for the cost of acquisition and installation of the Energy Efficiency Improvements at the School.

2. The Board agrees to make all of the periodic Rental Payments (consisting of principal and interest) to the Lender as set forth in the Energy Conservation Agreement from its operating account, including payment of any late fees. The Board further agrees to pay to Lender any and all taxes and governmental charges lawfully assessed or levied against the Energy Efficiency Improvements by a governmental entity other than the Town. Nothing in this Memorandum of Understanding shall require the Board to pay the Termination Value to Lender which shall be the obligation of the Town in its sole discretion.
3. The parties agree that except as otherwise provided in this Memorandum of Understanding, the Town shall be solely responsible for compliance with each of the provisions of the Energy Conservation Agreement and for the exercise of the rights and obligations of the Lessee thereunder. Without limiting the foregoing, the Town agrees to insure the Energy Efficiency Improvements against such risks and in such amounts as are customary and standard practice in similar situations, but in no event shall the amount of property casualty insurance be less than the Termination Value as set forth in the Energy Conservation Agreement.
4. The Board agrees to maintain the Energy Efficiency Improvements in good condition and repair in accordance with customary standards and practices. The Board agrees to pay all utility and other charges incurred in the use and maintenance of the Energy Efficiency Improvements.
5. This Memorandum of Understanding shall expire upon the expiration or earlier lawful termination of the Energy Conservation Agreement in accordance with its provisions and neither party shall have the right to terminate this Memorandum of Understanding prior to its expiration.
6. All notices, requests, demands and other communications under this Memorandum of Understanding shall be in writing and shall be deemed to have been duly given (i) on the date of service if sent by e-mail (provided a copy of such notice is sent the following day by first-class mail, registered or certified, postage prepaid and properly addressed) or if served personally on the party to whom notice is to be given, or (ii) on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed as follows:

If to the Board:

TOWN OF TRUMBULL BOARD OF EDUCATION
Attention: Business Administrator
TRUMBULL TOWN HALL
6254 Main Street
Trumbull, CT 06611

With a copy to:

Stephen W. Studer, Esquire
BERCHEM, MOSES & DEVLIN, P.C.
75 Broad Street
Trumbull, CT 06611

If to the Town:

TOWN OF TRUMBULL
Attention: Director of Finance
TRUMBULL TOWN HALL
5866 Main Street
Trumbull, CT 06611

With a copy to:

Trumbull Town Attorney's Office
Attention:
TRUMBULL TOWN HALL
5866 Main Street
Trumbull, CT 06611

7. This Memorandum of Understanding may only be amended or modified by a writing signed by both parties.
8. This Memorandum of Understanding may be executed in counterparts and all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.
9. Each party represents to the other that it is duly authorized to enter into this Memorandum of Understanding which (i) has been duly executed and delivered by it and; (ii) is valid, binding and enforceable against it in accordance with its terms.
10. Any capitalized term which is not defined in this Memorandum of Understanding shall have the meaning given to it in the Energy Conservation Agreement.

11. This Memorandum of Understanding shall be construed and interpreted in accordance with the laws of the state of Connecticut and shall not be assignable by either party.

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

TRUMBULL BOARD OF EDUCATION

BY _____

Its:
Duly Authorized

TOWN OF TRUMBULL

BY _____

Its
Duly Authorized

EQUIPMENT LEASE/PURCHASE AGREEMENT

This Equipment Lease/Purchase Agreement (the "Agreement") dated as of _____, and entered into between [Banc of America Public Capital Corp, a Kansas corporation][Banc of America Leasing & Capital, LLC, a Delaware limited liability company][Bank of America, National Association, a national banking association] ("Lessor"), and _____, a body corporate and politic existing under the laws of the State of _____ ("Lessee").

WITNESSETH:

WHEREAS, Lessee desires to lease and acquire from Lessor certain Equipment (as such term is defined herein), subject to the terms and conditions hereof;

WHEREAS, Lessee is authorized under the constitution and laws of the State to enter into this Agreement for the purposes set forth herein;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Equipment Lease/Purchase Agreement, including the exhibits hereto, together with any amendments and modifications to the Agreement pursuant to Section 13.04.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

"Commencement Date" means the date when Lessee's obligation to pay rent commences hereunder, which shall be the date hereof.

"Contract Rate" means the rate identified as such in the Payment Schedule.

"Equipment" means the property listed in the Equipment Schedule and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article V. Whenever reference is made in this Agreement to Equipment, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Equipment.

Distributed @ 9/30/15 Finance Comm. Mtg

“Equipment Costs” means the total cost of the Equipment, including related costs such as freight, installation and taxes, capitalizable costs, and costs of issuance incurred in connection with the financing of the Equipment.

“Equipment Schedule” means the equipment schedule attached hereto as Exhibit A and made a part hereof.

“Event of Default” means an Event of Default described in Section 12.01.

“Financed Amount” means \$ _____.

“Lease Term” means the Original Term and all Renewal Terms, with a final Renewal Term ending on _____.

“Lessee” means the entity referred to as Lessee in the first paragraph of this Agreement.

“Lessor” means (a) the entity referred to as Lessor in the first paragraph of this Agreement or (b) any assignee or transferee of any right, title or interest of Lessor in and to this Agreement, including the Equipment, the Rental Payments and other amounts due hereunder, pursuant to Section 11.01, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform hereunder.

“Original Term” means the period from the Commencement Date until the end of the fiscal year of Lessee in effect on the Commencement Date.

“Payment Schedule” means the payment schedule attached hereto as Exhibit B and made a part hereof.

“Renewal Terms” means the renewal terms of this Agreement, each having a duration of one year and a term coextensive with Lessee’s fiscal year.

“Rental Payments” means the basic rental payments payable by Lessee hereunder pursuant to Section 4.01, consisting of a principal component and an interest component.

“State” means the State of Connecticut.

“Taxable Rate” means an interest rate equal to the Contract Rate plus a rate sufficient such that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any Federal, state or local income tax (including any interest, penalties or additions to tax) actually imposed thereon, equal the amount of interest otherwise due to Lessor.

“Termination Value” means the amount provided in the Payment Schedule.

“Vendor” means the manufacturer, installer or supplier of the Equipment or any other person as well as the agents or dealers of the manufacturer, installer or supplier with whom Lessor arranged Lessee’s acquisition, installation, maintenance and/or servicing of the Equipment.

“*Vendor Agreement*” means any contract entered into by Lessee and any Vendor for the acquisition, installation, maintenance and/or servicing of the Equipment.

ARTICLE II

Section 2.01. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof as follows:

(a) Lessee is a political subdivision of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the constitution and laws of the State, with full power and authority to enter into this Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.

(b) Lessee has duly authorized the execution and delivery of this Agreement by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement.

(c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.

(d) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

(e) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment.

(f) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee’s authority. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the last Rental Payment (including all Renewal Terms) scheduled to be paid hereunder.

(g) Lessee has kept, and throughout the Lease Term shall keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and shall deliver to Lessor (i) annual audited financial statements (including (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for budget and actual, (3) statement of cash flows, and (4) footnotes, schedules and attachments to the financial statements) within 210 days of its fiscal year end, (ii) such other financial statements and information as Lessor may reasonably request, and (iii) upon Lessor’s request, its annual budget for any prior or current fiscal year or the following fiscal year. The financial statements described in subsection (g) shall be accompanied by an unqualified opinion of Lessee’s auditor. Credit information relating to Lessee may be disseminated among Lessor and any of its affiliates and any of their respective successors and assigns.

(h) Lessee has an immediate need for the Equipment and expects to make immediate use of the Equipment. Lessee's need for the Equipment is not temporary and Lessee does not expect the need for any item of the Equipment to diminish during the Lease Term.

(i) The payment of the Rental Payments or any portion thereof is not directly or indirectly (x) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (y) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. Lessee shall not permit the Federal government to guarantee any Rental Payments. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit. No portion of the Financed Amount will be used, directly or indirectly, to make or finance loans to any person other than Lessee. Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment.

(j) There is no pending litigation, tax claim, proceeding or dispute that may adversely affect Lessee's financial condition or impairs its ability to perform its obligations hereunder. Lessee will, at its expense, maintain its legal existence in good standing and do any further act and execute, acknowledge, deliver, file, register and record any further documents Lessor may reasonably request in order to protect Lessor's first priority security interest in the Equipment and Lessor's rights and benefits under this Agreement.

(k) Lessee is the fee owner of the real estate where the Equipment is and will be located and has good and marketable title thereto, and there exists no mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to such real estate.

(l) No lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Lessee has been a party at any time has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which Lessee has issued during the past ten (10) years.

(m) All Equipment has been installed and accepted by Lessee, all right, title and interest in and to each item of the Equipment is vested in Lessee and all Equipment is free and clear of any claims, mortgages, liens, security interest, charges, pledges or other encumbrances other than those in favor of Lessor created hereunder.

ARTICLE III

Section 3.01. Lease of Equipment. Subject to the terms of this Agreement, Lessor agrees to provide the Financed Amount to Lessee to acquire or finance the Equipment. Lessor hereby demises, leases, transfers and lets to Lessee, and Lessee hereby acquires, rents and leases from Lessor, the Equipment. The Lease Term may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Lease Term as set forth in the Payment Schedule. At the end of the Original Term

and at the end of each Renewal Term until the maximum Lease Term has been completed, Lessee shall be deemed to have exercised its option to continue this Agreement for the next Renewal Term unless Lessee shall have terminated this Agreement pursuant to Section 3.03 or Section 10.01. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the Payment Schedule.

Section 3.02. Continuation of Lease Term. Lessee intends, subject to Section 3.03, to continue the Lease Term through the Original Term and all Renewal Terms. Lessee affirms that sufficient funds are available for the current fiscal year, and Lessee reasonably believes that an amount sufficient to make all Rental Payments during the entire Lease Term can be obtained from legally available funds of Lessee. Lessee further intends to do all things lawfully within its power to obtain and maintain funds sufficient and available to discharge its obligation to make Rental Payments due hereunder, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law, to have such portion of the budget or appropriation request approved and to exhaust all available reviews and appeals in the event such portion of the budget or appropriation request is not approved.

Section 3.03. Nonappropriation. Lessee is obligated only to pay such Rental Payments as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments following the then current Original Term or Renewal Term, this Agreement shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination promptly after any decision to non-appropriate is made, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee agrees to cease use of the Equipment and peaceably remove and deliver at Lessee's expense the Equipment to Lessor at the location(s) to be specified by Lessor.

Section 3.04. Conditions to Lessor's Performance.

(a) As a prerequisite to the performance by Lessor of any of its obligations under this Agreement, Lessee shall deliver to Lessor the following:

(i) A certified copy of a resolution, ordinance or other official action of Lessee's governing body, substantially in the form attached hereto as Exhibit C-1 or otherwise satisfactory to Lessor, authorizing the execution and delivery of this Agreement and performance by Lessee of its obligations hereunder;

(ii) A Certificate executed by the Clerk or Secretary or other comparable officer of Lessee, in substantially the form attached hereto as Exhibit C-2, completed to the satisfaction of Lessor;

(iii) An opinion of counsel to Lessee in substantially the form attached hereto as Exhibit D and otherwise satisfactory to Lessor;

(iv) Evidence of insurance as required by Section 7.02 hereof;

(v) All documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate at that time pursuant to Section 6.02;

(vi) A waiver or waivers of interest in the Equipment, satisfactory to Lessor, from any mortgagee or any other party having an interest in the real estate on which the Equipment will be located and/or landlord of the real estate on which the Equipment will be located;

(vii) If Lessee has designated this Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, a certificate substantially in the form attached hereto as Exhibit G executed by an authorized official of Lessee;

(viii) A copy of a fully completed and executed Form 8038-G; and

(ix) Such other items reasonably required by Lessor.

(b) In addition, the performance by Lessor of any of its obligations under this Agreement shall be subject to no Event of Default having occurred and continuing.

ARTICLE IV

Section 4.01. Rental Payments.

Subject to Section 3.03, Lessee shall promptly pay Rental Payments, in lawful money of the United States of America, to Lessor on the dates and in such amounts as provided in the Payment Schedule. Interest on the Financed Amount shall begin to accrue as of the Commencement Date. If any Rental Payment or other amount payable hereunder is not paid within 10 days of its due date, Lessee shall pay an administrative late charge of 5% of the amount not timely paid or the maximum amount permitted by law, whichever is less.

Section 4.02. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of, principal as more fully detailed on the Payment Schedule.

Section 4.03. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments shall constitute a current expense of Lessee payable solely from its general fund or other funds that are legally available for that purpose and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of Lessee.

Section 4.04. Rental Payments to be Unconditional. Except as provided in Section 3.03, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in this Agreement shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including

without limitation any failure of the Equipment, any defects, malfunctions, breakdowns or infirmities in the Equipment, disputes with the Vendor of any Equipment or Lessor, failure of the Vendor under any Vendor Agreement to perform any of its obligations thereunder for whatever reason, including bankruptcy, insolvency, reorganization or any similar event with respect to the Vendor under any Vendor Agreement, or any accident, condemnation or unforeseen circumstances.

Section 4.05. Tax Covenants. Lessee agrees that it will not take any action that would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, nor will it omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes.

Section 4.06. Event of Taxability. Upon the occurrence of an Event of Taxability, the interest component of Rental Payments and any charge on Rental Payments or other amounts payable based on the Contract Rate shall have accrued and be payable at the Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for federal income tax purposes, and Lessee will pay such additional amount as will result in the owner receiving the interest component at the Taxable Rate.

For purposes of this Section, "Event of Taxability" means a determination that the interest component is includible for federal income tax purposes in the gross income of the owner thereof due to Lessee's action or failure to take any action.

ARTICLE V

Section 5.01. Delivery, Installation and Acceptance of Equipment.

(a) Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified in the Equipment Schedule and pay any and all delivery and installation costs and other Equipment Costs in connection therewith. When the Equipment has been delivered and installed, Lessee shall promptly accept such Equipment and evidence said acceptance by executing and delivering to Lessor an "Acceptance Certificate" in the form attached hereto as Exhibit E.

(b) Lessee shall deliver to Lessor original invoices (and proof of payment of such invoices if Lessee seeks reimbursement for prior expenditures) and bills of sale (if title to such Equipment has passed to Lessee) relating to each item of Equipment accepted by Lessee.

Section 5.02. Quiet Enjoyment of Equipment. So long as Lessee is not in default hereunder, neither Lessor nor any entity claiming by, through or under Lessor, shall interfere with Lessee's quiet use and enjoyment of the Equipment during the Lease Term.

Section 5.03. Location; Inspection. No item of the Equipment will be moved or relocated from the location specified for it in the Equipment Schedule without Lessor's prior written consent, which consent shall not be unreasonably withheld. Lessor shall have the right at

all reasonable times during regular business hours to enter into and upon the property where the Equipment is located for the purpose of inspecting the Equipment.

Section 5.04. Use and Maintenance of the Equipment. Lessee shall not install, use, operate, or maintain the Equipment (or cause the Equipment to be installed, used, operated or maintained) improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated hereby. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative, or judicial body, including, without limitation, all anti-money laundering laws and regulations; *provided* that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest (including the reversionary interest) of Lessor in and to the Equipment or its interest or rights hereunder.

Lessee agrees that it (a) will maintain, preserve, and keep the Equipment in good repair and working order, in a condition comparable to that recommended by the manufacturer; and (b) replace or rebuild any component of the Equipment under any Lease that becomes permanently unfit for normal use or inoperable during the Lease Term for each Lease (herein, the "*Inoperable Component*") in order to keep the Equipment as a whole in good repair and working order during the applicable Lease Term for each Lease. Lessee shall promptly notify Lessor in writing when any component of the Equipment under any Lease is reasonably expected within forty-five (45) days to become an Inoperable Component. Lessee shall promptly replace or rebuild the Inoperable Component with a similar component of comparable or improved make and model that has at least the equivalent value and utility of the Inoperable Component, a remaining useful life of no less than the remaining Lease Term under the applicable Lease and such replacement or rebuilt component shall be in good operating condition. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. In all cases, Lessee agrees to pay any costs necessary for the manufacturer to re-certify the Equipment as eligible for manufacturer's maintenance upon the return of the Equipment to Lessor as provided for herein.

Lessee shall not alter any item of Equipment or install any accessory, equipment or device on an item of Equipment if that would impair any applicable warranty, the originally intended function or the value of that Equipment. All repairs, parts, accessories, equipment and devices furnished, affixed to or installed on any Equipment, excluding temporary replacements, shall thereupon become subject to the security interest of Lessor.

ARTICLE VI

Section 6.01. Title to the Equipment. During the Lease Term, and so long as Lessee is not in default under Article XII hereof, all right, title and interest in and to each item of the Equipment shall be vested in Lessee immediately upon its acceptance of each item of Equipment, subject to the terms and conditions hereof. Lessee shall at all times protect and defend, at its own cost and expense, its title in and to the Equipment from and against all claims, liens and legal processes of its creditors, and keep all Equipment free and clear of all such claims, liens and processes. Upon the occurrence of an Event of Default or upon termination of this Agreement pursuant to Section 3.03 hereof, full and unencumbered legal title to the

Equipment shall, at Lessor's option, pass to Lessor, and Lessee shall have no further interest therein. In addition, upon the occurrence of such an Event of Default or such termination, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of such legal title to Lessor and the termination of Lessee's interest therein, and upon request by Lessor shall deliver possession of the Equipment to Lessor in accordance with Section 12.02. Upon purchase of the Equipment by Lessee pursuant to Section 10.01, Lessor's security interest or other interest in the Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's security interest in the Equipment.

Section 6.02. Security Interest. As additional security for the payment and performance of all of Lessee's obligations hereunder, Lessee hereby grants to Lessor a first priority security interest constituting a first lien on (a) the Equipment, and (b) any and all proceeds of any of the foregoing. Lessee authorizes Lessor to file (and Lessee agrees to execute, if applicable) such notices of assignment, chattel mortgages, financing statements and other documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain Lessor's security interest in the Equipment and the proceeds thereof.

Section 6.03. Personal Property, No Encumbrances. Lessee agrees that the Equipment is deemed to be and will remain personal property, and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Lessee shall not create, incur, assume or permit to exist any mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on any of the real estate where the Equipment is or will be located or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate without the prior written consent of Lessor; provided, that if Lessor or its assigns is furnished with a waiver of interest in the Equipment acceptable to Lessor or its assigns in its discretion from any party taking an interest in any such real estate prior to such interest taking effect, such consent shall not be unreasonably withheld.

ARTICLE VII

Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, liens, and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes or charges as the same may become due; *provided* that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the Lease Term.

Section 7.02. Insurance. Lessee shall during the Lease Term maintain or cause to be maintained (a) casualty insurance naming Lessor and its assigns as loss payee and additional

insured and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Lessor, in an amount at least equal to the greater of (i) the then applicable Termination Value of the Equipment or (ii) the replacement cost of the Equipment; (b) liability insurance naming Lessor and its assigns as additional insured that protects Lessor from liability with limits of at least \$ 1,000,000 per occurrence/\$3,000,000 in the aggregate for bodily injury and property damage coverage, and excess liability umbrella coverage of at least \$5,000,000, and in all events in form and amount satisfactory to Lessor; and (c) worker's compensation coverage as required by the laws of the State; *provided* that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and/or (b). In the event Lessee is permitted, at Lessor's sole discretion, to self-insure as provided in this Section, Lessee shall provide to Lessor a self-insurance letter in substantially the form attached hereto as Exhibit F. Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout the Lease Term. Lessee shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation or modification.

Section 7.03. Risk of Loss. Whether or not covered by insurance or self-insurance, Lessee hereby assumes all risk of loss of, or damage to and liability related to injury or damage to any persons or property arising from the Equipment from any cause whatsoever, and no such loss of or damage to or liability arising from the Equipment shall relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under this Agreement. Whether or not covered by insurance or self-insurance, Lessee hereby agrees to reimburse Lessor (to the fullest extent permitted by applicable law, but only from legally available funds) for any and all liabilities, obligations, losses, costs, claims, taxes or damages suffered or incurred by Lessor, regardless of the cause thereof and all expenses incurred in connection therewith (including, without limitation, counsel fees and expenses, and penalties connected therewith imposed on interest received) arising out of or as a result of (a) entering into of this Agreement or any of the transactions contemplated hereby, (b) the ordering, acquisition, ownership use, operation, condition, purchase, delivery, acceptance, rejection, storage or return of any item of the Equipment, (c) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (d) the breach of any covenant of Lessee under or in connection with this Agreement or any material misrepresentation provided by Lessee under or in connection with this Agreement. The provisions of this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

Section 7.04. Lessee to Pursue Remedies Against Contractors and Sub-Contractors and Their Sureties. In the event of a material default of any Vendor under any Vendor Agreement in connection with the acquisition, construction, maintenance and/or servicing of the Equipment or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to the Equipment, Lessee will promptly proceed to exhaust its remedies against the Vendor in default. Lessee shall advise Lessor of the steps it intends to take in connection with any such default. Any amounts received by Lessee in respect of damages, refunds and adjustments or otherwise in connection with the foregoing shall be paid to Lessor and applied against Lessee's obligations hereunder.

Section 7.05. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date until paid at a rate equal to the Contract Rate plus 5% per annum or the maximum amount permitted by law, whichever is less.

ARTICLE VIII

Section 8.01. Damage, Destruction and Condemnation. If, prior to the termination of the Lease Term, (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, (i) Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment and any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee or (ii) Lessee shall exercise its option to purchase the Equipment in accordance with Section 10.01(b).

If Lessee elects to replace any item of the Equipment (the "*Replaced Equipment*") pursuant to this Section, the replacement equipment (the "*Replacement Equipment*") shall be new or of a quality, type, utility and condition at least as good as the Replaced Equipment, shall be of equal or greater value than the Replaced Equipment and shall provide at least the same level of energy and/or operational savings expected in the aggregate from the Replaced Equipment prior to such casualty, destruction or condemnation. Lessee shall grant to Lessor a first priority security interest in any such Replacement Equipment. Lessee shall represent, warrant and covenant to Lessor that each item of Replacement Equipment is free and clear of all claims, liens, security interests and encumbrances, excepting only those liens created by or through Lessor, and shall provide to Lessor any and all documents as Lessor may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Lessor evidencing Lessor's security interest in the Replacement Equipment. Lessor and Lessee hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute "Equipment" for purposes of this Agreement. Lessee shall complete the documentation of Replacement Equipment on or before the next Rental Payment date after the occurrence of a casualty event, or be required to exercise its option to purchase the damaged equipment in accordance with Section 10.01(b).

For purposes of this Article, the term "*Net Proceeds*" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or

improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pay or cause to be paid to Lessor the amount of the then applicable Termination Value for the Equipment, and, upon such payment, the Lease Term shall terminate and Lessor's security interest in the Equipment shall terminate as provided in Section 6.01 hereof. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing such Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. Lessor makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of the Equipment, or any other warranty or representation, express or implied, with respect thereto and, as to Lessor, Lessee's acquisition of the Equipment shall be on an "as is" basis. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Equipment or the existence, furnishing, functioning or Lessee's use of any item, product or service provided for in this Agreement.

Section 9.02 Vendor's Agreements; Warranties. Lessee covenants that it shall not in any material respect amend, modify, rescind or alter any Vendor Agreement without the prior written consent of Lessor. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default under this Agreement, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the applicable Vendor of the Equipment, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor hereunder, including the right to receive full and timely Rental Payments. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties relating to the Equipment.

ARTICLE X

Section 10.01. Purchase Option. Lessee shall have the option to purchase all, but not less than all, of the Equipment, at the following times and upon the following terms:

(a) From and after the date specified (if any) in the Payment Schedule (the "*Purchase Option Commencement Date*"), on the Rental Payment dates specified in the Payment Schedule, upon not less than 30 days' prior written notice, and upon payment in full of the Rental Payments then due and all other amounts then owing hereunder plus the then applicable Termination Value, which may include a prepayment premium on the unpaid balance as set forth in the Payment Schedule; or

(b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment, on the day specified in Lessee's notice to Lessor of its exercise of the purchase option (which shall be the earlier of the next Rental Payment date or 60 days after the casualty event) upon payment in full to Lessor of the Rental Payment then due plus the then applicable Termination Value (or, in the event such purchase occurs on a date other than a Rental Payment date, the sum of (i) the Termination Value relating to the Rental Payment immediately prior to the date of such purchase plus (ii) accrued interest on the Outstanding Balance relating to the Rental Payment immediately prior to the date of such purchase, plus all other amounts then owing hereunder); or

(c) Upon the expiration of the Lease Term, upon payment in full of all Rental Payments then due and all other amounts then owing hereunder, and the payment of \$1.00 to Lessor.

After payment of the applicable Termination Value and all other amounts owing hereunder, Lessor's security interests in and to such Equipment will be terminated and Lessee will own the Equipment free and clear of Lessor's security interest in the Equipment.

ARTICLE XI

Section 11.01. Assignment by Lessor.

(a) Lessor's right, title and interest in and to this Agreement, the Rental Payments and any other amounts payable by Lessee hereunder, its security interest in the Equipment, and all proceeds therefrom may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor, without the necessity of obtaining the consent of Lessee; *provided*, that any such assignment, transfer or conveyance to a trustee for the benefit of owners of certificates of participation shall be made in a manner that conforms to any applicable State law. Nothing in this Section 11.01 shall be construed, however, to prevent Lessor from executing any such assignment, transfer or conveyance that does not involve funding through the use of certificates of participation within the meaning of applicable State law, including any such assignment, transfer or conveyance as part of a multiple asset pool to a partnership or trust; *provided* such certificates are sold only on a private placement basis (and not pursuant to any "public offering") to a purchaser(s) who represents that (i) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment, (ii) such purchaser understands that neither this Agreement nor certificates will be registered under the Securities Act of 1933, (iii) such purchaser is either an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A, and (iv) it is the intention of such purchaser to acquire such certificates (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933; *provided further*, that in any event, Lessee shall not be required to make Rental Payments, to send notices or to otherwise deal with respect to matters arising under this Agreement with or to more than one individual or entity.

(b) Unless to an affiliate controlling, controlled by or under common control with Lessor, no assignment, transfer or conveyance permitted by this Section 11.01 shall be effective

until Lessee shall have received a written notice of assignment that discloses the name and address of each such assignee; *provided*, that if such assignment is made to a bank or trust company as trustee or paying agent for owners of certificates of participation, trust certificates or partnership interests with respect to the Rental Payments payable under this Agreement, it shall thereafter be sufficient that Lessee receives notice of the name and address of the bank or trust company as trustee or paying agent. During the Lease Term, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or the Vendor. Assignments in part may include without limitation assignment of all of Lessor's security interest in and to the Equipment and all rights in, to and under this Agreement related to such Equipment.

(c) If Lessor notifies Lessee of its intent to assign this Agreement, Lessee agrees that it shall execute and deliver to Lessor a Notice and Acknowledgement of Assignment substantially in the form of Exhibit H attached hereto within five (5) business days after its receipt of such request.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title, and interest in, to and under this Agreement or any portion of the Equipment may be assigned, encumbered or subleased by Lessee for any reason and any purported assignment, encumbrance or sublease without Lessor's prior written consent shall be null and void.

ARTICLE XII

Section 12.01. Events of Default Defined. Any of the following events shall constitute an "Event of Default" under this Agreement:

(a) Failure by Lessee to (i) pay any Rental Payment or other payment required to be paid under this Agreement within 10 days of the date when due as specified herein or (ii) maintain insurance as required herein;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement contained in this Agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; *provided* that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made;

(d) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which Lessee is an obligor, if such

default (i) arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by Lessor or any affiliate of Lessor, or (ii) arises under any obligation under which there is outstanding, owing or committed an aggregated amount in excess of \$100,000.00;

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization, moratorium or insolvency proceeding; or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating the Lease Term, Lessor may enter the premises where the Equipment is located and retake possession of such Equipment or require Lessee at Lessee's expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable, but solely from legally available funds, for the difference between (i) the Rental Payments payable by Lessee and other amounts hereunder or the Equipment that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies hereunder, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of Section 3.03. The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities hereunder or the Equipment; and

(c) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights hereunder or as a secured party in any or all of the Equipment.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice other than such notice as may be required in this Article.

ARTICLE XIII

Section 13.01. Notices. All notices, certificates or other communications under this Agreement shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, or delivered by overnight courier, or sent by facsimile transmission (with electronic confirmation) to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.04. Amendments, Changes and Modifications. This Agreement may only be amended by Lessor and Lessee in writing.

Section 13.05. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.06. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13.07. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

[Add provisions that State-specific provisions may be in a separate rider document incorporated hereto as necessary, and that rider prevails in any contradiction.]

[Remainder of Page Intentionally Left Blank]

[Signature Page Follows]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

LESSOR:

Banc of America Public Capital Corp
Banc of America Leasing & Capital, LLC
Bank of America, National Association
11333 McCormick Road
Hunt Valley II
M/C MD5-032-07-05
Hunt Valley, MD 21031
Attention: Contract Administration
Fax No.: (443) 541-3057

LESSEE:

Attention: _____
Fax No.: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

(Seal)

Attest:

By: _____
Name: _____
Title: _____

Counterpart No. _____ of _____ manually executed and serially numbered counterparts. To the extent that this Agreement constitutes chattel paper (as defined in the Uniform Commercial Code), no security interest herein may be created through the transfer or possession of any Counterpart other than Counterpart No. 1.

List of Exhibits

- Exhibit A -- Equipment Schedule
- Exhibit B -- Payment Schedule
- Exhibit C-1 -- Form of Authorizing Resolution
- Exhibit C-2 -- Form of Incumbency and Authorization Certificate
- Exhibit D -- Form of Opinion of Counsel Form
- Exhibit E -- Form of Acceptance Certificate
- Exhibit F -- Form of Self-Insurance Certificate
- Exhibit G -- Form of Bank Qualification Certificate
- Exhibit H -- Form of Notice and Acknowledgement of Assignment

EXHIBIT A
EQUIPMENT SCHEDULE

Location of Equipment:

Equipment Description (Scope of Work):

EXHIBIT B

PAYMENT SCHEDULE

Rental Payment Date	Rental Payment Amount	Interest Portion	Principal Portion	Outstanding Balance	Termination Value <small>(including prepayment premium, if applicable)</small>

Contract Rate. The Contract Rate is _____%.

Purchase Option Commencement Date. For purposes of Section 10.01 of the Agreement, the Purchase Option Commencement Date is _____.

LESSOR:

Banc of America Public Capital Corp
 Banc of America Leasing & Capital, LLC
 Bank of America, National Association

LESSEE:

[_____]

By: _____
 Name: _____
 Title: _____

By: _____
 Name: _____
 Title: _____

EXHIBIT C-1

FORM OF AUTHORIZING RESOLUTION

A RESOLUTION OF THE GOVERNING BODY OF [____], AUTHORIZING THE EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE/PURCHASE AGREEMENT WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, [____] (the "Lessee"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of _____, is authorized by the laws of the State of _____ to purchase, acquire and lease personal property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment with a cost not to exceed \$ _____ constituting personal property necessary for the Lessee to perform essential governmental functions (the "Equipment"); and

WHEREAS, in order to acquire such equipment, the Lessee proposes to enter into that certain Equipment Lease/Purchase Agreement (the "Agreement") with Banc of America Public Capital Corp (or one of its affiliates)(the "Lessor"), the form of which has been presented to the governing body of the Lessee at this meeting; and

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Agreement and the documentation relate to the financing of the Equipment for the purchase, acquisition and leasing of the equipment to be therein described on the terms and conditions therein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of Lessee as follows:

Section 1. Approval of Documents. The form, terms and provisions of the Agreement are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the _____ of the Lessee or other members of the governing body of the Lessee executing the same, the execution of such documents being conclusive evidence of such approval; and the _____ of the Lessee is hereby authorized and directed to execute, and the _____ of the Lessee is hereby authorized and directed to attest and countersign, the Agreement and any related Exhibits attached thereto and to deliver the Agreement (including such Exhibits) to the

respective parties thereto, and the _____ of the Lessee is hereby authorized to affix the seal of the Lessee to such documents.

Section 2. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of Acceptance Certificates and any tax certificate and agreement, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

Section 3. No General Liability. Nothing contained in this Resolution, the Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable under the Agreement are special limited obligations of the Lessee as provided in the Agreement.

Section 4. Appointment of Authorized Lessee Representatives. The _____ and _____ of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreement.

Section 5. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the governing body of the Lessee this _____ day of _____.

[_____] ,

as lessee

[SEAL]

By: _____

Printed Name: _____

Title: _____

ATTEST:

By: _____

Printed: Name: _____

Title: _____

EXHIBIT C-2

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, a duly elected or appointed and acting _____
[Secretary] [City Clerk] [County Clerk] of _____ ("Lessee")
certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the "Officials") in the capacity set forth opposite their respective names below and that the facsimile signatures are true and correct as of the date hereof;

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Equipment Lease/Purchase Agreement dated as of _____ by and between Lessee and [Banc of America Public Capital Corp][Banc of America Leasing & Capital, LLC][Bank of America, National Association] ("Lessor"), and all documents related thereto and delivered in connection therewith (collectively, the "Agreements"), and the Agreements are the binding and authorized Agreements of Lessee, enforceable in all respects in accordance with their terms.

Name of Official	Title	Signature
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dated: _____

By: _____

Name: _____

Title: _____

(The signer of this Certificate cannot be listed above as authorized to execute the Agreements.)

EXHIBIT D

FORM OF OPINION OF COUNSEL TO LESSEE
(to be typed on letterhead of counsel)

[Closing Date]

Banc of America Public Capital Corp
Banc of America Leasing & Capital, LLC
Bank of America, National Association
11333 McCormick Road
Mail Code: MD5-032-07-05
Hunt Valley, MD 21031
Attn: Contract Administration

Re: Equipment Lease/Purchase Agreement, dated as of _____,
between [Banc of America Public Capital Corp][Banc of America Leasing &
Capital, LLC][Bank of America, National Association] as Lessor, and
_____, as Lessee

Ladies and Gentlemen:

As legal counsel to _____ ("*Lessee*"), I have examined (a) an executed counterpart of a certain Equipment Lease/Purchase Agreement, dated as of _____, and Exhibits thereto by and between [Banc of America Public Capital Corp] [Banc of America Leasing & Capital, LLC][Bank of America, National Association] ("*Lessor*") and Lessee (the "*Agreement*"), which, among other things, provides for the lease of certain property (the "*Equipment*"), (b) an executed counterpart of the ordinances or resolutions of Lessee which with respect to the transaction contemplated by the Agreement and documents related thereto and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. The Agreement and the documents relating thereto are referred to collectively as the "Transaction Documents."

Based on the foregoing, I am of the following opinions:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and [has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power][is a political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code") and the obligations of Lessee under the Agreement will constitute an obligation of Lessee within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code].

2. Lessee has the requisite power and authority to lease and acquire the Equipment and to execute and deliver the Transaction Documents and to perform its obligations under the Transaction Documents.

3. The Transaction Documents have been duly authorized, approved, executed and delivered by and on behalf of Lessee and the Transaction Documents are legal, valid and binding obligations of Lessee enforceable in accordance with their respective terms.

4. The authorization, approval, execution and delivery of the Transaction Documents 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 or federal laws.

5. 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 the Transaction Documents or the security interest of Lessor or its assigns, as the case may be, in the Equipment or other collateral thereunder.

6. The portion of rental payments designated as and constituting interest paid by Lessee and received by Lessor is excluded from Lessor's gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of _____ personal income taxes; and such interest is not a specific item of tax preference or other collateral for purposes of the federal individual or corporate alternative minimum taxes.

All capitalized terms herein shall have the same meanings as in the Transaction Documents unless otherwise provided herein. Lessor and its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of the Rental Payments, are entitled to rely on this opinion.

Sincerely,

EXHIBIT E

FORM OF ACCEPTANCE CERTIFICATE

Banc of America Leasing & Capital, LLC
11333 McCormick Road
Mail Code: MD5-032-07-05
Hunt Valley, MD 21031
Attn: Contract Administration

Re: Equipment Lease/Purchase Agreement, dated as of _____,
between Banc of America Leasing & Capital, LLC, as Lessor, and
_____, as Lessee

Ladies and Gentlemen:

In accordance with the Equipment Lease/Purchase Agreement (the "*Agreement*"), 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 Agreement) has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment 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 7.02 of the Agreement.
4. Lessee hereby reaffirms that the representations, warranties and covenants contained in the Agreement are true and correct as of the date hereof.
5. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.

Date: _____

LESSEE:

By: _____

Name: _____

Title: _____

(Seal)

EXHIBIT F

FORM OF SELF INSURANCE CERTIFICATE

Banc of America Public Capital Corp
Banc of America Leasing & Capital, LLC
Bank of America, National Association
11333 McCormick Road
Mail Code: MD5-032-07-05
Hunt Valley, MD 21031
Attn: Contract Administration

Re: Equipment Lease/Purchase Agreement, dated as of _____,
(the "Agreement") between Banc of America Public Capital Corp [Banc
of America Leasing & Capital, LLC][Bank of America, National
Association], as Lessor, and _____, as Lessee

In connection with the above-referenced Agreement, _____
(the "Lessee"), the Lessee warrants and represents to [Banc of America Public Capital Corp]
[Banc of America Leasing & Capital, LLC][Bank of America, National Association] the
following information. The terms capitalized herein but not defined herein shall have the
meanings assigned to them in the Agreement.

1. The Lessee is self-insured for damage or destruction to the Equipment. The dollar
amount limit for property damage to the Equipment under such self-insurance program is
\$ _____. [The Lessee maintains an umbrella insurance policy for claims in excess
of Lessee's self-insurance limits for property damage to the Equipment which policy has a dollar
limit for property damage to the Equipment under such policy of \$ _____.]

2. The Lessee is self-insured for liability for injury or death of any person or damage
or loss of property arising out of or relating to the condition or operation of the Equipment. The
dollar limit for such liability claims under the Lessee's self-insurance program is
\$ _____. [The Lessee maintains an umbrella insurance policy for claims in excess
of Lessee's self-insurance limits for liability which policy has a dollar limit for liabilities for
injury and death to persons as well as damage or loss of property arising out of or relating to the
condition or operation of the Equipment in the amount of \$ _____.]

[3]. The Lessee maintains a self-insurance fund. Monies in the self-insurance fund
[are/are not] subject to annual appropriation. The total amount maintained in the self-insurance
fund to cover Lessee's self-insurance liabilities is \$ _____. [Amounts paid from
the Lessee's self-insurance fund are subject to a dollar per claim of \$ _____.]

[3]. The Lessee does not maintain a self-insurance fund. The Lessee obtains funds to
pay claims for which it has self-insured from the following sources:
_____. Amounts payable for claims from the such sources are
limited as follows: _____

4. Attached hereto are copies of certificates of insurance with respect to policies maintained by Lessee.

LESSEE:

By: _____

Name: _____

Title: _____

EXHIBIT G

FORM OF BANK QUALIFICATION CERTIFICATE

The undersigned, a duly authorized official of _____ (the "Lessee") certifies in connection with the Equipment Lease/Purchase Agreement dated as of _____ (the "Agreement") between [Banc of America Public Capital Corp] [Banc of America Leasing & Capital, LLC][Bank of America, National Association] and Lessee as follows:

1. The obligations evidenced by the Agreement are not "private activity bonds" as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code");
2. The Lessee hereby designates the principal components of the Rental Payments payable under the Agreement as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
3. The reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Lessee (and all entities treated as one issuer with the Lessee, and all subordinate entities whose obligations are treated as issued by the Lessee) during the current calendar year will not exceed \$10,000,000; and
4. Not more than \$10,000,000 of obligations issued by the Lessee during the current calendar year have been designated for purposes of Section 265(b)(3) of the Code.

DATE: _____

LESSEE:

By: _____

Name: _____

Title: _____

EXHIBIT H

FORM OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

DATED _____

[BANC OF AMERICA PUBLIC CAPITAL CORP] [Banc of America Leasing & Capital, LLC][Bank of America, National Association] (“Assignor”) hereby gives notice that it has assigned and sold to _____ (“Assignee”) all of Assignor’s right, title and interest in, to and under the Equipment Lease/Purchase Agreement (the “Agreement”) dated as of _____, between Assignor and _____ (“Lessee”), together with all exhibits, schedules, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith, the Rental Payments and other amounts due under the Agreement and all of Assignor’s right, title and interest in the Equipment (as defined in the Agreement) (collectively, the Assigned Property”).

1. Pursuant to the authority of Resolution _____ adopted on _____, Lessee hereby [consents to and] acknowledges the effect of the assignment of the Assigned Property and absolutely and unconditionally agrees to deliver to Assignee all Rental Payments and other amounts coming due under the Agreement in accordance with the terms thereof on and after the date of this Acknowledgment.

2. Lessee hereby agrees that: (i) Assignee shall have all the rights of Lessor under the Agreement and all related documents, including, but not limited to, the rights to issue or receive all notices and reports, to give all consents or agreements to modifications thereto, to receive title to the Equipment in accordance with the terms of the Agreement, to declare a default and to exercise all remedies thereunder; and (ii) except as provided in Section 3.03 of the Agreement, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in the Agreement shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense.

3. Lessee agrees that, as of the date of this Notice and Acknowledgment of Assignment (this “Acknowledgement”), the following information about the Agreement is true, accurate and complete:

Number of Rental Payments Remaining	-	_____
Amount of Each Rental Payment	-	\$ _____
Total Amount of Rents Remaining	-	\$ _____
Frequency of Rental Payments	-	_____
Next Rental Payment Due	-	_____

4. The Agreement remains in full force and effect, has not been amended and no nonappropriation or Event of Default (or event which with the passage of time or the giving of notice or both would constitute a default) has occurred thereunder.

5. Any inquiries of Lessee related to the Agreement, if applicable, and all Rental Payments and other amounts coming due pursuant to the Agreement on and after the date of this Acknowledgment should be remitted to Assignee at the following address (or such other address as provided to Lessee in writing from time to time by Assignee): _____

ACKNOWLEDGED AND AGREED:

LESSEE: _____

By: _____

Name: _____

Title: _____

ASSIGNOR: BANC OF AMERICA PUBLIC CAPITAL CORP
Banc of America Leasing & Capital, LLC
Bank of America, National Association

By: _____

Name: _____

Title: _____