

MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

THIS MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT (this “**Master Agreement**”) is made as of November 8, 2024, by and between BMO HARRIS INVESTMENT COMPANY LLC, a Nevada limited liability company, as lessor (“**Lessor**”), and Village of Homewood, a city existing under the laws of the State of Illinois, as lessee (“**Lessee**”). This Master Agreement contains terms and conditions that Lessor and Lessee agree shall be applicable to one or more lease-purchase transactions between them. Each transaction to which this Master Agreement applies will be evidenced by a Schedule (as defined below) executed by Lessor and Lessee that incorporates the terms and conditions of this Master Agreement and further sets forth specific terms and conditions of that specific lease-purchase transaction.

1. **AGREEMENT.** Subject to the terms and conditions of this Master Agreement and the terms of the applicable Schedule, Lessor agrees to sell, transfer and lease to Lessee, and Lessee agrees to acquire, purchase and lease from Lessor, the Equipment. In the event of any conflict in terms between a Schedule and this Master Agreement, the terms of the Schedule shall control in the interpretation of the Lease created thereby. Each Schedule shall constitute a complete and separate contractual obligation of Lessee and Lessor, independent of all other Schedules, each incorporating the terms of the Master Agreement.

2. **DEFINITIONS.** In addition to capitalized terms that are defined elsewhere in this Master Agreement or in a Schedule, the following terms shall have the respective meanings set forth in this Section 2, unless the context clearly requires otherwise:

“**Code**” means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code in this Master Agreement and a Lease shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

“**Commencement Date**” means, for each Lease, the date when Lessee’s obligation to pay rent commences under such Lease, which date shall be the earlier of (a) the date on which the Equipment listed in such Lease is accepted by Lessee in the manner described in Section 9(a), and (b) the date on which moneys to acquire and install the Equipment listed in such Lease are deposited for that purpose in an Escrow Fund pursuant to Section 9(b).

“**Contract Rate**” means, with respect to each Lease, the rate identified as such in the related Payment Schedule.

“**Equipment**” means the equipment and other property described in each Schedule, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.

“**Escrow Agent**” means the escrow agent under any applicable Escrow Agreement with responsibility for administering the Escrow Fund established under such Escrow Agreement.

“**Escrow Agreement**” means the Escrow Agreement relating to a Schedule, dated the Commencement Date under such Schedule and in form and content acceptable to Lessor, Lessee and the escrow agent therein identified, with respect to the Escrow Fund established and to be administered thereunder.

“**Escrow Fund**” means the fund of that name established pursuant to an Escrow Agreement.

“**Event of Default**” means an Event of Default described in Section 20.

“**Lease**” means a Schedule and the terms and provisions of this Master Agreement which are incorporated by reference into such Schedule.

“**Lease Term**” means, with respect to each Lease, the Scheduled Term for such Lease upon its expiration or as terminated as provided in Section 3.

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

“**Lessor**” means (a) the entity referred to as Lessor in the first paragraph of this Master Agreement or (b) any assignee or transferee pursuant to Section 22(b) of any right, title or interest of Lessor in and to the Equipment under a Lease or any Lease (including Rent Payments and other amounts due thereunder) and any related Escrow Fund, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform under a Lease.

“**Lien**” means any lien (statutory or otherwise), security interest, mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, preference, priority or other security or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

“**Material Adverse Change**” means any change in Lessee’s creditworthiness, or other condition or event that could have a material adverse effect on (a) the financial condition or operations of Lessee, (b) Lessee’s ability to perform its obligations under this Master Agreement or any Lease and (c) Lessor’s rights, title, interests, security or remedies under this Master Agreement, any Lease and/or with respect to any Collateral.

“**Maximum Federal Corporate Tax Rate**” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lessor, the maximum statutory rate of federal income taxation which could apply to the Lessor as of such day.

“**Non-Appropriation Event**” means, with respect to a Lease, the failure of Lessee’s governing body to appropriate funds to pay Rent Payments under such Lease following the Original Term or then current Renewal Term sufficient for the continued performance of such Lease by Lessee.

“**Optional Prepayment Commencement Date**” means, with respect to a Lease, the date identified in the Payment Schedule for such Lease, on and after which Lessee may prepay its obligations under such Lease pursuant to Section 16.

“**Original Term**” means, with respect to each Lease, the period from the Commencement Date identified in the related Schedule until the end of Lessee’s fiscal year in effect at such Commencement Date.

“**Payment Schedule**” means, with respect to each Lease, the Rent Payment Schedule attached to and made a part of the related Schedule and substantially in the form of *Schedule S-1* attached to *Exhibit A* to this Master Agreement.

“**Prepayment Amount**” means, with respect to each Lease, the amount identified as such under the column titled “Prepayment Amount” in the Payment Schedule for such Lease for the Rent Payment Date on which any prepayment of such Lease is to occur as provided in Section 16 and the related Lease.

“**Related Agreements**” means, with respect to each Lease, means, with respect to each Lease, this Master Agreement, such Lease, any Escrow Agreement, tax agreement and Vendor Agreement related thereto, and any other agreements relating to such Lease.

“**Renewal Terms**” means, with respect to each Lease, the consecutive renewal terms of such Lease as specified in the related Schedule, the first of which commences immediately after the end of the Original Term and each having a duration of one year and a term coextensive with each successive fiscal year of Lessee, *provided* that the final such renewal term shall commence on the first day of the last fiscal year and end on the first business day after the last scheduled Rent Payment Date.

“**Rent Payment Date**” means, with respect to each Lease, each date on which Lessee is required to make a Rent Payment under such Lease as specified in the related Payment Schedule.

“**Rent Payments**” means, with respect to each Lease, the basic rent payments payable by Lessee on the Rent Payment Dates and in the amounts as specified in the related Payment Schedule, consisting of a principal

component and an interest component, and in all cases sufficient to repay the principal component under such Lease and interest thereon at the applicable Contract Rate (or the Taxable Rate if then in effect).

“**Return Date**” means the last day of Lessee’s fiscal year for which appropriations were made for the Rent Payments due under a Lease.

“**Schedule**” means each separately numbered Equipment Schedule, substantially in the form of *Exhibit A* attached to this Master Agreement, including the related Payment Schedule attached thereto and incorporated therein by reference, and any addenda, riders or other attachments thereto, as the same may from time to time be amended, modified or supplemented in accordance with Section 26.

“**Scheduled Term**” means, with respect to each Lease, the Original Term and all Renewal Terms identified in the related Payment Schedule.

“**State**” means the State or Commonwealth under whose laws Lessee is organized and exists.

“**Taxable Rate**” means, with respect to each Lease, for each day, an interest rate equal to the product of (A) the Contract Rate *multiplied by* (B) the quotient of (i) one *divided by* (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.

“**Vendor**” means the manufacturer or supplier of the Equipment listed in a Schedule, any energy services company or provider, or any other person as well as the agents or dealers of the manufacturer, installer or supplier with whom Lessee arranged for its acquisition, installation, maintenance, operation or servicing or energy savings guarantee or performance of the Equipment that is financed pursuant to the applicable Lease, and includes without limitation, any Vendor specified in a Schedule.

“**Vendor Agreement**” means any agreement or contract entered into by Lessee and any Vendor for the acquisition, installation, maintenance, operation or servicing of Equipment financed under a Lease, and includes without limitation, each energy savings guarantee or performance contract or any other Vendor Agreement relating to the Equipment specified in a Schedule.

3. **LEASE TERM.** (a) The term of each Lease shall commence on, and interest shall accrue from, the Commencement Date identified in the related Schedule and shall initially be in effect for the Original Term. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of its Original Term or any Renewal Term for the next succeeding Renewal Term up to the Scheduled Term set forth in such Lease. At the end of the Original Term and at the end of each Renewal Term, the Lease Term shall be automatically extended upon the successive appropriation by Lessee’s governing body of amounts sufficient to pay Rent Payments and other amounts payable under the related Lease during the next succeeding fiscal year of Lessee until all Rent Payments payable under such Lease have been paid in full, unless Lessee shall have terminated such Lease pursuant to Section 5 or Section 16 or Lessor shall have terminated such Lease pursuant to Section 21. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rent Payments shall be as provided in the applicable Lease.

(b) The term for this Master Agreement shall be the period from the dated date hereof until termination of all Leases in effect on the fifth anniversary of such dated date.

4. **RENT PAYMENTS.** (a) Lessee shall promptly pay Rent Payments for the Equipment under each Lease for the applicable Lease Term, without prior notice or demand, to Lessor in the amounts and on the Rent Payment Dates specified in the related Schedule in lawful money of the United States of America. Rent Payments are due whether or not Lessee is invoiced or receives notice from Lessor. Lessee shall not permit the federal government to guarantee any Rent Payments under any Lease. As set forth in each Payment Schedule, a portion of each Rent Payment under a Lease is paid as, and represents payment of, interest, and the balance of each Rent Payment is paid as, and represents payment of, principal. Except as specifically provided in Section 5, Lessee’s obligation to pay Rent Payments and other sums due under a Lease are absolute and unconditional in all events without abatement, reduction, setoff, defense, counterclaim or recoupment for any reason whatsoever and regardless of any disability of Lessee to use the Equipment or any part thereof because of any reason including, without limitation, any failure of or delay in delivery or installation of the Equipment, failure to realize any energy savings with respect to the Equipment, disputes with Lessor or any Vendor(s) or other manufacturer(s) or O&M provider(s) of the Equipment specified in a Schedule or any provider(s) of energy savings guarantees relating to such Equipment, or Lessor, failure of a Vendor or energy services company under any Vendor Agreement or guarantee to deliver

any Equipment or 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 the failure or inability (for whatever reason) of Lessee to receive (or delay in receipt of) all or any portion of any rebate or any payment for guaranteed energy savings by Vendor under any Vendor Agreement, any defects, malfunctions, breakdowns or infirmities in the Equipment or any accident, condemnation or unforeseen circumstances. Rent Payments are payable in immediately available funds by delivering the same to Lessor at its lockbox address, P.O. Box 88127, Milwaukee, WI 53288-0127 (and Lessee shall include with such payment the name of this Master Agreement and the Equipment Schedule No. and Rent Payment Date to which such payment applies) or at such other address as Lessor shall hereafter designate in writing to Lessee, and shall be credited upon receipt. Lessee also hereby consents to Lessor's use of variable Automated Clearing House debit entries ("**ACH**") for Lessee's payment of Rent Payments. Lessee agrees, at Lessor's request, to execute and deliver to Lessor, the applicable ACH Direct Payment Authorization form for payment of Rent Payments by ACH (which form is currently in the form of *Exhibit F* attached to this Master Agreement) in lieu of payment to Lessor's office. If any Rent Payment is not paid within 10 days after the due date, Lessee shall pay interest on such delinquent payment from the due date thereof until paid at a rate equal to the lesser of (i) the sum of the Contract Rate (or Taxable Rate if then in effect) under the related Lease *plus* 5% per annum and (ii) the maximum rate permitted by law, from such date until paid.

(b) For each Lease, Lessee represents and warrants that (i) it has appropriated and budgeted legally available funds to make all Rent Payments required pursuant to such Lease for the remainder of Lessee's fiscal year in which the Lease Term commences; (ii) it currently intends to make Rent Payments for the Scheduled Term of each Lease so long as funds are appropriated for each succeeding fiscal year by its governing body; (iii) Lessee currently intends to do all things lawfully within its power to obtain appropriated funds for the payment of Rent Payments and other amounts required to be paid under each Lease in each next succeeding fiscal year for its Scheduled Term; and (iv) Lessee acknowledges that Lessor has relied upon these representations as an inducement to enter into this Master Agreement and each Lease. Lessee reasonably believes that moneys in an amount sufficient to make all Rent Payments can and will lawfully be appropriated and made available therefor. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds or to extend the Lease Term for a Lease for any Renewal Term is within the discretion of the governing body of Lessee.

(c) **Lessee's obligation to pay Rent Payments and any other amounts payable under each Lease constitutes a current obligation payable exclusively from legally available funds and shall not be construed to be an indebtedness within the meaning of any applicable constitutional or statutory limitation or requirement, nor shall anything contained in any Lease constitute a pledge of the full faith and credit or taxing power of Lessee.**

5. **TERMINATION UPON NON-APPROPRIATION.** If a Non-Appropriation Event occurs, then:

(a) Lessee shall give Lessor written notice at least 30 days prior to the end of Lessee's then current fiscal year of the occurrence of such Non-Appropriation Event together with written evidence of such failure by Lessee's governing body (but failure to deliver such notice shall not extend the Lease Term);

(b) on or before the Return Date, Lessee shall cease use of the Equipment that is subject to the affected Lease and peaceably remove and deliver to Lessor all, but not less than all, of the Equipment that is subject to the affected Lease, at Lessee's sole expense (from funds legally available for such purpose), at such location in the continental United States as is specified by Lessor and in the condition required by Section 10; and

(c) the affected Lease shall terminate on the Return Date without penalty or expense to Lessee, *provided*, that Lessee shall pay all Rent Payments and other amounts payable under the affected Lease for which funds shall have been appropriated, and *provided further*, that Lessee shall pay month-to-month rent at the rate set forth in the affected Lease for each month or part thereof that Lessee fails to return the Equipment under this Section 5.

6. **REPRESENTATIONS AND WARRANTIES OF LESSEE.** Lessee represents and warrants to Lessor that:

(a) Lessee is a city duly organized and existing under the Constitution and laws of the State, with full power and authority to enter into this Master Agreement, each Lease, any Escrow Agreement, if applicable, and any other Related Agreement and the transactions contemplated hereby and thereby and to perform its obligations hereunder and thereunder;

(b) Lessee has duly authorized the execution and delivery of this Master Agreement, all Schedules, any Escrow Agreement (if applicable), any other Related Agreement and documents relating thereto 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 (including compliance with open and public meeting law requirements) in order to ensure the validity and enforceability of this Master Agreement, all Schedules, any Escrow Agreement (if applicable) and any other Related Agreement;

(c) Lessee has complied with such procurement and public bidding requirements as may be applicable to this Master Agreement and any Related Agreement and the acquisition by Lessee of the Equipment under each Lease;

(d) the use and operation of the Equipment is essential to Lessee's proper, efficient and economic governmental operation and the functions performed by the Equipment could not be transferred to other equipment available for its use;

(e) the execution and performance by Lessee of this Master Agreement, each Lease and any Related Agreement do not require the consent or approval or authorization or order of, the giving of notice to or the registration with, or any hearings or other proceedings by, any federal, state or other governmental authority or agency;

(f) the application, statements and credit or financial information submitted by Lessee to Lessor are true, correct and complete and are made to induce Lessor to enter into this Master Agreement, each Lease and each Escrow Agreement (if applicable);

(g) there has been no Material Adverse Change since the last submission of financial information to Lessor on or after the Commencement Date under any Lease;

(h) there are no suits or proceedings, tax claims, pending or threatened against or affecting Lessee which would impair the ability of Lessee to perform its obligations under any Lease, any Escrow Agreement or any Related Agreement;

(i) Lessee is not subject to any legal or contractual limitation or provision of any nature whatsoever that in any way limits, restricts or prevents Lessee from entering into this Master Agreement, any Lease, any Escrow Agreement or any Related Agreement or performing any of its obligations hereunder or thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally;

(j) all authorizations, consents and approvals of, and hearings and other proceedings by, governmental bodies or agencies required in connection with the execution and delivery by Lessee of this Master Agreement, each Lease, any Escrow Agreement and any Related Agreement or in connection with the carrying out by Lessee of its obligations hereunder and thereunder have been obtained and have occurred;

(k) the entering into and performance of this Master Agreement, each Lease, any Escrow Agreement and any Related Agreement (i) will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound and (ii) will not result in the creation of any Lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment under any Lease pursuant to an indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound, except as herein provided;

(l) Lessee's name as indicated on the first page of this Master Agreement is its true, correct and complete legal name;

(m) the useful life of the Equipment will not be less than the Scheduled Term of the related Lease;

(n) during the last 10 years prior to the Commencement Date of the applicable Lease, Lessee's governing body has not failed (for whatever reason) to appropriate amounts sufficient to pay its obligations that are subject to termination or non-renewal for failure to appropriate funds;

(o) to the extent that any Equipment under a Lease may constitute fixtures under applicable State law, 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;

(p) the street addresses and legal descriptions affixed to the UCC-1 financing statements and fixture filings filed and recorded with respect to each Lease pursuant to Section 8(c)(vii)(4) and/or Section 13(b) hereof are true, accurate and complete street addresses and legal descriptions of all the properties on which the Equipment is located or to be installed; and

(q) as of the date of execution and delivery of this Master Agreement and the date of execution and delivery of each Lease, Lessee has not granted any Lien on the Collateral that would be senior in priority to, or pari passu with, the first priority Lien on the Collateral granted to Lessor under Section 13(b) of this Agreement.

7. **COVENANTS OF LESSEE.** Lessee agrees as follows:

(a) Lessee will furnish Lessor:

(i) within 180 days after the end of each fiscal year of Lessee, a copy of its audited financial statements for such fiscal year, which audited financial statements shall include a balance sheet, a statement of revenues, expenses and changes in fund balances for budget and actual, a statement of cash flows, notes, schedules and any attachments to the financial statements;

(ii) no later than 10 days prior to the end of each fiscal year (commencing with the current fiscal year during which a Lease becomes effective), a copy of Lessee's current budget or other proof of appropriation for the ensuing fiscal year;

(iii) promptly after Lessor's written request, a copy of any interim updates or modifications to Lessee's adopted budget and such other information relating to Lessee's ability to continue the Lease Term of each Lease for such fiscal year as may be reasonably requested by Lessor; and

(iv) promptly after Lessor's written request, such other financial statements and information as Lessor may reasonably request;

(b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a city under the laws of the State;

(c) Lessee promptly will execute and deliver to Lessor such further documents and take such further action(s) as Lessor from time to time reasonably requests to carry out the intent of each Lease and to establish the rights created herein in favor of Lessor;

(d) the financial statements described in subsection (a)(i) of this Section shall be accompanied by an unqualified opinion of Lessee's auditor;

(e) in the event any street address, legal description, other information, UCC-1 financing statement or fixture filing (or continuations or amendments thereof) filed or recorded with respect to the Lessor's interests in the Equipment or any of the real property on which the Equipment is located or to be installed reflects any incorrect or incomplete real property legal description, equipment description or other information, Lessee shall take all steps necessary (with the Lessor's prior written approval) to promptly correct any errors or deficiencies with respect to such legal descriptions, street address, other information, UCC-1 financing statements and/or fixture filings and to protect Lessor's interests in the Equipment;

(f) in the event any Lien, encumbrance, restriction, asserted encumbrance, claim, dispute or other issue exists or arises with respect to the Lessee's legal title to or valid and marketable, beneficial use and enjoyment of the real estate where the Equipment is and will be located (the "*Real Property*") or impairs or adversely impacts Lessor's right, title or interest in the Equipment or any of Lessor's rights or remedies under any Lease with respect to the Equipment (each of the foregoing referred to as a "*Real Property Issue*"), Lessee will take all steps necessary to promptly quiet, resolve and/or eliminate such Real Property Issue to the satisfaction of Lessor and ensure that Lessee and Lessor have adequate access to and use of (including beneficial use and enjoyment of) the Real Property for all purposes of the Equipment contemplated herein and Lessee shall ensure that its fee interest in the Real Property and Lessor's right, title or interest in the Equipment and rights or remedies under this Agreement with respect to the Equipment remain free and clear of all Real Property Issues;

(g) Lessee covenants that notwithstanding any provisions of the Vendor Agreement to the contrary, Lessee shall not (i) in any material respect waive, amend, modify, supplement, rescind, terminate or alter all or any part of the Vendor Agreement without the prior written consent of Lessor or (ii) terminate any services or guarantees under the Vendor Agreement or fail to timely pay amounts required to be paid under the Vendor Agreement without the prior written consent of Lessor. Lessee shall deliver to the Lessor such information as the Lessor shall request regarding each Vendor Agreement, including any information provided by the Vendor to the Lessee thereunder. Lessee shall comply with the terms of each Vendor Agreement; and

(h) Lessee shall promptly furnish to Lessor all documentation and other information requested by Lessor which may be required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the United States PATRIOT Act. Lessee is and will remain in full compliance with all such laws, including, without limitation, ensuring that no person who owns a controlling interest in or otherwise controls Lessee is or shall be (a) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("OFAC"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation, or (b) a person designated under Section 1 of Executive Order No. 13,224 (September 24, 2001), any related enabling legislation or any other similar Executive Orders. Lessee agrees to provide additional information as reasonably requested by Lessor relating to the foregoing.

8. **CONDITIONS PRECEDENT TO LESSOR'S PERFORMANCE.** (a) This Master Agreement is not a commitment by Lessor or Lessee to enter into any Lease not currently in effect, and nothing in this Master Agreement shall impose, or be construed to impose, any obligation upon Lessor or Lessee to enter into any proposed Lease, it being understood that whether Lessor and Lessee enter into any proposed Lease shall be a decision solely within the respective discretion of Lessor and Lessee.

(b) Lessee shall cooperate with Lessor in Lessor's review of any proposed Lease. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may request in connection with Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee. Credit information relating to Lessee may be disseminated among Lessor and any of its successors and assigns.

(c) Lessor shall have no obligation to pay the purchase price for Equipment to a Vendor or deposit any amount into an Escrow Fund under the related Schedule as provided in Section 9 unless all reasonable conditions established by Lessor ("**Funding Conditions**") have been satisfied, including, without limitation, the following:

(i) Lessee has signed and delivered to Lessor the Schedule (including the related Payment Schedule) and the related Escrow Agreement (if applicable);

(ii) no Event of Default or Non-Appropriation Event shall have occurred and be continuing under any Lease;

(iii) no Material Adverse Change shall have occurred since the dated date of this Master Agreement;

(iv) the Equipment to be described in such Schedule is reasonably satisfactory to Lessor and is free and clear of any mortgage, pledge, Lien, security interest, charge or other encumbrance (except the security interest provided in this Master Agreement to secure Lessee's obligations to Lessor under the related Lease);

(v) all representations of Lessee in each Lease remain true, accurate and complete;

(vi) the amount (if any) that Lessor may require in advance that Lessee apply to the payment of Equipment costs; and

(vii) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor:

(1) evidence of insurance coverage or self-insurance required by Section 14(a) and, if applicable, a certified copy of any Surety Bond satisfying the conditions set forth in Section 14(b) or, at Lessor's sole discretion, such Surety Bonds may be provided after the Commencement Date under the related Lease provided that no "Disbursement Request" pursuant to the related Escrow Agreement (if applicable) shall be approved by Lessor until such Surety Bonds satisfying the conditions set forth in Section 14(b) have been delivered to Lessor;

(2) an incumbency certificate, in substantially the form attached as *Exhibit B-1* to this Master Agreement, for the person(s) who will sign the Lease and the Escrow Agreement (if applicable), and certified copy of a resolution adopted by Lessee's governing body, duly authorizing the Lease and the Escrow Agreement (if applicable), which resolution may be in substantially the form attached as *Exhibit B-2* to this Master Agreement;

(3) an opinion of Lessee's counsel in substantially the form attached as *Exhibit C* to this Master Agreement;

(4) Uniform Commercial Code ("UCC") personal property financing statements with respect to the Equipment, to be filed centrally, and UCC financing statements for fixtures with respect to Equipment on such sites as agreed upon between Lessor and Lessee and identified in the related Lease, to be recorded in the appropriate recording office;

(5) real property waivers as Lessor may deem necessary;

(6) such documents, opinions and certificates as Lessor may request relating to federal tax-exemption of the interest component of Rent Payments payable under the Lease, including (without limitation) IRS Form 8038-G or 8038-GC and evidence of the adoption of a reimbursement resolution or other official action in the event that Lessee is to be reimbursed for expenditures that it has paid more than 60 days prior to the date on which the Funding Conditions are satisfied;

(7) if any items of Equipment are motor vehicles, properly completed certificates of title or certificates of origin (or applications therefor) for such vehicles and noting Lessor's title and interest thereon;

(8) if applicable, a certificate of an authorized official of Lessee, in substantially the form attached as *Exhibit D* to this Master Agreement, designating the Lease as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code; and

(9) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor.

(d) Upon satisfaction of the Funding Conditions described in this Section 8 with respect to a Lease and execution and delivery of the related Schedule and Escrow Agreement (if applicable), Lessor shall pay the purchase price for the Equipment subject to such Lease to the Vendor or transfer funds to the Escrow Agent for deposit into the related Escrow Fund, in either case as directed by Lessee pursuant to Section 9.

9. DELIVERY AND ACCEPTANCE BY LESSEE; ALTERNATIVE PROCEDURE FOR ESCROW FUNDING; QUIET ENJOYMENT. (a) Lessee shall order the Equipment to be subject to a Lease, cause such Equipment to be delivered and installed at the location(s) specified in the applicable Schedule and pay all delivery and installation costs and other costs in connection therewith. As Equipment is delivered and installed as provided in the contract or purchase order with the Vendor thereof, Lessee shall inspect such Equipment and, if it is conforming and otherwise acceptable, Lessee shall execute and deliver to Lessor an Acceptance Certificate in substantially the form attached as *Exhibit E* to this Master Agreement

(accompanied by original invoices relating to each item of Equipment relating thereto) whereupon, as between Lessor and Lessee, the Equipment shall be deemed to have been unconditionally accepted by Lessee for all purposes of the applicable Lease. Lessor shall pay to such Vendor as directed by Lessee on the Commencement Date for such Lease the purchase price for such Equipment in an amount equal to the aggregate principal component of Rent Payments under the applicable Lease, unless Lessor and Lessee otherwise agree in the related Schedule.

(b) As an alternative to acceptance of the Equipment and payment by Lessor of the purchase price therefor on behalf of Lessee under a Lease as provided in subsection (a) of this Section 9, Lessor and Lessee may agree with respect to a Lease and the Equipment to be acquired, installed and financed thereunder to enter into an Escrow Agreement relating to the creation and administration of an Escrow Fund with respect to such Schedule. On the Commencement Date of such Lease after satisfaction of the Funding Conditions provided in Section 8, Lessor shall transfer funds to the Escrow Agent for deposit into the related Escrow Fund for the payment of the costs of acquiring and installing the Equipment under such Lease, and such funds (including investment earnings thereon) shall be disbursed in accordance with the applicable Escrow Agreement. Lessee shall pay, from funds legally available for such purpose, the excess (if any) of the actual costs of acquiring and installing the Equipment under a Lease over the amount deposited by Lessor in the related Escrow Fund and interest earnings thereon.

(c) During the Lease Term of each Lease, Lessee shall be entitled to quiet enjoyment of the Equipment identified therein, subject to the terms of the applicable Lease.

10. **USE; MAINTENANCE; LOCATION; INSPECTION.** (a) Lessee shall, at its sole expense: (i) repair and maintain all Equipment in good condition and working order, in accordance with manufacturer's instructions, and supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law or regulation, which parts or devices shall automatically become part of the Equipment; (ii) use and operate all Equipment solely for the purpose of performing one or more essential governmental or proprietary functions of Lessee and in a careful manner in the normal course of its operations and only for the purposes for which it was designed in accordance with the manufacturer's warranty requirements; and (iii) comply with all laws, ordinances, regulations or requirements of any governmental authority, official, board or department relating to its installation, possession, use or maintenance. If any Equipment is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement by a party reasonably satisfactory to Lessor. No maintenance or other service for any Equipment will be provided by Lessor. Lessee will not make any alterations, additions or improvements to any Equipment without Lessor's prior written consent unless the such alterations, additions or improvements may be readily removed without damage to the operation, value or utility of such Equipment, but any such alterations, additions or improvements not removed prior to the termination of the applicable Lease shall automatically become part of the Equipment.

(b) Once installed, Lessee shall keep the Equipment within the State at the "Equipment Location" stated in the related Schedule. Equipment will not be removed from, or if Equipment is rolling stock its permanent base will not be changed from, such Equipment Location without Lessor's prior written consent. Upon reasonable notice to Lessee and subject to compliance with applicable legal requirements relating to access to Lessee's facilities, Lessor may enter the Equipment Location or elsewhere during Lessee's normal operating hours to inspect the Equipment.

(c) Upon expiration and/or earlier termination of each Lease or following a Non-Appropriation Event, on or before the Return Date, Lessee shall at its expense, immediately return the applicable Equipment (together with maintenance records and operating manuals relating thereto) to Lessor at such place as Lessor may designate (and shall assign to Lessor any maintenance agreements relating to the Equipment). All Equipment, when returned to Lessor shall be (i) in the same condition and appearance as when received by Lessee (ordinary wear and tear from proper use excepted), (ii) in good working order for the original intended purpose of the Equipment, (iii) free and clear of all claims, Liens and legal processes except those created by the related Lease and (iv) in the condition otherwise required by this Master Agreement and the applicable Lease, including the provisions of Section 10(a) hereof. As required by Lessor, the Equipment shall be de-installed, disassembled and crated by an authorized manufacturer's representative or such other service person satisfactory to Lessor.

11. **NO REPRESENTATION OR WARRANTIES BY LESSOR.** LESSEE HAS SELECTED BOTH THE EQUIPMENT AND THE VENDOR OF THE EQUIPMENT PRIOR TO HAVING REQUESTED LESSOR TO FINANCE IT. LESSEE AGREES THAT LESSOR, NOT BEING THE MANUFACTURER, SUPPLIER, VENDOR OR DEALER OF THE EQUIPMENT, HAS NOT MADE ANY, AND MAKES NO, REPRESENTATION OR WARRANTY, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, OF ANY KIND AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, AS TO TITLE, FITNESS, QUALITY, DESIGN, CONDITION, CAPACITY, SUITABILITY, DURABILITY,

OPERATION, MERCHANTABILITY, PERFORMANCE, FITNESS FOR ANY PARTICULAR PURPOSE OR AS TO THE MATERIAL OR WORKMANSHIP OF ANY ITEM OF EQUIPMENT. AS BETWEEN LESSEE AND LESSOR, LESSEE LEASES, PURCHASES AND ACQUIRES THE EQUIPMENT UNDER EACH LEASE "AS IS", "WHERE IS" AND "WITH ALL FAULTS." LESSOR HEREBY SPECIFICALLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND. NO DEFECT IN, OR UNFITNESS OF, THE EQUIPMENT SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT PAYMENTS OR TO PAY ANY OTHER AMOUNT OR TO PERFORM ANY OTHER OBLIGATION OF LESSEE UNDER OR ARISING FROM ANY LEASE. **LESSEE SHALL LOOK SOLELY TO THE VENDOR AND/OR MANUFACTURER OF THE EQUIPMENT FOR ANY CLAIM BASED UPON THE QUALITY OR CONDITION OF THE EQUIPMENT, ITS PERFORMANCE, SPECIFICATIONS, MERCHANTABILITY OR FITNESS FOR USE, AND LESSEE'S OBLIGATIONS TO LESSOR UNDER ANY LEASE SHALL NOT IN ANY MANNER BE AFFECTED THEREBY, INCLUDING (WITHOUT LIMITATION) LESSEE'S OBLIGATIONS TO PAY LESSOR ALL RENT PAYMENTS AND OTHER AMOUNTS PAYABLE UNDER THE RELATED LEASE. LESSOR SHALL NOT BE LIABLE TO LESSEE OR ANY THIRD-PARTY FOR ANY LOSS, DAMAGE, INJURY OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY ANY EQUIPMENT OR BY ANY DEFECT OR DEFECTS THEREIN OR BY THE USE OR MAINTENANCE THEREOF, OR BY THE REPAIR, SERVICING OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY THEREOF, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED. LESSOR SHALL HAVE NO OBLIGATION TO MAINTAIN, INSTALL, ERECT, LET, ADJUST OR SERVICE THE EQUIPMENT. LESSOR SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES HOWSOEVER ARISING. LESSOR MAKES NO WARRANTY AS TO THE TREATMENT OF ANY LEASE FOR TAX OR ACCOUNTING PURPOSES OR AS TO THE COMPLIANCE OF THE EQUIPMENT WITH APPLICABLE GOVERNMENT REGULATIONS OR REQUIREMENTS.**

12. **LIENS, TAXES, OTHER GOVERNMENTAL CHARGES AND UTILITY CHARGES.** (a) Lessee shall at all times protect and defend, at its own cost and expense, its title in and to the Equipment and Lessor's first priority security interest constituting a first Lien on the Collateral from and against all claims, Liens and legal processes of its creditors, and keep all Equipment and the Collateral free and clear of all such claims, Liens and processes, except those created by the related Lease. Lessee will, at its expense, do any further act and execute, acknowledge, deliver, file, register and record any further documents that Lessor may reasonably request in order to protect Lessor's interest in the Equipment under each Lease and Lessor's pledge and security interest in the Collateral, Lessor's rights and interest under any Lease and the other Related Agreements.

(b) Lessor and Lessee contemplate that the Equipment under each Lease will be used for governmental or proprietary purposes of Lessee and that the Equipment will therefore be exempt from all property taxes. Nevertheless, Lessee shall pay promptly when due or reimburse Lessor for, and hold Lessor harmless from, (i) all titling, recordation, filing, documentary stamp and other fees; (ii) taxes (other than taxes calculated solely on the basis of Lessor's net income), including but not limited to *ad valorem* property (whether on real or personal property) or other taxes of any kind under state or federal law, ownership, transfer, sales, use, excise, gross receipts and personal property taxes (including any relating to Lessor's legal title and interest in the Equipment) or Lessor's ownership or Lessee's leasing, rental, sale, purchase, possession or use of the Equipment; and (iii) assessments and all other charges or withholdings of any nature (together with any penalties, fines or interest thereon) arising at any time relating to the Equipment or any Lease or with respect to the use, possession, acquisition, ownership, operation, leasing, delivery, return or other disposition of any Equipment, or upon the Rent Payments, whether the same be assessed to Lessor or Lessee. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment as the same may become due. If Lessee fails to pay any such taxes, assessments and other charges when due (except taxes, assessments or charges being contested in good faith and by appropriate proceedings as set forth above for a period not to exceed 60 days), Lessor, at its option, may do so, in which event the amount so paid (including any penalty or interest incurred as a result of Lessee's failure), plus interest thereon at the rate of 12% per annum, or the highest rate permitted by applicable law, whichever is less, shall be paid by Lessee to Lessor along with any filing fees, accountant fees, attorneys' fees and other expenses incurred by Lessor with the next Rent Payment when due.

13. **TITLE; SECURITY INTEREST.** (a) During the Lease Term of each Lease, title to the Equipment under such Lease shall be vested in Lessee immediately upon its acceptance of each item of Equipment, subject to the terms and conditions of the applicable Lease; *provided, however*, that title to the Equipment shall be and remain in Lessor to the extent required under applicable State law as provided in the related Schedule. In the event Lessor terminates a Lease pursuant to Section 21 or a Non-Appropriation Event occurs under a Lease, full and unencumbered legal title to the related Equipment shall, at Lessor's option, immediately pass to Lessor free and clear of any right, title or interest of Lessee. In the event that Lessor terminates a Lease pursuant to Section 21 or a Non-Appropriation Event occurs under a Lease, 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 5 or Section 21, as applicable.

(b) To secure the payment and performance of all of Lessee's obligations under each Lease, upon the execution of such Lease, Lessee grants to Lessor, and Lessor shall have and retain, a security interest constituting a first and exclusive Lien on (a) the Equipment subject to such Lease, (b) moneys and investments held from time to time in the related Escrow Fund created under each Escrow Agreement and all proceeds (cash and non-cash) thereof, (c) all accounts, chattel paper, deposit accounts, documents, instruments, general intangibles and investment property (including any securities accounts and security entitlements relating thereto) evidenced by or arising out of or otherwise relating to the foregoing collateral described in clauses (a) and (b) above, as such terms are defined in Article 9 of the applicable Uniform Commercial Code (and treating such Article 9 as applicable to entities such as Lessee), and (d) any and all proceeds of any of the foregoing and other proceeds of any of the foregoing (collectively, the "*Collateral*"). Lessee agrees to execute and deliver such additional documents, including, without limitation, financing statements, motor vehicle titles, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Collateral, including, without limitation, such financing statements with respect to personal property under Article 9 of the Uniform Commercial Code in effect in the State and treating such Article 9 as applicable to entities such as Lessee, and agrees with respect to each Lease that Lessor shall have all the rights and remedies of a secured party under Article 9 of the applicable Uniform Commercial Code (and treating such Article 9 as applicable to entities such as Lessee). Upon payment or prepayment of all amounts due and owing under a Lease in accordance with its terms, Lessor's security interest or other interest in the Equipment under such Lease 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 subject to the related Lease.

14. INSURANCE; SURETY BONDS; LESSEE TO PURSUE REMEDIES AGAINST VENDORS AND THEIR SURETIES. (a) Lessee at its sole expense shall keep the Equipment fully insured against all risks of loss in an amount at least equal to the then applicable Prepayment Amount for Lessee's obligations with respect to the Equipment as shown on the related Payment Schedule. Lessee shall also carry public liability insurance, both personal injury and property damage (including comprehensive and collision coverage for motor vehicles), covering the Equipment, with a combined single limit in an amount acceptable to Lessor (but in no event with limits in an amount less than \$2,000,000 per occurrence and \$2,000,000 in the aggregate, unless other limits are agreed to in the related Schedule). All insurance shall be in a form and amount reasonably satisfactory to Lessor and written by insurers of recognized reputation and responsibility satisfactory to Lessor (but each such insurer shall carry a current rating by A.M. Best Company of at least "A" for a general policyholder and a financial rating of at least "VIII"). Lessor shall be named as an additional insured with respect to all such liability insurance and loss payee with respect to all property and casualty insurance. Lessee shall pay the premiums therefor and deliver to Lessor evidence satisfactory to Lessor of such insurance coverage. Each insurer shall agree that it will give Lessor at least 30 days prior written notice of the effective date of any cancellation of, or material change in, such policy(ies). The proceeds of such insurance payable as a result of loss of, or damage to, the Equipment shall be applied as required by the provisions of Section 15. Proceeds of any such public liability insurance, both personal injury and property damage, shall be payable first to Lessor as additional insured to the extent of its liability, and then to Lessee. Lessee shall procure and maintain in full force and effect at all times worker's compensation insurance which shall cover any and all claims for injury to any worker, employee or agent of Lessee arising out of use, operation or maintenance of the Equipment. If Lessee fails to obtain, and maintain throughout the Lease Term, the required insurance coverage and provide Lessor satisfactory evidence thereof upon request, Lessor may, but is not obligated to, obtain such coverage and Lessee agrees to pay the premium therefor when due or to reimburse Lessor therefor promptly upon demand. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claims for, receive payments of and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy.

(b) Lessee shall secure from each Vendor directly employed by Lessee in connection with the acquisition, construction, installation, improvement or equipping of Equipment under a Lease, a payment and performance bond ("**Surety Bond**") executed by a surety company authorized to do business in the State, having a financial strength rating by A.M. Best Company of "A-" or better, and otherwise satisfactory to Lessor and naming Lessor as a co-obligee in a sum equal to the entire amount to become payable under such Vendor Agreement. Each bond shall be conditioned on the completion of the work in accordance with the plans and specifications for the Equipment and upon payment of all claims of subcontractors and suppliers. Lessee shall cause the surety company to add Lessor as a co-obligee on each Surety Bond, and shall deliver a certified copy of each Surety Bond to Lessor promptly upon receipt thereof by Lessee. Any proceeds from a Surety Bond shall be applied in accordance with such Surety Bond to the payment and performance of the Vendor's obligations in accordance with the related Vendor Agreement and, if for whatever reason such proceeds are not

so applied, then first to amounts due Lessor under the applicable Lease, and any remaining amounts shall be payable to Lessee.

(c) 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 Equipment under a Lease or in the event of a material breach of warranty with respect to any material workmanship or performance guaranty with respect to Equipment under a Lease, 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 under the related Lease.

(d) **VEHICLES.** If any item of Equipment is a motor vehicle, Lessee shall (i) permit only licensed drivers to operate same who shall be employees of Lessee or any permitted sublessee; (ii) use the vehicle for its own needs and not for hire; (iii) do nothing which shall increase or suspend insurance coverage thereon; (iv) assume sole responsibility for the payment of wages, unemployment and worker's compensation insurance and social security requirements of such employees; (v) cause such item of Equipment to be registered in the name of Lessor and will cause all periodic renewals of the registration and/or licensing of such item of Equipment to be completed in a timely fashion; and (vi) shall cause such item of Equipment to be insured for comprehensive and collision coverage.

15. **RISK OF LOSS; DAMAGE, DESTRUCTION AND CONDEMNATION.** Lessee shall bear the entire risk of loss, theft, destruction of or damage to the Equipment or any part thereof from any cause whatsoever during the Lease Term of each Lease, and shall not be relieved of the obligation to pay Rent Payments or any other obligation thereunder because of any such occurrence. If (a) the Equipment or any portion thereof under a Lease 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 under a Lease is taken under the exercise of the power of eminent domain, Lessee shall immediately notify Lessor. Lessee and Lessor shall cause the Net Proceeds (as defined herein) to be applied to the prompt repair, restoration, modification, improvement or replacement of the Equipment so affected to substantially the same condition as existed prior to the event causing such damage, destruction or condemnation, unless Lessee shall have exercised its option to pay in full the then applicable Prepayment Amount under the applicable Lease pursuant to Section 16. Any balance of the Net Proceeds remaining after completion of such work shall be paid promptly to Lessee. If the Net Proceeds are insufficient to pay in full the costs of such repair, restoration, modification, improvement or replacement referred to herein, Lessee shall either (i) complete such repair, restoration, modification, improvement or replacement and pay any cost in excess of the amount of the Net Proceeds from funds legally available for that purpose, or (ii) pay in full the then applicable Prepayment Amount under the applicable Lease pursuant to Section 16. For purposes of this Section, the term "**Net Proceeds**" shall mean the amount remaining from the gross proceeds of any insurance claim (including self-insurance) or condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof. 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 Section 4.

16. **PURCHASE OF EQUIPMENT BY LESSEE; PREPAYMENT.** At the option of Lessee, and provided that no Event of Default has occurred and is continuing under a Lease, Lessor's interest in all, but not less than all, of the Equipment subject to a Lease will be transferred, conveyed and assigned to Lessee, and such Lease shall terminate (a) upon payment in full of the Rent Payments under such Lease and all other payments then due thereunder or (b) on any Rent Payment Date under such Lease on or after the Optional Prepayment Commencement Date identified in the Payment Schedule for such Lease, provided Lessee shall have delivered written notice at least 30 days prior to such date of Lessee's intention to purchase the Equipment subject to such Lease pursuant to this provision, by paying to Lessor, in addition to the Rent Payment due on such date, an amount equal to the Prepayment Amount shown for such Rent Payment Date in the Payment Schedule attached to and incorporated in the Schedule for the applicable Lease. Other than as provided in clause (ii) of Section 15 hereof, Lessee shall not have the option to purchase the Equipment under a Lease as provided in the foregoing clause (b) in this Section 16 on any Rent Payment Date under such Lease prior to the Optional Prepayment Commencement Date identified in the applicable Payment Schedule.

17. **GENERAL INDEMNITY.** To the fullest extent permitted by State law, Lessee shall indemnify, defend and hold harmless Lessor, its affiliates and each of their respective directors, officers, agents, representatives and employees, from and against any and all liability, obligation, loss, claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including, without limitation, attorney's fees and expenses and court costs and expense) arising out of or as result of (a) entering into this Master Agreement or any Lease or any of the transactions contemplated hereby or thereby, (b) the ownership of any item of Equipment, (c) the ordering, acquisition, use, operation, condition,

purchase, delivery, rejection, storage or return of any item of Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury or death to any person and/or (e) the breach of any covenant of Lessee or any material representation of Lessee contained in this Master Agreement or a Lease. The indemnification and obligations arising under this Section shall be payable solely from funds legally available for such purpose and shall continue in full force and effect notwithstanding the full payment of all obligations under any Lease or the termination of the Lease Term under any Lease for any reason.

18. **TAX COVENANTS AND REPRESENTATIONS OF LESSEE; TAX INDEMNITY.** (a) Lessee agrees that it will not take any action that would cause the interest component of Rent Payments under any Lease 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 a timely manner, any action which omission would cause the interest component of Rent Payments under any Lease to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes. Lessee agrees to (i) execute and deliver to Lessor with respect to each Lease, upon Lessor's request, a tax certificate and agreement in form and content acceptable to Lessor and Lessee, relating to the establishment and maintenance of the excludability from gross income of the interest component of Rent Payments under such Lease for federal income tax purposes; (ii) complete and file in a timely manner an information reporting return with respect to each Lease as required by the Code; (iii) rebate an amount equal to excess earnings on the Escrow Fund or any other fund under any Escrow Agreement to the federal government if required by, and in accordance with, Section 148(f) of the Code, and make the determinations and maintain the records required by the Code; and (iv) so long as any Rent Payments under a Lease remain unpaid, moneys on deposit in the Escrow Fund or any other fund under any Escrow Agreement related to such Lease will not be used in a manner that will cause such Lease to be classified as an "arbitrage bond" within the meaning of Section 148(a) of the Code.

(b) Lessee represents to Lessor on the date of execution and delivery of this Master Agreement and on the date of execution and delivery of each Lease pursuant hereto that (i) Lessee has a substantial amount of the independent power to tax, the power of eminent domain or police power under applicable State law; (ii) neither Lessee nor any agency or unit of Lessee has on hand any property, including cash and securities, that is legally required or otherwise restricted (no matter where held or the source thereof) to be used directly or indirectly to purchase the Equipment under the related Lease; (iii) Lessee has not and will not establish any funds or accounts (no matter where held or the source thereof) the use of which is legally required or otherwise restricted to pay directly or indirectly Rent Payments under a Lease; (iv) Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior to the conclusion of the Scheduled Term of the related Lease; (v) the payment of the Rent Payments or any portion thereof under each Lease is not (under the terms of this Master Agreement or any Lease) directly or indirectly (A) 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 (B) 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; (vi) the Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local government unit; (vii) no portion of the purchase price for the Equipment will be used, directly or indirectly, to make or finance loans to any person other than Lessee; (viii) Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment; (ix) Lessee has entered into, or will enter into, each Lease for the purpose of purchasing, acquiring, installing and leasing the Equipment and not for the purpose of refinancing any outstanding obligation of Lessee more than 90 days in advance of its payment or prepayment date; and (x) the purchase price for the Equipment has been or will be paid directly by Lessor to the Vendor thereof, and no portion of the purchase price for the Equipment has been or will be paid to Lessee as reimbursement for any expenditure paid by Lessee more than 60 days prior to the execution and delivery of the applicable Lease.

(c) Upon the occurrence of an Event of Taxability (as defined below) with respect to a Lease, the interest component of Rent Payments under such Lease and any charge on Rent Payments or other amounts payable based on the Contract Rate shall accrue and shall have accrued and be payable at the Taxable Rate applicable to such Lease retroactive to the Taxable Date (as defined below), and Lessee shall pay such additional amount as will result in the owner receiving the interest component at the Taxable Rate identified in the related Lease. For purposes of this Section, "**Event of Taxability**" means any circumstance of the interest component of any Rent Payment paid or payable pursuant to a Lease being or becoming includable for federal income tax purposes in an owner's gross income. An Event of Taxability shall be presumed to have occurred upon (i) the receipt by Lessor or Lessee of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence from the Internal Revenue Service which states or determines that the interest component of any Rent Payment under such Lease is includable in the gross income of the owner thereof; (ii) the issuance of any public or private ruling of the Internal Revenue Service that the interest component of any Rent Payment under such Lease is includable in the gross income of the owner thereof; or (iii)

receipt by Lessor or Lessee of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, selected by Lessor and acceptable to Lessee, to the effect that the interest component of any Rent Payment under a Lease is or has become includable in the gross income of the owner thereof for federal income tax purposes. For all purposes of this Section, "**Taxable Date**" means the first date as of which the interest component of any Rent Payment is deemed includable in the gross income of the owner or owners thereof for federal income tax purposes (which may be as early as the Commencement Date under the related Lease). To the extent not included in the increased rate on the interest component, Lessee shall also pay to Lessor on demand all interest, costs (including Lessor's attorney costs), penalties and additions to tax associated with an Event of Taxability. Lessor shall calculate the interest component of Rent Payments to be due at the Taxable Rate and such determination shall be binding upon Lessee in the absence of manifest error and Lessor shall provide Lessee with notice of the same for inclusion in an updated Payment Schedule. To the extent not included in the increased rate on the interest component, Lessee shall also pay to Lessor on demand all interest, costs (including Lessor's attorney costs), penalties and additions to tax associated with an Event of Taxability.

(d) It is Lessor's and Lessee's intention that each Lease not constitute a "true" lease for federal income tax purposes and therefore, it is Lessor's and Lessee's intention that Lessee be considered the owner of the Equipment under each Lease for federal income tax purposes.

19. **PERSONAL PROPERTY; NO ENCUMBRANCES.** (a) The Equipment shall be and remain personal property notwithstanding the manner in which it may be attached or affixed to realty. Lessee covenants that, unless Lessee owns the premises in which the Equipment is to be located and such premises are not subject to any mortgage or lease, at Lessor's request, Lessee shall provide Lessor with a waiver from each landlord and/or mortgagee of the premises in which the Equipment is to be located of any rights which such landlord and/or mortgagee may have in respect of any of the Equipment.

(b) 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 under a Lease 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 is furnished with a waiver of interest in the Equipment under such Lease acceptable to Lessor 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.

20. **EVENTS OF DEFAULT.** Any of the following events shall constitute an event of default (each, an "**Event of Default**") under a Lease:

(a) Lessee fails to pay in full the Rent Payment due under such Lease within 10 days after the date such Rent Payment is due;

(b) Lessee fails to perform or observe any of its obligations under Sections 12(a), 14 or 22(a) hereof or fails to use the Equipment strictly in compliance with all municipal, state and federal regulatory agency requirements;

(c) Lessee fails to perform or observe any covenant, condition or agreement contained in this Master Agreement or such Lease to be performed or observed by it, other than as referred to in subsection (a) or (b) of this Section 20, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor; *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;

(d) Lessee institutes any proceedings under any bankruptcy, insolvency, reorganization or similar laws or files any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization, moratorium or insolvency proceeding; a receiver, trustee, conservator, liquidator, emergency manager or similar officer is appointed for Lessee or any of its property; Lessee becomes insolvent, makes an assignment for the benefit of creditors, enters into or petitions for a creditor's arrangement or is generally not paying, or admits in writing its inability to pay, its debts as they become due; or a court of competent jurisdiction or governmental authority having jurisdiction over Lessee imposes a debt moratorium or other extraordinary restriction on the repayment when due of any Rent Payment;

(e) any certificate, statement, representation or warranty contained in such Lease or furnished with respect to such Lease or the Equipment by Lessee proves to have been false, incorrect, misleading or breached in any material respect at the time it was made;

(f) actual or attempted sale, lease or encumbrance of any of the Equipment under such Lease or the making of any levy, seizure or attachment thereof or thereon;

(g) an Event of Default occurs under any other Lease;

(h) 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; or

(i) any default occurs under any agreement for borrowing money, lease financing of property or otherwise receiving credit under which Lessee is an obligor to any third party; or

(j) Lessee is dissolved, terminated or ceases to exist.

21. **REMEDIES.** (a) Whenever any Event of Default exists under any Lease, 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 with respect to any or all Leases, including those with an Event of Default pursuant to Section 20(g) hereof (each a “**Defaulted Lease**”): (i) by written notice to Lessee, Lessor may declare all Rent Payments payable by Lessee pursuant to one or more Defaulted Leases and other amounts payable by Lessee under each such Defaulted Lease to the end of the then current Original Term or Renewal Term to be immediately due and payable; (ii) with or without terminating the Lease Term under any one or more Defaulted Leases, Lessor may enter the premises where the Equipment listed in any one or more such Defaulted Leases 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 funds legally available for such purpose, for the difference between (A) the Rent Payments payable by Lessee pursuant to each such Defaulted Lease and other amounts related to each such Defaulted Lease or the Equipment listed therein that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (B) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under each such Defaulted Lease, including without limitation all expenses of taking possession, storing, reconditioning and selling, leasing or subleasing such Equipment and all brokerage, auctioneer’s and attorney’s fees), subject, however, to the provisions of Section 5. The exercise of any such remedies in respect of any such Event of Default shall not relieve Lessee of any other liabilities under any other Lease that Lessor determines not to treat as a Defaulted Lease or with respect to the Equipment listed therein; (iii) Lessor may terminate any Escrow Agreement relating to any one or more such Defaulted Leases and apply any proceeds in each such applicable Escrow Fund thereunder to the Rent Payments under any one or more such Defaulted Leases as Lessor shall determine; and (iv) Lessor may exercise any or all remedies available to a secured party under Article 9 of the applicable Uniform Commercial Code (and treating such Article 9 as applicable to entities such as Lessee) and take whatever action at law or in equity may appear necessary or desirable to enforce its rights under any one or more such Defaulted Leases. Any net proceeds from the exercise of any remedy under any Defaulted Lease (after deducting all costs and expenses described in this Section) shall be applied as follows: (I) if such remedy is exercised solely with respect to a single Defaulted Lease, Equipment listed in such Defaulted Lease or rights thereunder, then to amounts due pursuant to such Defaulted Lease and other amounts related to such Defaulted Lease or such Equipment; or (II) if such remedy is exercised with respect to more than one Defaulted Lease, Equipment listed in more than one Defaulted Lease or rights under more than one Defaulted Lease, then to amounts due pursuant to one or more such Defaulted Leases as Lessor shall determine and distribute on a *pro rata* basis or on such other basis as Lessor shall determine. In the event that Lessor sells or otherwise liquidates the Equipment following an Event of Default as herein provided and realizes net proceeds (after payment of costs) in excess of total rent payments that would have been payable during the Scheduled Term plus any other amounts then due under the affected Defaulted Lease or Defaulted Leases, Lessor shall immediately pay the amount of any such excess to Lessee.

(b) Unless the context expressly requires otherwise, no right or remedy is intended to be exclusive, but each shall be cumulative, and shall be in addition to any other right or remedy referred to above or otherwise available at law or in equity, and may be exercised concurrently or separately from time to time. Lessor’s failure to exercise or delay in exercising any right or remedy shall not be construed as a waiver thereof, nor shall a waiver on one occasion be construed to bar the

exercise of any right or remedy on a future occasion. Lessee agrees to reimburse Lessor for any expenses reasonably incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor, but only from funds legally available for such purpose.

22. **ASSIGNMENT.** (a) Without the prior written consent of Lessor, which consent may be withheld, conditioned or delayed, in the sole discretion of Lessor, LESSEE SHALL NOT ASSIGN, PLEDGE, MORTGAGE, SUBLET OR OTHERWISE TRANSFER OR ENCUMBER ANY OF ITS RIGHTS UNDER THIS MASTER AGREEMENT, ANY LEASE, ANY ESCROW AGREEMENT (INCLUDING THE ESCROW FUND CREATED THEREUNDER) OR IN THE EQUIPMENT OR ANY PART THEREOF, NOR PERMIT ITS USE BY ANYONE OTHER THAN LESSEE AND ITS REGULAR EMPLOYEES. ANY SUCH PURPORTED TRANSFER, ASSIGNMENT OR OTHER ACTION WITHOUT LESSOR'S PRIOR WRITTEN CONSENT SHALL BE VOID. No assignment or sublease shall relieve Lessee of its obligations under a Lease and Lessee shall remain primarily liable thereunder.

(b) Lessor shall have the right, at any time and from time to time, to assign, transfer or convey Lessor's right, title and interest in and to Rent Payments and any other amounts payable by Lessee under any and all of the Leases and the Escrow Agreement relating to any Lease and its security interest in the Equipment subject to the related Lease, and all proceeds therefrom (collectively, the "**Assigned Property**"), or any interest in or portion of any of the Assigned Property, but no such assignment, transfer or conveyance shall be effective as against Lessee unless and until Lessor has delivered to Lessee written notice thereof that discloses the name and address of the assignee or the Lease Servicer (as hereafter provided) and such assignment, transfer or conveyance shall be made only to (i) an affiliate of Lessor or (ii) banks, insurance companies or other financial institutions or their affiliates. Lessee agrees, if so requested, to acknowledge each such assignment, transfer or conveyance in writing within 10 days after request therefor by acknowledgment in form and substance satisfactory to Lessor. Nothing herein shall limit the right of Lessor or its assignees to sell or assign participation interests in the Assigned Property to one or more entities listed in clause (i) or (ii), *provided* that any participation, custodial or similar agreement under which multiple ownership interests in the Assigned Property are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (the "**Lease Servicer**") to act on their behalf with respect to the rights and interests of Lessor under the Assigned Property, including with respect to the exercise of rights and remedies of Lessor on behalf of such owners upon the occurrence of an Event of Default or a Non-Appropriation Event under any Lease. In the event of any such assignment by Lessor, the right of the assignee to receive Rent Payments and other amounts payable under the affected Lease or Leases as well as any other right of the assignee shall not be subject to any defense, set-off or counterclaim which Lessee may have against Lessor, any Vendor or any other party. During the Lease Term of a Lease, Lessee shall keep, or cause to be kept, a complete and accurate record of all notices of assignment that it receives pursuant to this Section in form necessary to comply with Section 149 of the Code. Lessee shall retain, or cause to be retained, all such notices as a register of all assignees and Lease Servicer and shall make all payments to the assignee or Lease Servicer, as the case may be, designated in such register.

23. **VENDOR'S WARRANTIES.** Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term under each Lease, so long as no Event of Default shall have occurred and be continuing under such Lease or no Non-Appropriation Event shall have occurred under such Lease, to assert from time to time whatever claims and rights (including, without limitation, warranties) relating to the Equipment that Lessor may have against a Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the applicable Vendor or Vendors of the Equipment and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to any Lease, including the right to receive full and timely Rent Payments and other payments under each Lease. 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.

24. **NOTICE.** All notices (excluding billings and communications in the ordinary course of business) under this Master Agreement and each Lease shall be in writing, personally delivered, delivered by overnight courier service, sent by e-mail transmission (with confirmation of receipt), or sent by certified mail, return receipt requested, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party; and shall be effective from the date of receipt.

25. **COUNTERPARTS.** This Master Agreement and each Lease may be executed in counterparts. Photocopies, digital, electronic or facsimile transmissions of signatures shall be deemed original signatures and shall be fully binding on the parties to the same extent as original signatures. This Master Agreement and each Lease may be reproduced and stored in any electronic format, and the originals so reproduced destroyed; and any such electronic copy shall be deemed an original, shall be admissible in any court or other proceeding, and shall be enforceable against the parties thereto,

whether or not the original is in existence and whether or not such reproduction was made or preserved by Lessor in the regular course of business. The transfer or possession of the "Original" of this Master Agreement shall be irrelevant to the full or collateral assignment of, or grant of security interest in, any Schedule; *provided, however*, no security interest in any Schedule may be created through the transfer, possession or control, as applicable, of any counterpart of such Schedule other than the original thereof, which shall be identified as the document or record (as applicable) marked "Original" and all other counterparts shall be marked "Duplicate".

26. **AMENDMENTS.** This Master Agreement, each Schedule (including the Payment Schedule attached thereto and incorporated therein) and any addenda, riders and other attachments hereto or thereto, constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and shall not be amended or modified in any manner except by a document in writing executed by both parties.

27. **MISCELLANEOUS.** Each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and permitted assigns. Any provision of a Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The representations, warranties and covenants of Lessee herein shall be deemed to be continuing and to survive the execution and delivery of each Lease. The obligations of Lessee under Sections 5, 12, 17 and 18 which accrue during the Lease Term of a Lease, shall survive the termination of such Lease. Lessor and Lessee do not intend to contract for, charge or receive any interest or other charge which is usurious. If Lessor or any other holder shall ever receive as interest an amount which exceeds the maximum amount of interest permitted by law, such excess amount shall be applied to the reduction of any principal component of Rent Payments owing under the affected Lease or refunded to Lessee and all sums paid or agreed to be paid to Lessor for the use, forbearance or detention of the obligations of Lessee shall, to the extent permitted by law, be amortized, allocated, prorated and spread throughout the Lease Term of the affected Lease so that the actual rate of interest is uniform throughout such Lease Term and does not exceed the maximum rate permitted by applicable law. Lessee authorizes Lessor to insert any serial numbers and other identification data of the Equipment, dates and other omitted factual matters or descriptions into any Lease or any other forms, schedules or exhibits executed pursuant thereto. The captions in any Lease are for convenience of reference only and shall not define or limit any of the terms or provisions thereof. Time is of the essence with respect to Lessee's obligations under each and every term and provision of each Lease.

28. **GOVERNING LAW.** This Master Agreement and each Lease shall be construed under the laws of the State.

29. **SERVICING.** (a) Unless otherwise stipulated in a particular Lease, Lessor has appointed BMO Bank N.A. (referred to herein in such capacity as "Servicer") as its agent to provide certain Services described below with respect to this Master Agreement, each Lease, the related Equipment, the related Escrow Funds and the related transactions. Lessee acknowledges and agrees that Servicer shall be performing the Services on behalf of Lessor and, unless otherwise notified in writing by Lessor, Lessee shall make and deliver all payments due, notices, communications or other information with respect to this Master Agreement, each Lease, the related Equipment, the related Escrow Funds and the related transactions, to Servicer for the benefit of Lessor.

(b) On behalf of Lessor, Servicer has agreed to provide the following services (the "Services") in connection with this Master Agreement, each Lease, the related Equipment, the related Escrow Funds and the related transactions (unless otherwise stipulated in a particular Lease):

(i) bill for, collect and receive all Rent Payments due under each Lease as and when the same shall become due and payable and any other payments received in connection with such Lease and the Equipment thereunder, and to hold such Rent Payments and other payments in trust on behalf of Lessor;

(ii) send notices to Lessee on behalf of Lessor in accordance with the terms and conditions under the Leases;

(iii) receive all notices, communications or other information from Lessee in connection with the Leases and provide Lessor concurrently with copies of all such notices, communications or other information from Lessee and process any modifications to any of the Leases agreed to by Lessee and Lessor;

(iv) maintain accurate and complete books and records pertaining to each Lease, the related Equipment and the related Escrow Fund, if any; and

(vi) provide such other services reasonably necessary for servicing of the Leases and collection of the Rent Payments and other payments thereunder and with respect to the Equipment, including any past-due Rent Payments.

(c) Notwithstanding anything to the contrary contained herein, Lessor, at its sole discretion, may terminate the Services with Servicer at any time and shall provide Lessee with prompt written notice thereof, and Lessor shall be responsible for providing the Services unless or until it provides Lessee with notice of a servicing arrangement with a subsequent servicer.

(d) All notices, communications or other information shall be sent by Lessee to the Servicer at the following address or in accordance with the last unrevoked written direction from Lessor:

BMO Bank N.A.
790 N. Water Street, Floor 15W
Milwaukee, Wisconsin 53202
Attention: Documentation Manager
Telephone: (414) 765-7509
Facsimile: (414) 302-3888
E-mail: efc.documentation@bmo.com

30. **ACCEPTANCE BY LESSOR. A Lease shall not be binding on Lessor unless and until signed by Lessee and thereafter accepted by Lessor by execution by an officer of Lessor at the address as set forth below the signature of Lessor.**

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Master Equipment Lease-Purchase Agreement to be duly executed as of the day and year first above set forth.

BMO HARRIS INVESTMENT COMPANY LLC
Lessor

VILLAGE OF HOMEWOOD
Lessee

By: _____

By: _____
Name: _____
_____ Name:

Title: _____

Address:

Address:

790 N. Water Street, Floor 15W
Milwaukee, WI 53202
Attention: Documentation Manager
Telephone: (414)765-7509
E-mail: efc.documentation@bmo.com

By: _____

By: _____
Name: _____
_____ Name:

Title: _____

Address:

Address:

Attention: _____
E-mail: _____
Telephone: _____

LIST OF EXHIBITS

Exhibit A	—	Form of Equipment Schedule, including Schedule S-1 (Rent Payment Schedule)
Exhibit B-1	—	Form of Incumbency and Authorization Certificate
Exhibit B-2	—	Form of Authorizing Resolution
Exhibit C	—	Form of Opinion of Lessee's Counsel
Exhibit D	—	Form of Bank Qualification Designation
Exhibit E	—	Form of Acceptance Certificate
Exhibit F	—	Form of ACH Direct Payment Authorization

EXHIBIT A

FORM OF EQUIPMENT SCHEDULE NO. _____

Re: Master Equipment Lease-Purchase Agreement, dated as of _____,
between BMO Harris Investment Company LLC, as Lessor, and
_____, as Lessee

1. **Defined Terms.** All terms used herein shall have the meanings ascribed to them in the above-referenced Master Equipment Lease-Purchase Agreement (the "**Master Agreement**").

2. **Equipment.** For purposes of the Lease created hereby, the following items of Equipment are hereby included under this Schedule together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto as provided in the Master Agreement.

QUANTITY	DESCRIPTION	SERIAL NO.	MODEL NO.	EQUIPMENT LOCATION
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[Various light and medium duty vehicles and emergency response vehicles described on invoices to be submitted with requests for disbursement from the Escrow Fund.]

3. **Payment Schedule.** The Rent Payments shall be in such amounts and payable on such Rent Payment Dates as set forth in the Rent Payment Schedule attached to this Schedule as *Schedule S-1* and incorporated herein by this reference, subject to adjustment upon the occurrence of an Event of Taxability as provided in Section 18(c) of the Master Agreement.

4. **Representations, Warranties and Covenants.** Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Agreement (particularly Sections 6 and 7 thereof) are true and correct as though made on the Commencement Date. Lessee further represents and warrants that (a) no Material Adverse Change has occurred since the dated date of the Master Agreement; (b) no Event of Default has occurred and is continuing under any Lease currently in effect; (c) no Non-Appropriation Event under any Lease currently in effect is threatened; (d) no Lease has been terminated as the result of the occurrence of an Event of Default or a Non-Appropriation Event; (e) the governing body of Lessee has authorized the execution and delivery of the Master Agreement and the Schedules pursuant to Resolution No. _____, adopted on _____, 20__; (f) the Equipment listed in this Schedule is essential to the functions of Lessee or to the services Lessee provides its citizens; (g) Lessee has an immediate need for, and expects to make immediate use of, substantially all such Equipment, which will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of its authority; and (h) Lessee expects and anticipates adequate funds to be available for all future payments or rent due after the current budgetary period.

5. **The Lease.** The terms and provisions of the Master Agreement (other than to the extent that they relate solely to other Schedules or Equipment listed on other Schedules) are hereby incorporated into this Schedule by reference and made a part hereof.

6. **Application of Funds Advanced:** The total amount of money to be paid by Lessor to the Escrow Agent under the Escrow Agreement for deposit and application in accordance with the Lease created hereby and the applicable Escrow Agreement is \$600,00.00.

7. **Scheduled Term.** The Scheduled Term shall consist of the Original Term and ____ consecutive Renewal Terms, with the final Renewal Term ending on the first business day after the final scheduled Rent Payment Date, subject to earlier termination by Lessee as provided in Section 5 or Section 16 of the Master Agreement or by Lessor as provided in Section 21 of the Master Agreement.

8. **Registration.** Any Equipment that is a motor vehicle is to be registered and titled as follows:

(a) **Registered Owner:** [_____]

(b) **Lienholder:** BMO Harris Investment Company LLC
PO Box 35707
Billings, MT. 59107

Lessee shall be responsible for the correct titling of all Equipment that is a motor vehicle leased, purchased and acquired hereunder. Lessee will cause the original Certificates of Title to be delivered to Lessor for retention in Lessor's files throughout the Lease Term of the Lease created hereby.

9. **Vendor Agreement.** "**Vendor**" means the manufacturer or supplier of the Equipment listed in a Schedule or any other person as well as the agents or dealers of the manufacturer, installer or supplier with whom Lessee arranged for its acquisition and installation of the Equipment that is financed pursuant to the applicable Lease, and includes without limitation, _____.

"**Vendor Agreement**" means any agreement or contract entered into by Lessee and any Vendor for the acquisition, installation, maintenance or servicing of Equipment under a Lease, and includes without limitation, the _____ dated _____, 20__ between _____ and Lessee, as may be supplemented and amended from time to time in accordance with the Master Agreement.

Dated: _____

LESSOR:
BMO HARRIS INVESTMENT COMPANY LLC

LESSEE:

By: _____

By: _____

Name: _____

_____ Name:

Title: _____

Address: _____

Attention: _____

By: _____

By: _____

Name: _____

_____ Name:

Title: _____

Address:

Address:

Attention: _____

SCHEDULE S-1 (RENT PAYMENT SCHEDULE)
To Equipment Schedule No. ____

RENT PAYMENT DATE	RENT PAYMENT AMOUNT	INTEREST COMPONENT	PRINCIPAL COMPONENT	OUTSTANDING BALANCE	PREPAYMENT AMOUNT [including prepayment premium]
-------------------------	---------------------------	-----------------------	------------------------	------------------------	--

PREPAYMENT AMOUNT SCHEDULE: The Prepayment Amount on each Rent Payment Date shall be the amount set forth for such Rent Payment Date in the "Prepayment Amount" column of the Rent Payment Schedule shown above. The Prepayment Amount is in addition to all Rent Payments then due under the Schedule (including the Rent Payment shown on the same line in the Rent Payment Schedule).

CONTRACT RATE: The Contract Rate for this Schedule is _____% per annum.

[TAXABLE RATE: The Taxable Rate for this Schedule is _____% per annum.]

COMMENCEMENT DATE: _____, 20__.

OPTIONAL PREPAYMENT COMMENCEMENT DATE: For purposes of Section 16 of the Master Agreement, the Optional Prepayment Commencement Date for this Schedule is _____, 20__.

Lessee: _____

By: _____
 Name: _____
 Title: _____

EXHIBIT B-1

INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, the duly elected or appointed and acting [Secretary/Clerk] of _____, a _____ organized under the laws of the [State] [Commonwealth] of _____ (the "Lessee"), certifies that I have custody of the records of the Lessee and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names. I further certify that (i) the signatures set opposite their respective names and titles are their true and authentic signatures, and (ii) such officers have the authority on behalf of the Lessee to enter into that certain Master Equipment Lease-Purchase Agreement dated as of _____, 20__ (the "Master Agreement") and Equipment Schedule No. ___ thereto dated _____, 20__ (the "Schedule"), each between the Lessee and BMO Harris Investment Company LLC, as lessor[, and that certain Escrow Agreement dated as of _____, 20__ (the "Escrow Agreement"), among the Lessee, BMO Harris Investment Company LLC, as lessor, and the escrow agent therein identified].

NAME	TITLE	SIGNATURE
_____	_____	_____
_____	_____	_____

I hereby further certify that the individual named below holds the office set forth opposite his/her name and is duly authorized to execute Acceptance Certificates[, disbursement requests] and other documents relating to the Master Agreement [, and] the Schedule [and the Escrow Agreement].

NAME	TITLE	SIGNATURE
_____	_____	_____

IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of _____ hereto dated _____, 20__.

[SEAL]

 [Secretary/Clerk]
 (other than the person signing the documents)

EXHIBIT B-2

FORM OF AUTHORIZING RESOLUTION

A RESOLUTION OF THE GOVERNING BODY OF _____, AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT AND SEPARATE SCHEDULES WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT AND OTHER PROPERTY 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 [city] [county] [school district] [special district] [body corporate and politic] duly organized and existing as a political subdivision of the [State] [Commonwealth] of _____, is authorized by the laws of the [State] [Commonwealth] 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 and other property necessary for the Lessee to perform essential governmental functions; and

WHEREAS, in order to acquire such equipment and other property, the Lessee proposes to enter into that certain Master Equipment Lease-Purchase Agreement (the "**Master Agreement**") and separate Schedules from time to time as provided in the Master Agreement with BMO Harris Investment Company LLC (or its affiliates), as lessor (the "**Lessor**"), the form of which has been presented to the governing body of the Lessee at this meeting and Equipment Schedule No. ___ thereto dated _____, 20__ (together with the Master Agreement, the "**Lease**"), between the Lessee and Lessor[, and that certain Escrow Agreement dated as of _____, 20__ (the "**Escrow Agreement**"), among the Lessee, Lessor, and the escrow agent therein identified]; 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 Master Agreement, and the separate Schedules as provided in the Master Agreement, including the Lease [and the Escrow Agreement] for the purchase, acquisition and leasing of the equipment and other property 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 _____ as follows:

Section 1. Approval of Documents. The form, terms and provisions of the Master Agreement and the separate Schedules as provided in the Master Agreement and the Lease [and the Escrow 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, the Master Agreement and each Schedule and any related Exhibits attached thereto and the Lease [and the Escrow Agreement] and to deliver the Master Agreement and each Schedule (including such Exhibits) and the Lease [and the Escrow Agreement] 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 Master Agreement and each Schedule and

the Lease [and the Escrow 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, each with respect to separate Schedules, as contemplated in the Master 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 Master Agreement and each Schedule and the Lease [and the Escrow Agreement].

Section 3. No General Liability. Nothing contained in this Resolution, the Master Agreement, any Schedule, the Lease [or the Escrow 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 Master Agreement, any Schedule, the Lease [or the Escrow 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 rent payments payable under each Lease (as such term is defined in the Master Agreement) are special limited obligations of the Lessee as provided in such Lease.

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 Master Agreement and each Schedule and the Lease [and the Escrow Agreement] until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Master Agreement and each Schedule and the Lease [and the Escrow Agreement].

[Section 5. Designation for Purposes of Section 265(b)(3) of the Internal Revenue Code of 1986. The governing body of the Lessee hereby designates Equipment Schedule No. ___ to be dated _____, 20___, and that incorporates by reference the terms and conditions of the Master Agreement, as a “qualified tax-exempt obligation” for purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.] [NOTE: Section 5 to be used if applicable to the particular transaction.]

Section 6. 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 7. 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 8. 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 _____,
20__.

[SEAL]

_____,
as Lessee

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

[APPROVED as to form:

Attorney]

EXHIBIT C

FORM OF OPINION OF LESSEE'S COUNSEL

(to be typed on letterhead of counsel)

[Closing Date]

BMO Harris Investment Company LLC
790 N. Water Street, Floor 14W
Milwaukee, Wisconsin 53202

Re: Master Equipment Lease-Purchase Agreement dated as of _____, 20__ and
Schedule No. __ thereto dated _____, 20__, between BMO Harris Investment
Company LLC, as Lessor, and _____, as Lessee

Ladies and Gentlemen:

As legal counsel to _____ (“**Lessee**”), I have examined (a) an executed copy of that certain Master Equipment Lease-Purchase Agreement dated as of _____, 20__, the terms and conditions of which have been incorporated by reference into that certain Equipment Schedule No. __ dated _____, 20__ (collectively with such incorporated terms and conditions referred to herein as the “**Lease**”), each between Lessee and BMO Harris Investment Company LLC, as lessor (“**Lessor**”), [and an executed copy of that certain Escrow Agreement dated as of _____, 20__ (the “**Escrow Agreement**”), among Lessee, Lessor and the escrow agent therein identified]; (b) a certified copy of the resolutions adopted by the governing body of Lessee with respect to the transaction contemplated by the Lease[, the Escrow 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.

Based upon the foregoing examination, I am of the opinion that:

1. Lessee is a _____ duly organized and legally existing as a political subdivision under the Constitution and laws of the [State] [Commonwealth] of _____ with requisite power and authority to enter into the Lease [and the Escrow Agreement] and perform its obligations thereunder and has a substantial amount of the following sovereign powers which it can exercise independently: (a) the power to tax, (b) the power of eminent domain and (c) police power.
2. The Lease [and the Escrow Agreement] have [each] been duly authorized, executed and delivered by and on behalf of Lessee. Assuming due authorization, execution and delivery thereof by Lessor [and the escrow agent under the Escrow Agreement], the Lease [and the Escrow Agreement] constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with [its] [their respective] terms, subject to any applicable bankruptcy, insolvency, moratorium or other laws or equitable principles affecting the enforcement of creditors' rights generally.
3. The Equipment to be leased pursuant to the Lease constitutes personal property and when subjected to use by Lessee will not be or become a fixture under applicable law.
4. The authorization, approval, execution and delivery of the Lease [and the Escrow Agreement] and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, procurement and public bidding laws and all other applicable state or federal laws.
5. No litigation or proceeding is pending or, to the best of my knowledge, threatened to restrain or enjoin the execution, delivery or performance by Lessee of the Lease [or the Escrow Agreement]

or in any way to contest the validity of the Lease [or the Escrow Agreement], to contest or question the creation or existence of Lessee or its governing body or the authority or ability of Lessee to execute or deliver the Lease [and the Escrow Agreement] or to comply with or perform its obligations thereunder. There is no litigation pending or, to the best of my knowledge, threatened seeking to restrain or enjoin Lessee from annually appropriating sufficient funds to pay the Rent Payments or other amounts contemplated by the Lease.

6. The entering into and performance of the Lease [and the Escrow Agreement] do not and will not (a) violate any judgment, order, law or regulation applicable to Lessee, (b) result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment (as such term is defined in the Lease) other than those created in favor of Lessor under the Lease and (c) result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound.
7. The correct legal name of Lessee for purposes of the _____ Commercial Code is _____.

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

Respectfully submitted,

Attorney

EXHIBIT D

BANK-QUALIFIED DESIGNATION

The undersigned, a duly authorized official of VILLAGE OF HOMEWOOD, as lessee (the "**Lessee**"), certifies in connection with that certain Master Equipment Lease-Purchase Agreement dated as of _____, 20__, between BMO Harris Investment Company LLC (as lessor) and Lessee, the terms and conditions of which have been incorporated by reference into that certain Equipment Schedule No. _____ dated _____, 20__ (collectively with such incorporated terms and conditions referred to herein as the "**Lease**"), as follows:

1. The obligations evidenced by the Lease 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 Rent Payments payable under the Lease 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.

EXECUTED on _____, 20__.

VILLAGE OF HOMEWOOD, as Lessee

Signature: _____

Printed Name: _____

Title: _____

EXHIBIT E

FORM OF ACCEPTANCE CERTIFICATE

BMO Harris Investment Company LLC
790 N. Water Street, Floor 15W
Milwaukee, Wisconsin 53202

Re: Equipment Schedule No. _____, dated _____, to Master Equipment Lease-Purchase Agreement, dated as of _____, between BMO Harris Investment Company LLC, as Lessor, and _____, as Lessee

Ladies and Gentlemen:

In accordance with the Master Equipment Lease-Purchase Agreement described above (the "**Master Agreement**"), the undersigned Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

1. All of the Equipment listed in the above-referenced Equipment Schedule (the "**Schedule**") has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by Section 14 of the Master Agreement.
4. Lessee hereby reaffirms that the representations, warranties and covenants contained in the Master Agreement and incorporated into the Schedule by reference are true and correct as of the date hereof.
5. (a) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default exists at the date hereof under any Lease currently in effect; (b) no Material Adverse Change has occurred since the dated date of the Master Agreement; (c) no Non-Appropriation Event under any Lease currently in effect has been threatened; and (d) no Lease has been terminated as the result of the occurrence of an Event of Default or a Non-Appropriation Event.

Capitalized terms used, but not defined, in this Acceptance Certificate shall have the same meanings as when such terms are used in the Master Agreement.

Date: _____

LESSEE:

By: _____

Name: _____

Title: _____

EXHIBIT F

FORM OF ACH DIRECT PAYMENT AUTHORIZATION

_____ (the “**Lessee**”)

This Authorization relates to each applicable finance agreement (e.g., Master Equipment Lease-Purchase Agreement and related Equipment Schedule(s)) (the “Agreement(s)”) entered into by and between the Lessee and BMO Harris Investment Company LLC (“BMO”).

The undersigned officer of the Lessee hereby authorizes BMO to initiate, from time to time, variable Automated Clearing House (“ACH”) Debit Entries (as defined in the NACHA Operating Rules) to the account indicated below (the “Account”) at the financial institution named below. ACH Debit Entries will be initiated strictly in amounts owed by the Lessee under the terms of the applicable Agreement(s) as in effect from time to time, including, without limitation, ACH Debit Entries that correspond to scheduled rent payments, prepayment charges, fees, taxes and other amounts payable under such Agreement(s), which may be variable as a result of non-periodic payment obligations under the terms of such Agreement(s). The Lessee authorizes BMO to initiate ACH Credit Entries (as defined in the NACHA Operating Rules) to correct, reverse or adjust any ACH Debit Entry to the Account. The Lessee agrees to give BMO twenty (20) days advance written notice of any change in the Account information listed below.

If any ACH Debit Entry is not successful due to insufficient funds in the Account, the Lessee agrees to pay an administrative fee of \$25.00, plus any applicable late fee under the Agreement(s), which may be debited from the Account.

This Authorization will remain in effect until the terms of such Agreement(s) are satisfied or when otherwise agreed to by BMO and the Lessee in writing. The Lessee acknowledges that the origination of ACH transactions to the Account must comply with the provisions of U.S. law and agrees to be bound by the NACHA Operating Rules. The Lessee represents and warrants that the person executing this Authorization is an authorized signatory on the Account.

Lessee Name		Lessee Tax Payer ID Number	
Lessee Address		Lessee Phone and Fax Numbers	
Financial Institution Name		Financial Institution Address	
Name on Account	Account Type	Account Number	ABA Routing Number (9 Digit Number on Bottom of Check)

PLEASE PROVIDE A VOIDED OR PHOTOCOPY OF A CHECK

Lessee's Authorized Signature

Date

Title