



City of Ketchum

CITY COUNCIL MEETING AGENDA MEMO

Meeting Date: May 19, 2025 Staff Member/Dept: Brent Davis – Director of Finance/Treasurer

Agenda Item: Recommendation to approve Finance Program and Purchase Order 25127 with First American An RBC/City National Company for the lease/purchase of 2024 Elgin Pelican NP Mechanical Street Sweeper

Recommended Motion:

Consent Agenda Item:
Recommendation to approve Finance Program and Purchase Order 25127 with First American An RBC/City National Company for the lease/purchase of 2024 Elgin Pelican NP Mechanical Street Sweeper

Reasons for Recommendation:

- An RFP was issued for a Street Sweeper earlier this year and we received two bidders.
- Finance is recommended the lease/purchase option as the most prudent cash flow scenario for the purchase of a needed street sweeper.
- An RFP was issued for a Street Sweeper earlier this year and we received two bidders. We are recommending the award to First American as the preferred option of 5 years presented the lowest total cost to the City when compared to the other bidder.
- Total payments, including the purchase option after 5 years, are \$315,936.89. This makes the total cost of the lease/purchase program \$36,460.49 over a period of 5 years. (Total payments of \$315,936.89 less the cash purchase price of \$279,476.40)
- The cash flow advantages of the lease purchase program outweigh the cost of the program and thus the recommendation is to approve the request.
- The current sweeper was purchased in 2001 and has undergone substantial downtime and repairs; a replacement is needed to continue efficient street operations.

Sustainability Impact:

No Financial Impact

Financial Impact:

No Financial Impact

Attachments:

1. Sweeper Quote

2. First American RFP Response
3. PO 25127



QUOTE

MetroQuip, Inc.

1953 E. Commercial

Meridian, ID 83642

ph:(208)344-3318 fax:(208)345-5931

jmccoy@metroquip.net

QUOTATION NO. 2024ELGINPELICN

DATE August 2, 2024

CUSTOMER ID Ketchum

EXPIRATION DATE 8/16/24

TO

Ramsy Hoehn

City of Ketchum

200 Tenth Street

Ketchum, ID 83340

208-726-7831

e-mail: rhoehn@ketchumidaho.org

SALESPERSON	FOB	PAYMENT TERMS	DUE DATE
Jeff McCoy	Ketchum, ID	Standard Terms and Conditions	12-14 Months ARO

*****Available for Purchase on Sourcewell Contract #093021-ELG*****

QUANTITY	DESCRIPTION	UNIT PRICE	LINE TOTAL
1.00	2024 Elgin Pelican NP Mechanical Street Sweeper	\$279,476.40	\$279,476.40
	<p><i>Features: John Deere 4045T 74 HP Turbo Diesel Engine, 66" Main Broom, Dual 36" Side Brooms with Tilt, 10' Sweep Path, 220 Gallons of Water, PM10 Certified Water System with Hydraulic Driven Run Dry Pump, 3.5 Yd. Hopper, Dual Steer, RH Air Ride Seat, Isolated Cab with 360 Degree Visibility, AMFM Radio Lower Roller Deflector, Aux Battery Disconnect, LH Tilt w/ Indicator, RH Tilt w/ Indicator, Automotive Style AC/Heat, RH Heavy Duty Limb Guard, LED Warning and S/T/T Lights, Hight Altitude Package, RH Sliding Window, Lower Conveyor Cleanout, Conveyor Stall Alarm, Lighting Package 5 - Single LED Beacon w/Guard</i></p> <p><i>See Attached Build Sheet for Specific Details</i></p>		
	Includes Delivery to Ketchum Street Department		

This is a quotation for the goods named, subject to the conditions noted below. This quotation

SUBTOTAL \$ 279,476.40

charges, sales tax, F.E.T., or other applicable taxes unless noted. All sales are subject to availability and/or prior sale.


SALES TAX

TOTAL \$ 279,476.40

To Accept this quotation, sign here and return: _____

THANK YOU FOR YOUR BUSINESS!

Pending Council approval in October 2024.



REQUEST FOR PROPOSAL

**2024 Elgin Pelican NP Mechanical
Street Sweeper**

City of Ketchum

By First American Equipment Finance April 23, 2025

faef.com/power-utilities





April 23, 2025

The City of Ketchum
191 5th Street West
Ketchum, ID 83340

Re: 2024 Elgin Pelican NP Mechanical Street Sweeper

Dear Administration,

Thank you for the opportunity to present the City of Ketchum with this proposal. First American Equipment Finance (First American), an RBC/City National Bank Company is pleased to provide the enclosed leasing solution for your street sweeper. Enclosed you will find:

- Lease Proposal
- Amortization Schedule
- First American Information
- References
- Sample Lease Documents

By choosing to work with First American, you will benefit from best-in-class digital tools and a dedicated team of industry experts. You can use our online lease management system to efficiently manage your leases while taking advantage of concierge style service to reduce your administrative burden.

I look forward to working with the City of Ketchum.

Thank you for your consideration,

Patrick Corrigan
AVP, Relationship Manager
Patrick.Corrigan@faef.com
585.643.3381

First American Equipment Finance
211 High Point Drive
Victor, NY 14564
Phone: 585.598.0900 | Fax: 585.598.0908
faef.com/power-utilities

Lease Proposal

Lessor First American Equipment Finance, 211 High Point Drive, Victor, NY 14564

Lessee City of Ketchum, 191 5th Street West, Ketchum, ID 83340

Equipment 2024 Elgin Pelican NP Mechanical Street Sweeper

Equipment Cost \$279,476.40

Lease Options

	Option 1	Option 2	Option 3
Lease Term	36 Months	60 Months	84 Months
Payment Lease Rate Factor	0.2701560	0.1882920	0.1477560
Annual Payment (In Advance)	\$75,502.23	\$52,623.17	\$41,294.31
Lease Type	Fixed Buyout = 27.1%	Fixed Buyout = 18.9%	Fixed Buyout = 14.9%
Payment Frequency	Annual	Annual	Annual
Proposal Interest Rate	5.48%	5.18%	5.12%
Select Option	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Fees None

Interim Rent None

Index Rate Your rental rates are based on the like-term Swap Rates (referred to as the Index Rate) as of April 23, 2025 and may be adjusted proportionately for any change in the Index Rate prior to funding. After funding, the rental rate will remain fixed for the duration of the lease term.

Fixed Buyout Lease At the end of the lease you may: 1) purchase the equipment for a purchase price which will equal the percentage of the original equipment cost as stated above, or 2) renew the lease for 12 months at the same rental rate. If the lease renewal is chosen, at the end of the renewal period, you may: a) continue renting individual items of equipment, b) return individual items of equipment, or c) purchase individual items of equipment for the then Fair Market Value.

Rental Payments The lease will begin on the day you accept the equipment. Rental payments will be due annual, in advance.

Early Termination You may elect to pre-pay the lease and keep the equipment. The pre-payment price will be the sum of: i) all amounts due and owing under the lease at the time of the early termination, ii) the present value of all future payments to become due, and iii) the amount of any purchase option.

Non-Appropriation Please see Fiscal Funding Addendum in the attached sample lease documents for information related to non-appropriation (PDF page 26).

Business Information You will provide financial information reasonably requested by First American, including but not limited to year-end audited financial statements and interim financial statements for the Lessee.

Account Access You will have access and visibility into all aspects of your equipment leases and project financing through your online account – a digital hub that expedites the funding process, puts you in control, and houses all documentation related to your leases. Your account can also provide API connectivity to communicate with your systems. Visit myfaex.com for more information.

Concierge Service Your dedicated Project Manager will manage every step of your lease:

- ✓ Project communication



LEASE PROPOSAL

- ✓ Lease documentation
- ✓ Vendor payment
- ✓ Lease invoicing

Additional Terms

Each lease schedule will be a net lease, and you will be responsible for all expenses relating to the equipment and the transaction, including maintenance, insurance, sales, use and personal property taxes, and other expenses relating to the purchase, possession, lease, and use of the equipment.

You authorize First American to file and record financing statements regarding this transaction and take a first priority security interest in the equipment and deposits. You will be responsible for any purchase orders issued by First American on your behalf.

The terms and conditions of this proposal, except for the provisions concerning security interests and the good faith deposit, will be superseded by the final documentation for each lease schedule. This proposal is not a commitment. You will be submitting a formal application of credit upon signing this proposal and submitting specific details for the equipment to be leased. First American will only provide lease financing upon the satisfactory completion of its due diligence and mutually acceptable documentation.

First American welcomes the opportunity to serve your organization. This proposal expires on **May 30, 2025**. To accept, please sign below and send an electronic copy to First American.

Offered by:
First American Equipment Finance

Accepted by:
City of Ketchum

Patrick Corrigan
Assistant Vice President
April 23, 2025

By

Name
Title.....
Date.....

Amortization Table

City of Ketchum 3 Year Amortization

Compounding Period: Annual

Nominal Annual Rate: 5.481%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date	Memo
1	Loan	06/01/2025	279,476.40	1			
2	Payment	06/01/2025	75,502.23	3	Annual	06/01/2027	
3	Payment	06/01/2028	75,738.10	1			27.1% Fixed Buyout

TValue Amortization Schedule - Normal, 360 Day Year

	Date	Payment	Interest	Principal	Balance	Memo
Loan	06/01/2025				279,476.40	
1	06/01/2025	75,502.23	0.00	75,502.23	203,974.17	
2025 Totals		75,502.23	0.00	75,502.23		
2	06/01/2026	75,502.23	11,179.22	64,323.01	139,651.16	
2026 Totals		75,502.23	11,179.22	64,323.01		
3	06/01/2027	75,502.23	7,653.87	67,848.36	71,802.80	
2027 Totals		75,502.23	7,653.87	67,848.36		
4	06/01/2028	75,738.10	3,935.30	71,802.80	0.00	27.1% Fixed Buyout
2028 Totals		75,738.10	3,935.30	71,802.80		
Grand Totals		302,244.79	22,768.39	279,476.40		

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
5.481%	\$22,768.39	\$279,476.40	\$302,244.79

City of Ketchum 5 Year Amortization

Compounding Period: Annual

Nominal Annual Rate: 5.180%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date	Memo
1	Loan	06/01/2025	279,476.40	1			
2	Payment	06/01/2025	52,623.17	5	Annual	06/01/2029	
3	Payment	06/01/2030	52,821.04	1			18.8% Fixed Buyout

TValue Amortization Schedule - Normal, 360 Day Year

	Date	Payment	Interest	Principal	Balance	Memo
Loan	06/01/2025				279,476.40	
1	06/01/2025	52,623.17	0.00	52,623.17	226,853.23	
2025 Totals		52,623.17	0.00	52,623.17		
2	06/01/2026	52,623.17	11,751.75	40,871.42	185,981.81	
2026 Totals		52,623.17	11,751.75	40,871.42		
3	06/01/2027	52,623.17	9,634.48	42,988.69	142,993.12	
2027 Totals		52,623.17	9,634.48	42,988.69		
4	06/01/2028	52,623.17	7,407.52	45,215.65	97,777.47	
2028 Totals		52,623.17	7,407.52	45,215.65		
5	06/01/2029	52,623.17	5,065.20	47,557.97	50,219.50	
2029 Totals		52,623.17	5,065.20	47,557.97		
6	06/01/2030	52,821.04	2,601.54	50,219.50	0.00	18.8% Fixed Buyout
2030 Totals		52,821.04	2,601.54	50,219.50		
Grand Totals		315,936.89	36,460.49	279,476.40		

City of Ketchum 5 Year Amortization

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
5.180%	\$36,460.49	\$279,476.40	\$315,936.89

City of Ketchum 7 Year Amortization

Compounding Period: Annual

Nominal Annual Rate: 5.117%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date	Memo
1	Loan	06/01/2025	279,476.40	1			
2	Payment	06/01/2025	41,294.31	7	Annual	06/01/2031	
3	Payment	06/01/2032	41,641.98	1			14.9% Fixed Buyout

TValue Amortization Schedule - Normal, 360 Day Year

	Date	Payment	Interest	Principal	Balance	Memo
Loan	06/01/2025				279,476.40	
1	06/01/2025	41,294.31	0.00	41,294.31	238,182.09	
2025 Totals		41,294.31	0.00	41,294.31		
2	06/01/2026	41,294.31	12,187.09	29,107.22	209,074.87	
2026 Totals		41,294.31	12,187.09	29,107.22		
3	06/01/2027	41,294.31	10,697.76	30,596.55	178,478.32	
2027 Totals		41,294.31	10,697.76	30,596.55		
4	06/01/2028	41,294.31	9,132.22	32,162.09	146,316.23	
2028 Totals		41,294.31	9,132.22	32,162.09		
5	06/01/2029	41,294.31	7,486.58	33,807.73	112,508.50	
2029 Totals		41,294.31	7,486.58	33,807.73		
6	06/01/2030	41,294.31	5,756.74	35,537.57	76,970.93	
2030 Totals		41,294.31	5,756.74	35,537.57		
7	06/01/2031	41,294.31	3,938.38	37,355.93	39,615.00	
2031 Totals		41,294.31	3,938.38	37,355.93		
8	06/01/2032	41,641.98	2,026.98	39,615.00	0.00	14.9% Fixed Buyout
2032 Totals		41,641.98	2,026.98	39,615.00		
Grand Totals		330,702.15	51,225.75	279,476.40		

Last interest amount decreased by 0.01 due to rounding.

City of Ketchum 7 Year Amortization

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
5.117%	\$51,225.75	\$279,476.40	\$330,702.15

First American

LEGENDARY SERVICE

From Your Dedicated Team

Our people are the reason First American is truly different than the rest.

First American specializes in full-solution financing for the utilities industry and will get to know your organization's procedures, processes and preferences. This team has the authority to make decisions, respond quickly to your needs, and will coordinate the entire lease transaction.



Patrick Corrigan
ASSISTANT VICE PRESIDENT,
RELATIONSHIP MANAGER
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585.643.3381



MICHAEL HAINES
SENIOR VICE PRESIDENT,
RELATIONSHIP MANAGER
michael.haines@faef.com | 585.643.3318



DANIEL CALLAHAN
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MICHELE MAJKOWSKI
PROJECT MANAGER
michele.majkowski@faef.com
585.643.3246



BRIANNE NICHOLS
PROJECT MANAGER
brianne.nichols@faef.com
585.361.6503

Strength & Stability Working for You

First American is one of the top equipment finance companies in the U.S., as ranked by new business volume and by net assets.¹ Our strength is in our structure. We are a subsidiary of City National Bank, which has over \$93B in assets.² In 2015, City National was acquired by RBC, a top 10 bank globally based on market capitalization.³ This allows us to offer you competitive rates while delivering unique value through our industry-aligned teams.

First American By the Numbers

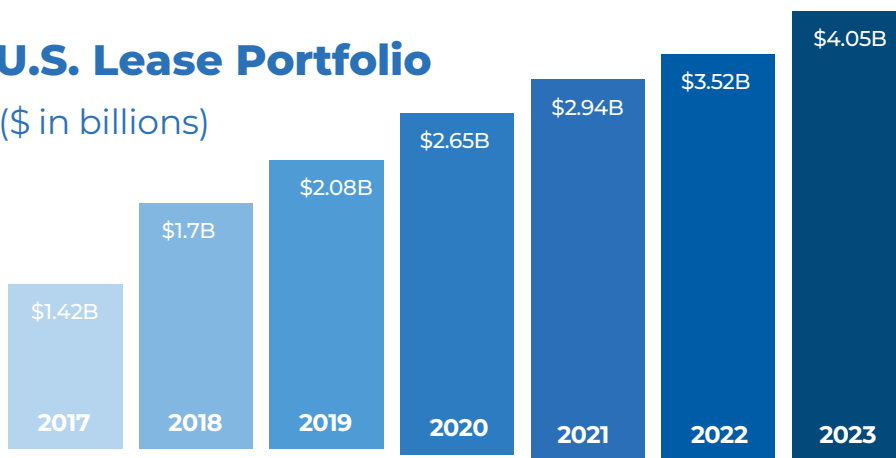
30 Years of Experience

5K+ Clients Served

25th Largest Lessor in the U.S.⁶

U.S. Lease Portfolio

(\$ in billions)



City National Bank (\$USD)

Q1/2023²

Assets \$95.9B
Credit Rating Moody's A2

RBC (\$CAD)

Q1/2023³

Assets \$2.08T
Credit Rating Moody's Aa1

For more information on our parent company, visit cnb.com

For more information on our ultimate parent company, visit rbc.com

Learn more:
faef.com

¹ Monitor Daily, 2023 Monitor 100, Vol. 50, No. 5, ² City National Bank, At-A-Glance Q4 2023, ³ RBC, RBC at a Glance – Q4/2023, ⁴ Represents Moody's Issuer Rating, ⁵ Ratings for senior long-term debt issued prior to Sept. 23, 2018, and senior long-term debt issued on or after Sept. 23, 2018, which is excluded from the Canadian Bank Recapitalization (Ball-in) regime." ⁶ Monitor, Monitor 100 2023, Ranked by New Business Volume

References

Select Client List

Town of Marblehead, Marblehead, MA
Police Interceptor & Bucket Truck
\$218K, Tax Exempt, 3 & 5 Year Terms

City of Saco, ME
Ford F150s and Chevrolet Trailblazers
\$136K, Tax Exempt, 5 Year Term

Rainbow Water District, Falibrook, CA
Wastewater Lift Station
\$5MM, Tax Exempt, 10 Year Term

City of Claremont, Claremont, NH
Bucket Trucks, Backhoe, Kubota Tractor
\$530K, Tax Exempt, 5 Year Term

Crawfordsville Electric Light & Power, Crawfordsville, IN
AMI Metering & Service Trucks
\$454K, Fair Market Value, 5 Year Term

faef.com/power-utilities



CONFIDENTIAL - intended solely for the named parties and further disclosure of this communication is prohibited.

Sample Lease Documents

MASTER LEASE AGREEMENT

FIRST AMERICAN COMMERCIAL BANCORP, INC. 211 High Point Drive • Victor, NY • 14564			MASTER LEASE AGREEMENT NO.: _____ Master Lease Date: _____, 20__		
Lessee:	Form of Organization:	State of Organization:	State Issued Organizational ID #:		
Street:	City:	State:	County:	Postal Code:	Tax ID #:

This MASTER LEASE AGREEMENT ("Master Lease Agreement") is executed by and between **FIRST AMERICAN COMMERCIAL BANCORP, INC.** ("Lessor") and the Lessee referenced above ("Lessee"). The parties agree as follows:

1. AGREEMENT OF LEASE. Pursuant to each Lease (as defined below), Lessee leases from Lessor the equipment, software, fixtures, personal property and/or other property, together with all replacements, parts, additions, accessories and substitutions (collectively, the "Equipment") listed on a unique Equipment Schedule bearing the number and date specified therein (an "Equipment Schedule"), as the same may be amended, supplemented or modified from time to time with the written consent of Lessor and Lessee. Each Equipment Schedule shall, except as set forth therein, incorporate the terms and conditions of this Master Lease Agreement and create and constitute a stand-alone lease by Lessor and Lessee (a "Lease"), which shall be separate and distinct from any other Lease, Equipment Schedule, agreement, arrangement or understanding that has been or may be entered into between the Parties, whether or not incorporating the terms and conditions of this Master Lease Agreement. In the event of a conflict between an Equipment Schedule and the Master Lease Agreement, the terms of the Equipment Schedule will prevail.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LESSEE. Lessee hereby represents, warrants and covenants that, with respect to this Master Lease Agreement and each Lease executed hereunder: (a) the execution, delivery and performance by Lessee of this Master Lease Agreement and of such Lease (and all documents ancillary thereto) have been or as of the date of execution will have been, duly authorized by all necessary action of Lessee, consistent with its form of organization, and does not require further approval of or notice to any other person or entity; (b) each individual executing this Master Lease Agreement and any documents relating to such Lease on Lessee's behalf was duly authorized to do so; (c) this Master Lease Agreement and such Lease (and all documents ancillary thereto) constitute legal, valid and binding agreements of Lessee enforceable in accordance with their respective terms; (d) the Equipment subject to such Lease is personal property and when placed in use by Lessee will not be or become fixtures under applicable law; (e) any financial statements furnished by Lessee to Lessor are, and as of the date of delivery will be, accurate and complete in all material respects and accurately reflect Lessee's financial condition on the dates and for the periods covered thereby, and unless Lessee has advised Lessor in writing to the contrary, each such financial statement will be prepared in accordance with generally accepted accounting principles applied on a consistent basis; (f) Lessee is not, and during the Lease Term will not be, in breach or default of any material term of any loan agreement or other agreement concerning Lessee's primary line of credit or similar loan facility with any bank or other financial institution; (g) the Equipment subject to such Lease was obtained in an arms-length transaction; (h) Lessee has the form of business organization indicated above, Lessee's chief executive office and address for purpose of notices hereunder is as listed above, and Lessee is duly organized and existing in good standing under the laws of the state listed above; (i) Lessee is duly qualified to do business wherever necessary to carry on its present business and operations and to own its property; (j) Lessee shall not change its form or state of organization and shall immediately notify Lessor of any change of Lessee's organizational identification number issued by its state of organization or its chief executive office and/or notice address; (k) there are no oral or written agreements that form a part of this Master Lease Agreement or such Lease, except such written agreements that are signed by duly authorized representatives of both Lessee and Lessor; and (l) neither Lessee nor any Guarantor: (i) is an individual, entity or organization identified on (i) any Office of Foreign Assets Control ("OFAC") "watch list", including, without limitation, OFAC's list of Specially Designated Nationals and Blocked Persons, or any Federal Bureau of Investigation "watch list" or Bureau of Industry and Security list of unverified persons or denied persons, and it is not an affiliation of any kind with such an individual, entity or organization; (ii) has a shell bank or offshore bank; and (iii) is a Person or entity resident in or whose funds are transferred from or through or has operations in, a jurisdiction identified as non-cooperative by the Financial Action Task Force or sanctioned by OFAC. Each of the foregoing representations, warranties and covenants shall be deemed reaffirmed as of the date of execution of each Lease. Lessee acknowledges that Lessor is relying on Lessee's representations and warranties and would not enter into any Lease without such representations and warranties.

3. UNIFORM COMMERCIAL CODE ACKNOWLEDGMENT. Lessee acknowledges that it has received and approved any written "Supply Contract" covering the

Equipment purchased from the Supplier and that Lessor has informed Lessee, either previously or pursuant to the applicable Lease, of the following: (a) the identity of the Supplier; (b) that Lessee may have rights under the Supply Contract; and (c) that Lessee may contact the Supplier for a description of any such rights. Each Lease is a "Finance Lease." The terms "Finance Lease," "Supply Contract" and "Supplier" as used herein have the meanings ascribed to them in Article 2A of the Uniform Commercial Code ("UCC"). This provision shall survive termination of any Lease.

4. ACCEPTANCE DATE AND LEASE DURATION. This Master Lease Agreement shall be effective and binding upon the Lessee and Lessor when signed by both parties. Each Lease shall be effective and binding upon the Lessee and Lessor when both parties have signed the related Equipment Schedule. Each Lease commences and rent is due beginning on the date that Lessee certifies in writing to Lessor pursuant to a Delivery and Acceptance Certificate that all of the applicable Equipment has been received and accepted by Lessee ("Acceptance Date"). Unless and until Lessee provides such written authorization, Lessor will not disburse payment with respect to such Equipment. The base term of each Lease shall commence on the first day of the calendar month following the Acceptance Date (such date, the "Base Lease Commencement Date"), and shall continue for the period set forth in the Equipment Schedule (the "Base Lease Term") and thereafter shall continue for successive three-month periods at the rental rate delineated in the Equipment Schedule (each an "Extended Term") until terminated by written notice of either party delivered by regular mail or e-mail to an appropriate officer of the receiving party at least 90 days prior to the expiration of the Base Lease Term or Extended Term (together, the period commencing on the Acceptance Date and continuing through the Base Lease Term and any Extended Term, the "Lease Term"). If, in accordance with Section 17, Lessee returns less than all of the Equipment subject to a Lease, the Lease Term of such Lease shall continue on successive Extended Terms until, following the required notice, all items of Equipment have been returned (or, if applicable, purchased). The Rental Payments for any Extended Term in which less than all of the Equipment has been returned shall be determined by Lessor on a prorata basis in accordance with the amount funded by Lessor with respect to the retained Equipment as a percentage of the total amount originally funded by Lessor for such Lease. All other terms and conditions of any Lease shall remain in full force and effect during the Lease Term.

5. RENTAL PAYMENTS. Lessee shall pay the rental installments (each a "Rental Payment") as and when specified herein and in each Equipment Schedule. EACH LEASE IS NON-CANCELABLE AND NON-TERMINABLE FOR THE LEASE TERM AND LESSEE'S OBLIGATION TO PAY ALL RENTAL PAYMENTS AND OTHER AMOUNTS DUE THEREUNDER SHALL BE ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO DEFENSE, ABATEMENT, DEDUCTION OR SETOFF AGAINST LESSOR OR ANY ASSIGNEE, TRANSFEREE OR SECURED LENDER OF LESSOR (EACH AN "ASSIGNEE") OF ANY AMOUNTS WHATSOEVER. Lessee shall pay the Rental Payments: (a) from the Acceptance Date to the Base Lease Commencement Date and through the balance of the Lease Term; (b) to Lessor at the address specified above unless otherwise instructed by Lessor or its Assignee; and (c) except as otherwise directed by Lessor in writing, all Rental Payments are due in advance on the first day of each rental period or portion of a rental period during the Lease Term (each a "Rental Payment Date"). The Rental Payment due and payable for portions of a rental period shall be calculated by Lessor on a prorata, per diem basis. Each Lease constitutes a net lease, it being the intention of the parties that all costs, expenses and liabilities associated with the Equipment subject to such Lease and/or its lease shall be borne by the Lessee. Whenever any amount due under a Lease is not received by Lessor or its Assignee when due, Lessee shall pay a delinquency charge equal to the lesser of five percent of the amount then past due or the maximum amount allowed by law, and such delinquency charge shall continue to apply for each subsequent month the amount remains unpaid, until Lessor exercises its rights under Section 12(c) hereof, whereafter interest shall accrue at 1.5% per month.

6. DISCLAIMER OF WARRANTIES: Lessee selected the Equipment subject to each Lease and represents that all such Equipment is suitable for Lessee's purposes. LESSOR IS NOT THE MANUFACTURER, DISTRIBUTOR, LICENSOR OR SUPPLIER OF ANY OF THE EQUIPMENT. LESSOR MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION, AND LESSEE HEREBY WAIVES ALL RIGHTS AGAINST LESSOR RELATING TO, ANY WARRANTY, REPRESENTATION OR OBLIGATION WITH RESPECT TO THE QUALITY, DESIGN,

CONDITION, CAPACITY, VALUE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PERFORMANCE OR WORKMANSHIP OF ANY EQUIPMENT OR AGAINST INTERFERENCE BY LICENSORS OR OTHER THIRD PARTIES, IT BEING AGREED THAT ALL EQUIPMENT IS LEASED "AS IS" AND THAT ALL SUCH RISKS SHALL BE BORNE BY THE LESSEE. LESSOR DISCLAIMS, AND LESSEE WAIVES, ANY WARRANTIES CONTAINED IN §§2A-211, 212 AND 213 OF ARTICLE 2A OF THE UCC AND LESSEE WAIVES ANY RIGHT TO DEEM LESSOR IN DEFAULT PURSUANT THERETO AND ALL OF LESSEE'S RIGHTS AND REMEDIES UNDER §§2A-508 THROUGH 522 OF ARTICLE 2A OF THE UCC OR OTHER APPLICABLE LAW. If Lessee has any claims regarding any Equipment, or any other matter arising from Lessee's relationship with the Supplier, Lessee must make such claims directly against the Supplier. For so long as no Event of Default has occurred and is continuing during the term of any Lease, Lessee shall be the beneficiary of, and entitled to, any warranty rights from the applicable manufacturer or Supplier as a result of Lessor's purchase of the Equipment subject to any Lease, to the extent permitted by law. The provisions in this section shall survive termination of any Lease.

7. USE, OPERATION AND MAINTENANCE OF THE EQUIPMENT. During the Lease Term of any Lease, Lessee shall: (a) permit the Equipment to be kept only at the location specified in such Lease and used solely for business purposes and the purpose for which it was designed and shall, at Lessee's sole expense, service, repair and maintain each item of Equipment in the same condition as when received, ordinary wear and tear excepted, in good operating order, consistent with prudent industry practice and in compliance with all applicable laws, regulations, and conditions of all insurance policies required to be maintained by Lessee under such Lease and all manuals, orders, recommendations, instructions and other written requirements as to the repair and maintenance of such item of Equipment issued at any time by the vendor and/or manufacturer thereof; (b) maintain conspicuously on any Equipment such labels, plates, decals or other markings as Lessor may reasonably require, stating that Lessor is owner of such Equipment; (c) furnish to Lessor such information concerning the condition, location, use and operation of any Equipment as Lessor may request; (d) permit any person designated by Lessor to inspect any Equipment and any records maintained in connection therewith, provided, however, that the failure of Lessor to inspect any Equipment or to inform Lessee of any noncompliance shall not relieve Lessee of any of its obligations hereunder; (e) if any Equipment does not comply with the requirements of such Lease, Lessee shall, within 30 days of written notice from Lessor, bring such Equipment into compliance; (f) not use any Equipment, nor allow the same to be used, for any unlawful purpose; and (g) make no additions, alterations, modifications or improvements (collectively, "**Improvements**") to any item of Equipment that are not readily removable without causing material damage to such item of Equipment or which will cause the value, utility or useful life of such item of Equipment to materially decline. If any such Improvement is made and cannot be removed without causing material damage or decline in value, utility or useful life (a "**Non-Severable Improvement**"), then Lessee warrants that such Non-Severable Improvement shall immediately become Lessor's property upon being installed and shall be free and clear of all liens and encumbrances and shall become Equipment subject to all of the terms and conditions of the applicable Lease. Notwithstanding the foregoing, to the extent that items of Equipment are by their nature intended to be mobile and moved in the normal course of the Lessee's business ("Mobile Equipment") (e.g., notebook computers), so long as no Event of Default has occurred and remains uncured, Lessee shall be permitted to locate and use the Mobile Equipment throughout the continental United States. Lessee shall, within 10 days of a request from Lessor, provide a report which confirms the location of each item of Mobile Equipment. All software that is listed on any Equipment Schedule includes any certificate of authenticity and other media provided in connection with software, all as delivered with or affixed as a label to the Equipment, all after-acquired updates, revisions, upgrades, new versions, enhancements, modifications, derivative works, maintenance fixes, translations, adaptations, and copies of the foregoing or of the original version of the software whether obtained from the Supplier, licensor or any source whatsoever, and references in this Master Lease Agreement or any Lease to software will be interpreted as references to any and all of the foregoing. All Improvements, other than Non-Severable Improvements, shall be removed by Lessee prior to the return of the item of Equipment hereunder or such Improvements shall also become the sole and absolute property of Lessor without any further payment by Lessor to Lessee and shall be free and clear of all liens and encumbrances whatsoever. Lessee shall repair all damage to any item of Equipment caused by the removal of any Improvement so as to restore such item of Equipment to the same condition that existed prior to its installation and as required by the applicable Lease. Lessee, at its own expense, will provide a suitable place for the operation of the Equipment.

8. PERFORMANCE OF LESSEE'S OBLIGATIONS BY LESSOR: If Lessee fails to perform any of its obligations under a Lease, Lessor may, at its sole option, perform them without waiving Lessee's default. Upon demand, Lessee shall pay to Lessor any amount paid by Lessor and any expense (including reasonable attorneys' fees and costs) or any other liability incurred by Lessor in connection with its performance of Lessee's obligations.

9. FURTHER ASSURANCES AND NOTICES. Lessee authorizes Lessor to insert applicable dates and numbers and such other information as may be necessary to complete all documentation for a Lease. Prior to Lessor's acceptance of a Lease, and for the duration of the Lease Term, Lessee shall promptly provide Lessor with all credit information reasonably requested by Lessor including, but not limited to comparative audited financial statements for the most current annual period and financial statements certified by Lessee's Chief Financial Officer for the interim reporting periods. Lessee's failure to provide such information to Lessor within ten business days of such request is an Event of Default (as defined in Section 11 hereof) under each Lease. UNLESS

OTHERWISE PROVIDED HEREIN, ALL NOTICES TO LESSOR OR LESSEE SHALL BE IN WRITING AND SENT VIA OVERNIGHT MAIL OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESS SHOWN ABOVE OR SUCH OTHER ADDRESS AS TO WHICH THE OTHER PARTY HAS BEEN NOTIFIED IN WRITING. Lessee agrees to do or perform such further acts and to obtain, execute and deliver such additional certificates, waivers, releases, instruments, control agreements and other documents to effect the purposes of this Master Lease Agreement and any Lease, to complete and evidence the transactions contemplated by any Lease, to protect the title, interest and rights of Lessor or any Assignee in any Equipment or in any Lease, or to assure performance of Lessee's obligations under a Lease. Lessee shall, at Lessor's request, promptly provide Lessor with such other documents as Lessor may reasonably request. Lessee agrees that all communications concerning disputed debts, including an instrument tendered as full satisfaction of a debt or as "payment in full" or containing any restrictive endorsement are to be sent to Lessor's address set forth above, attention General Counsel, or at such other address as Lessor may have subsequently provided in writing.

10. UCC FILINGS. Lessee hereby irrevocably authorizes Lessor to file and record, and appoints Lessor and its agent(s) as Lessee's attorney-in-fact to execute (if applicable), file and record such UCC financing statement(s), amendments thereto and other lien recordation documents with respect to the Equipment subject to any Lease and/or any other collateral for Lessee's obligations under such Lease, ratifies such authorization and appointment with respect to any UCC financing statements or amendments thereto prior to the date of such Lease and to do all acts or things that Lessor may deem necessary to protect Lessor's title and interest in such Equipment and under such Lease. Lessee hereby covenants and agrees that it shall not file any corrective or termination statement with respect to any UCC financing statements recorded by or for the benefit of Lessor with respect to any Equipment without Lessor's prior written consent. In order to secure the payment and performance in full of all of Lessee's obligations under each Lease, Lessee hereby grants to Lessor a security interest in all of the following in which Lessee may now or hereafter have rights: (i) Equipment subject to all Leases, (ii) any and all cash, deposits and/or other property of Lessee now or hereafter in the possession or control of Lessor, or any affiliate of Lessor, and (iii) any other collateral in which Lessee has granted to Lessor, or any affiliate of Lessor a security interest to secure any other obligations, together with all parts, accessories, accessions and attachments thereto, and all replacements, substitutions and exchanges (including trade-ins), and all proceeds of the foregoing, including goods, accounts, chattel paper, documents, instruments, general intangibles, investment property, deposit accounts, letter of credit rights and supporting obligations (collectively, the "**Collateral**").

11. DEFAULT. The occurrence of any of the following events shall constitute an "**Event of Default**": (a) Lessee or any guarantor, endorser, surety or other person or entity responsible in whole or part for payment or performance of a Lease (each a "**Guarantor**"), fails to pay any Rental Payment or other amount under such Lease when due and the failure continues for ten days; (b) Lessee or any Guarantor fails to perform or observe any of the covenants or obligations in, or with respect to, a Lease (or guaranty thereof) other than as described in (a) or (j) of this Section 11, and such failure is not cured within ten days after written notice has been provided to Lessee; (c) Lessee or any Guarantor makes an assignment for the benefit of its creditors, files any petition or takes any action under any bankruptcy, reorganization or insolvency laws; (d) an involuntary petition is filed under any bankruptcy statute against Lessee or any Guarantor, or any receiver, trustee or custodian is appointed to take possession of Lessee's or any Guarantor's property, unless such petition or appointment is set aside or withdrawn within sixty days of said filing or appointment; (e) Lessee or any Guarantor attempts to, or does, remove, transfer, sell, sublicense, encumber, part with possession of, or sublet any of the Equipment subject to a Lease; (f) Lessee or any Guarantor attempts to assign or transfer such Lease or its interest under such Lease or moves any of the Equipment subject to such Lease from the location(s) set forth on the Equipment Schedule without Lessor's prior written consent; (g) Lessee or any Guarantor terminates its existence or undergoes a sale, buyout, change in control, or change in ownership of any type, form or manner which, as judged solely by Lessor, results in a material deterioration in the creditworthiness of Lessee or any Guarantor; (h) any certificate, statement, representation or warranty provided by the Lessee or any Guarantor under, in connection with or related to a Lease proves to be false in any material respect; (i) Supplier terminates a license for Lessee's right to use any item of software that is included within the Equipment subject to a Lease (each a "**License**") due to an alleged breach by Lessee of the terms of the License; (j) Lessee fails to obtain, maintain or otherwise comply with the insurance coverages required under a Lease; (k) Lessee or any Guarantor shall default in the payment or performance of any indebtedness or obligation to any affiliated firm or entity controlling, controlled by or under common control with Lessor; or (l) Lessee defaults under any real estate lease or mortgage relating to a location at which items of Equipment are located, but only if the applicable landlord or mortgagee has commenced exercise of its remedies.

12. REMEDIES. Upon the occurrence of any Event of Default, Lessor may declare this Master Lease Agreement and any Lease hereunder to be in default and, at Lessor's sole discretion, exercise any one or more of the following remedies with respect to each and any Lease: (a) through legal action, enforce specific performance by Lessee of the applicable covenants and obligations of such Lease and/or recover damages for the breach of those covenants or obligations, including reasonable attorneys' fees and court costs; (b) cancel such Lease and/or otherwise terminate Lessee's rights, but not its obligations, under such Lease; (c) by notice in writing to Lessee, as liquidated damages for the loss of a bargain and not as a penalty, accelerate and declare to be immediately due and payable the Stipulated Loss Value under such Lease, as defined in Section 19

hereof, without any presentment, demand, protest or further notice (all of which are hereby expressly waived by Lessee), at which time the same shall become immediately due and payable; (d) require Lessee to return the Equipment subject to such Lease as provided in Section 17 hereof or Lessor may take immediate possession of such Equipment, or any part of such Equipment, from Lessee free from claims by Lessee; (e) sell any or all Equipment subject to such Lease at public or private sale or otherwise dispose of, hold, use, operate, lease to others or keep idle such Equipment, all as Lessor in its sole discretion may determine and all free and clear of any rights of Lessee; (f) remedy such Event of Default, including making repairs or modifications to the Equipment, for the account and expense of Lessee, and Lessee agrees to reimburse Lessor for all of Lessor's costs and expenses; (g) apply any deposit or other cash collateral or sale or remarketing proceeds of any Collateral to such Lease at any time to reduce any amounts due to Lessor; (h) terminate or cause the Supplier to terminate any applicable License(s) and/or suspend provision of any applicable services financed under a Lease; (i) require Lessee to cease use of and delete all software subject to a License from Lessee's computer systems; and (j) exercise any other right or remedy which may be available to Lessor under applicable law. Except for the notice provided in Section 12(c), notice of Lessor's intention to accelerate, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor, or any other notice whatsoever are hereby waived by Lessee and any Guarantor. Interest on the Stipulated Loss Value under any Lease shall accrue at the lesser of 1.5% per month, or the maximum rate allowed by law, from the date declared due until paid in full. The exercise of any of the foregoing remedies by Lessor under or on account of any Lease will not constitute a termination or cancellation of such Lease unless Lessor so notifies Lessee in writing. At any sale of the Equipment under any Lease pursuant to this Section 12, Lessor may bid for the Equipment. Notice required, if any, of any sale or other disposition by Lessor shall be satisfied by the mailing of such notice to Lessee at least ten (10) days prior to such sale or other disposition. In the event Lessor takes possession and disposes of the Equipment subject to any Lease, Lessor shall give Lessee credit for any sums received by Lessor from such disposition after deduction of the expenses of sale or lease. Termination of a Lease under this Section 12 shall not affect Lessee's duty to perform Lessee's obligations under such Lease to Lessor in full. In the event Lessor seeks to take possession of any or all of the Equipment (or Collateral as defined herein) by court process, Lessee further irrevocably waives to the fullest extent permitted by law any bonds and any surety or security relating thereto required by any statute, court rule or otherwise as an incident to such possession. Lessee agrees to reimburse Lessor on demand for any and all costs and expenses incurred by Lessor in enforcing its rights and remedies under any provision of this Section following the occurrence of an Event of Default under a Lease, including, without limitation, reasonable attorney's fees, the costs of repossession, storage, insuring, re-letting, selling and disposing of any and all Equipment subject to such Lease, all pre-judgment and post-judgment actions taken by Lessor and all actions taken by Lessor in any bankruptcy proceeding involving the Lessee, such Equipment and/or any Guarantor. Lessor reserves a right of set-off in all deposits and/or other amounts which are held by Lessor and in which Lessee has rights (collectively, "**Deposits**") and Lessee authorizes Lessor to charge or setoff all sums owing by Lessee to Lessor against any and all such Deposits. Lessor's remedies hereunder shall not be deemed exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available at law or equity. Waiver of any default or breach of any Lease shall not be construed as a waiver of subsequent or continuing defaults or breaches.

13. INDEMNITY. Lessee assumes liability for and agrees at its own expense to indemnify, hold harmless and defend Lessor and any Assignee, and their respective employees and agents (each an "**Indemnitee**"), on a net after-tax basis from and against any and all claims, liabilities, losses, damages, and expenses (including attorneys' fees and legal expenses) of every kind or nature arising out of or in connection with: (a) any Lease, including but not limited to, any Lessee breach of a representation or warranty, Event of Default and/or proceeding in bankruptcy with respect thereto; (b) the manufacture, ordering, purchase, delivery, installation, ownership, selection, possession, leasing, operation, use, maintenance, transportation and return of the Equipment subject to such Lease (including latent and other defects, whether or not discoverable by Lessee or Lessor); (c) any claims based on strict tort liability or warranty and any claim for patent, trademark or copyright infringement, and (d) any claim relating to any interruptions of service, loss of business or consequential damages (collectively, "**Claims**"). Lessee shall not be required to indemnify an Indemnitee against Claims to the extent such Claims result directly from the gross negligence or willful misconduct of such Indemnitee. The indemnities in this Section 13 shall survive termination of any Lease.

14. ASSIGNMENT OF THE LEASE AND/OR EQUIPMENT. LESSOR MAY ASSIGN ANY OF ITS RIGHTS IN ANY LEASE AND/OR THE EQUIPMENT SUBJECT TO SUCH LEASE TO AN ASSIGNEE, AND LESSEE HEREBY CONSENTS TO SUCH ASSIGNMENT AND FURTHER AGREES AS FOLLOWS: (A) ASSIGNEE DOES NOT ASSUME ANY OF THE OBLIGATIONS OF LESSOR UNDER SUCH LEASE, HOWEVER LESSOR SHALL REMAIN LIABLE FOR SAME; (B) LESSEE SHALL PAY ALL ASSIGNED RENTAL PAYMENTS AND OTHER AMOUNTS DUE UNDER SUCH LEASE UNCONDITIONALLY, WITHOUT OFFSET, AND LESSEE FURTHER AGREES THAT SUCH RENTAL PAYMENTS AND OTHER AMOUNTS SHALL BE PAYABLE NOTWITHSTANDING ANY DEFENSE OR COUNTERCLAIM WHATSOEVER, WHETHER BY REASON OF BREACH OF SUCH LEASE, THE EXERCISE OF ANY RIGHT UNDER SUCH LEASE, OR OTHERWISE, WHICH LESSEE MAY NOW OR HEREAFTER HAVE AGAINST LESSOR (LESSEE RESERVES ITS RIGHT TO HAVE RECOURSE DIRECTLY AGAINST LESSOR ON ACCOUNT OF ANY SUCH DEFENSE OR COUNTERCLAIM); (C) LESSEE SHALL PROVIDE LESSOR WITH A COPY OF ANY NOTICES SENT BY LESSEE TO

ASSIGNEE UNDER SUCH LEASE; (D) SUBJECT TO AND WITHOUT IMPAIRMENT OF LESSEE'S LEASEHOLD RIGHTS IN AND TO THE EQUIPMENT, LESSEE SHALL HOLD THE EQUIPMENT FOR THE BENEFIT OF ASSIGNEE TO THE EXTENT OF THE ASSIGNEE'S RIGHTS THEREIN; AND (E) SUCH ASSIGNMENT DOES NOT CHANGE LESSEE'S OBLIGATIONS UNDER SUCH LEASE, NOR DOES IT INCREASE THE BURDEN AND RISKS IMPOSED ON LESSEE. WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR, LESSEE SHALL NOT ASSIGN OR CONVEY ITS INTEREST IN ANY LEASE OR THE EQUIPMENT SUBJECT TO SUCH LEASE IN ANY FORM OR MANNER INCLUDING, BUT NOT LIMITED TO, AN ASSIGNMENT DUE TO A SALE, MERGER, LIQUIDATION, SUBLEASE, LEVERAGED BUYOUT, CHANGE OF OWNERSHIP OR CHANGE IN CONTROL.

15. DISPUTE RESOLUTION, EXCLUSIVE VENUE AND JURY WAIVER. THIS MASTER LEASE AGREEMENT HAS BEEN AND EACH LEASE WILL HAVE BEEN MADE, EXECUTED AND DELIVERED IN THE STATE OF ILLINOIS, AND, EXCEPT FOR LOCAL FILING REQUIREMENTS, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS (EXCLUSIVE OF ITS CONFLICT OF LAWS PRINCIPLES). THE PARTIES HEREBY AGREE THAT THE EXCLUSIVE VENUE FOR ANY LAWSUIT OR OTHER LEGAL PROCEEDING ARISING OUT OF OR IN ANY WAY RELATING TO ANY LEASE SHALL BE THE FEDERAL AND STATE COURTS LOCATED IN COOK COUNTY, ILLINOIS (OR SUCH OTHER VENUE AS MAY BE SELECTED BY LESSOR OR ITS ASSIGNEE THAT BEARS A REASONABLE RELATIONSHIP TO THE DISPUTE BETWEEN THE PARTIES) (THE "**SELECTED VENUE**"). LESSEE HEREBY CONSENTS TO PERSONAL JURISDICTION IN THE SELECTED VENUE AND AGREES THAT IT WILL NOT FILE ANY LAWSUIT OR OTHERWISE INITIATE ANY LEGAL PROCEEDING RELATING TO OR IN ANY WAY ARISING OUT OF ANY LEASE IN ANY VENUE OTHER THAN THE SELECTED VENUE. EACH OF LESSEE AND LESSOR AGREES TO WAIVE ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING IN ANY WAY TO ANY LEASE. LESSEE SHALL FILE ANY CLAIM THAT IT MAY HAVE AGAINST LESSOR THAT ARISES OUT OF OR IN ANY WAY RELATES TO ANY LEASE WITHIN ONE YEAR AFTER SUCH CLAIM FIRST ARISES OR FOREVER WAIVE AND BE BARRED FROM ASSERTING SUCH CLAIM.

16. OWNERSHIP OF THE EQUIPMENT. The Equipment subject to each Lease is, and shall remain, the personal property of Lessor. Lessor at all times retains ownership, title and control over Lessee's right to use such Equipment in accordance with the terms of such Lease. Lessee shall protect and defend, at its own expense, Lessor's title and/or rights in such Equipment against all claims and liens and shall keep such Equipment free and clear of all such claims and liens. To the extent software subject to a Lease is subject to a License, Lessee acknowledges that the License is being provided to Lessee solely because of payments made by Lessor to the Supplier and, accordingly, Lessee agrees that Lessor has an interest in the License and Lessee's use of the software is contingent upon payment of the Rental Payments to Lessor. Lessee agrees that it will not surrender, transfer or modify the License without first obtaining the written consent of Lessor.

17. RETURN OF EQUIPMENT. At the expiration of the applicable Lease Term, provided Lessor receives at least 90 days advance written notice of Lessee's election to do so, Lessee may exercise any applicable end of term option set forth in the applicable Equipment Schedule (if any), or return all or any portion of the Equipment subject thereto consisting of a complete System, as defined below. If Lessee elects to return any portion of the Equipment, Lessee will provide Lessor with the required written notice which includes a description of the Equipment being returned, discontinue the use of such Equipment and prior to the expiration of the applicable Lease Term, at Lessee's own expense, return such Equipment, with all peripheral materials as originally furnished by Supplier, to a location within the United States in accordance with the Equipment return instructions provided by Lessor. If such Equipment is not returned to Lessor on time and in Eligible Condition (as defined below), the applicable Lease Term shall continue and Lessee shall continue to be obligated to pay Rental Payments (in the amount last in effect under the applicable Lease) and otherwise perform all of its obligations thereunder, until such time as Lessee causes such Equipment to be returned to Lessor in Eligible Condition or Lessor elects to cancel the applicable Lease in its sole discretion, whereupon, the Stipulated Loss Value of such Equipment not returned shall be immediately due and payable, and with respect to items of Equipment returned but not in Eligible Condition, Lessee shall pay Lessor the lesser of the Stipulated Loss Value or the amount reasonably determined by Lessor as necessary to cause such Equipment to be in Eligible Condition. In the event that Lessee returns items of Equipment, but retains and continues use of items of software comprising Equipment, the items so returned shall be deemed not in Eligible Condition and Lessor shall be entitled to ongoing Rental Payments in the amount specified on the applicable Equipment Schedule and all rights and remedies provided herein. Equipment shall be in "**Eligible Condition**" upon its return to Lessor if each of the following conditions is satisfied: (a) the Equipment is in good working order (normal wear and tear excepted), is capable of performing all functions that such Equipment could perform when delivered to Lessee and is otherwise in salable condition; (b) the Equipment includes all engineering modifications, hardware upgrades, and other alterations required by the manufacturer or Supplier for maintenance eligibility during the applicable Lease Term, and in the case of software, Lessee will destroy all intangible software items, and deliver to Lessor all tangible items constituting software, including any certificate of authenticity and other media provided in connection with software, all as delivered with or affixed as a label to the Equipment; and (c) the Equipment is certified as eligible for a service contract by the manufacturer of the Equipment or by a service organization satisfactory to Lessor. Lessee shall arrange and pay for such inspection, repairs or modifications as are

required to cause Equipment to be in Eligible Condition. At Lessor's request, Lessee will also certify in a written form acceptable to Lessor that: all tangible software has been delivered to Lessor, all intangible copies of the software have been destroyed, Lessee has not retained the software in any form, and Lessee will not use the software after termination of the applicable Lease. When returned, all data and other information stored on hard drives and other media storage devices ("**Stored Data**") shall have been securely overwritten and destroyed beyond recovery using advanced wiping techniques (such process being referred to as "**Data Erasure**"), or if Lessee does not wish to perform the Data Erasure itself, Lessee shall so notify Lessor, and Lessor will arrange for the Data Erasure to be performed at such location at Lessee's sole risk and expense. If Data Erasure is not technically feasible, Lessee may remove and destroy the applicable hard drives and other media devices, and in such event the drives and devices shall be deemed to have suffered a Casualty Occurrence and shall be subject to the provisions of Section 19 hereof. LESSOR MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO DATA ERASURE OR THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY DATA ERASURE PROCEDURES OR SERVICES. For the purposes hereof, "**System**" shall mean any portion of the Equipment which is a complete, stand alone and functional economic unit and not merely a part thereof, as reasonably determined by Lessor. With respect to Equipment consisting of software, System shall mean all such software subject to the License financed under the applicable Lease.

18. INSURING THE EQUIPMENT. During the Risk Period associated with a Lease, as defined in Section 19 below, Lessee shall at its own expense obtain and maintain: (a) commercial general liability insurance (naming Lessor and its assigns as additional insured) for bodily injury and property damage resulting from the maintenance, use or transportation of the Equipment subject to such Lease, with minimum limits of \$1,000,000 per occurrence; and (b) property and casualty insurance (naming Lessor and/or any Assignee as sole lender loss payee) covering all risks of loss or damage to such Equipment from any cause whatsoever, including, without limitation, fire and theft, in an amount not less than the greater of the Stipulated Loss Value or replacement value thereof. All insurance will be from an insurer and in a form and amount satisfactory to Lessor. Lessee shall deliver to Lessor Acord 23 certificates evidencing such insurance (and each renewal or replacement thereof). All policies will provide for a lender's loss payable endorsement in favor of Lessor and any Assignee, that no cancellation or material modification of such insurance shall be effective without thirty days prior written notice to Lessor and that, in respect of the interests of Lessor and any Assignee, no such insurance policy shall be invalidated by any action or inaction on the part of Lessee.

19. RISK OF LOSS TO THE EQUIPMENT. Lessee hereby assumes all risk of loss, damage or destruction for whatever reason to the Equipment subject to each Lease from the earlier of the date on which such Equipment is ordered or Lessor pays the purchase price of such Equipment, and continuing to the expiration of the applicable Lease Term and, if Lessee does not exercise an option to acquire such Equipment, the return of such Equipment to Lessor in Eligible Condition (the "**Risk Period**"). If during the Risk Period all or any portion of an item of Equipment is lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of any condemnation, confiscation, theft or seizure or requisition of title to or use of such item (each a "**Casualty Occurrence**"), Lessee shall immediately inform Lessor in writing. On the next succeeding Rental Payment Date under the applicable Lease, Lessee will, at Lessor's option, either: (a) replace the Equipment subject to the Casualty Occurrence with like-kind equipment acceptable to Lessor or any Assignee, free and clear of any liens or rights of other parties, and continue to pay all Rental Payments without interruption as such become due, or (b) pay to Lessor an amount equal to the Stipulated Loss Value for the Equipment subject to the Casualty Occurrence. Upon payment of the Stipulated Loss Value to Lessor, the Rental Payments shall cease to accrue and the applicable Lease shall terminate, but in each case only with respect to the Equipment subject to the Casualty Occurrence. In the case of software, the erasure, inoperability or other incapacity of the software is also deemed a Casualty Occurrence. Insurance proceeds received by Lessor as a result of a Casualty Occurrence will be applied to the Stipulated Loss Value or to reimburse Lessee for the purchase of replacement Equipment.

The term "**Stipulated Loss Value**" with respect to any item of Equipment on any Rental Payment Date during the applicable Lease Term shall be an amount equal to the sum of: (a) all Rental Payments and other amounts then due and owing to Lessor under the applicable Lease, together with all accrued interest and late charges thereon calculated through and including the date of calculation; plus (b) all Rental Payments then remaining unpaid for the applicable Lease Term; plus (c) the amount of any purchase obligation with respect to such item of Equipment or, if there is no such obligation, then the fair market value of such item of Equipment at the end of the applicable Lease Term, as estimated by Lessor in its sole but reasonable discretion; plus (d) any tax and/or other indemnification amounts becoming due as a result of the loss, cancellation of the Lease and/or Event of Default, with (b) and (c) being discounted to net present value as of the date of calculation at a discount rate equal to the lesser of: (i) the 1-year Treasury Constant Maturity rate as published in the Selected Interest Rates table of the Federal Reserve statistical release H.15(519) for the week ending immediately prior to the original Acceptance Date for such Lease; or (ii) two percent (2.0%) per annum. If less than all of the Equipment subject to a Lease is involved in a Casualty Occurrence (the "**Casualty Equipment**"), the applicable Stipulated Loss Value (and reduction in the remaining Rental Payments) shall be determined by Lessor on a prorata basis in accordance with the amount funded by Lessor with respect to the Casualty Equipment as a percentage of the total amount originally funded by Lessor for such Lease.

20. TAXES. All assessments and taxes (except those based upon the net income of Lessor) which may now or hereafter become due or are imposed upon the purchase, ownership, leasing, sale, possession, use and/or disposal of the Equipment subject to any Lease by a governmental authority are to be paid by Lessee and Lessee shall indemnify Lessor against all penalties, charges, interest and costs imposed with respect thereto. Lessee authorizes Lessor to add to the amount of each Rental Payment, any sales, use or leasing tax that may be imposed on or measured by the Equipment cost or such Rental Payment. If Lessee is a tax-exempt entity, Lessee may provide Lessor with the appropriate tax exemption certificates and Lessor will apply any such tax-exempt status to the applicable Lease. While Lessee will be responsible for payment of all personal property taxes, Lessor will file personal property tax returns. Lessor is not responsible for contesting any valuation of, or tax imposed on the Equipment subject to any Lease (but may do so strictly as an accommodation to Lessee) and will not be liable or accountable to Lessee therefor. Lessor retains all federal and state tax credits or benefits relating to the Equipment subject to any Lease.

21. MISCELLANEOUS. By Lessee's execution of this Master Lease Agreement or any Lease, Lessee assigns to Lessor any and all rights Lessee may have under any purchase order(s) issued by Lessee in regard to the Equipment subject to such Lease. All agreements, representations and warranties contained in a Lease, or in any document or certificate delivered pursuant to or in connection with such Lease, which have accrued but not been fully satisfied shall expressly survive the termination of such Lease. If any provision of a Lease is determined by competent authority to be unenforceable, such determination shall not invalidate the remaining provisions of such Lease and any such unenforceability in one jurisdiction shall not render such provision unenforceable in any other jurisdiction. To the extent permitted by applicable law, Lessee waives any provision of law that renders any provision this Master Lease Agreement or any Lease prohibited or unenforceable in any respect. Time is of the essence for each Lease and each provision thereof. Any signature, execution and delivery of any document or instrument may be satisfied, in Lessor's sole discretion and to the extent permitted by the UCC, by authentication of such document or instrument as a record within the meaning of Article 9 of the UCC. A photocopy, printed electronic image or facsimile of this Master Lease, any Equipment Schedule and/or any related document that includes copies of the signatures of the parties hereto shall be treated as an original document and proof of the agreement between the parties. This Master Lease and any and all ancillary documents may be electronically and/or digitally executed. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person or legal entity that opens an account or establishes a relationship with a financial institution. When you open an account, Lessor will ask for your legal name, address, identification number, and other identifying information. Lessor may ask for copies of certified articles of incorporation, an unexpired government-issued business license, a partnership agreement, or other documents that indicate the existence and standing of the entity. For persons who are related parties to the account (i.e. Authorized Signer, Guarantor, etc.) Lessor may ask for your legal name, address, date of birth or other information that will allow Lessor to identify you. EACH LEASE CONTAINS THE ENTIRE AGREEMENT BETWEEN LESSOR AND LESSEE WITH RESPECT TO THE SUBJECT MATTER THEREOF. EACH LEASE CAN ONLY BE MODIFIED IN WRITING, WITH SUCH MODIFICATION SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BOTH LESSEE AND LESSOR. NO ORAL OR OTHER WRITTEN AGREEMENTS, REPRESENTATIONS OR PROMISES SHALL BE RELIED UPON BY, OR BE BINDING ON, LESSOR AND/OR LESSEE UNLESS MADE A PART OF SUCH LEASE BY A WRITTEN MODIFICATION SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BOTH LESSEE AND LESSOR. BY SIGNING BELOW, THE SIGNER CERTIFIES THAT HE OR SHE HAS READ THIS MASTER LEASE AGREEMENT, INCLUDING ALL ATTACHED PAGES, AND IS AUTHORIZED TO SIGN ON BEHALF OF LESSEE.

Accepted By Lessee:	
By:	
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Accepted By Lessor:	
FIRST AMERICAN COMMERCIAL BANCORP, INC.	
By:	
Name:	
Title:	Date:

**CERTIFICATE OF INCUMBENCY AND AUTHORITY
(Corporation or LLC)**

I, the undersigned certifying representative ("Certifying Representative") of _____ ("Company"), do hereby certify that:

1. I, the Certifying Representative, am the duly elected, appointed and/or qualified and acting representative of the Company and have the title set forth below my signature (usually Secretary or Assistant Secretary of Company), and that I have access to the organizational records of the Company.
2. Set forth below is the name and true signature or electronic authentication of an individual (the "Authorized Representative") that I know to be the duly elected (or appointed), qualified and acting officer, manager, member or representative of the Company, with the title set forth opposite his or her respective name.
3. The Authorized Representative has the requisite power and authority pursuant to the Company's organizational documents to bind the Company to, and sign on behalf of the Company, any and all agreements, including, but not limited to, leases, loans, finance agreements, guaranties, mortgages and/or collateral pledges (each an "Authorized Transaction"), with FIRST AMERICAN COMMERCIAL BANCORP, INC. ("First American") and the written signature or electronic authentication opposite the Authorized Representative's name is such Authorized Representative's genuine signature or electronic authentication, as applicable. Until First American receives notice in writing of any change or limitation of the authority of the Authorized Representative of this Company designated in this Certificate, First American is authorized to rely upon the authority and power of such designated Authorized Representative to bind the Company in connection with Authorized Transactions as set forth in this Certificate.
4. All previous acts of, and all documents and papers heretofore executed and delivered by, any Authorized Representative in connection with any Authorized Transaction are ratified, confirmed and approved as the act or acts of the Company.

Legal Name of Authorized Representative		
First	Middle	Last

Title	Date of Birth

Preferred Name to Appear on Documents	Signature

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each client who opens an account. What this means for you: When you open an account, we will ask for your legal name, address, identification number, and other identifying information that will assist us. We may ask for copies of certified articles of incorporation, an unexpired government-issued business license, a partnership agreement, or other documents that indicate the existence and standing of the entity. For persons who are related parties to the account (i.e. Authorized Signer, Guarantor, etc.) we may ask for your legal name, address, date of birth or other information that will allow us to identify you.

IN WITNESS WHEREOF, the undersigned Certifying Representative has executed this Certificate as of _____.

Title	Name	Certifying Representative's Signature

**** When preparing this Certificate, please note: (1) The Certifying Representative cannot also be an Authorized Representative for purposes of this Certificate; and (2) the Certifying Representative confirms that a separate person, each Authorized Representative, is authorized to execute binding agreements on behalf of Company with First American.**

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EQUIPMENT SCHEDULE NO. ____

Lessee:				
Street Address:	City:	State:	County:	Zip:
Contact:		Telephone:		

Equipment Location:

Quantity	Description
----------	-------------

This Equipment Schedule No. ____ dated _____ ("Equipment Schedule") incorporates the terms and conditions of that certain Master Lease No. ____ dated _____ ("Master Lease") by and between FIRST AMERICAN COMMERCIAL BANCORP, INC. ("Lessor") and _____ ("Lessee") (the Equipment Schedule and Master Lease as incorporated therein, the "Lease"). Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the above-described items of Equipment for the Lease Term and on terms and conditions set forth herein. In the event of any conflict between the terms of the Master Lease and the terms of this Equipment Schedule, the terms of this Equipment Schedule shall prevail.

If applicable, for purposes of this Equipment Schedule and all ancillary documents, the terms defined in the Master Lease as "Delivery Order and Acceptance Certificate" and "Authorization Date" are hereby revised to be "Delivery and Acceptance Certificate" and "Acceptance Date," respectively.

Base Lease Term		Annual Rental Payment
____ Months	Billing is Annual, in arrears.	\$_____, plus applicable taxes

Accepted By Lessee:		Accepted By Lessor:	
		FIRST AMERICAN COMMERCIAL BANCORP, INC.	
By:		By:	
Name:	<p style="text-align: center;">CONFIDENTIAL SAMPLE</p> <p>The information contained herein is confidential and for the sole use of the persons to whom it is delivered. It may not be reproduced in whole or in part, without the express written permission of First American Commercial Bancorp, Inc. Such permission must also be obtained prior to discussing or disclosing copies of the contents hereof with any person or entity other than First American Commercial Bancorp, Inc.</p>		Date:
Title:			

END OF LEASE ADDENDUM

To
Equipment Schedule No. ____

This End of Lease Addendum ("Addendum") is supplemental to and made a part of the Equipment Schedule No. ____ (the "Equipment Schedule") issued pursuant to and incorporating the terms of that certain Master Lease No. ____ dated ____ (the "Master Lease") by and between "COMPANY" ("Lessee") and FIRST AMERICAN COMMERCIAL BANCORP, INC. ("Lessor") (the Equipment Schedule and Master Lease as incorporated therein, the "Lease"). Capitalized terms used in this Addendum without definition shall have the meanings set forth in the Lease, unless the context hereof otherwise specifically requires. This Addendum is to be construed as supplemental to, and part of, the Lease. In the event of any inconsistency between the Lease and this Addendum, the terms and provisions of this Addendum shall prevail. Notwithstanding the terms and conditions contained in the Lease, and to the limited extent hereof, the parties agree as follows:

Provided no Event of Default has occurred and is continuing and Lessor receives not less than 90 days advance written notice from Lessee, as of the expiration of the Base Lease Term or any Extended Term, and Lessee's satisfaction of all rental and all other obligations required under the Lease, Lessee may exercise one of the following two options:

Option 1 (PURCHASE OPTION): Lessee may purchase all but not less than all of the Equipment from Lessor by paying Lessor (on or before the expiration of the Base Lease Term or any Extended Term, as applicable) the amount of \$_____, plus all applicable taxes, if any (collectively, the "Purchase Option Price"). Upon receipt of the Purchase Option Price, Lessor shall transfer all of Lessor's right, title and interest it may have in and to the Equipment to Lessee, free and clear of all liens and encumbrances created by or through Lessor, but otherwise on an AS-IS, WHERE-IS basis without representation or warranty of any kind, express or implied, and "with all faults."

Option 2 (____ MONTH RENEWAL OPTION): Lessee may extend the Lease for ____ months (the "Renewal Term") at the rental rate delineated on the face of the Equipment Schedule. At the expiration of such Renewal Term, or any successive Extended Term, as defined in the Master Lease, provided that Lessor receives at least 90 days advance written notice (prior to the last day of this Option 2 Renewal Term or any Extended Term thereafter) from Lessee, and upon Lessee's satisfaction of all rental and all other obligations under the Lease, Lessee shall have the additional option to (i) purchase any portion of the Equipment consisting of a complete System for its then retail fair market value, plus all applicable taxes, if any (the "FMV Purchase Price"), or (ii) return the Equipment to Lessor as provided for in the Lease. Upon receipt of the FMV Purchase Price, Lessor shall transfer all of Lessor's right, title and interest it may have in and to the Equipment to Lessee, free and clear of all liens and encumbrances created by or through Lessor, but otherwise on an AS-IS, WHERE-IS basis without representation or warranty of any kind, express or implied, and "with all faults."

Fair Market Value ("FMV") shall be the in-place value, which would be obtainable in a retail transaction between Lessee and Lessor, Lessee being free to return the Equipment to Lessor at the expiration of the Extended Term, should it not wish to pay the FMV purchase price.

If Lessee does not exercise either of the above-described options, the Lease shall continue for successive three-month periods at the rental rate delineated in the Equipment Schedule, as provided for in Section 4 of the Master Lease until such time as one of the above options is properly elected and exercised by Lessee. It is the intent of the parties to the Lease that Lessee may not terminate the Lease at the expiration of the Base Lease Term or any Extended Term, without first exercising and satisfying all of the obligations of either Option 1 or Option 2 above. The options listed above may only be exercised provided that the terms and conditions contained herein are specifically adhered to.

IF AN EVENT OF DEFAULT SHALL HAVE OCCURRED AND LESSOR HAS ELECTED TO EXERCISE THE REMEDY SPECIFIED IN SECTION 12(C) OF THE MASTER LEASE, LESSEE SHALL BE IRREVOCABLY DEEMED TO HAVE SELECTED OPTION 2 ABOVE. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

IN WITNESS WHEREOF the parties hereto, by their authorized signatories, have executed this Addendum at the date set forth below their respective signatures.

Accepted By Lessee:		Accepted By Lessor:	
		FIRST AMERICAN COMMERCIAL BANCORP, INC.	
By:		By:	
Name:		Date:	
Title:		Date:	

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DELIVERY AND ACCEPTANCE CERTIFICATE

Lessee:				
Street Address:	City:	State:	County:	Zip:
Contact:		Telephone:		

Annual Rental Payment \$ _____, plus applicable taxes	Sales/Use Tax @ _____ %	Acceptance Date ___/___/20__
---	-----------------------------------	--

Lessee hereby certifies that as of _____ ("Acceptance Date") all of the equipment, software, fixtures, personal property and/or other property, together with all replacements, parts, additions, accessories and substitutions (collectively, "Equipment") referred to in Equipment Schedule No. ____ ("Equipment Schedule") issued pursuant to that certain Master Lease Agreement No. _____ dated as of _____ ("Master Lease") by and between the above-named "Lessee" and FIRST AMERICAN COMMERCIAL BANCORP, INC. ("Lessor") (the Equipment Schedule and Master Lease as incorporated therein, the "Lease") has been delivered to and been received by Lessee, that all installation or other work necessary prior to the use thereof has been completed, that the Equipment has been examined by the Lessee and is in good operating order and condition and is in all respects satisfactory to Lessee, and that the Equipment is accepted by the Lessee for all purposes under the Lease. Lessee represents and warrants that the Equipment Location set forth in the Lease is correct. By its execution and delivery of this Delivery and Acceptance Certificate, Lessee hereby reaffirms all of the representations, warranties and covenants contained in the Lease as of the date hereof, and further represents and warrants to Lessor that no Event of Default, and no event or condition which with notice or the passage of time or both would constitute an Event of Default, has occurred and is continuing as of the date hereof. Lessee further certifies to Lessor that Lessee has selected the Equipment and has received and approved the purchase order, purchase agreement or supply contract under which the Equipment will be acquired for all purposes of the Lease.

ACCORDINGLY, LESSEE AUTHORIZES LESSOR TO PAY THE APPLICABLE VENDOR(S) FOR THE EQUIPMENT. Lessee also certifies that billing is appropriate, per Sections 4 and 5 of the above referenced Master Lease; provided however, that (i) the Base Lease Commencement Date is hereby designated as _____; and (ii) per diem rent is hereby waived for the period starting on the Acceptance Date and continuing up to and including _____.

Accepted By Lessee:	
By:	<p style="text-align: center;">CONFIDENTIAL SAMPLE</p> <p>The information contained herein is confidential and for the sole use of the persons to whom it is delivered. It may not be reproduced in whole or in part, without the express written permission of First American Commercial Bancorp, Inc. Such permission must also be obtained prior to discussing or disclosing copies of the contents hereof with any person or entity other than First American Commercial Bancorp, Inc.</p>
Name:	
Title:	

FISCAL FUNDING ADDENDUM

To Equipment Schedule No. _____

This Fiscal Funding Addendum ("Addendum") is supplemental to and made a part of Equipment Schedule No. _____, issued pursuant to and incorporating the terms of that certain Master Lease No. _____ dated _____, each by and between _____ ("Lessee") and FIRST AMERICAN COMMERCIAL BANCORP, INC. ("Lessor") (together forming the "Lease").

Capitalized terms used in this Addendum without definition shall have the meanings set forth in the Lease, unless the context hereof otherwise specifically requires. This Addendum is to be construed as supplemental to, and part of, the Lease. In the event of any inconsistency between the Lease and this Addendum, the terms and provisions of this Addendum shall prevail. Notwithstanding the terms and conditions contained in the Lease, and to the limited extent hereof, the parties agree as follows:

- 1. LEASE TERM.** The term of this Lease will begin on the date that Lessee signs a Delivery and Acceptance Certificate and will continue for the Lease Term specified in this Lease, unless otherwise terminated as set forth in Section 3 below.
- 2. FUNDING INTENT.** Lessee reasonably believes that funds can be obtained sufficient to make all Rental Payments and other payments during the Lease Term. Lessee covenants that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which the Rental Payments may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using its best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. If Lessee's governing body chooses not to appropriate funds for such Rental Payments, Lessee agrees that its governing body will evidence such non appropriation by omitting funds for such payments due during the applicable fiscal period from the budget that it adopts. Lessee and Lessor agree that Lessee's obligation to make Rental Payments under the Lease will be Lessee's current expense and will not be interpreted to be a debt in violation of applicable law or constitutional limitations or requirements. Nothing contained in the Lease will be interpreted as a pledge of Lessee's general tax revenues, funds or moneys.
- 3. NON-APPROPRIATION OF FUNDS.** Provided no Event of Default has occurred and remains uncured, if: (a) sufficient funds are not appropriated and budgeted and are otherwise not available to Lessee's governing body in any fiscal period for the Rental Payments; and (b) Lessee has exhausted all funds legally available for such payments due under the Lease (a "Non-appropriation Event"), then Lessee will give Lessor not less than sixty (60) days prior written notice ("Termination Notice") and the Lease will terminate as of the last day of Lessee's fiscal period for which funds for Rental Payments are available ("Termination Date"). Such termination is without any expense or penalty, except for the portions of the Rental Payments and those expenses associated with the return of the Equipment in accordance with the Lease for which funds have been budgeted or appropriated or are otherwise legally available. Lessee shall (i) on or before the Termination Date, return the Equipment in accordance with the return requirements set forth in the Lease, (ii) provide in the Termination Notice a certification of a responsible official that a Non-Appropriation Event has occurred, (iii) deliver to Lessor, upon request by Lessor, an opinion of Lessee's counsel (addressed to Lessor) verifying that the Non-Appropriation Event as set forth in the Termination Notice has occurred, and (iv) pay Lessor all sums payable to Lessor under the Lease up to and including the Termination Date. Lessee acknowledges and agrees that, in the event of the termination of the Lease and the return of the Equipment as provided for herein, Lessee shall have no interest whatsoever in the Equipment or proceeds thereof and Lessor shall be entitled to retain for its own account the proceeds resulting from any disposition or re-leasing of the Equipment along with any advance rentals, security deposits or other sums previously paid by Lessee pursuant to the terms of the Lease.
- 4. AUTHORITY AND AUTHORIZATION.** Lessee represents and agrees that: (a) Lessee is a state or a political subdivision or agency of a state; (b) the entering into and performance of the Lease is authorized under the state laws and Constitution applicable to Lessee and does not violate or contradict any judgment, law, order, or regulation, or cause any default under any agreement to which Lessee is party; (c) Lessee has complied with all bidding requirements and, where necessary, has properly presented the Lease for approval and adoption as a valid obligation on Lessee's part; and (d) Lessee has sufficient appropriated funds or other moneys available to pay all amounts due under the Lease for Lessee's current fiscal period. Upon Lessor's request, Lessee agrees to provide Lessor with an opinion of counsel as to clauses (a) through (d) above, an incumbency certificate, and other documents that Lessor may request, with all such documents being in a form satisfactory to Lessor.
- 5. GOVERNMENT USE.** Lessee represents and covenants that the use of the Equipment is essential for Lessee's proper, efficient and economic operation, Lessee will be the only entity to use the Equipment during the term of the Lease and Lessee will use the Equipment only for governmental purposes. Upon Lessor's request, Lessee will provide Lessor with an essential use letter in a form satisfactory to Lessor.

Except as specifically modified by this Addendum, all terms and conditions contained in the Lease shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto, by their authorized signatories, have executed this Addendum at the date set forth below their respective signatures.

Accepted By Lessee: By:	Accepted By Lessor: FIRST AMERICAN COMMERCIAL BANCORP, INC. By:
Name:	<div style="border: 1px solid black; padding: 5px; text-align: center; margin: 0 auto; width: 80%;"> CONFIDENTIAL SAMPLE The information contained herein is confidential and for the sole use of the persons to whom it is delivered. It may not be reproduced in whole or in part, without the express written permission of First American Commercial Bancorp, Inc. Such permission must also be obtained prior to discussing or disclosing copies of the contents hereof with any person or entity other than First American Commercial Bancorp, Inc. </div>
Title:	Date:

Date
FIRST AMERICAN COMMERCIAL BANCORP, INC.
211 High Point Drive
Victor, NY 14564

Attention: _____

Re: Equipment Schedule No. _____ (the "Equipment Schedule), issued pursuant to and incorporating the terms of that certain Master Lease No. _____ dated _____ by and between FIRST AMERICAN COMMERCIAL BANCORP, INC. ("Lessor") and _____ ("Lessee"), together with all ancillary documents executed in connection therewith (collectively, the "Lease Documents")

Ladies and Gentlemen:

I am legal counsel for the Lessee, and I am familiar with the above-referenced Lease Documents and the transactions evidenced thereby between the Lessee and Lessor.

Based upon my examination of the Lease Documents and such other documents, records and papers as I deem to be relevant and necessary as the basis for my opinion set forth below, it is my opinion that:

1. The Lessee is a State or a political subdivision thereof, as those terms are used in Section 103 of the Internal Revenue Code of 1986, as amended, and is authorized by the applicable Constitution and laws to enter into the transaction(s) contemplated by the Lease Documents and to carry out its obligations thereunder.
2. The Lease Documents have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding agreements enforceable against Lessee in accordance with its terms.
3. No further approval, consent or withholding of objections is required from any Federal, state or local governmental authority with respect to the entering into or the performance by the Lessee of the Lease Documents and the transactions contemplated hereby.
4. The entering into and performance of the Lease Documents will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, any instrument or agreement binding upon Lessee or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee or the Equipment (as identified in the Equipment Schedule), other than those created by the Equipment Schedule.
5. There are no actions, suits or proceedings pending or threatened against or affecting the Lessee in any court or before any governmental commission, board or authority that, if adversely determined, would have a material adverse effect on the ability of the Lessee to perform its obligation(s) under the Lease Documents.
6. All required public bidding procedures, if any, regarding an award to Lessor of the transactions contemplated under the Lease Documents have been properly and completely followed by the Lessee.
7. The Lessee shall be the only entity to possess, operate and use the Equipment during the Term (as defined in the Equipment Schedule).

Lessor and Lessor's successors and assigns may rely upon the opinions set forth herein.

Counsel

By: _____

Title: _____

Date: _____

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CONFIDENTIAL & PROPRIETARY

Date
FIRST AMERICAN COMMERCIAL BANCORP, INC.
211 High Point Drive
Victor, NY 14564

Attention: _____

Re: Equipment Schedule No. ____ (the "Equipment Schedule), issued pursuant to and incorporating the terms of that certain Master Lease No. _____ dated _____ by and between FIRST AMERICAN COMMERCIAL BANCORP, INC. ("Lessor") and _____ ("Lessee"), together with all ancillary documents executed in connection therewith (collectively, the "Lease Documents")

Ladies and Gentlemen:

I am legal counsel for the Lessee, and I am familiar with the above-referenced Lease Documents and the transactions evidenced thereby between the Lessee and Lessor.

Based upon my examination of the Lease Documents and such other documents, records and papers as I deem to be relevant and necessary as the basis for my opinion set forth below, it is my opinion that:

1. The Lessee is a State or a political subdivision thereof, as those terms are used in Section 103 of the Internal Revenue Code of 1986, as amended, and is authorized by the applicable Constitution and laws to enter into the transaction(s) contemplated by the Lease Documents and to carry out its obligations thereunder.
2. The Lease Documents have been duly authorized, executed and delivered by Lessee and constitute valid, legal and binding agreements enforceable against Lessee in accordance with its terms.
3. No further approval, consent or withholding of objections is required from any Federal, state or local governmental authority with respect to the entering into or the performance by the Lessee of the Lease Documents and the transactions contemplated hereby.
4. The entering into and performance of the Lease Documents will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, any instrument or agreement binding upon Lessee or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee or the Equipment (as identified in the Equipment Schedule), other than those created by the Equipment Schedule.
5. There are no actions, suits or proceedings pending or threatened against or affecting the Lessee in any court or before any governmental commission, board or authority that, if adversely determined, would have a material adverse effect on the ability of the Lessee to perform its obligation(s) under the Lease Documents.
6. All required public bidding procedures, if any, regarding an award to Lessor of the transactions contemplated under the Lease Documents have been properly and completely followed by the Lessee.
7. The Lessee shall be the only entity to possess, operate and use the Equipment during the Term (as defined in the Equipment Schedule).

Lessor and Lessor's successors and assigns may rely upon the opinions set forth herein.

Counsel

By: _____

Title: _____

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CITY OF KETCHUM

PO BOX 2315 * 191 5TH ST. * KETCHUM, ID 83340
Administration 208-726-3841 (fax) 208-726-8234

PURCHASE ORDER

BUDGETED ITEM? ____ Yes ____ No

PURCHASE ORDER - NUMBER: 25127

To: 6335 FIRST AMERICAN EQUIPMENT FINANCE 211 HIGH POINT DRIVE VICTOR NY 14564	Ship to: CITY OF KETCHUM PO BOX 2315 KETCHUM ID 83340
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P. O. Date	Created By	Requested By	Department	Req Number	Terms
05/14/2025	BDAVIS	BDAVIS			

Quantity	Description	Unit Price	Total
1.00	STREET SWEEPER LEASE PURCHASE 03-4310-7125	52,623.17	52,623.17
	SHIPPING & HANDLING		0.00
	TOTAL PO AMOUNT		52,623.17

Authorized Signature