

## ASSIGNMENT

This Assignment, dated **October 29**, 2014 is hereby given by **M.S.T. Government Leasing, LLC**, a New Hampshire limited liability company with a mailing address of P.O. Box 190, Gorham, New Hampshire 03581 ("Assignor"), to **Norway Savings Bank**, 261 Main St, P.O. Box 347, Norway, Maine 04268 ("Assignee").

### WITNESSETH:

**WHEREAS**, Assignor has entered into that certain Master Tax-Exempt Lease/Purchase Agreement dated **August 2, 2014** and Property Schedule No. 1 dated **August 2, 2014** (the "Agreement"), with **Regional School Unit #23** ("Lessee"), pursuant to which the equipment more particularly described therein (the "Equipment") is being lease-purchased by Lessee under the terms stated in the Agreement;

**WHEREAS**, Assignor desires to sell, assign and transfer to Assignee, Assignor's right, title and interest in, to and under the Agreement and the Equipment upon the terms and conditions stated below;

**NOW, THEREFORE**, in consideration of these premises, the covenants contained herein, the payment by Assignee to Assignor of the Principal Amount (as defined in the Agreement) of the Property described in Property Schedule No. 1 of the Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor hereby sells, transfers, delivers, grants a security interest in, and assigns to Assignee, its successors and assigns, without recourse, except as specifically set forth below, all of its right, title and interest in, to and under the following items:

(1) the Agreement, together with all amendments, agreements, documents and writings relating thereto, including without limitation, the right to receive any and all rental payments and other payments due thereunder, and

(2) the Equipment, including without limitation, a first priority security interest in and to the Equipment.

Assignor is not assigning any of its duties or obligations under the Agreement to Assignee, and Assignee shall not be deemed to have assumed any of those obligations by virtue of this Assignment.

Assignor irrevocably constitutes and appoints Assignee and any present or future officer or agent of Assignee, or the successors or assigns of Assignee, as its lawful attorney with full power of substitution and re-substitution, and in the name of Assignor or otherwise, to collect and to sue in any court for payments due or to become due under the Agreement, or any part thereof, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Agreement upon such terms as Assignee in its discretion may deem to be in its best interest, all without notice to or consent of Assignor, and, further, to take possession and to endorse in the name of Assignor any instrument for the payment of money received on account of the payments due under the Agreement.

Assignor has or will immediately after the execution of this Assignment authorize and direct Lessee in writing, to pay to Assignee, its successors and assigns, all payments due or to become due under the Agreement from and after the date of this Assignment by forwarding such payments to the address set forth above, a copy of which authorization and direction, acknowledged by Lessee has been or will be furnished to Assignee.

Assignor hereby represents, warrants and covenants to and with Assignee as follows:

(a) Assignor is duly organized, validly existing and in good standing under the laws of the state of Maine, with powers and authority to own its property and carry on its business as now being conducted.

(b) Assignor is duly qualified to transact business and hold property in every state where the Equipment is located.

(c) Assignor has full power, authority and legal right to enter into and perform its obligations under this Assignment and the Agreement, and the execution, delivery and performance hereof and thereof has been duly authorized by all necessary actions on the part of Assignor, and does not require any other approval or the approval or consent of any trustee or holder of any indebtedness or obligations of Assignor unless such required approvals and consents have been duly obtained.

(d) The execution, delivery and performance of this Assignment and the Agreement do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which Assignor is a party or by which it or its property is bound.

(e) This Assignment and the Agreement are legal, valid and binding contracts of the Assignor, enforceable according to their terms, except as such enforcement is subject to applicable principles of equity and moratoriums and laws affecting creditor's rights generally.

(f) There is no pending or threatened action or proceeding before any court or administrative agency which will adversely affect the ability of Assignor to perform its obligations under this Assignment and the Agreement.

(g) Assignor has no knowledge of any facts or information which:

- (i) impairs the validity of the Agreement;
- (ii) makes the Agreement less valuable; or
- (iii) if presented or disclosed to Assignee, would have materially influenced Assignee's decision to execute this Assignment.

(h) There are no oral or written agreements that would affect, modify or impair the Agreement, which is the final and complete understanding between Assignor and the Lessee with respect to the Agreement and the Equipment.

(i) Except with respect to Lessee's interest, Assignor is the sole legal and beneficial owner of the Agreement and the Equipment being assigned hereby. The Agreement and the Equipment are free and clear of all claims, liens, security interests and encumbrances of any kind or character, except as contemplated in the Agreement. The Agreement and the Equipment are and shall remain free of all claims, liens, security interests and encumbrances arising through any act or omission of Assignor.

(j) Assignor has complied with and performed all obligations of the Lessor under the Agreement and all related documents and instruments.

(k) The Agreement delivered to Assignee herewith is an original and constitutes the entire writing, obligation and agreement between the Assignor and the Lessee respecting the Equipment, the purchase thereof and the payment therefor by the Lessee.

(l) The Agreement is in full force and effect and there is currently no default in the performance of any obligation thereunder and the Lessee has not asserted any set-off, counterclaim or defense with respect to its obligations under the Agreement.

(m) The Equipment has been delivered to and accepted by Lessee in a condition satisfactory to Lessee.

Assignor does hereby agree to indemnify, defend and hold Assignee, its successors and assigns and their respective officers, directors, employees, agents, and affiliated entities harmless from and against all claims, losses, costs and expenses arising from or growing out of the failure of Assignor to keep or perform any of the warranties,

covenants or agreements contained in this Assignment or the Agreement or arising from or growing out of the operation of, or attempt to operate, the Equipment.

Assignor from time to time, at the request of the Assignee, shall execute and deliver such further acknowledgments, agreements and instruments of assignment, transfer and assurance, including bills of sale for the Equipment, and do all such further acts and things as may be necessary or appropriate in the reasonable opinion of Assignee to give effect to the provisions hereof and to more perfectly confirm the rights, titles and interests hereby assigned and transferred to Assignee.

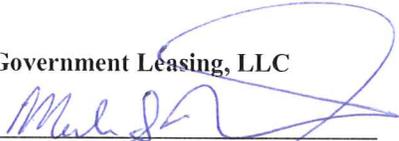
This Assignment (including without limitation all representations, warranties and covenants) shall be binding on Assignor and Assignee and their respective successors and assigns, and will inure to the benefit of Assignor and Assignee and their successors and assigns (including without limitation any subsequent assignees of any right, title or interest assigned hereby). Assignor hereby subordinates to the rights of Assignee against the Lessee any rights Assignor may now or hereafter have or acquire against Lessee.

In the event of a breach of any of the foregoing representation, warranties, agreements, or covenants by Assignor, Assignor shall, in addition to the indemnification provisions contained herein, upon demand of Assignee following such breach, repurchase the Agreement for an amount equal to the aggregate unpaid principal balance due thereunder plus accrued interest to the date of repurchase.

This Assignment will be governed by the laws of the State of Maine.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first above written.

**M.S.T. Government Leasing, LLC**

By 

Print Name Merle S. Tilton, Jr.

Title Manager

**Norway Savings Bank**

By 

Print Name Tina Ruhland

Title Asst. Vice President

## MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT

BETWEEN: M.S.T. Government Leasing, LLC (“Lessor”)  
P.O. Box 190  
Gorham, New Hampshire 03581

AND: **Regional School Unit #23** (“Lessee”)  
**28 Jameson Hill Road**  
**Old Orchard Beach, Maine 04064**  
**Lloyd Crocker, Superintendent of Schools**  
Telephone: (207) 934-5751 x 121  
Fax: (207) 934-1917

DATED: **August 2, 2014**

### ARTICLE I

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

“**Agent**” means any agent for the Registered Owners, if any, to which all or a portion of Lessor’s right, title and interest in, to, and under a Property Schedule, and the Property under such Property Schedule may be assigned for the benefit of the Registered Owners of Lease Participation Certificates in such Property Schedule.

“**Agreement**” means this Master Tax-Exempt Lease/Purchase Agreement, including all exhibits and schedules attached hereto.

“**Commencement Date**” is the date when the term of a Property Schedule and Lessee’s obligation to pay rent thereunder commences, which date shall be set forth in the Property Schedule.

“**Event of Nonappropriation**” is defined in Section 6.06.

“**Event of Default**” is defined in Section 13.01.

“**Lease Participation Certificates**” means certificates evidencing a right to receive a share of Rental Payments payable under a Property Schedule and Purchase Price Payments payable under a Property Schedule and any other rights set forth herein with respect to the Property under said Property Schedule.

“**Lease Term**” means, with respect to a Property Schedule, the Original Term and all Renewal Terms. The Lease Term for each Property Schedule executed hereunder shall be set forth in such Property Schedule, as provided in Section 4.02.

**“Lessee”** means the entity identified as such in first paragraph hereof, and its permitted successors and assigns.

**“Lessor”** means the entity identified as such on Page 1 hereof, and its successors and assigns.

**“Original Term”** means, with respect to a Property Schedule, the period from the Commencement Date until the end of the budget year of Lessee in effect at the Commencement Date.

**“Principal Amount”** means that portion of the Rental Payments for the Property described in a Property Schedule hereunder which is allocable to the payment of principal and not interest by Lessee with regard to the Property.

**“Property”** means, collectively, the property lease/purchased pursuant to this Agreement, and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article IX.

**“Property Schedule”** means a Property Schedule in the form attached hereto for Property Schedule 1. Subsequent Property Schedules pursuant to this Agreement shall be numbered consecutively, beginning with Property Schedule 2.

**“Purchase Price”** means the amount that Lessee may, in its discretion, pay to Lessor to purchase the Property under a Property Schedule, as provided in Section 11.01 and as set forth in the Property Schedule.

**“Registered Owners”** means the registered owners of Lease Participation Certificates in a Property Schedule as shown on the registration books maintained by the Agent.

**“Renewal Terms”** means the renewal terms of a Property Schedule, each having a duration of one year and a term coextensive with Lessee’s budget year.

**“Rental Payments”** means the rental payments payable by Lessee under Article VI of this Agreement and each Property Schedule, as set forth in each Property Schedule.

**“Rental Payments Dates”** means the rental payments dates for the Rental Payments as set forth in each Property Schedule.

**“State”** means the state in which Lessee is located.

**“Vendor”** means the manufacturer or contractor of the Property as well as the agents or dealers of the manufacturer or contractor from whom Lessor or Lessee purchased or is purchasing all or any portion of the Property.

## ARTICLE II

**2.01**        Property Schedules Separate Financings. Each Property Schedule executed and delivered under this Agreement shall be treated as a separate financing, distinct from other Property Schedules. Without limiting the foregoing, upon the occurrence of an Event of Default or an Event of Nonappropriation with respect to a Property Schedule, Lessor shall have the rights and remedies specified herein with respect to the Property financed and the Rental Payments payable under such Property Schedule, and except as expressly provided in Section 12.02 below, Lessor shall have no rights or remedies with respect to Property financed or Rental Payments payable under any other Property Schedule unless an Event of Default or Event of Nonappropriation has also occurred under such other Property Schedule.

## ARTICLE III

**3.01**        Covenants of Lessee. As of the Commencement Date for each Property Schedule executed and delivered hereunder, Lessee shall be deemed to represent, covenant and warrant for the benefit of Lessor, any Agent, and any Registered Owners, as follows:

- (a)        Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Property Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder.
- (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 body corporate and politic. To the extent Lessee should merge with another entity under the laws of the State, Lessee agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned Lessee's rights and shall assume Lessee's obligations hereunder.
- (c)        Lessee has been duly authorized to execute and deliver this Agreement and the Property Schedule by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Property Schedule, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the Property Schedule and the acquisition by Lessee of the Property thereunder. On or before the Commencement Date for the Property Schedule, Lessee shall cooperate fully with Lessor to assist in the provision of an opinion of Lessor's bond counsel in substantially the form attached to the form of the Property Schedule as Exhibit 2.

- (d) During the Lease Term for the Property Schedule, the Property thereunder will perform, and will be used by Lessee only for the purpose of performing, essential governmental uses and public functions within the permissible scope of Lessee's authority.
- (e) Upon written request by Lessor, Lessee will provide Lessor with current financial statements, budgets, and proof of appropriation for the ensuing budget year and other financial information relating to the ability of Lessee to continue this Agreement and Property Schedule in such form and containing such information as may be requested by Lessor.
- (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Rental Payments under the Property Schedule and will not use or permit the use of the Property in such a manner as to cause a Property Schedule to be a "private activity bond" under Section 141(a) of the Code. Lessee covenants and agrees that it will use the proceeds of the Property Schedule as soon as practicable and with all reasonable dispatch for the purpose for which the Property Schedule has been entered into, and that no part of the proceeds of the Property Schedule shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement or a Property Schedule, would have caused any portion of the Property Schedule to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Property Schedule.
- (g) The execution, delivery and performance of this Agreement and the Property Schedule and compliance with the provisions hereof and thereof by Lessee does not conflict with or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease, or other instrument to which Lessee is a party or by which it is bound by any law or any rule, regulation, order, or decree of any court, governmental agency or body having jurisdiction over Lessee or any of its activities or properties resulting in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any property or asset of Lessee or to which it is subject.

## ARTICLE IV

**4.01**            Lease of Property. On the Commencement Date of each Property Schedule executed hereunder, Lessor will be deemed to demise, lease, and let to Lessee, and Lessee will be deemed to rent, lease, and hire from Lessor, the Property described in such Property Schedule, in accordance with this Agreement and such Property Schedule, for the Lease Term set forth in such Property Schedule.

**4.02**            Lease Term. The term of each Property Schedule shall commence on the Commencement Date set forth herein and shall terminate upon payment of the final Rental Payment set forth in such Property Schedule and the exercise of the Purchase Option described in Section 11.01, unless terminated sooner pursuant to this Agreement or the Property Schedule.

**4.03**            Delivery, Installation, and Acceptance of Property. Lessee shall order the Property, shall cause the Property to be delivered and installed at the locations specified in the applicable Property Schedule and shall pay all taxes, delivery costs, and installation costs, if any, in connection therewith. To the extent funds are deposited under an escrow agreement or trust agreement for the acquisition of the Property, such funds shall be disbursed as provided therein. When the Property described in such Property Schedule is delivered, installed, and accepted as to Lessee's specifications, Lessee shall immediately accept the Property and evidence said acceptance by executing and delivering to Lessor the Acceptance Certificate substantially in the form attached to the Property Schedule.

## ARTICLE V

**5.01**            Enjoyment of Property. Lessee shall during the Lease Term peaceably and quietly have, hold, and enjoy the Property, without suit, trouble, or hindrance from Lessor, except as expressly set forth in this Agreement. No Registered Owner shall interfere with such quiet use and enjoyment during the Lease Term so long as Lessee is not in default under the subject Property Schedule.

**5.02**            Location; Inspection. The Property will be initially located or based at the location specified in the applicable Property Schedule. Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Property.

## ARTICLE VI

**6.01**            Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and that neither such obligation or any other provision hereunder limiting or restricting Lessee's right of nonappropriation shall in any way be construed to be or be deemed to be a debt of Lessee in contravention of any applicable constitutional, statutory, or charter limitation or requirement concerning the creation of

indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the faith and credit or taxing power of Lessee. Upon the appropriation of Rental Payments for a fiscal year, the Rental Payments for said fiscal year, and only the Rental Payments for said current fiscal year, shall be a binding obligation of Lessee; provided that such obligation shall not include a pledge of the taxing power of Lessee.

**6.02 Payment of Rental Payments.** Lessee shall promptly pay Rental Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Lessor in such amounts and on such dates as described in the applicable Property Schedule, at Lessor's address set forth on the first page of this Agreement, unless Lessor instructs Lessee otherwise. Lessee shall pay Lessor a charge on any delinquent Rental Payments under a Property Schedule in an amount sufficient to cover all additional costs and expenses incurred by Lessor and Agent from such delinquent Rental Payment. In addition, for each Rental Payment that is not received within 10 days after the Rental Payment Date for such Rental Payment Lessee shall pay a late charge of seven cents per dollar or a minimum of \$30, whichever is greater, on all such delinquent Rental Payments.

**6.03 Interest Component.** A portion of each Rental Payment due under each Property Schedule is paid as, and represents payment of, interest, and each Property Schedule hereunder shall set forth the interest component (or method of computation thereof) of each Rental Payment thereunder during the Lease Term.

**6.04 Rental Payments to be Unconditional.** SUBJECT TO SECTION 6.06, THE OBLIGATIONS OF LESSEE TO PAY THE RENTAL PAYMENTS DUE UNDER THE PROPERTY SCHEDULES AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS, OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION, OR UNFORESEEN CIRCUMSTANCE. THIS PROVISION SHALL NOT LIMIT LESSEE'S RIGHTS OR ACTIONS AGAINST ANY VENDOR AS PROVIDED IN SECTION 10.02.

**6.05 Continuation of Lease by Lessee.** Lessee intends to continue all Property Schedules entered into pursuant to this Agreement and to pay the Rental Payments thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the term of all Property Schedules can be obtained. Lessee agrees that its staff will provide during the budgeting process for each budget year to the governing body of Lessee notification of any Rental Payments due under the Property Schedules during the following budget year. Notwithstanding this covenant, if Lessee fails to appropriate the Rental Payments for a Property Schedule pursuant to Section 6.06, such Property Schedule shall terminate. Although Lessee has made this covenant, in the event that it fails to provide such notice, no remedy is provided and Lessee shall not be liable for any damages for its failure to so comply.

**6.06 Non-Appropriation.** If, as part of a budget finally approved for Lessee for a fiscal year, sufficient funds are not appropriated to make Rental Payments required under a

Property Schedule, such Property Schedule shall terminate as of the end of the last fiscal year for which sufficient funds have been appropriated, and Lessee shall not be obligated to make Rental Payments under said Property Schedule beyond the last fiscal year for which funds have been appropriated. Upon the occurrence of such nonappropriation (an "Event of Nonappropriation") Lessee shall, either (1) at the end of the fiscal year for which Rental Payments have been appropriated, or (2) within ten (10) days after an Event of Nonappropriation, whichever is later, deliver possession of the Property under said Property Schedule to Lessor. If Lessee fails to deliver possession of the Property to Lessor upon termination of said Property Schedule by reason of an Event of Nonappropriation, either (1) at the end of the last fiscal year for which funds have been appropriated, or (2) within ten (10) days after an Event of Nonappropriation, whichever is later, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Rental Payments coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. In addition, Lessor may, by written instructions to the Agent or to any other escrow agent who is holding proceeds of the Property Schedule, instruct the Agent or such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to Lessee's obligations under the Property Schedule and this Agreement. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Rental Payments, but failure to provide such notice shall not operate to extend the Lease term or result in any liability to Lessee.

**6.07**            **Nonsubstitution.** In the event of non-appropriation of funds for Property described in a Property Schedule, Lessee shall not purchase, lease, rent, seek appropriations for or otherwise obtain like Property for a similar purpose, for a period of one (1) year after the date of termination of such Property Schedule.

**6.08**            **Defeasance of Rental Payments.** Lessee may at any time irrevocably deposit in escrow with a defeasance escrow agent for the purpose of paying all of the principal component and interest component accruing under a Property Schedule, a sum of cash and non-callable securities consisting of direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof, in such aggregate amount, bearing interest at such rates and maturing on such dates as shall be required to provide funds sufficient for this purpose. Upon such defeasance, all right, title, and interest of Lessor in the Property under said Property Schedule shall terminate. Lessee shall cause such investment to comply with the requirements of federal tax law so that the exclusion from gross income of the interest component of Rental Payments on said Property Schedule is not adversely affected.

## **ARTICLE VII**

**7.01**            **Title to the Property.** Upon acceptance of the Property by Lessee and unless otherwise required by the laws of the State, title to the Property shall vest in Lessee, subject to Lessor's interests under the applicable Property Schedule and this Agreement.

7.02 **Personal Property.** The Property is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Property from any party having an interest in any such real estate or building.

7.03 **Security Interest.** To secure the performance of all of Lessee's obligations under this Agreement, Lessee grants to Lessor, for the benefit of Lessor and its successors and assigns, a security interest constituting a first lien on Lessee's interest in the Property, all additions, attachments, alterations and accessions to the Property, all substitutions and replacements for the Property, and on any proceeds of any of the foregoing. Lessee shall execute any additional documents, including financing statements, affidavits, notices, and similar instruments, in form and substance satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain a security interest in the Property in favor of Lessor and its successors and assigns. Lessee's signature upon, or other authentication of, this Agreement shall authorize Lessor, its successors or assigns, to file one or more financing statements and amendments thereto, to perfect and keep perfected the security interest granted to Lessor under this Agreement.

7.04 **Substitution.** Lessee may substitute for all or any portion of the Property under a Property Schedule personal property of approximately equal or greater market value and with an equal or greater useful life. In the event of any such substitution, Lessee shall deliver to Lessor a certification that the personal property proposed to be substituted has approximately equal or greater market value and an equal or greater useful life as the portion of the Property being substituted for, together with an opinion of counsel acceptable to Lessor to the effect that the proposed substitution will not adversely affect the exemption of the interest component of Rental Payments under the Property Schedule from federal income taxation. Lessee shall be responsible for all costs and expenses of Lessor, including counsel fees, for any such substitution. Lessee shall cause all financing statements, fixture filings, certificates of title, affidavits, notices, and similar instruments, to be made or filed in a timely manner to secure and perfect the security interest of Lessor in the substituted property.

## **ARTICLE VIII**

8.01 **Maintenance of Property by Lessee.** Lessee shall keep and maintain the Property in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate, and maintain the Property in conformity with all laws and regulations concerning the Property's ownership, possession, use, and maintenance, and shall keep the Property free and clear of all liens and claims, other than those created by this Agreement. Lessee shall have sole responsibility to maintain and repair the Property.

8.02 **Liens, Taxes, Other Governmental Charges, and Utility Charges.** Lessee shall keep the Property free of all levies, liens, and encumbrances, except for the interest of Lessor under this Agreement. The parties to this Agreement contemplate that the Property will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Property will

be exempt from all property taxes. The Rental Payments payable by Lessee under this Agreement and the Property Schedules hereunder have been established to reflect the savings resulting from this exemption from taxation. Lessee will take such actions necessary under applicable law to obtain said exemption. Nevertheless, if the use, possession or acquisition of the Property is determined to be subject to taxation or later becomes subject to such taxes, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Lessee shall pay all gas, water, steam, electricity, heat, power, telephone, utility, and other charges incurred in the operation, maintenance, use occupancy, and upkeep of the Property. Lessee shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the then current fiscal year of the Lease Term for such Property.

**8.03**            **Insurance.** At its own expense, Lessee shall maintain (a) casualty insurance insuring the Property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount equal to at least the outstanding principal component of Rental Payments, and (b) liability insurance that protects Lessor from liability in all events in an amount reasonably acceptable to Lessor, and (c) worker's compensation insurance covering all employees working on, in, near, or about the Property; provided that Lessee may self-insure against all such risks. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. All such insurance shall be with insurers that are authorized to issue such insurance in the State. All such liability insurance shall name Lessor as an additional insured. All such casualty insurance shall contain a provision making any losses payable to Lessor and Lessee as their respective interests may appear. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Lessor and Lessee at least thirty (30) days in advance of such cancellation or modification. Such changes shall not become effective without Lessor's prior written consent. Lessee shall furnish to Lessor, on or before the Commencement date for each Property Schedule, and thereafter at Lessor's request, certificates evidencing such coverage, or, if Lessee self-insures, a written description of its self-insurance program together with a certification from Lessee's risk manager or insurance agent or consultant to the effect that Lessee's self-insurance program provides adequate coverage against the risks listed above.

**8.04**            **Advances.** In the event Lessee shall fail to maintain the insurance required by this Agreement Lessor may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof. All amounts so advanced by Lessor shall constitute additional rent for the Lease Term for the Property Schedule for which the Property is under and shall be due and payable on the next Rental Payment Date and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the date such amounts are advanced until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

## ARTICLE IX

**9.01            Damage or Destruction.** If (a) the Property under a Property Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property under a Property Schedule or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm, or corporation acting pursuant to governmental authority, Lessor and Lessee will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award, or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification, or improvement of the Property, unless Lessee shall have exercised its right to defease the Property Schedule as provided herein, or unless Lessee shall have exercised its option to purchase Lessor's interest in the Property if the Property Schedule so provides. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of Section 8.03 and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award, or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

**9.02            Insufficiency of Net Proceeds.** If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification, or improvement referred to in Section 9.01, Lessee shall (a) complete such replacement, repair, restoration, modification, or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, 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 6.02, or (b) defease the Property Schedule pursuant to Section 6.07, or (c) exercise its option to purchase Lessor's interest in the Property pursuant to the optional purchase provisions of the Property Schedule, if any. The amount of the Net proceeds, if any, remaining after completing such repair, restoration, modification, or improvement or after such defeasance or purchase may be retained by Lessee.

## ARTICLE X

**10.01            Disclaimer of Warranties.** LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION, OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT, OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE. Lessee acknowledges that it has made (or will make) the selection of the Property from the Vendor based on its own judgment and expressly disclaims any reliance upon any statements or

representations made by Lessor. Lessee understands and agrees that (a) neither the Vendor nor any sales representative or other agent of Vendor, is (i) an agent of Lessor, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. In no event shall Lessor be liable for any incidental, indirect, special, or consequential damage in connection with or arising out of this agreement, the Property Schedules, or the existence, furnishing, functioning, or use of any item, product or service provided for in this Agreement or the Property Schedules.

**10.02**        **Vendor's Warranties.** Lessor hereby irrevocably assigns to Lessee all rights that Lessor may have to assert from time to time (including without limitation warranties) related to the Property against the Vendor. Lessee's sole remedy for the breach of such warranty, indemnification, or representation shall be against the Vendor of the Property, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property. Notwithstanding anything to the contrary contained herein, such warranty rights and other rights to assert against the Vendor regarding the Property shall run with the Property. In the event Lessor realizes upon its security interest hereunder, or ownership in the Property otherwise vests in Lessor or another, such rights against Vendor shall automatically transfer with the Property.

**10.03**        **Use of the Property.** Lessee will not install, use, operate, or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement and the applicable Property Schedule. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Property. In addition, Lessee agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Property may extend and any legislative, executive, administrative, or judicial body exercising any power or jurisdiction over the items of the Property; provided that Lessee may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Property or its interest or rights under this Agreement. Lessee shall promptly notify Lessor in writing of any pending or threatened investigation, inquiry, claim, or action by any governmental authority which could adversely affect this Agreement, any Property Schedule, or the Property thereunder.

**10.04**        **Modifications.** Subject to the provisions of this Section, Lessee shall have the right, at its own expense, to make alterations, additions, modifications, or improvements to the Property. All such alterations, additions, modifications, and improvements shall thereafter comprise part of the Property and shall be subject to the provisions of this Agreement. Such alterations, additions, modifications, and improvements shall not in any way damage the Property, substantially alter its nature or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, on completion of any alterations, additions, modifications, or improvements made pursuant to this Section, shall be of a value which is equal to or greater than the value of the Property immediately prior to the making of such alterations, additions, modifications, and improvements. Lessee shall, at its own

expense, make such alterations, additions, modifications, and improvements to the Property as may be required from time to time by applicable law or by any governmental authority.

## ARTICLE XI

**11.01        Option to Purchase.** Lessee shall have the option to purchase Lessor's entire interest in all of the Property subject to a Property Schedule and to terminate any restrictions herein on the Property Schedule on the last day of the Lease Term for a Property Schedule, if the Property Schedule is still in effect on such day, upon payment in full of the Rental Payments due thereunder plus payment of One (1) Dollar to Lessor. Lessee shall give written notice to Lessor of its intent to purchase Lessor's interest in the Property at least sixty (60) days prior to the last day of the Lease Term for the applicable Property Schedule. Upon exercise of the purchase option as set forth in this Section 11.01 and payment of the purchase price under the applicable Property Schedule, and performance by Lessee of all other terms, conditions, and provisions hereof, Lessor shall deliver to Lessee all such documents and instruments as Lessee may reasonably require to evidence the transfer, without warranty by or recourse to Lessor, of all of Lessor's right, title, and interest in and to the Property subject to such Property Schedule to Lessee.

**11.02        Option to Prepay.** Lessee shall have the option to prepay the Rental Payments due under a Property Schedule, but only if the Property Schedule so provides, and on the terms set forth in the Property Schedule.

## ARTICLE XII

**12.01        Assignment by Lessor.** Lessor's right, title and interest in, to, and under each Property Schedule and the Property under such Property Schedule may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor and, to the extent of their interest, by any Registered Owner, without the necessity of obtaining the consent of Lessee; provided that (i) any assignment, other than an assignment to or by a Registered Owner, shall not be effective until Lessee has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee, and (ii) any assignment to or by a Registered Owner shall not be effective until it is registered on the registration books kept by the Agent. Lessee shall retain all such notices as a register of all assignees (other than Registered owners) and shall make all payments to the assignee or assignees designated in such register or, in the case of Registered Owners, to the Agent. In the event that Lessor's interest in a Property Schedule and the Property thereunder is assigned to the Agent, Lease Participation Certificates in that Property Schedule may be executed and delivered by the Agent to Registered Owners. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in this Agreement and the Property Schedules.

**12.02        Property Schedules Separate Financings.** Assignees of Lessor's rights in one Property Schedule shall have no rights in any other Property Schedule unless such rights have

been separately assigned. Lessor may collectively assign two or more Property Schedules with the same Commencement Date to the Agent for the purpose of causing the execution and delivery of Lease Participation Certificates in the Property Schedules with the same Commencement Date. Such assignment shall occur on such Commencement Date and upon such assignment all Property Schedules so assigned shall be treated as a single financing and a single Property Schedule with respect to rights and remedies upon the occurrence of an Event of Default or an Event of Nonappropriation under this Agreement. Registered Owners' rights with respect to the Property Schedules shall be determined as provided in the escrow agreement or trust agreement relating to such Lease Participation Certificates.

**12.03**        **Assignment and Subleasing by Lessee.** NONE OF LESSEE'S RIGHT, TITLE, AND INTEREST IN, TO, AND UNDER THIS AGREEMENT AND IN THE PROPERTY MAY BE ASSIGNED, SUBLEASED OR ENCUMBERED BY LESSEE FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR.

**12.04**        **Release and Indemnification Covenants.** To the extent permitted by applicable law, Lessee shall indemnify, protect, hold harmless, save, and keep harmless Lessor from and against any and all liability, obligation, loss, claim, and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties, and interest (collectively, "Losses") arising out of Lessee's ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any item of the Property, or any accident in connection with the operation, use, condition, possession, storage, or return of any item of the Property resulting in damage to property or injury to or death to any person; provided, however, that Lessee shall not be required to indemnify Lessor for Losses not expressly described herein, including Losses arising out of or resulting from Lessor's own willful or negligent conduct, or for Losses arising out of or resulting from Lessor's preparation of disclosure material relating to Lease Participation Certificates (other than disclosure material provided to Lessor by Lessee). The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement, or the applicable Property Schedule, or the termination of the Lease Term for such Property Schedule for any reason.

### **ARTICLE XIII**

**13.01**        **Events of Default Defined.** Any of the following shall constitute an "Event of Default" under a Property Schedule:

- (a) Other than by reason of an Event of Nonappropriation, failure by Lessee to pay any Rental Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein:
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice, specifying such failure and

requesting that it be remedied, is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

- (c) Any statement, representation or warranty made by Lessee in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading, or breached in any material respect on the date when made;
- (d) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian, or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail, or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking organization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or
- (e) An order, judgment, or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian, or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

The foregoing provisions of Section 13.01 are subject to the following limitation: If by reason of force majeure Lessee is unable in whole or in part to perform its obligations under this Agreement and the Property Schedule (other than the obligations on the part of Lessee contained in Article VI hereof) Lessee shall not be in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, droughts, floods, explosions, breakage, or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

**13.02 Remedies on Default.** Whenever any Event of Default exists with respect to a Property Schedule, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Without terminating the Property Schedule, and by written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee thereunder to the end of the then-current budget year of Lessee to be due, including without limitation delinquent Rental Payments under the Property Schedule from prior budget years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less;
- (b) Lessor may terminate the Property Schedule, may enter the premises where the Property subject to the Property Schedule is located and retake possession of the Property, or require Lessee, at Lessee's expense, promptly to return any or all of the Property to the possession of Lessor at such place within the United States as Lessor shall specify, and Lessor may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code in effect in the State; provided, however, that any proceeds from the disposition of the property in excess of the sum required to (i) defease the Property Schedule pursuant to Section 6.07, (ii) pay any other amounts then due under the Property Schedule, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto, and further provided that no deficiency shall be allowed against Lessee;
- (c) By written notice to the Agent, if any, Lessor may instruct the Agent to apply all sums held by the Agent in any accounts relating to the Property Schedule under the applicable escrow or trust agreement as provided in the applicable escrow or trust agreement.
- (d) By written notice to any escrow agent (other than the Agent) who is holding proceeds of the Property Schedule, Lessor may instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to payment of Lessee's obligations under the Property Schedule;
- (e) Lessor may take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and this Agreement.

**13.03 No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor

to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

**13.04**            **Costs and Attorney Fees.** Upon the occurrence of an Event of Default by Lessee in the performance of any term of this Agreement, Lessee agrees to pay to Lessor or reimburse Lessor for, in addition to all other amounts due hereunder, all of Lessor's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Lessee, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

#### **ARTICLE XIV**

**14.01**            **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses set forth on Page One of this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee (other than a Registered Owner) at its address as it appears on the registration books maintained by Lessee and to any Registered Owner at its address as it appears on the registration books maintained by the Agent.

**14.02**            **Certification as to Arbitrage.** Unless a separate Certificate as to Arbitrage is delivered on the Commencement Date, Lessee shall be deemed to make the following representations, and covenants as of the Commencement Date for each Property Schedule:

- (a) The estimated total costs, including taxes, freight, installation, and cost of issuance, of the property under the Property Schedule will not be less than the total principal amount of the Rental Payments.
- (b) The Property under the Property Schedule has been ordered or is expected to be ordered within six months and the Property is expected to be delivered and installed, and the Vendor fully paid, within one year from the Commencement Date. Lessee will pursue completion of the acquisition and installation of the Property and the expenditure of the net proceeds of the Property Schedule with due diligence.
- (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments under the Property Schedule, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments under the Property Schedule.

- (d) The Property under the Property Schedule has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments under the Property Schedule.
- (e) There are no other obligations of Lessee which (i) are being sold within 15 days of the Commencement Date of the Property Schedule; (ii) are being sold pursuant to the same plan of financing as the Property Schedule; and (iii) are expected to be paid from substantially the same source of funds.
- (f) The officer or official who has executed the Property Schedule on Lessee's behalf is familiar with Lessee's expectations regarding the use and expenditure of the proceeds of the Property Schedule. To the best of Lessee's knowledge, information and belief, the facts and estimates set forth herein are accurate and the expectations of Lessee set forth herein are reasonable.

**14.03**        **Further Assurances.** Lessee agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Lessor, to perfect, confirm, establish, reestablish, continue, or complete the interests of Lessor in this Agreement and the Property Schedules, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and the Property Schedules.

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

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

**14.06**        **Waiver of Jury Trials.** Lessee and Lessor hereby irrevocably waive all right to trial by jury in any action, proceeding, or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Lessor or Lessee in the negotiation, administration, performance, or enforcement hereof.

**14.07**        **Amendments, Changes and Modifications.** This Agreement may be amended in writing by Lessor and Lessee to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of the applicable assignee or Agent, if any, shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedule.

**14.08**        **Execution in Counterparts.** This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

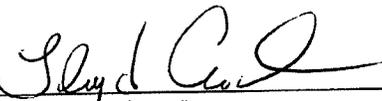
14.10 **Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

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

**Lessor: M.S.T. Government Leasing, LLC**

**Lessee: Regional School Unit #23**

By:   
Name: Merle S. Tilton, Jr.  
Title: Manager

By:   
Name: **Lloyd Crocker**  
Title: **Superintendent of Schools**

**ADDENDUM TO LEASE PURCHASE AGREEMENT  
BETWEEN M.S.T. GOVERNMENT LEASING, LLC AND REGIONAL SCHOOL UNIT #23**

This **ADDENDUM**, dated as of **August 2, 2014** is hereby attached to and is made a part of that certain Master Tax-Exempt Lease/Purchase Agreement between M.S.T. Government Leasing, LLC ("Lessor") and **Regional School Unit #23** ("Lessee"), dated as of **August 2, 2014** (the "Lease").

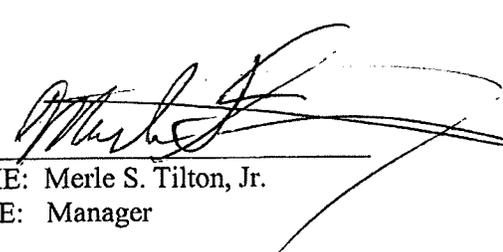
Notwithstanding anything to the contrary in the Lease, Lessor and Lessee agree as follows:

1. Lessor hereby assigns to Lessee any and all warranties and representations, express or implied, of the supplier, vendor or manufacturer and authorizes Lessee, so long as Lessee shall not be in default hereunder, to obtain the customary services furnished in connection therewith at Lessee's expense and to assert from time to time whatever claims and rights, including warranties, which Lessor may have against the vendor, manufacturer or supplier of such Equipment. Lessee's remedy for the breach of such warranty, indemnification or representation shall be against the vendor, manufacturer or supplier of such Equipment and not against the Lessor.
2. Any non-substitution clause or other Lease provision restricting or limiting Lessee's right to terminate the Lease upon the non-appropriation of funds for lease payments by the Legislative body of Lessee shall be enforceable only to the extent that such restriction or limitation is permitted by law and would not cause Lessee's obligation to make payments to be construed as a debt of Lessee in contravention of any constitutional or statutory requirement governing the creation of indebtedness by Lessee. Nothing in the Lease shall be deemed a pledge of general tax revenues, funds or monies of Lessee. The payment obligations of Lessee shall constitute a current expense of Lessee.
3. Any indemnification by Lessee of Lessor shall be to the extent permitted by law.

**IN WITNESS WHEREOF**, the parties have executed this **ADDENDUM** as of the date and year first above written.

**LESSOR:**  
**M.S.T. GOVERNMENT LEASING, LLC**

**LESSEE:**  
**REGIONAL SCHOOL UNIT #23**

BY:   
NAME: Merle S. Tilton, Jr.  
TITLE: Manager

BY:   
NAME: Lloyd Crocker  
TITLE: Superintendent of Schools

**Property Schedule No. 1**  
**Master Tax-Exempt Lease/Purchase Agreement**

---

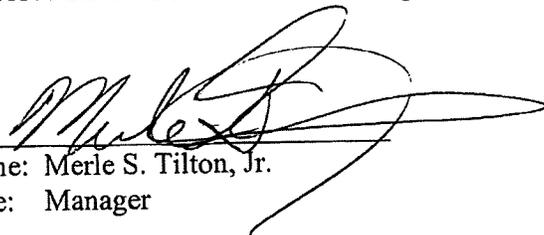
This **Property Schedule No. 1** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), dated as of **August 2, 2014**, between M.S.T. Government Leasing, LLC, as Lessor, and **Regional School Unit #23**, as Lessee.

1. **Interpretation.** The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants, and warranties made by Lessee in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. **Commencement Date.** The Commencement Date for this Property Schedule is **August 2, 2014**.
3. **Property Description and Payment Schedule.** The Property subject to this Property Schedule is described in Exhibit 1 hereto. Lessee shall not remove such property from the locations set forth therein without giving prior written notice to Lessor. The Rental Payment Schedule for the Property Schedule is set forth in Exhibit 1.
4. **Opinion.** The Opinion of Lessor's bond counsel is attached as Exhibit 2.
5. **Lessee's Certificate.** The Lessee's Certificate is attached as Exhibit 3.
6. **Proceeds.** Lessor shall disburse the proceeds of this Property Schedule in accordance with the instructions attached hereto as Exhibit 4.
7. **Acceptance Certificate.** The form of Acceptance Certificate is attached as Exhibit 5.
8. **Additional Purchase Option Provisions.** In addition to the Purchase Option provisions set forth in the Master Agreement, Rental Payments payable under this Property Schedule shall be subject to prepayment as follows: See termination amount in Exhibit 1 (Payment Schedule), subject to per diem adjustment. Rental Payments payable under this Property Schedule are subject to prepayment at any time without premium or penalty upon thirty (30) days notice to Lessor, and upon compliance otherwise with the terms of the Master Agreement.
9. **Bank Qualification, Arbitrage Rebate, and Certification as to Arbitrage.** Attached as Exhibit 6.

**IN WITNESS WHEREOF**, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

**Lessor: M.S.T. Government Leasing, LLC**

**Lessee: Regional School Unit #23**

By:   
Name: Merle S. Tilton, Jr.  
Title: Manager

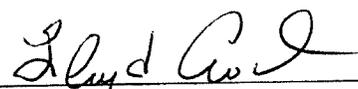
By:   
Name: **Lloyd Crocker**  
Title: **Superintendent of Schools**

EXHIBIT 1

**Property Description and Payment Schedule**

**RE: Property Schedule No. 1 to Master Tax-Exempt Lease/Purchase Agreement between M.S.T. Government Leasing, LLC (“Lessor”) and Regional School Unit #23 (“Lessee”), dated August 2, 2014.**

The Property is as follows: The Property more fully described in Exhibit A attached hereto and incorporated herein by reference.

**EQUIPMENT LOCATION:** As shown on Exhibit A, or throughout school administrative unit.

**USE:** Administration: this use is essential to the proper, efficient and economic functioning of Lessee and to the services that Lessee provides; and Lessee has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

**RENTAL PAYMENT SCHEDULE:** As shown on Exhibit B attached hereto and incorporated hereby by reference.

# Exhibit A

RSU # 23			
ID#	BuildingName	1stYearEquipment	Serial Number
3	Jameson Elementary School	Table Top KM bizhub 4020 42 CPM Black Photo RADF Duplex 1000 Sheets Paper Sort CIF-Print-Scan-Fax-Post Script	A6WD011001646
6	Jameson Elementary School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20143
4	Jameson Elementary School	Color Photo Xerox 7845PT2 45 CPM RADF Duplex 4-Paper Drawer 11 X 17 Finisher 3-Hole Punch CIF-Print-Scan-Fax-Hard Drive for Secure Print	MX4356514
7	Jameson Elementary School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9294758
1	Jameson Elementary School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20144
8	Jameson Elementary School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29625
9	Jameson Elementary School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F28744
10	Jameson Elementary School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9294760
12	Loranger Middle School	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3010763
13	Loranger Middle School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295628
14	Loranger Middle School	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3010813
16	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20155
18	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20147
17	Loranger Middle School	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3010806
19	Loranger Middle School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29713
20	Loranger Middle School	Color Photo Xerox 7845PT2 45 CPM RADF Duplex 4-Paper Drawer 11 X 17 Finisher 3-Hole Punch CIF-Print-Scan-Fax-Hard Drive for Secure Print	MX4356584

# Exhibit A

21	Loranger Middle School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29712
23	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20146
24	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20151
25	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20150
26	Loranger Middle School	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372761
27	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20156
29	Loranger Middle School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29685
30	Loranger Middle School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295607
31	Loranger Middle School	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372769
32	Loranger Middle School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29710
33	Loranger Middle School	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372765
34	Loranger Middle School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295659
35	Loranger Middle School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295647
37	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFF31845
47	Old Orchard Beach High	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3016730
39	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20139
42	Old Orchard Beach High	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29679
44	Old Orchard Beach High	Xerox 5875APT2 75 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295724
45	Old Orchard Beach High	Xerox 5875APT2 75 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9294751

## Exhibit A

46	Old Orchard Beach High	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3010762
48	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20132
51	Old Orchard Beach High	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29686
50	Old Orchard Beach High	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F28741
52	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20145
53	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20152
54	Old Orchard Beach High	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29708
56	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20149
57	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20135
60	Old Orchard Beach High	Table Top KM bizhub 3320 35 CPM Black Photo RADF Duplex 500 Sheets Paper Sort CIF-Print-Scan-Fax-Post Script	A6WP011004096
61	Operations Center	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372764
62	Operations Center	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372766
63	Operations Center	Color Photo Xerox 7845PT2 45 CPM RADF Duplex 4-Paper Drawer 11 X 17 Finisher 3-Hole Punch CIF-Print-Scan-Fax-Hard Drive for Secure Print	MX4356582
64	Pathway Alternative Education	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20142
67	RSU 23 Transition Program	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFC34529
66	RSU 23 Transition Program	Color Photo Xerox WC 7830 30 CPM RADF Duplex 4-Paper Drawer 11X 17 Finisher 3-Hole CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	MX1204132
11	Jameson Elementary School	KM BH 601 - 60 CPM RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	A0PP011008742
41	Old Orchard Beach High	NO Charge Recon Konica Minolta BH423 - 42 CPM CPM Black Photo RADF Duplex 4-Paper Drawer Finisher CIF-Print-Scan-Post Script-Hard Drive for Secure Print	A1UD011005006
58	Old Orchard Beach High	KM BH 601-60 CPM RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	A0PP011008022
65	Pathway Alternative Education	Konica Minolta BH363 - 36 CPM RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print	A1UE011002860

---

 RSU 23 - Old Orchard
 

---

Compound Period ..... : Annual

Nominal Annual Rate .... : 2.790 %

## CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	08/02/2014	153,444.16	1		
2 Payment	08/01/2015	33,314.64	5	Annual	08/01/2019

## AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

Date	Payment	Interest	Principal	Balance
Loan 08/02/2014				153,444.16
2014 Totals	0.00	0.00	0.00	
1 08/01/2015	33,314.64	4,328.66	28,985.98	124,458.18
2015 Totals	33,314.64	4,328.66	28,985.98	
2 08/01/2016	33,314.64	3,472.38	29,842.26	94,615.92
2016 Totals	33,314.64	3,472.38	29,842.26	
3 08/01/2017	33,314.64	2,639.78	30,674.86	63,941.06
2017 Totals	33,314.64	2,639.78	30,674.86	
4 08/01/2018	33,314.64	1,783.96	31,530.68	32,410.38
2018 Totals	33,314.64	1,783.96	31,530.68	
5 08/01/2019	33,314.64	904.26	32,410.38	0.00
2019 Totals	33,314.64	904.26	32,410.38	
Grand Totals	166,573.20	13,129.04	153,444.16	

Law Offices  
of  
**JOHN E. LAROUCHE**  
Civic Center Place  
5 Community Drive  
Augusta, Maine 04330

JOHN E. LAROUCHE

TELEPHONE  
(207) 623-3535  
TELECOPIER  
(207) 623-1931

M.S.T. Government Leasing, LLC  
P.O. Box 190  
Gorham, New Hampshire 03581

RE: Property Schedule No. 1 in the Principal Amount of **\$153,444.16**, to a Master Tax-Exempt Lease/Purchase Agreement between M.S.T. Government Leasing, LLC as Lessor, and **Regional School Unit #23**, as Lessee, dated as of **August 2, 2014**.

Ladies and Gentlemen:

We have acted as bond counsel to M. S. T. Government Leasing, LLC ("Lessor"), in connection with the Master Tax-Exempt Lease/Purchase Agreement, dated as of **August 2, 2014** (the "Master Agreement"), between Lessor and **Regional School Unit #23** ("Lessee"), and the execution of Property Schedule No. 1 (the "Property Schedule") pursuant to the Master Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and the Property Schedule. As to questions of fact material to our opinion, we have relied upon the representations of Lessee in the Master Agreement and the Property Schedule and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

On June 7, 2007, the Governor of Maine signed into law P.L. 2007, ch. 240 (effective June 7, 2007) which provides, in part, a process for consolidating the number of school administrative units in the State of Maine, such as Lessee, from a statewide total of 290 to no more than 80, no later than August 2, 2008. It is the intention of P.L. 2007, ch. 240 to reduce administrative costs, while honoring outstanding contracts and obligations such as lease-purchases according to their terms. Because it is uncertain to some extent how P.L. 2007, ch. 240 will be implemented by local school administrative units, it is uncertain how the implementation of P.L. 2007, ch. 240 will affect the likelihood of an Event of Nonappropriation occurring under a lease-purchase such as the above-referenced lease-purchase with Lessee during the term of such a lease-purchase.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State.

2. Lessee has all requisite power and authority to enter into the Master Agreement and the Property Schedule and to perform its obligations thereunder.

3. The execution, delivery and performance of the Master Agreement and the Property Schedule by Lessee has been duly authorized by all necessary action on the part of Lessee.

4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Master Agreement and the Property Schedule, the execution thereof, and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.

5. Lessee has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.

6. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery, and performance by Lessee of the Master Agreement and the Property Schedule.

7. The Master Agreement and the Property Schedule have been duly executed and delivered by Lessee and constitute legal, valid, and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization, or other laws or equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

9. The UCC Financing Statement filed in connection with the Property complies with all applicable legal requirements in the State of Maine including, without limitation, all applicable filing, recording, and registration laws and regulations, and is adequate and legally sufficient for the purpose of perfecting a lien on the Property as security for Lessee's obligations under the Master Agreement and the Property Schedule. The UCC Financing Statement for the property is being submitted on the date hereof for filing at the office of the Secretary of State of the State of Maine, and such filing will result in a legally valid and perfected lien on the Property. Except with respect to paragraph 10 below, no other or further filing in the State of Maine is necessary or appropriate to effect the purposes intended to be accomplished, as described in this paragraph 9, by the UCC Financing Statement.

10. No further or subsequent filing or refiling of the UCC Financing Statement or other instrument will be necessary in the State of Maine to perfect and continue the lien perfected by filing the UCC Financing Statement, except that a continuation statement, identifying the original financing statement by file number and date of filing, and stating that the original financing statement remains effective, must be filed under the UCC at the office of the Secretary of State of the State of Maine within six months before the expiration of five years from the date of such filing and subsequent continuation statements must likewise be filed, and amendments or supplements to the UCC Financing Statement are required to be filed in the event of an assignment of the security interest, or change in the name, location, or corporate structure of the Debtor described or in the event the UCC Financing Statement otherwise becomes inaccurate or incomplete.

11. Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder, and the portion of payments identified as the interest component of the rent (as set forth in the payment schedule attached to the Property Schedule) will not be includable in Federal gross income of the recipient under the statutes, regulations, court decisions and rulings existing on the date hereof and consequently will be exempt from Federal income taxes, as follows.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes requirements as a condition to the exemption from Federal Income taxation of the interest component of rent payable pursuant to the Property Schedule. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Property Schedule, requirements relating to the investment of such proceeds prior to expenditure, and the requirement that certain arbitrage earnings on the investment of such proceeds be rebated to the Federal government. Noncompliance with such requirements may cause the interest component of rent payable pursuant to the Property Schedule to become subject to Federal income taxation retroactive to the date of issuance of the Property Schedule.

For purposes of this opinion, I have examined the Code and the regulations adopted thereunder, the legislative history relating to the enactment of the Code, and such other matters of law as I have deemed appropriate. I have also examined the Master Agreement, Property Schedule, and associated documents submitted to me and relating to the Property Schedule. Based upon my examination, and assuming that Lessee complies throughout the term of the Property Schedule with the provisions and covenants set forth in the Master Agreement, Property Schedule, and such associated documents, I am of the opinion that, under existing statutes, regulations, and court decisions, the interest component of rent payable pursuant to the Property Schedule is not includable in the gross income of the recipients thereof for Federal income tax purposes pursuant to Section 103 of the Code.

This opinion may be relied upon by Lessor and its successors and assigns.

Very truly yours,

By: 

Dated: 10/28/14

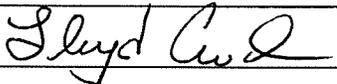
EXHIBIT 3

Lessee's Certificate

Re: **Property Schedule No. 1** to a Master Tax-Exempt Lease/Purchase Agreement between M.S.T. Government Leasing, LLC and **Regional School Unit #23**, dated as of **August 2, 2014**.

The undersigned, being the duly elected, qualified and acting **Superintendent and Chairperson of the Board of Directors of Regional School Unit #23** ("Lessee") do hereby certify, as of the date hereof as follows:

1. Lessee did, at a meeting of the governing body of the Lessee held **August 12, 2014** by resolution or ordinance duly adopted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement") by the following named representative of Lessee, to wit:

NAME OF EXECUTING OFFICIAL	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
<b>Lloyd Crocker</b>	<b>Superintendent of Schools</b>	
And/Or		

2. The above-named representative of the Lessee held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Lessee at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the action approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the State.

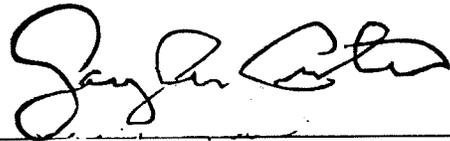
4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or an Event of Nonappropriation (as such terms is defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

5. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Lessee.

6. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoy in the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

**Regional School Unit #23**

By:  \_\_\_\_\_

Name:     Gary Curtis    

Title: **Chair, Board of Directors**

Date: \_\_\_\_\_

SIGNER MUST NOT BE THE SAME AS THE EXECUTING OFFICIAL(S) SHOWN ABOVE.

EXHIBIT 4

Payment of Proceeds Instructions

M.S.T. Government Leasing, LLC  
P.O. Box 190  
Gorham, New Hampshire 03581

Re: **Property Schedule No. 1** (the "Property Schedule") to Master Tax Lease/Purchase Agreement between M.S.T. Government Leasing, LLC ("Lessor") and **Regional School Unit #23** ("Lessee"), dated as of **August 2, 2014**.

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Lessee hereby requests and authorizes Lessor, or any assignee hereof, to disburse the net proceeds of the Property Schedule as follows:

To M.S.T. Government Leasing, LLC, 1491 Eastside River Road,  
Dummer, New Hampshire 03588, by wired same day funds to  
Norway Savings Bank, to the Account of M.S.T. Government Leasing, LLC **\$153,444.16**

**TOTAL**

**\$153,444.16**

**Regional School Unit #23**

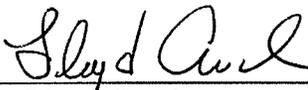
By:   
Name: **Lloyd Crocker**  
Title: **Superintendent of Schools**

EXHIBIT 5

Acceptance Certificate

M.S.T. Government Leasing, LLC  
P.O. Box 190  
Gorham, New Hampshire 03581

Re: **Property Schedule No. 1** to Master Tax-Exempt Lease/Purchase Agreement between M.S.T. Government Leasing, LLC (“Lessor”) and **Regional School Unit #23** (“Lessee”), dated as of **August 2, 2014**

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Lease/Purchase Agreement (the “Master Agreement”), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor, as follows:

- (1) The property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed, and accepted on the date indicated below.
- (2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or an Event of Nonappropriation (as such terms are defined in the Master Agreement) exists at the date hereof.

Date: **August 2, 2014**

**Regional School Unit #23**

By:   
Name: **Lloyd Crocker**  
Title: **Superintendent of Schools**

EXHIBIT 6

Bank Qualification, Arbitrage Rebate, and Certification as to Arbitrage

M.S.T. Government Leasing, LLC  
P.O. Box 190  
Gorham, New Hampshire 03581

Re: **Property Schedule No. 1** to Master Tax-Exempt Lease/Purchase Agreement between M.S.T. Government Leasing, LLC ("Lessor") and **Regional School Unit #23** ("Lessee"), dated as of **August 2, 2014**

The undersigned, the Superintendent of Schools of **Regional School Unit #23**, (the "Issuer"), DOES HEREBY CERTIFY that this Certificate is issued to set forth the Issuer's reasonable expectations as to future events regarding the Master Tax-Exempt Lease/Purchase Agreement, dated as of **August 2, 2014**, (the "Agreement"), by and between M.S.T. Government Leasing, LLC, as Lessor (the "Lessor"), and the Issuer, as Lessee, which is being executed and delivered to the Lessor on the date of this Certificate, and the facts and circumstances on which the Issuer's reasonable expectations are based.

This Certificate is intended and may be relied upon for purposes of Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the "Code") as a certification of expectations described in Section 1.148-2(b)(2) of the Treasury Regulations issued pursuant thereto (the "Treasury Regulations"). This Certificate shall constitute a document related to the Agreement and the obligation of the Issuer to make rental payments under the Agreement, denominated as principal and interest (such obligation to make rental payments being referred to hereinafter as the "Obligation"). The undersigned is a duly qualified and acting officer of the Issuer responsible for entering into the Agreement and incurring the Obligation.

The undersigned, being the **Superintendent of Schools** of the Issuer is the duly appointed and acting officer of the Issuer charged with the responsibility of issuing the Obligation.

The undersigned DOES HEREBY FURTHER CERTIFY and reasonably expect as follows:

Section 1. The Agreement is being entered into for the purpose of providing funds to pay the costs of the acquisition, installation and servicing of copying equipment ("Equipment") and to refund on a current basis an outstanding lease purchase agreement for copying equipment dated **May 1, 2010** (the "Prior Obligation").

Section 2. Subject to the provisions of the Agreement which provide that the Issuer's obligations to pay the cost of performing its obligations under the Agreement, including its obligation to pay all rental payments, shall be subject to and dependent upon annual appropriations

being made by the legislative body of the Issuer, the Issuer is obligated under the Agreement to pay to the Lessor Principal and Interest payments in accordance with Exhibit B to Exhibit 1 to Property Schedule 1 to the Agreement. The obligation of the Issuer to make such Payments and the payments required by the other sections of the Agreement are absolute and unconditional subject to the provisions of the Agreement which make such payment obligations subject to annual appropriation by the legislative body of the Issuer and granting to the Lessor the right to terminate the Agreement upon the failure of the Issuer to pay when due any rental payment as a result of the legislative body's failure to appropriate moneys for such purpose.

Section 3. The issue price of the Obligation is **\$153,444.16**. The proceeds of sale of the Obligation by the Issuer is the amount of **\$153,444.16** (the "Proceeds"), consisting of the issue price of the Obligation in the amount of **\$153,444.16**. **\$134,309.82** of the Proceeds will be applied by the Issuer as needed to pay costs of the acquisition, installation, and servicing of the Equipment and **\$19,134.34** will be used to refund on a current basis the Prior Obligation.

Section 4. (a) The Issuer has incurred, or expects to incur within six (6) months of the date hereof, substantial binding commitments to one or more third parties to expend at least 5 % of the Proceeds of the Obligation.

(b) It is expected that all of the Proceeds and the earnings thereon (or on such earnings), will be used for the purpose of paying the costs of the acquisition, installation and servicing of the Equipment or will be used to refund the Prior Obligation. At least 85% of the Proceeds of the Obligation are expected to be expended on the acquisition and installation of the Equipment by **August 2, 2017**, (a date which is not later than 3 years from the issue date).

(c) Completion of the acquisition and installation of the Equipment and allocation of the Proceeds of the Obligation to expenditures on the acquisition and installation of the Equipment are expected to proceed with due diligence. Accordingly, the Proceeds of the Obligation may be invested without restriction as to yield for a temporary period of 3 years from the issue date subject to the rebate requirements set forth in Section 6 below of this Certificate.

Section 5. The Proceeds allocable to the acquisition and installation of the Equipment, together with earnings thereon (or on such earnings), amounts presently available and amounts the Issuer anticipates will be available and allocated for such purpose, do not exceed the amount estimated to be necessary to complete the acquisition and installation of the Equipment.

Section 6. a. The Issuer reasonably expects, as of the date hereof, that the Obligation will qualify for exception from rebate provided for in Treasury Regulation Section 1.148-7 (c) for issues the gross proceeds of which are allocated to expenditures for the governmental purposes of the issue by **February 2, 2015** the end of the 6-month period beginning on the issue date. Amounts in a bonafide debt service fund, anticipated to be used to pay debt service on the Obligation are excluded from the determination of proceeds and the spend-down requirement. This spending rule may be considered satisfied if the amount remaining unexpended as of **February 2, 2015**, does not exceed five percent of the proceeds of the Obligation, but only if such amount is expended by **August 2, 2017**.

b. If the Obligation does not meet the foregoing spending exception to rebate, the Issuer will make rebate payments to the United States at the times and in the amounts and the manner required by the provisions of Section 148(f) of the Code and the Treasury Regulations promulgated thereunder.

Section 7. a. To the extent that the Proceeds, together with moneys derived from the investment of the Proceeds, have not been expended by **August 2, 2017**, (a) the Original Proceeds and moneys derived therefrom will be invested in either (i) investments having a yield not in excess of the yield on the Obligation, which has been computed to be **2.790%** (the "Yield"), or (ii) obligations, the interest on which is excludable from gross income for federal income tax purposes except any such obligations the interest on which is an item of tax preference for purposes of the alternative minimum tax applicable to individuals and corporations, or (b) the Issuer will make a yield reduction payment to the United States in accordance with the provisions of Treasury Regulation Section 1.148-5(c).

b. In the unexpected event that proceeds of the Prior Obligations that have transferred to the Obligation on the Transfer Date remain unexpended after **May 1, 2013**, being the third anniversary of the issue date of the Prior Obligation, the Unit will invest such unexpended amounts in obligations of a state or of any political subdivision thereof, the interest on which is not included in gross income for purposes of Federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and which is not a preference item for purposes of the alternative minimum tax imposed by Section 55 of the Code or invest such amounts in obligations having a yield that is not more than **2.790%**, the yield on the Obligation.

Section 8. No reserve or replacement fund will be established from the proceeds of the Obligation.

(1) To the extent any amount of the proceeds of the Obligation is applied to reimburse the Unit for new Equipment costs paid prior to the date hereof, such costs were:

(a) not in excess of the lesser of \$100,000 or five percent of the proceeds of the Obligation;

(b) paid with respect to certain "preliminary expenses", i.e., architectural, engineering, surveying, soil testing, bond issuance and similar costs, other than land acquisition, site preparation and similar costs incident to the commencement of construction, provided, however, such amounts do not exceed 20 percent of the proceeds of the Obligation; or

(c) paid not more than 60 days prior to the adoption by the Unit of an official declaration of its intent to finance the Equipment including a general description of the Equipment and the maximum principal amount of obligations expected to be issued for the Equipment, or, if no such resolution exists, paid not more than 60 days prior to the date hereof.

Section 9. (a) Not more than 10% of the Proceeds will be used directly or indirectly in any

trade or business carried on by any person other than a governmental unit. Not more than 5 % of the Proceeds will be used directly or indirectly to make or finance loans to persons other than governmental units. The payment of the principal of and interest on the Obligation will not be directly or indirectly secured by any interest in property or derived from payments in respect of property, or borrowed money, used in a trade or business of any person other than a governmental unit. Not more than 5 % of the proceeds of the Obligation will be used for a private business use unrelated to any governmental use of such proceeds or which is disproportionate to a related governmental use.

(b) The Issuer has not entered into, and does not expect to enter into during the term of the Obligation, any arrangement pursuant to which any part of the Equipment will, directly or indirectly, be owned by, or leased to, any person other than the State of Maine or a political subdivision thereof or any instrumentality of the State of Maine or any political subdivision thereof (a "nongovernmental person"). The Issuer does not expect to enter into any contract for the provision of services involving all or any part of the Equipment. In the event, however, the Issuer does enter into any contract for the provision of services involving all or any part of the Equipment, any such contract will be a contract permitted by Treasury Regulation Section 1.141-3(b)(4). The Equipment is intended to be available and will in fact be available for use by natural persons not engaged in a trade or business. No nongovernmental person will have any special legal entitlement or priority rights to use the Equipment, other than as a member of the general public.

(c) In the opinion of the Issuer, the term of the Obligation is not longer than is reasonably necessary for the governmental purposes of the Obligation.

Section 10. The Issuer has covenanted in the Agreement not to make any use of the proceeds of the Obligation or to take any other action which would cause the Obligation to be arbitrage bonds.

Section 11. Information reports containing the information required by the Code and the Treasury Regulations promulgated under the Code will be submitted to the Secretary of the United States Treasury at the times required by the Code and the Treasury Regulations.

Section 12. No other tax-exempt obligations of the Issuer have been or will be sold less than 15 days prior to, or less than 15 days after, the sale date of the Obligation, pursuant to the same plan of financing which are reasonably expected to be paid from substantially the same source of funds as the Obligation.

Section 13. The Issuer reasonably expects that (i) at least 85% of the spendable proceeds of the Obligation will be used to carry out the governmental purposes of the Obligation within the 3-year period beginning on the date hereof; and (ii) not more than 50% of the proceeds of the Obligation will be invested in nonpurpose investments having a substantially guaranteed yield for four years or more.

Section 14. The Obligation is not federally guaranteed as described in Section 149(b) of the Code.

Section 15. The Governing Body of the Issuer, in a resolution adopted on **August 12, 2014**, has designated the Obligation as a "qualified tax exempt obligation", as that term is used in Section 265 of the Code. The Issuer reasonably expects, based on its own financing plans (and, as applicable, representations made to it by its "subordinate entities", as that term is used in Sections 148 and 265 of the Code, which representations, to the extent applicable, are attached hereto as Exhibits) that the Issuer and its subordinate entities will issue an aggregate face amount of not more than \$5,000,000 of "tax-exempt obligations" or "tax-exempt bonds" other than "private activity bonds", as those terms are used in Sections 148 and 265 of the Code, during the calendar year **2014**.

Section 16. **\$19,134.34** of the Obligation is used to refund the Prior Obligation.

(a) To the extent any amount of the proceeds of the Prior Obligation were applied to reimburse Issuer for Equipment costs paid prior to the date of issuance of the Prior Obligation, such costs were:

(i) not in excess of the lesser of \$100,000 or five percent of the proceeds of the Prior Obligation;

(ii) paid with respect to certain "preliminary expenses", i.e., architectural, engineering, surveying, soil testing, bond issuance and similar costs, other than land acquisition, site preparation and similar costs incident to the commencement of construction, provided, however, that such amounts did not exceed 20 percent of the proceeds of the Prior Obligation; or

(iii) paid not more than 60 days prior to the adoption by the Issuer of an official declaration of its intent to finance the Equipment including a general description of the Equipment and the maximum principal amount of obligations expected to be issued for the Equipment, or, if no such resolution exists, paid not more than 60 days prior to the date of issuance of the Prior Obligation.

(b) The Issuer entered into, within 6 months of the date the Prior Obligation was entered into, a binding commitment for the acquisition, installation and service of the copying equipment ("Prior Obligation Equipment"), and the amount of such commitment(s) with respect to the Equipment exceeds 5 percent of the aggregate amount of the Prior Obligation.

(c) Within 90 days of the date of this Certificate, the Issuer will use the proceeds of the Obligation to retire the Prior Obligation, **\$19,134.34** of which remains outstanding on the date hereof.

(d) On the date of issuance, the Issuer reasonably expected to, and in fact did enter into a binding commitment to spend at least five percent of the proceeds of the Prior Obligation within six months of the date of issuance of such Prior Obligation. In addition, the Issuer reasonably expected to spend at least 85 percent of the proceeds of the Prior Obligation on costs of the "Prior

Obligation Equipment" within three years of the date of issuance of the Prior Obligation and that not more than 50 percent of the proceeds of the Prior Obligation would be invested in nonpurpose investments with a term of four years or more at a guaranteed rate. Acquisition of the Prior Obligation Equipment proceeded with due diligence to completion.

(e) As of the date hereof, there are no unexpended proceeds of the Prior Obligation.

Section 17. No portion of the amounts received from the sale of the Obligation will be used as a substitute for other funds which were otherwise to be used as a source of financing for the Equipment and which have been or will be used to acquire, directly or indirectly, Investment Property producing a yield in excess of the Yield.

No later than 30 days after the date hereof, the Issuer will compute the Rebate Amount, if applicable, due with respect to the Prior Obligation. The Unit will remit a Form 8038- T and such amount within such 30 days to the United States and will submit to Lessor evidence of such remittance or a statement indicating that no amount was due or that such requirement was inapplicable because the Prior Obligation were issued prior to the imposition of a rebate requirement, within 40 days of the Transfer Date.

Section 18. This Certificate sets forth the information, representations, and procedures necessary in order for Bond Counsel to render is opinion regarding the exclusion of interest on the Obligation from gross income for purposes of Federal income taxation and may be amended or supplemented from time to time to maintain such exclusion only with the approval of Bond Counsel.

Notwithstanding any other provision herein, the covenants and obligations contained herein may be and shall be deemed modified to the extent the Issuer secures an opinion of Bond Counsel that any action required hereunder is no longer required or that some further action is required in order to maintain the exclusion of interest on the Obligation from gross income for purposes of federal income taxation.

Section 19. On the basis of the foregoing facts, estimates and circumstances in existence as of the date hereof, it is not expected that the proceeds of the Obligation will be used in a manner that would cause the Obligation to be an "arbitrage bond" within the meaning of such term as contemplated by Section 148 of the Code and the Treasury Regulations.

To the best of the knowledge, information and belief of the undersigned, and based on the foregoing facts and estimates, the foregoing expectations of the Issuer are reasonable.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as to Arbitrage this August 2, 2014.

**Regional School Unit #23**

A handwritten signature in black ink, appearing to read "Lloyd Crocker", written over a horizontal line.

**Lloyd Crocker**  
**Superintendent of Schools**

**Request for Certificate of Insurance**

**TO:**  
**Insurance Company:** P & C Insurance  
260 Main Street  
PO Box 356  
Biddeford, Maine 04005  
  
Contact Name: Josh Fearon  
Telephone Number: (207) 283-1486  
Fax Number: (207) 283-4258

**FROM:**  
**Customer/Lessee Name:** Regional School Unit #23  
28 Jameson Hill Road  
Old Orchard Beach, Maine 04064  
  
Contact Name: Lloyd Crocker, Superintendent of Schools  
Telephone Number: (207) 934-5751 x 121  
Fax Number: (207) 934-1917

The Regional School Unit #23 ("Lessee") is in the process of financing certain equipment from M.S.T. Government Leasing, LLC ("Lessor"). In order to facilitate this transaction, please submit a Certificate of Insurance to:

M.S.T. Government Leasing, LLC	<u>and</u>	Norway Savings Bank
P.O. Box 190		Attention: Jack Day
Gorham, New Hampshire 03581		Fax Number: (207) 743-5377
Attn: Skip Tilton		Phone Number: (888) 725-2207 x1040

Lessee requests that M.S.T. Government Leasing, LLC and Norway Savings Bank be listed **INSURED**s as to **public liability** coverage and **CO-LOSS PAYEE**s as to **property** coverage. A copy of said certificate should be forwarded to M.S.T. Government Leasing and Norway Savings Bank as described below.

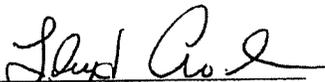
**NOTE:** Coverage is to include (1) insurance against all risks of physical loss or damage to the Equipment (including theft) and (2) commercial general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage. In addition, M.S.T. Government Leasing, LLC and Norway Savings Bank are to receive 30 days' prior written notice of cancellation or material change in coverage.

Please fax this completed information to:

M.S.T. Government Leasing, LLC	<u>and</u>	Norway Savings Bank
P.O. Box 190		Attention: Jack Day
Gorham, New Hampshire 03581		Fax Number: (207) 743-5377
Attn: Skip Tilton		Phone Number: (888) 725-2207 x1040

Please contact the person above if you have any questions. Thank you!

**Regional School Unit #23**

By:   
Name: **Lloyd Crocker**  
Title: **Superintendent of Schools**

**Notification of Tax Treatment**

M.S.T. Government Leasing, LLC ("Lessor") is required to collect and remit sales/use tax in the taxing jurisdiction where your equipment will be located. In the event we do not receive a valid sales tax exemption certificate prior to the date your lease commences, you will be charged sales/use tax.

Personal property tax returns will be filed as required by local law. In the event that any tax abatements or special exemptions are available on the equipment you will be leasing from us, please notify us as soon as possible and forward the related documentation to us. This will ensure that your leased equipment will be reported correctly.

Please indicate below if you feel that your lease is subject to tax or whether a valid exemption exists.

- I agree that my lease is subject to sales/use tax.
- I am exempt from sales/use tax and I have attached a completed exemption certificate to Lessor.
- I have previously provided a completed exemption certificate to Lessor which is valid for this transaction.
- I am exempt from state tax but subject to local tax. I have attached a completed exemption certificate.
- I have a valid abatement or property tax exemption (documentation attached).

If applicable to the tax rates in your state, are you outside the city limits or in an unincorporated area?

Additional comments:

---

---

---

---

**Lessee: Regional School Unit #23**

By:   
Name: **Lloyd Crocker**  
Title: **Superintendent of Schools**



MAINE REVENUE SERVICES

PERMANENT EXEMPTION CERTIFICATE

This Exemption Certificate is issued under the provisions of Title 36, Part 3 MRSA

REGIONAL SCHOOL UNIT #23
28 JAMESON HILL RD
OLD ORCHARD BEACH, ME 04064-1606

Registration Number : E81999
Date Effective: July 1, 2009
Date Issued: July 23, 2014

Form ST-2
2024555140722

This certifies that the organization named above is an agency, branch, or instrumentality of the federal government, the State of Maine or a political subdivision of the State of Maine, and is therefore entitled to purchase tangible personal property or taxable services that will be used exclusively by the organization for the purposes for which it is organized without payment of the Maine sales or use tax.

Note to the Organization: This certificate is not to be used in activities that are mainly commercial enterprises including, but not limited to, purchases of items which will be resold by the organization. A copy of this certificate with the certification completed below, must be provided to your vendors in order to purchase goods exempt from tax. It is only necessary to provide one copy to the vendor. Subsequent purchases should indicate that the purchase is exempt from tax. In order to be exempt, the sale must be billed directly to and paid for directly by the organization named on the exemption certificate. This certificate cannot be used for purchases when payments are made with cash, personal checks, or personal credit cards.

Note to the Vendor: This certificate must be taken in good faith from the taxpayer named above. Your good faith may be questioned if you have knowledge of facts which give rise to a reasonable inference that the purchaser is not the holder of the exemption certificate or that the merchandise is not to be used exclusively by the organization. This certificate is valid only if the following certification is completed.

PERMANENT EXEMPTION CERTIFICATE

I HEREBY CERTIFY: That the above exemption certificate is valid, that the tangible personal property described herein which I shall purchase from MST Government Supply will be used exclusively by the organization named above for purposes for which it is organized.

Description of property to be purchased:

Photocopying Equipment

Cynthia D. Cox
Authorized Signature

10/2/14
Date

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Specialized Purchasing Consultants  
 PO Box 190  
 Gorham, New Hampshire 03580  
 Attn: Sue Penney

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME  
**Regional School Unit #23**

OR

1b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**28 Jameson Hill Road Old Orchard Beach ME 04064 USA**

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name), if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here  and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME  
**Norway Savings Bank**

OR

3b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**261 Main Street Norway ME 04268**

4. COLLATERAL: This financing statement covers the following collateral:  
**See Schedule 1 and attached Exhibit A thereto, attached hereto and made a part hereof.**

5. Check only if applicable and check only one box: Collateral is  held in a Trust (see UCC1Ad, item 17 and Instructions)  being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:  Public-Finance Transaction  Manufactured-Home Transaction  A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:  Agricultural Lien  Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable):  Lessee/Lessor  Consignee/Consignor  Seller/Buyer  Bailee/Ballor  Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:

**Schedule 1**

SECURED PARTY: M.S.T. Government Leasing, LLC

DEBTOR: **Regional School Unit #23**

This financing statement covers all of Debtor's right, title and interest in and to the following described equipment leased to Debtor under Property Schedule No. 1 dated **August 2, 2014** to that certain master Tax-Exempt Lease Purchase Agreement dated as of **August 2, 2014**, in each case between Debtor, as lessee, and Secured Party, as lessor, together with all accessions, substitutions and replacements thereto and therefor, and proceeds (cash and non-cash), including, without limitation, insurance proceeds, thereof (but without power of sale):

All equipment described on Exhibit A attached hereto and made a part hereof.

Debtor has no right to dispose of the equipment.

**LESSEE INVOICE INSTRUCTIONS**

**Regional School Unit #23**

**BILL TO ADDRESS: 28 Jameson Hill Road  
Old Orchard Beach, Maine 04064**

**BILLING CONTACT:  
First, M.I. and Last Name: Lloyd Crocker  
Title: Superintendent of Schools  
Phone Number: (207) 934-5751 x 121  
Fax Number: (207) 934-1917**

**PURCHASE ORDER NUMBER: \_\_\_\_\_  
Invoices require purchase order numbers: YES \_\_\_\_\_ NO  X   
Purchase Order Number: \_\_\_\_\_**

**FEDERAL TAX ID NUMBER: 300-54-1777**

**EQUIPMENT LOCATION (If different from Billing Address):**

Throughout School Administrative Unit

**ADDITIONAL INFORMATION NEEDED ON INVOICE:**

Copier lease identification and date payment is due

**Lessee: Regional School Unit #23**

By:   
Name: **Lloyd Crocker**  
Title: **Superintendent of Schools**

# Exhibit A

RSU # 23			
ID#	BuildingName	1stYearEquipment	Serial Number
3	Jameson Elementary School	Table Top KM bizhub 4020 42 CPM Black Photo RADF Duplex 1000 Sheets Paper Sort CIF-Print-Scan-Fax-Post Script	A6WD011001646
6	Jameson Elementary School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20143
4	Jameson Elementary School	Color Photo Xerox 7845PT2 45 CPM RADF Duplex 4-Paper Drawer 11 X 17 Finisher 3-Hole Punch CIF-Print-Scan-Fax-Hard Drive for Secure Print	MX4356514
7	Jameson Elementary School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9294758
1	Jameson Elementary School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20144
8	Jameson Elementary School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29625
9	Jameson Elementary School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F28744
10	Jameson Elementary School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9294760
12	Loranger Middle School	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3010763
13	Loranger Middle School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295628
14	Loranger Middle School	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3010813
16	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20155
18	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20147
17	Loranger Middle School	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3010806
19	Loranger Middle School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29713
20	Loranger Middle School	Color Photo Xerox 7845PT2 45 CPM RADF Duplex 4-Paper Drawer 11 X 17 Finisher 3-Hole Punch CIF-Print-Scan-Fax-Hard Drive for Secure Print	MX4356584

## Exhibit A

21	Loranger Middle School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29712
23	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20146
24	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20151
25	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20150
26	Loranger Middle School	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372761
27	Loranger Middle School	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20156
29	Loranger Middle School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29685
30	Loranger Middle School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295607
31	Loranger Middle School	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372769
32	Loranger Middle School	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29710
33	Loranger Middle School	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372765
34	Loranger Middle School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295659
35	Loranger Middle School	Xerox 5865APT2 65 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295647
37	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFF31845
47	Old Orchard Beach High	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3016730
39	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20139
42	Old Orchard Beach High	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29679
44	Old Orchard Beach High	Xerox 5875APT2 75 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9295724
45	Old Orchard Beach High	Xerox 5875APT2 75 CPM Black Photo RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF- Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	EX9294751

## Exhibit A

46	Old Orchard Beach High	Color Photo Table Top with Stand Xerox 8700X 44 CPM CPM RADF Duplex 2-Paper Drawer Sort Max paper 8 1/2 X 14 CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	DA3010762
48	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20132
51	Old Orchard Beach High	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29686
50	Old Orchard Beach High	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F28741
52	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20145
53	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20152
54	Old Orchard Beach High	HP LJ P3015X 42 PPM Black Network Printer Duplex 1,000 Paper Supply Sort CIF-Print-Post Script	VND3F29708
56	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20149
57	Old Orchard Beach High	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20135
60	Old Orchard Beach High	Table Top KM bizhub 3320 35 CPM Black Photo RADF Duplex 500 Sheets Paper Sort CIF-Print-Scan-Fax-Post Script	A6WP011004096
61	Operations Center	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372764
62	Operations Center	Color Network Printer HP Color LJ451DN 21 PPM Duplex Sort 300 Paper Supply CIF-Print-Post Script	CNDF372766
63	Operations Center	Color Photo Xerox 7845PT2 45 CPM RADF Duplex 4-Paper Drawer 11 X 17 Finisher 3-Hole Punch CIF-Print-Scan-Fax-Hard Drive for Secure Print	MX4356582
64	Pathway Alternative Education	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFG20142
67	RSU 23 Transition Program	HP LJM401DNE 35 PPM Black Network Printer Duplex 300 Paper Supply Sort CIF-Print-Post Script	PHGFC34529
66	RSU 23 Transition Program	Color Photo Xerox WC 7830 30 CPM RADF Duplex 4-Paper Drawer 11X 17 Finisher 3-Hole CIF-Print-Scan-Fax-Post Script-Hard Drive for Secure Print	MX1204132
11	Jameson Elementary School	KM BH 601 - 60 CPM RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	A0PP011008742
41	Old Orchard Beach High	NO Charge Recon Konica Minolta BH423 - 42 CPM CPM Black Photo RADF Duplex 4-Paper Drawer Finisher CIF-Print-Scan-Post Script-Hard Drive for Secure Print	A1UD011005006
58	Old Orchard Beach High	KM BH 601-60 CPM RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print 400+ Lb Console	A0PP011008022
65	Pathway Alternative Education	Konica Minolta BH363 - 36 CPM RADF Duplex (LCT if under 1,500 Capacity) Finisher 3-Hole Punch CIF-Print-Scan-Post Script-Hard Drive for Secure Print	A1UE011002860

**CERTIFICATE OF SUPERINTENDENT  
Regional School Unit #23**

I, **Lloyd Crocker**, Superintendent of **Regional School Unit #23** (the "RSU"), hereby certify that the Board of Directors of the RSU (the "Board"), at a meeting of said Board duly called and held on **August 12, 2014**, duly adopted the following vote:

**Voted:** The Superintendent of Schools is authorized to execute and deliver a tax-exempt lease purchase agreement with M.S.T. Government Leasing, LLC in the name and on behalf of **Regional School Unit #23** (the "Issuer"), for the purpose of refunding and refinancing existing lease purchases of photocopier equipment and lease purchasing additional new and reconditioned photocopier equipment, any service agreements specifically financed in connection with certain equipment, consulting fees, and related costs of issuance, with an aggregate purchase price not exceeding **One Hundred Fifty-Three Thousand Four Hundred Forty-Four Dollars and Sixteen Cents (\$153,444.16)**, at a rate of interest of not more than **2.790%** per year through **August 1, 2019**, and otherwise in such form as the Superintendent may approve; and that the appropriate officials of the Issuer be and hereby are authorized to execute and deliver on behalf of the Issuer such other documents and certificates as may be required in connection with such tax-exempt lease purchase agreement; and that no part of the proceeds of said tax-exempt lease purchase agreement shall be used, directly or indirectly, to acquire any securities or obligations, the acquisition of which would cause the tax-exempt lease purchase agreement to be a "private activity bond" or an "arbitrage bond" within the meaning of Sections 141 and 148, respectively, of the Internal Revenue Code of 1986, as amended (the "Code"); and that the tax-exempt lease purchase agreement issued pursuant hereto be designated as a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of said Code; and that the Superintendent be and hereby is authorized to covenant on behalf of the Issuer to file any information report and pay any rebate due to the United States in connection with the issuance of said tax-exempt lease purchase agreement, and to take all other lawful actions necessary to insure that the interest portion of the rental payments under and pursuant to the tax-exempt lease purchase agreement will be excluded from the gross income of the owners thereof for purposes of federal income taxation and to refrain from taking any action which would cause such interest portion of the rental payments to become includable in the gross income of the owners thereof. The Issuer also authorizes the Superintendent of Schools or Business Manager of the Issuer to sign the attached Contract with Specialized Purchasing Consultants, Inc. relating to acquisition of photocopying equipment for the Issuer and authorizes such persons to make any elections under the Contract not exceeding the aggregate purchase price of this authorizing Vote.

This vote was duly adopted by the Board of Directors of the Issuer, has not been modified in any respect since the date of adoption and remains in full force and effect on the date hereof.

I further certify that no litigation is threatened or pending affecting the validity of said vote or said lease purchase agreement; contesting the corporate existence of the Issuer or its authority to enter into or perform the lease purchase agreement by and through its Board of Directors; or contesting the title to office of any director or officer of the Issuer or its Board of Directors.

DATED: \_\_\_\_\_

By:   
Name: **Lloyd Crocker**  
Superintendent  
**Regional School Unit #23**



# Specialized Purchasing Consultants Corp.

Serving Maine, New Hampshire & Vermont since 1988

## CONTRACT

THIS CONTRACT (the "Contract") is made this \_\_\_\_\_ day of \_\_\_\_\_, by and between Specialized Purchasing Consultants ("Contractor" or "SPC") and RSU 23 Old Orchard ("Client"). For and in consideration of the mutual covenants and performance set forth herein, Contractor and Client agree as follows:

Skip Tilton  
President

Corporate Office:  
PO Box 190  
Gorham, NH 03581  
(800) 750-1538  
(866) 281-7596 Fax

Corporate Email Address:  
stilton@specopypro.com

1. **Term.** The term of this Contract is five years from the date hereof, unless earlier terminated pursuant to the terms hereof. Client can terminate this Contract at any time for any reason after one year, upon 30 days written notice to Contractor, following completion by the Client of the issuance of a lease, purchase, lease-purchase, financing, or refinancing to replace, add, or upgrade equipment covered by this Contract ("an Upgrade").
2. **Fees.** The fees payable by Client to Contractor under this Contract are: (a) eleven percent (11%) of the Total Cost Per Copy of all copies scheduled to be made on all service and supply agreements for reprographic equipment (Photocopiers, High-Speed Duplicators, Multi-functional Duplicating Equipment, High End Network Printers, or other equipment described in the Five Year Equipment Replacement Schedule referenced in subparagraph (1) hereof) leased, purchased, lease-purchased, financed, or refinanced by Client as a result of services performed by Contractor under this Contract (in other words, if the Total Cost Per Copy for services and supplies for equipment leased, purchased, lease-purchased, financed, or refinanced as a result of services performed by Contractor under this Contract is \$0.003 per scheduled copy, the Contractor's fee is \$0.0033 per such copy); and (b) eleven percent (11%) of the principal amount (purchase price financed) of all such reprographic equipment (in other words, if the total principal amount of reprographic equipment leased, purchased, lease-purchased, financed, or refinanced by Client as a result of services performed by Contractor under this Contract is \$3,000, the Contractor's fee is \$330). The "Total Cost Per Copy" for equipment covered by this Contract is defined as the total cost per copy scheduled to be charged for service and supply contracts between Client and servicing vendors for equipment acquired by Client as a result of services performed by Contractor under this Contract. Excluded from such service and supply contracts are the cost of paper and the cost of staples. No fees are payable by Client to Contractor hereunder, other than the retainer described in Paragraph 8 hereof, unless Client accepts a bid for reprographic services arranged by Contractor pursuant to this Contract, or unless Client breaches this Contract under Paragraph 4 hereof or otherwise. If this Contract is terminated pursuant to Paragraph 1 above, no fees payable hereunder are refundable by Contractor to Client.

Low End Network Printers (LENP) will be administered under separate contracts with the Vendors of such LENPs. Due to the limited volume done on LENPs, Contractor's fee will be Twenty-Five percent (25%) of the Vendor's fee per copy on the LENP. For example if the Total Cost per Copy ("TCPC") negotiated with a Vendor for a LENP is \$0.007, then the Contractor's fee is \$0.00775 for a Total cost to the Client of \$0.00875 per copy on the LENP.

SPC guarantees that Client's initial new total cost of obtaining and operating reprographic equipment pursuant to this Contract will be less than Client's current total cost of obtaining and operating Client's current reprographic equipment, even after SPC's fees have been included in this new total cost. If SPC fails to achieve this, SPC will terminate this Contract, refund SPC's retainer received from Client, and provide an additional \$500.00 check to Client to cover any loss of time on Client's part.

3. **Services Performed By Contractor.**
  - a. **Initial Needs and Capabilities Analysis.** Contractor will provide to Client a written Initial Needs and Capabilities Analysis (contained within the Five Year Equipment Replacement Schedule described in subparagraph (1) hereof) analyzing Client's existing reprographic system including Client's current photocopiers, offset presses, high-speed duplicators, Low End Network Printers, and outside printing requirements. Based on this Initial Needs and Capabilities Analysis, Contractor will design, with Client's approval, an overall reprographic system for Client, with the goal of increasing Client's reprographic capabilities, while reducing Client's reprographic costs. Specifically, throughout the term of this Contract, Contractor will provide Client with initial long-term service and supply contract savings and capital savings of up to two-thirds of retail. Annually hereunder, Contractor will provide Client with guaranteed ceilings on any annual price increases for service and supply contracts covering equipment obtained under this Contract of 5% or the annual increase in the Consumer Price Index (CPI-U), whichever is less.
  - b. **Annual Use Report.** Annually hereafter, Contractor will provide to Client a written Annual Use Report analyzing the use of reprographic equipment and services and supplies by Client, with recommendations that identify for Client how to use such equipment, services and supplies, and other items in the most efficient and effective manner possible.
  - c. **Two-Year Needs and Capabilities Analysis.** Every two years hereafter, Contractor will perform a Needs and Capabilities Analysis for Client covering the same matters contained in the Initial Needs and Capabilities Analysis. Client must provide written authorization to Contractor to perform the Two-Year Needs and Capabilities Analysis, and such written authorization may be provided by the Superintendent of Schools or Business Manager (or similar officer) of Client pursuant to this Contract.
  - d. **Bid Specifications.** Based on the results of the Initial Needs and Capabilities Analysis, Annual Use Report, and Two-Year Needs and Capabilities Analysis, as applicable, Contractor will prepare and distribute bid specifications to qualified contractors to obtain for Client reprographic equipment and services desired by Client.



# Specialized Purchasing Consultants, Corp.

Serving Maine, New Hampshire & Vermont since 1988

Skip Tilton  
President

Corporate Office:  
PO Box 190  
Gorham, NH 03581  
(800) 750-1538  
(866) 281-7596 Fax

Corporate Email Address:  
[stilton@spcups.com](mailto:stilton@spcups.com)

VISIT US ON THE WEB:  
[www.spcup.com](http://www.spcup.com)

- c. **Selection of Vendors.** Contractor will analyze all bids received by Client for reprographic equipment and services pursuant to subparagraph (d) above and make recommendations to Client regarding how Client can obtain the most effective and lowest-cost reprographic equipment and services.
  - f. **Negotiation With Vendors.** After bids described in subparagraph (e) above are received, if further negotiation with vendors on behalf of Client is desired by Client, Contractor will undertake such negotiations with vendors at Client's direction so that contracts in compliance with Client's requirements can be executed.
  - g. **Financing.** Contractor will arrange, at no cost to Client, tax-exempt lease-purchase financing (for tax-exempt Clients) or other appropriate financing for the reprographic equipment selected by Client. Contractor shall submit all transactions to Contractor's bond counsel listed in the Bond Buyer's Municipal Marketplace ("Bond Counsel"), for the preparation of all documents, for legal compliance review, and for the provision of any legal validity and tax opinions necessary to complete and finance such transactions. In addition, Client may arrange for its own counsel ("Issuer Counsel") to participate in the transaction, at Client's cost, or the Client may choose to effect its own financing, at its own cost.
  - h. **Assumption of Existing Contracts.** Contractor will assume all financial obligations and hold Client harmless from such obligations under all existing contracts, leases, or financing agreements to which Client is a party for equipment being replaced by equipment being leased, purchased, lease-purchased, financed, or refinanced pursuant to this Contract. In order to facilitate the payment by Contractor of all obligations of Client under such contracts, leases, or financing arrangements, Client hereby authorizes Contractor, to change the billing addresses on such contracts, leases, or financing arrangements to the business address of Contractor. Client also agrees to hold Contractor harmless for, and to pay, any shipping costs back to a vendor or leasing company, or storage costs for such equipment, or any Federal, State, or local taxes lawfully assessed and due, now or hereafter, upon all equipment covered by such contracts, leases, or financing agreements being repaid by Contractor pursuant to this Contract.
  - i. **Cancellation and Renegotiation of Existing Service Contracts and Establishing New Service Contracts.** Contractor, at Client's direction, will cause existing service and supply contracts for existing reprographic equipment used by Client to be cancelled, and will negotiate new service and supply contracts at new terms acceptable to Client, including replacement warranties from vendors for all equipment identified by Client.
  - j. **Annual Monitoring of Service Contracts.** During the term of this Contract, Contractor will monitor annually all reprographic service and supply contracts entered into by Client to verify correct billing and to identify over-usage and under-usage of particular equipment.
  - k. **Installation of Equipment.** After contracts have been awarded to vendors for reprographic equipment pursuant to this Contract, Contractor will communicate with such vendors to assure proper installation of equipment pursuant to the terms of any applicable lease-purchase or other financing agreement and to assure proper commencement of service and supply contracts.
  - l. **Provision of Equipment Replacement Schedules.** Contractor will provide to Client, and will update as necessary, a Reprographic Equipment Replacement Schedule (a "Five Year Equipment Replacement Schedule") for all equipment to be replaced, reconditioned, upgraded, or otherwise covered by this Contract.
  - m. **Provision of Key Operator Instruction Forms.** Contractor will provide Client with a Key Operator Instruction Form for posting adjacent to each copying machine of Client describing proper use, key operator name, machine serial number, life expectancy of such machine, location and telephone number of vendor's service manager, and warranties for the machine.
4. **Exclusive Agency for Bidding and Selection of Vendors and Equipment.** All bidding, analysis, and selection of vendors and equipment by Client pursuant to this Contract shall be effected exclusively through Contractor. If, during the term of this Contract, Client executes a contract separate from Contractor with any vendor to provide services or equipment such as that covered by this Contract, then Client shall be in breach of this Contract and shall pay to Contractor all fees due and unpaid by Client to Contractor under this Contract, including all fees which would have been payable by Client to Contractor under this Contract had Client accepted a bid meeting the terms of this Contract and arranged by Contractor for Client under this Contract, plus all costs including attorney's fees incurred by Contractor to collect such fees. If Client rejects all of the bids arranged by Contractor for Client pursuant to this Contract, then Contractor shall be allowed exclusively to re-bid for Client the services and equipment desired by Client according to Client's specifications. SAC Client's Initials here acknowledge that Client carefully has reviewed the terms of this Paragraph 4 applicable to Client under this Contract.
5. **Warranties.** Throughout the term of this Contract, Contractor will obtain for Client from vendors five-to- ten-year average warranties on all new equipment obtained for Client under this Contract, five-year average warranties for all reconditioned equipment obtained for Client under this Contract, and three-to-five year average warranties for all existing equipment of Client left in place and monitored by Contractor under this Contract.
6. **Equipment Upgrades and Adjustment of SPC Fees.** If any equipment which is covered by this Contract is upgraded or replaced during the term of this Contract, then Total Cost Per Copy fees payable by Client to Contractor under paragraph 2(a) above shall be adjusted by the net increase or decrease in copy volume from the original copy volume negotiated by Contractor for Client pursuant to this Contract. (For example, three years after execution of this Contract, Contractor is asked to do an Upgrade by Client on certain of Client's equipment. After the Upgrade is approved by Client, total copy volume on Client's equipment is scheduled to be 2,000,000 copies per year for the remaining two years of this Contract



# Specialized Purchasing Consultants, Corp.

## Serving Maine, New Hampshire & Vermont since 1988

instead of the 1,500,000 copies per year originally scheduled under this Contract. Under such circumstances, Contractor would be entitled to receive its fee under paragraph 2(a) above for the additional 500,000 copies per year scheduled under the Upgrade for the remaining two years of the Contract).

- 7. **Retainer.** Upon execution of this Contract, Client agrees to pay Contractor a retainer of \$1,000.00 (Waived for an existing client). This amount shall be credited in its entirety, however, to any fee earned by Contractor on an Upgrade of reprographic equipment or services by Client pursuant to this Contract.
- 8. **Optional Unforeseen Cost Fund & Installation and Operation of SPC STAR Doc.** By initialing below, Client hereby elects to pay Contractor, as part of the principal amount of equipment covered by this Contract, a one-time \$300 charge for each item of reprographic equipment covered by this Contract, to eliminate any liability by Client for costs unforeseen by Client for:
  - a. Shipping or storage under Paragraph 3(h) hereof;
  - b. Computer interface ports
  - c. Computer interface drops
  - d. Specialized reprographic surge protectors
  - e. Electrical rewiring found to be necessary to integrate reprographic equipment provided hereunder to Client's existing electronic data processing network
  - f. Additional legal cost paid by Contractor to prepare and facilitate the lease
  - g. Installation and operation of SPC Star Doc (remote monitoring of all reprographic equipment, and analysis of Client's usage and cost patterns)

Skip Tilton  
President

Corporate Office:  
PO Box 190  
Gorham, NH 03581  
(800) 750-1538  
(866) 281-7596 Fax

Corporate Email Address:  
stilton@spccorp.com

VISIT US ON THE WEB:  
[www.spccorp.com](http://www.spccorp.com)

Client Initials: JAC  
Accept \_\_\_\_\_



9. **Entire Agreement.** This Contract represents the entire agreement between Contractor and Client with regard to the subject matter hereof. No oral negotiations, discussions, or agreements, either prior to or subsequent to the date of this Contract, with regard to the subject matter hereof, are binding upon Contractor or Client, unless reduced to writing and set forth in the form of an agreement, signed by both Contractor and Client.

10. **No Conflicts-of-Interest by Contractor.** Contractor warrants to Client that Contractor has no monetary or other self-interest in the selection of any vendor to provide reprographic equipment or services to Client pursuant to this Contract, and that the performance of Contractor's obligations pursuant to this Contract shall be solely in the interests of Client to provide Client with the best possible reprographic equipment and services at the lowest possible price.

### CLIENT



Company RSU 23 Old Orchard

Signature [Signature]

Authorized by (please print) Loyd Croker

Title Superintendent

Address 1 140 Saco Avenue

City, State, Zip Old Orchard, ME

Telephone Number 207-934-4848

Fax Number 207-934-3712

E-mail address lcroker@rsu23.org

### CONTRACTOR (SPECIALIZED PURCHASING CONSULTANTS)

SPC Corporate Signature Skip Tilton, President  
 Paul Garozzo, General Manager

**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)  
 ► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name <b>Regional School Unit #23</b>		2 Issuer's employer identification number (EIN) <b>300-54-177</b>
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) <b>John E. Larouche, Esq.</b>		3b Telephone number of other person shown on 3a <b>207-623-3535</b>
4 Number and street (or P.O. box if mail is not delivered to street address) <b>28 Jameson Hill Road</b>	Room/suite	5 Report number (For IRS Use Only) <b>3</b>
6 City, town, or post office, state, and ZIP code <b>Old Orchard Beach, Maine 04064</b>		7 Date of issue <b>08/02/2014</b>
8 Name of issue <b>Regional School Unit #23 Lease-Purchase, Dated 08/02/14</b>		9 CUSIP number <b>none</b>
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education . . . . .	11	153,444	16
12 Health and hospital . . . . .	12		
13 Transportation . . . . .	13		
14 Public safety . . . . .	14		
15 Environment (including sewage bonds) . . . . .	15		
16 Housing . . . . .	16		
17 Utilities . . . . .	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a . . . . . <input type="checkbox"/>			
If obligations are BANs, check only box 19b . . . . . <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box . . . . . <input checked="" type="checkbox"/>			

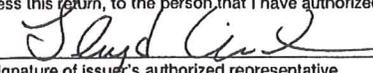
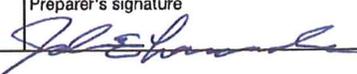
Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/01/2019	\$ 153,444.16	\$ 153,444.16	4.9972 years	2.790 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)			
22 Proceeds used for accrued interest . . . . .	22		
23 Issue price of entire issue (enter amount from line 21, column (b)) . . . . .	23	153,444	16
24 Proceeds used for bond issuance costs (including underwriters' discount) . . . . .	24		
25 Proceeds used for credit enhancement . . . . .	25		
26 Proceeds allocated to reasonably required reserve or replacement fund . . . . .	26		
27 Proceeds used to currently refund prior issues . . . . .	27	19,134	34
28 Proceeds used to advance refund prior issues . . . . .	28		
29 Total (add lines 24 through 28) . . . . .	29	19,134	34
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) . . . . .	30	134,309	82

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded . . . . .	.9972 years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded . . . . .	N/A years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) . . . . .	08/02/2014
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	05/01/2010

**Part VI Miscellaneous**

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	35		
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .	36a		
b	Enter the final maturity date of the GIC ▶ _____			
c	Enter the name of the GIC provider ▶ _____			
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	37		
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b	Enter the date of the master pool obligation ▶ _____			
c	Enter the EIN of the issuer of the master pool obligation ▶ _____			
d	Enter the name of the issuer of the master pool obligation ▶ _____			
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .			<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .			<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b	Name of hedge provider ▶ _____			
c	Type of hedge ▶ _____			
d	Term of hedge ▶ _____			
42	If the issuer has superintegrated the hedge, check box . . . . .			<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .			<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .			<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____			
b	Enter the date the official intent was adopted ▶ _____			

<b>Signature and Consent</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative		Date	
<b>Paid Preparer Use Only</b>	 Preparer's signature		Date	
	Print/Type preparer's name John E. Larouche		Check <input type="checkbox"/> if self-employed	
	Firm's name ▶ Larouche & Dyer		Firm's EIN ▶ 010529965	
	Firm's address ▶ 5 Community Drive, Augusta, Maine 04330		Phone no. 207-623-3535	