



27

# CITY OF DANBURY

OFFICE OF THE MAYOR  
DANBURY, CONNECTICUT 06810

MARK D. BOUGHTON  
MAYOR

(203) 797-4511  
FAX (203) 796-1666

May 29, 2007

Hon. Members of the Common Council  
155 Deer Hill Avenue  
Danbury, CT 06810

Re: Honeywell Energy Conservation and Capital Improvement Project  
Danbury Public Schools  
Lease/Purchase

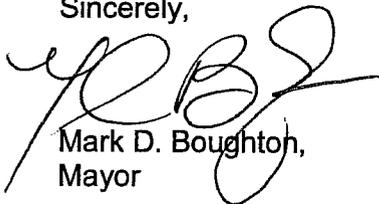
Dear Council Members:

Attached you will see correspondence from Danbury Schools Superintendent Dr. Sal V. Pascarella seeking your consideration and approval of the referenced energy improvement project. This proposal is generally consistent in terms and concept with those that you have approved in past years, and establishes a way in which investment in new equipment, capital programs and facilities can be implemented, while at the same time allowing the schools to realize significant energy cost savings.

As indicated in the attached resolution, the proposal is to finance a principal amount of \$3.875M during a ten year payback period, resulting in a total project cost of \$5.01M, once interest components are factored in. The Lease Agreement, together with other documents are being reviewed and finalized by Schools' staff, as well as department heads and Corporation Counsel. By submitting this proposal to you at this time, the Schools will be able to get a head start on implementing this important improvement.

Please consider the approval of the attached resolution.

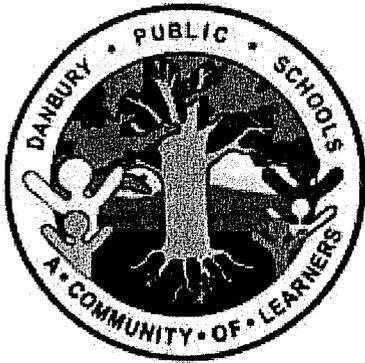
Sincerely,



Mark D. Boughton,  
Mayor

Attachments

27-1



**DANBURY PUBLIC SCHOOLS**

Administrative Center  
63 Beaver Brook Road  
Danbury, Connecticut 06810-6211  
(203) 797-4701  
FAX (203) 830-6560  
Email address: [pascas@danbury.k12.ct.us](mailto:pascas@danbury.k12.ct.us)

Sal V. Pascarella, Ed.D.  
Superintendent of Schools

May 29, 2007

To: Members of the Common Council  
From: Sal V. Pascarella, Ed.D.  
Subject: Honeywell Phase 3 Schools Energy Conservation and  
Capital Improvement Project

Dear Members of Common Council:

I respectfully ask for your support and approval of the Honeywell Phase 3 schools energy conservation and capital improvement project.

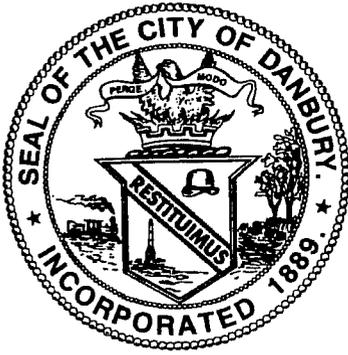
The project cost totals \$5,010,327.71, structured as a ten-year lease with annual principal and interest payments of \$501,032.77. As you know, Honeywell Corporation was chosen by the City of Danbury and the Board of Education to provide two similar conservation programs in the past, Phase 1 and Phase 2. Both earlier projects have repeatedly yielded annual energy savings in excess of the projected amounts.

The Phase 3 project was approved by the Board of Education on April 25, 2007. The lease agreement has been shared with the offices of City Finance and Corporation Counsel for their respective reviews.

Sincerely,

  
Sal V. Pascarella, Ed.D.

/d



# RESOLUTION

27-2

CITY OF DANBURY, STATE OF CONNECTICUT

\_\_\_\_\_ A. D., 200\_

RESOLVED by the Common Council of the City of Danbury:

RE: Honeywell Energy Conservation Program

Amount to be financed: \$3,875,000.00

**WHEREAS**, the City of Danbury is a political subdivision of the State of Connecticut and is duly organized and existing pursuant to the Constitution and laws of the State.

**WHEREAS**, pursuant to applicable law, the City of Danbury Common Council may authorize the acquisition, disposal of and encumbrance of real and personal property, including, without limitation, rights and interest in property, leases and easements necessary to the functions or operations of the City of Danbury and its Public Schools.

**WHEREAS**, the City of Danbury Common Council hereby finds and determines that the execution of lease purchase agreement ("Equipment Leases") in the principal amount not exceeding the amount stated above for the purpose of acquiring the property ("Equipment") to be described in the Equipment Lease is appropriate and necessary to the functions and operations of the City of Danbury Board of Education.

**WHEREAS**, General Electric Capital Corporation ("Lessor") shall act as Lessor under said Equipment Lease.

**NOW, THEREFORE, be it resolved that:**

Section 1. The Board of Education through the Office of the Danbury Public School Superintendent (the "Board") is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Leases in substantially the form set forth in the document presently before the Common Council, which document is available for public inspection at the office of the City Clerk. The Board is further authorized to negotiate, enter into, execute and deliver such other documents relating to the Equipment Lease as necessary and appropriate. All other related contracts and agreements necessary and incidental to the Equipment Leases are hereby authorized.

MASTER LEASE AGREEMENT NO. 4499290

THIS MASTER LEASE AGREEMENT ("Agreement"), dated as of \_\_\_\_\_, 2007, is made and entered into by and between General Electric Credit Corporation of Tennessee, a corporation duly organized and existing under the laws of the state of Delaware, as lessor ("Lessor"), whose principal business address is as shown on the execution page hereof; and the lessee identified on the execution page hereof, a political subdivision of the State, as lessee ("Lessee"), whose address is as shown on the execution page hereof.

In consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE I: DEFINITIONS AND EXHIBITS

Section 1.1. **Definitions.** The following terms have the meanings specified below unless the context clearly requires otherwise.

**Agreement:** This Master Lease Agreement and all Equipment Schedules hereto.

**Agreement Date:** The date so designated on the execution page hereof.

**Contractor:** Each of the manufacturers or vendors from whom Lessee has ordered or with whom Lessee has contracted for the manufacture, delivery and/or installation of the Equipment.

**Counsel:** An attorney duly admitted to the practice of law before the highest court of the State.

**Equipment:** All items of personal property described in Equipment Schedules and subject to this Agreement.

**Equipment Group:** The Equipment listed in a single Exhibit A.

**Equipment Schedule:** A schedule consisting of the separate but like numbered pages of Exhibits A and B which have been completed with respect to an Equipment Group and executed by Lessor and Lessee.

**Events of Default:** Those events described in Section 12.1.

**Fiscal Year:** The 12-month fiscal period of Lessee which commences in every year and ends in every year on the dates shown on the execution page hereof.

**Funding Date:** With respect to each Lease, the date Lessor makes payment to the Contractor(s) for the purchase price of the related Equipment Group or, if the procedure described in Section 3.3 is utilized, the date Lessor funds under the Addendum for Funding as described in Section 3.3.

**Interest:** The portion of any Rental Payment designated as and comprising interest as shown in any Exhibit A.

**Lease:** With respect to each Equipment Group, this Agreement and the Equipment Schedule relating thereto, which shall constitute a separate contract relating to such Equipment Group.

**Lease Date:** The date so designated in each Exhibit A.

**Lease Term:** With respect to any Equipment Group, the period during which the related Lease is in effect as specified in Section 4.1.

**Lien:** Any mortgage, security interest, lease, lien, pledge, charge, encumbrance or claim of any kind.

**Net Proceeds:** Any insurance proceeds or condemnation awards paid with respect to any Equipment remaining after payment therefrom of all expenses incurred in the collection thereof.

**Non-Appropriation:** The failure of Lessee or Lessee's governing body to appropriate money for any Fiscal Year of Lessee sufficient for the continued performance by Lessee of all of Lessee's obligations under this Agreement, as evidenced by the passage of an ordinance or resolution specifically prohibiting Lessee from performing its obligations under this Agreement with respect to any Equipment, and from using any moneys to pay any Rental Payments due under this Agreement for a designated Fiscal Year and all subsequent Fiscal Years.

**Payment Date:** The date upon which any Rental Payment is due and payable as provided in any Exhibit A.

**Principal:** The portion of any Rental Payment designated as principal in any Exhibit A.

**Prepayment Price:** With respect to any Equipment Group, as of the Payment Dates specified in the Exhibit A relating thereto, the amount so designated and set forth opposite each such date in such Exhibit A.

**Rental Payment:** With respect to any Equipment Group, the payment due from Lessee to Lessor on each Payment Date during the Lease Term as shown in the Exhibit A relating thereto.

**Specifications:** The bid specifications and/or purchase order pursuant to which Lessee has ordered any Equipment from a Contractor.

**State:** The state named on the execution page hereof.

**State and Federal Law or Laws:** The Constitution and any law of the State and any charter, ordinance, rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any federal agency.

## **Section 1.2. Exhibits.**

**Exhibit A:** Form of schedule executed by Lessor and Lessee describing an Equipment Group, and setting forth the Rental Payments and Prepayment Prices.

**Exhibit B:** Form of Certificate of Acceptance executed by Lessee.

**Exhibit C:** Form of Opinion of Counsel to Lessee.

## **ARTICLE II: REPRESENTATIONS, WARRANTIES AND COVENANTS**

**Section 2.1. Representations, Warranties and Covenants of Lessee.** Lessee represents and warrants and covenants as follows:

(a) Lessee is a political subdivision of the State, duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into this Agreement, each Lease and the transactions contemplated hereby and thereby, and to perform all of its obligations under this Agreement and each Lease.

(b) The execution and delivery of this Agreement and each Lease by the officer of Lessee executing such documents has been duly authorized by a duly adopted resolution of Lessee's governing body, or by other appropriate official action, and such action is in compliance with all public bidding and other State and Federal Laws applicable to this Agreement, each Lease and the acquisition and financing of the Equipment by Lessee. All requirements have been met and procedures have occurred in order to ensure the enforceability of this Agreement and each Lease against Lessee.

(c) Lessee will have the sole use and possession of the Equipment. Lessee will use the Equipment only to perform essential governmental or proprietary functions of Lessee within the scope of Lessee's authority. Lessee will not permit the Equipment to be used in, for or by any private commercial activity.

(d) Lessee will take no action that would cause the Interest portion of the Rental Payments to become includable in gross income of the recipient for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder (the "Regulations"), and Lessee will take and will cause its officers, employees and agents to take all affirmative actions legally within its power

necessary to ensure that the Interest portion of the Rental Payments does not become includable in gross income of the recipient for federal income tax purposes under the Code and Regulations; all as amended from time to time (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion). Lessee will submit to the Secretary of the Treasury information reporting statements and other information relating to each Lease at the times and in the forms required by the Code and the Regulations.

(e) Lessee reasonably expects that it will not sell or otherwise dispose of all or part of an Equipment Group during the related Lease Term.

(f) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement or any Lease or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement or any Lease hereunder or any other transaction of the Lessee which is similar hereto, or the exclusion of the Interest from gross income for federal tax purposes under the Code, or would materially and adversely affect any of the transactions contemplated by this Agreement or any Lease, including, but not limited to, Lessee's acquisition of Equipment.

(g) Upon execution of this Agreement and each Exhibit A, Lessee will provide to Lessor an Opinion of its Counsel in the form attached hereto as Exhibit C and a copy of the resolution adopted by its governing body with respect to this Agreement and each Lease or evidence of another official action authorizing this Agreement and each Lease.

(h) Lessee has not and will not create or establish any sinking fund, reserve fund or other similar fund to pay Rental Payments.

(i) Lessee owns the real estate and facilities where the Equipment will be located free and clear of any Liens and, during the Lease Term, will continue to own such property and shall keep it free and clear of Liens.

(j) Lessee acknowledges that (i) under Article XII of this Agreement, upon an Event of Default of Lessee, Lessor may elect to terminate this Agreement and each Lease hereunder and (ii) upon a Non-Appropriation by Lessee relating to any Lease or any Equipment, this Agreement and each Lease hereunder shall terminate and Lessee is required upon the occurrence of (i) or (ii) to deliver all Equipment as instructed by Lessor under Section 12.3 hereof.

### **ARTICLE III: LEASE OF EQUIPMENT**

**Section 3.1. Acquisition of Equipment.** Lessee shall advise Lessor of its desire to lease equipment, the equipment cost, the Contractor of the equipment, expected delivery date and the desired lease terms for such equipment. By execution hereof, Lessor has made no commitment to lease any equipment to Lessee. Nothing herein shall obligate Lessor to lease any equipment to Lessee until Lessor has executed an Exhibit A relating thereto. If Lessor, in its sole discretion, determines the proposed equipment may be subject to a Lease hereunder, Lessor shall furnish to Lessee a proposed Exhibit A relating to the Equipment Group completed insofar as possible. Lessee shall order the Equipment Group from the appropriate Contractor or Contractors. In no event shall Lessee enter into any contract with any Contractor or issue a purchase order which references Lessor. Lessor shall have no obligation to make any payment to a Contractor or reimburse Lessee for any payment it made to a Contractor for an Equipment Group (or, if the alternative procedure described in Section 3.3 hereof is utilized, consent to a disbursement by the Lessor) until five (5) business days after Lessor has received all of the following in form and substance satisfactory to Lessor: (a) an Exhibit A executed by Lessor and Lessee; (b) a Certificate of Acceptance (however, if the alternative procedure in Section 3.3 is utilized, a Certificate of Acceptance is not required until the entire Equipment Group is accepted); (c) a resolution or evidence of other official action taken by or on behalf of the Lessee to authorize the acquisition of the Equipment Group on the terms provided in Exhibit A; (d) evidence of insurance with respect to the Equipment Group in compliance with Article VI of this Agreement; (e) Contractor invoice(s) and/or bill of sale relating to the Equipment Group and if such invoices have been paid by Lessee, evidence of payment thereof and, if applicable, evidence of official intent to reimburse such payment as required by the Regulations; (f) as applicable, financing statements executed by Lessee as debtor and/or the original certificate of title or manufacturer's certificate of origin and title application if any of the Equipment Group is subject to certificate of title laws; (g) a completed and executed Form 8038-G or -GC or evidence of filing thereof

with the Secretary of Treasury; (h) an Opinion of Counsel and (i) any other documents or items required by Lessor.

**Section 3.2. Lease; Enjoyment; Inspection.** Lessor hereby leases to Lessee each Equipment Group made subject to an Equipment Schedule, and Lessee hereby leases from Lessor such Equipment Group, upon the terms and conditions set forth in this Agreement and in the related Equipment Schedule. During the Lease Term, Lessee shall peaceably and quietly have and hold and enjoy the Equipment Group, except as expressly set forth in this Agreement. Lessee agrees that Lessor and its agents shall have the right at all reasonable times to examine and inspect the Equipment, and Lessor and its agents shall have such rights of access to the Equipment as may be reasonably necessary to cause the proper maintenance of the Equipment in the event of failure by Lessee to perform its obligations hereunder. Notwithstanding the designation of General Electric Credit Corporation of Tennessee as Lessor, General Electric Credit Corporation of Tennessee does not own the Equipment and by this Agreement and each Lease is merely financing the acquisition thereof for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control or have possession of the Equipment and has no control over the Lessee or the Lessee's operation, use, storage or maintenance of the Equipment. Lessee is solely responsible for the selection of the Equipment, and the manufacturer and vendor thereof, and is solely responsible for the use, maintenance, operation and storage of the Equipment.

**Section 3.3. Alternative Procedure; Addendum for Funding.** Notwithstanding the provisions of Section 3.1, if, upon agreement by Lessor and Lessee as to any Equipment Group to be acquired and leased by Lessee under this Agreement, Lessor and Lessee enter into an Addendum for Funding in order to assure the availability of moneys to pay the cost of the Equipment and facilitate the acquisition of the Equipment under the Lease (a) Lessor and Lessee shall immediately complete and execute an Exhibit A relating to the Equipment Group; (b) the amount funded by Lessor under the Addendum for Funding shall be repaid by the Rental Payments due under the related Lease; and (c) the Rental Payments relating to the Equipment Group shall have an aggregate Principal component equal to the amount of Lessor's funding under the Addendum for Funding and shall be due and payable as provided in the related Exhibit A commencing upon the funding by Lessor under the Addendum for Funding. Lessee acknowledges and agrees that no disbursements shall be made under the Addendum for Funding except for portions of the Equipment Group which are operationally complete and functionally independent and which may be utilized by Lessee without regard to whether the balance of the Equipment Group is delivered and accepted.

#### **ARTICLE IV: TERM**

**Section 4.1. Term.** This Agreement shall be in effect from the Agreement Date until the earliest of (a) termination under Section 4.2 or (b) termination under Section 12.2; provided, however, no Equipment Schedules shall be executed after any Non-Appropriation or Event of Default. Each Lease with respect to an Equipment Group shall be in effect for a Lease Term commencing upon the Lease Date and ending as provided in Section 4.6.

**Section 4.2. Termination by Lessee.** In the sole event of Non-Appropriation, this Agreement and each Lease hereunder shall terminate, in whole, but not in part, as to all Equipment effective upon the last day of the Fiscal Year for which funds were appropriated, in the manner and subject to the terms specified in this Article. Lessee may effect such termination by giving Lessor a written notice of termination and by paying to Lessor any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. Lessee shall endeavor to give notice of such termination not less than one hundred twenty (120) days prior to the end of the Fiscal Year for which appropriations were made, and shall notify Lessor of any anticipated termination. In the event of termination of this Agreement as provided in this Section, Lessee shall comply with the instructions received from Lessor in accordance with Section 12.3.

**Section 4.3. Intent To Continue Lease Term; Appropriations.** Lessee presently intends to continue each Lease hereunder for its entire Lease Term and to pay all Rental Payments relating thereto. The person or entity in charge of preparing Lessee's budget will include in the budget request for each Fiscal Year the Rental Payments to become due in such Fiscal Year. The parties acknowledge that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform and this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the applicable Lease Terms. Lessee will use funds appropriated for this Agreement for no other purpose other than to pay Rental Payments and other amounts due hereunder.

**Section 4.4. Effect of Termination.** Upon termination of this Agreement as provided in this Article, Lessee shall not be responsible for the payment of any additional Rental Payments coming due in succeeding Fiscal Years, but if Lessee has not complied with the instructions received from Lessor in accordance with Section 12.3, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments that would thereafter have come due if this Agreement had not been terminated and which are attributable to the number of days after which Lessee fails to comply with Lessor's instructions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required.

**Section 4.5. Nonsubstitution.** If this Agreement is terminated by Lessee in accordance with Section 4.2, to the extent permitted by State Law, Lessee agrees not to purchase, lease, rent, borrow, seek appropriations for, acquire or otherwise receive the benefits of any personal property to perform the same functions as, or functions taking the place of, those performed by any of the Equipment, and agrees not to permit such functions to be performed by its own employees or by any agency or entity affiliated with or hired by Lessee, for a period of three hundred sixty-five (365) days succeeding such termination; provided, however, these restrictions shall not be applicable in the event the Equipment Groups shall be sold by Lessor and the amount received from such sale, less all costs of such sale, is sufficient to pay the then applicable Prepayment Prices relating thereto as set forth in Exhibits A; or to the extent that the application of these restrictions is unlawful and would affect the validity of this Agreement.

**Section 4.6. Termination of Lease Term.** The Lease Term with respect to any Lease will terminate upon the occurrence of the first of the following events: (a) the termination of this Agreement by Lessee in accordance with Section 4.2; (b) the payment of the Prepayment Price by Lessee pursuant to Article X; (c) an Event of Default by Lessee and Lessor's election to terminate such Lease and/or the Agreement pursuant to Article XII; or (d) the payment by Lessee of all Rental Payments and all other amounts authorized or required to be paid by Lessee pursuant to such Lease.

#### **ARTICLE V: RENTAL PAYMENTS**

**Section 5.1. Rental Payments.** Lessee agrees to pay Rental Payments with respect to the Lease of an Equipment Group during the related Lease Term in the amounts and on the dates specified in the Exhibit A relating thereto. A portion of each Rental Payment is paid as and represents the payment of Interest as set forth in Exhibit A of each Lease, and the first Rental Payment will include Interest accruing from the Funding Date. Lessor is authorized to insert the due date of the first Rental Payment on Exhibit A. All Rental Payments shall be paid to Lessor, or to such assignee(s) to which Lessor has assigned such Rental Payments as specified in Article XI, at such place as Lessor or such assignee(s) may from time to time designate by written notice to Lessee. Lessee shall pay the Rental Payments exclusively from moneys legally available therefor, in lawful money of the United States of America.

**Section 5.2. Current Expense.** The obligations of Lessee, including its obligation to pay the Rental Payments due in any Fiscal Year of a Lease Term, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or other moneys (other than moneys lawfully appropriated from time to time by or for the benefit of Lessee for this Agreement and the Net Proceeds of the Equipment) to the payment of any Rental Payment or other amount coming due hereunder.

**Section 5.3. Rental Payments To Be Unconditional.** Except as provided in Section 4.2, the obligation of Lessee to make Rental Payments or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between Lessee and Lessor or between Lessee and Contractor or any other person, Lessee shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make Rental Payments or other payments required hereunder. Lessee's obligation to make Rental Payments or other payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to be delivered or to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment.

#### **ARTICLE VI: INSURANCE AND RISK OF LOSS**

**Section 6.1. Liability and Property Insurance.** Lessee shall, at its own expense, procure and maintain continuously in effect during each Lease Term: (a) public liability insurance for personal injuries, death or damage to or loss of property arising out of or in any way relating to the Equipment sufficient to protect Lessor from liability in all events, with a coverage limit of not less than \$1,000,000 per occurrence unless a different coverage minimum with

respect to particular Equipment is required by Lessor and specified in the related Exhibit A, and (b) insurance against such hazards as Lessor may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Equipment with new equipment having substantially similar Specifications or the applicable Prepayment Price of each Equipment Group.

**Section 6.2. Workers' Compensation Insurance.** If required by State Law, Lessee shall carry workers' compensation insurance covering all employees on, in, near or about the Equipment, and upon request, shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

**Section 6.3. Requirements for All Insurance.** All insurance policies required by this Article shall be taken out and maintained with insurance companies acceptable to Lessor; and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least thirty (30) days before the cancellation or revision becomes effective. No insurance shall be subject to any co-insurance clause. Each insurance policy required by this Article shall name Lessor as an additional insured party and loss payee without regard to any breach of warranty or other act or omission of Lessee and shall include a lender's loss payable endorsement for the benefit of Lessor. Prior to the delivery of Equipment, Lessee shall deposit with Lessor evidence satisfactory to Lessor of such insurance and, prior to the expiration thereof, shall provide Lessor evidence of all renewals or replacements thereof.

**Section 6.4. Risk of Loss.** As between Lessor and Lessee, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any Equipment and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees to reimburse Lessor for and, to the extent permitted by law, will indemnify and hold Lessor harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of this Agreement, the transactions contemplated hereby and the Equipment, including but not limited to, (a) the selection, manufacture, purchase, acceptance or rejection of Equipment or the ownership of the Equipment, (b) failure of Equipment to be delivered, the delivery, lease, possession, maintenance, use, condition, return or operation of the Equipment, (c) the condition of the Equipment sold or otherwise disposed of after possession by Lessee, (d) the conduct of Lessee, its officers, employees and agents, (e) a breach of Lessee of any of its covenants or obligations hereunder and (f) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not limited to investigation, removal, cleanup and remedial costs. This provision shall survive the termination of this Agreement.

**Section 6.5. Damage to or Destruction of Equipment.** Lessee shall provide a complete written report to Lessor immediately upon any loss, theft, damage or destruction of any Equipment and of any accident involving any Equipment. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair ("Damaged Equipment"), Lessee shall as soon as practicable after such event either: (a) replace the same at Lessee's sole cost and expense with equipment having substantially similar Specifications and of equal or greater value to the Damaged Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lessor's approval, whereupon such replacement equipment shall be substituted in the applicable Lease and the other related documents by appropriate endorsement or amendment; or (b) pay the applicable Prepayment Price of the Damaged Equipment determined as set forth in the related Exhibit A. Lessee shall notify Lessor of which course of action it will take within fifteen (15) days after the loss occurrence. If, within forty-five (45) days of the loss occurrence, (a) Lessee fails to notify Lessor; (b) Lessee and Lessor fail to execute an amendment to the applicable Equipment Schedule to delete the Damaged Equipment and add the replacement equipment or (c) Lessee has failed to pay the applicable Prepayment Price, then Lessor may, at its sole discretion, declare the applicable Prepayment Price of the Damaged Equipment, to be immediately due and payable, and Lessee is required to pay the same. The Net Proceeds of insurance with respect to the Damaged Equipment shall be made available by Lessor to be applied to discharge Lessee's obligation under this Section. The payment of the Prepayment Price and the termination of Lessor's interest in the Damaged Equipment is subject to the terms of Section 10.3 hereof.

## **ARTICLE VII: OTHER OBLIGATIONS OF LESSEE**

**Section 7.1. Use; Permits.** Lessee shall exercise due care in the installation, use, operation and maintenance of the Equipment, and shall not install, use, operate or maintain the Equipment improperly, carelessly or for a purpose

or in a manner contrary to that contemplated by this Agreement. Lessee shall operate and maintain the Equipment fully in accordance with any insurance policy provision, applicable prevailing industry standards and, if applicable, the manufacturer's specifications therefor. Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Equipment. Lessee shall comply with all State and Federal Laws applicable to the installation, use, possession and operation of the Equipment, and if compliance with any such State and Federal Law requires changes or additions to be made to the Equipment, such changes or additions shall be made by Lessee at its expense. Lessee shall not use any item of Equipment to haul, convey, store, treat, transport or dispose of any "hazardous substances" or "hazardous waste" as such terms are defined in any federal, state or local law, rule or regulation pertaining to the protection of the environment (together, "Environmental Laws"). Lessee agrees that if Lessee is required to deliver any item of Equipment to Lessor or Lessor's agent, the Equipment shall be delivered free of all substances which are regulated by or form a basis for liability under any Environmental Law. Lessee shall comply with all license and copyright requirements of any software used in connection with the Equipment.

**Section 7.2. Maintenance of Equipment by Lessee.** Lessee shall keep the Equipment at the address specified in the respective Exhibit A and shall notify Lessor in writing prior to moving the Equipment to another address. Lessee shall, at its own expense, maintain, preserve and keep the Equipment in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Equipment in such condition, and in compliance with State and Federal Laws, ordinary wear and tear excepted. Lessee shall maintain Equipment in a condition suitable for certification by the manufacturer thereof (if certification is available). In the event that any parts or accessories forming part of any item or items of Equipment become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, Lessee, at its own expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all liens and encumbrances and with a value and utility at least equal to that of the parts or accessories being replaced (assuming that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Equipment and, as such, shall be subject to the terms of this Agreement. Lessor shall have no responsibility for any of these repairs or replacements.

**Section 7.3. Taxes, Other Governmental Charges and Utility Charges.** Except as expressly limited by this Section, Lessee shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Equipment, the Rental Payments or any part thereof, or which become due during the Lease Term, whether assessed against Lessee or Lessor. Lessee shall also pay when due all utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body that may be secured by a lien on the Equipment; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term as and when the same become due. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

**Section 7.4. Advances.** If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the rate of 18% per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

## **ARTICLE VIII: TITLE; SECURITY INTEREST; LIENS**

**Section 8.1. Title.** During the Lease Term, legal title to and ownership of all Equipment and any and all repairs, replacements, substitutions and modifications thereto shall be in Lessee and Lessee shall take all actions necessary to vest such title and ownership in Lessee.

**Section 8.2. Security Interest.** Lessee grants to Lessor a continuing, first priority security interest in and to the Equipment, all repairs, replacements, substitutions and modifications thereto or thereof and all proceeds of the foregoing in order to secure Lessee's payment of all Rental Payments and the performance of all other obligations to be performed by Lessee. Each Equipment Group constitutes security and collateral for Lessee's obligations under all Leases. Lessee will join with Lessor in executing such financing statements or other documents and will perform such acts as Lessor may request to establish and maintain a valid first lien and perfected security interest in the

Equipment. If requested by Lessor, Lessee shall obtain a landlord and/or mortgagee's consent and waiver with respect to the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment with appropriate lettering, labels or tags, and maintain such markings during the Lease Term, so as clearly to disclose Lessor's security interest in the Equipment. Upon termination of a Lease with respect to any Equipment Group through exercise of Lessee's option to prepay pursuant to Article X or through payment by Lessee of all Rental Payments and other amounts relating thereto, Lessor's security interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request to evidence the termination of Lessor's security interest in such Equipment Group.

**Section 8.3. Liens.** During the Lease Term, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any Lien on or with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided. Except as expressly provided in Section 7.3 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such Lien. Lessee shall reimburse Lessor for any expenses incurred by Lessor to discharge or remove any Lien.

**Section 8.4. Modification of Equipment.** Lessee will not, without the prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will change or impair the originally intended functions, value or use of the Equipment.

**Section 8.5. Personal Property.** The Equipment is and shall at all times be and remain personal property and not fixtures.

#### **ARTICLE IX: WARRANTIES**

**Section 9.1. Selection of Equipment.** The Equipment and the Contractor have been selected by Lessee, and Lessor shall have no responsibility in connection with the selection of the Equipment, the ordering of the Equipment, its suitability for the use intended by Lessee, the acceptance by the Contractor or its sales representative of the order submitted, or any delay or failure by the Contractor or its sales representative to manufacture, deliver or install the Equipment for use by Lessee.

**Section 9.2. Contractor's Warranties.** Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Contractor's warranties, guarantees and patent indemnity protection, express or implied, issued on or applicable to an Equipment Group, and Lessee may obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Contractor's warranties or obligations on behalf of itself or Lessee.

**Section 9.3. Disclaimer of Warranties.** LESSEE ACKNOWLEDGES THAT IT SELECTED THE EQUIPMENT WITHOUT ASSISTANCE OF LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EQUIPMENT OR LESSEE'S USE OF THE EQUIPMENT.

#### **ARTICLE X: OPTION TO PREPAY**

**Section 10.1. When Available.** Provided there has been no Non-Appropriation or Event of Default, Lessee shall have the option to prepay its obligations under any Lease on any Payment Date for the then applicable Prepayment Price set forth in Exhibit A relating thereto.

**Section 10.2. Exercise of Option.** Lessee shall give notice to Lessor of its intention to exercise its option with respect to any Lease not less than thirty (30) days prior to the Payment Date on which the option will be exercised and shall deposit with Lessor on the date of exercise an amount equal to all Rental Payments and any other amounts then due or past due under the related Lease (including the Rental Payment due on the Payment Date on which the option is exercised) and the applicable Prepayment Price set forth in the related Exhibit A.

**Section 10.3. Release of Lessor's Interest.** On receipt of the Prepayment Price in good funds with respect to any Equipment Group, the Lease with respect to such Equipment Group shall terminate and Lessee shall become

entitled to such Equipment Group AS IS, WHERE IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that such Equipment Group shall not be subject to any lien or encumbrance created by or arising through Lessor.

## **ARTICLE XI: ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING**

**Section 11.1. Assignment by Lessor.** All of Lessor's right, title and/or interest in and to this Agreement or any Lease hereunder, including, but not limited to, the Rental Payments and other amounts payable by Lessee and Lessor's interest in the Equipment, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor at any time, without the consent of Lessee. No such assignment (except an assignment to an affiliate of Lessor or to an entity whose common stock is directly or indirectly one hundred percent (100%) owned by Lessor's parent or indirect parent if Lessor continues to bill and collect Rental Payments) shall be effective as against Lessee unless and until written notice of the assignment is provided to Lessee. If requested, Lessee will acknowledge in writing receipt of such notice. Lessee shall keep a complete and accurate record of all such assignments; provided, however, in the event Lessor assigns its interest in this Agreement or in a Lease to an affiliate or to another entity related to Lessor, Lessor shall maintain a record of such assignment for the benefit of Lessee.

**Section 11.2. Assignment and Subleasing by Lessee.** Neither this Agreement nor any Lease hereunder or any Equipment may be sold, assigned, subleased, transferred, pledged or mortgaged by Lessee.

## **ARTICLE XII: EVENTS OF DEFAULT AND REMEDIES**

**Section 12.1. Events of Default Defined.** The following are Events of Default under this Agreement and each Lease:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid when due and the continuation of said failure for a period of ten (10) days (other than by reason of Non-Appropriation).

(b) Failure by Lessee to maintain insurance as required by Article VI.

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

(d) The determination by Lessor that any representation or warranty made by Lessee in this Agreement was untrue in any material respect upon execution of this Agreement or any Exhibit A or Exhibit B.

(e) The filing of a petition in bankruptcy by or against Lessee, or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation of Lessee.

**Section 12.2. Remedies on Default.** Whenever any Event of Default shall have occurred, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Lessor, with or without terminating this Agreement or any Lease, may declare all Rental Payments due or to become due with respect to any or all Leases during the Fiscal Year in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable.

(b) Lessor, with or without terminating this Agreement or any Lease, may enter the premises where the Equipment is kept and disable the Equipment to prevent further use thereof by Lessee and/or may repossess any or

all of the Equipment by giving Lessee written notice to deliver the Equipment in the manner provided in Section 12.3; or in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due with respect thereto during the Fiscal Year then in effect.

(c) If Lessor terminates this Agreement and/or any Lease and, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Prices of the Equipment Groups; and (v) the balance of any Rental Payments owed by Lessee during the Fiscal Year then in effect. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv) and (v) have been met shall be paid to Lessee.

(d) Lessor may take any other remedy available, at law or in equity, with respect to such Event of Default, including those requiring Lessee to perform any of its obligations or to pay any moneys due and payable to Lessor and Lessee shall pay the reasonable attorneys' fees and expenses incurred by Lessor in enforcing any remedy hereunder.

**Section 12.3. Return of Equipment; Release of Lessee's Interest.** Upon termination of this Agreement and/or any Lease hereunder prior to the payment of all Rental Payments or the applicable Prepayment Price in accordance with each Exhibit A: (i) Lessor may enter upon Lessee's premises where the Equipment is kept and disable the Equipment to prevent its further use by Lessee and (ii) Lessee shall promptly, but in any event within ten (10) days after such termination, at its own cost and expense: (a) perform any testing and repairs required to place the Equipment in the condition required by Article VII; (b) if deinstallation, disassembly or crating is required, cause the Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) deliver the Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to deliver the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession. Upon termination of this Lease in accordance with Article IV or Article XII hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor, Lessee shall have no further interest therein and Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

**Section 12.4. No Remedy Exclusive.** No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement. 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 and power may be exercised from time to time and as often as may be deemed expedient by Lessor.

**Section 12.5. Late Charge.** Whenever any Event of Default under Section 12.1, Clause (a) shall have happened and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to require a late payment charge accruing from the tenth day after the Payment Date until the payment is made equal to the lesser of five cents (\$.05) per dollar of the delinquent amount or the lawful maximum, and Lessee shall be obligated to pay the same immediately upon receipt of Lessor's written invoice therefor; provided, however, that this Section shall not be applicable if or to the extent that the application thereof would affect the validity of this Agreement.

## **ARTICLE XIII: ADMINISTRATIVE PROVISIONS**

**Section 13.1. Notices.** All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid to the addresses specified on the execution page hereof; provided that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, or other communications will be sent.

**Section 13.2. Financial Information.** Lessee will provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Lessee to continue this Agreement and any Lease as may be requested by Lessor.

**Section 13.3. Binding Effect.** This Agreement and each Lease hereunder shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

**Section 13.4. Severability.** In the event any provision of this Agreement or any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 13.5. Entire Agreement, Amendments, Changes and Modifications.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous writings, understandings, agreements, solicitation documents and representations, express or implied. This Agreement may be amended or modified only by written documents duly authorized, executed and delivered by Lessor and Lessee.

**Section 13.6. 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, Articles, Sections or Clauses hereof.

**Section 13.7. Further Assurances and Corrective Instruments.** Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Agreement.

**Section 13.8. Execution in Counterparts.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument, provided that only the original of this Agreement and each Equipment Schedule marked "Original - Chattel Paper" on the execution page thereof shall constitute chattel paper under the Uniform Commercial Code.

**Section 13.9. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

**Section 13.10. Financing Statement.** A carbon, photographic or other reproduction of this Agreement is sufficient as a financing statement in the State to perfect the security interests granted to Lessor.

**Section 13.11. Usury.** It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in any Exhibit A, in no event shall this Agreement or any Lease hereunder require the payment or permit the collection of Interest or any amount in the nature of Interest or fees in excess of the maximum amount permitted by applicable law. Any such excess Interest or fees shall first be applied to reduce Principal, and when no Principal remains, refunded to Lessee. In determining whether the Interest paid or payable exceeds the highest lawful rate, the total amount of Interest shall be spread through the applicable Lease Term so that the Interest is uniform through such term.

**Section 13.12. Lessee's Performance.** Time is of the essence. Lessor's failure at any time to require strict performance by Lessee of any of Lessee's obligations shall not waive or diminish Lessor's rights thereafter to demand strict compliance by Lessee.

**Section 13.13. Third Party Beneficiaries.** Nothing herein shall be construed or interpreted to give any person other than Lessee and Lessor any legal or equitable right, remedy or claim under or in respect of this Agreement or any Lease. Lessor and Lessee agree that no Contractor is a third party beneficiary of this Agreement and there are no third party beneficiaries of this Agreement.

**Section 13.14. Waiver of Jury Trial.** Lessor and Lessee hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Agreement or any Lease.

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS]

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EXECUTION PAGE OF MASTER LEASE AGREEMENT NO. 4499290

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Agreement Date: \_\_\_\_\_, 2007

State: The State of Connecticut

Fiscal Year Commencement Date: June 30

Fiscal Year End Date: July 1

**IN WITNESS WHEREOF**, Lessor has caused this Agreement to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Agreement to be executed in its name by its duly authorized officer.

**City of Danbury, Connecticut/Danbury Public Schools,**  
Lessee

**General Electric Credit Corporation of Tennessee,**  
Lessor

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

Address: 155 Deerhill Avenue  
Danbury, CT 06810

Address: 10 Riverview Drive  
Danbury, CT 06810  
Attention: Risk Management

Telephone: 203-797-4701  
Facsimile: 203-790-2875

Telephone: (866) 230-4600  
Facsimile: (800) 327-9708

**Original - Chattel Paper**

**EQUIPMENT SCHEDULE NO. 4499290-001**

**EXHIBIT A  
Schedule of Equipment, Rental Payments, Etc.**

The following Equipment comprises an Equipment Group which is the subject of the Master Lease Agreement dated as of \_\_\_\_\_, 2007 (the "Agreement"), between the undersigned Lessor and Lessee. The Agreement is incorporated herein in its entirety, and Lessee hereby reaffirms all of its representations and warranties contained in the Agreement. Lessee warrants that no Non-Appropriation and no Event of Default or any event which, with the passage of time or the giving of notice, would constitute a default has occurred under the Agreement. In accordance with the requirements of applicable State Law, Lessee has appropriated or obtained sufficient appropriations to pay the Rental Payments due under this Agreement in the current Fiscal Year and such funds have not been expended for any other purpose.

Lease Date: \_\_\_\_\_, 2007

**EQUIPMENT GROUP**

1. Location. The Equipment Group is located at the following address. If requested by Lessor, Lessee will provide the complete legal descriptions of the property where the Equipment Group is located. Prior to relocation of the Equipment Group or portion thereof during the Lease Term, Lessee will provide written notice to Lessor.

Alternative Center: 26 Locust Avenue, Danbury, CT 06810 (203-797-4786)  
 Broadview Middle School: 72 Hospital Avenue, Danbury, CT 06810 (203-797-4861)  
 Danbury High School: 43 Clapboard Ridge, Danbury, CT 06811 (203-797-4800)  
 Great Plain Elementary: 10 Stadley Rough Road, Danbury, CT 06811 (203-797-4749)  
 Hayestown Elementary: 42 Tamarack Road, Danbury, CT 06811 (203-797-4771)  
 King Street Intermediate and Primary Schools: 151 South King Street, Danbury, CT 06811 (203-797-4744)  
 Mill Ridge Intermediate School: 1 School Ridge Road, Danbury, CT 06811 (203-797-4722)  
 Mill Ridge Primary School: 49-A High Ridge Road, Danbury, CT 06811 (203-797-4781)  
 Morris Street Elementary: 28 Morris Street, Danbury, CT 06810 (203-797-4809)  
 Park Avenue Elementary: 82 Park Avenue, Danbury, CT 06810 (203-797-4763)  
 Pembroke Elementary: 34 1/2 Pembroke Road, Danbury, CT 06811 (203-797-4751)  
 Rogers Park Middle School: Memorial Drive, Danbury, CT 06810 (203-797-4880)  
 Shelter Rock Elementary: 2 Crows Nest Lane, Danbury, CT 06810 (203-797-4778)  
 South Street Elementary: 129 South Street, Danbury, CT 06810 (203-797-4787)  
 Stadley Rough Elementary: 25 Karen Road, Danbury, CT 06811 (203-797-4773)

2. Use. Lessee will use the Equipment Group to perform the following essential governmental or proprietary functions:

Educational functions or operations of the City of Danbury and its Public Schools

3. Description. The following description of the Equipment Group is supplemented by the description of items of Equipment in the Contractor's invoices delivered by Lessee to Lessor and/or by the description of Equipment in Payment Request Forms executed by Lessor and Lessee.

<u>Quantity</u>	<u>Cost Per Unit</u>	<u>Description</u>	<u>Serial Number*</u>
		Energy Management System (See Attachment A, Statement of Work)	

\*If serial numbers are not available at the date of signing this Exhibit A, Lessee hereby authorizes Lessor to insert the serial numbers when available and Lessor shall provide Lessee with a copy of the completed Exhibit A.



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PAYMENT SCHEDULE RELATING TO EQUIPMENT SCHEDULE NO. 4499290-001

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Funding Date: \_\_\_\_\_, 20\_\_

<u>Payment Number</u>	<u>Payment* Date</u>	<u>Total Payment</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Prepayment Price*</u>
---------------------------	--------------------------	--------------------------	--------------------------------	-------------------------------	------------------------------

\*After payment of Rental Payment due on such date.

**RENTAL PAYMENTS**

Annual Interest Percentage Rate: 4.67%

Lessee will make 120 Rental Payments of \$41,752.73 each consisting of Principal and Interest as set forth in the attached schedule. The first Rental Payment is due on July 15, 2008 and subsequent payments are due monthly on like date thereafter.

The above Annual Interest Percentage Rate and Rental Payments are calculated based on 10-year Treasury Rate (the "10-year Treasury Rate") as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 available at <http://www.federalreserve.gov/releases/h15/update/> on April 3, 2007 ("Quote Date"). The Annual Interest Percentage Rate and Rental Payments may be adjusted upward by Lessor if the 10-year Treasury Rate as reported four (4) business days prior to the initial Funding Date is higher than the 10-year Treasury Rate as reported on the Quote Date and Lessor will notify Lessee of any such adjustments.

**City of Danbury, Connecticut/Danbury Public Schools,**  
Lessee

**General Electric Credit Corporation of Tennessee,**  
Lessor

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

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

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

Attachment:    Payment Schedule  
                  Attachment A, Statement of Work

**Original - Chattel Paper**

Amortization Schedule

FOR ACCTG. PURPOSES ONLY.  
 DOES NOT REPRESENT A BUY OUT, CASUALTY OR TERMINATION VALUE.

CUSTOMER City of Danbury, CT 4499290-001  
 AMOUNT \$3,875,000.00  
 RATE 4.67  
 TERM 120  
 ADV or ARR arr

Date	Beginning Balance	Funding Takedowns	Total Payment	Interest Component	Principal Component	Ending Balance
4/15/2013	2,328,093.42	-	41,752.73	9,082.68	32,670.05	2,295,423.37
5/15/2013	2,295,423.37	-	41,752.73	8,955.22	32,797.51	2,262,625.86
6/15/2013	2,262,625.86	-	41,752.73	8,827.27	32,925.46	2,229,700.40
7/15/2013	2,229,700.40	-	41,752.73	8,698.82	33,053.91	2,196,646.48
8/15/2013	2,196,646.48	-	41,752.73	8,569.86	33,182.87	2,163,463.62
9/15/2013	2,163,463.62	-	41,752.73	8,440.41	33,312.33	2,130,151.29
10/15/2013	2,130,151.29	-	41,752.73	8,310.44	33,442.29	2,096,709.00
11/15/2013	2,096,709.00	-	41,752.73	8,179.97	33,572.76	2,063,136.25
12/15/2013	2,063,136.25	-	41,752.73	8,049.00	33,703.74	2,029,432.51
1/15/2014	2,029,432.51	-	41,752.73	7,917.51	33,835.22	1,995,597.29
2/15/2014	1,995,597.29	-	41,752.73	7,785.50	33,967.23	1,961,630.06
3/15/2014	1,961,630.06	-	41,752.73	7,652.99	34,099.74	1,927,530.32
4/15/2014	1,927,530.32	-	41,752.73	7,519.95	34,232.78	1,893,297.54
5/15/2014	1,893,297.54	-	41,752.73	7,386.40	34,366.33	1,858,931.21
6/15/2014	1,858,931.21	-	41,752.73	7,252.32	34,500.41	1,824,430.80
7/15/2014	1,824,430.80	-	41,752.73	7,117.73	34,635.00	1,789,795.80
8/15/2014	1,789,795.80	-	41,752.73	6,982.60	34,770.13	1,755,025.67
9/15/2014	1,755,025.67	-	41,752.73	6,846.96	34,905.78	1,720,119.89
10/15/2014	1,720,119.89	-	41,752.73	6,710.78	35,041.95	1,685,077.94
11/15/2014	1,685,077.94	-	41,752.73	6,574.07	35,178.67	1,649,899.27
12/15/2014	1,649,899.27	-	41,752.73	6,436.82	35,315.91	1,614,583.37
1/15/2015	1,614,583.37	-	41,752.73	6,299.04	35,453.69	1,579,129.68
2/15/2015	1,579,129.68	-	41,752.73	6,160.73	35,592.00	1,543,537.67
3/15/2015	1,543,537.67	-	41,752.73	6,021.87	35,730.86	1,507,806.81
4/15/2015	1,507,806.81	-	41,752.73	5,882.47	35,870.26	1,471,936.55
5/15/2015	1,471,936.55	-	41,752.73	5,742.53	36,010.20	1,435,926.35
6/15/2015	1,435,926.35	-	41,752.73	5,602.04	36,150.69	1,399,775.66
7/15/2015	1,399,775.66	-	41,752.73	5,461.01	36,291.72	1,363,483.94
8/15/2015	1,363,483.94	-	41,752.73	5,319.42	36,433.31	1,327,050.63
9/15/2015	1,327,050.63	-	41,752.73	5,177.28	36,575.45	1,290,475.18
10/15/2015	1,290,475.18	-	41,752.73	5,034.59	36,718.14	1,253,757.04
11/15/2015	1,253,757.04	-	41,752.73	4,891.34	36,861.39	1,216,895.64
12/15/2015	1,216,895.64	-	41,752.73	4,747.53	37,005.20	1,179,890.44
1/15/2016	1,179,890.44	-	41,752.73	4,603.16	37,149.57	1,142,740.87
2/15/2016	1,142,740.87	-	41,752.73	4,458.23	37,294.50	1,105,446.37
3/15/2016	1,105,446.37	-	41,752.73	4,312.73	37,440.00	1,068,006.36
4/15/2016	1,068,006.36	-	41,752.73	4,166.66	37,586.07	1,030,420.30
5/15/2016	1,030,420.30	-	41,752.73	4,020.03	37,732.70	992,687.59
6/15/2016	992,687.59	-	41,752.73	3,872.82	37,879.91	954,807.68
7/15/2016	954,807.68	-	41,752.73	3,725.04	38,027.70	916,779.98
8/15/2016	916,779.98	-	41,752.73	3,576.68	38,176.05	878,603.93
9/15/2016	878,603.93	-	41,752.73	3,427.74	38,324.99	840,278.94
10/15/2016	840,278.94	-	41,752.73	3,278.22	38,474.51	801,804.42
11/15/2016	801,804.42	-	41,752.73	3,128.12	38,624.61	763,179.81
12/15/2016	763,179.81	-	41,752.73	2,977.43	38,775.30	724,404.51
1/15/2017	724,404.51	-	41,752.73	2,826.15	38,926.58	685,477.93
2/15/2017	685,477.93	-	41,752.73	2,674.29	39,078.44	646,399.49
3/15/2017	646,399.49	-	41,752.73	2,521.83	39,230.90	607,168.59
4/15/2017	607,168.59	-	41,752.73	2,368.78	39,383.95	567,784.63
5/15/2017	567,784.63	-	41,752.73	2,215.13	39,537.61	528,247.03
6/15/2017	528,247.03	-	41,752.73	2,060.88	39,691.86	488,555.17
7/15/2017	488,555.17	-	41,752.73	1,906.02	39,846.71	448,708.47
8/15/2017	448,708.47	-	41,752.73	1,750.57	40,002.16	408,706.30
9/15/2017	408,706.30	-	41,752.73	1,594.51	40,158.22	368,548.08
10/15/2017	368,548.08	-	41,752.73	1,437.83	40,314.90	328,233.18
11/15/2017	328,233.18	-	41,752.73	1,280.55	40,472.18	287,761.01
12/15/2017	287,761.01	-	41,752.73	1,122.66	40,630.07	247,130.93
1/15/2018	247,130.93	-	41,752.73	964.14	40,788.59	206,342.34
2/15/2018	206,342.34	-	41,752.73	805.01	40,947.72	165,394.63
3/15/2018	165,394.63	-	41,752.73	645.26	41,107.47	124,287.16
4/15/2018	124,287.16	-	41,752.73	484.89	41,267.84	83,019.32
5/15/2018	83,019.32	-	41,752.73	323.89	41,428.84	41,590.47
6/15/2018	41,590.47	-	41,752.73	162.26	41,590.47	(0.00)
TOTAL		3,875,000.00	5,010,327.71	1,135,327.71	3,875,000.00	

Amortization Schedule

FOR ACCTG. PURPOSES ONLY.  
 DOES NOT REPRESENT A BUY OUT, CASUALTY OR TERMINATION VALUE.

CUSTOMER City of Danbury, CT 4499290-001  
 AMOUNT \$3,875,000.00  
 RATE 4.67  
 TERM 120  
 ADV or ARR arr

Date	Beginning Balance	Funding Takedowns	Total Payment	Interest Component	Principal Component	Ending Balance
6/15/2007	-	1,162,500.00	-	-	-	1,162,500.00
7/15/2007	1,162,500.00	387,500.00	-	-	-	1,550,000.00
8/15/2007	1,550,000.00	387,500.00	-	-	-	1,937,500.00
9/15/2007	1,937,500.00	193,750.00	-	-	-	2,131,250.00
10/15/2007	2,131,250.00	193,750.00	-	-	-	2,325,000.00
11/15/2007	2,325,000.00	193,750.00	-	-	-	2,518,750.00
12/15/2007	2,518,750.00	193,750.00	-	-	-	2,712,500.00
1/15/2008	2,712,500.00	193,750.00	-	-	-	2,906,250.00
2/15/2008	2,906,250.00	193,750.00	-	-	-	3,100,000.00
3/15/2008	3,100,000.00	193,750.00	-	-	-	3,293,750.00
4/15/2008	3,293,750.00	193,750.00	-	-	-	3,487,500.00
5/15/2008	3,487,500.00	193,750.00	-	-	-	3,681,250.00
6/15/2008	3,681,250.00	193,750.00	-	119,863.56	(119,863.56)	3,994,863.56
7/15/2008	3,994,863.56	-	41,752.73	15,585.27	26,167.46	3,968,696.09
8/15/2008	3,968,696.09	-	41,752.73	15,483.18	26,269.55	3,942,426.55
9/15/2008	3,942,426.55	-	41,752.73	15,380.70	26,372.03	3,916,054.51
10/15/2008	3,916,054.51	-	41,752.73	15,277.81	26,474.92	3,889,579.59
11/15/2008	3,889,579.59	-	41,752.73	15,174.53	26,578.21	3,863,001.39
12/15/2008	3,863,001.39	-	41,752.73	15,070.84	26,681.89	3,836,319.49
1/15/2009	3,836,319.49	-	41,752.73	14,966.74	26,785.99	3,809,533.50
2/15/2009	3,809,533.50	-	41,752.73	14,862.24	26,890.49	3,782,643.02
3/15/2009	3,782,643.02	-	41,752.73	14,757.33	26,995.40	3,755,647.62
4/15/2009	3,755,647.62	-	41,752.73	14,652.02	27,100.71	3,728,546.90
5/15/2009	3,728,546.90	-	41,752.73	14,546.29	27,206.44	3,701,340.46
6/15/2009	3,701,340.46	-	41,752.73	14,440.15	27,312.58	3,674,027.88
7/15/2009	3,674,027.88	-	41,752.73	14,333.59	27,419.14	3,646,608.74
8/15/2009	3,646,608.74	-	41,752.73	14,226.62	27,526.11	3,619,082.63
9/15/2009	3,619,082.63	-	41,752.73	14,119.24	27,633.50	3,591,449.14
10/15/2009	3,591,449.14	-	41,752.73	14,011.43	27,741.30	3,563,707.83
11/15/2009	3,563,707.83	-	41,752.73	13,903.20	27,849.53	3,535,858.30
12/15/2009	3,535,858.30	-	41,752.73	13,794.55	27,958.18	3,507,900.12
1/15/2010	3,507,900.12	-	41,752.73	13,685.48	28,067.25	3,479,832.87
2/15/2010	3,479,832.87	-	41,752.73	13,575.98	28,176.75	3,451,656.12
3/15/2010	3,451,656.12	-	41,752.73	13,466.05	28,286.68	3,423,369.44
4/15/2010	3,423,369.44	-	41,752.73	13,355.70	28,397.03	3,394,972.41
5/15/2010	3,394,972.41	-	41,752.73	13,244.91	28,507.82	3,366,464.59
6/15/2010	3,366,464.59	-	41,752.73	13,133.69	28,619.04	3,337,845.55
7/15/2010	3,337,845.55	-	41,752.73	13,022.04	28,730.69	3,309,114.87
8/15/2010	3,309,114.87	-	41,752.73	12,909.96	28,842.78	3,280,272.09
9/15/2010	3,280,272.09	-	41,752.73	12,797.43	28,955.30	3,251,316.79
10/15/2010	3,251,316.79	-	41,752.73	12,684.47	29,068.26	3,222,248.53
11/15/2010	3,222,248.53	-	41,752.73	12,571.06	29,181.67	3,193,066.86
12/15/2010	3,193,066.86	-	41,752.73	12,457.22	29,295.51	3,163,771.34
1/15/2011	3,163,771.34	-	41,752.73	12,342.93	29,409.81	3,134,361.54
2/15/2011	3,134,361.54	-	41,752.73	12,228.19	29,524.54	3,104,837.00
3/15/2011	3,104,837.00	-	41,752.73	12,113.00	29,639.73	3,075,197.27
4/15/2011	3,075,197.27	-	41,752.73	11,997.37	29,755.36	3,045,441.91
5/15/2011	3,045,441.91	-	41,752.73	11,881.29	29,871.45	3,015,570.46
6/15/2011	3,015,570.46	-	41,752.73	11,764.75	29,987.98	2,985,582.48
7/15/2011	2,985,582.48	-	41,752.73	11,647.75	30,104.98	2,955,477.50
8/15/2011	2,955,477.50	-	41,752.73	11,530.31	30,222.43	2,925,255.08
9/15/2011	2,925,255.08	-	41,752.73	11,412.40	30,340.33	2,894,914.74
10/15/2011	2,894,914.74	-	41,752.73	11,294.03	30,458.70	2,864,456.05
11/15/2011	2,864,456.05	-	41,752.73	11,175.20	30,577.53	2,833,878.52
12/15/2011	2,833,878.52	-	41,752.73	11,055.91	30,696.82	2,803,181.70
1/15/2012	2,803,181.70	-	41,752.73	10,936.15	30,816.58	2,772,365.12
2/15/2012	2,772,365.12	-	41,752.73	10,815.93	30,936.80	2,741,428.31
3/15/2012	2,741,428.31	-	41,752.73	10,695.23	31,057.50	2,710,370.81
4/15/2012	2,710,370.81	-	41,752.73	10,574.07	31,178.66	2,679,192.15
5/15/2012	2,679,192.15	-	41,752.73	10,452.43	31,300.30	2,647,891.85
6/15/2012	2,647,891.85	-	41,752.73	10,330.32	31,422.41	2,616,469.43
7/15/2012	2,616,469.43	-	41,752.73	10,207.73	31,545.00	2,584,924.43
8/15/2012	2,584,924.43	-	41,752.73	10,084.66	31,668.07	2,553,256.36
9/15/2012	2,553,256.36	-	41,752.73	9,961.11	31,791.62	2,521,464.74
10/15/2012	2,521,464.74	-	41,752.73	9,837.08	31,915.65	2,489,549.09
11/15/2012	2,489,549.09	-	41,752.73	9,712.57	32,040.16	2,457,508.93
12/15/2012	2,457,508.93	-	41,752.73	9,587.57	32,165.16	2,425,343.77
1/15/2013	2,425,343.77	-	41,752.73	9,462.09	32,290.65	2,393,053.13
2/15/2013	2,393,053.13	-	41,752.73	9,336.11	32,416.62	2,360,636.51
3/15/2013	2,360,636.51	-	41,752.73	9,209.64	32,543.09	2,328,093.42