

FORM APPROVED COUNTY COUNSEL 9/24/15
 BY: GREGORY P. PRIAMOS DATE

**SUBMITTAL TO THE BOARD OF SUPERVISORS
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

356



FROM: Riverside County Information Technology (RCIT)

SUBMITTAL DATE:
 September 21, 2015

SUBJECT: Finance Documents for Previously Approved Second Amendment to the Nexus Agreement for Completion of the CISCO Voice, Video, Wireless and Data Converged Network Project. Vote on Separately, All Districts, [\$6,368,130, financed over 7 years, RCIT Operating Fund].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Cisco lease arrangement through Banc of America Public Capital Corp Lease Schedule No. 500-3162133-000 to the Master Equipment Lease/Purchase Agreement No. 3127187 through Banc of America increasing the financing for the Converged Network for Riverside County from \$18,250,000 to \$24,618,130, and authorize the Chairman to sign the lease schedule;
2. Approve Resolution 2015- 230 to authorize the execution and delivery of a Lease Schedule No. 500-3162133-000 to the Master Equipment Lease/Purchase Agreement No. 3127187 dated December 18, 2012;
3. Authorize the Purchasing Agent to sign any ministerial amendments, as approved by County Counsel that do not make any substantive changes to the Agreement;
4. Approve and Direct the Auditor-Controller to make budget adjustments as shown on Attachment A.

(continued on page 2)

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Susana Garcia-Bocanegra 9/25/15

Steve Reneker
 Steve Reneker
 Chief Information Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 958,167	\$ 960,667	\$ 6,368,130	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: RCIT Operating Fund
 Budget Adjustment: Yes
 For Fiscal Year: 15/16 - 22/23

C.E.O. RECOMMENDATION: APPROVE
 BY: *Debra Courmoyer*
 Debra Courmoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

Purchasing & Fleet Services: *Teresa Summers*
 Teresa Summers, Assistant Director

Departmental Concurrence

- A-30
- 4/5 Vote
- Positions Added
- Change Order

3-40

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Finance Documents for Previously Approved Second Amendment to the Nexus Agreement for Completion of the CISCO Voice, Video, Wireless and Data Converged Network Project. Vote on Separately, All Districts, [\$6,368,130, financed over 7 years, RCIT Operating Fund].

DATE: September 21, 2015

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BACKGROUND:

Summary

On July 21, 2015 (M.O 3-60) the Board approved the second amendment to the agreement with Nexus to finalize the CISCO voice, video, wireless and data converged network and directed RCIT to return to the Board for approval of the Cisco lease arrangement through Banc of America Public Capital Corp. On December 18, 2012 (M.O. 3.47), the Board approved the \$16 million Master Equipment Lease/Purchase Agreement with the Banc of America for the implementation for the County's voice, video, wireless and data Converged Network. The attached lease schedule provides for a \$6,368,130 increase to the financing with Banc of America to support the additional project costs as noted in the companion Form 11 for the Nexus IS contract approved on July 21, 2015.

Bank of America will extend (1.92%) financing for a period of seven years commencing October 8, 2015.

Impact on Residents and Businesses

Completing the implementation of the Converged Network Project will provide reliability, greater efficiency in day to day operations and save approximately \$609,000 annually in charges associated with operating the Aastra system.

SUPPLEMENTAL:

Additional Fiscal Information

RCIT has submitted for consideration and has received approval from the Debt Advisory Committee on September 10, 2015.

Contract History and Price Reasonableness

The Purchasing department, on behalf of RCIT, released a Request for Quotation (RFQ) #ITARC-164 to the current County awarded Cisco vendors. Purchasing received three bids, from Nexus, Sigmanet, and Enpointe. Through the evaluation process, RCIT and Purchasing determined Nexus to be the lowest responsive/responsible vendor.

ATTACHMENTS:

- A. Budget Adjustment
- B. Resolution 2015-230

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Finance Documents for Previously Approved Second Amendment to the Nexus Agreement for Completion of the CISCO Voice, Video, Wireless and Data Converged Network Project. Vote on Separately, All Districts, [\$6,368,130, financed over 7 years, RCIT Operating Fund].

DATE: September 21, 2015

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Attachment A

Expected Offset:

45500-7400100000-380100	Unrestricted Net Assets	\$958,167
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Increase Appropriations

45500-7400100000-532600	Cap Lease-Purch Principal	\$947,221
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45500-7400100000-533720	Cap Lease-Purch Interest	<u>10,946</u>
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		\$958,167
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RESOLUTION NO. 2015-230

A RESOLUTION OF THE COUNTY OF RIVERSIDE, CALIFORNIA AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE/PUCHASE AGREEMENT DATED OCTOBER 9, 2015 AND SEPARATE LEASE SCHEDULES WITH RESPECT TO THE ACQUISTION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

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

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment constituting personal property necessary for the Lessee to perform essential governmental functions; and

WHEREAS, in order to acquire such equipment, the Lessee proposes to enter into that certain Master Equipment Lease/Purchase Agreement (the "Agreement") and separate Lease Schedules from time to time as provided in the Agreement with BANC OF AMERICA PUBLIC CAPITAL COPR (the "Lessor"), the form of which has been presented to the governing body of the Lessee at this meeting; and

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Agreement and the separate Lease Schedules as provided in the Agreement for the purchase, acquisition and leasing of the equipment to be therein described on the terms and conditions therein provided;

FORM APPROVED COUNTY COUNSEL
BY: *Neal R. Kipnis* 10/20/15
NEAL R. KIPNIS
DATE

1 NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Riverside
2 (the governing body of Lessee) assembled in regular session October 6, 2015 as follows:

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4 Section 1. APPROVAL OF DOCUMENTS. The form, terms and provisions of the
5 Agreement and the separate Lease Schedules as provided in the Agreement are hereby approved in
6 substantially the forms presented at this meeting, with such insertions, omissions and changes as shall
7 be approved by the Board of Supervisors of the Lessee, the execution of such documents being
8 conclusive evidence of such approval; and the Chairman of the Board of the Lessee is hereby
9 authorized and directed to execute, and the Clerk of the Board of the lessee is hereby authorized and
10 directed to attest to, the Agreement and each Lease Schedule and any related Exhibits attached
11 thereto and to deliver the Agreement and each Lease Schedule (including such Exhibits) to the
12 respective parties thereto, and the Clerk of the Board of the Lessee is hereby authorized to affix the
13 seal of the Lessee to such documents.

14 Section 2. OTHER ACTIONS AUTHORIZED. The officers and employees of the Lessee
15 shall take all action necessary or reasonably required by the parties to the Agreement and each Lease
16 Schedule to carry out, give effect to and consummate the transactions contemplated thereby (including
17 but not limited to the execution and delivery of Acceptance Certificates and any tax certificate and
18 agreement, each with respect to separate Lease Schedules, as contemplated in the Agreement) and to
19 take all action necessary in conformity therewith, including, without limitation, the execution and
20 delivery of any closing and other documents required to be delivered in connection with the Agreement
21 and each Lease Schedule.

22 Section 3. NO GENERAL LIABILITY. Nothing contained in this Resolution, the
23 Agreement, any Lease Schedule nor any other instrument shall be construed with respect to the
24 Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its
25 taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement, any
26 Lease Schedule or any other instrument or document executed in connection therewith impose any

1 pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power,
2 except to the extent that the Rental Payment payable under each Lease are special limited obligations
3 of the Lessee as provided in such Lease.

4 Section 4. APPOINTMENT OF AUTHORIZED LESSEE REPRESENTATIVES. The Chief
5 Information Officer and the Deputy Director of Business Administration, Riverside County Information
6 Technology of the Lessee are each hereby designated to act as authorized representatives of the
7 Lessee for purposes of the Agreement and each Lease Schedule until such time as the governing body
8 of the Lessee shall designate any other or different authorized representative for purposes of the
9 Agreement and each Lease Schedule.

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

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

17 Section 7. EFFECTIVE DATE. The Resolution shall be effective immediately upon its
18 approval and adoption.

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BANC OF AMERICA PUBLIC CAPITAL CORP
MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT NO. **3162133**
FOR

COUNTY OF RIVERSIDE, CA

DOCUMENT INDEX

1. Master Equipment Lease/Purchase Agreement
 - Exhibit A Lease Schedule
 - Exhibit A-1 Final Certificate of Acceptance
 - Exhibit A-2 IRS Form 8038-G
 - Exhibit A-3 Copy of Incumbency Certificate
 - Exhibit A-4 Copy of Opinion of Lessee's Counsel
 - Exhibit A-5 Essential Use Letter
 - Exhibit A-6 Insurance Letter
 - Exhibit A-7 Self Insurance Letter
 - Exhibit A-8 Bank Qualified Designation (as applicable) – INTENTIONALLY DELETED
 - Exhibit A-9 Copy of Authorizing Resolution
 - Exhibit A-10 Form UCC-1
 - Exhibit B Incumbency Certificate
 - Exhibit C Opinion of Lessee's Counsel
 - Exhibit D Authorizing Resolution
 - Exhibit E Software Addendum (if applicable)

OTHER:

1. Escrow Agreement
2. Certificate of Acceptance (partial)
3. Disbursement Request
4. Tax Compliance Agreement and No Arbitrage Certificate
5. UCC Attachment
6. Information Sheet
7. W-9 FORM

Master Lease/ Purchase Agreement (State and Municipal)

Master Agreement Number: 3162133

The words YOU and YOUR refer to the Lessee. The words WE, US and OUR refer to the Lessor, BANC OF AMERICA PUBLIC CAPITAL CORP

Customer Contact Information

Lessee Full Legal Name
COUNTY OF RIVERSIDE, CA

Contact Person VEVA HARGUINDEGUY	Contact Phone No. (951) 955-7710	Contacts Fax No.	Federal Tax ID # 95-6000930	State of Organization
Address 3450 14TH STREET	City RIVERSIDE	County RIVERSIDE	State CALIFORNIA	Zip 92501

Lease/Purchase Agreement

THIS MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT (the or this "Agreement") is made as of **October 8, 2015**, by and between **BANC OF AMERICA PUBLIC CAPITAL CORP**, as Lessor ("Lessor"), and **COUNTY OF RIVERSIDE, CA** as lessee ("Lessee").

In consideration of the mutual covenants, terms and conditions hereinafter contained, Lessee hereby agrees to acquire, purchase and lease all the equipment identified in each Lease Schedule ("Equipment") in substantially the form attached to this Agreement as Exhibit A that may from time to time be executed by Lessor and Lessee pursuant hereto (herein individually referred to as a "Schedule"), and Lessor hereby agrees to furnish the Equipment under each Schedule to Lessee, all on the terms and conditions set forth in this Agreement. Each Schedule executed and delivered by Lessor and Lessee pursuant to this Agreement shall constitute a separate and independent Lease (described below). When used herein the term "Lease" means a Schedule and the terms of this Agreement which are incorporated by reference into such Schedule, together with the Exhibits attached to each such Schedule.

This Agreement is not a commitment by Lessor to enter into any Lease not currently in effect, and nothing in this Agreement shall impose, or be construed to impose, any obligation upon Lessor to enter into any proposed Lease, it being understood that whether Lessor enters into any proposed Lease shall be a decision solely within Lessor's discretion.

Terms/Conditions

1. TERM. (a) Commencement of Term. This Agreement shall be effective, and the parties' obligations hereunder shall arise, as of the date hereof. The term of this Agreement shall commence on the date set forth above and will continue so long as any amount remains unpaid under a Lease. The original term of each Lease begins as of the date identified in such Lease and shall terminate on the last business day of the month after the last scheduled rental payment date, subject to extension as provided in Section 9 (such period being hereinafter referred to as the "Lease Term"). (c) Termination of Lease Term. The Lease Term of each Lease will terminate upon the earliest to occur of any of the following events: (1) The purchase of the Equipment subject to such Lease by Lessee under the provisions of Section 8(c) or 11 of this Agreement; (2) A default under such Lease by Lessee and Lessor's election to terminate Lessee's rights therein under Section 14 of this Agreement; or (3) The payment by Lessee of all rental payments to be paid by Lessee under such Lease with respect to the Equipment.

2. RENTAL PAYMENTS. (a) Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay rental payments under each Lease shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee. Lessor and Lessee acknowledge and agree that the obligation of Lessee to make Rental Payments to Lessor is a general fund obligation of the Lessee on a parity with the Lessee's other general fund obligations. (b) Payment of Rental Payments. Lessee shall pay rental payments for the Equipment identified in each Schedule exclusively from legally available funds, in lawful money of the United States of America, to Lessor in the amounts and on the rental payment due dates set forth in the pertinent Schedule without notice. In the event that any rental payment due under any Lease is not received by Lessor on or before the due date hereof, Lessee agrees to pay a late charge determined on the basis of accrued interest on the delinquent amount at the rate of 1% per month (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law) from the date of delinquency to the date that such rental payment is received by Lessor. (c) Interest and Principal Components. As set forth in each Schedule, a portion of each rental payment is paid as, and represents payment of, interest, and the balance of each rental payment is paid as, and represents payment of, principal. (d) Rental Payments to Be Unconditional. The obligation of Lessee to make rental payments under each Lease, and to perform and observe the covenants and agreements contained in this Agreement, shall be absolute and unconditional in all events, except as expressly provided in this Agreement including particularly Section 9 hereof. Lessee shall not assert any right of setoff or counterclaim against its obligations under any Lease, including (without limitation) by reason of Equipment failure, disputes with the vendor(s) or manufacturer(s) of the Equipment or Lessor, accident or any unforeseen circumstances. (e) Allocation of Rental Payments. Rental payments payable pursuant to each Lease shall be allocated to the Equipment subject to such Lease (in each case, pro rata based upon the respective capital cost of the items of such Equipment) as follows: (i) first, among the items of Equipment with the shortest estimated useful lives, and (ii) thereafter, among the items of Equipment with the relatively longer useful lives, in each case not to exceed the respective fair rental value of each item of Equipment leased hereunder for its respective useful life.

3. REPRESENTATIONS AND COVENANTS OF LESSEE. Lessee represents, covenants and warrants to Lessor as follows: (a) Lessee is a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code") and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such. (b) Lessee is authorized under the Constitution and laws of the State identified in the pertinent Schedule (the "State") to enter into this Agreement, each Lease and the transactions contemplated thereby and to perform all of its obligations under each Lease. (c) Lessee's name as indicated in the opening paragraph and on the signature page of this Agreement is its true, correct and complete legal name. (d) As evidenced by the Authorizing Resolution attached hereto as Exhibit D, the execution and delivery of this Agreement and each Lease by or on behalf of Lessee has been duly authorized by all necessary action of the governing body of Lessee, and Lessee has obtained such other approvals and consents as are necessary to consummate this Agreement and each Lease. Lessee further represents, covenants and warrants that all requirements have been met, and procedures have occurred, necessary to ensure the enforceability of this Agreement and each Lease against Lessee, and that Lessee has complied with such public bidding requirements as may be applicable to this Agreement and each Lease and the acquisition of the Equipment by Lessee under each Lease. (e) Lessee shall cause to be executed an Incumbency Certificate of Lessee in substantially the same form as Exhibit B attached hereto and an Opinion of Lessee's Counsel in substantially the same form as Exhibit C attached hereto. (f) Lessee represents with respect to each Lease that the use and operation of the Equipment under such Lease is essential to its proper,

efficient and economic governmental operation. Lessee does not intend to sell or otherwise dispose of the Equipment under any Lease or any interest therein prior to the last rental payment (including all extensions thereof) scheduled to be paid under the pertinent Lease. With respect to each Lease, Lessee shall cause to be executed an Essential Use of Equipment Letter in substantially the same form as Exhibit A-5 attached hereto. (g) Within 150 days after the end of each fiscal year of Lessee during the term of each Lease, Lessee shall provide Lessor with a copy of its audited financial statements for such fiscal year. Additionally, Lessee shall provide Lessor with budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue such Lease as may reasonably be requested by Lessor. (h) The Equipment under each Lease is, and shall remain during the period such Lease is in force, personal property and when subject to use by Lessee under such Lease will not be or become fixtures. (i) Lessee acknowledges that Lessor is acting only as a financing source with respect to the Equipment under each Lease, which has been selected by Lessee. (j) Lessee will promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of the Agreement and each Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder and thereunder.

4. TITLE TO EQUIPMENT; SECURITY INTEREST. (a) Title to the Equipment. During the term of each Lease, title to the Equipment identified therein shall vest in Lessee, subject to the rights of Lessor under such Lease. In the event of a default as set forth in Section 14 hereof, title in and to the Equipment under all Leases shall immediately vest in Lessor. (b) Security Interest. To secure the prompt payment and performance as and when due of all of Lessee's obligations under each Lease, Lessee hereby grants to Lessor a first priority security interest in the Equipment delivered under each Lease, all replacements, substitutions, accessions and proceeds (cash and non-cash), including the proceeds of all insurance policies, thereof. Lessee agrees that with respect to the Equipment delivered under each Lease, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as in effect in the State. Lessee may not dispose of any item of the Equipment delivered under any Lease without the prior written consent of Lessor, notwithstanding the fact that proceeds constitute a part of such Equipment.

5. USE AND MAINTENANCE. (a) Use. Lessee shall use the Equipment under each Lease solely for the purpose of performing one or more governmental functions of Lessee and in a careful, proper and lawful manner consistent with the requirements of all applicable insurance policies relating to such Equipment. Lessee will not change the location of any items of Equipment under any Lease as specified in the applicable Certificate of Acceptance (a form of which is attached hereto as Exhibit A-1) without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall not attach or incorporate the Equipment under any Lease to or in any other item of equipment in such a manner that such Equipment becomes or may be deemed to have become an accession to or a part of such other item of equipment. (b) Maintenance. Lessee, at its own expense, will keep and maintain, or cause to be kept and maintained, the Equipment under each Lease in as good an operating condition as when delivered to Lessee under such Lease, ordinary wear and tear resulting from proper use thereof alone excepted, and will provide all maintenance and service and make all repairs reasonably necessary for such purpose. All replacement parts and accessions shall be free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessions replaced. Lessee shall not make any material alterations to the Equipment under any Lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld. All additions to the Equipment under any Lease which are essential to its operation, or which cannot be detached without materially interfering with such operation or adversely affecting such Equipment's value and utility, shall immediately be deemed incorporated in such Equipment and subject to the terms of such Lease as if originally leased thereunder, and subject to the security interest of Lessor. Upon reasonable advance notice, Lessor shall have the right to inspect the Equipment under each Lease, and all maintenance records with respect thereto, if any, at any reasonable time during normal business hours.

6. FEES; TAXES, OTHER GOVERNMENTAL AND UTILITY CHARGES; LIENS. (a) Fees. Lessee shall timely pay all titling, recordation, documentary stamp and other fees whatsoever, whether payable by Lessor or Lessee, arising at any time prior to or during the Lease Term of each Lease, or upon or relating to the Equipment under each Lease, the rental payments under each Lease or the use, registration, rental, shipment, transportation, delivery, ownership or operation of the Equipment under each Lease and on or relating to each Lease. (b) Taxes, Other Governmental Charges and Utility Charges. The parties contemplate that the Equipment under each Lease will be used for a governmental purpose of Lessee and that the Equipment under each Lease will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment under any Lease is found to be subject to taxation in any form (except for net income taxes of Lessor), Lessee will pay, as the same come due, all taxes and

governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied during the Lease Term of such Lease against or with respect to the Equipment under such Lease, as well as all utility and other charges incurred in the operation and use of the Equipment under such Lease. (c) Liens. Lessee shall keep the Equipment under each Lease free and clear of all liens, levies and encumbrances, except those created under such Lease.

7. INSURANCE. (a) Casualty Insurance. At its own expense, Lessee shall throughout the Lease Term of each Lease keep the Equipment thereunder insured against loss or damage due to fire and the risks normally included in extended coverage, malicious mischief and vandalism, for not less than the Full Insurable Value of the Equipment. As used herein, "Full Insurable Value" means the full replacement value of the Equipment under a Lease or the Prepayment Amount applicable to the immediately preceding rental payment due date as designated on the pertinent Schedule, whichever is greater. All insurance for loss or damage shall provide that losses, if any, shall be payable to Lessor and Lessee, as their interests may appear, and Lessee shall utilize its best efforts to have all checks relating to any losses delivered promptly to Lessor. If Lessee insures similar properties against casualty loss by self-insurance, with Lessor's prior written consent, Lessee may satisfy its obligations with respect to casualty insurance under each Lease by means of a self-insurance fund reasonably acceptable to Lessor. The Net Proceeds of the insurance required hereby shall be applied as provided in Section 8 hereof. As used herein, "Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deduction of all expenses (including attorneys' fees) incurred in the collection of such claim or award. (b) Liability Insurance. (b) Liability Insurance. Lessee shall throughout the Lease Term of each Lease carry public liability insurance, both personal injury and property damage, covering the Equipment under such Lease in an amount as Lessor may from time to time reasonably require on notice to Lessee. Lessor shall be named as an additional insured with respect to all such liability insurance. With Lessor's prior written consent, Lessee may satisfy its obligations with respect to liability insurance under each Lease by maintaining a funded self-insurance plan. (c) Worker's Compensation. Lessee shall throughout the Lease Term of each Lease carry worker's compensation insurance covering all employees working on, in, near or about the Equipment under such Lease, or demonstrate to the satisfaction of Lessor that adequate self-insurance is provided, and shall require any other person or entity working on, in, near or about the Equipment under each Lease to carry such coverage throughout the Lease Term of such Lease. (d) Rental Interruption. Lessee shall during the Lease Term of each Lease maintain or cause to be maintained rental interruption insurance naming Lessor as loss payee, with coverage equal to the maximum total Rental Payments payable by Lessee under each Lease for any consecutive 24-month period and insuring against abatement of Rental Payments payable by Lessee resulting from Lessee's loss of beneficial use or enjoyment of the Equipment or any substantial portion thereof and caused by any and all perils insured under the casualty insurance described in clause (a) above. (e) General Requirements. All insurance required under this Section 7 shall be in form and amount and with companies reasonably satisfactory to Lessor except as otherwise expressly provided in each Lease. Lessee shall pay the premiums therefor and deliver to Lessor the policies of insurance or duplicates thereof, or other evidence satisfactory to Lessor of such insurance coverage, annually throughout the Lease Term of each Lease. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that (i) it will give Lessor 30 days' prior written notice of the effective date of any material alteration or cancellation of such policy, and (ii) insurance as to the interest of any named additional insured or loss payee other than Lessee shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee with respect to such policy or policies.

8. RISK OF LOSS; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS. (a) Risk of Loss. Lessee assumes all risk of loss of or damage to the Equipment under each Lease from any cause whatsoever, except for loss or damage caused by gross negligence or intentional wrongful conduct of Lessor or its representatives, and no such loss of or damage to the Equipment under any Lease, defect therein or unfitness or obsolescence thereof, shall relieve Lessee of its obligation to make rental payments or perform any other obligations under such Lease. (b) Damage, Destruction and Condemnation. If prior to the termination of the Lease Term of a Lease (i) the Equipment under such Lease or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or (ii) title to, or the temporary use of, the Equipment under such Lease or any part thereof or the estate of Lessee or Lessor in the Equipment under such Lease or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to Lessee's obligations pursuant to subsection (c) of this Section. (c) Use of Net Proceeds. With respect to each Lease, provided that the Equipment under a Lease is not deemed to be a total loss, Lessee shall, at its expense (subject to application of the Net Proceeds), cause the prompt repair, replacement or restoration of the affected Equipment under such Lease. In the event that the Equipment under such Lease is totally destroyed or damaged and Lessee is unable to make arrangements satisfactory to Lessor for the prompt replacement thereof, Lessee shall pay to Lessor, on the rental payment due date next succeeding the date of such loss, but only from and to the extent of Net Proceeds, the Prepayment Amount applicable to such rental payment due date plus the rental payment due on such date and any other amounts then payable by Lessee under such Lease. Upon such payment, the Lease Term of the Lease and the security interest of Lessor in the Equipment under such Lease shall terminate, and Lessee will acquire full and unencumbered title to such Equipment as provided in Section 10 hereof. If Lessee is not then in default under such Lease, any portion of the Net Proceeds in excess of the amount required to pay in full Lessee's obligations as set forth in this subsection (c) shall be for the account of Lessee. Lessee agrees that if the Net Proceeds are insufficient to pay in full Lessee's obligations under such Lease as set forth in this subsection (c), rental payments under such Lease shall be abated and the Lease Term shall be extended or other equipment shall be substituted as provided in Section 9 or Lessee shall make payments to the extent of any deficiency if funds are legally available for such purpose.

9. ABATEMENT. (a) During any period in which, by reason of material damage or destruction or taking under the power of eminent domain (or sale to any entity threatening the use of such power) or material title defect with respect to any Equipment, there is substantial interference with the beneficial use and enjoyment by Lessee of such Equipment, the Rental Payments due under this Agreement shall be abated in the same proportion (including in whole) that the portion of such Equipment that is unavailable for Lessee's beneficial use and enjoyment bears to all of the Equipment. Lessee shall immediately notify Lessor upon the occurrence of any event causing substantial interference with Lessee's beneficial use and enjoyment of any Equipment and the portion of the Equipment that is unavailable. Abatement of Rental Payments pursuant to this Section shall not be deemed to be an Event of Default.

(b) The amount of Rental Payments abated under this Agreement shall be such that the remaining Rental Payment obligation for each rental period represents fair consideration for the beneficial use and enjoyment of the portions of the Equipment that are not affected by such interference. Such abatement shall commence on the date that Lessee's beneficial use and enjoyment of the affected Equipment is restricted because of such interference and end on the earlier of (i) the date on which the beneficial use and enjoyment thereof are restored to Lessee, or (ii) the date on which Lessee either (x) replaces the affected Equipment, (y) uses the proceeds of insurance or condemnation award to pay the applicable Prepayment Price therefor or (z) uses legally available funds as provided in Section 8 to pay the applicable Prepayment Price therefor if no insurance proceeds or condemnation award are available for purposes of the foregoing clause (y); provided, however, that the Lease Term of the respective Lease shall automatically be extended for an extended lease term and further extended successively for any additional extended lease term as a result of the occurrence of any subsequent similar event.

(c) The terms and conditions during any extended lease term under this Agreement shall be the same as the terms and conditions during the original Lease Term, except that (i) the then unpaid aggregate principal component under this Agreement shall be amortized at the applicable interest rate on a level debt service basis over a period equal to the duration of the then remainder of such original Lease Term and such extended lease term and with Rental Payments payable on each rental payment date provided in the Payment Schedule; (ii) Lessor shall prepare, and Lessor and Lessee shall execute and deliver, a revised Payment Schedule to reflect the extended lease term.

(d) Notwithstanding any such interference with Lessee's beneficial use and enjoyment of a portion of the Equipment, this Agreement shall continue in full force and effect with respect to any remaining Equipment hereunder. Lessee hereby waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate this Agreement by virtue of any interference with the use and possession of the Equipment hereunder.

(e) In the event of damage to or destruction of all or a portion of the Equipment due to earthquake or other uninsured casualty, promptly after the occurrence of such event, the County Executive Officer or his designee may use his/her best efforts to bring forward a recommendation for Board of Supervisors consideration to substitute and add additional Equipment hereunder other real or personal property of Lessee that is unimpaired and unencumbered, the fair rental value of which shall be at least equal to the Rental Payments due during each fiscal year for the remainder of the Lease Term, provided that any such addition and substitution shall be subject to the approval of the Board of Supervisors of Lessee.

10. DISCLAIMER OF WARRANTIES. LESSOR, NOT BEING A SELLER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE) OF ANY EQUIPMENT UNDER ANY LEASE, NOR A SELLER'S AGENT, HEREBY EXPRESSLY DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: THE FITNESS FOR USE, DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTY OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS; it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to or losses resulting from the installation, operation or use of the Equipment or any products manufactured thereby. All assignable warranties made by the vendor(s) or manufacturer(s) to Lessor are hereby assigned to Lessee for and during the Lease Term of each Lease and Lessee agrees to resolve all such claims directly with the vendor(s) or manufacturer(s). Provided that Lessee is not then in default under a Lease, Lessor shall cooperate fully with Lessee with respect to the resolution of such claims, in good faith and by appropriate proceedings at Lessee's expense. Any such claim shall not affect in any manner the unconditional obligation of Lessee to make rental payments under each Lease.

11. PURCHASE OF EQUIPMENT BY LESSEE; PREPAYMENT. Provided that Lessee is not then in default under any Lease, such Lease will terminate, the security interest of Lessor in the Equipment under such Lease will be terminated and Lessee will acquire title to the Equipment under such Lease free and clear of all liens and encumbrances created by, or arising through or under, Lessor: (a) at the end of the Lease Term of such Lease, upon payment in full of all rental payments and other amounts payable by Lessee under such Lease for the Lease Term of such Lease; or (b) on any rental payment due date, upon payment by Lessee of the then applicable Prepayment Amount under such Lease as set forth on the pertinent Schedule plus the rental payment due on such date and all other amounts then due by Lessee under such Lease, provided that Lessee shall have given Lessor not less than 30 days' prior written notice of its intent to make such payment.

12. QUIET POSSESSION. Lessor represents and covenants to Lessee that Lessor has full authority to enter into this Agreement and each Lease, and that, conditioned upon Lessee performing all of the covenants and conditions under a Lease, as to claims of Lessor or persons claiming under Lessor, Lessee shall peaceably and quietly hold, possess and use the Equipment under such Lease during the term of such Lease subject to the terms and provisions thereof.

13. ASSIGNMENT; SUBLEASING; INDEMNIFICATION. (a) Assignment by Lessor. Any Lease, and the rights of Lessor thereunder and in and to the Equipment under such Lease and the pertinent Schedule, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assignees at any time without the necessity of obtaining the consent of Lessee; provided, that any such assignment, transfer or conveyance (i) shall be made only to investors each of whom Lessor reasonably believes is a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933, as amended, or an "accredited investor" as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act of 1933, as amended, and in either case is purchasing this Agreement (or any interest therein) for its own account with no present intention to resell or distribute this Agreement (or interest therein), subject to each investor's right at any time to dispose of the Agreement or any interest therein as it determines to be in its best interests, (ii) shall not result in more than 35 owners of Lessor's rights and interests under this Agreement or the creation of any interest in this Agreement in an aggregate principal component that is less than the lesser of \$100,000 or the then aggregate unpaid principal component of Rental Payments under this Agreement and (iii) shall not require Lessee to make Rental Payments, send notices or otherwise deal with respect to matters arising under this Agreement with or to more than one Lease Servicer (as such term is defined below), and any trust agreement, participation agreement or custodial agreement under which multiple ownership interests in this Agreement are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, trustee, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the "Lease Servicer") to act on their behalf with respect to the rights and interests of Lessor under the Agreement and the Escrow Agreement, including with respect to the exercise of rights and remedies of Lessor on behalf of such owners upon the occurrence of an Event of Default hereunder. Lessor and Lessee hereby acknowledge and agree that the restrictions and limitations on transfer as provided in this Section 13 shall apply to the first and subsequent assignees and sub-assignees of any of Lessor's right, title and interest in, to and under this Agreement (or any interest therein).

No such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service such Lease on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of such Lease or otherwise) that Lessee may from time to time have against Lessor or Lessor's assignees. Lessee hereby appoints Lessor and its assigns as its agents to maintain a record of all assignments of this Agreement in a form sufficient to comply with the registration requirements of Section 149(a) of the Code and the regulations prescribed thereunder from time to time, and Lessor agrees to cause such registration record to be maintained. Lessee agrees to execute all documents, including without limitation Notice and Acknowledgement of Sale of Rental Payments and Assignment of Lease, which may reasonably be requested by Lessor or its assignees to protect their interests in the Equipment under such Lease and in such Lease. (b) No Sale, Assignment or Subleasing by Lessee. This Agreement, any Lease or the interest of Lessee in the Equipment under any Lease may not be sold, assigned, sublet or encumbered by Lessee without the prior written consent of Lessor. (c) Release and Indemnification Covenants. To the extent permitted by the laws and Constitution of the State, Lessee hereby assumes and agrees to indemnify, protect, save and keep

harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatsoever kind and nature, arising on account of (i) the ordering, acquisition, delivery, installation or rejection of the Equipment under any Lease; (ii) the possession, maintenance, use, condition (including, without limitation, latent and other defects whether or not discoverable by Lessor or Lessee, any claim in tort, including actions for strict liability, and any claim for patent, trademark or copyright infringement) or operation of any item of the Equipment under any Lease (by whomsoever used or operated); or (iii) the loss, damage, destruction, removal, return, surrender, sale or other disposition of the Equipment under any Lease, or any item thereof. It is understood and agreed, however, that Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against and that Lessee shall be entitled to control the defense thereof, so long as Lessee is not in default under the pertinent Lease.

14. EVENTS OF DEFAULT AND REMEDIES. (a) Events of Default. The following shall be "events of default" with respect to a Lease and the terms "event of default" and "default" shall mean, whenever they are used in a Lease, any one or more of the following events: (1) failure by Lessee to pay any rental payment under such Lease or other payment required to be paid thereunder within 5 days of the due date therefor; or (2) failure by Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed under such Lease and such failure shall continue unremedied for a period of 30 days after written notice specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of such time prior to its expiration; or (3) any certificate, statement, representation, warranty or audit contained in such Lease or hereof or thereafter furnished with respect to such Lease by or on behalf of Lessee proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or having omitted any substantial contingent or unliquidated liability or claim against Lessee; or (4) commencement by Lessee of a case or proceeding under the federal bankruptcy laws or filing by Lessee of any petition or answer seeking relief under any existing or future bankruptcy, insolvency or other similar laws or an answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding; or (5) a petition against Lessee in a proceeding under any existing or future bankruptcy, insolvency or other similar laws shall be filed and not withdrawn or dismissed within 60 days thereafter; or (6) an actual or attempted sale, lease or encumbrance of any of the Equipment under such Lease or any item thereof or any attachment, levy or execution is levied upon or against any of the Equipment under such Lease or any item thereof; or (7) the occurrence of an event of default under any other Lease. (b) Remedies on Default. Whenever any event of default under a Lease shall have occurred and be continuing, Lessor shall have the right, at its sole option without any further demand or notice, to exercise any one or more of the following remedies: (1) with or without terminating such Lease, retake possession of the Equipment under such Lease or items thereof and sell, lease or sublease items of the Equipment under such Lease for the account of Lessee, with the net amount of all proceeds received by Lessor to be applied to Lessee's obligations under such Lease, including, but not limited to, all payments due and to become due during the Lease Term of such Lease, holding Lessee liable for the excess (if any) of: (i) the rental payments payable by Lessee under such Lease to the end of the Lease Term of such Lease (whichever is applicable) and any other amounts then payable by Lessee under such Lease (including but not limited to attorneys' fees, expenses and costs of repossession), over (ii) the net purchase price or rent and other amounts paid by a purchaser, lessee or sublessee of the Equipment under such Lease pursuant to such sale, lease or sublease, provided that the excess (if any) of such amounts over the Prepayment Amount applicable to the last rental payment due date of the Lease Term of such Lease (whichever is applicable) and the amounts referred to in clause (i) shall be paid to Lessee; (2) require Lessee at Lessee's risk and expense promptly to return the Equipment under such Lease to Lessor in the manner and in the condition set forth in Section 5(b) hereof at such location in the continental United States as is specified by Lessor; (3) if Lessor is unable to repossess the Equipment under such Lease for any reason, the Equipment under such Lease shall be deemed a total loss and Lessee shall pay to Lessor the amount due pursuant to Section 8 hereof; and (4) exercise any other right, remedy or privilege which may be available to it under applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of such Lease, to recover damages for the breach of such Lease or to rescind such Lease as to the Equipment. In addition, Lessee will remain liable for all legal fees and other costs and expenses, including court costs, reasonably incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

(c) 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 Agreement and as provided in each Lease or now or hereafter existing at law or in equity; provided that Lessor shall have no right to accelerate any Rental Payment or otherwise declare any Rental Payment or other amount payable not then in default to be immediately due and payable. Lessor's remedies hereunder and as provided in each Lease may be exercised separately with respect to items of the Equipment under a Lease or in the aggregate with respect to the Equipment under all Leases. 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.

15. TAX COVENANTS. (a) The parties assume that Lessor can exclude the interest component of the rental payments under each Lease from federal gross income. Lessee covenants and agrees that it will (i) during the term of this Agreement use a book entry system to register the owner of each Lease so as to meet the applicable requirements of Section 149(a)(3) of the Code; (ii) complete and timely file an IRS Form 8038-GC (or, if the invoice price of the Equipment under a lease is less than \$100,000, a Form 8038-G) with the Internal Revenue Service ("IRS") in accordance with Section 149(e) of the Code; (iii) not permit the Equipment under any Lease to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code including, without limitation, use by private persons or entities pursuant to contractual arrangements which do not satisfy the IRS' guidelines for permitted management contracts, as the same may be amended from time to time; and (iv) comply with all provisions and regulations applicable to excluding the interest component of the rental payments under each Lease from federal gross income pursuant to Section 103 of the Code. (b) If Lessor either (i) receives notice, in any form, from the IRS; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any rental payment under a Lease from federal gross income because Lessee breached a covenant contained in this Section 15 as provided in such Lease, then Lessee shall pay to Lessor, within 30 days after Lessor notifies Lessee of such

determination, the amount which, with respect to rental payments previously paid under such Lease and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all rental payments due under such Lease through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by such Lease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay additional rent under such Lease to Lessor on each succeeding rental payment due date in such amount as will maintain such after-tax yield to Lessor provided that such additional rent when added to the Rental Payment will not exceed the fair rental value of the Equipment. Notwithstanding anything in this subsection (b) or elsewhere in this Agreement to the contrary, any amount payable by Lessee pursuant to this subsection (b) as provided in a Lease shall be payable solely from funds legally available for such purpose and shall be subject to Section 1(e) hereof.

16. LESSOR'S RIGHT TO PERFORM FOR LESSEE. If Lessee fails to perform or comply with any of its agreements contained in a Lease, Lessor shall have the right, but shall not be obligated, to effect such performance or compliance, and the amount of any out of pocket expenses and other reasonable expenses of Lessor incurred in connection with the performance of or compliance with such agreement, together with interest thereon at the rate of 12% per annum (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law), shall be payable by Lessee upon demand. With respect to each Lease, within 10 days of receipt, Lessee shall execute, endorse and deliver to Lessor any deed, conveyance, assignment or other instrument in writing as may be required to vest in Lessor any right, title or power which by the terms of such Lease are expressed to be conveyed or conferred upon Lessor, including, without limitation: (a) Uniform Commercial Code financing statements (including continuation statements), real property waivers; (b) documents and checks or drafts relating to or received in payment for any loss or damage under the policies of insurance required by the provisions of Section 7 hereof to the extent that the same relate to the Equipment under such Lease; and (c) upon an event of default or nonappropriation under any or all Leases or times thereafter as Lessor in its sole and absolute discretion may determine, any bill of sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment under any or all Leases in order to vest title in Lessor and transfer possession to Lessor. Further, to the extent permitted by law, Lessee appoints Lessor as its attorney-in-fact for the limited purpose of, and with the full authority to, execute and file Uniform Commercial Code financing statements (including continuation statements), which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment under each Lease or for the confirmation or perfection of each Lease and Lessor's rights under each Lease, in the name and on behalf of Lessor, and agrees that photocopies of originally executed Uniform Commercial Code financing statements (including continuation statements) may be filed in the appropriate recordation offices as originals.

17. MISCELLANEOUS. (a) Notices. All notices (excluding billings and communications in the ordinary course of business) under a Lease shall be in writing, and shall be sufficiently given and served upon the other party if delivered (i) personally, (ii) by United States registered or certified mail, return receipt requested, postage prepaid, (iii) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available; or (iv) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing. (b) Binding Effect. This Agreement and each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. (c) Severability; Survival. Any provision of this Agreement or any Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or any such Lease, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision of this Agreement or any Lease prohibited or unenforceable in any respect. The representations, warranties and covenants of Lessee in this Agreement and in each Lease shall be deemed to be continuing and to survive the closing under this Agreement and each Lease. Each execution by Lessee of a Certificate of Acceptance in connection with a Lease shall be deemed a reaffirmation and warranty that there have been no material adverse change in the financial condition of Lessee from the date of execution of this Agreement or such Lease. The obligations of Lessee under Sections 1(e), 6, 13(c) and 15, which accrue during the term of this Agreement and are incorporated into each Lease, shall survive the termination of this Agreement or any Lease. (d) Execution in Counterparts; Chattel Paper. This Agreement and each Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; provided, however, that only the counterpart marked "Original" shall constitute chattel paper for purposes of the Uniform Commercial Code. (e) Administrative. Lessee agrees that Lessor or its Assignee may treat executed faxes or photocopies delivered to Lessor as original documents; however, Lessee agrees to deliver original signed documents as requested. Lessee agrees that Lessor may insert the appropriate administrative information to complete this Agreement. Lessor will provide a copy of the final Agreement upon request (f) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State. (g) Captions. The captions in this Agreement and each Lease are for convenience of reference only and shall not define or limit any of the terms or provisions of this Agreement or any Lease. (h) Entire Agreement. This Agreement and each Lease (including the Exhibits attached thereto) constitute the entire agreement between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement or any Lease shall bind either party unless in writing signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given except that Lessor may insert the serial number and additional description details in any Schedule of any item of Equipment after delivery thereof. There are no understandings, agreements, representations or warranties, express or implied, not specified herein regarding this Agreement, any Lease or the Equipment leased under any Lease. Any terms and conditions of any purchase order or other document (with the exception of supplements) submitted by Lessee in connection with this Agreement or any Lease which are in addition to or inconsistent with the terms and conditions of this Agreement or any such Lease will not be binding on Lessor and will not apply to this Agreement or any such Lease. Lessee by the signature below of its authorized representative acknowledges that it has read this Agreement and any Lease, understands it, and agrees to be bound by its terms and conditions.



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

COUNTY OF RIVERSIDE, CA,
as lessee

BANC OF AMERICA PUBLIC CAPITAL CORP,
as lessor

By: _____

By: _____

Printed Name: STEVEN RENEKER

Printed Name: _____

Title: CHIEF INFORMATION OFFICER

Title: _____

FORM APPROVED COUNTY COUNSEL
BY: Neal R. Kipnis DATE 9/23/05

EXHIBIT A

BANC OF AMERICA PUBLIC CAPITAL CORP

LEASE SCHEDULE

MASTER EQUIPMENT LEASE-PURCHASE

AGREEMENT NO.: **3162133**

DATE OF MASTER EQUIPMENT

LEASE-PURCHASE AGREEMENT: **October 8, 2015**

LEASE SCHEDULE NO.: **500-3162133-000**

DATE OF LEASE SCHEDULE: **OCTOBER 8, 2015**

COMMENCEMENT DATE: **Date of funding, as confirmed by notice from Lessor to Lessee.**

FULL LEASE TERM: **7 Years From the Date of Lease Schedule.**

Rental payments are payable **ANNUAL** in **ADVANCED** of the period to which they relate. Rental payment due dates will be based on the Commencement Date, and established in Lessor's notification to Lessee of the Commencement Date.

LESSEE: **COUNTY OF RIVERSIDE, CA**

1. DESCRIPTION OF THE EQUIPMENT:

<u>SUPPLIER</u>	<u>QUANTITY</u>	<u>DESCRIPTION OF UNITS OF EQUIPMENT</u>	<u>SERIAL NUMBERS*</u> <u>(IF AVAILABLE)</u>
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See Preliminary Equipment Description attached hereto and made a part hereof

together with all accessories, attachments, substitutions and accessions.

2. EQUIPMENT LOCATION: _____

* Lessee authorizes Lessor to insert serial numbers and additional description details of Equipment when determined by Lessor as provided in Section 16(g) of the Master Equipment Lease/Purchase Agreement.

3. The Rental Payments shall be made for the Equipment as follows:

DATE	PAYMENT	INTEREST	PRINCIPAL	PURCHASE OPTION PRICE*
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See Payment Schedule attached hereto and made a part hereof.

The original purchase price of the Equipment is \$6,368,130.00. The effective interest rate to Lessee is 1.92%% after the financing incentive is taken into consideration.

* LESSEE ACKNOWLEDGES THAT THE AMOUNT FINANCED BY LESSOR. IS \$6,224,349.11 AND THAT SUCH AMOUNT IS THE ISSUE PRICE FOR THE SCHEDULE FOR FEDERAL INCOME TAX PURPOSES. THE DIFFERENCE BETWEEN THE PRINCIPAL AMOUNT OF THIS SCHEDULE AND THE ISSUE PRICE IS THE FINANCING INCENTIVE OR ORIGINAL ISSUE DISCOUNT ("OID"), AS DEFINED IN SECTION 1288 OF THE CODE. THE YIELD FOR THIS SCHEDULE FOR FEDERAL INCOME TAX PURPOSES IS 2.787%. SUCH ISSUE PRICE WILL BE STATED IN THE APPLICABLE FORM 8038-G. YOU AGREE THAT THE REFERENCE TO "INTEREST" IN SECTION 14 OF THE AGREEMENT SHALL INCLUDE THE FINANCING INCENTIVE (OID).

4. For purposes of this Lease, "State" means the State of **CALIFORNIA**.

5. Lessee's current Fiscal Period extends from 07/01/15 to 06/30/16.

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

7. Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in such Master Equipment Lease/Purchase Agreement (particularly Section 3 thereof) are true and correct as though made on the date of execution of this Lease Schedule.

COUNTY OF RIVERSIDE, CA,
as lessee

BANC OF AMERICA PUBLIC CAPITAL CORP
as lessor

By: _____

By: _____

Printed Name: STEVE RENEKER

Printed Name: _____

Title: CHIEF INFORMATION OFFICER

Title: _____

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

* Assumes all Rental Payments and Additional Payments due on and prior to that date have been paid.

COUNTY OF RIVERSIDE, CA
500-3162133-000

FINANCING INCENTIVE RATE PAYMENT SCHEDULE

PAYMENT NO.	PAYMENT DUE DATE	PAYMENT	INTEREST	PRINCIPAL	PRINCIPAL BALANCE	PURCHASE OPTION PRICE*
Commencement Date:	10/08/2015				6,368,130.00	NC
1	10/31/2015	958,167.02	7,828.21	950,338.81	5,417,791.19	5,417,791.19
2	07/31/2016	960,667.02	78,685.65	881,981.37	4,535,809.82	4,535,809.82
3	07/31/2017	960,667.02	88,046.78	872,620.24	3,663,189.58	3,663,189.58
4	07/31/2018	960,667.02	71,107.93	889,559.09	2,773,630.49	2,773,630.49
5	07/31/2019	960,667.02	53,840.27	906,826.75	1,866,803.74	1,866,803.74
6	07/31/2020	960,667.02	36,237.42	924,429.60	942,374.14	942,374.14
7	07/31/2021	960,667.02	18,292.88	942,374.14	0.00	0.00
Grand Totals		6,722,169.14	354,039.14	6,368,130.00		

The original purchase price of the Equipment is \$6,368,130.00. The effective interest rate to Lessee is 1.92% after the financing incentive is taken into consideration. For IRS purposes the breakdown of principal and pre-paid interest is reflected below

PAYMENT NO.	PAYMENT DUE DATE	PAYMENT	INTEREST	PRINCIPAL
1	10/31/2015	958,167.02	10,945.57	947,221.45
2	07/31/2016	960,667.02	109,942.52	850,724.50
3	07/31/2017	960,667.02	123,383.27	837,283.75
4	07/31/2018	960,667.02	100,044.50	860,622.52
5	07/31/2019	960,667.02	76,055.18	884,611.84
6	07/31/2020	960,667.02	51,397.16	909,269.86
7	07/31/2021	960,667.02	26,051.83	934,615.19
Grand Totals		6,722,169.14	497,820.03	6,224,349.11

* Assumes all Rental Payments and Additional Payments due on and prior to that date have been paid.

COUNTY OF RIVERSIDE, CA

500-3162133-000

PRELIMINARY EQUIPMENT DESCRIPTION

**PURCHASE AND IMPLEMENTATION OF ADDITIONAL NEW EQUIPMENT TO COMPLETE
EXISTING COVERGED NETWORK PROJECT MORE FULLY DESCRIBED IN THE ATTACHED NEXUS
QUOTE NAME: RCIT BUDGET REMAINING SITES_EQUIPMENT_7_13_2015 SPECIAL PRICING
QUOTE #A-106939 ATTACHED HERETO AND MADE A PART HEREOFF**

Exhibit A-1
(To Lease Schedule No. 500-3162133-000
FINAL CERTIFICATE OF ACCEPTANCE

The undersigned, as Lessee under that certain Master Equipment Lease/Purchase Agreement No. 3162133 dated as of **October 8, 2015** (the "Agreement") which is incorporated by reference into that certain Lease Schedule No. 500-3162133-000 dated as of **October 8, 2015** (the "Lease"), each with **BANC OF AMERICA PUBLIC CAPITAL CORP**, as lessor ("Lessor"), hereby certifies:

1. The items of the Equipment identified in the Lease (the "Equipment") have been delivered and installed at the location(s) set forth therein.
 2. A present need exists for the Equipment which need is not temporary or expected to diminish in the near future. The Equipment is essential to and will be used by Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority.
 3. The estimated useful life of the Equipment based upon the manufacturer's representations and Lessee's projected needs is not less than the term of lease with respect to the Equipment.
 4. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes as of the date of this Certificate.
 5. The Equipment is covered by insurance in the types and amounts required by the Lease.
 6. No event of default, as such term is defined in the Lease, and no event which with the giving of notice or lapse of time, or both, would become an event of default, has occurred and is continuing on the date hereof.
 7. Sufficient funds have been appropriated by Lessee for the payment of all rental payments due under the Lease during Lessee's current fiscal year.
 8. Based on the foregoing, Lessor is hereby authorized and directed to fund the acquisition of the Equipment set forth in the Lease by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices.
 9. The following documents are attached hereto and made a part hereof:
 - (a) Equipment List;
 - (b) Original Invoice(s); and
 - I Copies of Certificate(s) of Origin, when applicable, designating Lessor as lienholder if any part of the Equipment consists of motor vehicles, and evidence of filing.
- If Lessee paid an invoice prior to the commencement date of the Lease and is requesting reimbursement for such payment, also attach a copy of evidence of such payment together with a copy of Lessee's Declaration of Official Intent and other evidence that Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. 1.150-2.

COUNTY OF RIVERSIDE, CA
as Lessee

By: _____
Name: _____
Title: _____
Date: _____

FORM APPROVED COUNTY COUNSEL

BY: NEAL R. KIPNIS DATE: 9/22/15

Information Return for Tax-Exempt Governmental Obligations

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

OMB No. 1545-0720

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

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name COUNTY OF RIVERSIDE, CA		2 Issuer's employer identification number (EIN) 95-6000930	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
3450 14TH STREET		3	
6 City, town, or post office, state, and ZIP code RIVERSIDE, CA 92501		7 Date of issue 10/9/15	
8 Name of issue MASTER LEASE SCHEDULE NO. 500-3162133-000		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Robin Harter - Deputy Director of Administration		10b Telephone number of officer or other employee shown on 10a 951-955-7512	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education		11	
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 ► CISCO NETWORKING EQUIPMENT		18	6,224,349 11
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	07/31/2021	\$ 6,224,349.11	NA	7 years	1.92 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22	Proceeds used for accrued interest		22	0
23	Issue price of entire issue (enter amount from line 21, column (b))		23	6,224,349 11
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		
28	Proceeds used to advance refund prior issues	28		
29	Total (add lines 24 through 28)	29		
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30		6,224,349 11

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 <input type="checkbox"/> _____ years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded <input type="checkbox"/> _____ years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) <input type="checkbox"/> _____
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)

35		
36a		
37		
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)

36a		
37		
- 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		
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- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ 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 ▶
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶
- 41a** If the issuer has identified a hedge, check here ▶ 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 ▶
- 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 ▶
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ▶
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ▶ and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent	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	▶ Robin Harter - Deputy Director of Admin Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ▶			Firm's EIN ▶
	Firm's address ▶			Phone no. ▶

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type
 See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
COUNTY OF RIVERSIDE DEPARTMENT OF INFORMATION TECHNOLOGY

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:
 Individual/sole proprietor or single-member LLC
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____
Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.
 Other (see instructions) ▶ **GOVERNMENT**

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
 Exempt payee code (if any) _____
 Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)
3450 14TH STREET

6 City, state, and ZIP code
RIVERSIDE, CA 92501

7 List account number(s) here (optional)

Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number								
or								
Employer identification number								
9	5	-	6	0	0	0	9	3

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
 - Form 1099-C (canceled debt)
 - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*
- By signing the filled-out form, you:
- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
 - Certify that you are not subject to backup withholding, or
 - Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
 - Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.