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Enactment Number	23-1331
Enactment Date	6/28/2023 os

## Board Cover Memorandum

**To** Board of Education

**From** Kyla Johnson-Trammell, Superintendent  
Preston Thomas, Chief Systems and Services Officer  
Susan Beltz, Chief Technology Officer

**Meeting Date** June 28, 2023

**Subject** Approval by the Board of Education of Resolution No. 2223-0231 Declaring It Is In The Best Interest Of The District To Piggyback On And Enter Into A Contract With Digital Scepter, Inc. and Key Government Finance Inc. Properly Entered Into Through the School Project for Utility Rate Reduction ("SPURR") Joint Powers Authority (JPA); Approval by the Board of Education of Master Tax-Exempt Lease/Purchase Agreement between Oakland Unified School District, Digital Scepter, Inc., Murrieta, CA and Key Government Finance, Inc., Superior, CO.  
Contractors: Digital Scepter, Inc. and Key Government Finance, Inc.  
Services For: July 23, 2023 - July 22, 2028

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**Ask of the Board**  Approve Services Agreement  
 Ratify Services Agreement

**Services** This contract includes two Palo Alto Networks PA-5410 firewalls, one for each of our two OUSD data centers, under a five-year lease agreement with Key Government Finance, Inc. and also includes maintenance and licensing for firewall services, premium support, threat prevention and network-based internet filtering. These services are required to protect the internal digital assets of the District and to comply with the requirements of the federal Children's Internet Protection Act (CIPA).

**Term** Start Date: July 23, 2023 End Date: July 22, 2028

**Not-To-Exceed Amount** \$729,822.55

**Competitively Bid** No. See attached Resolution No. 2223-0231 Declaring It Is In The Best Interest Of The District To Piggyback On And Enter Into A Contract With Digital Scepter, Inc. and Key Government Finance, Inc. Properly Entered Into Through the School Project for Utility Rate Reduction ("SPURR") Joint Powers Authority (JPA).

**In-Kind  
Contributions**

No in-kind contributions

**Funding Source(s)**

- \$145,964.51 from 2023-24 Funding Resource 010-0000-0-0000-7700-5846-999-9860-9994-9999-99999: General Purpose (GP), Data Processing, License Agreements, Districtwide
- \$145,964.51 from 2024-25 Funding Resource 010-0000-0-0000-7700-5846-999-9860-9994-9999-99999: General Purpose (GP), Data Processing, License Agreements, Districtwide
- \$145,964.51 from 2025-26 Funding Resource 010-0000-0-0000-7700-5846-999-9860-9994-9999-99999: General Purpose (GP), Data Processing, License Agreements, Districtwide
- \$145,964.51 from 2026-27 Funding Resource 010-0000-0-0000-7700-5846-999-9860-9994-9999-99999: General Purpose (GP), Data Processing, License Agreements, Districtwide
- \$145,964.51 from 2027-28 Funding Resource 010-0000-0-0000-7700-5846-999-9860-9994-9999-99999: General Purpose (GP), Data Processing, License Agreements, Districtwide

**Background**

The Technology Services department seeks to provide a standardized, equitable and supportable instructional environment to all staff and students. To meet this goal, the department implements robust cybersecurity measures, including a hardware-based firewall in each of our two OUSD data centers. These appliances act as a secure gateway between devices inside the OUSD network and externally-hosted websites and applications. Firewalls block incoming malware based upon pre-programmed rules which can also prevent users within the OUSD network from accessing malicious online material.

Technology Services has previously obtained these appliances through a five-year lease arrangement (Enactment No. 18-1228) and seeks to do so again. This arrangement enables equal annual payments over the five-year term and protects the district against annual price increases for maintenance, licensing and support.

The quote includes the procurement of two Palo Alto Networks PA-5410 firewalls, along with five years of maintenance, licensing and support to provide redundancy between our two OUSD data centers. Per the included Resolution No. 2223-0231, this is a piggyback contract that was competitively bid by SPURR, which is a Joint Powers Authority formed by California public school districts, county offices of education, and community college districts pursuant to California's Joint Exercise of Powers Act.

**Attachment(s)**

- Resolution No. 2223-0231
- SPURR Joint Powers Agreement
- SPURR Master Contract SMC-TN-045
- Digital Scepter, Inc. Quote
- Key Government Finance, Inc. Proposal
- Key Government Finance, Inc. Master Tax-Exempt Lease/Purchase Agreement

**RESOLUTION OF THE  
BOARD OF EDUCATION  
OF THE  
OAKLAND UNIFIED SCHOOL DISTRICT**

**Resolution No. 2223-0231**

**Declaring It Is In The Best Of The District To Piggyback On And Enter Into A Contract With Digital Scepter, Inc. and Key Government Finance, Inc. Properly Entered Into Through the School Project for Utility Rate Reduction ("SPURR") Joint Powers Authority (JPA)**

**WHEREAS**, Public Contract Code section 20118 ("section 20118") permits a school district, "without advertising for bids," to contract with "any public corporation or agency, including any county, city, town, or district, to . . . purchase materials, supplies, equipment, . . . and other personal property for the district in the manner in which the public corporation or agency is authorized by law to make the . . . purchases from a vendor" if the school Board determines it to be in the "best interests of the district";

**WHEREAS**, section 20118 further permits a school district to contract with a vendor that has an existing contract with another public corporation or agency "under the same terms that are available to the public corporation or agency under the existing contract";

**WHEREAS**, the School Project for Utility Rate Reduction (SPURR) is a Joint Powers Authority formed by California public school districts, county offices of education, and community college districts pursuant to California's Joint Exercise of Powers Act;

**WHEREAS**, SPURR is focused upon aggregating purchasing power and expertise for California public education agencies and other eligible entities by operating procurement and consulting programs for natural gas, electricity, LED lights, solar energy, telecommunications and internal networking, and expense management, and accomplishes this through a suite of statewide, competitively bid contracts that are available for "piggybacking" to state and local governments, including school districts;

**WHEREAS**, SPURR issued a Request for Proposal (RFP) for 2022 Network Infrastructure Equipment and Services on behalf of SPURR members on 10/27/2021 and invited qualified vendors to submit pricing for specified services in response to the RFP;

**WHEREAS**, state public agencies, including school districts, are eligible to use the SPURR statewide contracts pursuant to Government Code section 11541(a);

**WHEREAS**, OUSD is a signatory to the SPURR Joint Powers Authority;

**WHEREAS**, the SPURR Joint Powers Authority and Digital Scepter, Inc. executed SPURR MASTER CONTRACT SMC-TN-045 effective February 7, 2022, with services under the master contract to

be available for orders submitted to SPURR in the form of an Authorization to Order (“ATO”) delivered to SPURR on or before 6/30/2025;

**WHEREAS**, the District finds it advantageous to procure the equipment, licensing, maintenance and support through a five-year lease arrangement and therefore seeks to execute a Master Tax-Exempt Lease/Purchase Agreement with Key Government Finance, Inc.;

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Education (“Board”) finds that the Statewide Agreement was properly bid, awarded, executed, and approved based on the representation of the SPURR Joint Powers Authority and Digital Scepter, Inc., and the documents provided to OUSD;

**BE IT FURTHER RESOLVED**, the Board declares that it is in the best interest of the District to contract with Key Government Finance, Inc. to procure the equipment, licensing, maintenance and support through a five-year lease arrangement;

**BE IT FURTHER RESOLVED**, the Board declares that it is in the best interest of the District to contract with Key Government Finance, Inc. and Digital Scepter, Inc., hereby accepts the offer of contract with Key Government Finance, Inc. and Digital Scepter, Inc., pursuant to the same terms and conditions found in the Agreement up to a fiscal year not-to-exceed amount of \$145,764.37 annually, for a total amount of \$728,821.85, from July 23, 2023 to July 22, 2028, and approves the Master Tax-Exempt Lease/Purchase Agreement.

**PASSED AND ADOPTED** by the Board of Education of the Oakland Unified School District this 28th day of June, 2023, by the following vote:

PREFERENTIAL AYE:	None
PREFERENTIAL NOE:	None
PREFERENTIAL ABSTENTION:	None
PREFERENTIAL RECUSE:	None
AYES:	VanCedric Williams, Valerie Bachelor, Clifford Thompson, Benjamin “Sam” Davis , Vice President Clifford Thompson, President Mike Hutchinson
NOES:	None
ABSTAINED:	None
RECUSED:	None
ABSENT:	Student Director Gallegos Chavez, Student Director Linh Le

**CERTIFICATION**

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on June 28, 2023.

Legislative File	
File ID Number:	23-1505
Introduction Date:	6/28/23
Enactment Number:	23-1331
Enactment Date:	6/28/2023
By:	os

**OAKLAND UNIFIED SCHOOL DISTRICT**



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Mike Hutchinson  
President, Board of Education



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Kyla Johnson-Trammell  
Superintendent and Secretary, Board of Education

Approved by  
Board of Education, OUSD  
Date 10/9/96  
Agenda No. J  
GCA No. 23  
By 88



# SCHOOL PROJECT FOR UTILITY RATE REDUCTION

## Joint Powers Agreement

This Agreement is among those public agencies signatory to this Agreement and is for the purpose of establishing, operating and maintaining the School Project for Utility Rate Reduction (SPURR.)

This Agreement is entered into pursuant to the provisions of Sections 6500 et seq. (Joint Powers Agreement) of the California Government Code for the benefit of the School Districts, Community College Districts and the County Superintendents of Schools signatory hereto (and also those which may hereafter become signatory hereto), for the purpose of operating a program to be known and designated as the School Project for Utility Rate Reduction, herein after designated as SPURR, and;

WHEREAS, it is to the mutual benefit of the parties herein subscribed and in the best public interest of said parties to join together to establish this Joint Powers Agreement to accomplish the purposes herein after set forth, and;

WHEREAS, the signatories hereto have determined that there is a need by Public Educational Agencies to seek utility rate reduction, particularly for electricity and natural gas, and;

WHEREAS, Section 6502 of the Government Code of the State of California authorizes joint exercises by two or more public agencies of any power common to them;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER PUBLIC EDUCATIONAL AGENCIES, EACH OF THE PARTIES HERETO DOES HEREBY AGREE AS FOLLOWS:

### 1. CREATION OF THE SCHOOL PROJECT FOR UTILITY RATE REDUCTION (SPURR)

Pursuant to Title 1, Division 7, Chapter 5 of the Government Code, there is hereby created a public entity, separate and apart from the parties hereto, to be known as the School Project for Utility Rate Reduction, herein after designated SPURR.

SPURR shall have the powers common to the participating Districts and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following: to make and enter into contracts; to incur debts, liabilities and obligations; to acquire, hold or dispose of property; to receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations and any governmental entity; and to sue and be sued in its own name. Said powers shall be exercised in the manner provided by law, and except as expressly set forth herein, subject only to such restrictions upon the manner or exercising such powers as are imposed upon districts in the exercise of similar powers. It is specifically agreed that the debts, liabilities and obligations of SPURR shall not be debts, liabilities and obligations of the parties to this Agreement.

### 2. PURPOSE

The purpose of SPURR shall be to seek on behalf of the members the reduction of utility rates, especially for electricity and natural gas, in the service areas of Pacific Gas and Electric (PG&E) and the Sacramento Municipal Utility District (SMUD.)

### 3. MEMBERSHIP

Each party to this Agreement must be eligible for SPURR membership as defined in the Bylaws, and become a member on the effective date of this Agreement, and is entitled to the rights and privileges, and is subject to the obligations of membership, all as are provided in this Agreement. Public Educational Agencies desiring membership after initial operation has begun shall apply under the provisions of the Bylaws.

14. TERM, DISSOLUTION AND SEVERABILITY OF JOINT POWERS AGREEMENT

A. Term and Extension

This Joint Powers Agreement shall commence September 1, 1989 and be extended from year to year thereafter, commencing each July 1. The majority of the members of this Joint Powers Agreement may terminate this Joint Powers Agreement at any time, provided all parties dealing with SPURR and all SPURR members have been notified at least 30 days in advance.

B. Dissolution

In the event this Joint Powers Agreement is terminated by districts as herein allowed, the Treasurer shall, after all debts have been paid and property disposed of, distribute to each school district that is a party hereto on the effective date of dissolution, the balance of the SPURR assets on a pro rata basis according to the extent of each school district's contribution of funds hereunder since the creation of SPURR.

C. Severability

Should any portion, term, condition or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions and provisions shall not be affected thereby.

15. ASSIGNS

No party to this Joint Powers Agreement may sublet, assign, or transfer any interest in this Joint Powers Agreement without written consent of all of the parties thereto.

The parties thereto have caused this Joint Powers Agreement to be signed in their behalf by their duly authorized representatives on this \_\_\_\_\_ day of \_\_\_\_\_ by the following signatory School Districts, Community College Districts and County Superintendents of Schools

IN WITNESS WHEREOF, Consultant has executed this Agreement, & the District, by its \_\_\_\_\_, who is authorized to do so, has executed this agreement.

Consultant:

By: [Signature] Dated: \_\_\_\_\_

Its: Project Director

Oakland Unified School District:

By: [Signature] Dated: \_\_\_\_\_

Its: President, Board of Education

By: [Signature] Dated: \_\_\_\_\_  
Deputy

Its: Secretary, Board of Education

Approved as to form and procedure:

[Signature] Dated: 2-11-97  
General Counsel



## SPURR MASTER CONTRACT: SMC-TN-045

This SPURR Master Contract (this “SMC”), is made effective as of February 7, 2022 (the “Effective Date”), by and between the School Project for Utility Rate Reduction (“SPURR”) and Digital Scepter (“Vendor”). Additional information regarding Vendor is set forth on Appendix A to this SMC.

### BACKGROUND

- A. SPURR is a Joint Powers Authority formed by California public school districts, county offices of education, and community college districts pursuant to California’s Joint Exercise of Powers Act.
- B. SPURR aggregates purchasing power and expertise for member and non-member facilities across California. In its Telecom and Networking Program, SPURR aggregates purchasing power and expertise for telecommunications, Internet access, and internal connections equipment goods and services (“Services”).
- C. The Schools and Libraries Program of the Universal Service Fund, commonly known as “E-Rate,” is administered by the Schools and Libraries Division of the Universal Service Administrative Company (“USAC-SLD”) under the direction of the Federal Communications Commission (“FCC”) and provides discounts to assist schools and libraries in the United States to obtain affordable telecommunications, Internet access, and internal connections equipment.
- D. SPURR has established contracts for Services through the following process:
  1. On 10/27/2021, SPURR issued a Request for Proposal for 2022 Network Infrastructure Equipment and Services (the “RFP”) on behalf of SPURR members. SPURR invited qualified vendors to submit pricing for specified Services in response to the RFP.
  2. In conjunction with publishing the RFP, SPURR posted on the USAC-SLD Website an E-Rate Form 470 Application, 220002709 as a consortium for Category 2 Services, consisting of Internal Connections; Basic Maintenance of Internal Connections.
  3. SPURR received at least one response to the RFP. SPURR evaluated all responses which complied with the terms of the RFP, using the following criteria:

○ Price:	40%
○ Prior Experience -Technical:	25%
○ Understanding of Specified RFP Needs:	20%
○ Management Capabilities / Company Capacity:	10%
○ Prior SPURR Program Experience:	5%
○ TOTAL:	100%
  4. SPURR selected Vendor for an award under the RFP for specified Services (the “Awarded Services”). The parties are entering this SMC to evidence the terms and conditions of that award.

### AGREEMENT

Now, therefore, for good and valuable consideration, the parties agree as follows.

#### 1. GRANT AND ACCEPTANCE OF AWARD

SPURR awards this SMC to Vendor under the RFP with respect to the Awarded Services at the prices listed in Appendix B. Vendor accepts the award subject to all terms and conditions of the RFP, which terms are incorporated by this reference except as expressly revised by this SMC.

Awarded Services may be delivered commencing on or after 7/1/2022 (the “Service Start Date”). Non-recurring Services defined as Category Two for E-Rate purposes may be delivered commencing on or after 4/1/2022.

Services under this SMC shall be available for orders submitted to SPURR in the form of an Authorization to Order (“ATO”) delivered to SPURR on or before 6/30/2025 (the “Order Due Date”), pursuant to the ATO process described below. SPURR and Vendor may agree to extend the Order Due Date for up to an additional two (2) years beyond the initial Order Due Date.

## **2. PRICING**

This SMC includes the services and pricing offered to SPURR in Vendor’s RFP response, as identified in Tab 5 – Cost Proposals of the RFP and incorporated with any clarifications requested by SPURR into Appendix B of this SMC.

**Prices offered by Vendor pursuant to this SMC are “ceiling” or “not-to-exceed” prices.**

Vendor may offer lower prices under this SMC, if circumstances warrant.

For Services where Vendor offered SPURR pricing for equipment or services stated as a percentage discount or markup relative to Manufacturer’s Suggested Retail Price or a similar reference price (“MSRP”), then “ceiling” pricing means that Vendor will offer those percentage MSRP discounts or markups, or better, under this SMC through the Order Due Date.

In the case of Services where Vendor offered SPURR rates for professional or administrative services, including any subcontractor services, stated as a rate per hour or per project, then “ceiling” pricing means that Vendor will offer those rates, or better, under this SMC at least through the second anniversary of the Services Start Date. For offers after the second anniversary of the Services Start Date, Vendor may increase offered rates in line with inflation not more than once per year, in amounts as reasonably agreed in advance of such increases by SPURR and Vendor.

## **3. ELIGIBLE ENTITIES AND PARTICIPANTS**

The pricing, terms, and conditions of this SMC will be made available to “Eligible Entities” for the purchase of Awarded Services, whether or not the Eligible Entity is eligible for, or intends to apply for, E-Rate discounts.

Eligible Entities are (a) all California public school districts, county offices of education, and community college districts, whether or not they are members of SPURR, and (b) any other public agency in California whose procurement rules, whether internal rules or rules enacted pursuant to statute, allow them to purchase Services through a procurement vehicle such as SPURR. With the consent of Vendor, Eligible Entities may be expanded to include California non-profit entities or public agencies outside of California.

Eligible Entities are free to participate, or not, in any SPURR program, including the Telecom and Networking Program. A “Participant” is an Eligible Entity who chooses to purchase Awarded Services through this SMC.

The parties acknowledge that each Participant is responsible for (a) conducting their own due diligence regarding the suitability of Vendor, Awarded Services, and this SMC for Participant’s needs, (b) entering into one or more agreements with Vendor to document the Awarded Service quantities, total costs, and delivery terms specific to Participant, and (c) if Participant is seeking E-Rate discounts, completing E-Rate Form 471 and all other E-Rate procedures and filings (except for the RFP and SPURR’s E-Rate Form 470s referenced above) necessary for Participant to obtain E-Rate discounts.

For purposes of compliance with California “prevailing wage” law, the parties acknowledge that each Participant is responsible for informing Vendor of the locations where work may be performed and any pertinent wage determination documentation.

The RFP was conducted for the limited purposes specified in the RFP. SPURR does not provide assurance or warranty to Vendor with respect to other issues. SPURR will not represent Vendor in the resolution of disputes with Participants.

#### **4. AUTHORIZATIONS TO ORDER**

To confirm Participant’s request to buy, and Vendor’s agreement to sell, specific Awarded Services using the RFP, Participant and Vendor must complete and execute an ATO for such Awarded Services and submit that ATO to SPURR prior to the Order Due Date.

The ATO will be in a form provided by SPURR to Vendor. The ATO will contain a specific description of the Awarded Services ordered, contact information for Vendor and Participant related to the Awarded Services ordered, and an acknowledgement that the purchase is subject to the terms of the RFP and this SMC.

Participant and Vendor may agree on contingencies applicable to delivery of and payment for Awarded Services, including but not limited to timing or funding contingencies. An executed ATO represents an authorization for a Participant to make a purchase under this SMC and does not, in and of itself, represent an obligation for Participant to make a purchase.

A completed ATO must be presented to SPURR not later than thirty (30) days after Participant and Vendor reach agreement on quantities and delivery terms for Awarded Services. SPURR will promptly review submitted ATOs and will accept timely submitted and properly completed ATOs. SPURR will provide copies of each accepted ATO to Vendor and Participant who are parties to that ATO.

**An ATO is not valid for purchase of Awarded Services until the ATO has been accepted by SPURR, as evidenced by SPURR’s execution of the ATO.**

#### **5. PURCHASING UNDER SEPARATE SMCs**

In compliance with FCC Order DA 14-1556, released and adopted October 28, 2014, and for the avoidance of doubt, this SMC does not restrict a Participant from purchasing equipment under one SMC while securing installation of that equipment under the same or another SMC. SPURR and Vendor recognize that each Participant shall determine for itself whether purchasing equipment and installation under separate SMCs is the most cost-effective approach to obtaining such equipment and installation services.

#### **6. REPLACEMENT ITEMS**

If, prior to the Order Due Date, items included in the Awarded Services are replaced by the supplier or manufacturer with new items, Vendor shall provide notice to SPURR of any replacement items **in advance** of Vendor offering replacement items to a Participant. The notice of replacement items must include (a) a description, price, and discount level (if any) for each replacement item, in searchable PDF format, (b) a written statement, signed by an officer of Vendor, that the replacement items are like-for-like substitutions of items originally included in the Awarded Services and are offered at prices and discount levels (if any) equal to or better than those in the original Appendix B price list.

If advance notice of replacement items is not provided to SPURR, then the replacement items are ineligible for purchase using the RFP, unless and until SPURR in its sole discretion waives the lack of advance notice.

## 7. PROGRAM PROMOTION

Vendor shall promote and support this SMC using methods that best suit the Vendor's business model, organization, and market approach. Vendor shall take the lead in generating interest in this SMC, shall make its existing clients who are Eligible Entities aware of this SMC, and shall use this SMC as Vendor's preferred form of contracting with Eligible Entities for Awarded Services. Vendor may create and to use marketing and sales materials with SPURR's logo, subject to SPURR's approval of text references to SPURR and the RFP.

Vendor's field and internal sales forces shall be trained and engaged in use of the SMC for the duration of the contract term, with a further commitment that all sales be accurately and timely reported. Vendor shall provide a single point of contact with the authority and responsibility for the overall success of promotion of the SMC.

SPURR shall promote use of this SMC through the creation of marketing materials, as well as active outreach to its constituents. SPURR and Vendor will conduct periodic reviews of Vendor's performance of the commitments outlined in this SMC, as well as leads, current projects and projected sales. If Vendor reports "No Sales" for four (4) consecutive quarters, the Vendor may be put on probationary status as specified by SPURR. If "No Sales" are reported during the probationary period, SPURR may terminate this SMC with a thirty (30) day written notice to the Vendor.

For equipment/goods available under this SMC, Vendor shall be expected to achieve a minimum of \$1 million in gross sales in Year 1 of the SMC and a minimum of \$2 million Year 2 of the SMC. For subscriptions or services available under this SMCs, Vendor shall be expected to achieve a minimum of \$250,000 in gross sales in Year 1 of the SMC and a minimum of \$500,000 in Year 2 of the SMC. Gross sales in Year 1 means the total amount specified in ATOs submitted between the Effective Date and the first anniversary of the Service Start Date. Gross sales in Year 2 of the SMC means the total amount specified in ATOs submitted after the first anniversary but prior to the second anniversary of the Service Start Date.

If minimum sales are not achieved, SPURR may terminate this SMC with a thirty (30) day written notice to the Vendor.

## 8. TRANSACTION REPORTING

Vendor will comply with all reasonable requests by SPURR for information regarding Vendor's transactions with Participants, including prompt transmittal of transaction data in electronic format.

## 9. ADMINISTRATIVE FEE

Vendor shall pay SPURR an administrative fee (the "Administrative Fee") equal to three percent (3.0%) of the gross invoiced amount of any Participant agreement with Vendor based on an award under the RFP, **including** any extensions or renewals of Services orders of any duration. Computations of the Administrative Fee shall exclude state, local, or federal sales, use or similar taxes levied on invoiced amounts.

The Administrative Fee is due and payable to SPURR within thirty (30) days of Vendor's receipt of payment for the Services. Past due Administrative Fees shall bear interest at the rate of one and one-half percent (1.5%) per month until paid in full. SPURR shall be entitled to recover from Vendor reasonable costs of collection, including reasonable attorney's fees, for any past due Administrative Fee balances.

A winning Vendor shall provide monthly or quarterly reports to SPURR showing in reasonable detail the Administrative Fee accrued and paid during such period. Reports to SPURR shall be due within

one month of the end of each month or quarter. Reports shall be provided in Excel, in a format reasonably acceptable to Vendor and to SPURR.

#### **10. INDEMNIFICATION**

Vendor will indemnify, defend and save harmless SPURR and any Participant contracting with Vendor under this SMC (“Indemnified Parties”) from any and all claims, demands, suits, proceedings, loss, cost and damages of every kind and description, including any attorney’s fees or litigation expenses, which might be brought against or incurred by Indemnified Parties on account of loss or damage to any property or for injuries to or death of any person, directly caused by the gross negligence or willful misconduct of Vendor, its employees, agents, representatives, or subcontractors in connection with or incident to this SMC, or arising out of worker’s compensation claims, unemployment compensation claims, or unemployment disability compensation claims of employees of Vendor, or its subcontractors or claims under similar laws or obligations. Vendor’s indemnification obligation will not extend to liability caused by the sole negligence of Indemnified Parties. The reference in this section to indemnification for “subcontractors” shall not include Original Equipment Manufacturers of Services who provide their own warranties to Participants.

#### **11. ATTORNEYS’ FEES**

If any action at law or in equity is brought to enforce or interpret the provisions of this SMC, the prevailing party shall be entitled to reasonable attorneys’ fees in addition to any other relief to which the party may be entitled.

#### **12. SEVERABILITY**

If any provision of this SMC is held invalid or unenforceable by a court of competent jurisdiction, no other provision of this SMC will be affected by such holding, and all of the remaining provisions of this SMC will continue in full force and effect.

#### **13. DEFAULTS**

If Vendor defaults in its obligations under this SMC, and if such default is not cured within thirty (30) days after notice of the default from SPURR to Vendor, then SPURR may pursue any available remedies against Vendor, including but not limited to revocation of the award to Vendor under the RFP.

#### **14. GOVERNING LAW**

This SMC shall be governed by California law, without regard to principles of conflicts of law.

#### **15. NOTICES**

All notices under this SMC must be in writing and will be effective (a) immediately upon delivery in person or by messenger, (b) the next business day after prepaid deposit with a commercial courier or delivery service for next day delivery, or (c) five (5) business days after deposit with the US Postal Service, certified mail, return receipt requested, postage prepaid. All notices must be properly addressed to the addresses set forth on the signature page to this SMC, or at such other addresses as either party may subsequently designate by notice.

#### **16. TERM**

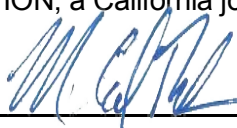
The term of this SMC (the “Term”) shall commence on the Effective Date and shall expire on the Order Due Date, subject to (a) extension of the Order Due Date by agreement of the parties as set forth above, and to (b) SPURR’s rights to terminate the SMC as set forth above.

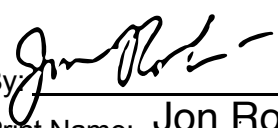
The parties understand that Participants may order Awarded Services under this SMC to be delivered after the Term of this SMC. In some cases, Awarded Services may be delivered over

multiple years after the Term. **The expiration or termination of this SMC shall not affect Vendor's obligation to deliver Awarded Services as ordered by Participants during the Term of Vendor's right to receive payment for Awarded Services.**

The parties' respective obligations under the following sections of this SMC shall survive any termination of this SMC: Sections 8 through 15, covering Transaction Reporting, Administrative Fee, Indemnification, Attorneys' Fees, Severability, Defaults, Governing Law, and Notices.

IN WITNESS WHEREOF, the parties have executed this SMC as of the Effective Date.

SCHOOL PROJECT FOR UTILITY RATE  
REDUCTION, a California joint powers  
authority  
By:   
Michael Rochman, Managing Director

Digital Scepter, a \_\_\_\_\_  
S Corporation  
By:   
Print Name: Jon Robinson  
Print Title: President

Address for Notice:  
Attn: Managing Director  
1850 Gateway Blvd, Suite 235  
Concord, CA 94520  
Phone: (925)743-1292  
Email: Service@spurr.org

Address for Notice:  
Attn: Jon Robinson  
Address: 29970 Technology Drive  
Ste 122B  
City, State, Zip: Murrieta CA 92562  
Phone: 951.600.5800  
Email: jon@digitalscepter.com

## APPENDIX A – VENDOR INFORMATION

Vendor: Digital Scepter  
SPURR Master Contract: SMC-TN-045  
RFP Issued: 10/27/2021  
RFP Title: 2022 Network Infrastructure Equipment and Services  
E-Rate Services Category: 2  
SPURR's E-Rate Form 470 ID: 220002709

Vendor URL (home page or page specific to SPURR program): https://digitalscepter.com  
Vendor's E-Rate Service Provider Identification Number (SPIN): 143035669  
General Description of Vendor: Specialist in network security projects.

### SMC Notice Contact

Name: Jon Robinson  
Title: President  
Address: 29970 Technology Drive Ste 12  
City, St, Zip: Murrieta CA 92563  
Phone: 951.600.5800  
Email: jon@digitalscepter.com

### Sales Contact

Name: Matthew Caponera  
Title: Account Manager  
Address: 29970 Technology Drive Ste 12  
City, St, Zip: Murrieta CA 92563  
Phone: (949) 702-0405  
Email: matt@digitalscepter.com

### Technical Contact

Name: Jon Robinson  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, St, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: jon@digitalscepter.com

### Invoicing/Payables Contact

Name: Crystal Hart  
Title: Controller  
Address: \_\_\_\_\_  
City, St, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: ap@digitalscepter.com

### E-Rate Contact (Optional)

Name: Jon Robinson  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, St, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: jon@digitalscepter.com

### Other Contact (Optional)

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, St, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## APPENDIX B – VENDOR PRICING

Vendor: Digital Scepter

SPURR Master Contract: SMC-TN-045

RFP Issued: 10/27/2021

RFP Title: 2022 Network Infrastructure Equipment and Services

Services:

a. Palo Alto Networks equipment

b. Basic Maint of Internal Connections, which may include installation and basic tech support services related to above named equipment

c. Any additional components not listed (transceivers, modules, cables, power supplies, patch cords, etc.) needed for items listed to function and operate correctly

Price List: Itemized price list must either (a) be attached to SMC, or (b) if document is too lengthy to attach conveniently, be provided to SPURR in a searchable spreadsheet or PDF format file with a title referencing SMC-TN-045 and the pricing file effective date.





# Quote

Quote Number: 6452

Payment Terms:  
Expiration Date: 02/26/2023

### Quote Prepared For

**Colleen Calvano**  
**Oakland Unified School District**  
1000 Broadway  
Oakland, CA 94607  
United States  
Phone:510-838-1525  
colleen.calvano@ousd.org

### Quote Prepared By

**Matt Caponera**  
**Digital Scepter**  
29970 Technology Drive Suite# 122B  
Murrieta, CA 92563  
United States  
Phone:(949) 702-0405  
Fax:  
[matt@digitalscepter.com](mailto:matt@digitalscepter.com)

Item#	Quantity	Item	Unit Price	Unit Discount	Adjusted Unit Price	Extended Price
<b>One-Time Items</b>						
1)	2	PAN-PA-5410-AC Palo Alto Networks PA-5410 with redundant AC power supplies	\$69,200.00	\$24,220.00	\$44,980.00	\$89,960.00
2)	2	PAN-PA-5410-BND-CORE SEC-5YR PA-5410, Core Security Subscription Bundle (Advanced Threat Prevention, Advanced URL Filtering, Advanced Wildfire, DNS Security and SD-WAN ), 5 years (60 months) term	\$245,230.00	\$73,569.00	\$171,661.00	\$343,322.00
3)	2	PAN-PA-5410-GP-5YR PA-5410, GlobalProtect subscription, 5 years (60 months) term.	\$62,600.00	\$18,780.00	\$43,820.00	\$87,640.00
4)	2	PAN-SVC-PREM-5410-5Y R Premium support 5 year term, PA-5410	\$62,280.00	\$6,228.00	\$56,052.00	\$112,104.00
<b>One-Time Total</b>						<b>\$633,026.00</b>
<b>Subtotal</b>						<b>\$633,026.00</b>
<b>Total Taxes</b>						<b>\$8,321.30</b>
<b>Total</b>						<b>\$641,347.30</b>

CONFIDENTIAL and intended for the recipient listed on this quote. Customer responsible for any applicable sales tax or expedited freight. View terms of sale at <https://digitalscepter.com/terms/> Professional Services require an advanced payment and a signed statement of work to schedule. Payment for hardware, subscriptions and support due NET 30 on approved credit. TO ORDER PLEASE EMAIL PO TO [ORDERS@DIGITALSCEPTER.COM](mailto:ORDERS@DIGITALSCEPTER.COM)

June 6, 2023

Key Government Finance, Inc.  
1000 South McCaslin Blvd.  
Superior, CO 80027  
720-304-1146



Key Government Finance is pleased to present the following proposal for the transaction described below:

**LESSOR:** Key Government Finance, Inc.  
**LESSEE:** Oakland Unified School District  
**PROPERTY:** See Digital Scepter Quote #6452  
**EXPIRATION:** June 13, 2023

**LEASE QUOTE:**

Amount	Rate	Payment	Pmts / Year	Term Years	Adv. / Arr.
\$641,347.30	6.60%	\$145,964.51	1	5	Adv

**LEASE:** This is a net lease under which, all costs, including insurance, maintenance and taxes, are paid by Lessee for the term of the lease.

**APPROVAL:**

- This proposal is issued in reliance upon the accuracy of all information presented by you to us and is contingent upon the absence of any material adverse change in your condition, financial or otherwise, from the condition as it was represented to us at the time of this proposal. This proposal is subject to our formal approval and the execution of documentation acceptable to each of us. IT IS NOT A COMMITMENT BY US TO ENGAGE IN THIS TRANSACTION.

(a)Key Government Finance (“KGF”) is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (b) KGF is acting for its own interests; and (c) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

- If the outlined foregoing proposal is satisfactory, reflects an arrangement that suits the need of your organization and you would like Key to commence its due diligence process, please sign and return this proposal.
- IMPORTANT INFORMATION ABOUT PROCEDURES FOR APPLYING FOR FINANCING WITH Key Government Finance.

Lessor notifies Lessee that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, as amended and supplemented) (the “Patriot Act”), that Lessor is required to obtain, verify and record all information that identifies Lessee, which information includes the name and address of Lessee and other information that will Lessor to identify Lessee in accordance with the Patriot Act.

- The interest rate quoted herein assumes that the interest component of the Payments is exempt from federal income tax. Lessor will provide a taxable financing proposal if it is determined that the financing will not qualify for tax-exempt interest rates.



- The periodic payment quoted in this Proposal was calculated based on the KeyCorp Cost of Funds Index (the "Index") as of 02/3/23 (the "Benchmark Date") for a term equal to the weighted average life of 26 months for this proposal plus a rate lock premium (the "Premium"). The periodic payment quoted is good until 08/09/23 (the "Lock Expiration Date") **ONLY IF WE RECEIVE YOUR ACCEPTANCE OF THIS PROPOSAL ON OR BEFORE 6/13/23** (the "Lock Acceptance Date"). Your acceptance of this Proposal after the Lock Acceptance Date will result in the re-pricing of all terms related to the rate lock, including the amount of the Premium. If the closing of the proposed Financing does not take place on or before the Lock Expiration Date, then (a) for each one basis point (.01%) change in the Index, the rate upon which the periodic payment was calculated shall be increased or decreased by one basis point and (b) the periodic payment shall be adjusted to closing to reflect changes in the Index and then, as of the day on which we send you the final documentation for this Financing, shall be fixed throughout the initial Term and any renewal term.

Thank you for the opportunity to present this proposal. If you have any questions, please contact me at my number or e-mail address below. If you wish to accept this proposal, please do so by signing below and returning this proposal to me via FAX or e-mail. Upon receipt of this proposal, Lessor will promptly begin its credit, collateral and essential use review process.

Sincerely,

Sent via email

Kevin Law  
Account Executive  
Kevin.law@key.com

Proposal Accepted by Lessee:	
By: 	
Mike Hutchinson, President, Board of Education 6/29/2023	
Title: 	
Kyla Johnson Trammell, Secretary, Board of Education	
Date:	6/29/2023

Approve As To Form:

  
Joshua R. Daniels  
Chief Governance Officer

Date: 06/21/23



Key Government Finance, Inc.  
1000 South McCaslin Boulevard  
Superior, CO 80027-9456

June 7, 2023

Oakland Unified School District  
1000 Broadway  
Ste 450  
Oakland, CA 946074039

Re: Key Government Finance, Inc. Master Tax-Exempt Lease/Purchase Agreement dated June 30, 2023 and Property Schedule No. 2003309023 thereunder

Dear Colleen Calvano:

Enclosed, please find two (2) sets of financing documents for your review and execution - please print out two (2) sets. Execute both sets and return all of the originals to my attention. The original sets of the executed documents are required prior to funding your transaction. To expedite the return of these documents, please overnight them to me:

**KEY GOVERNMENT FINANCE, INC.**

**ATTN:**

**1000 S. MCCASLIN BLVD, SUPERIOR, CO 80027**

Only the person(s) with Signing Authority, as listed in the contract, should execute the documents. For verification of original documents, please execute in blue ink. Upon closing, Key Government Finance will return a fully executed original set for your files.

*Please Note: All fully executed documents must be returned no later than June 23, 2023; otherwise, the transaction is subject to repricing. Also, one of our representatives will contact you prior to funding to conduct a Telephone Audit to review the terms of your contract and to confirm the property that we are financing for you. We will also answer any questions you may have. If you will not be available, list the name of any individual that you wish to authorize on your behalf to complete this Audit:*

Name \_\_\_\_\_ Title \_\_\_\_\_

Executed documents required for funding are:

- o Master Tax-Exempt Lease/Purchase Agreement\*
- o Addendum/Amendment to Master Tax Exempt Lease/Purchase Agreement\*
- o Property Schedule No. 2003309023\*
- o Property Description and Payment Schedule (Exhibit 1)
- o Lessee's Counsel's Opinion (Exhibit 2) – This is the standard legal opinion used by Key Government Finance, Inc. This opinion will need to be processed by your attorney on their letterhead. Your attorney will want to review the Master Tax-Exempt Lease/Purchase Agreement and Property Schedule.
- o Acceptance Certificate (Exhibit 3) – The date of Acceptance will need to be filled in with the date the property is installed and accepted.
- o Certificate of Insurance – Required prior to funding. Please fill out the form and provide it to your insurance company. The Insurance Certificate(s) is required prior to funding.
- o Escrow Agreement\* – Please keep copies of Exhibit A (Form of Requisition of Costs of Property) and Schedule 1 (Disbursement Schedule). When you are ready to disburse funds from Escrow, you will need to sign and fill in both Exhibit A and Schedule 1. Along with those 2 forms, we will need copies of invoices. Exhibit 3 (Acceptance Certificate) will need to be filled out when the project is complete, it is your final payment request.
- o Email Invoice Acknowledgement
- o Board Minutes/Resolution We will require board resolution (or minutes) evidencing formal approval of the acquisition, the content of which shall indicate an intent to appropriate or formally fund payments related to the acquisition.
- o 1<sup>st</sup> Payment Invoice.
- o IRS Form 8038-G or 8038-GC – The original form will be required for funding; which we will submit to the IRS on your behalf. Or, you may submit the original completed form to the IRS directly. KGF will require a copy of the completed form and proof of filing prior to funding

\*The items above marked with an asterisk require a signature in the presence of a witness/attestor. The attesting of the signature does not require a notary, but the signature of a person present at the time the document is signed.

Please contact me at 720-304-1295 with any questions.

Sincerely,  
Peter Brook - Account Manager

# Master Tax-Exempt Lease/Purchase Agreement

BETWEEN:	Key Government Finance, Inc. (the "Lessor") 1000 South McCaslin Blvd. Superior, CO 80027
AND:	Oakland Unified School District (the "Lessee") 1000 Broadway, Ste 450 Oakland, CA 946074039
DATED:	June 30, 2023

## ARTICLE I

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

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

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

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

"Event of Nonappropriation" is defined in Section 8.06.

"Event of Default" is defined in Section 13.01.

"Financed Fees" means the Software license, usage, or other fees and the charges for Services, if any.

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

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

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

"Lessor" means the entity identified as such in the first paragraph hereof, and its successors and assigns.

"License Agreement" means the software license agreement(s) between Lessee and Licensor relating to Software.

"Licensor" means a supplier of the Software, in its (their) capacity as licensor of such Software.

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

"Property" means, collectively, the property leased/purchased pursuant to this Agreement, and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto, and Financed Fees made pursuant to Section 8.01 or Article IX. Where rights to receive license fees for Software and charges for Services supplied or to be supplied to Lessee are included in the amount financed by Lessor under the Agreement, references to leasing, purchases, ownership and administration of "Property" under the Agreement shall be broadly interpreted to include such Software receivables and Services receivables.

"Property Schedule" means a Property Schedule in the form attached hereto.

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

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

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

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

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

"Services" means all training, installation, transportation, handling, maintenance, custom programming, integration, technical consulting and support services relating to Property and financed by Lessor.

"Software" means the software and all related documentation, corrections, updates and revisions installed in or used in connection with Property financed under a Property Schedule.

"State" means the state in which Lessee is situated.

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

## ARTICLE II

**2.01 Property Schedules-Separate Financings.** Each Property Schedule executed and delivered under this Agreement shall be treated as a separate financing, distinct from other Property Schedules. Without limiting the foregoing, upon the occurrence of an Event of Default or an Event of Nonappropriation with respect to a Property Schedule, Lessor shall have the rights and remedies specified herein with respect to the Property financed and the Rental Payments payable under such Property Schedule, and except as expressly provided in Section 12.02 below, Lessor shall have no rights or remedies with respect to Property financed or Rental Payments payable under any other Property Schedules unless an Event of Default or Event of Nonappropriation has also occurred under such other Property Schedules. **EACH PROPERTY SCHEDULE MERGES ALL PRIOR UNDERSTANDINGS AND CONSTITUTES THE FINAL AND COMPLETE AGREEMENT** between Lessor and Lessee for the property. Documentation (e.g., orders and invoices) between or among Lessee and any property/equipment vendor, dealer, distributor or manufacturer does not apply to any Property Schedule or to Lessor.

### **ARTICLE III**

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

- (a) Lessee is a public body, corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Property Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder.
- (b) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent Lessee should merge with another entity under the laws of the State, Lessee agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned Lessee's rights and shall assume Lessee's obligations hereunder.
- (c) Lessee has been duly authorized to execute and deliver this Agreement and the Property Schedule by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Property Schedule, and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the Property Schedule and the acquisition by Lessee of the Property thereunder. On or before the Commencement Date for the Property Schedule, Lessee shall cause to be executed an opinion of counsel in substantially the form attached to the form of the Property Schedule as Exhibit 2.
- (d) During the Lease Term for the Property Schedule, the Property thereunder will perform and will be used by Lessee only for the purpose of performing essential governmental uses and public functions within the permissible scope of Lessee's authority
- (e) Lessee will provide Lessor with current financial statements, budgets and proof of appropriation for the ensuing budget year and other financial information relating to the ability of Lessee to continue this Agreement and the Property Schedule in such form and containing such information as may be requested by Lessor.
- (f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Rental Payments under the Property Schedule and will not use or permit the use of the Property in such a manner as to cause a Property Schedule to be a "private activity bond" under Section 141(a) of the Code. Lessee covenants and agrees that it will use the proceeds of the Property Schedule as soon as practicable and with all reasonable dispatch for the purpose for which the Property Schedule has been entered into, and that no part of the proceeds of the Property Schedule shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Property Schedule to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Property Schedule.
- (g) The execution, delivery and performance of this Agreement and the Property Schedule and compliance with the provisions hereof and thereof by Lessee does not conflict with or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease or other instrument to which Lessee is a party or by which it is bound by any law or any rule, regulation, order or decree of any court, governmental agency or body having jurisdiction over Lessee or any of its activities or properties resulting in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any property or assets of Lessee or to which it is subject.
- (h) As of the date hereof, no litigation is pending, (or, to Lessee's knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of this Agreement or of other agreements similar to this Agreement; (b) questioning the authority of Lessee to execute this Agreement, or the validity of this Agreement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of this Agreement; or (d) affecting the provisions made for the payment of or security for this Agreement.
- (i) Lessee's exact legal name is as set forth on the first page of this Agreement. Lessee will not change its legal name in any respect without giving thirty (30) days prior notice to Lessor

### **ARTICLE IV**

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

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

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

**4.04 Software; Services.** To the extent that any Property Schedule relates to or includes Software or Services:

- (a) Lessee acknowledges that (i) all Software is furnished to Lessee under one or more separate License Agreements governing Lessee's rights thereto, (ii) the Agreement does not convey any explicit or implicit license for the use of Software or other intellectual property relating to Property, and (iii) Lessor does not hold title to any Software and Lessee warrants that at the date of entry into the related Agreement it shall be the licensee of such Software directly from the Licensor.
- (b) Lessee shall not amend, modify or otherwise alter, any term or condition of any License Agreement, including, without limitation, any such term or condition related to (i) payment of any amounts due thereunder, (ii) any liabilities or obligations of Lessee as licensee, (iii) the payment of late fees on past due amounts, or (iv) the payment of applicable taxes; provided, however, that this provision shall not apply to those terms or conditions relating solely to amounts owing to Licensor which have not been financed under the Agreement.

- (c) Lessee acknowledges that Lessor may finance certain amounts for Lessee under a Property Schedule that represents accounts receivable purchased from a third party for Services to be provided to Lessee by such third party. Lessee further understands and agrees that Lessor will provide financing for the Services at Lessee's request as a passive source of financing only, and that in no event shall Lessor have any obligation to perform any Services. Lessee hereby waives all causes of action, defenses and other claims of any kind against Lessor arising out of or in connection with the provision or quality of Services, agrees to pay all amounts due to Lessor absolutely, in full, without delay, defense or offset, and agrees not to withhold any amounts due or payable to Lessor under any Property Schedule by reason of any claim relating to Services. Any such claim may be asserted by Lessee in a separate action solely against the provider of the Services.

#### ARTICLE V

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

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

#### ARTICLE VI

**6.01 Rental Payments to Constitute a Current Expense of Lessee.** Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional, statutory or charter limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the faith and credit or taxing power of Lessee. Upon the appropriation of Rental Payments for a fiscal year, the Rental Payments for said fiscal year, and only the Rental Payments for said current fiscal year, shall be a binding obligation of Lessee, provided that such obligation shall not include a pledge of the taxing power of Lessee.

**6.02 Payment of Rental Payments.** Lessee shall promptly pay Rental Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Lessor in such amounts and on such dates as described in the applicable Property Schedule, at Lessor's address set forth on the first page of this Agreement, unless Lessor instructs Lessee otherwise. Lessee shall pay Lessor a charge on any delinquent Rental Payments under a Property Schedule in an amount sufficient to cover all additional costs and expenses incurred by Lessor and Agent from such delinquent Rental Payment. In addition, Lessee shall pay a late charge of five cents per dollar or the highest amount permitted by applicable law, whichever is lower, on all delinquent Rental Payments.

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

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

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

**6.06 Non-Appropriation.** Non-Appropriation means the failure of Lessee's governing body to appropriate funds to pay Rental Payments. If Lessee appropriates moneys for the Rental Payments, the Lessee's obligation to pay Rental Payments will be irrevocable, enforceable and the failure to pay the Rental Payments will be an Event of Default under this Agreement. If sufficient funds are not appropriated to make Rental Payments required under a Property Schedule, such Property Schedule shall terminate and Lessee shall not be obligated to make Rental Payments under said Property Schedule beyond the then current fiscal year for which funds have been appropriated. Upon the occurrence of such nonappropriation (an "Event of Nonappropriation") Lessee shall, no later than the end of the fiscal year for which Rental Payments have been appropriated, deliver possession of the Property under said Property Schedule to Lessor. If Lessee fails to deliver possession of the Property to Lessor upon termination of said Property Schedule by reason of an Event of Nonappropriation, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to the portion of Rental Payments thereafter coming due that is attributable to the number of days after the termination during which the Lessee fails to deliver possession and for any other loss suffered by Lessor as a result of Lessee's failure to deliver possession as required. In addition, Lessor may, by written instructions to the Agent, or to any other escrow agent who is holding proceeds of the Property Schedule, instruct the Agent or such escrow agent to release all such proceeds and any earnings thereon to Lessor; such sums to be credited to Lessee's obligations under the Property Schedule and this Agreement. Lessee shall notify Lessor in writing within seven (7) days after the failure of the Lessee to appropriate funds sufficient for the payment of the Rental Payments, but failure to provide such notice shall not operate to extend the Lease Term or result in any liability to Lessee.

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

#### ARTICLE VII

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

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

**7.03 Security Interest.** To secure the performance of all of Lessee's obligations under this Agreement, including without limitation all Property Schedules now existing or hereafter executed, Lessee grants to Lessor, for the benefit of Lessor and its successors and assigns, a security interest constituting a first lien on Lessee's interest in all of the Property, whether now owned or hereafter acquired, all additions, attachments, alterations and accessions to the Property, all substitutions and replacements for the Property, and on any proceeds of any of the foregoing, including insurance proceeds. Lessee shall execute any additional documents, including financing statements, affidavits, notices and similar instruments, in form and substance satisfactory to Lessor, which Lessor deems necessary or appropriate to establish, maintain and perfect a security interest in the Property in favor of Lessor and its successors and assigns. Lessee hereby authorizes Lessor to file all financing statements which Lessor deems necessary or appropriate to establish, maintain and perfect such security interest.

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

#### ARTICLE VIII

**8.01 Maintenance of Property by Lessee.** Lessee shall keep and maintain the Property in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate and maintain the Property in conformity with all laws and regulations concerning the Property's ownership, possession, use and maintenance, and shall keep the Property free and clear of all liens and claims, other than those created by this Agreement. Lessee shall have sole responsibility to maintain and repair the Property. Should Lessee fail to maintain, preserve and keep the Property in good repair and working order and in accordance with manufacturer's specifications, and if requested by Lessor, Lessee will enter into maintenance contracts for the Property in form approved by Lessor and with approved providers.

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

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

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

#### ARTICLE IX

**9.01 Damage or Destruction.** If (a) the Property under a Property Schedule or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Property under a Property Schedule or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessor and Lessee will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, unless Lessee shall have exercised its right to defease the Property Schedule as provided herein, or unless Lessee shall have exercised its option to purchase Lessor's interest in the Property if the Property Schedule so provides. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of Section 14.03(b) and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

**9.02 Insufficiency of Net Proceeds.** If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01, Lessee shall (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Section 6.02, or (b) defease the Property Schedule pursuant to Section 6.07, or (c) exercise its option to purchase Lessor's interest in the Property pursuant to the optional purchase provisions of the Property Schedule, if any. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after such defeasance or purchase may be retained by Lessee.

#### ARTICLE X

**10.01 Disclaimer of Warranties.** LESSOR MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS LEASED TO LESSEE "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY LESSEE. Lessee acknowledges that it has made (or will make) the selection of the Property from the Vendor based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Lessor. Lessee understands and agrees that (a) neither the Vendor nor any sales representative or other agent of Vendor, is (i) an agent of Lessor, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Property Schedules, or the existence, furnishing, functioning or use of any item, product or service provided for in this Agreement or the Property Schedules.

**10.02 Vendor's Warranties.** Lessor hereby irrevocably assigns to Lessee all rights that Lessor may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Property, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property.



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

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

#### ARTICLE XI

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

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

#### ARTICLE XII

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

**12.02 Property Schedules Separate Financings.** Assignees of the Lessor's rights in one Property Schedule shall have no rights in any other Property Schedule unless such rights have been separately assigned. Lessor may collectively assign two or more Property Schedules with the same Commencement Date to the Agent for the purpose of causing the execution and delivery of Lease Participation Certificates in the Property Schedules with the same Commencement Date. Such assignment shall occur on such Commencement Date and upon such assignment all Property Schedules so assigned shall be treated as a single financing and a single Property Schedule with respect to rights and remedies upon the occurrence of an Event of Default or an Event of Nonappropriation under this Agreement. Registered Owners' rights with respect to the Property Schedules shall be determined as provided in the escrow agreement or trust agreement relating to such Lease Participation Certificates.

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

**12.04 Risk of Loss; Covenants.** Lessee shall not be required to indemnify or hold Lessor harmless against liabilities arising from the Agreement. However, as between Lessor and Lessee, and to the extent permitted by law and subject to appropriation of funds by Lessee, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, proceedings, actions, damages or losses arising under or related to the Property, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that Lessee shall not bear the risk of loss of, nor pay for, any claims, proceedings, actions, damages or losses that arise directly from events occurring after Lessee has surrendered possession of the Property in accordance with the terms of the Agreement to Lessor or that arise directly from the gross negligence or willful misconduct of the Lessor.

**12.05 Tax Exemption.** The parties hereto contemplate that interest payable under this Agreement will be excluded from gross income for federal income tax purposes under Section 103 of the Code. The tax-exempt status of this Agreement provides the inducement for the Lessor to offer financing at the interest rate set forth. Therefore, should this Agreement be deemed by any taxing authority not to be exempt from taxation, Lessee agrees that the interest rate shall be adjusted, as of the date of loss of tax exemption, to an interest rate calculated to provide Lessor or its assignee an after tax yield equivalent to the tax exempt rate and Lessor shall notify Lessee of the taxable rate. Provided, however, that the preceding sentence shall apply only upon a final determination that the interest payments are not excludable from gross income under Section 103(a) of the Code, and shall not apply if the determination is based upon the individual tax circumstances of the Lessor, or a finding that the party seeking to exclude such payments from gross income is not the owner and holder of the obligation under the Code.

#### ARTICLE XIII

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

- (a) Failure by Lessee to pay any Rental Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein;
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by Lessee in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

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

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

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

- (a) Without terminating the Property Schedule, and by written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee thereunder to the end of the then-current budget year of Lessee to be due, including without limitation delinquent Rental Payments under the Property Schedule from prior budget years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less;
- (b) Lessor may terminate the Property Schedule, may enter the premises where the Property subject to the Property Schedule is located and retake possession of the Property, or require Lessee, at Lessee's expense, to promptly return any or all of the Property to the possession of Lessor at such place within the United States as Lessor shall specify, and Lessor may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code in effect in the State; provided, however, that any proceeds from the disposition of the property in excess of the sum required to (i) defease the Property Schedule pursuant to Section 6.07, (ii) pay any other amounts then due under the Property Schedule, and (iii) pay Lessor's costs and expenses associated with the disposition of the Property (including attorneys fees), shall be paid to Lessee or such other creditor of Lessee as may be entitled thereto;
- (c) By written notice to the Agent, if any, Lessor may instruct the Agent to apply all sums held by the Agent in any accounts relating to the Property Schedule under the applicable escrow or trust agreement as provided in the applicable escrow or trust agreement;
- (d) By written notice to any escrow agent (other than the Agent) who is holding proceeds of the Property Schedule, Lessor may instruct such escrow agent to release all such proceeds and any earnings thereon to Lessor, such sums to be credited to payment of Lessee's obligations under the Property Schedule;
- (e) Lessor may take any action, at law or in equity, that is permitted by applicable law and that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and this Agreement.

**13.03 No Remedy Exclusive.** No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

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

#### ARTICLE XIV

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

**14.02 Continuing Disclosure.** Lessor acknowledges that, in connection with Lessee's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Agreement") entered into by Lessee pursuant to SEC Rule 15c-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), Lessee may be required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), notice of its incurrance of its obligations under this Agreement and notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Agreement, in each case including a description of the material terms thereof (each such notice, an "EMMA Notice"). Lessee shall not file or submit or permit the filing or submission of any EMMA Notice that includes any of the following unredacted information regarding Lessor or the Escrow Agent: physical or mailing addresses, account information, e-mail addresses, telephone numbers, fax numbers, tax identification numbers, or titles or signatures of officers, employees or other signatories. Lessee acknowledges and agrees that Lessor is not responsible in connection with any EMMA Notice relating to this Agreement for Lessee's compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities laws, including but not limited to those relating to the Rule.

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

- (a) The estimated total costs, including taxes, freight, installation, cost of issuance, of the Property under the Property Schedule will not be less than the total principal amount of the Rental Payments.
- (b) The Property under the Property Schedule has been ordered or is expected to be ordered within six months and the Property is expected to be delivered and installed, and the Vendor fully paid, within one year from the Commencement Date. Lessee will pursue the completion of the Property and the expenditure of the net proceeds of the Property Schedule with due diligence.

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

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

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

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

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


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


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

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

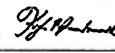
**14.11 Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

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

Lessor: Key Government Finance, Inc.	
By:	
Name:	Douglas C. Pearce II
Title:	Assistant V.P.

Lessee: Oakland Unified School District	
By:	
Name:	Mike Hutchinson, President, Board of Education
Title:	6/29/2023

The above named representative of Lessee held at the time of authorization of this Agreement by the governing body of Lessee and holds at the present time the office set forth above, has been duly authorized to sign this Agreement, and the signature set forth above is his or her true signature.

Attest By:	
Name:	Kyla Johnson Trammell, Secretary, Board of Education
Title:	6/29/2023

Approve As To Form:

  
 Joshua R. Daniels  
 Chief Governance Officer

Addendum To Master Tax-Exempt Lease/Purchase Agreement

California School District-Nonappropriation Lease

THIS ADDENDUM, which is entered into as of June 30, 2023 between Key Government Finance, Inc. ("Lessor"), and Oakland Unified School District ("Lessee"), is intended to modify and supplement Property Schedule No. 2003309023 (the "Property Schedule") to the Master Tax-Exempt Lease/Purchase Agreement between Lessor and Lessee dated as of June 30, 2023 (the "Master Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Agreement.

1. On the Commencement Date of the Property Schedule, Lessee will be deemed to sell, transfer and convey the Property thereunder to Lessor, and immediately thereafter, Lessor will be deemed to demise, lease and let the Property to Lessee pursuant to the Master Agreement. In connection with such sale, transfer and conveyance, Lessee will be deemed to covenant and agree that (a) Lessee is the owner of such Property; (b) such Property is free of all encumbrances; (c) Lessee has a good right and title to sell the Property; and (d) Lessee will warrant and forever defend the sale against the lawful claims and demands of all persons whomsoever.


2. In addition to the representations, warranties and covenant of Lessee set forth in Article III of the Master Agreement, Lessee shall be deemed, as of the Commencement Date for the Property Schedule, to represent, covenant and warrant for the benefit of Lessor, any Agent and any Registered Owners, as follows:


(a) The resolution of the governing body of Lessee which authorized the execution and delivery of the Property Schedule contained a finding of the governing body to the effect that the Property thereunder was either a major item of equipment, a relocatable building or data processing equipment, and that the sale and leaseback of the such Property was the most economical means of providing the Property to Lessee.


(b) If the Property subject to the Property Schedule is energy conservation equipment, the resolution of the governing body of Lessee which authorized the execution and delivery of the Property Schedule contained a finding of the governing body to the effect that funds for the payment of Rental Payments under the Property Schedule or for the cost of design, construction and operation of the Property, or both, are projected to be available from funding which otherwise would have been used for purchase of electrical, thermal or other energy required by Lessee in the absence of the Property.

(c) Lessee has not filed during the current or prior fiscal year a qualified or negative certification as required by California Education Code § 42131, as has been or may be amended from time to time, with the County Superintendent or California Department of Education. Lessee covenants that so long as the Property Schedule is in effect, Lessee shall send to copies to Lessor in a timely manner of all certificates made by Lessee in accordance with California Education Code § 42131, as may be amended from time to time.

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

Lessor: Key Government Finance, Inc.
By: 
Name: Douglas C Pearce II
Title: Assistant V.P.

Lessee: Oakland Unified School District
By: 
Name: Mike Hutcherson, President, Board of Education
Title: 6/29/2023

Attest:
By: 
Name: Kyla Johnson Trammell, Secretary, Board of Education
Title: 6/29/2023

Approve As To Form:

  
 Joshua R. Daniels  
 Chief Governance Officer


**Property Schedule No. 2003309023**  
**Master Tax-Exempt Lease/Purchase Agreement**


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This Property Schedule No. 2003309023 is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Lease/Purchase Agreement (the "Master Agreement"), dated as of June 30, 2023, between Key Government Finance, Inc., and Oakland Unified School District.


1. Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Lessee in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is June 30, 2023.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. Lessee shall not remove such property from the locations set forth therein without giving prior written notice to Lessor. The Rental Payment Schedule for this Property Schedule is set forth in Exhibit 1.
4. Opinion. The Opinion of Lessee's Counsel is attached as Exhibit 2.
5. Payment of Proceeds. Lessor shall disburse the proceeds of this Property Schedule in accordance with the instructions included in Exhibit 1.
6. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 3.
7. Additional Purchase Option Provisions. In addition to the Purchase Option provisions set forth in the Master Agreement, and so long as no Event of Default has occurred and is continuing, Lessee may prepay, in whole but not in part, the principal outstanding hereunder together with all accrued and unpaid interest thereon, plus a prepayment premium equal to 3% of the outstanding principal.
8. (Initial if applicable: \_\_\_\_\_) Lessee hereby designates this Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the Commencement Date of this Property Schedule falls, in an amount not exceeding \$10,000,000.00.
9. Additional Lessee Representations:
  - a) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default or an Event of Nonappropriation (as such terms are defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.
  - b) The acquisition of all Property under this Property Schedule has been duly authorized by the governing body of Lessee.
  - c) Lessee has never defaulted, failed to pay or non-appropriated on a lease, loan or bond.
  - d) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the current budget year under this Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.
  - e) As of the date hereof, no litigation is pending, (or, to Lessee's knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery this Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Lessee to execute this Property Schedule, or the validity of the Master Agreement or this Property Schedule, or the payment of principal of or interest on, this Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of this Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and this Property Schedule.
10. Expiration. Lessor, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule and all ancillary documents) are not received by Lessor at its place of business by June 23, 2023.
11. Effective Interest Rate. 6.60%.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above. This Property Schedule shall not be binding upon Lessor until any and all conditions precedent contained herein have been met and receipt of, in form satisfactory to Lessor in its sole discretion, all required documentation and credit enhancements from Lessee including but not limited to, acceptance certificate, counsel opinion(s), insurance certificate(s), and tax documentation.

Lessor: <b>Key Government Finance, Inc.</b>
By: 
Name: <u>Douglas C Pearce II</u>
Title: <u>Assistant V.P.</u>

Lessee: <b>Oakland Unified School District</b>
By: 
Name: Mike Hutchinson, President, Board of Education
Title: 6/29/2023

The above named representative of Lessee held at the time of authorization of this Property Schedule by the governing body of Lessee and holds at the present time the office set forth above, has been duly authorized to sign this Property Schedule, and the signature set forth above is his or her true signature.

Attest By: 
Name: Kyla Johnson Trammell, Secretary, Board of Education
Title: 6/29/2023

Approve As To Form:

  
 Joshua R. Daniels  
 Chief Governance Officer

EXHIBIT 1

**Property Description and Payment Schedule**

The Property is as follows:	Property as described in Digital Scepter Quote No. 6452, Dated 02/26/2023, referred to and incorporated herein by this reference.
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**PROPERTY LOCATION:**

1101 Union St OAKLAND, CA 94607

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

**RENTAL PAYMENT SCHEDULE:**

If the Due Dates are not defined in this Rental Payment Schedule, they shall be defined as the 30th day of each Annual period of this Rental Payment Schedule commencing with the Acceptance Date.

Total Principal Amount: \$641,347.30.

Payment Due Date	Installment Payment	Principal	Interest	Outstanding Principal
07/30/2023	\$145,964.51	\$142,437.10	\$3,527.41	\$498,910.20
07/30/2024	\$145,964.51	\$113,036.43	\$32,928.07	\$385,873.77
07/30/2025	\$145,964.51	\$120,496.84	\$25,467.67	\$265,376.93
07/30/2026	\$145,964.51	\$128,449.63	\$17,514.88	\$136,927.30
07/30/2027	\$145,964.51	\$136,927.30	\$9,037.20	\$0.00

**LESSEE'S PAYMENT OF PROCEEDS INSTRUCTIONS:**

Lessee hereby requests and authorizes Lessor to disburse the net proceeds of the Property Schedule No. 2003309023 as follows:

PAYEE NAME	AMOUNT	PAY BY	
Zions Bancorporation, National Association dba Zions Bank	\$641,347.30	<input type="checkbox"/> Check	<input checked="" type="checkbox"/> Wire

**Please Note:**

If you are directing us to make a payment to a third party (i.e. not paying your own bank account) then we strongly recommend that you phone the third party payee on a verifiable phone number and confirm that the payment instructions that you are received are valid. Fraudulent emails with fake payments instructions, fake phone numbers and contact names, are common and you should not rely on any information received via email without subsequently validating that information.

**LESSEE'S INVOICE INSTRUCTIONS:**

**LESSEE'S BILL TO ADDRESS:** Oakland Unified School District, 1011 Union Street, Oakland CA 94607  
Email invoices to [itbilling@ousd.org](mailto:itbilling@ousd.org)

**LESSEE'S BILLING CONTACT:**

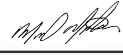

First and Last Name: Susan Beltz  
 Title: Chief Technology Officer Phone Number: 510-879-8873

**PURCHASE ORDER NUMBER:**

Invoices require purchase order numbers: YES  NO  Purchase Order Number: TBD

Approve As To Form:

  
 Joshua R. Daniels  
 Chief Governance Officer

Lessee: <b>Oakland Unified School District</b>	
By: 	
Name: Mike Hutchinson, President, Board of Education 6/29/2023	
Title: 	

Kyla Johnson Trammell, Secretary, Board of Education 6/29/2023

EXHIBIT 2

**Lessee's Counsel's Opinion**

[To be provided on letterhead of Lessee's counsel.]

[Address to Lessor and Lessee]

RE: Property Schedule No. 2003309023, dated June 30, 2023, to Master Tax-Exempt Lease/Purchase Agreement dated June 30, 2023, between Key Government Finance, Inc. and Oakland Unified School District.

Ladies and Gentlemen:

We have acted as special counsel to Oakland Unified School District ("Lessee"), in connection with the Master Tax-Exempt Lease/Purchase Agreement, dated as of June 30, 2023 (the "Master Agreement"), between Oakland Unified School District, as lessee, and Key Government Finance, Inc. as lessor ("Lessor"), and the execution of Property Schedule No. 2003309023 (the "Property Schedule") pursuant to the Master Agreement and, if applicable, that certain Escrow Agreement dated as of June 30, 2023 by and among Lessee, Lessor and Zions Bancorporation, National Association dba Zions Bank as Escrow Agent (the "Escrow Agreement", and collectively the "Transaction Documents"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Transaction Documents.

As to questions of fact material to our opinion, we have relied upon the representations of Lessee in the Transaction Documents and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Lessee has all requisite power and authority to enter into the Transaction Documents and to perform its obligations thereunder, including the account(s) opened pursuant to the Escrow Agreement.
3. The execution, delivery and performance of the Transaction Documents by Lessee has been duly authorized by all necessary action on the part of Lessee.
4. All proceedings of Lessee and its governing body relating to the authorization and approval of the Transaction Documents, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
5. Lessee has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.
6. Lessee has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Lessee of the Transaction Documents.
7. The Transaction Documents have been duly executed and delivered by Lessee and constitute legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.
8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Transaction Documents or of other agreements similar thereto; (b) questioning the authority of Lessee to execute the Transaction Documents, or the validity of the Transaction Documents, or the payment of principal or of interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Transaction Documents; or (d) affecting the provisions made for the payment of or security for the Transaction Documents.



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

This opinion may be relied upon by Lessor, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule.

Very truly yours,

By: \_\_\_\_\_  
**DO NOT SIGN THIS FORM – MUST BE ON LETTERHEAD OF LESSEE'S COUNSEL**

Dated: \_\_\_\_\_

20230630 10:00:00 AM

11/15/2023 10:00:00 AM

Acceptance Certificate

In accordance with Property Schedule No. 2003309023, dated June 30, 2023, to Master Tax-Exempt Lease/Purchase Agreement dated June 30, 2023, between Key Government Finance, Inc. and Oakland Unified School District ("Lessee"), the undersigned hereby certifies and represents to, and agrees with Key Government Finance, Inc. ("Lessor"), as follows:

(1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.

(2) Lessee has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.

(3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default or an Event of Nonappropriation (as such terms are defined in the Master Agreement) exists at the date hereof.

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

Oakland Unified School District  
as Lessee

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

Name: Mike Hutchinson, President, Board of Education 6/29/2023 

Title: \_\_\_\_\_ Kyra Johnson T rammell, Secretary, Board of Education  
6/29/2023

  
Approve As To Form:  
Joshua R. Daniels  
Chief Governance Officer

**\*\*Please fill out this form and fax it to your insurance company\*\***

## **Request for Certificate of Insurance**

**TO:**

Insurance Carrier: (Name) \_\_\_\_\_  
(Address) \_\_\_\_\_  
(Address) \_\_\_\_\_  
(Contact Name) \_\_\_\_\_  
(Contact Phone) \_\_\_\_\_  
(Contact E-Mail) \_\_\_\_\_

**FROM:**

Customer/Purchaser: Oakland Unified School District  
1000 Broadway, Ste 450  
Oakland, CA 946074039

Oakland Unified School District is in the process of financing Security Equipment, Software and Maintenance with Key Government Finance, Inc.; total transaction cost is \$641,347.30.

Oakland Unified School District requests that Key Government Finance, Inc. be listed as "Key Government Finance, Inc., their successors and assigns" and that it be named ADDITIONAL INSURED as to liability coverage and LOSS PAYEE as to property coverage. A copy of said certificate should be forwarded to Key Government Finance, Inc. as described below.

**NOTE:** Coverage is to include:

- (1) insurance against all risks of physical loss or damage to the Property;
- (2) commercial general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage of not less than \$1,000,000; and
- (3) if applicable, automobile liability coverage of not less than \$3,000,000.

Key Government Finance, Inc. is to receive **30 days** prior written notice of cancellation or material change in coverage. **Qualifying language such as "endeavor to provide"; "but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representative" or the like will NOT be accepted and will delay funding.**

1. Please **EMAIL** this completed information to:  
Key Government Finance, Inc.  
Peter Brook, Account Manager  
Phone Number: 720-304-1295  
Email: peter.brook@leasincentral.com
2. Please **MAIL** a Certificate of Insurance to:  
Key Government Finance, Inc.  
Attn: Collateral Services  
1000 South McCaslin Blvd.  
Superior, CO 80027
3. Please **CONTACT** the Account Manager;  
\* When sending this Certificate.  
\* If this cannot be completed today.  
\* If you have any questions

### **Escrow Disbursement Instructions for Tax-Exempt financing**

In reference to your equipment financing, we will be depositing the financing proceeds directly into an escrow account. This account will provide you with the ability to disburse funds incrementally (either directly to vendors or to reimburse yourself) based on equipment invoices (any \$ size and frequency). You will control the disbursement of funds by completing the attached documents.

**Escrow Disbursements** – The following are the steps that you will need to take when making disbursements of proceeds from your escrow account.

1. Complete and sign **Exhibit A "FORM OF REQUISITION OF COSTS OF PROPERTY"**. This needs to be on your letterhead.
  2. Complete and sign – **Schedule 1 "DISBURSEMENT SCHEDULE"** complete with payment information.
  3. Attach – Invoice(s) from the Vendor(s).
  4. Mail a completed and signed copy of the **Exhibit A, Schedule 1 and the Vendor invoices** to my attention at the address listed below.
- **Note: If the disbursement from the escrow is for the reimbursement of funds already expended, you must attach proof of payment (front and back of cancelled checks).**

**\*\*PLEASE NOTE THAT WE MUST RECEIVE THE ORIGINAL DOCUMENTS\*\***

**Once you are ready to do the final disbursement out of the Escrow account:**

- **Final Disbursement** – Include the signed and dated original of the **Exhibit 5 "ACCEPTANCE CERTIFICATE"** (this document was part of your original document package), along with the **Exhibit A "FORM OF REQUISITION OF COSTS OF PROPERTY"** and the rest of the attachments needed. Additionally, please include a letter stating that this is the final disbursement and that you wish to close the Escrow account.
- If there is any money remaining in the Escrow account, after the final disbursement to the Vendor(s), the balance will be applied to your next payment.

If you have any questions regarding this information, please give me a call.

Thank you.

Peter Brook  
Key Government Finance  
1000 S. McCaslin Blvd.  
Superior CO 80027  
(720) 304-1295  
866-840-3016 Fax

## ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement"), dated as of June 30, 2023 and entered into among Key Government Finance, Inc. ("Lessor"), Oakland Unified School District ("Lessee") and Zions Bancorporation, National Association dba Zions Bank (the "Escrow Agent").

### RECITALS:

- A. Lessor and Lessee are parties to a Master Tax-Exempt Lease/Purchase Agreement, dated as of June 30, 2023 and Schedule No. 2003309023 thereunder, dated as of June 30, 2023 (the "Lease") whereunder Lessee is acquiring from Lessor certain personal property more particularly described therein (the "Property").
- B. Lessor and Lessee intend to cause or have caused certain funds to be deposited with Escrow Agent to pay for costs of the Property, and Escrow Agent has agreed to disburse said funds in accordance with the terms and conditions of this Escrow Agreement.
- C. Each of the parties has authority to enter into this Escrow Agreement and has taken all actions necessary to authorize the execution of this Escrow Agreement by the officers whose signatures are affixed hereto.

NOW, THEREFORE, the parties agree as follows:

1. **Appointment of Escrow Agent.** Lessor, Lessee and Escrow Agent agree that Escrow Agent shall act as sole Escrow Agent under the Lease and this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. The Escrow Agent, in its capacity as escrow agent hereunder, shall not be deemed to be a party to the Lease, and this Escrow Agreement shall be deemed to constitute the entire agreement regarding the Acquisition Fund (as hereinafter defined) among Lessor, Lessee and Escrow Agent.
2. **Acquisition Fund.** There is hereby established in the custody of Escrow Agent an escrow fund designated as the "Oakland Unified School District Acquisition Fund" (the "Acquisition Fund") to be held and administered by Escrow Agent for Lessee and Lessor in accordance with this Escrow Agreement, subject to Lessor's rights under this Section 2 and Section 3 hereof.

The moneys and investments held by Escrow Agent under this Escrow Agreement are irrevocably held for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of Lessee (other than Lessor) or Lessor. Lessee hereby grants to Lessor a security interest in the Acquisition Fund to secure payment of all sums due to Lessor under the Lease. For such purpose, Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to such accounts, Lessor's interest therein.

(a) **Deposit in Acquisition Fund.** There shall be deposited in the Acquisition Fund the sum of \$641,347.30. Escrow Agent shall maintain accounting records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the Acquisition Fund, and such income and interest shall become part of the Acquisition Fund and may be expended as provided herein.

(b) **Disbursements from Acquisition Fund.** Escrow Agent shall make payments from the Acquisition Fund to pay costs of the Property upon receipt of requisitions from Lessee, signed by an authorized individual, and approved by Lessor, substantially in the form attached hereto as Exhibit A, which is incorporated by reference herein. In the event Escrow Agent is directed or requested by Lessee to hold or deposit any retained funds or to accept a retainage bond (in lieu of funds) as may be required by law or the terms of the acquisition contract to which Lessee is a party, Escrow Agent shall act in accordance with Lessee's instructions, and such retained funds (or performance bond) and any interest thereon shall be paid as provided in instructions to Escrow Agent from Lessee. In no event, shall Lessee submit more than six (6) requisitions in any month. The final requisition shall include the final acceptance certificate required in the Lease, which shall be executed by the Lessee and delivered to the Escrow Agent. Where requisitions involve titled motor vehicles, the requisition shall also include:

- (i) Manufacturer's Certificate of Origin.
- (ii) Motor vehicle paperwork appropriate to state of registration, noting Key Government Finance, Inc. as **lien holder**.
- (iii) Insurance certificate naming Key Government Finance, Inc., its successors and assigns as sole loss payee and additional insured for the specified equipment.

### 3. Termination of Escrow.

(a) **Acquisition of Property.** Upon the final acceptance of the Property by Lessee, as evidenced by execution by Lessee of a final acceptance certification pursuant to the Lease and delivered to Escrow Agent, and the payment of all costs related thereto (i) any retainage shall be disbursed as directed by Lessee, and (ii) any amounts remaining in the Acquisition Fund (including the earnings from investments thereof) shall be transferred to Lessee and be applied toward reimbursement of Lessee for funds advanced for the Property. To the extent that additional moneys in excess of those needed to reimburse Lessee for the acquisition of the Property exist in the Acquisition Fund, such amounts shall be paid to Lessor and applied first to the next payment due on the Lease and then applied to prepayment of the principal component of installment payments and Lessor shall recalculate the lease payment schedule for

the remaining term such that the remaining lease payments shall be level. Upon disbursement of all sums in the Acquisition Fund, this Escrow Agreement shall terminate, provided that the indemnifications by Lessee shall survive the termination of this Escrow Agreement.

(b) Eighteen Months. This Escrow Agreement shall terminate eighteen (18) months from the date of this Escrow Agreement. It may, however, be extended by mutual consent of the Lessee and Lessor in writing to the Escrow Agent either in advance of the termination or retroactively. Any money remaining in the Acquisition Fund at the time of termination under this subsection (b) shall be transferred to Lessor and shall be applied first to the next payment due under the Lease, and then, if there are amounts remaining, applied to the prepayment of the Lease being applied to principal and Lessor shall recalculate the lease payment schedule for the remaining term such that the remaining lease payments shall be level. Lessee shall be deemed to have accepted all Property paid for from the Acquisition Fund at the time of termination under this subsection (b). Upon disbursement of all sums in the Acquisition Fund, this Escrow Agreement shall terminate, provided that the indemnifications by Lessee shall survive the termination of this Escrow Agreement.

(c) Event of Default: Nonappropriation. Upon receipt of written notice from Lessor of an event of default by Lessee under the Lease or an event of nonappropriation, if provided for under the Lease, Escrow Agent shall disburse the funds in the Acquisition Fund to Lessor for application in accordance with the Lease. Upon such payments from the Acquisition Fund, this Escrow Agreement shall terminate, provided that the indemnifications by Lessee shall survive the termination of this Escrow Agreement.

4. Investment of Acquisition Fund. Monies held by Escrow Agent hereunder shall be invested and reinvested by Escrow Agent upon written instructions from Lessee, signed by an authorized individual substantially in the form attached hereto as Exhibit B, which is incorporated by reference herein, in an investment which is a permitted investment for Lessee under the laws of the state in which Lessee is organized. Escrow Agent shall have no responsibility for advising Lessee or Lessor as to the permissibility of any investment of monies in the Acquisition Fund. If Escrow Agent does not receive a written direction from Lessee as to the investment or reinvestment of monies in the Acquisition Fund, Escrow Agent may hold such monies uninvested until such direction is received. Escrow Agent shall have no responsibility for any losses suffered from any investment of monies on deposit in the Acquisition Fund authorized by Lessee.

5. Amendment and Modification. This Escrow Agreement may not be amended, modified, altered, supplemented or waived except by a written instrument executed by Lessor, Lessee and Escrow Agent.

6. Regarding the Escrow Agent.

(a) Duties of Escrow Agent. Escrow Agent undertakes to perform only such duties as are specifically set forth in this Escrow Agreement. Escrow Agent shall be under no implied obligation or subject to any implied liability hereunder. Escrow Agent shall incur no liability whatsoever except for its gross negligence or willful misconduct so long as it is acting in good faith. Escrow Agent shall not be required to take notice of any of the provisions of the Lease or any document or instrument executed in connection therewith, except as expressly set forth in this Escrow Agreement. The permissive right of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as a duty.

(b) Escrow Agent Reliance. Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

(c) Counsel and Fees; Reliance upon Counsel. If Escrow Agent believes it to be reasonably necessary to consult with counsel concerning any of its duties in connection herewith, or in case the Escrow Agent becomes involved in litigation on account of acting hereunder, then, in either case, its cost, expenses and reasonable attorneys fees shall be paid by Lessee. Escrow Agent's right to receive its attorneys' fees and expenses shall survive the termination of this Escrow Agreement. If Escrow Agent consults with counsel, Escrow Agent may act, in good faith, in reliance upon the advice of counsel concerning its duties in connection herewith or in acting hereunder.

(d) No Obligation to Take Legal Action. Escrow Agent shall not be under any obligation to take any legal action in connection with this Escrow Agreement or for its enforcement, or to appear, prosecute or defend any action or legal proceeding which, in its opinion, would or might involve it in any costs, expense, loss or liability, or to otherwise expend or risk its own funds or incur any financial liability in the performance of this Escrow Agreement, unless and as often required by it, it shall be furnished with security and indemnity satisfactory against all such costs, expenses, losses or liabilities. If any controversy arises between the parties hereto or with any third person, the Escrow Agent shall not be required to resolve the same or to take any action to do so (other than to use its best efforts to give notice of such controversy to Lessor and Lessee) but may, at its discretion, institute such interpleader or other proceedings as it deems proper.

(e) Quarterly Statement. Escrow Agent shall issue a quarterly accounting statement showing receipts to and disbursements from the Acquisition Fund. Such statement shall be mailed to Lessor and Lessee, and Lessee shall be provided online statement access.

(f) **Resignation and Termination.** Escrow Agent may, upon providing thirty days written notice, resign its position as Escrow Agent and terminate its liabilities and obligations hereunder. In the event Escrow Agent is not notified within thirty days of a successor Escrow Agent, Escrow Agent shall be entitled to transfer all funds to a court of competent jurisdiction with a request to have a successor appointed, at the expense of Lessee. Upon filing such action and delivering such assets, Escrow Agent's obligations and responsibilities shall cease. Lessor and Lessee may jointly terminate Escrow Agent and appoint a successor Escrow Agent by providing 15 days written notice to Escrow Agent.

7. **Indemnification.** To the extent permitted by law, Lessee hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by or asserted against, Escrow Agent at any time (whether or not also indemnified against the same by Lessee or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Escrow Agreement, the establishment hereunder of the Acquisition Fund, the acceptance of the funds and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such securities or the proceeds thereof, and any payment, transfer or other application of moneys or securities by Escrow Agent in accordance with the provisions of this Escrow Agreement; provided, however, that Lessee shall not be required to indemnify, protect, save or keep harmless Escrow Agent against Escrow Agent's own gross negligence or willful misconduct or gross negligence or willful misconduct of Escrow Agent's respective successors, assigns, agents and employees or the material breach by Escrow Agent of the terms of this Escrow Agreement. The indemnities contained in this Section shall survive the termination of this Escrow Agreement.

8. **Notices.** Any notices permitted or required under this Escrow Agreement shall be made in writing and shall be deemed given upon the date of personal delivery or 48 hours after deposit in the United States mail, certified or registered, postage fully prepaid, return receipt requested, addressed to the addresses set forth on the signature page of this Escrow Agreement. The party to whom notices or copies of notices are to be sent shall have the right at any time and from time to time to change its address for notice or person to receive notice by giving notice in the manner specified in this paragraph.

9. **Escrow Agent's Fee.** Escrow Agent shall be paid \$1,000.00 for setting up the escrow, to be paid by Lessor. In the event that Escrow Agent is made a party to litigation with respect to the Acquisition Fund, or brings an action in interpleader, or Escrow Agent is required to render any service not provided for in this Escrow Agreement, or there is any assignment of interests in this escrow or any modification hereof, Escrow Agent shall be entitled to reasonable compensation for such extraordinary services and reimbursement by Lessee for all fees, costs, liability and expenses, including attorney fees. Lessee also agrees to pay any investment fees or other charges of Escrow Agent, such as wire transfer charges and disbursement charges and agrees such fees and charges may be deducted by and paid to the Escrow Agent from funds in or to be deposited in the Acquisition Fund or from investment earnings to be deposited in the Acquisition Fund.

10. **Counterparts.** This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Escrow Agreement is to be executed by the parties hereto in sufficient numbers so that an Escrow Agreement bearing each party's original signature can be held by the Escrow Agent.

11. **Waiver.** Any waiver by any party of any breach of any term or condition of this Escrow Agreement shall not operate as a waiver of any other breach of such term or condition or any other term or condition, nor shall any failure to enforce such provision hereof operate as a waiver of such provision or of any other provision hereof, nor constitute nor be deemed a waiver or release of any other party for anything arising out of, connected with, or based on this Escrow Agreement.

12. **Exhibits.** All exhibits, schedules and lists attached to this Escrow Agreement or delivered pursuant to this Escrow Agreement shall be deemed a part of this Escrow Agreement and incorporated herein, where applicable, as if fully set forth herein.

13. **Applicable Law.** This Escrow Agreement shall be governed by the laws of the state in which Lessee is located.

14. **Successors and Assigns.** This Escrow Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assigns. Any corporation or association into which the Escrow Agent may merge, or to which Escrow Agent may sell or transfer its banking business, shall automatically be and become successor Escrow Agent hereunder and vested with all powers as was its predecessor without the execution or filing of any instruments or further act, deed or conveyance on the part of the parties hereto.

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

16. **WAIVER OF JURY TRIALS. UNLESS PROHIBITED BY LAW, LESSEE, LESSOR AND ESCROW AGENT HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS ESCROW AGREEMENT OR THE ACTIONS OF LESSOR, LESSEE OR ESCROW AGENT IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.**





[Please type on your letterhead]

EXHIBIT A  
FORM OF REQUISITION  
COSTS OF PROPERTY  
Lease No. 2003309023-

C/O Key Government Finance, Inc.  
1000 South McGaslin Blvd.  
Superior, CO 80027  
Attn: Peter Brook  
(720) 304-1295

On Behalf of:  
Zions Bancorporation, National Association dba Zions, 601 Union Street, Suite 3600  
Seattle, WA 98101

Amount Requested: \$ \_\_\_\_\_

Total Disbursements to Date: \$ \_\_\_\_\_

Requisition No.: \_\_\_\_\_

1. The undersigned, an officer or official of Lessee, hereby requests and authorizes Zions Bancorporation, National Association dba Zions Bank, as Escrow Agent under the Escrow Agreement dated as of June 30, 2023, among Oakland Unified School District (the "Lessee"), Key Government Finance, Inc. (the "Lessor") and Escrow Agent, to pay to or upon the order of the Lessee the amount specified above for the payment or reimbursement of costs of Property described in Schedule 2003309023 attached.

2. The Lessee hereby certifies that:  
(a) each obligation mentioned in Schedule 1 has been properly incurred, is a proper charge against the Acquisition Fund and has not been the basis of any previous disbursement;  
(b) no part of the disbursement requested hereby will be used to pay for materials not yet incorporated into the Property or for services not yet performed in connection therewith;  
(c) insurance requirements of the Lease have been complied with and such coverage is in force;  
(d) as of the date of this Requisition no event of default or event of nonappropriation, if any, as such terms are defined in the Lease between Lessor and Lessee has occurred and is continuing and no event which with notice or lapse of time, or both, has occurred and is continuing which would constitute such event of default or event of nonappropriation; and  
(e) the Property acquired with this disbursement is functionally complete and operationally independent and is hereby accepted. If this is the final requisition, the final acceptance certification required in the Lease is attached hereto.

3. All capitalized terms herein shall have the meanings assigned to them in the Escrow Agreement.

4. The list of equipment, set forth in the equipment/property description to the Lease, shall be deemed amended upon payment of this requisition to include the property set forth in Schedule 2003309023 hereto and any property paid with funds of this requisition.

Oakland Unified School District

Approve As To Form:



Joshua R. Daniels  
Chief Governance Officer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Approved by Lessor, or in the event Lessor's right, title and interest in the Lease has been assigned, by the current assignee of Lessor's right, title and interest in the Lease Agreement:

Key Government Finance, Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[Lessee to attach final acceptance certification if final disbursement request.]

SCHEDULE 1  
DISBURSEMENT SCHEDULE

To Requisition No. \_\_\_\_\_ for the Acquisition Fund:

1. Amount: \$ \_\_\_\_\_

Payee: \_\_\_\_\_ (Payee's W-9 is required)

By check \_\_\_\_\_ By wire transfer \_\_\_\_\_

If by check, Payee's address: \_\_\_\_\_

If by wire transfer, instructions as follows: \_\_\_\_\_

Pay to:

Bank Name:
Bank Address:
Bank City, State, Zip:
Bank Phone:
For Account of:
Account No.:
ABA No.:

2. Amount: \$ \_\_\_\_\_

Payee: \_\_\_\_\_ (Payee's W-9 is required)

By check \_\_\_\_\_ By wire transfer \_\_\_\_\_

If by check, Payee's address: \_\_\_\_\_

If by wire transfer, instructions as follows: \_\_\_\_\_

Pay to:

Bank Name:
Bank Address:
Bank City, State, Zip:
Bank Phone:
For Account of:
Account No.:
ABA No.:

Oakland Unified School District

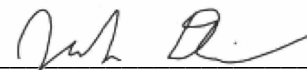
By: \_\_\_\_\_

Name: \_\_\_\_\_

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

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

Approve As To Form:



Joshua R. Daniels  
Chief Governance Officer

[Please type on your letterhead]

**Exhibit B**

**Zions Deposit Sweep Fund Investment Direction**


**DIRECTION AND ACKNOWLEDGEMENT**

[Oakland Unified School District  
Acquisition Fund]

Pursuant to investment authority of the undersigned Authorized Representative and the governing documents for the above referenced financing(s), the undersigned authorizes Zions Bancorporation, National Association dba Zions Bank ("Zions") to deposit, withdraw and invest amounts into the Zions Deposit Sweep Program and to execute any and all documents or agreements that may be necessary to complete the investment in the Zions Deposit Sweep Program described in the attached product description.

The undersigned may revoke or modify this direction at any time by written notice to Zions. The undersigned acknowledges receipt of a description of the Zions Deposit Sweep Program and a prospectus for the Fidelity Government Portfolio Class III ("the Money Market Fund") which, among other things, describes the fees and expenses paid by the Money Market Fund including fees paid to Zions for servicing the Money Market Fund (which affect the return on investment). The undersigned acknowledges the Money Market Fund is not an FDIC-insured deposit, is not an obligation of or guaranteed by Zions or its affiliates and may involve investment risk, including loss of principal.

The undersigned acknowledges that pursuant to national banking regulations it has been informed that, upon its request and at no additional cost, it is entitled to receive separate written notification of every security transaction effected for this account and agrees to notification of securities transactions by means of transaction statement(s) regularly provided by Zions.

By:   
Kyla Johnson Trammell, Superintendent  
Authorized Representative

Dated: 6/29/2023

Approve As To Form:



Joshua R. Daniels  
Chief Governance Officer

EMAIL INVOICE ACKNOWLEDGEMENT

Key Government Finance, Inc. sends payment invoices, as a courtesy and for your information, to its clients via email in order to provide a faster and more efficient service.

Please provide the information requested below in order for us to ensure that these invoices are sent to the appropriate email address:

Email Address itbilling@ousd.org

Retype email address itbilling@ousd.org

We recommend that you provide a team email address that is monitored by more than one person in order to reduce the risk that the recipient is unavailable. Request to change this email address should be email to customerservice@leasingcentral.com.

We also recommend that you add the noreply@leasingcentral.com email address to your email address book so that these emails are not flagged as Spam.

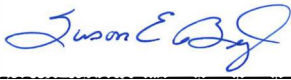
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Acknowledgement

The email address provided above is confirmed to be correct, secure, and should be utilized for all current, proposed and future transaction payment invoices between Key Government Finance, Inc. and Oakland Unified School District.

Oakland Unified School District acknowledges that it will no longer receive paper invoices and that it remains obligated to make all payments as they come due, regardless of whether an invoice has been received or not.

Oakland Unified School District

By: 

Name: Susan Beltz

Title: Chief Technology Officer

Approve As To Form:



Joshua R. Daniels  
Chief Governance Officer

# INVOICE



Key Government Finance, Inc.  
 1000 S. McCaslin Blvd.  
 Superior CO 80027

<b>Bill to:</b> Oakland Unified School District 1011 Union St Oakland, CA 94607-2236	Invoice No.	2003309023 - 01
	Invoice Date:	June 6, 2023
	Lease No.	2003309023
	Purchase Order No.	
	Reference:	Palo Alto Networking Equipment

Qty	Item	Description	Total
1	Rental Payment	Payment due July 30, 2023	\$145,964.51
		Tax	
		Balance Due	\$145,964.51

**Please remit funds to:**  
 Key Government Finance, Inc.  
 Attn: Peter Brook  
 1000 S. McCaslin Blvd.  
 Superior, CO 80027  
 Contact Phone:

REMITTANCE INFORMATION	
Date:	
Amount Due:	
Amount Enclosed:	

- Please remember to:**
- 1) Make checks payable to Key Government Finance, Inc
  - 2) Return a copy of this invoice with your payment.
  - 3) Keep a copy of this invoice for your records.
  - 4) Direct all inquiries to the contact listed above.

Comments: