

**TD EQUIPMENT FINANCE, INC.
(FLORIDA)**

1006 Astoria Boulevard
Cherry Hill, New Jersey 08034

LEASE PURCHASE AGREEMENT

LESSEE: SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA

AGREEMENT #: 40107632

DATED: FEBRUARY 20, 2014

This lease purchase agreement (this "Agreement") is a binding contract between **TD Equipment Finance, Inc.**, its successors and assigns ("TDEF") and, **The School Board of Palm Beach County, Florida** (the "Lessee," when referring to the governing body, and the School District of Palm Beach County, Florida (the "**District**"), when referring to the territorial boundaries and the legal entity governed by the Lessee).

1. **Agreement:** In executing this Agreement, Lessee agrees to rent the equipment described in Exhibit A (the "Equipment"). Exhibit B sets forth the terms of the Agreement, including the commencement date (the "Dated Date"), which is the date when the term begins and Lessee's obligation to pay rent accrues. Rental payments (the "Rental Payments") consist of both principal and interest components, should be paid to TDEF as instructed, and must be paid only out of legally available revenues budgeted and appropriated by the Lessee for such purpose. A portion of each Rental Payment represents interest and the balance of each Rental Payment represents principal, as shown on Exhibit B. In order to maintain the interest rate set forth in Exhibit B attached hereto, Lessee must comply with the tax covenants as set forth in Section 7 below and file informational federal tax Form 8038-G in a timely manner. If not and the interest portion of the Rental Payments is determined to be taxable as a result thereof, each Rental Payment will be increased to the Taxable Rate (as defined herein) to compensate for the loss of the tax exemption status which was assumed in the initial interest rate and Lessee will also compensate TDEF for any interest or penalties incurred. The Form 8038-G is an informational return only and will not require Lessee to pay a tax. Lessee agrees to accept the Equipment when delivered, installed and operating to manufacturer's specifications and to execute an Acceptance Certificate for each delivery of Equipment, in the form attached hereto as Exhibit D (the "Acceptance Certificate") supplied by TDEF as evidence thereof. To the extent permitted under Florida law, Lessee agrees to hold TDEF harmless from damages, if for any reason, the vendor fails to deliver or delays in the delivery of, the Equipment so ordered or if the Equipment is unsatisfactory for any reason whatsoever. Lessee agrees that any delay in the delivery

of the Equipment shall not affect the validity of this Agreement or the obligation to make Rental Payments hereunder. Lessee's execution of an Acceptance Certificate shall conclusively establish that the Equipment covered thereby is acceptable to Lessee for all purposes of this Agreement. If Lessee fails or refuses to sign an Acceptance Certificate within a reasonable time, not to exceed five (5) business days, after the Equipment has been delivered, installed and is operating to manufacturer's specifications, TDEF shall have the option of treating this Agreement as cancelled by Lessee and Lessee shall automatically assume all of TDEF'S rights and obligations as purchaser of the Equipment. Lessee understands that TDEF's agreement to lease the Equipment to Lessee is based on a credit evaluation of Lessee based on available information (the "Credit Evaluation"), and Lessee agrees to annually provide Lessor with copies of Lessee's then-current statement of financial condition or the equivalent, such statement being audited, if available, as soon as available, but in any event not later than 270 days following the end of the Lessee's fiscal year.

2. The Obligation to Make Payments: Rental Payments shall be due and payable as set forth in Exhibit B hereto. The obligation of Lessee to pay Rental Payments hereunder is a current expense of Lessee and not a debt. This obligation shall not be or constitute a general or special obligation or indebtedness of Lessee or be a "bond" within the meaning of the Constitution of the State of Florida (the "State") but shall be a limited obligation of Lessee payable from legally available revenues annually budgeted and appropriated for such purpose during the then current fiscal period ("Appropriation Period") provided herein. All payments made by or on behalf of Lessee hereunder shall be nonrefundable. Except in the Event of Nonappropriation (hereinafter defined) as set forth in this paragraph, Lessee's obligation to pay such Rental Payments shall be absolute and unconditional and is not subject to any abatement, set-off, defense or counter-claim for any reason whatsoever. Lessee hereby represents and warrants that it has funds available to pay the Rental Payments set forth on Exhibit B through the end of the current fiscal year ("First Appropriation Period"). Notwithstanding the foregoing, the obligation of Lessee to make payments hereunder is subject to the annual appropriation by Lessee in each successive Appropriation Period of funds sufficient to make the required Rental Payments hereunder for such Appropriation Period. Hence, after the First Appropriation Period, if Lessee has not appropriated sufficient funds to pay TDEF the Rental Payments due for the then current Appropriation Period, and Lessee has no other legally available funds to make the lease payments, an Event of Nonappropriation (an "Event of Nonappropriation") shall be deemed to have occurred. The Superintendent of Schools of the District, in such capacity, agrees to include in its final budget request for each fiscal year the Rental Payments to become due in such fiscal year and to use best efforts to obtain the appropriation of sufficient funds for each such fiscal year to continue this Lease. Such

best efforts include the use of all reasonable and lawful means at its disposal to insure the appropriation of money for such fiscal year sufficient to pay the Rental Payments coming due in such fiscal year. Lessee shall promptly deliver notice thereof to TDEF and shall endeavor to give such notice as soon as a decision of non-appropriation is made. Such notice shall state that the termination of this Agreement was caused by the failure of the Lessee to appropriate moneys to make Rental Payments due hereunder and that Lessee shall promptly, upon the effective date of such termination, return the Equipment at the expense of the Lessee, and as instructed by TDEF, as hereinafter provided. If an Event of Nonappropriation has occurred, this Lease shall terminate, in whole, but not in part, as to all Equipment, effective upon the last day of the fiscal year for which funds were appropriated. Upon termination of this Lease as provided in this Section, Lessee shall not be responsible for the payment of any additional Rental Payments coming due in succeeding fiscal years. Lessee shall then, at Lessee's expense and in a reasonably prompt time period, return the Equipment to TDEF to such commercially reasonable location as shall be specified by TDEF. TDEF (using reasonable efforts, if economically feasible, to provide for a commercially reasonable sale or re-lease) may then sell or re-lease the Equipment with or without advertisement, at public or private sale or leasing, without notice to Lessee, free of any of Lessee's interest, without any duty to account to Lessee for TDEF'S actions or inaction or for any sale or re-lease proceeds. Following an Event of Nonappropriation and the return of the Equipment, transfer of title (if applicable), and payment of all amounts appropriated through the end of the then current fiscal year, Lessee shall have no further obligations to Lessor; however, any and all proceeds resulting from the sale, re-lease or other disposition of the Equipment shall be for the account of and inure to the benefit of the TDEF.

The Lessee reasonably believes that funds can be obtained sufficient to make all Rental Payments during the lease term and hereby covenants that the Superintendent will do all things lawfully within his/her power to obtain, maintain and properly request and pursue funds from which the Rental Payments may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding. It is the Lessee's expectation to appropriate amounts sufficient to make Rental Payments for the full lease term if funds are legally available therefor and in that regard the Lessee represents that the use of the Equipment is essential to its proper, efficient and economic operation.

TDEF AND THE LESSEE AGREE THAT NOTHING CONTAINED IN THIS AGREEMENT IS INTENDED TO CREATE, OR DOES CREATE, INDEBTEDNESS OF THE LESSEE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION. NO PROVISION OF THIS

AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS CREATING A PLEDGE OF THE LESSEE'S FAITH AND CREDIT WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED OR INTERPRETED AS AN IMPROPER DELEGATION OF GOVERNMENTAL POWERS OR AS A DONATION OR A LENDING OF THE LESSEE'S CREDIT WITHIN THE MEANING OF THE STATE CONSTITUTION. NO PROVISION OF THIS AGREEMENT SHALL BE CONSTRUED TO PLEDGE OR TO CREATE A LIEN ON ANY CLASS OR SOURCE OF THE LESSEE'S MONEYS, NOR SHALL ANY PROVISION OF THIS AGREEMENT RESTRICT THE FUTURE ISSUANCE OF ANY OF THE LESSEE'S BONDS OR OBLIGATIONS PAYABLE FROM ANY CLASS OR SOURCE OF THE LESSEE'S MONEYS (EXCEPT TO THE EXTENT THIS AGREEMENT RESTRICTS THE INCURRENCE OF ADDITIONAL OBLIGATIONS SECURED BY THE EQUIPMENT). THE RENTAL PAYMENTS ARE TO BE MADE ONLY FROM LESSEE'S LEGALLY AVAILABLE REVENUES BUDGETED AND APPROPRIATED ON AN ANNUAL BASIS, AND NEITHER LESSEE, THE STATE, NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY ANY SUMS DUE UNDER THIS AGREEMENT FROM THE COMPELLED LEVY OF AD VALOREM OR OTHER TAXES EXCEPT FROM THOSE LEGALLY AVAILABLE REVENUES BUDGETED AND APPROPRIATED BY LESSEE ON AN ANNUAL BASIS, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF LESSEE, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED FOR PAYMENT OF SUCH SUMS DUE UNDER THE LEASE.

3. **The Equipment:** Lessee agrees and acknowledges that (i) Lessee has selected the Equipment to be acquired by TDEF and rented to Lessee, (ii) the Equipment is, and during the period of this Agreement shall remain personal property to the Lessee, (iii) the Equipment will have a useful life in Lessee's hands that is substantially in excess of the initial term of this Agreement, and (iv) Lessee does not intend, without TDEF's prior written consent, to sell, or otherwise dispose of, the Equipment during the term of the Agreement. Lessee may contact the seller of the Equipment directly, as TDEF'S agent, to effect the acquisition of the Equipment. When Lessee accepts the Equipment, Lessee must deliver to TDEF an Acceptance Certificate. If the Equipment has not been identified or delivered and accepted on the date of this Agreement, the cost of the Equipment (the "Purchase Price") shall be deposited in an account held pursuant to an escrow agreement to be entered into among Lessor, Lessee, and TD Bank, N.A., as escrow agent with TDEF (the "Purchase Fund"). The Lessee shall submit an invoice for the Equipment to TDEF and upon TDEF'S approval of such invoice, TDEF shall cause the acquisition of the Equipment to be funded directly to the Equipment vendor out of moneys in the Purchase Fund. Alternatively, the Lessee shall submit to TDEF an

invoice for the Equipment and a check evidencing payment to the Equipment vendor by the Lessee for such Equipment and upon TDEF's approval of such invoice and such evidence of payment, TDEF shall cause the Lessee to be reimbursed for the acquisition of the Equipment out of moneys in the Purchase Fund. However, upon acquisition of the Equipment, Lessee must execute and deliver to TDEF, an Acceptance Certificate, according to the provisions set forth in Section 1. Lessee may assert claims and rights that TDEF may have against any manufacturer of the Equipment as well as the agents or dealers of the manufacturer (the "Vendor") of any portion of the Equipment.

4. Title to the Equipment: During the term of this Agreement, legal title to all Equipment and any and all repairs, replacements, substitutions and modifications thereto for federal income tax and accounting purposes, for purposes of Section 7 hereof, and for all other purposes shall be in the name of Lessee. During the term of this Agreement, Lessee agrees to provide TDEF with copies of all current titles, title applications, MSOs and other reasonably requested identifying information with respect to the Equipment. By paying the final Rental Payment due hereunder together with a concluding payment of \$101.00, Lessee shall be deemed to have exercised Lessee's option to maintain ownership of the Equipment after the term of this Agreement, and upon such payment, TDEF shall be obligated to take any actions necessary to evidence the termination of any obligations of Lessee to TDEF hereunder. Following an Event of Default or an Event of Nonappropriation or upon other termination of this Agreement for any reason other than the payment by the Lessee of all amounts due and owing hereunder or the exercise of Lessee's rights under Section 5 hereunder, Lessee will return and surrender possession of the Equipment to TDEF in a commercially reasonable fashion and to such commercially reasonable location as shall be specified by TDEF. Lessee will promptly execute, or otherwise authenticate, and deliver to TDEF such further documents, instruments, assurances and other records, and take such further action as TDEF from time to time may reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of TDEF under such documents, including, without limitation, executing such documents and/or taking any or all commercially reasonable or necessary actions to vest full and unencumbered title in and to the Equipment in TDEF's name. The foregoing obligations to transfer title and provide commercially reasonable documents and assurances shall be deemed to survive the termination of this Agreement.

5. Refinance/Option to Purchase: Lessee, at its sole discretion, may prepay or refinance this Agreement at any time during the lease term. Lessee shall be entitled and shall have exercised its option to retain title to the Equipment: (a) upon payment in full of all Rental Payments in accordance with Exhibit B hereof and all other amounts due

hereunder, or (b) upon written notice delivered at least thirty (30) days in advance of a proposed date (which shall be a date scheduled for payment of a Rental Payment) for payment and upon payment on such date of the "Purchase Price," which equals the sum of all principal due and remaining unpaid up to and including the date of prepayment, interest accrued to such date of prepayment, and a "Yield Maintenance Fee," which is defined as an amount computed as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Stated Interest Rate". If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed rate prepayment charge" due to the Lessor upon prepayment of the principal of this lease plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

Yield Maintenance Fee = [Amount Being Prepaid x (Stated Interest Rate - Current Cost of Funds) x Days in the Remaining Term/360 days] + any accrued interest due.

"Remaining Term" as used herein shall mean the shorter of (i) the remaining term of the lease, or (ii) the remaining term of the then current fixed interest rate period. "Stated Interest Rate" as used herein means the rate at which interest is accruing on the outstanding principal balance of the lease at the time of the calculation."

When Lessee exercises its rights hereunder to retain title to the Equipment and TDEF shall have received all amounts due under this Agreement, then this Agreement shall terminate, and Lessee shall be deemed to have accepted such Equipment AS IS, WHERE IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that the Equipment shall not be subject to further obligations of Lessee created by or arising through this Agreement.

If (a) the lease proceeds are deposited into a Purchase Fund, and (b) any funds remain in the Purchase Fund on or after the Escrow Date (as such date may from time

to time be extended or modified pursuant to the express terms of the Escrow Agreement), and (c) such lease proceeds have not been previously applied to acquisition of the Equipment or set aside to pay retainage or punchlist items, then such remaining funds in the Purchase Fund shall be applied by TDEF on the next Rental Payment date, first, to the payment of the Yield Maintenance Fee, and, second, pro rata to the prepayment of the principal component of the outstanding Rental Payments set forth on Exhibit B hereto. For the avoidance of doubt, the Yield Maintenance Fee is a fixed rate prepayment charge, which is applicable with respect to any prepayment or event giving rise to the prepayment of this Agreement, including, but not limited to mandatory, involuntary, or voluntary prepayments, defaults, any exercise of the option to purchase, payment of the Agreement following an event of loss or total damage to the Equipment, or any portion thereof, or otherwise.

6. Responsibilities for Repair and Maintenance: Lessee agrees to maintain the Equipment in good condition and make all necessary repairs and replacements at Lessee's expense. Lessee agrees to maintain a maintenance log for the Equipment and permit TDEF to inspect the Equipment and the maintenance log(s). Lessee must have the Equipment serviced and repaired at Lessee's expense when servicing or repair is required within intervals not exceeding 125% of those recommended in the Equipment's owner's manual(s). Lessee agrees to permit TDEF to review and inspect the Equipment in a commercially reasonable fashion, subject to prior notice and so long as the inspection of the Equipment occurs during normal business hours and without causing any material interruption to Lessee's operations or intended use of the Equipment.

7. Tax Covenants: Lessee will not make or direct any use of the proceeds of the obligation provided herein or any other funds which will cause such obligation to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended and the treasury regulations promulgated thereunder (the "Code"), to be "federally guaranteed" within the meaning of Section 149 of the Code or to be a "private activity bond" within the meaning of Section 141(a) of the Code. To that end, so long as any Rental Payments are unpaid, Lessee, with respect to such proceeds and such other funds, will comply with all requirements of such Code sections and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect. Furthermore, to the extent applicable pursuant to Section 148(f) of the Code, Lessee covenants to complete or cause to be completed all reporting requirements and rebate all positive arbitrage to the United States of America. Lessee covenants that the Equipment will be used only for the purpose of performing one or more of Lessee's governmental or proprietary functions, and that the Equipment will not be used in a trade or business of any person or entity other than Lessee on a basis different from the general public.

Lessee will not use or permit the use of the Equipment by any person for a "private business use" within the meaning of Section 141(b) of the Code in such matter or to such extent as would result in the inclusion of interest received hereunder in gross income for federal income tax purposes under Section 103 of the Code.

TDEF and the Lessee agree to cooperate in performing all acts and things legally required or desirable in order to assure that the interest component of the Rental Payments will not be included in the gross income of TDEF or its assigns for federal income tax purposes.

If any event shall occur which is the result of action or inaction by the Lessee, so that the interest component of the Rental Payments becomes includible in the gross income for federal income tax purposes of the recipient of such Rental Payments (an "Event of Taxability"), the interest rate on the lease payments shall increase to the prime rate as published on the first day of the month in the Wall Street Journal plus two percent (2%) (the "Taxable Rate") from the date of the occurrence of the Event of Taxability. Lessee agrees to pay and indemnify TDEF for all interest, penalties, fines, additions to taxes, levied or assessed on the lease or TDEF as a result of the Event of Taxability.

8. Lessee's Risk of Loss or Damage: Lessee agrees to bear all risk of loss, damage, destruction or theft of the Equipment. Lessee must maintain insurance of the types and in the amounts not less than that set forth on Exhibit C, directing Lessee's insurance company to give TDEF a certificate showing TDEF as lender loss payee and an additional named insured. If Lessee does not maintain the required insurance, TDEF shall notify the Lessee and may obtain it and charge Lessee for it. Upon demand therefor from TDEF, Lessee agrees to immediately reimburse TDEF for all such costs and expenses of TDEF for obtaining said insurance. Lessee must, within 30 days following an Event of Loss (as subsequently defined), give TDEF reasonably prompt notice of an "Event of Loss," which shall include: (1) the loss, theft or total destruction of all units or any unit constituting the Equipment, (2) any damage to the Equipment or any unit thereof exceeding \$50,000.00, or (3) any claim arising out of the ownership, maintenance, storage or use of the Equipment or any unit thereof. The parties will cooperate in deciding if insurance proceeds will be applied to the repair of the Equipment, replacing the damaged Equipment, or to its Purchase Price (or pro rata portion thereof is less than all of the Equipment is damaged). If the insurance proceeds are not sufficient to repair, replace or pay the Purchase Price, then Lessee will, subject to its right to non-appropriate, remain liable for such deficiency, but solely from legally available and/or properly appropriated funds. The failure to provide TDEF with notice of an Event of Loss or to pay any deficiency noted above shall not constitute a default or

an Event of Default hereunder, so long as Lessee provides substitute Equipment or unit(s) of Equipment, which is acceptable to TDEF (in its sole yet reasonable discretion) and of the same or greater value.

9. Indemnification: Except for the intentional or grossly negligent acts or omissions of TDEF arising out of entering into this Agreement, including any misstatements of material fact, in connection with any transfer of this Agreement, because Lessee has selected the Equipment for Lessee's use and purposes, and because Lessee operates and maintains the Equipment, Lessee agrees, to the extent permitted under the laws of the State of Florida, to indemnify TDEF against any and all loss, damage, injury, claims, taxes (excluding TDEF'S income taxes), fees, fines, penalties and expenses (including legal fees and expenses) of every kind that relate to the use, operation, ownership, condition or maintenance of the Equipment by Lessee. Lessee's obligation to indemnify TDEF will continue after termination of the Agreement as to all matters, subject to the provisions of Section 2 hereof, except those which arise from TDEF'S (or anyone TDEF sells or re-leases the Equipment to) use, operation, ownership, condition or maintenance of the Equipment following termination. Provided, however, nothing herein contained shall be deemed to constitute a waiver by Lessee of any sovereign immunity claim it may enjoy under Florida law.

10. No Warranty: TDEF MAKES NO EXPRESS OR IMPLIED WARRANTIES CONCERNING THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE. THIS SECTION IN NO EVENT IS INTENDED TO AFFECT THE WARRANTIES OR REPRESENTATIONS CONTAINED IN ANY CONTRACT ENTERED INTO FOR THE ACQUISITION OF THE EQUIPMENT.

11. Termination: (A) This Agreement, or, as applicable, pro rata portion thereof, will terminate: (1) upon payment of all amounts due hereunder by Lessee to TDEF for the term of this Agreement, (2) if there shall occur an Event of Nonappropriation, at the time set forth in Section 2, provided that Lessee has returned the Equipment, complied with the provisions of Section 2 and paid all amounts including interest thereon due and unpaid deriving from the Appropriation Period then in effect for which the Lessee has appropriated adequate funds, (3) upon Lessee's purchase or refinance of the Equipment under Section 5 and Lessee's payment of the Purchase Price, together with the prepayment fee and all amounts due hereunder, (4) at TDEF'S option if Lessee defaults as described in Section 12, or (5) if all or any portion of the Equipment has been lost, stolen or damaged beyond repair, upon TDEF'S receipt of insurance proceeds or other legally available funds covering the Purchase Price of the Equipment (or pro rata portion thereof) and/or the compliance with the provisions set forth in Section 8 above.

When this Agreement (or, as applicable, pro rata portion thereof) terminates, if by reason of an Event of Nonappropriation, an Event of Default and the TDEF's exercise of its remedies hereunder, and/or if Lessee has not otherwise paid to TDEF all amounts due hereunder, Lessee must, at Lessee's expense, return the Equipment to TDEF at the address specified by TDEF, in as good condition as when Lessee received it, ordinary wear excepted, and Lessee must remove all signs and markings and make all reasonable repairs to place the Equipment in the condition required hereunder (other than for ordinary wear) as reasonably requested by TDEF. TDEF (using reasonable efforts, if economically feasible, to provide for a commercially reasonable sale or re-lease) may then sell or re-lease the Equipment with or without advertisement, at public or private sale or leasing, without notice to Lessee, free of any of Lessee's interest, without any duty to account to Lessee for TDEF'S actions or inaction or for any sale or re-lease proceeds.

(B) Any net proceeds of any sale or re-lease of the Equipment upon the occurrence of an Event of Non-Appropriation will be for the account of and inure to the benefit of TDEF, subject to the express limitations as set forth in Section 2 herein.

(C) Any net proceeds of any sale or re-lease of the Equipment following (x) an Event of Default, (y) any instance (other than an Event of Nonappropriation) in which Lessee has not otherwise paid TDEF all amounts due hereunder, or (z) as may otherwise be provided under this Agreement shall be applied in the following order of priority: FIRST, to pay all of TDEF's costs, charges and expenses incurred in taking, holding, repairing (including reasonable costs associated with restoring the Equipment to the condition required hereunder), selling, leasing or otherwise disposing of Equipment, then SECOND, to the extent not previously paid by Lessee, to pay Lessor all Rental Payments through the end of the then current Appropriation Period or fiscal year, then THIRD, to pay the Purchase Price applicable as of the end of the then current fiscal year or Appropriation Period, then FOURTH to pay, if applicable, any remainder to Lessee. If the net proceeds of any sale or re-lease of the Equipment under this Section 11(c) are insufficient to pay the amounts set forth herein, then Lessee shall be responsible for such deficiency, but Lessee's liability for such deficiency amounts shall, in all cases, be payable solely from legally available and/or properly appropriated funds and be subject to Lessee's right to non-appropriate as set forth in Section 2 hereunder.

(D) For avoidance of doubt a failure on the part of the Lessee to return the Equipment shall be deemed to be an exercise of the Lessee's option to prepay this Agreement in accordance with the provisions of Section 5 herein.

12. Default: The following constitute "Events of Default" under this Agreement: (a) failure by Lessee, other than due to an Event of Non-Appropriation, to pay any Rental Payment or other payment required to be paid hereunder within three business days of when such amounts are due; or (b) failure by Lessee to maintain insurance on

the Equipment in accordance with Section 8; or (c) failure by Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed for a period of thirty (30) days after written notice is given to Lessee by TDEF, specifying such failure and requesting that it be remedied; provided, however, that if the failure stated in such notice is capable of being cured but cannot be corrected within such thirty (30) day period, TDEF will not unreasonably withhold its consent to an extension of such time for so long as TDEF shall deem reasonable if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected; or (d) initiation by Lessee of a proceeding under any federal or state bankruptcy or insolvency law seeking relief under such laws concerning its indebtedness; or (e) the determination by TDEF that any representation or warranty made by Lessee in this Agreement was untrue in any material respect upon the execution hereof; or (f) Lessee's Credit Evaluation, as shown by its statement of financial condition and determined by TDEF, deteriorates materially from Lessee's Credit Evaluation at the commencement of this Agreement such that: (i) Lessee's credit or bond rating by any of the three major credit rating agencies (Fitch, Moody's or Standard & Poor's) would fall below investment grade, or (ii) Lessee's credit or bond rating would be withdrawn by any one of the three major credit rating agencies. If any such Event of Default occurs, TDEF, by written notice to Lessee, may declare this Agreement in default and demand that Lessee pay all unpaid Rental Payments payable by Lessee pursuant to this Agreement and other amounts payable by Lessee due hereunder to the end of the then current Appropriation Period. The Equipment must then be returned to TDEF (as directed and at the address specified by TDEF) at Lessee's expense, and the Equipment and all Lessee's rights therein shall be deemed surrendered to TDEF. TDEF may recover from Lessee any unpaid amounts due or to become due for the remainder of the then current Appropriation Period, together with all expenses, including attorney's fees and legal expenses (to the extent permitted by law) incurred by TDEF to enforce its rights hereunder. The possession and sale of the Equipment shall not affect TDEF'S right to recover from Lessee all damages which TDEF has suffered because of Lessee's breach. TDEF may sell or release the Equipment, exercise such additional rights and remedies, and apply any net proceeds of such sale or re-lease of the Equipment as provided for and subject to the limitations set forth under Sections 11(A), (C), and (D) of this Agreement. If after an Event of Default, (x) Lessee fails or is unable to redeliver the Equipment or any unit or substitute unit thereof to TDEF, (y) the Equipment or any unit thereof is subject to an Event of Loss, or (z) TDEF is otherwise unable to recover possession of the Equipment or place it in the required return condition, then the Equipment shall be deemed to have suffered a total loss compensable under Section 8. Subject to the next sentence, Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Agreement.

TDEF and the Lessee acknowledge that: (i) this Agreement is not intended to create a mortgage of or a security interest in the Equipment as proscribed by Nohrr v. Brevard County Educational Facilities Authority, 247 So. 2d 304 (Fla. 1971); and (ii) TDEF may not exercise any foreclosure-type remedies if an Event of Default occurs, State v. Brevard County, 539 So. 2d 461 (Fla. 1989), notwithstanding any provisions to the contrary in this Agreement.

13. Liens: *This Equipment must be kept free of all liens and encumbrances at all times.*

14. Limitation on Assignment: The Lessee may not assign or sublease this Agreement or any interest in it or the Equipment without TDEF'S prior written consent and a written opinion of nationally recognized bond counsel to the effect that any such assignment or sublease of this Agreement or any interest in it or the Equipment will not adversely effect the exclusion of the interest component of the Rental Payments from gross income for federal income tax purposes. In no event may Lessee assign or sublet this Agreement or any interest in it or the Equipment to a non-governmental entity. TDEF may assign or sell its interest under this Agreement, in whole or in part, without Lessee's consent, but the assignment will not be effective until Lessee has received notice disclosing the name and address of assignee and information sufficient to enable Lessee to meet the requirements of Section 149(a) of the Code. Lessee shall be provided with written notice of TDEF's assignment; provided, however, Lessee shall continue to submit Rental Payments to TDEF until it receives such assignment. During the term of this Agreement, Lessee shall keep a complete and accurate register of all such assignments in form necessary to comply with Section 149(a) of the Code.

15. Late Charges: If Lessee does not pay Rental Payments due under this Agreement on their due date, TDEF may charge Lessee a late fee of \$5.00 or 5% of the amount that is late, whichever is more; provided that, in no case shall amounts be charged hereunder if such amounts are treated as interest and the rate of such interest exceeds the maximum amount allowable by law.

16. Exhibits: Exhibits A through H attached hereto are part of this Agreement, incorporated herein by reference, and must be executed by Lessee, where applicable.

17. Other Terms: This Agreement constitutes the entire agreement between the parties as to the subject matter it covers and may not be changed except by a written agreement signed by Lessee and TDEF. If any part of this Agreement is or becomes invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect the other or remaining provisions hereof. This Agreement and all rights and actions arising under it shall be governed by the laws of the State of Florida. No waiver,

consent, modification or change of terms of this Agreement shall bind either party unless received in writing signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. This Agreement may be executed in several counterparts. All notices must be addressed to the parties at their addresses shown on Exhibit B, or at another address specified by either party in writing and shall be deemed given when delivered or mailed by registered mail, postage prepaid. The UCC, together with any defenses and/or waivers, is not applicable in Florida.

18. Lessee Representations and Warranties: Lessee hereby represents, warrants and covenants to TDEF the following with respect to this Agreement as of the date Lessee executes the Acceptance Certificate, substantially in the form of Exhibit D to this Agreement: (a) Lessee is duly organized and validly existing under the laws of the State of its organization listed below Lessee's signature herein, with adequate power and capacity to enter into this Agreement and each exhibit has been duly authorized by all necessary action on the part of the Lessee, all documents related to the purchase of the Equipment and any other documents required to be delivered in connection with this Agreement or the Equipment (hereinafter "Documents"); (b) the Documents have been duly authorized, executed and delivered by Lessee and, assuming the Documents have been authorized, executed and delivered by the TDEF, constitute valid, legal and binding agreements, enforceable in accordance with their respective terms, except to the extent that the enforcement of remedies therein provided may be limited under applicable bankruptcy and insolvency laws; (c) no approval, consent or withholding of objections is required from any federal, state or local governmental authority or instrumentality with respect to the entry into or performance by Lessee of the Documents, except such as have already been obtained; (d) the entry into and performance by Lessee of its obligations under the Documents will not (i) violate any judgment, order, law or regulation applicable to Lessee or (ii) result in any breach of, constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance upon any item of the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument (other than this Agreement or any purchase money security interest retained by any supplier) to which Lessee is a party; (e) Lessee agrees that it (i) will do or cause to be done all things necessary to preserve and keep this Agreement in full force and effect, (ii) has complied with all bidding requirements where necessary and by due notification presented this Agreement and exhibits for approval and adoption as a valid obligation on its part, and (iii) has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year; (f) there are no suits or proceedings pending or threatened in court or before any regulatory commission, board or other administrative governmental agency against or affecting Lessee, which will have a material adverse

effect on the ability of Lessee to fulfill its obligations under this Agreement; and (g) Lessee has complied with all statutes, laws, regulations and procedures in entering into this Agreement and the matters contemplated hereby.

19. TDEF Representations and Warranties: TDEF represents, covenants and warrants as following:

(a) TDEF is a corporation duly organized, existing and in good standing under the laws of the State of Maine and is authorized to do business in the State of Florida; has full and complete power to enter into this Agreement, to enter into and to carry out the transactions contemplated by it hereby and thereby and to carry out its obligations under this Agreement, is possessed of full power to own and to hold real and personal property and to lease the same, and has duly authorized the execution and the delivery of this Agreement, and all other agreements, certificates and documents contemplated hereby and thereby.

(b) Neither the execution and the delivery of this Agreement, nor the fulfillment of or the compliance with the terms and the conditions thereof, nor the consummation of the transactions contemplated hereby and thereby conflicts with or results in a breach of the terms, the conditions or the provisions of any restriction, any agreement or any instrument to which TDEF is now a party or by which TDEF or its property is bound, constitutes a default under any of the foregoing that results in the creation or the imposition of any lien, charge or encumbrance whatsoever upon any of the property or the assets of TDEF or upon the Equipment.

(c) This Agreement has been duly authorized, executed and delivered by TDEF and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms, except to the extent that the enforcement of remedies therein provided may be limited under applicable bankruptcy and insolvency laws.

20. Financing: In consideration for and upon the execution of this Agreement, TDEF hereby agrees to pay to the Lessee the amount of Fourteen Million, One Thousand, Six Hundred Seventy dollars and seventy cents (**\$14,001,670.70**) which will be deposited in a separate project account which will be maintained by the Lessee (subject to the provisions of Section 3 hereof) for the purchase of the Equipment and related costs

21. Conditions of Closing: Prior to payment to Lessee as stated in Section 20, TDEF shall receive the following:

(a) this Agreement executed by Lessee and TDEF;

- (b) an executed Exhibit B to this Agreement;
- (c) an executed Insurance Coverage Requirements Certificate, a form of which is attached hereto as Exhibit C;
- (d) if any Equipment is delivered simultaneously with the closing, an executed Acceptance Certificate, a form of which is attached hereto as Exhibit D;
- (e) a duly adopted resolution of Lessee, in form and substance acceptable to TDEF and including those matters set forth in Exhibit E hereof;
- (f) an executed Certificate of Lessee, a form of which is attached hereto as Exhibit F;
- (g) an executed Arbitrage and Tax Certificate, a form of which is attached hereto as Exhibit G-1 for New Money Projects;
- (h) an opinion of counsel to Lessee, substantially in the form of the opinion set forth in Exhibit H attached hereto;
- (i) an executed Certificate of Appropriation, a form of which is attached hereto as Exhibit I.
- (j) for any Equipment that are motor vehicles, properly completed certificates of title for such vehicles that have been delivered;
- (k) an executed IRS Form 8038-G;
- (l) an executed Escrow Agreement, if required under the provisions of Section 3 hereof; and
- (m) any and all opinions, certificates, instruments, financing statements or other documents as TDEF may reasonably request to evidence compliance with the agreements to be performed and all conditions to be satisfied under this Agreement.

[Remainder of page intentionally left blank – Signature page follows]

IN WITNESS WHEREOF, the undersigned parties have executed this Lease Purchase Agreement as of the date first set forth above.

LESSOR:
TD EQUIPMENT FINANCE, INC.

By: Charles M. Fiumefreddo
Name: Charles M. Fiumefreddo
Title: Director of Operations

LESSEE:
THE SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA

By: _____
Name: Chuck Shaw
Title: Chairman

Attest:

By: _____
E. Wayne Gent, Secretary

Jurisdiction of Organization: Florida
Organizational Number: N/A
Chief Executive Office:
3300 Forest Hill Blvd., Suite A-334,
West Palm Beach, Florida 33406


[Signature page to Lease Purchase Agreement]

IN WITNESS WHEREOF, the undersigned parties have executed this Lease Purchase Agreement as of the date first set forth above.

LESSOR:
TD EQUIPMENT FINANCE, INC.

By: _____
Name: _____
Title: _____

LESSEE:
**THE SCHOOL BOARD OF PALM
BEACH COUNTY, FLORIDA**

By:  _____
Name: Chuck Shaw
Title: Chairman

Attest:

By:  _____
E. Wayne Gent, Secretary

Jurisdiction of Organization: Florida
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[Signature page to Lease Purchase Agreement]