

Technology Leases Over \$100,000 Checklist

District: Paris Independent School District

District Point of Contact for Lease Questions:

Name: Superintendent Gary Wiseman

Phone: 859-987-2160

Email: Gary.Wiseman@paris.kyschools.us

Date Received: _____ Date lease option expires: 10/26/2013

Total Amount of Lease: \$165,774.23

Cost of Financing - Interest Rate: No Greater Than 3.87% Interest Amount: To Be Determined

Source of Funding: (ED/TECH money cannot be used for interest)

(☒) General Fund – local funds () Other: _____

Items to be included:

✓ 1. Cover letter requesting lease from District Superintendent

✓ 2. Proposed Lease

✓ 3. Contract (☒) or Bid ()

- If Contract see #4 and list contract number(s) here. #MA-758-1300000899
- If Bid attach copy of Bid and Board approved contract.

✓ 4. List of Equipment and/or Services

- Reference the contract number. Leases for technology items should use a KETS contract. If items are not on a current KETS contract, identify the legal procurement method to be used to lease equipment.
- Reference cost for each item.
- KETS contract link:
<http://www.education.ky.gov/KDE/Administrative+Resources/Technology/Purchasing/KETS+Contract+Information+and+Order+Forms/>

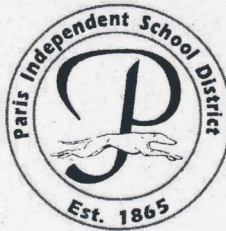
✓ 5. Lease Term not to exceed life of the equipment.

- Warranty coverage must meet or exceed term of lease.

✓ 6. Local Lawyer approval letter

Please email all documents to Pari Ziebart, at pari.ziebart@education.ky.gov, and copy Denise Hartsfield at denise.hartsfield@education.ky.gov.

PARIS INDEPENDENT SCHOOLS



310 West Seventh Street
Paris, Kentucky
40361

"Success - One by One"

Gary Wiseman
Superintendent
Phone 859-987-2160
Fax 859-987-6749

April 11, 2013

Pari Ziebart
Kentucky Department of Education
Division of District Support
Financial Management Branch
500 Mero St.
Frankfort, KY 40601

Dear Pari:

I am requesting Paris Independent Schools be given approval to enter into a lease-purchase agreement for networking equipment from Enterasys (Contract # MA-758-1300000899) through GE Finance. The lease-purchase agreement will be for 60 months (life of the equipment exceeds the lease/purchase time frame) not to exceed \$176,000 with an interest rate not to exceed 4% at the time of closing. The current equipment price is \$165,774.23 and the interest rate is currently 3.87%.

I am asking to enter into a lease-purchase agreement to spread the cost of the networking upgrades over a 60-month time period while taking advantage of the immediate equipment and networking upgrades for the District.

I have included the following documents for your review.

Proposed lease
List of equipment
Board attorney approval letter

Sincerely,

Gary Wiseman
Superintendent

PARIS BOARD OF EDUCATION

Michael Tucker, Chairperson

Janice Shepherd, Vice Chairperson

Ricky Johnson

Sharon Fields

Collier Mathes

• AN EQUAL OPPORTUNITY EMPLOYER •



EQUIPMENT LEASE-PURCHASE AGREEMENT **DATED APRIL 30, 2013**

Lessee: Paris Independent Board of Education
State: KY

Lessor: GE Government Finance, Inc.
Fiscal Year End: June 30th

Lease: Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the equipment described in Exhibit A hereto (the "Equipment") in accordance with this Equipment Lease-Purchase Agreement (this "Lease").

INSURANCE

Lessee will insure the Equipment through one of the two methods listed below (select one by checking a box below):

- ☐ **Commercial Insurance:** A Certificate of Insurance in compliance with Section 12 is attached. Lessor is listed as loss payee and additional insured with respect to the attached certificate.
- ☐ **Self Insurance:** Lessee will comply with Section 12 through a self-insurance program. Lessee hereby requests Lessor waive the requirements of Section 12 and permit Lessee to self-insure for liability claims and property damage. Lessor agrees that Lessee may satisfy the requirements of Section 12 through self-insurance. By written notice to Lessee, Lessor may revoke its agreement to accept self-insurance in lieu of the insurance required by Section 12 at any time during the Lease Term should Lessee at any time fail to comply with Section 11. Within 30 days of receipt of notice from Lessor, Lessee agrees to obtain insurance in compliance with Section 12 and provide evidence thereof to Lessor.

ACCEPTANCE

Unless an Escrow Agreement has been executed by the parties, the Equipment has been delivered and installed in accordance with Lessee's specifications, is in good working order, has been fully tested, is fully operational and is completely and fully accepted by Lessee on or before the date of Lessee's execution of this Lease.

IN WITNESS WHEREOF, Lessor has caused this Lease (including pages 1-4 and Exhibit A) to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Lease to be executed in its name by its duly authorized officer.

***NOTE: DO NOT SIGN AND DATE THIS LEASE UNTIL YOU HAVE ACCEPTED YOUR EQUIPMENT OR SIGNED AN ESCROW AGREEMENT.**

PARIS INDEPENDENT BOARD OF EDUCATION
 Lessee

GE GOVERNMENT FINANCE, INC.
 Lessor

By: _____
 Title: _____
 Date: _____

By: _____
 Title: _____
 Date: _____

Address: 310 West 7th Street
 Paris, KY 40361
 Telephone: 859-987-2160
 Facsimile: _____

Address: Three Capital Drive
 Eden Prairie, MN 55344
 Telephone: 800-346-3164
 Facsimile: 952-828-2420

CERTIFICATE OF COUNSEL

With respect to this Lease and, if applicable, the related Escrow Agreement (together, the "Agreement"), I am of the opinion that: (i) Lessee is the State or a fully constituted political subdivision or agency of the State; (ii) Lessee is authorized and has the power under applicable law to enter into the Agreement and carry out its obligations thereunder; (iii) the Agreement has been duly authorized, approved, executed and delivered by and on behalf of Lessee and is a legal, valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and federal Laws affecting remedies and by bankruptcy, reorganization or other laws of general application, relating to or effecting the enforcement of creditor's rights; (iv) the authorization, approval and execution of the Agreement and all other proceedings of Lessee with respect thereto have been performed in accordance with all applicable open meeting, public records, public biddings and other applicable laws; (v) the execution of the Agreement and the appropriation of moneys to pay Rental Payments coming due thereunder do not and will not result in the violation of any constitutional, statutory or other limitation relating to indebtedness which may be incurred by Lessee; (vi) payment of Rental Payments and other amounts due hereunder is not directly or indirectly guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof and Lessee is not using any funds provided by the United States Government whether by loan, grant or other program or pursuant to the American Recovery and Reinvestment Act of 2009 to pay a portion of the purchase price of the Equipment or any part of the Rental Payments; and (vii) the Agreement is approved as to form and substance.

 Attorney for Lessee

Signature: _____

Law Firm: _____

Name: _____

1. Conditions to Lease. Lessor shall have no obligation to make payment to any vendor of Equipment ("Vendor") (the date of payment is the "Funding Date") for the purchase price of the Equipment or to lease the Equipment to Lessee unless the Equipment has been delivered to Lessee or, if applicable, Lessor, Lessee and Escrow Agent have executed an Escrow Agreement and Lessor receives: (a) the original of this Lease including the Payment Schedule attached hereto as Exhibit A and made a part hereof completed and executed by Lessor, Lessee and Lessee's Counsel; (b) a resolution or evidence of other official action taken by or on behalf of Lessee to authorize the acquisition and financing of the Equipment as provided herein; (c) evidence of insurance with respect to the Equipment in compliance with Section 12; (d) Vendor invoices and/or bills of sale relating to the Equipment and, if such invoices have been paid by Lessee, evidence of payment and, if applicable, evidence of official intent to reimburse such payment as required by the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"); (e) if applicable, the original certificate of title or manufacturer's certificate of origin and title application if any of the Equipment is subject to certificate of title laws; (f) a completed Form 8038-G or -GC executed by Lessee; and (g) any other documents or items required by Lessor.

2. Term. The Lease Term will commence on the Date of Issue specified in the Payment Schedule and will terminate upon the occurrence of the first of the following events: (a) a nonappropriation of funds in accordance with Section 5; (b) Lessee's payment of the Prepayment Price and all other amounts due hereunder pursuant to Section 17; (c) default by Lessee and Lessor's election to terminate this Lease under Section 15; or (d) Lessee's payment of all Rental Payments and all other amounts due hereunder. Upon termination in accordance with subsections (b) or (d), Lessor's security interest in the Equipment shall terminate and Lessee shall own the Equipment free and clear of Lessor's security interest.

3. Rent. Lessee agrees to pay Rental Payments during the Lease Term on the dates and in the amounts specified in the Payment Schedule without notice or demand at such address as Lessor or its assignee may from time to time designate in writing. If an Escrow Agreement has been executed, the amount deposited by Lessor with the Escrow Agent shall equal the aggregate Principal component of the Rental Payments and shall be repaid to Lessor by the Rental Payments. A portion of each Rental Payment is paid as and represents the payment of interest as specified in the Payment Schedule and interest accrual commences upon the Date of Issue. Lessee shall pay Rental Payments exclusively from moneys legally available therefor. Except as provided in Section 5, the obligation of Lessee to make Rental Payments and any other payments required hereunder is absolute and unconditional in all events. Lessee must make all payments due hereunder no matter what happens. Notwithstanding any dispute between Lessee and Lessor or between Lessee and Vendor or any other person, Lessee shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make Rental Payments or other payments required hereunder. Lessee's obligation to pay Rental Payments shall not be abated through accident, unforeseen circumstances, failure of the Equipment to perform as desired, damage or destruction to the Equipment, loss of possession of the Equipment or obsolescence of the Equipment. The obligation of Lessee to pay Rental Payments and other amounts due hereunder in any Fiscal Year of the Lease Term is a current expense of Lessee for such Fiscal Year and is not an indebtedness of Lessee within the meaning of the Constitution or the laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or any other moneys (other than moneys lawfully appropriated from time to time and the net proceeds of the Equipment or insurance) to the payment of any Rental Payment or other amount coming due hereunder. Lessee reasonably believes that funds can be obtained sufficient to make all Rental Payments during the Lease Term and it is Lessee's intent to make Rental Payments for the full Lease Term if funds are legally available therefor. The person or entity in charge of preparing Lessee's budget shall include in the budget request for each Fiscal Year of the Lease Term the Rental Payments to become due in such Fiscal Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Fiscal Year

sufficient to pay all Rental Payments due therein. The parties acknowledge that appropriation of Rental Payments is a governmental function, which Lessee cannot contractually commit itself in advance to perform, and this Lease does not constitute such a commitment. The parties intend that the interest component of Rental Payments be excluded from the gross income for federal income tax purposes of Lessor and its assigns. If such interest is included in Lessor's gross income as determined by an opinion of counsel or the Internal Revenue Service, Lessee shall pay Lessor a sum or sums so that the interest previously received by Lessor and the interest payable thereafter to Lessor shall be equal to the amount stated on the Payment Schedule after reduction by federal, State and local income tax, interest and penalties.

4. Acquisition and Delivery of Equipment. Lessee has ordered the Equipment from the Vendor(s) of its choice and shall arrange for delivery and installation of the Equipment. Lessee agrees that Lessor and its agents shall have the right at all reasonable times to examine and inspect the Equipment and shall have such rights of access to the Equipment as may be reasonably necessary to cause its proper maintenance. Notwithstanding the designation of GE Government Finance, Inc. as Lessor, GE Government Finance, Inc. does not own the Equipment and by this Lease is merely financing the acquisition thereof for Lessee. Lessor has not been in the chain of title of the Equipment, does not operate, control or have possession of the Equipment and has no control over Lessee or Lessee's operation, use, storage or maintenance of the Equipment. Lessee is solely responsible for the use, maintenance, operation and storage of the Equipment. LESSEE ACKNOWLEDGES THAT IT SELECTED THE EQUIPMENT WITHOUT ASSISTANCE OF LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS LEASE OR THE EQUIPMENT OR LESSEE'S USE OF THE EQUIPMENT OR ITS INABILITY TO USE THE EQUIPMENT.

5. Non-Appropriation of Funds. Lessee shall have the right to terminate its obligation to make Rental Payments under this Lease with respect to all, but not less than all, of the Equipment effective on the last day of any Fiscal Year of Lessee during the Lease Term if Lessee's governing body does not appropriate money sufficient to pay the Rental Payments coming due for the next Fiscal Year. Lessee may effect such termination by giving Lessor written notice and by paying to Lessor any Rental Payments and other amounts which are due and have not been paid at or before the end of its then current Fiscal Year. Lessee shall endeavor to give notice of such termination not less than one hundred twenty (120) days prior to the end of the Fiscal Year for which appropriations were made and shall notify Lessor of any anticipated termination. In the event of termination of the Lease as provided in this Section, Lessee shall comply with instructions received from Lessor in accordance with Section 16. If this Lease is terminated by Lessee in accordance with this Section, to the extent permitted by State law, Lessee will not purchase, lease, rent, borrow, seek appropriations for, acquire or otherwise receive the benefits of any personal property to perform the same functions as, or functions taking the place of those performed by any of the Equipment and agrees not to permit such functions to be performed by its own employees or by any agency or entity affiliated with or hired by Lessee for a period of 365 days after such termination; provided, however, these restrictions shall not be applicable in the event the Equipment is sold by Lessor and the net proceeds of such sale are sufficient to pay the applicable Prepayment Price or to the extent that application of these restrictions is unlawful and would affect the validity of this Lease.

6. Lessee Certifications. Lessee represents, covenants and warrants that: (i) Lessee is the State or a duly constituted political subdivision or agency of the State possessing the power to tax, the power of eminent domain or police power and Lessee's exact legal name is as set forth on the execution page hereof; (ii) the execution and delivery of this Lease and, if applicable, the Escrow Agreement, by

the undersigned officer of Lessee has been authorized by a duly adopted resolution of Lessee's governing body, or by other appropriate official action; such action is in compliance with all public bidding and other State and federal Laws applicable to this Lease and the acquisition and financing of the Equipment by Lessee and no bid protest or other challenge to the award of this Lease to Lessor has been made or threatened; (iii) all requirements have been met and procedures have occurred in order to ensure the enforceability of this Lease and, if applicable, the Escrow Agreement, against Lessee; (iv) Lessee will not lease, sublease, sell or contract with a private user for the use of the Equipment, Lessee will calculate and pay any rebate to the Internal Revenue Service and Lessee will comply with the Code and all rules and regulations promulgated thereunder which are applicable to this Lease; (v) there is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Lease or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Lease or any other transaction of the Lessee which is similar hereto, or the exclusion of the interest from gross income for federal income tax purposes under the Code, or which would materially and adversely affect any of the transactions contemplated by this Lease, including, but not limited to, Lessee's acquisition of Equipment; (vi) Lessee has sufficient appropriations or other funds available to pay all amounts due hereunder for the current Fiscal Year and has not non-appropriated any other transaction; (vii) the Equipment is personal property and is not and will not become fixtures under the law of the State; (viii) during the Lease Term, the Equipment will be used solely by Lessee to perform, essential governmental or proprietary functions; (ix) payment of Rental Payments and other amounts due hereunder is not directly or indirectly guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof and Lessee is not using any funds provided by the United States Government whether by loan, grant or other program or pursuant to the American Recovery and Reinvestment Act of 2009 to pay a portion of the purchase price of the Equipment or any part of the Rental Payments and (x) Lessee acknowledges it has received no legal, financial, tax or accounting advice from Lessor.

7. Title To Equipment; Security Interest. During the Lease Term, legal title to and ownership of the Equipment and any replacements thereof shall be in Lessee and Lessee shall take all actions necessary to vest such title and ownership in Lessee. Lessee grants to Lessor a continuing, first priority security interest in and to the Equipment, all repairs, replacements, substitutions and modifications thereto or thereof and, if applicable, all sums held under the Escrow Agreement and all proceeds of the foregoing in order to secure Lessee's payment of all Rental Payments and the performance of all other obligations to be performed by Lessee hereunder and under any other contract with or obligation owed by Lessee to Lessor. Lessee authorizes Lessor to file financing statements and amendments thereto describing the Equipment and containing any other information required by the applicable Uniform Commercial Code and all proper terminations of the filings of other secured parties with respect to the Equipment, in such form and substance as Lessor, in its sole discretion, may determine. If requested by Lessor, Lessee shall obtain a landlord and/or mortgagee's consent and waiver with respect to the Equipment. Lessee hereby designates Lessor and its assignees as its agents and attorneys-in-fact for the purpose of executing demands for terminations of other security interests in any of the Equipment, title applications and certificates of title and related documents to perfect the security interest granted hereby by Lessee.

8. Use; Repairs; Maintenance. Lessee shall exercise due care in the installation, use, operation and maintenance of the Equipment and shall, at its own expense, make all repairs and replacements necessary to keep the Equipment in good repair and working order, ordinary wear and tear excepted. Lessee shall operate and maintain the Equipment fully in accordance with any insurance policy provision, applicable prevailing industry standards and, if applicable, the manufacturer's specifications therefor. Lessee shall comply with all State and federal Laws applicable to the installation, use, possession and operation of the Equipment, and if compliance with any such State and federal Law requires changes or additions to be made to the Equipment, such changes or additions shall be made by Lessee at its expense. Lessee

shall not use any item of Equipment to haul, convey, store, treat, transport or dispose of any "hazardous substances" or "hazardous waste" as such terms are defined in any federal, State or local law, rule or regulation pertaining to the protection of the environment (together, "Environmental Laws"). Lessee is required to deliver any item of Equipment to Lessor or Lessor's agent, the Equipment shall be delivered free of all substances which are regulated by or form a basis for liability under any Environmental Law.

9. Liens and Taxes. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances except those created by this Lease. Lessee shall pay, when due, all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated to pay said charges and taxes. If Lessor pays any charges or taxes, Lessee shall reimburse Lessor therefor within 10 days written demand with interest at the highest rate permitted by applicable law.

10. Risk of Loss. As between Lessor and Lessee, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any Equipment and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees to reimburse Lessor for and, to the extent permitted by law, will indemnify and hold Lessor harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of this Lease and the lease, possession, ownership, maintenance, use, condition, return or operation of the Equipment and any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not limited to investigation, removal, cleanup and remedial costs. This provision shall survive the termination of this Lease.

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

12. Insurance. Lessee shall, at its own expense, procure and maintain continuously in effect during the Lease Term: (a) public liability insurance for personal injuries, death or damage to or loss of property arising out of or in any way relating to the Equipment sufficient to protect Lessor from liability in all events, with a coverage limit of not less than \$1,000,000 per occurrence unless a different coverage minimum with respect to particular Equipment is required by Lessor, and (b) insurance against such hazards as Lessor may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Equipment with new equipment having substantially similar specifications or the applicable Prepayment Price of the Equipment specified in the Payment Schedule. All insurance policies shall be taken out and maintained with insurance companies acceptable to Lessor; and shall contain a provision that the insurer shall contain a provision

that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least 30 days before the cancellation or revision becomes effective. No insurance shall be subject to any co-insurance clause. Each insurance policy shall name Lessor as an additional insured party and loss payee without regard to any breach of warranty or other act or omission of Lessee and shall include a lender's loss payable endorsement for the benefit of Lessor.

13. Assignment. Neither this Lease nor any Equipment may be sold, assigned, subleased, transferred, pledged or mortgaged by Lessee. All of Lessor's right, title and interest in and to this Lease, including, but not limited to, the Rental Payments and other amounts payable by Lessee and Lessor's interest in the Equipment, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor at any time, without the consent of Lessee. No such assignment (except an assignment to an affiliate of Lessor or to an entity whose common stock is directly or indirectly 100% owned by Lessor's parent or indirect parent if Lessor continues to bill and collect Rental Payments) shall be effective against Lessee unless and until written notice of the assignment is provided to Lessee. If requested, Lessee will acknowledge in writing receipt of such notice. Lessee shall keep a complete and accurate record of all such assignments; provided, however, in the event Lessor assigns its interest in this Lease to an affiliate or related entity, Lessor shall maintain a record of such assignment for the benefit of Lessee. Subject to the provisions hereof, this Lease is binding upon Lessor and Lessee and their respective successors and assigns.

14. Events of Default. The following are Events of Default under this Lease: (a) failure by Lessee to pay any Rental Payment or other payment required to be paid when due and the continuation of said failure for a period of 10 days (other than by reason of termination under Section 5); (b) failure by Lessee to maintain insurance as required by Section 12; (c) failure by Lessee to observe and perform any of its covenants, conditions or agreements hereunder, other than as referred to in Clauses (a) and (b) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor; (d) the determination by Lessor that any representation or warranty made by Lessee in this Lease was untrue in any material respect upon execution hereof; (e) the default by Lessee under any other contract with or obligation owed to Lessor; (f) the filing of a petition in bankruptcy by Lessee; or (g) Lessee's improper filing of an amendment or termination statement relating to a filed financing statement describing any of the Equipment.

15. Remedies. Whenever any Event of Default shall have occurred, Lessor shall have the right, at its option and without any further demand or

notice, to take one or any combination of the following remedial steps: (a) Lessor, with or without terminating this Lease, may declare all Rental Payments due or to become due during the Fiscal Year in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable; (b) Lessor, with or without terminating this Lease, may, if applicable, obtain all funds on deposit pursuant to the Escrow Agreement and repossess any or all of the Equipment by giving Lessee written notice to deliver the Equipment in the manner provided in Section 16; or in the event Lessee fails to do so within 10 days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees and Lessee hereby expressly waives any damages occasioned by such repossession; provided, however, notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due with respect thereto during the Fiscal Year then in effect; and (c) Lessor may take any other remedy available at law or in equity with respect to such Event of Default, including those requiring Lessee to perform any of its obligations or to pay any moneys due and payable to Lessor and Lessee shall pay the reasonable attorneys' fees and expenses incurred by Lessor in enforcing any remedy hereunder. If Lessor terminates this Lease and, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Prepayment Price of the Equipment;

and (v) the balance of any Rental Payments owed by Lessee during the Fiscal Year then in effect. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv) and (v) have been met shall be paid to Lessee. Time is of the essence. Lessor's failure at any time to require strict performance by Lessee of any of Lessee's obligations shall not waive or diminish Lessor's rights thereafter to demand strict compliance by Lessee.

16. Return of Equipment; Release of Lessee's Interest. Upon termination of this Lease prior to the payment of all Rental Payments or the applicable Prepayment Price, Lessee shall promptly, but in any event within 10 days after such termination, at its own cost and expense: (a) perform any testing and repairs required to place the Equipment in the condition required by Section 8; (b) if deinstallation, disassembly or crating is required, cause the Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) return the Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession. Upon termination of this Lease in accordance with Section 5 or Section 15 hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor, Lessee shall have no further interest therein and Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

17. Prepayment Option. Lessee shall have the option to prepay its obligations in whole but not in part under this Lease on any Payment Date specified in the Payment Schedule for the then applicable Prepayment Price specified in the Payment Schedule. Lessee shall give notice to Lessor of its intention to exercise its option not less than 30 days prior to the Payment Date on which the option will be exercised and shall deposit with Lessor on the date of exercise an amount equal to all Rental Payments and any other amounts then due under this Lease (including the Rental Payment due on the Payment Date on which the option is exercised) and the applicable Prepayment Price set forth in the Payment Schedule. On receipt of the Prepayment Price in good funds, this Lease shall terminate and Lessee shall become entitled to the 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 any lien or encumbrance created by Lessor.

18. Late Charge. Whenever any Event of Default under Section 14(a) shall have happened and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to require a late payment charge accruing from the 10th day after the Payment Date until the payment is made equal to the lesser of five cents (\$.05) per dollar of the delinquent amount or the lawful maximum, and Lessee shall be obligated to pay the same immediately upon receipt of Lessor's written invoice therefor; provided, however, that this Section shall not be applicable if or to the extent that the application thereof would affect the validity of this Lease.

19. Notices. All notices to be given under this Lease shall be made in writing and mailed by certified mail, return receipt requested or via nationally recognized overnight delivery service, postage prepaid to the other party at its address set forth beneath its signature herein or at such address as the party may provide in writing from time to time.

20. Governing Law. This Lease shall be construed in accordance with, and governed by the laws of the State.

21. Entire Agreement; Severability. This Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease. THIS LEASE AND, IF APPLICABLE, THE RELATED ESCROW AGREEMENT, REPRESENTS AND (i) CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF, (ii) SUPERSEDES ALL OTHER WRITINGS,

COMMUNICATIONS, UNDERSTANDINGS, AGREEMENTS, PURCHASE ORDERS, SOLICITATION DOCUMENTS (INCLUDING WITHOUT LIMITATION ANY REQUESTS FOR PROPOSAL AND RESPONSES THERETO AND OTHER RELATED DOCUMENTS (TOGETHER, THE "BID DOCUMENTS")) AND ANY REPRESENTATIONS, EXPRESS OR IMPLIED ("PRIOR UNDERSTANDINGS"), AND MAY NOT BE CONTRADICTED OR AMENDED BY PRIOR UNDERSTANDINGS AND (iii) NOTWITHSTANDING ANYTHING TO THE CONTRARY ANY BID DOCUMENT, LESSOR IS NOT BOUND BY ANY PROVISION OF ANY BID DOCUMENT AND NO PROVISION OF ANY BID DOCUMENT IS INCORPORATED INTO THIS LEASE.

LESSEE HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT (i) NO VENDOR OR ANY OF ITS REPRESENTATIVES IS AN AGENT OF LESSOR OR IS AUTHORIZED TO WAIVE OR ALTER THIS LEASE AND (ii) LESSOR SHALL NOT BE CHARGEABLE WITH OR ASSUME ANY OF THE OBLIGATIONS OR LIABILITIES OF ANY VENDOR UNDER ANY

AGREEMENT BETWEEN LESSEE AND VENDOR OR ANY BID DOCUMENT.

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

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

SAMPLE

GE GOVERNMENT FINANCE, INC.

EXHIBIT A

This Exhibit A is part of and is incorporated into the Equipment Lease-Purchase Agreement Dated **April 30, 2013** between GE Government Finance, Inc. and **Paris Independent Board of Education**.

EQUIPMENT

EQUIPMENT LOCATION: 310 West 7th Street, Paris, KY 40361

EQUIPMENT DESCRIPTION: The following Equipment is subject to this Lease and such description is supplemented by the specific description of the Equipment contained in Vendor invoices which are paid with the proceeds of this Lease:

<u>Quantity</u>	<u>Cost Per Unit</u>	<u>Description</u>	<u>Serial Number</u>
		Wireless LAN routing and networking systems upgrade (See Attached Schedule 1)	

PAYMENT SCHEDULE

Lease Proceeds: \$165,774.23	Date of Issue: _____, 2013	Funding Date: _____, 2013
Interest Rate: 3.87%. This interest rate is effective provided the Funding Date is on or prior to _____, 2013		

Date	Payment Number	Total Payment	Principal Component	Interest Component	Principal Balance*	Prepayment Price*
May-01-13	1	35,719.17	35,719.17	0.00	130,055.06	136,557.81
May-01-14	2	35,719.17	30,686.04	5,033.13	99,369.02	104,337.47
May-01-15	3	35,719.17	31,873.59	3,845.58	67,495.43	70,870.20
May-01-16	4	35,719.17	33,107.10	2,612.07	34,388.33	35,076.10
May-01-17	5	35,719.17	34,388.33	1,330.84	0.00	0.00
T o t a l		178,595.85	165,774.23	12,821.62		
		=====	=====	=====		

*After payment of Rental Payment due on such date.

PARIS INDEPENDENT BOARD OF EDUCATION
Lessee

GE GOVERNMENT FINANCE, INC.
Lessor

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

(1) Note: THIS PAYMENT SCHEDULE IS NOT TO BE USED FOR PAYOFF PURPOSES.

This Schedule has been prepared on the assumption that each Payment due shall be paid in full and received on its respective due date and any variance from such assumptions or the addition of any other amounts which may become due (e.g., late charges) is not reflected in this Schedule and the actual amortization of the Principal balance due hereunder shall vary accordingly

(2) After payment of the rental payment due on such date

(3) Lessee has no option to prepay the amounts due under the Agreement until May 1, 2016 and the Prepayment Amounts shown for Payment Numbers 0-3 are applicable only to mandatory prepayments during such period. The Lease may not be prepaid before May 1, 2016 unless such prepayment is required by Lessor.

**RESOLUTION TO APPROVE EQUIPMENT LEASE-PURCHASE AGREEMENT AND
TO AUTHORIZE THE EXECUTION OF DOCUMENTS RELATED THERETO**

WHEREAS, **Paris Independent Board of Education** (the "Issuer") is a validly existing political subdivision of the State of **KY** (the "State"), existing as such under and by virtue of the constitution, statutes and laws of the State;

WHEREAS, the **[Name of Governing Body]** of the Issuer (the "Governing Body") has the power under the laws of the State to lease or purchase personal property for use by the Issuer; and the Governing Body has determined, and hereby determines, that it is in the best interests of the Issuer to enter into an Equipment Lease-Purchase Lease (the "Lease") with GE Government Finance, Inc. ("Lessor") for the purpose of financing the acquisition of the equipment (the "Equipment") described in the Lease, and that the use of such Equipment is essential to the Issuer's proper, efficient and economic operation;

WHEREAS, the Governing Body has taken the necessary and appropriate steps under applicable law, including, without limitation, any public bidding requirements, to arrange for the acquisition of the Equipment under the Lease;

WHEREAS, the Lease terminates, and the Issuer's obligations thereunder are extinguished, if the Governing Body fails to appropriate money for the ensuring fiscal year for the payment of the amounts due in such fiscal year;

WHEREAS, the Governing Body has determined that issuer may use an escrow agreement (the "Escrow Agreement") to temporarily hold and invest the proceeds of the Lease until needed to pay the purchase price of the Equipment and it is in the best interests of the Issuer to enter into an Escrow Agreement with Lessor and an escrow agent to facilitate the acquisition of the Equipment;

WHEREAS, there has been presented to the Governing Body the form of the Lease, including the Payment Schedule thereto and the form of Escrow Agreement, which the Issuer proposes to approve, enter into and deliver, as applicable, to effectuate the proposed financing of the Equipment; and it appears that each of the Lease and the Escrow Agreement is in appropriate form and are appropriate instruments for the purposes intended.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY AS FOLLOWS:

Section 1. That all actions of the Issuer in effectuating the Lease and Escrow Agreement are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Lease.

Section 2. The Governing Body hereby approves the acquisition by the Issuer of the Equipment described in the Lease, such acquisition to be financed by Lessor pursuant to and in accordance with the terms of the Lease and Escrow Agreement, each of which will be a valid, legal and binding obligation of the Issuer enforceable in accordance with its terms. The form and content of the Lease and Escrow Agreement are in all respects authorized, approved and confirmed and the _____ of the Issuer, or his designee is authorized, empowered and directed to execute and deliver the Lease and Escrow Agreement for and on behalf of the Issuer in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as shall to him seem necessary, desirable or appropriate.

Section 3. **[TO BE INSERTED IF APPLICABLE]** Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 (the "Code"), the Issuer hereby specifically designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code and the Issuer represents it will not designate more than ten million dollars (\$10,000,000) of obligations issued by the Issuer in the calendar year in which the Lease is executed and delivered as such "qualified tax-exempt obligations." The aggregate face amount of all tax-exempt obligations issued or to be issued by the Issuer and all subordinate entities thereof during calendar year 20____ is not reasonably anticipated to exceed ten million dollars (\$10,000,000).

BE IT FURTHER RESOLVED THAT this Resolution take effect from and after its passage.

Approved this _____ day of _____, 20____.

Paris Independent Board of Education

Name: _____

Title: _____

Attachment

Schedule 1

Equipment Description

Description	Enterasys Part Number	Cost	Quantity	2nd Year Warranty Cost	2nd Year Warranty Quantity	Total Cost
SecureStack C5 Series - Tier 1 Stackable Routing Switch						
SecureStack C5 with 48 10/100/1000 PoE+ Ports (802.3at) and 2 SFP Slots and 2 SFP+ (10G/1G Hybrid) Slots	C5K125-48P2	\$3,958.35	7	\$0.00	0	\$27,708.45
SecureStack C5 with 48 10/100/1000 PoE+ Ports (802.3at) and 4 SFP Slots	C5G124-48P2	\$2,968.35	6	\$0.00	0	\$17,810.10
SecureStack B5&C5-Series long stacking cable (1m)	STK-CAB-LONG	\$90.00	10	\$0.00	0	\$900.00
SecureStack B5&C5-Series 2 meter stacking cable (2m)	STK-CAB-2M	\$126.00	1	\$0.00	0	\$126.00
800 Series Standalone Switch						
800 Series 8 Port 10/100/1000 PoE Standalone Switch with 2 SFP Slots	08G20G2-08P	\$448.20	1	\$0.00	0	\$448.20
8 port 800 Series or D2 Wall Mounting Kit	D2-WALL-MNT	\$37.80	1	\$0.00	0	\$37.80
S-Series - Terabit Core Routing Switch w/Transparent Proxy & Traffic Visualization						
S-Series Stand Alone (SSA) - S150 Class Distribution/Core - 48 Ports 10/100/1000BASE-T via RJ45 with PoE (802.3at) and 4 10GBASE-X Ethernet ports via SFP+ (Power supplies not included - Please order separately)	SSA-T1068-0652A	\$7,918.20	1	\$1,162.00	4	\$12,566.20
S-Series Standalone (SSA) - AC and POE power supply, 15A, 110-240VAC input, (1000/1200W)	SSA-AC-PS-1000W	\$646.20	2	\$0.00	0	\$1,292.40
Ethernet Uplink Modules						
10GbE SFP+ Long Reach MMF (220m over 50 micron OM2-4 or 62.5 micron) via LC	10GB-LRM-SFPP	\$630.00	10	\$0.00	0	\$6,300.00
1 Port 1000Base-SX 850nm (220m 62.5mic/550m 50 mic) MMF Mini-GBIC via LC	MGBIC-LC01	\$178.20	1	\$0.00	0	\$178.20
1 Port 1000Base-LX 10KM SMF Mini-GBIC via LC	MGBIC-LC09	\$358.20	1	\$0.00	0	\$358.20
Patch Cables						
MMF 62.5 micron LC to ST Patch cable, 3 Meter	93B0528-3M	\$54.00	11	\$0.00	0	\$594.00
SMF LC to ST Patch cable, 3 Meter	93B0531-3M	\$54.00	1	\$0.00	0	\$54.00
802.11n Wireless LAN						
C25 WLAN Controller (base support for 16 access points, expandable to 32 or 48 with optional capacity upgrade WS-C20XCAPUP16). Can be licensed to support up to 96 AP when configured as part of a high availability pair.	WS-C25	\$2,158.20	2	\$539.00	8	\$8,628.40
C25/V2110 16 AP Capacity Upgrade License (increases AP support by 16 access points)	WS-APCAP-16	\$826.20	2	\$125.25	8	\$2,654.40
C25/V2110 16 AP Radar License	WS-RADAR-16	\$413.64	4	\$125.25	16	\$3,658.56
Wireless V8 HW Regulatory Domain Key - NAM (needed for all hardware-based controllers)	WS-CTLREG8P-NAM	\$7.20	2	\$0.00	0	\$14.40
HiPath 37010i 802.11n Enhanced 3x3 MIMO Access Point w/ 6 Internal Antenna Beamforming Array, 450MB Per Client and Radar In-channel WIPS/WIDS/SA with IC (Supports PoE power, must use with V2110, C25, C4110, C5110 or C5210 controller. Recommended for high	WS-AP3710i	\$394.20	64	\$0.00	0	\$25,228.80
AP3660 802.11n Weatherized Outdoor Access Point w/ 6 External Antenna Mounts and Integrated Lightning Arrestors (Supports PoE power, mesh. Must be used with V2110, C20, C25, C2400, C4110, C5110 or C5210 controller. AC power supply not included)	WS-AP3660	\$899.64	2	\$98.00	8	\$2,583.28
WLAN Outdoor Cable LMR400 - 6 ft REV N Female	WS-CAB-L400-C06	\$32.04	4	\$0.00	0	\$128.16
Outdoor 802.11n, 5.15-5.875 GHz, Dual-polarization, 23 dBi, 9 deg, Panel (for AP3620/AP3640/AP3660)	WS-AO-5D23009	\$539.64	2	\$0.00	0	\$1,079.28
Mobile IAM & NAC (BYOD & Mobile Device Security, Tracking and Control)						
Mobile Identity & Access Management Appliance for up to 3000 End Systems and NetSight Suite for 5 LAN Devices (NMS-5 included)	MOBILE-IAM-APP	\$8,638.20	1	\$3,000.00	4	\$20,638.20
Upgrade to NMS-10 with NMS Console, Wireless Manager, Policy Manager, Inventory Manager (includes 100 AP license and up to 10 managed devices/stacks)	NMS-10-UG	\$1,438.20	1	\$399.75	4	\$3,037.20
Installation & Configuration (turn key)	PS-ESU-1	\$1,750.00	17	\$0.00	0	\$29,750.00
Total funds due to Enterasys:						\$165,774.23
Total Local Funds required:						\$0.00
Total Education Technology Funds Requested:						\$165,774.23

EQUIPMENT LEASE-PURCHASE AGREEMENT **DATED APRIL 30, 2013**

Lessee: Paris Independent Board of Education
State: KY

Lessor: GE Government Finance, Inc.
Fiscal Year End: June 30th

Lease: Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the equipment described in Exhibit A hereto (the "Equipment") in accordance with this Equipment Lease-Purchase Agreement (this "Lease").

INSURANCE

Lessee will insure the Equipment through one of the two methods listed below (select one by checking a box below):

- ☒ **Commercial Insurance:** A Certificate of Insurance in compliance with Section 12 is attached. Lessor is listed as loss payee and additional insured with respect to the attached certificate.
- ☐ **Self Insurance:** Lessee will comply with Section 12 through a self-insurance program. Lessee hereby requests Lessor waive the requirements of Section 12 and permit Lessee to self-insure for liability claims and property damage. Lessor agrees that Lessee may satisfy the requirements of Section 12 through self-insurance. By written notice to Lessee, Lessor may revoke its agreement to accept self-insurance in lieu of the insurance required by Section 12 at any time during the Lease Term should Lessee at any time fail to comply with Section 11. Within 30 days of receipt of notice from Lessor, Lessee agrees to obtain insurance in compliance with Section 12 and provide evidence thereof to Lessor.

ACCEPTANCE

Unless an Escrow Agreement has been executed by the parties, the Equipment has been delivered and installed in accordance with Lessee's specifications, is in good working order, has been fully tested, is fully operational and is completely and fully accepted by Lessee on or before the date of Lessee's execution of this Lease.

IN WITNESS WHEREOF, Lessor has caused this Lease (including pages 1-4 and Exhibit A) to be executed in its corporate name by its duly authorized officer, and Lessee has caused this Lease to be executed in its name by its duly authorized officer.

***NOTE: DO NOT SIGN AND DATE THIS LEASE UNTIL YOU HAVE ACCEPTED YOUR EQUIPMENT OR SIGNED AN ESCROW AGREEMENT.**

PARIS INDEPENDENT BOARD OF EDUCATION
Lessee

GE GOVERNMENT FINANCE, INC.
Lessor

By: _____
 Title: _____
 Date: _____

By: _____
 Title: _____
 Date: _____

Address: 310 West 7th Street
 Paris, KY 40361
 Telephone: 859-987-2160
 Facsimile: _____

Address: Three Capital Drive
 Eden Prairie, MN 55344
 Telephone: 800-346-3164
 Facsimile: 952-828-2420

CERTIFICATE OF COUNSEL

With respect to this Lease and, if applicable, the related Escrow Agreement (together, the "Agreement"), I am of the opinion that: (i) Lessee is the State or a fully constituted political subdivision or agency of the State; (ii) Lessee is authorized and has the power under applicable law to enter into the Agreement and carry out its obligations thereunder; (iii) the Agreement has been duly authorized, approved, executed and delivered by and on behalf of Lessee and is a legal, valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and federal Laws affecting remedies and by bankruptcy, reorganization or other laws of general application, relating to or effecting the enforcement of creditor's rights; (iv) the authorization, approval and execution of the Agreement and all other proceedings of Lessee with respect thereto have been performed in accordance with all applicable open meeting, public records, public biddings and other applicable laws; (v) the execution of the Agreement and the appropriation of moneys to pay Rental Payments coming due thereunder do not and will not result in the violation of any constitutional, statutory or other limitation relating to indebtedness which may be incurred by Lessee; (vi) payment of Rental Payments and other amounts due hereunder is not directly or indirectly guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof and Lessee is not using any funds provided by the United States Government whether by loan, grant or other program or pursuant to the American Recovery and Reinvestment Act of 2009 to pay a portion of the purchase price of the Equipment or any part of the Rental Payments; and (vii) the Agreement is approved as to form and substance.

Robert L. Chénoweth
 Attorney for Lessee
 Law Firm: *CHENOWETH LAW OFFICE*

Signature: *Robert L. Chénoweth* 5-23-13
 Name: *Robert L. Chénoweth*

** THE LESSEE DOES NOT WAIVE ANY RIGHTS OR IMMUNITIES TO WHICH IT IS ENTITLED AS A MATTER OF LAW.*



Chenoweth Law Office

114 South Main Street
Shryock Building
Lawrenceburg, Kentucky 40342
(502) 839-0114
(502) 839-7114 Fax
chenoweth@kih.net

Robert L. Chenoweth
Grant R. Chenoweth

May 23, 2013

Gary Wiseman, Superintendent
Paris Independent Schools
310 West Seventh Street
Paris, Kentucky 40361

**RE: G. E. Government Finance, Inc.
Equipment Lease**

Dear Superintendent Wiseman:

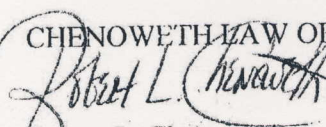
Herewith please find the Certificate of Counsel signed by me relative to the above-referenced matter. As discussed yesterday, this Agreement is approved as to form and legality with the reservation noted as to paragraph 10. It is understood representatives for the lessor have declined to strike this "risk of loss" paragraph that could be construed as an unconstitutional hold harmless/indemnification provision as addressed in OAG 86-18. The intent of the statement I have added to the Certificate of Counsel is to reflect the Board of Education is not waiving its entitlement to the defense of governmental immunity.

I am also including an addendum to this Agreement required by KRS 45A.455(4). This local model procurement law provision is to be conspicuously stated on all contracts/leases/agreements entered into by a local public agency.

If you have questions or need further information please contact this office.

Sincerely,

CHENOWETH LAW OFFICE


Robert L. Chenoweth

RLC:jth
Enclosures

ADDENDUM TO
EQUIPMENT LEASE-PURCHASE AGREEMENT

Lessee: Paris Independent Board of Education Lessor: G.E. Government Finance, Inc.
State: Kentucky

KRS 45A.455 PROHIBITS CONFLICTS OF INTEREST, GRATUITIES, AND KICKBACKS TO EMPLOYEES OF THE BOARD OF EDUCATION IN CONNECTION WITH CONTRACTS FOR SUPPLIES OR SERVICES WHETHER SUCH GRATUITIES OR KICKBACKS ARE DIRECT OR INDIRECT. KRS 45A.990 PROVIDES SEVERE PENALTIES FOR VIOLATIONS OF THE LAWS RELATING TO GRATUITIES OR KICKBACKS TO EMPLOYEES WHICH ARE DESIGNED TO SECURE A PUBLIC CONTRACT FOR SUPPLIES OR SERVICES.

PARIS INDEPENDENT BOARD OF EDUCATION

Lessee

By: Coary W. W.

Title: Superintendent

Date: 6-4-2013

Address: 310 West 7th Street

Paris, KY 40361

Telephone: 859-987-2160

Facsimile: 859-987-6749

GE GOVERNMENT FINANCE, INC.

Lessor

By: _____

Title: _____

Date: _____

Address: Three Capital Drive
Eden Prairie, MN 55344

Telephone: 800-346-3164

Facsimile: 952-828-2420