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FORM OF
AUTHORIZING RESOLUTION/EXTRACT OF MINUTES

RESOLUTION 10/11-32

At a duly called meeting of the governing body of Mount Diablo Unified School District held in accordance with all applicable legal requirements including open meeting laws on the 17th day of November 2010 the following resolution was introduced and adopted:

A RESOLUTION OF THE GOVERNING BODY OF MOUNT DIABLO UNIFIED SCHOOL DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT WITH PNCFE LLC dba PNC EQUIPMENT FINANCE, AS LESSOR, AND SEPARATE LEASE SCHEDULES THERETO AND ESCROW AGREEMENT FOR THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT WITHIN THE TERMS HEREIN PROVIDED AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH AND AUTHORIZING ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, Mount Diablo Unified School District (the "Lessee") a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of California is authorized by the laws of the State of California to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto and

WHEREAS the governing body of the Lessee (the "Board") has determined that a true and very real need exists for the acquisition, purchase and financing of certain property consisting of transportation vehicles (collectively the "equipment") on the terms herein provided and

WHEREAS in order to acquire such Equipment the Lessee proposes to enter into that certain Master Equipment Lease-Purchase Agreement (the "Master Lease") with PNCFE LLC dba PNC Equipment Finance as lessor (the "Lessor") substantially in the proposed form presented to the Board at this meeting and separate Lease Schedules thereto substantially in the form attached to the Master Lease and a separate Escrow Agreement substantially in the proposed form presented to the Board at this meeting and

WHEREAS the Board deems it for the benefit of the Lessee and the efficient and effective administration thereof to enter into the Master Lease and the separate Lease Schedules relating thereto from time to time as provided in the Master Lease and an Escrow Agreement for the purchase, acquisition, financing and leasing of the Equipment to be therein more specifically described on the terms and conditions provided therein and herein

NOW THEREFORE BE IT SOLELY HEREBY RESOLVED BY THE GOVERNING BODY OF THE LESSEE AS FOLLOWS:

Section 1 It is hereby found and determined that the terms of the Master Lease (including the form of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto) in the form presented to this meeting are in the best interests of the Lessee for the acquisition, purchase, financing and leasing of the Equipment.

Section 2 The form, terms and provisions of the Master Lease (including the form of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto) are hereby approved in the forms

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presented at this meeting, with such insertions, omissions and changes as shall be approved by the Board President, Superintendent, Chief Financial Officer, and/or their authorized designees of the Lessee (the "Authorized Officers") executing the same, the execution of such documents being conclusive evidence of such approval. The Authorized Officers of the Lessee are each hereby authorized and directed to sign and deliver the Master Lease, the Lease Schedule thereto, the Payment Schedule relating thereto, the Escrow Agreement relating thereto and any related exhibits attached thereto if and when required, *provided, however*, that without further authorization from the governing body of the Lessee: (a) the aggregate principal component of Rent Payments under all Leases entered into pursuant to the Master Lease shall not exceed \$1,326,000.00; (b) the maximum term under any Lease entered into pursuant to the Master Lease shall not exceed 10 years; and (c) the maximum interest rate used to determine the interest component of Rent Payments under each Lease shall not exceed the lesser of the maximum rate permitted by law or five percent (5%) per annum.

Section 3: The Authorized Officers and other officers and employees of the Lessee shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Master Lease and each Lease Schedule (including, but not limited to, the execution and delivery of the certificates contemplated therein, including appropriate arbitrage certifications) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Master Lease, the Lease Schedule and the Escrow Agreement.

Section 4: If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 5: Effective Date: This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the Board of the Lessee this November 17, 2010.

The undersigned further certifies that the above Resolution has not been repealed or amended and remains in full force and effect and further certifies that the Master Lease (including the form, of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto) are the same as presented at said meeting of the governing body of Lessee, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same.

Date: November 17, 2010

[S:AL]



(Secretary/Clerk)



Paul Springs, Board President

**Master Equipment Lease-Purchase Agreement
Between**

**Mount Diablo Unified School District
and
PNCEF, LLC dba PNC EQUIPMENT FINANCE**

CLOSING INDEX

- Master Lease Agreement
- Lease Schedule
- Payment Schedule A-1
- Escrow Agreement
 - Exhibit 1 – General Investment Direction Letter
 - Exhibit 2 – Escrow Agent Fees and Expenses
 - Exhibit 3 – Requisition Request and Certificate of Acceptance
 - Money Market Escrow Investment Letter- Please sign or contact Scott Miller at 614-849-3402 with U S Bank to select a different investment that meets your requirements
- Resolution – The resolution must reflect the title(s) of the individual(s) who have authorization to sign the documents
- Incumbency Certificate – List your authorized signor(s) and title(s), have secretary or appropriate trustee attest to the information and signature(s) provided by signing and printing his/her name, title and date **The person who validates the signatures should not sign the lease documents**
- Minutes of Governing Body (approving the purchase & finance of equipment) – Please return a copy with the documents
- Opinion of Counsel - Enclosed is a template Please ask your attorney to prepare on his/her letterhead, and include all of the items in the template
- Insurance Request Form – Fill in your insurer's information and sign Please contact your insurer, prior to delivery, to obtain a certificate of insurance Please enclose the certificate with the signed documentation or have the insurer fax the certificate directly to me
- IRS Form W-9 – Please provide
- IRS Form 8038G - Sign, date, and title
- Information Request-re billing requirements and contact information

Please return the documents to PNC Equipment Finance, 155 E Broad St , B4-B230-05-7, Columbus OH 43215 in the postage paid envelope enclosed

MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated as of November 24, 2010

This Master Equipment Lease-Purchase Agreement (this "*Master Lease*") is made and entered into by and between PNCEF, LLC, dba PNC Equipment Finance ("*Lessor*") and the Lessee identified below ("*Lessee*")

Lessee Mount Diablo Unified School District

1 LEASE OF EQUIPMENT

Subject to the terms and conditions of this Master Lease, Lessor agrees to sell, transfer and lease to Lessee, and Lessee agrees to acquire, purchase and lease from Lessor, all Equipment described in each Schedule signed from time to time by Lessee and Lessor. Each Schedule signed and delivered by Lessor and Lessee pursuant to this Master Lease shall constitute a separate and independent lease and installment purchase of the Equipment therein described. This Master Lease is not a commitment by Lessor or Lessee to enter into any Lease not currently in existence, and nothing in this Master Lease shall be construed to impose any obligation upon Lessor or Lessee to enter into any proposed Lease, it being understood that whether Lessor or Lessee enter into any proposed Lease shall be a decision solely within their respective discretion.

2 CERTAIN DEFINITIONS

All terms defined in the Lease are equally applicable to both the singular and plural form of such terms. (a) "*Lease*" means each Schedule and the terms and conditions of this Master Lease incorporated therein. (b) "*Lien*" means any security interest, lien, mortgage, pledge, encumbrance, judgment, execution, attachment, warrant, writ, levy, other judicial process or claim of any nature whatsoever by or of any person. (c) "*Equipment*" means the property described in each Schedule, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto. (d) "*Escrow Agreement*" means the Escrow Agreement relating to a Schedule, dated the Commencement Date under such Schedule and substantially in the form attached to this Master Lease, among Lessor, Lessee and the escrow agent therein identified, with respect to the Escrow Fund established and to be administered thereunder. (e) "*Escrow Fund*" means the fund of that name established pursuant to an Escrow Agreement. (f) "*Schedule*" means each Lease Schedule (substantially in the form attached to this Master Lease) signed and delivered by Lessee and Lessor, together with all addenda, riders, attachments, certificates and exhibits thereto, as the same may from time to time be amended, modified or supplemented.

3 LEASE TERM

The term of each Lease ("*Lease Term*") commences on, and interest accrues from, the date identified in the related Schedule as the Commencement Date and, unless earlier terminated as expressly provided in the Lease, continues until Lessee's payment and performance in full of all of Lessee's obligations under such Lease.

4 RENT PAYMENTS

4.1 For each Lease, Lessee agrees to pay to Lessor the rent payments ("*Rent Payments*") in the amounts and on the dates set forth in the Schedule A-1 attached to the Schedule (a "*Payment Schedule*"). A portion of each Rent Payment is paid as and represents the payment of interest as set forth in the applicable Payment Schedule. Rent Payments under each Lease are payable out of the general and other funds of Lessee that are legally available.

therefor ("*Legally Available Funds*") in U S dollars, without notice or demand, at the office of Lessor identified below (or such other place as Lessor may designate from time to time in writing)

4.2 EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 6 HEREOF LESSEE'S OBLIGATION TO PAY RENT PAYMENTS UNDER EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND SHALL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER, INCLUDING (WITHOUT LIMITATION) BY REASON OF EQUIPMENT FAILURE, DISPUTES WITH THE VENDOR(S) OR MANUFACTURER(S) OF THE EQUIPMENT OR LESSOR, ACCIDENT OR ANY UNFORESEEN CIRCUMSTANCES

4.3 Lessor and Lessee understand and intend that the obligation of Lessee to pay Rent Payments under each Lease shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained in any Lease constitute a pledge of the full faith and credit or taxing power of Lessee.

4.4 If Lessor receives any Rent Payment from Lessee after its due date, Lessee shall pay Lessor on demand from Legally Available Funds as a late charge five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law

5 ESCROW AGREEMENT, EQUIPMENT DELIVERY AND ACCEPTANCE, FUNDING CONDITIONS

5.1 In order to provide financing to pay the costs to acquire and install the Equipment ("*Purchase Price*") as described in a Schedule, Lessor and Lessee hereby agree to execute and deliver an Escrow Agreement relating to such Schedule on the date on which the Funding Conditions for such Schedule are satisfied as provided in Section 5.2 If Lessee signs and delivers a Schedule and an Escrow Agreement and if all Funding Conditions have been satisfied in full, then Lessor will deposit or cause to be deposited into an Escrow Fund under the related Escrow Agreement an amount (which may include estimated investment earnings thereon) equal to the Purchase Price for the Equipment to be financed under the related Schedule

5.2 Lessor shall have no obligation to deposit any Purchase Price into an Escrow Fund under the related Schedule unless all reasonable conditions established by Lessor ("*Funding Conditions*") have been satisfied, including, without limitation, the following (a) Lessee has signed and delivered to Lessor the Schedule, its related Payment Schedule and the related Escrow Agreement, (b) no Event of Default or Non-Appropriation Event shall have occurred and be continuing under any Lease, (c) no material adverse change shall have occurred in the financial condition of Lessee or any Supplier, (d) the Equipment is reasonably satisfactory to Lessor and is free and clear of any Liens (except Lessor's Liens), (e) all representations of Lessee in the Lease remain true, accurate and complete, (f) the amount (if any) that Lessor may require in advance that Lessee apply to the payment of Equipment costs, and (g) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor (1) evidence of insurance coverage or self-insurance required by the Lease, (2) an opinion of Lessee's counsel, (3) Uniform Commercial Code (UCC) financing statements with respect to the Equipment (4) real property waivers as Lessor may deem necessary, (5) copies of resolutions by Lessee's governing body, duly authorizing the Lease and the Escrow Agreement and incumbency certificates for the person(s) who will sign the Lease and the Escrow Agreement, (6) such documents and certificates as Lessor may request relating to federal tax-exemption of interest payable under the Lease, including (without limitation) IRS Form 8038-G or 8038-GC and evidence of the adoption of a reimbursement resolution or other official action in the event that Lessee is to be reimbursed for expenditures that it has paid more than sixty days prior to the date on

which the Funding Conditions are satisfied, and (7) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor

5.3 Lessee shall, at its sole expense, arrange for the transportation, delivery and installation of all Equipment to the location specified in the Schedule ("*Location*") by Equipment suppliers ("*Suppliers*") selected by Lessee. Lessee shall accept Equipment for purposes of the related Lease as soon as it has been delivered and is operational. Lessee shall evidence its acceptance of any Equipment by signing and delivering to Lessor a Certificate of Acceptance in the form and manner required by the applicable Escrow Agreement.

5.4 If a Non-Appropriation Event or an Event of Default occurs prior to Lessee's acceptance of all the Equipment under the related Schedule, the amount then on deposit in the Escrow Fund shall be applied to prepay the unpaid principal component of the Rent Payments in whole on the first business day of the month next succeeding the occurrence of either such Event plus accrued interest to the prepayment date, *provided, however*, that the amount to be prepaid by Lessee pursuant to this Section 5.4 shall first be paid from moneys in the related Escrow Fund and then from Legally Available Funds and other moneys available for such purpose as a result of the exercise by Lessor of its rights and remedies under the related Schedule. Any funds on deposit in the Escrow Fund on the prepayment date described in this Section 5.4 in excess of the unpaid principal component of the Rent Payments to be prepaid plus accrued interest thereon to the prepayment date shall be paid promptly to Lessee.

5.5 To the extent that Lessee has not accepted items of Equipment before the eighteen-month anniversary of the Commencement Date identified on the related Schedule, the amount then on deposit in the related Escrow Fund shall be applied to prepay the unpaid principal component of the Rent Payments in part, in inverse order of Rent Payments, on the first business day of the next month plus accrued interest to the prepayment date, *provided, however*, that the amount to be prepaid by Lessee pursuant to this Section 5.5 shall first be paid from moneys in the related Escrow Fund and then from Legally Available Funds. Notwithstanding any such partial prepayment, the related Schedule shall remain in full force and effect with respect to the portion of the Equipment accepted by Lessee during such eighteen-month period, and the portion of the principal component of Rent Payments remaining unpaid after such prepayment plus accrued interest thereon shall remain payable in accordance with the terms of the related Schedule. Upon Lessor's request, Lessee shall execute an amendment to the related Payment Schedule that reflects the change to the Rent Payments as a result of such partial prepayment.

6 TERMINATION UPON NON-APPROPRIATION EVENT

6.1 For each Lease, Lessee represents and warrants that (a) it has appropriated and budgeted Legally Available Funds to make all Rent Payments required pursuant to such Lease for the remainder of the fiscal year in which the Lease Term commences, (b) it currently intends to make Rent Payments for the full Lease Term as scheduled on the applicable Payment Schedule so long as funds are appropriated for each succeeding fiscal year by its governing body, and (c) during the 10 fiscal years prior to the date of the applicable Lease, its governing body has not failed (for whatever reason) to appropriate amounts sufficient to pay its obligations that are subject to annual appropriation. Lessee reasonably believes that moneys in an amount sufficient to make all Rent Payments can and will lawfully be appropriated and made available therefor.

6.2 If Lessee's governing body fails to appropriate sufficient funds in any fiscal year for Rent Payments and other amounts to be paid under a Lease in the next succeeding fiscal year, then a "*Non-Appropriation Event*" shall have occurred. If a Non-Appropriation Event occurs, then (a) Lessee shall give Lessor written notice at least 30 days prior to the end of the then current fiscal year of such Non-Appropriation Event and provide written evidence of such failure by Lessee's governing body, (b) on the Return Date, Lessee shall return to Lessor all, but not less than all, of the Equipment covered by the affected Lease, at Lessee's sole expense, in accordance with

Section 21 hereof, and (c) the affected Lease shall terminate on the Return Date without penalty or expense to Lessee, *provided*, that Lessee shall pay all Rent Payments and other amounts payable under the affected Lease for which funds shall have been appropriated, and *provided further*, that Lessee shall pay month-to-month rent at the rate set forth in the affected Lease for each month or part thereof that Lessee fails to return the Equipment under this Section 6.2 "Return Date" means the last day of the fiscal year for which appropriations were made for the Rent Payments due under a Lease

7 NO WARRANTY BY LESSOR

LESSEE ACQUIRES AND LEASES THE EQUIPMENT UNDER EACH LEASE "AS IS" LESSEE ACKNOWLEDGES THAT LESSOR DID NOT MANUFACTURE THE EQUIPMENT UNDER ANY LEASE. LESSOR DOES NOT REPRESENT THE MANUFACTURER, SUPPLIER, OWNER OR DEALER, AND LESSEE SELECTED THE EQUIPMENT BASED UPON LESSEE'S OWN JUDGMENT. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE OR AS TO THE EQUIPMENT'S VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY LESSEE AGREES THAT REGARDLESS OF CAUSE, LESSOR IS NOT RESPONSIBLE FOR, AND LESSEE WILL NOT MAKE ANY CLAIM AGAINST LESSOR FOR, ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL OR INDIRECT INCURRED BY LESSEE IN CONNECTION WITH THE EQUIPMENT UNDER ANY LEASE NEITHER THE MANUFACTURER, SUPPLIER OR DEALER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF THE MANUFACTURER, SUPPLIER OR DEALER IS LESSOR'S AGENT OR HAS ANY AUTHORITY TO SPEAK FOR LESSOR OR TO BIND LESSOR IN ANY WAY. For and during the Lease Term under each Lease, Lessor assigns to Lessee any manufacturer's or Supplier's product warranties, express or implied, applicable to any Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's sole expense Lessee agrees that (a) all Equipment will have been purchased by Lessor in accordance with Lessee's specifications from Suppliers selected by Lessee, (b) Lessor is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment, (c) Lessor assumes no obligation with respect to any manufacturer's or Supplier's product warranties or guaranties, (d) no manufacturer or Supplier or any representative of said parties is an agent of Lessor and (e) any warranty, representation, guaranty or agreement made by any manufacturer or Supplier or any representative of said parties shall not be binding upon Lessor

8 TITLE, SECURITY INTEREST

8.1 Upon Lessee's acceptance of any Equipment under a Lease and in accordance with the related Escrow Agreement, title to such Equipment shall vest in Lessee, subject to Lessor's security interest therein and all of Lessor's other rights under such Lease including, without limitation, Sections 6, 20 and 21 hereof

8.2 As collateral security for Lessee's obligations to pay all Rent Payments and all other amounts due and payable under each Lease and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due or existing or hereafter arising) of Lessee under such Lease, Lessee hereby grants to Lessor a first priority, exclusive security interest in any and all of the Equipment (now existing or hereafter acquired) under each Lease, moneys and investments held from time to time the Escrow Fund under each Escrow Agreement and any and all proceeds of any of the foregoing Lessee agrees to execute and deliver to Lessor all necessary documents to evidence and perfect such security interest, including, without limitation, Uniform Commercial Code (UCC) financing statements and any amendments thereto and certificates of title or certificates of origin (or applications thereof) noting Lessor's interest thereon

9 PERSONAL PROPERTY

All Equipment is and will remain personal property and will not be deemed to be affixed or attached to real estate or any building thereon

10 MAINTENANCE AND OPERATION

Lessee shall, at its sole expense (a) repair and maintain all Equipment in good condition and working order, in accordance with manufacturer's instructions, and supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law or regulation, which parts or devices shall automatically become part of the Equipment, (b) use and operate all Equipment solely for the purpose of performing one or more governmental functions of Lessee and in a careful manner in the normal course of its operations and only for the purposes for which it was designed in accordance with the manufacturer's warranty requirements, and (c) comply with all laws and regulations relating to the Equipment. If any Equipment is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement by a party reasonably satisfactory to Lessor. No maintenance or other service for any Equipment will be provided by Lessor. Lessee will not make any alterations, additions or improvements ("*Improvements*") to any Equipment without Lessor's prior written consent unless the Improvements may be readily removed without damage to the operation, value or utility of such Equipment, but any such Improvements not removed prior to the termination of the applicable Lease shall automatically become part of the Equipment.

11 LOCATION, INSPECTION

Equipment will not be removed from, or if Equipment is rolling stock its permanent base will not be changed from, the Location without Lessor's prior written consent which will not be unreasonably withheld. Upon reasonable notice to Lessee, Lessor may enter the Location or elsewhere during normal business hours to inspect the Equipment.

12 LIENS, SUBLEASES AND TAXES

12.1 Lessee shall keep all Equipment free and clear of all Liens except those Liens created under each Lease. Lessee shall not sublet or lend any Equipment or permit it to be used by anyone other than Lessee or Lessee's employees.

12.2 Lessee shall pay when due all Taxes that may now or hereafter be imposed upon any Equipment or its ownership, leasing, rental, sale, purchase, possession or use, any Lease or Escrow Agreement, any Rent Payments or any other payments due under any Lease, or any Escrow Fund. If Lessee fails to pay such Taxes when due, Lessor shall have the right, but not the obligation, to pay such Taxes. If Lessor pays any such Taxes, then Lessee shall, upon demand, immediately reimburse Lessor therefor. "*Taxes*" means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lessor, whether they are assessed to or payable by Lessee or Lessor, including, without limitation (a) sales, use, excise, licensing, registration, titling, gross receipts, stamp and personal property taxes and (b) interest, penalties or fines on any of the foregoing.

13 RISK OF LOSS

13.1 Lessee bears the entire risk of loss, theft, damage or destruction of any Equipment in whole or in part from any reason whatsoever ("*Casualty Loss*"). No Casualty Loss to any Equipment shall relieve Lessee from the

obligation to make any Rent Payments or to perform any other obligation under any Lease Proceeds of any insurance recovery will be applied to Lessee's obligations under this Section 13

13 2 If a Casualty Loss occurs to any Equipment, Lessee shall immediately notify Lessor of the same and Lessee shall, unless otherwise directed by Lessor, immediately repair the same

13 3 If Lessor determines that any item of Equipment has suffered a Casualty Loss beyond repair ("*Lost Equipment*"), then Lessee shall either (a) immediately replace the Lost Equipment with similar equipment in good repair, condition and working order free and clear of any Liens (except Lessor's Liens) and deliver to Lessor a purchase order, bill of sale or other evidence of sale to Lessee covering the replacement equipment, in which event such replacement equipment shall automatically be Equipment under the applicable Lease, or (b) on the next scheduled Rent Payment due date, pay Lessor (i) all amounts owed by Lessee under the applicable Lease, including the Rent Payment due on such date, plus (ii) an amount equal to the applicable Termination Value set forth in the Payment Schedule to the applicable Lease If Lessee is making such payment with respect to less than all of the Equipment under a Lease, then Lessor will provide Lessee with the pro rata amount of the Termination Value to be paid by Lessee with respect to the Lost Equipment

13 4 Lessee shall bear the risk of loss for, shall pay directly and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof These obligations of Lessee shall survive any expiration or termination of any Lease Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney's fees), damages or losses which arise directly from events occurring after any Equipment has been returned by Lessee to Lessor in accordance with the terms of the applicable Lease or which arise directly from the gross negligence or willful misconduct of Lessor

14 INSURANCE

14 1 (a) Lessee at its sole expense shall at all times keep all Equipment insured against all risks of loss or damage from every cause whatsoever (including collision in the case of vehicles) for an amount not less than the Termination Value of the Equipment under each Lease Lessor shall be named as loss payee with respect to all insurance covering damage to or loss of any Equipment, and the proceeds of any such insurance shall be payable to Lessor as loss payee to be applied as provided in Section 13 3 (b) The Total Amount Financed as set forth on the applicable Payment Schedule does not include the payment of any premium for any liability insurance coverage for bodily injury and/or property damage caused to others and no such insurance will be purchased by Lessor (c) Lessee at its sole expense shall at all times carry public liability and property damage insurance in amounts reasonably satisfactory to Lessor protecting Lessee and Lessor from liabilities for injuries to persons and damage to property of others relating in any way to any Equipment Lessor shall be named as additional insured with respect to all such public liability and property damage insurance, and the proceeds of any such insurance shall be payable first to Lessor as additional insured to the extent of its liability and then to Lessee

14 2 All insurers shall be reasonably satisfactory to Lessor Lessee shall promptly deliver to Lessor satisfactory evidence of required insurance coverage and all renewals and replacements thereof Each insurance policy will require that the insurer give Lessor at least 30 days prior written notice of any cancellation of such policy and will require that Lessor's interests remain insured regardless of any act, error, misrepresentation, omission or neglect of Lessee The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor

14.3 If Lessee is self-insured under an actuarially sound self-insurance program that is acceptable to Lessor with respect to equipment such as the Equipment under a Lease, Lessee shall maintain during the Lease Term of such Lease such actuarially sound self-insurance program and shall provide evidence thereof in form and substance satisfactory to Lessor

15 PURCHASE OPTION

Upon thirty (30) days' prior written notice by Lessee to Lessor, and so long as there is no Event of Default then existing, Lessee shall have the option to purchase all, but not less than all, of the Equipment subject to a Lease on any Rent Payment due date by paying to Lessor all Rent Payments then due (including accrued interest, if any) plus the Termination Value set forth on the Payment Schedule to the applicable Lease for such date. Upon satisfaction by Lessee of such purchase conditions, Lessor shall release its Lien on such Equipment and Lessee shall retain its title to such Equipment "AS-IS, WHERE-IS," without representation or warranty by Lessor, express or implied, except for a representation that such Equipment is free and clear of any Liens created by Lessor

16 LESSEE'S REPRESENTATIONS AND WARRANTIES

With respect to each Lease, the Equipment subject thereto and the related Escrow Agreement, Lessee hereby represents and warrants to Lessor that

(a) Lessee has full power, authority and legal right to execute and deliver the Lease and the Escrow Agreement and to perform its obligations under the Lease and the Escrow Agreement, and all such actions have been duly authorized by appropriate findings and actions of Lessee's governing body,

(b) the Lease and the Escrow Agreement have each been duly authorized, executed and delivered by Lessee and each constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with their respective terms,

(c) the Lease and the Escrow Agreement are each authorized under, and the authorization, execution and delivery of the Lease and the Escrow Agreement comply with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and property acquisition laws) and all applicable judgments and court orders,

(d) the execution, delivery and performance by Lessee of its obligations under the Lease and the Escrow Agreement will not result in a breach or violation of, nor constitute a default under, any agreement, lease or other instrument to which Lessee is a party or by which Lessee's properties may be bound or affected,

(e) there is no pending, or to the best of Lessee's knowledge threatened, litigation of any nature that may have a material adverse effect on Lessee's ability to perform its obligations under the Lease and the Escrow Agreement, and

(f) Lessee is a state, or a political subdivision thereof, within the meaning of Section 103 of the Internal Revenue Code of 1986 (the "Code") and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such

17 TAX COVENANTS

Lessee hereby covenants and agrees that

(a) The parties anticipate that Lessor can exclude the interest component of the Rent Payments under each Lease from federal gross income. Lessee covenants and agrees that it will (i) complete and timely file an information reporting return with the Internal Revenue Service ("IRS") in accordance with Section 149(c) of the Code, (ii) not permit the Equipment to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code including, without limitation, use by private persons or entities pursuant to contractual arrangements which do not satisfy IRS guidelines for permitted management contracts, as the same may be amended from time to time, (iii) invest and reinvest moneys on deposit in the Escrow Fund related to each Lease from time to time in a manner that will not cause such Lease to be classified as an "arbitrage bond" within the meaning of Section 148(a) of the Code, (iv) rebate an amount equal to excess earnings in any Escrow Fund to the federal government if required by, and in accordance with, Section 148(f) of the Code and make the determinations and maintain the records required by the Code, and (v) comply with all provisions and regulations applicable to establishing and maintaining the excludability of the interest component of the Rent Payments under each Lease from federal gross income pursuant to Section 103 of the Code.

(b) If Lessor either (i) receives notice, in any form, from the IRS, or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any Rent Payment under a Lease from federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, the amount which, with respect to Rent Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all Rent Payments under such Lease due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by this Lease (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay additional rent to Lessor on each succeeding Rent Payment due date in such amount as will maintain such after-tax yield to Lessor. Lessor's determination of the amount necessary to maintain its after-tax yield as provided in this subsection (b) shall be conclusive (absent manifest error). Notwithstanding anything in a Lease to the contrary, any payment that Lessee is required to make pursuant to this subsection (b) shall be made only from Legally Available Funds.

18 ASSIGNMENT

18.1 Lessee shall not sell, assign, transfer, pledge, hypothecate or grant any Lien on, nor otherwise dispose of, any Lease, any Equipment, any Escrow Agreement or any Escrow Fund or any interest in any thereof.

18.2 Lessor may assign its rights, title and interest in and to any Lease, any Equipment or any Escrow Agreement (including the Escrow Fund thereunder), and/or may grant or assign a security interest in any Lease, its Equipment or any Escrow Agreement (including the Escrow Fund thereunder), in whole or in part to any party at any time and from time to time without Lessee's consent. Any such assignee or lien holder (an "Assignee") shall have all of the rights of Lessor under the applicable Lease and Escrow Agreement. LESSEE AGREES NOT TO ASSERT AGAINST ANY ASSIGNEE ANY CLAIMS, ABATEMENTS, SETOFFS, COUNTERCLAIMS, RECOUPMENT OR ANY OTHER SIMILAR DEFENSES WHICH LESSEE MAY HAVE AGAINST LESSOR. Unless otherwise agreed by Lessee in writing, any

such assignment transaction shall not release Lessor from any of Lessor's obligations under the applicable Lease. An assignment or reassignment of any of Lessor's right, title or interest in a Lease, its Equipment or any Escrow Agreement (including the Escrow Fund thereunder) shall be enforceable against Lessee only after Lessee receives a written notice of assignment that discloses the name and address of each such Assignee. Lessee shall keep a complete and accurate record of all such assignments in the form necessary to comply with Section 149(a) of the Code. Lessee agrees to acknowledge in writing any such assignments if so requested.

18.3 Subject to the foregoing, each Lease inures to the benefit of and is binding upon the successors and assigns of the parties hereto.

19 EVENTS OF DEFAULT

For each Lease, "Event of Default" means the occurrence of any one or more of the following events as they may relate to such Lease: (a) Lessee fails to make any Rent Payment (or any other payment) as it becomes due in accordance with the terms of the Lease, and any such failure continues for ten (10) days after the due date thereof, (b) Lessee fails to perform or observe any of its obligations under Section 12.1, 14 or 18.1 hereof, (c) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease and such failure is not cured within thirty (30) days after receipt of written notice thereof by Lessor, (d) any statement, representation or warranty made by Lessee in the Lease or in any writing delivered by Lessee pursuant thereto or in connection therewith proves at any time to have been false, misleading or erroneous in any material respect as of the time when made, (e) Lessee applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets, or a petition for relief is filed by Lessee under any federal or state bankruptcy, insolvency, moratorium or similar law, or (f) Lessee shall be in default under any other Lease or under any other financing agreement executed at any time with Lessor.

20 REMEDIES

If any Event of Default occurs, then Lessor may, at its option, exercise any one or more of the following remedies:

(a) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all amounts then currently due under all Leases and all remaining Rent Payments due under all Leases during the fiscal year in effect when the default occurs together with accrued interest on such amounts at the respective rates provided in such Leases from the date of Lessor's demand for such payment,

(b) Lessor may require Lessee to promptly return all Equipment to Lessor in the manner set forth in Section 21 (and Lessee agrees that it shall so return the Equipment), or Lessor may, at its option, enter upon the premises where any Equipment is located and repossess such Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession,

(c) Lessor may sell, lease or otherwise dispose of any Equipment, in whole or in part, in one or more public or private transactions, and if Lessor so disposes of any Equipment, then Lessor shall apply the entire proceeds of such disposition as follows: *first*, to pay costs that Lessor has incurred in connection with exercising its remedies, *second*, to payment of amounts that are payable by Lessee under clause (a) above, and *then* to payment of the Termination Value set forth in the applicable Payment Schedule for the last Rent Payment due date for the fiscal year in which the related default occurs, *provided, however*, that

any disposition proceeds in excess of payment of all of the foregoing amounts shall be paid promptly by Lessor to Lessee,

(d) Lessor may terminate, cancel or rescind any Lease as to any and all Equipment,

(e) Lessor may exercise any other right, remedy or privilege that may be available to Lessor under applicable law or, by appropriate court action at law or in equity, Lessor may enforce any of Lessee's obligations under any Lease or with respect to the Escrow Fund under the related Escrow Agreement, and/or

(f) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lessor as a result (directly or indirectly) of the Event of Default and/or of Lessor's actions under this Section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of any Equipment

None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Lessor Lessor's exercise of one or more remedies shall not preclude its exercise of any other remedy No delay or failure on the part of Lessor to exercise any remedy under any Lease shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy

21 RETURN OF EQUIPMENT

If Lessor is entitled under the provisions of any Lease, including any termination thereof pursuant to Section 6 or 20 hereof, to obtain possession of any Equipment or if Lessee is obligated at any time to return any Equipment, then (a) title to the Equipment shall vest in Lessor immediately upon Lessor's notice thereof to Lessee, and (b) Lessee shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by the applicable Lease, shall be free and clear of any Liens (except Lessor's Lien) and shall comply with all applicable laws and regulations Until Equipment is returned as required above all terms of the applicable Lease shall remain in full force and effect including, without limitation, obligations to pay Rent Payments and to insure the Equipment Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor to evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment

22 LAW GOVERNING, UCC ARTICLE 2A WAIVER

(a) Each Lease shall be governed by the laws of the state in which Lessee is located (the "State")

(b) Lessee hereby willingly and knowingly waives any rights or remedies to which it may otherwise be entitled under Sections 508 through 522, inclusive, of Article 2A of the Uniform Commercial Code in effect in the State

23 NOTICES

All notices to be given under any Lease shall be made in writing and either personally delivered or mailed by certified mail to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notices shall be deemed to have been received five (5) days subsequent to mailing if sent by regular or certified mail, or on the next business day if sent by overnight courier, or on the day of delivery if delivered personally.

24 FINANCIAL INFORMATION, INDEMNITY, POWER OF ATTORNEY

24.1 Within thirty (30) days after their completion for each fiscal year of Lessee during any Lease Term, Lessee will deliver to Lessor upon Lessor's request the publicly available annual financial information of Lessee.

24.2 To the extent authorized by the laws of the State, Lessee shall indemnify, hold harmless and, if Lessor requests, defend Lessor and its shareholders, affiliates, employees, dealers and agents against all Claims directly or indirectly arising out of or connected with (a) the manufacture, installation, use, lease, possession or delivery of the Equipment, (b) any defects in the Equipment or any wrongful act or omission of Lessee or its employees and agents, or (c) any claims of alleged breach by Lessee of any Lease, any Escrow Agreement or any related document. "Claims" means all losses, liabilities, damages, penalties, expenses (including attorney's fees and costs), claims, actions and suits, whether in contract, tort or otherwise. Notwithstanding anything in any Lease to the contrary, any indemnity amount payable by Lessee as provided in this Section 24.2 shall be payable solely from Legally Available Funds.

24.3 Lessee hereby appoints Lessor its true and lawful attorney-in-fact (with full power of substitution) to prepare any instrument, certificate of title or financing statement covering the Equipment or otherwise protecting Lessor's interest in the Equipment, and to make claims for, receive payment of and execute and endorse all documents, checks or drafts for loss, theft, damage or destruction to the Equipment under any insurance.

25 SECTION HEADINGS

All section headings contained herein or in any Schedule are for convenience of reference only and do not define or limit the scope of any provision of any Lease.

26 EXECUTION IN COUNTERPARTS

This Master Lease and each Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument, *provided, however*, that only Counterpart No. 1 of each Lease (including the terms and conditions of this Master Lease incorporated therein by reference) shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.

27 ENTIRE AGREEMENT, WRITTEN AMENDMENTS

Each Lease, Escrow Agreement and other documents or instruments executed by Lessee and Lessor in connection therewith constitute the entire agreement between the parties with respect to the lease and financing of the Equipment covered thereby, and such Lease shall not be modified, amended, altered or changed except with the written consent of Lessee and Lessor. Any provision of any Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

MOUNT DIABLO UNIFIED SCHOOL DISTRICT,
AS LESSEE

PNCEF, LLC, DBA PNC EQUIPMENT FINANCE,
AS LESSOR

By _____
Name Dr Steven Lawrence
Title Superintendent
1936 Carlotta Drive
Concord, CA 94519

By _____
Name _____
Title _____
995 Dalton Avenue
Cincinnati, OH 45203

LEASE SCHEDULE NO. 138468000

Dated as of November 24, 2010

This Lease Schedule (this "*Schedule*") relates to the Master Equipment Lease-Purchase Agreement referenced below and, together with the terms and conditions of the Master Lease incorporated herein by reference, constitutes a Lease. Unless otherwise defined herein, capitalized terms will have the same meaning ascribed to them in the Master Lease. All terms and conditions of the Master Lease are incorporated herein by reference.

Master Equipment Lease-Purchase Agreement dated November 24, 2010

- 1 *Equipment Description* As used in the Lease, "*Equipment*" means all of the property described in Schedule A-1 attached to this Schedule and all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.
- 2 *Rent Payments, Lease Term* The Rent Payments to be paid by Lessee to Lessor, the Commencement Date of this Lease and the Lease Term of this Lease are set forth on the Payment Schedule attached to this Schedule.
- 3 *Essential Use, Current Intent of Lessee* Lessee represents that (a) the use of the Equipment is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens, (b) the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority and will not be used in a trade or business of any person or entity, and (c) the useful life of the Equipment is not less than the stated full Lease Term of this Lease. Lessee has determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future. Lessee currently intends for the full Lease Term to use the Equipment, to continue this Lease, and to make Rent Payments so long as funds are appropriated by its governing body for the succeeding fiscal year.
- 4 *Re-Affirmation of the Master Lease Representations, Warranties and Covenants* Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Lease (particularly Sections 6.1 and 16 thereof) are true and correct as though made on the date of execution of this Schedule.
- 5 *Reserved*

MOUNT DIABLO UNIFIED SCHOOL DISTRICT,
AS LESSEE

PNCEF, LLC, DBA PNC EQUIPMENT FINANCE,
AS LESSOR

By _____
Name Dr Steven Lawrence
Title Superintendent

By _____
Name _____
Title _____

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

SCHEDULE A-1

Attached to and made a part of that certain Lease Schedule No 138468000 dated as of November 24, 2010 by and between PNCEF, LLC, dba PNC Equipment Finance, as lessor, and Mount Diablo Unified School District, as lessee

Commencement Date November 24, 2010

- 1 EQUIPMENT LOCATION & DESCRIPTION
 1936 Carlotta Drive
 Concord, CA 94519

 Contra Costa County

(10) Collins Super Bantam – Chevy Diesel 22 Passenger w/CR's	
Vin # 1GB6G3AL8A1169652	Vin # 1GB6G3AL4A1169275
Vin # 1GB6G3AL1A1173218	Vin # 1GB6G3AL2A1173602
Vin # 1GB6G3AL6A1173747	Vin # 1GB6G3AL7A1173854
Vin # 1GB6G3AL1A1173185	Vin # 1GB6G3AL3A1173852
Vin # 1GB6G3AL1A1177964	Vin # 1GB6G3AL6A1177913
(9) Collins Grand Bantam – Chevy Diesel 12 + 2 W/C Var	
Vin # 1GB6G3AL4A1169650	Vin # 1GB6G3AL5A1172928
Vin # 1GB6G3AL6A1169651	Vin # 1GB6G3AL7A1173904
Vin # 1GB6G3AG0A1170049	Vin # 1GB6G3AG7A1170050
Vin # 1GB6G3AL2A1169274	Vin # 1GB6G3AL4A1177859
Vin # 1GB6G3AL7A1169447	

2 LEASE PAYMENT SCHEDULE

(a) Total Amount Financed

\$ 1,326,000 00

(b) Payment Schedule

Rent Payment Number	Rent Payment Date	Rent Payment Amount	Interest Portion	Principal Portion	Termination Value *
1	5/24/2011	104,996 32	18,630 30	86,366 02	1,264,426 66
2	11/24/2011	104,996 32	17,416 86	87,579 46	1,175,095 61
3	5/24/2012	104,996 32	16,186 37	88,809 95	1,084,509 46
4	11/24/2012	104,996 32	14,938 59	90,057 73	992,650 58
5	5/24/2013	104,996 32	13,673 28	91,323 04	899,501 08
6	11/24/2013	104,996 32	12,390 19	92,606 13	805,042 82
7	5/24/2014	104,996 32	11,089 07	93,907 25	709,257 43
8	11/24/2014	104,996 32	9,769 67	95,226 65	612,126 25
9	5/24/2015	104,996 32	8,431 74	96,564 58	513,630 37
10	11/24/2015	104,996 32	7,075 01	97,921 31	413,750 64
11	5/24/2016	104,996 32	5,699 21	99,297 11	312,467 59
12	11/24/2016	104,996 32	4,304 09	100,692 23	209,761 51
13	5/24/2017	104,996 32	2,889 36	102,106 96	105,612 41
14	11/24/2017	104,996 32	1,454 74	103,541 58	1 00

MOUNT DIABLO UNIFIED SCHOOL DISTRICT,
AS LESSEE

PNCEF, LLC, DBA PNC EQUIPMENT FINANCE,
AS LESSOR

By _____
Name Dr Steven Lawrence
Title Superintendent

By _____
Name _____
Title _____

* Assumes all Rent Payments and other amounts due on and prior to that date have been paid

CERTIFICATE OF INCUMBENCY

I, the undersigned, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of Mount Diablo Unified School District ("*Lessee*"), a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of Lessee holding the offices set forth opposite their respective names and are authorized on behalf of Lessee to enter into (a) that certain Master Equipment Lease-Purchase Agreement dated November 24, 2010 (the "*Master Lease*") and separate Lease Schedules relating thereto from time to time as provided in the Master Lease (collectively, the "*Schedules*"), each between Lessee and PNCEF, LLC, dba PNC Equipment Finance, as lessor, and (b) that certain Escrow Agreement dated November 24, 2010 (the "*Escrow Agreement*"), among Lessee, the foregoing lessor and the escrow agent therein identified

<u>Dr. Steven Lawrence</u> Name	<u>Superintendent</u> Title	_____ Signature
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<u>Bryan Richards</u> Name	<u>Director, Fiscal Services</u> Title	_____ Signature
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I hereby further certify that the individual named below holds the office set forth opposite his/her name and is duly authorized to execute Requisition Requests, Certificates of Acceptance and other documents under the Escrow Agreement or otherwise relating to the Master Lease and the Schedules

<u>Dr. Steven Lawrence</u> Name	<u>Superintendent</u> Title	_____ Signature
------------------------------------	--------------------------------	--------------------

<u>Bryan Richards</u> Name	<u>Director Fiscal Services</u> Title	_____ Signature
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IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of Lessee on this ___ day of _____, 2010

LESSEE Mount Diablo Unified School District

(Secretary/Clerk)
Print Name _____
Official Title _____
(other than the person signing the documents)

[SEAL]

FORM OF OPINION OF LESSEE'S COUNSEL

(PLEASE FURNISH THIS TEXT ON ATTORNEY'S LETTERHEAD)

Date

PNCEF, LLC, dba PNC Equipment Finance
155 E Broad St , B4-B230-05-7
Columbus, OH 43215

Re Master Equipment Lease-Purchase Agreement
dated November 24, 2010, Lease Schedules thereto
and related Escrow Agreement

Ladies and Gentlemen

As counsel for Mount Diablo Unified School District ("*Lessee*"), I have examined the Master Equipment Lease-Purchase Agreement duly executed by Lessee and dated November 24, 2010 (the "*Master Lease*"), which has been incorporated by reference into Lease Schedule No 138468000 dated November 24, 2010 (the "*Original Lease Schedule*"), each between Lessee and PNCEF, LLC, dba PNC Equipment Finance, as lessor ("*Lessor*"). the *Schedule A-1* attached to the Original Lease Schedule (the "*Original Payment Schedule*"), the Escrow Agreement dated November 24, 2010 (the "*Original Escrow Agreement*"), among Lessee, Lessor and the escrow agent therein identified, and the proceedings taken by the governing body of Lessee to authorize on behalf of Lessee the execution and delivery of the Master Lease, the Original Lease Schedule, the *Original Payment Schedule*, the *Original Escrow Agreement* and all additional lease schedules and related payment schedules and escrow agreements to be entered into pursuant to the Master Lease (each of which is herein referred to as an "*Additional Lease Schedule*") and to be executed and delivered by the same authorized officers on behalf of Lessee in substantially the same manner and in substantially the same form as the Original Lease Schedule. The Original Lease Schedule, which incorporates by reference the terms and conditions of the Master Lease, and the related Original Payment Schedule and Original Escrow Agreement are herein collectively referred to as the "*Lease*". Any Additional Lease Schedule, which incorporates by reference the terms and conditions of the Master Lease, and the related payment schedule and escrow agreement are herein collectively referred to as an "*Additional Lease*".

Based upon the foregoing examination and upon an examination of such other documents and matters of law as I have deemed necessary or appropriate, I am of the opinion that

- 1 Lessee is duly organized and legally existing as a political subdivision, municipal corporation or similar public entity under the Constitution and laws of the State of California with full power and authority to enter into, and perform its obligations under, the Lease and each Additional Lease

- 2 The Lease and each Additional Lease have each been duly authorized and have been or, with respect to each Additional Lease, will be, duly executed and delivered by Lessee. Assuming due authorization, execution and delivery thereof by Lessor, the Lease constitutes, and each Additional Lease will constitute, the legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with their respective terms, except to the extent limited by State and federal law affecting creditor's remedies and by bankruptcy, reorganization, moratorium or other laws of general application relating to or affecting the enforcement of creditors' rights.
- 3 Lessee has complied with any applicable property acquisition laws and public bidding requirements in connection with the Lease, each Additional Lease and the transactions contemplated thereby.
- 4 To the best of my knowledge, there is no litigation or proceeding pending or threatened before any court, administrative agency or governmental body that challenges the organization or existence of Lessee, the authority of its officers, the proper authorization, approval and execution of the Lease, any Additional Lease or any documents relating thereto, the appropriation of monies to make payments under the Lease or any Additional Lease, or the ability of Lessee otherwise to perform its obligations under the Lease or any Additional Lease and the transactions contemplated thereby.
- 5 The resolution adopted by Lessee's governing body authorizing the execution and delivery of the Master Lease, the Original Lease Schedule, the Original Escrow Agreement, the Additional Lease Schedules and certain other matters was adopted at a meeting that was held in compliance with all applicable laws relating to the holding of open and public meetings.
- 6 The entering into and performance of the Lease and each Additional Lease do not and will not violate any judgment, order, law or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment or the Escrow Fund (as each such term is defined in the Master Lease) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which Lessee is a party or by which it or its assets may be bound.
- 7 The correct legal name of Lessee for purposes of the Uniform Commercial Code in effect in the State is _____.

This opinion may be relied upon by purchasers and assignees of Lessor's interests in the Lease and each Additional Lease

Very truly yours,

Attorney

**FORM OF
AUTHORIZING RESOLUTION/EXTRACT OF MINUTES**

At a duly called meeting of the governing body of Mount Diablo Unified School District, held in accordance with all applicable legal requirements, including open meeting laws, on the ___ day of _____ 20 ___, the following resolution was introduced and adopted

A RESOLUTION OF THE GOVERNING BODY OF MOUNT DIABLO UNIFIED SCHOOL DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT WITH PNCEF, LLC, DBA PNC EQUIPMENT FINANCE, AS LESSOR, AND SEPARATE LEASE SCHEDULES THERETO AND ESCROW AGREEMENT FOR THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT WITHIN THE TERMS HEREIN PROVIDED, AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH, AND AUTHORIZING ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION

WHEREAS, Mount Diablo Unified School District (the "*Lessee*"), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of California is authorized by the laws of the State of California to purchase, acquire and lease certain equipment and other property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto, and

WHEREAS, the governing body of the Lessee (the "*Board*") has determined that a true and very real need exists for the acquisition, purchase and financing of certain property consisting of transportation vehicles (collectively, the "*Equipment*") on the terms herein provided, and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into that certain Master Equipment Lease-Purchase Agreement (the "*Master Lease*") with PNCEF, LLC, dba PNC Equipment Finance, as lessor (the "*Lessor*"), substantially in the proposed form presented to the Board at this meeting, and separate Lease Schedules thereto substantially in the form attached to the Master Lease and a separate Escrow Agreement substantially in the proposed form presented to the Board at this meeting, and

WHEREAS, the Board deems it for the benefit of the Lessee and the efficient and effective administration thereof to enter into the Master Lease and the separate Lease Schedules relating thereto from time to time as provided in the Master Lease and an Escrow Agreement for the purchase, acquisition, financing and leasing of the Equipment to be therein more specifically described on the terms and conditions provided therein and herein,

NOW, THEREFORE, BE IT AND IT IS HERBY RESOLVED BY THE GOVERNING BODY OF THE LESSEE AS FOLLOWS

Section 1 It is hereby found and determined that the terms of the Master Lease (including the form of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto), in the form presented to this meeting, are in the best interests of the Lessee for the acquisition, purchase, financing and leasing of the Equipment

Section 2 The form, terms and provisions of the Master Lease (including the form of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto) are hereby approved in the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the Board President, Superintendent, Director of Fiscal Services, and/or their authorized designees of the Lessee (the "*Authorized Officers*") executing the same, the execution of such documents being conclusive evidence of such approval. The Authorized Officers of the Lessee are each hereby authorized and directed to sign and deliver the Master Lease, the Lease Schedule thereto, the Payment Schedule relating thereto, the Escrow Agreement relating thereto and any related exhibits attached thereto if and when required, *provided, however,* that, without further authorization from the governing body of the Lessee, (a) the aggregate principal component of Rent Payments under all Leases entered into pursuant to the Master Lease shall not exceed \$1,326,000 00, (b) the maximum term under any Lease entered into pursuant to the Master Lease shall not exceed 10 years, and (c) the maximum interest rate used to determine the interest component of Rent Payments under each Lease shall not exceed the lesser of the maximum rate permitted by law or five percent (5%) per annum

Section 3 The Authorized Officers and other officers and employees of the Lessee shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Master Lease and each Lease Schedule (including, but not limited to, the execution and delivery of the certificates contemplated therein, including appropriate arbitrage certifications) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Master Lease, the Lease Schedule and the Escrow Agreement

Section 4 If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution

Section 5 Effective Date This Resolution shall be effective immediately upon its approval and adoption

Section 6 Reserved

ADOPTED AND APPROVED by the Board of the Lessee this _____, 20__

The undersigned further certifies that the above Resolution has not been repealed or amended and remains in full force and effect and further certifies that the Master Lease (including the form of Lease Schedule, Payment Schedule and Escrow Agreement attached thereto) are the same as presented at said meeting of the governing body of Lessee, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same

Date _____, 20__

[SEAL]

(Secretary/Clerk)

INSURANCE COVERAGE DISCLOSURE

PNCEF, LLC, dba PNC Equipment Finance, LESSOR

Mount Diablo Unified School District, LESSEE

RE INSURANCE COVERAGE REQUIREMENTS

1 In accordance with the Lease Schedule dated November 24, 2010, to the Master Equipment Lease-Purchase Agreement dated November 24, 2010 and identified in the Lease Schedule Lessee certifies that it has instructed the insurance agent named below (please fill in name, address and telephone number)

to issue

a All Risk Physical Damage Insurance on the leased Equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming PNCEF, LLC, dba PNC Equipment Finance and/or its assigns as Lender Loss Payee

Coverage Required Termination Value Specified

b Public Liability Insurance evidenced by a Certificate of Insurance naming PNCEF, LLC, dba PNC Equipment Finance and/or its assigns as an Additional Insured

Minimum Coverage Required

- \$1,000,000 00 per person
- \$2,000 000 00 aggregate bodily injury liability
- \$1,000,000 00 property damage liability

Proof of insurance coverage will be provided to PNCEF, LLC, dba PNC Equipment Finance, 995 Dalton Avenue, Cincinnati, OH 45203, prior to the time that the property is delivered to Lessee

OR

2 Pursuant to the Master Lease, Lessee represents and warrants, in addition to other matters under the Lease, that it is lawfully self-insured as more fully described in the attached letter

Lessee Mount Diablo Unified School District

By _____

Name Dr Steven Lawrence Title Superintendent

INSURANCE INFORMATION

Please provide the following information to your insurance company to help expedite receipt of the necessary coverage

ITEMS WHICH NEED TO BE REFLECTED ON INSURANCE CERTIFICATE

- PNCEF, LLC, dba PNC EQUIPMENT FINANCE MUST BE NAMED LENDER LOSS PAYEE AND ADDITIONAL INSURED
- 30 Days Notice of Cancellation
- Not Less than \$2,000,000 00 limits on liability
- Certificate must reflect a short equipment description
- Certificate must reflect an expiration date

Certificate Holder Information

PNCEF, LLC, dba PNC Equipment Finance,
its successors and/or all assigns
995 Dalton Avenue
Cincinnati, OH 45203

Please send a FAX copy of certificate to Sandra Thomas at (800)678 -0602

The original should be mailed to the same at

PNCEF, LLC, dba PNC Equipment Finance
995 Dalton Avenue
Cincinnati, OH 45203

Please call 614-463-6578, if you have any questions

SELF-INSURANCE LETTER

[TO BE TYPED ON LESSEE'S LETTERHEAD]

[Date]

PNCEF, LLC, dba PNC Equipment Finance
995 Dalton Avenue
Cincinnati, OH 45203

Re Master Equipment Lease-Purchase Agreement
dated as of November 24, 2010 and Lease Schedule thereto dated November 24,
2010

Ladies and Gentlemen

Under the above-referenced Lease Schedule, Mount Diablo Unified School District, as lessee ("*Lessee*"), is required to maintain certain insurance policies with respect to the Equipment subject thereto, *provided* that insurance policies are not required if Lessee has an actuarially sound self-insurance program that is acceptable to PNCEF, LLC, dba PNC Equipment Finance. This letter is for the purpose of describing Lessee's self-insurance program.

[Describe self-insurance program for property damage - whether a self-insurance fund or contingency fund is maintained, and whether there is an excess policy in which case an insurance authorization letter must be attached]

[Describe self-insurance program for public liability risks - whether a self-insurance fund or contingency fund is maintained, whether the Lessee's public liability exposure is capped pursuant to a Tort Claims Act, and whether the Lessee maintains an excess liability policy, in which case an insurance authorization letter must be attached]

Please do not hesitate to contact me if you have any questions concerning the self-insurance described in this letter.

Very truly yours,

Mount Diablo Unified School District, as
Lessee

By _____
Name _____
Title _____

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("*Escrow Agreement*") is made as of November 24, 2010 by and among PNCEF, LLC, DBA PNC EQUIPMENT FINANCE ("*Lessor*"), Mount Diablo Unified School District ("*Lessee*") and U S BANK NATIONAL ASSOCIATION, as escrow agent ("*Escrow Agent*")

Lessor and Lessee have heretofore entered into that certain Master Equipment Lease-Purchase Agreement dated as of November 24, 2010 (the "*Master Lease*") and a Lease Schedule 138468000 thereto dated November 24, 2010 (the "*Schedule*" and, together with the terms and conditions of the Master Lease incorporated therein, the "*Lease*") The Lease contemplates that certain equipment described therein (the "*Equipment*") is to be acquired from the vendor(s) or manufacturer(s) thereof After acceptance of the Equipment by Lessee, the Equipment is to be leased by Lessor to Lessee pursuant to the terms of the Lease

The Lease further contemplates that Lessor will deposit an amount equal to the anticipated aggregate acquisition cost of the Equipment (the "*Purchase Price*"), being \$1,326,000 00, with Escrow Agent to be held in escrow and applied on the express terms set forth herein Such deposit, together with all interest and other additions received with respect thereto (hereinafter the "*Escrow Fund*") is to be applied to pay the vendor(s) or manufacturer(s) of the Equipment (the "*Vendor*") its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the Equipment by Lessee)

The parties desire to set forth the terms on which the Escrow Fund is to be created and to establish the rights and responsibilities of the parties hereto

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10 00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1 (a) Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein (b) The moneys and investments held in the Escrow Fund are irrevocably held in trust for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor Lessor, Lessee and Escrow Agent intend that the Escrow Fund constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor have a security interest in the Escrow Fund, and such security interest is hereby granted by Lessee to secure payment of all sums due to Lessor under the Lease For such purpose, Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Escrow Fund, the Lessor's interest therein

2 On such day as is determined to the mutual satisfaction of the parties (the “*Closing Date*”), Lessor shall deposit with Escrow Agent cash in the amount of the Purchase Price, to be held in escrow by Escrow Agent on the express terms and conditions set forth herein

On the Closing Date, Escrow Agent agrees to accept the deposit of the Purchase Price by Lessor, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto, as the Escrow Fund hereunder, in escrow on the express terms and conditions set forth herein

3 Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the Escrow Fund from time to time shall be held or registered in the name of Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Lessor)

4 The cash comprising the Escrow Fund from time to time shall be invested and reinvested by Escrow Agent in one or more investments as directed by Lessee in Exhibit 1. Escrow Agent will use due diligence to collect amounts payable under a check or other instrument for the payment of money comprising the Escrow Fund and shall promptly notify Lessee and Lessor in the event of dishonor of payment under any such check or other instruments. Interest or other amounts earned and received by Escrow Agent with respect to the Escrow Fund shall be deposited in and comprise a part of the Escrow Fund

5 Upon request by Lessee and Lessor, Escrow Agent shall send monthly statements of account to Lessee and Lessor, which statements shall set forth all withdrawals from and interest earnings on the Escrow Fund as well as the investments in which the Escrow Fund is invested

6 Escrow Agent shall take the following actions with respect to the Escrow Fund

(a) Upon Escrow Agent’s acceptance of the deposit of the Purchase Price, an amount equal to Escrow Agent’s set-up fee, as set forth on Exhibit 2 hereto, shall be disbursed from the Escrow Fund to Escrow Agent in payment of such fee

(b) From time to time, Escrow Agent shall pay to the Vendor of the Equipment payments then due and payable with respect thereto upon receipt of duly executed Requisition Request and Certificate of Acceptance form attached as Exhibit 3 hereto, subject to Lessor’s prior written approval of each such Requisition Request and Certificate of Acceptance

(c) If an Event of Default or Non-Appropriation Event occurs under the Lease prior to the Lessee’s acceptance of all the Equipment or to the extent that funds have not been disbursed from the Escrow Fund within the eighteen-month period identified in the Lease, funds then on deposit in the Escrow Fund shall be applied to the prepayment of Rent Payments under the Lease as instructed by Lessor

(d) Upon receipt by Escrow Agent of written notice from Lessor that the purchase price of the Equipment has been paid in full, Escrow Agent shall apply the then remaining Escrow Fund, first, to all outstanding fees and expenses incurred by Escrow Agent in connection herewith as evidenced by its statement forwarded to Lessor and Lessee, and, second, to Lessor for application against the interest component of Rent Payments under the Lease as provided therein, unless otherwise agreed by Lessor

7 The fees and expenses, including any legal fees, of Escrow Agent incurred in connection herewith shall be the responsibility of Lessor. The basic fees and expenses of Escrow Agent shall be as set forth on Exhibit 2 hereto and Escrow Agent is hereby authorized to deduct such fees and expenses from the Escrow Fund as and when the same are incurred without any further authorization from Lessee or Lessor. Escrow Agent may employ legal counsel and other experts as it deems necessary for advice in connection with its obligations hereunder. Escrow Agent waives any claim against Lessor with respect to compensation hereunder.

8 Escrow Agent shall have no liability for acting upon any written instruction presented by Lessor in connection with this Escrow Agreement, which Escrow Agent in good faith believes to be genuine. Furthermore, Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own negligence, willful misconduct or bad faith. Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made by Escrow Agent.

9 Escrow Agent may resign at any time by giving thirty (30) days' prior written notice to Lessor and Lessee. Lessor may at any time remove Escrow Agent as Escrow Agent under this Escrow Agreement upon written notice. Such removal or resignation shall be effective on the date set forth in the applicable notice. Upon the effective date of resignation or removal, Escrow Agent will transfer the Escrow Fund to the successor Escrow Agent selected by Lessor.

10 This Escrow Agreement and the escrow established hereunder shall terminate upon receipt by Escrow Agent of the written notice from Lessor specified in Section 6(c) or Section 6(d) hereof.

11 In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with or for any moneys involved herein or affected hereby, Escrow Agent shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing Escrow Agent may refrain from making any delivery or other disposition of any moneys involved herein or affected hereby and in so doing Escrow Agent shall not be or become liable to the undersigned or any of them or to any person or party for its failure or refusal to comply with such conflicting or adverse demands, and Escrow Agent shall be entitled to continue so to refrain and refuse so to act until

(a) the rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the moneys involved herein or affected hereby, or

(b) all differences shall have been adjusted by agreement and Escrow Agent shall have been notified thereof in writing signed by all of the persons interested

12 All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other party if delivered (a) personally, (b) by United States registered or certified mail, return receipt requested, postage prepaid, (c) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available, or (d) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing

13 This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Lessor

14 This Escrow Agreement shall be governed by and construed in accordance with the laws in the state of the Escrow Agent's location. This Escrow Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties

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

PNCEF, LLC, dba PNC Equipment Finance, as Lessor

By _____
Name _____
Title _____

Address 995 Dalton Avenue
Cincinnati, OH 45203

Mount Diablo Unified School District, as Lessee

By _____
Name Dr Steven Lawrence
Title Superintendent

Address 1936 Carlotta Drive
Concord, CA 94519

U S BANK NATIONAL ASSOCIATION, as Escrow
Agent

By _____
Name _____
Title _____

Address 10 W Broad St , 12th Floor
CN OH BD12
Columbus, OH 43215

EXHIBIT 1

INVESTMENT DIRECTION LETTER

U S Bank National Association
10 W Broad Street 12th Floor
CN OH BD12
Columbus, OH 43215

Re Escrow Agreement dated as of November 24, 2010,
among PNCEF, LLC, dba PNC Equipment Finance as Lessor
Mount Diablo Unified School District as Lessee, and
U S Bank National Association, as Escrow Agent

Ladies and Gentlemen

Pursuant to the above-referenced Escrow Agreement, \$1,326,000.00 will be deposited in escrow with you on or about November 24, 2010. Such funds shall be invested in one or more of the following qualified investments in the amounts indicated.

	PLEASE CHECK DESIRED QUALIFIED INVESTMENTS	AMOUNT OF INVESTMENT
1	<input type="checkbox"/> Direct general obligations of the United States of America,	\$ _____
2	<input type="checkbox"/> Obligations – the timely payment of the principal of and interest on which is fully and unconditionally guaranteed by the United States of America,	\$ _____
3	<input type="checkbox"/> General obligations of the agencies and instrumentalities of the United States of America acceptable to Lessor,	\$ _____
4	<input type="checkbox"/> Money market funds whose investment parameters target investments in securities as described above,	\$ _____

IF NONE OF THE ABOVE BOXES ARE CHECKED, INVESTMENT SHALL BE MADE IN MONEY MARKET FUNDS AS DESCRIBED IN THE FOURTH CATEGORY ABOVE, UNTIL LESSEE DIRECTS OTHERWISE

Very truly yours,

MOUNT DIABLO UNIFIED SCHOOL DISTRICT, AS LESSEE

By _____
Name Dr. Steven Lawrence
Title Superintendent

**U.S. BANK NATIONAL ASSOCIATION
MONEY MARKET ACCOUNT
DESCRIPTION AND TERMS**

The U S Bank Money Market account is an U S Bank National Association (“U S Bank”) interest-bearing time deposit account designed to meet the needs of U S Bank’s Corporate Trust Services Escrow Group and other Corporate Trust customers of U S Bank. Selection of this investment includes authorization to place funds on deposit with U S Bank.

U S Bank uses the daily balance method to calculate interest on this account (actual/365 or 366) by applying a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates are determined at U S Bank’s discretion, and may be tiered based on customer deposit amount.

The owner of the account is U S Bank as Agent for its trust customers. U S Bank’s trust department performs all account deposits and withdrawals. The deposit account is insured by the Federal Deposit Insurance Corporation up to \$100,000.

AUTOMATIC AUTHORIZATION

In the absence of specific written direction to the contrary, U S Bank is hereby directed to invest and reinvest proceeds and other available moneys in the U S Bank Money Market Account.

Mount Diablo Unified School District
Company Name

Signature of Authorized Directing Party

Trust Account Number – includes existing
and future sub-accounts unless otherwise directed

Superintendent
Title / Date

EXHIBIT 2

ESCROW AGENT FEES AND EXPENSES

SET-UP FEES

\$ 0.00 payable from the Escrow Fund upon acceptance of escrow deposit

EXPENSES

Any and all out-of-pocket expenses incurred by Escrow Agent will be the responsibility of Lessor

EXHIBIT 3

REQUISITION REQUEST AND CERTIFICATE OF ACCEPTANCE NO. _____
(to be submitted with each requisition request for payment to the vendor)

-or-

____ (√) FINAL REQUISITION REQUEST AND CERTIFICATE OF ACCEPTANCE
(to be submitted with the final requisition request upon acceptance of the Equipment)

The Escrow Agent is hereby requested to pay from the Escrow Fund established and maintained under that certain Escrow Agreement dated as of November 24, 2010 (the "Escrow Agreement") by and among PNCEF, LLC, dba PNC Equipment Finance (the "Lessor"), Mount Diablo Unified School District (the "Lessee"), and U S Bank National Association (the "Escrow Agent"), the amount set forth below to the named payee(s) The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to Lessee) with respect to equipment being leased under that certain Master Equipment Lease-Purchase Agreement dated as of November 24, 2010 (the "Master Lease") and Lease Schedule 138468000 thereto dated November 24, 2010 (the "Schedule" and, together with the terms and conditions of the Master Lease incorporated therein, the "Lease"), by and between the Lessor and the Lessee, and has not formed the basis of any prior requisition request

PAYEE	AMOUNT

Total requisition amount \$ _____

The undersigned, as Lessee under the Lease hereby certifies

1 The items of the Equipment, as such term is defined in the Lease, fully and accurately described on the Equipment List attached hereto have been delivered and installed at the location(s) set forth therein

2 A present need exists for the Equipment which need is not temporary or expected to diminish in the near future The Equipment is essential to and will be used by the Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority

3 The estimated useful life of the Equipment based upon the manufacturer's representations and the Lessee's projected needs is not less than the Lease Term of lease with respect to the Equipment

4 The Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes as of the date of this Certificate

5 The Equipment is covered by insurance in the types and amounts required by the Lease

6 No Event of Default or Non-Appropriation Event, as each such term is defined in the Lease, and no event which with the giving of notice or lapse of time, or both, would become such an Event of Default or Non-Appropriation Event has occurred and is continuing on the date hereof

7 Sufficient funds have been appropriated by the Lessee for the payment of all Rent Payments due under the Lease during Lessee's current fiscal year

8 Based on the foregoing, Lessor is hereby authorized and directed to fund the acquisition of the Equipment set forth on the Equipment List by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices

9 The following documents are attached hereto and made a part hereof

(a) Original Invoice(s),

(b) Copies of Certificate(s) of Origin designating Lessor as lienholder if any part of the Equipment consists of motor vehicles, and evidence of filing, and

(c) Requisition for Payment

10 If this is the final acceptance of Equipment, then as of the Acceptance Date stated below and as between the Lessee and the Lessor, the Lessee hereby agrees that (a) the Lessee has received and inspected all of the Equipment described in the Lease, (b) all Equipment is in good working order and complies with all purchase orders, contracts and specification, (c) the Lessee accepts all Equipment for purposes of the Lease "as-is, where-is", and (d) the Lessee waives any right to revoke such acceptance

If Lessee paid an invoice prior to the commencement date of the Lease and is requesting reimbursement for such payment, also attach a copy of evidence of such payment together with a copy of Lessee's Declaration of Official Intent and other evidence that Lessee has satisfied the requirements for reimbursement set forth in Treas Reg §1 150-2

Acceptance Date _____

Mount Diablo Unified School District
as Lessee

By _____

Name _____

Title _____

Date _____

PNCEF, LLC, dba PNC Equipment Finance,
as Lessor

By _____

Title _____

Date _____

INFORMATION REQUEST

LESSEE NAME Mount Diablo Unified School District

FEDERAL TAX I D # 68-0091157

BILLING ADDRESS

Billing Contact

Street Address or Post Office Box

City, State and Zip

Phone Number

Fax Number

PHYSICAL ADDRESS (IF DIFFERENT)

Street Address or Post Office Box

City, State and Zip

Require Board Approval for Payments? Yes No

Board Meeting Date? _____

Require signed vouchers for payments? Yes No

We typically mail our invoices 30 days in advance. Taking into account a 7-day mail period, do you foresee any problem that would prevent the payment from being received on or before the due date?

Yes No

Please list any special instructions below

10-0274 RCVD DEC 2'10

2 LEASE PAYMENT SCHEDULE
 (a) Total Amount Financed \$ 1,326,000 00
 (b) Payment Schedule

Rent Payment Number	Rent Payment Date	Rent Payment Amount	Interest Portion	Principal Portion	Termination Value *
1	5/24/2011	104,996 32	18,630 30	86,366 02	1,264,426 66
2	11/24/2011	104,996 32	17,416 86	87,579 46	1,175,095 61
3	5/24/2012	104,996 32	16,186 37	88,809 95	1,084,509 46
4	11/24/2012	104,996 32	14,938 59	90,057 73	992,650 58
5	5/24/2013	104,996 32	13,673 28	91,323 04	899,501 08
6	11/24/2013	104,996 32	12,390 19	92,606 13	805,042 82
7	5/24/2014	104,996 32	11,089 07	93,907 25	709,257 43
8	11/24/2014	104,996 32	9,769 67	95,226 65	612,126 25
9	5/24/2015	104,996 32	8,431 74	96,564 58	513,630 37
10	11/24/2015	104,996 32	7,075 01	97,921 31	413,750 64
11	5/24/2016	104,996 32	5,699 21	99,297 11	312,467 59
12	11/24/2016	104,996 32	4,304 09	100,692 23	209,761 51
13	5/24/2017	104,996 32	2,889 36	102,106 96	105,612 41
14	11/24/2017	104,996 32	1,454 74	103,541 58	1 00

MOUNT DIABLO UNIFIED SCHOOL DISTRICT,
 AS LESSEE

PNCEF, LLC, DBA PNC EQUIPMENT FINANCE,
 AS LESSOR

By _____
 Name Dr Steven Lawrence
 Title Superintendent

By _____
 Name _____
 Title _____

* Assumes all Rent Payments and other amounts due on and prior to that date have been paid