



Board of Trustees
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September 1, 2017

TO: Members of the Finance/Facilities/Technology Committee

FR: Ellen N. Doughty, Interim Clerk of the Board

RE: **September 1, 2017 Finance/Facilities/Technology Committee Meeting**

The University of Maine

University of Maine
at Augusta

University of Maine
at Farmington

University of Maine
at Fort Kent

University of Maine
at Machias

University of Maine
at Presque Isle

University of
Southern Maine

The Finance/Facilities/Technology Committee will meet from **9:00 am to 12:00 pm on September 1, 2017**. The meeting will be located at the University of Maine System Executive Offices, Rudman Conference Room, 253 Estabrooke Hall, 15 Estabrooke Drive in Orono. In addition to the Estabrooke Hall location, the following Polycom locations will also be available:

- UMA – 125 Robinson Hall
- UMA Bangor Campus – 119 Lewiston Hall
- UMF – Executive Conference Room 103, Merrill Hall
- UMFK – Alumni Conference Room
- UMPI – Executive Conference Room, Preble Hall
- USM – 211 Wishcamper Center

Refreshments will be provided at the UMS and the USM locations. The meeting materials will be posted to the Diligent Board Portal as well as the Board of Trustees website (<http://www.maine.edu/about-the-system/board-of-trustees/meeting-agendas/finance-facilities-committee/>).

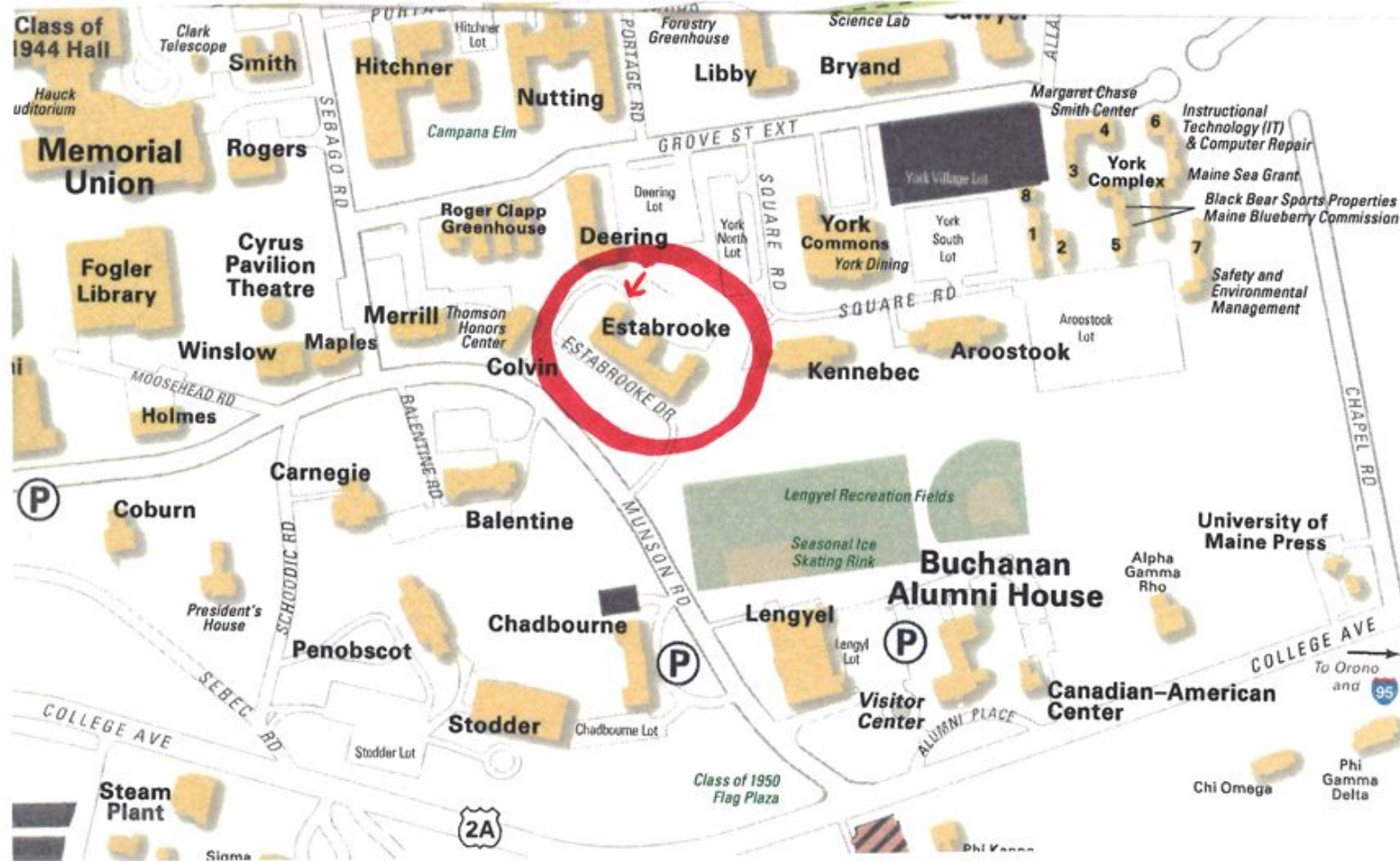
If you have questions about the meeting arrangements or accessing the meeting materials, please call me at 581-5840. If you have any questions or desire additional information about the agenda items, please call Ryan Low at 581-1541.

- cc: James Page, Chancellor
Trustees who are not members for the FFT Committee
Presidents
Robert Neely
Ryan Low
David Demers
Tracy Elliott
Chip Gavin
Miriam White

University of Maine System

15 Estabrooke Drive, Orono

Rudman Conference Room
253 Estabrooke Hall, 2nd Floor
15 Estabrooke Drive, Orono



Directions to the UMS located on the UMaine Campus

From the South on I-95: take exit 191 to Kelly Road and turn right. Continue on Kelly Road for 1 mile until you reach the traffic light, then turn left onto Route 2 and go through downtown Orono. Cross the river. Turn left at the lights onto College Avenue. Buchanan Alumni House will be the first campus-related building on your right. Right after the Buchanan Alumni House, take a right onto Muson Road. Estabrooke Hall is the building on the right after Lengyel.

From the North on I-95: take exit 191 to Kelly Road and turn left. Continue on Kelly Road for 1 mile until you reach the traffic light, then turn left onto Route 2 and go through downtown Orono. Cross the river. Turn left at the lights onto College Avenue. Buchanan Alumni House will be the first campus-related building on your right. Right after the Buchanan Alumni House, take a right onto Muson Road. Estabrooke Hall is the building on the right after Lengyel.

The UMS is located on the 2nd floor of Estabrooke Hall. Enter Estabrooke Hall from the back of the building, the entrance closes to Deering Hall.

Board of Trustees

Finance, Facilities & Technology Committee

September 1, 2017, 9:00 am to 12:00 pm
Rudman Conference Room, 253 Estabrooke Hall, Orono

AGENDA

- | | |
|----------|---|
| 9:00 am | Technology Items |
| TAB 1 | Review of Projects with a Value of \$250,000 or Greater |
| 9:30 am | Finance Items |
| TAB 2 | Unified Budget – Implementation Plan Update |
| TAB 3 | FY2018 Finance, Facilities & Technology Committee Work Plan Review & Discussion |
| TAB 8 | Master Lease Financing Services |
| 10:00 am | Break |
| 10:15 am | Facilities Items |
| TAB 4 | Schematic Design Engineering Education and Design Center, UM |
| TAB 5 | Property Removal, UMPI |
| TAB 6 | Capital Projects Status Report |
| TAB 7 | Lease and Real Estate Report |

Action items within the Committee purview are noted in green.

Items for Committee decisions and recommendations are noted in red.

Note: Times are estimated based upon the anticipated length for presentation or discussion of a particular topic.

An item may be brought up earlier or the order of items changed for effective deliberation of matters before the Committee.



AGENDA ITEM SUMMARY




1. **NAME OF ITEM:** Review of Projects with a Value of \$250,000 or Greater
2. **INITIATED BY:** Norman L. Fournier, Chair
3. **BOARD INFORMATION:** X **BOARD ACTION:**
4. **OUTCOME:** **BOARD POLICY:**
5. **BACKGROUND:**

David Demers, Chief Information Officer, will provide information on the following projects with a value of \$250,000 or greater:

- Classrooms for the Future
- MaineStreet Improvements
- UMS Wireless Infrastructure
- Residence Hall Wireless – USM
- VoIP (Telecommunications) for UMaine
- HR Upgrade

Status Update – August 2017

Classrooms for the Future

Overall status:		Change from previous report:	None
Budget status:		Change from previous report:	None
Schedule status:		Change from previous report:	None

Overview

This project will involve renovations to existing classrooms across the entire University of Maine System. The project team will focus on the data obtained during the earlier classroom assessment phase and resulting classroom ratings in order to prioritize work at each campus. The team will also develop standards for equipment in all classrooms. Vendors will be used for the larger renovations and campus services/classroom technology staff will be used for minor renovations and upgrades. Once the rooms have been updated, they will be re-assessed and scored accordingly.

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Est. Budget	Budget Expended/ Encumbered to Date	Project % Complete	Comments
4/16	Dick Thompson	12/2018	12/2018	\$3,836,000	\$2,393,518	62%	

Status

Classroom technology upgrades have been scheduled and work is underway with three outside vendors and internal resources. Facilities related work is wrapping up in many of the classrooms, and new classroom furniture has started to arrive.

After action reviews will take place with project stakeholders in order to improve on current processes. A project plan and timeline has been started for Summer 2018 upgrades, and campus engagements will begin in September 2017 for feedback on future upgrades.

Summary by Campus and Classroom Project

Reference: [Campus Room Renovations](#)

Campuses	Rooms By Project Setup	% Complete	Campus Budget Allocation	% Committed to Date**	Budget Balance
UMA	Music Arts 124	100%	\$517,860	46%	\$278,860
	RRSC 246 & 255	48%			
	RRSC 248	69%			
	UC Bath/Brunswick 114	95%			
	UC Norway SoPar 114 & 206	95%			
	UC Saco 111	99%			
	UC Ellsworth 2 & 7	89%			
	UC Rockland 410 & 413	92%			
	Jewett 124, 180, 189	43%			
Jewett 190 & 291	92%				
UMF	Roberts 205 & 207	94%	\$329,896	80%	\$64,896
	Roberts C23	63%			
	Ricker Addition 202, 205	91%			

	Roberts C23	63%			
	Roberts 131	94%			
	Ricker Addition 217	48%			
	Preble 117	76%			
	Roberts 105, 107, 201, 203, 305	48%			
	South 115	48%			
	Education Center 6 & 113	48%			
UMaine	Shibles 202	100%	\$1,515,220	50%	\$758,020
	DPC 105	90%			
	Neville 101	100%			
	Estabrook 130	91%			
	Estabrook 152	48%			
	Bennett 215	48%			
	Dunn 316	89%			
	Dunn 315	77%			
	South Stevens 106D	48%			
	DPC 107, 115, 117	95%			
	Boardman 116, 118	48%			
	Shibles 217, 313, 316	97%			
	Nutting 100	49%			
	Aubert 354	51%			
	Hitchner 157	73%			
	Jeness 102, 104, 108	83%			
	Lengyel 127	61%			
	Libby 220	61%			
	Little 110 & 120	49%			
	Little 202, 206, 220	74%			
	Lord 200	48%			
	Colvin 401	61%			
	Memorial Gym Complex 106 & 110 (ROTC Army)	97%			
	Merrill 228a	61%			
	Murray 102 & 106	61%			
	N Stevens 235	61%			
	Rogers 206	61%			
	ROTC Navy 201 & 203	48%			
	Deering 101c	61%			
	Barrows 123, 131, 133	88%			

	Balentine 129	97%			
UMM	Torrey Hall 230, 232, 234	100%	\$95,900	92%	\$7,650
	Powers 209	48%			
	Science 102, 114 & 120	48%			
UMFK	Powell 123	90%	\$145,768	100%	\$0
	Cyr 113	90%			
	Old Model School 11	48%			
	Cyr 200 & 201	48%			
UMPI	Folsom 206	80%	\$157,276	59%	\$64,276
	Houlton 105 & 125	49%			
	Pullen 113, 212, 216	49%			
	Folsom 204 & 205	49%			
USM	Bailey 405	53%	\$1,074,080	75%	\$268,780
	John Mitchell 217	48%			
	Payson Smith 301A	76%			
	LB 103	48%			
	Masterson 113	94%			
	Bailey 208	54%			
	Bailey 10, S113, 201, 202, 204, 205, 206, 207, S213, S215, 218, S312, S313, 315, L319, 320, L321, C402, C403, C404, 408, StudyRm1, StudyRm6	48%			
	Corthell 112, 211, 212	48%			
	John Mitchell 151, 164, 181, 233, 235, 242, 252, 265, 270	48%			
	LAC 210, 211, 212, 214, 216, 218, 224	48%			
	LB 208, 209, 241, 302, 303, 310, 326, 327, 402, 403, 410, 424, 425, 502, 503, 509, 510, 523, 524	93%			
	Payson Smith 1, 41, 42, 44, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 211, 303, 304, 306	48%			
	Wishcamper 103, 113, 417, 419/427	33%			
	Science 203, 403	48%			




** This includes classrooms that have budgets created with work to be performed this summer.

Risks

- Renovations and improvements to classrooms are limited to summer and school breaks. In addition, vendors need advance notice to schedule larger renovations due to the competitive nature of this work and the lead time for ordering equipment.
- Wireless and network infrastructure will not be upgraded in classrooms at UMPI, UMFK and UMF.

Status Update - June 2017

MaineStreet Improvements

Overall status:		Change from previous report:	None
Budget status:		Change from previous report:	None
Schedule status:		Change from previous report:	None

Overview

This project will engage with faculty and students to find ways to improve their experience working with MaineStreet including bringing MaineStreet functions to mobile platforms, which can subsequently be extended to a variety of uses. We also will engage with decision makers in the One University initiative to discover and understand changes in business process that will need support in MaineStreet. Once these changes have been identified, we will work with affected functional areas to plan, implement, and test the specific MaineStreet changes that are required.

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Estimated Budget	Budget Expended to Date	Project % Complete	Comments
4/2016	John Grover	2019	2019	\$2,000,000	\$32,400	15%	

Status

Faculty and student focus groups will be conducted at each campus during the week of 9/18. The purpose of the focus group sessions is to collect direct input from faculty and students about their MaineStreet experience and about how a mobile app can improve MaineStreet functions essential to them. The sessions will also help the project team gain an understanding of each campus’s readiness to embrace a mobile app. BerryDunn will facilitate the sessions, and project team representatives will partner with BerryDunn to answer questions.

BerryDunn conducted consultations with peer institutions that implemented similar PeopleSoft improvement projects. The purpose of the research was to gather implementation advice and lessons learned from the institutions, and learn about the functional and technical requirements that guided their projects.

The project team will soon meet with IT staff from UMass who recently partnered with GreyHeller to implement a PeopleSoft mobile solution for students at the Boston, Dartmouth and Lowell campuses. Along with learning about UMass’s implementation approach and lessons learned, the intent is to gain advice about utilizing a third party’s resources and tools during the implementation.

The RFP process to select a vendor that provides tools to enhance and streamline the PeopleSoft user experience along with enabling mobile access will kick-off late September. The requirements gathered via the surveys, faculty and student focus groups, and peer institution consultations will significantly inform the RFP process.

Recently Completed

- [Peer Institution Research Summary](#)
- Initial set of functional/technical requirements
- Faculty/Student survey - round one

In Progress

- Scheduling on-campus faculty and student focus groups.
- Scheduling consultation with UMass Lowell.
- Scheduling meetings with student administrative offices (Admissions, Financial Aid, Student Records, Bursar's, Advising...) to collect their input about MaineStreet improvements that might not be raised via the student surveys and focus groups.
- Faculty/Student surveys - round two

Risks

- A potential risk is the length of the RFP process planned for this fall, and its impact on the overall project schedule. To mitigate this potential risk, the project team began drafting the RFP document this summer so it will be ready to post late September.

Status Update – August 2017

UMS Wireless Infrastructure

Overall status:	■	Change from previous report:	None
Budget status:	■	Change from previous report:	None
Schedule status:	■	Change from previous report:	None

Overview

This project is a wireless technology connectivity Initiative to upgrade wireless service and associated cabling and equipment at all campuses to bring wireless capacity to gigabit speeds to support learning and living spaces.\

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Estimated Budget	Budget Expended to Date	Project % Complete	Comments
4/2016	Jeffrey Letourneau			\$10,500,000	\$4,810,860	40%	

Status

New networks are nearly completed in the residence halls at UMFK, UMPI, and UMF (except Scott Halls to be completed next summer). In addition, academic buildings have been upgraded at UMM, UMA and USM and are underway at UM. The table below summarizes the buildings where work has been completed or is currently being executed or planned as well as the percent of the campus allocation that is committed to the current work (based on estimates).

Over the next few months, the project team will shift focus to the UM and USM campuses as much of the work that has been completed to date has been on the other campuses.

[Link to project summary report in Smartsheet](#)

Completed	Partially Completed (On Hold/In Close-out) ¹	Installation & Deployment Scheduled / In Progress ²	Planning	% Allocation Committed ³
University of Maine at Augusta				
Lewiston Katz Jewett Randall Eastport Camden Belfast Civic Center			Bangor Hall College Center	100%
University of Maine at Farmington				
Mantor Library		Dakin (92% complete) Black (90% complete) Mallett (83% complete) Lockwood (86% complete) Purington (77% complete) Stone (98% complete) Fiber Infrastructure Upgrades	Scott North Scott West Scott South	95%
University of Maine at Fort Kent				
	Powell	The Lodge (90% complete) Crocker (90% complete)	Old Model School* Cyr* *networking to support Classrooms for the Future only Fiber Infrastructure	100%

			Upgrades	
University of Maine at Machias				
Torrey Hall / Merrill Library		Reynolds (95% complete) Powers (95% complete) Science (95% complete) Dorward (70% complete) Sennett (50% complete) Kilburn (8/14) *office/academic wings only – not residence rooms		100%
University of Maine				
Fogler Library Shibles Bennett Rogers Jeness	Winslow Aubert Neville	Boardman Bryand Global Science	Little Fernald	29%
University of Southern Maine				
Drawing Studio Print Studio Academy Building Law Building		Bailey (9/1) John Mitchell Center (55% complete) Wishcamper (60% complete)	Abromson Luther Bonney Payson-Smith Masterton Corthell Lewiston-Auburn Science Building Glickman Library Corthell Fiber Infrastructure Upgrades	18%
University of Maine at Presque Isle				
		Park (95% complete) Emerson(90% complete) Merriman (70% complete) Folsom-Pullen (60% complete)	Fiber Infrastructure Upgrades	90%

¹ Some work has been done in these buildings, but additional work will be needed to consider them completed or administrative close out in progress

² Dates are estimated start dates for cable installation & deployment – subject to change

³ Does not include buildings in “Planning”

Risks

- The project team is working closely with the Classrooms for the Future project team to coordinate efforts. Campus decisions to prioritize upgrades in residence halls over classroom buildings may negatively impact the Classrooms for the Future project.
- Many of the buildings require modifications by Facilities Management prior to network installation. The project team is working with each campus to plan this work. Resource availability and scheduling for this work may cause project delays.
- A risk to perceived success is unreasonable stakeholder expectations. Although a ubiquitous system-wide upgrade is needed, this project will only partially meet that need given the constraints of limited resources (schedule, budget, staffing, construction limitations, and coordination with other campus resources).
- Many buildings have network infrastructure that will need to be upgraded before new wireless networks can be installed. In some cases, this may include new fiber installation and/or the need for facility renovations.

- The phased funding approach will necessitate maintaining two separate WiFi networks on most if not all campuses driving up the ongoing operational costs and efforts for US:IT while creating inconsistent wireless service levels building to building on the campuses.
- There are a large number of factors and variables that will affect this project's timeline. There are other sizeable projects taking place at the same time. Another factor affecting the timeline will be the coordination among involved entities in setting priorities and timing.

Status Update - August 2017**USM Residence Hall Wireless Project**

Overall status:	■	Change from previous report:	None
Budget status:	■	Change from previous report:	None
Schedule status:	■	Change from previous report:	None

Overview

This project will install and implement wireless services in six residence halls at USM. This project will address this issue for USM using the latest in technology and with necessary wiring upgrades to support the service, providing needed high quality student experience and seamless access to a growing online environment.

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Estimated Budget	Budget Expended to Date	Project % Complete	Comments
9/15	Dick Thompson	8/16	8/16	\$1,900,000	\$1,821,713	100%	




Status

This project is complete and closed.

Risks

Status Update - August 2017

HR Upgrade

Overall status:		Change from previous report:	None
Budget status:		Change from previous report:	None
Schedule status:		Change from previous report:	None

Overview

This project will upgrade the UMS PeopleSoft (MaineStreet) Human Capital Management (HCM) system from version 9.1 to version 9.2, the HCM PeopleTools from version 8.53 to version 8.55. The upgrade will maintain Oracle compliance and continued support of the system. To expedite and achieve economies of scale, the project will also cover improvements in interfaces and systems that support the Benefits and Payroll Center of Excellence.

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Estimated Budget	Budget Expended to Date	Project % Complete	Comments
6/2017	John Grover	Spring 2018	Spring 2018	\$850,000	\$0	5%	

Status

The project kick-off was conducted during the week of July 10. The project charter is completed and a baseline project plan is about to be finalized.

ERP Analysts (ERPA) are leading a fit-gap analysis effort to compare existing HR processes in version 9.1 with delivered processes in version 9.2. The fit-gap analysis also involves determining which previously implemented customizations can be retired and replaced by new functionality in version 9.2.

Recently Completed

- Project Kick-off
- Setup demonstration copy of HR version 9.2 to be used for the HR functional team’s review. This is a copy of HR version 9.2 as it is delivered from Oracle with sample oracle data.

In Progress for Upgrade

- Fit/Gap Analysis
- Designing/building infrastructure
- Preparing for upgrade pass #1
- Developing testing plans

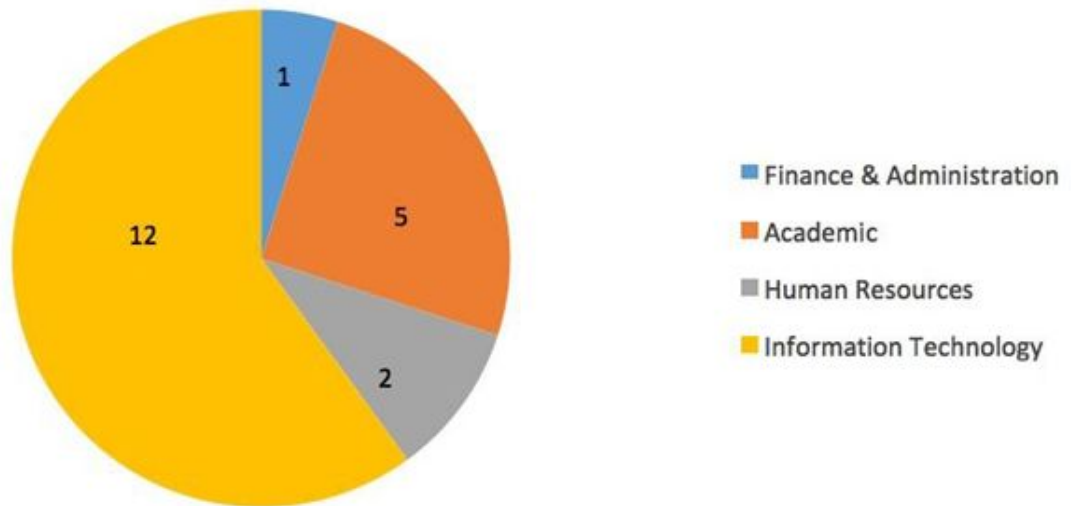
In Progress for Interfaces and System Improvements

- Leave of Absence module
- Comp Time module
- Automating I-9 form processing
- Retirement file interface
- Benefits billing automation
- Tuition waiver form automation
- Add Pay request automation
- POI form automation
- Personnel Action Form automation
- Enable Terminations process
- Roth IRA

Risks

- Availability of HR staff
- Delays in providing ERPA Group workstations and system access

US:IT ACTIVE PROJECTS



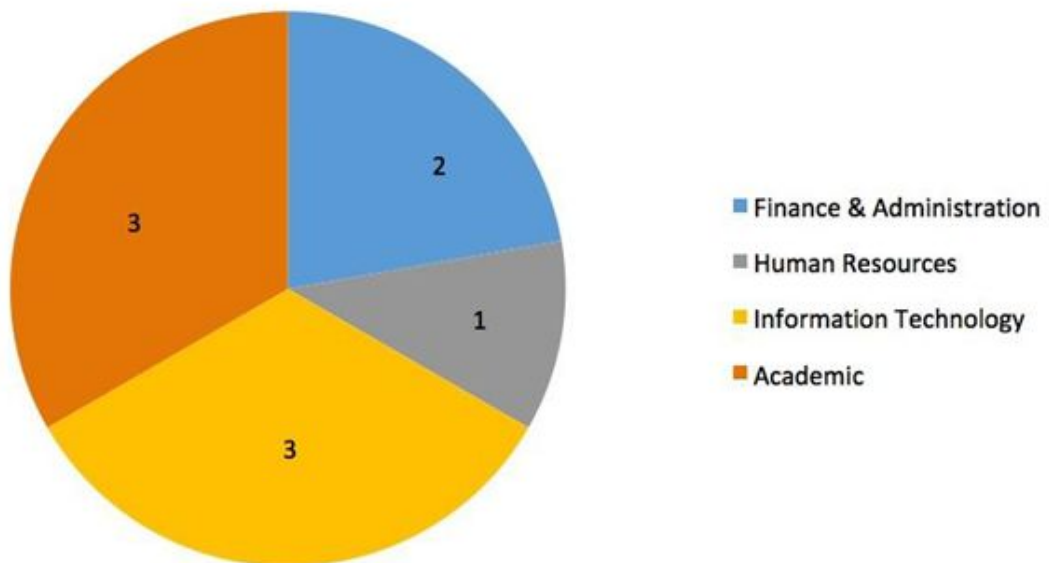
Finance & Administration Projects Total Budget = \$30,000

Academic Projects Total Budget = \$240,526

Human Resources Projects Total Budget = \$860,000

Information Technology Projects Total Budget = \$17,008,926

US:IT PROPOSED PROJECTS





AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Unified Budget – Implementation Plan Update
2. **INITIATED BY:** Norman L. Fournier, Chair
3. **BOARD INFORMATION:** X **BOARD ACTION:**
4. **OUTCOME:** **BOARD POLICY:**
5. **BACKGROUND:**

Vice Chancellor Low will provide a brief update of the Unified Budget Implementation Plan.

8/22/17



AGENDA ITEM SUMMARY

- 1. **NAME OF ITEM:** FY2018 Finance, Facilities & Technology Committee Work Plan Review and Discussion

- 2. **INITIATED BY:** Norman L. Fournier, Chair

- 3. **BOARD INFORMATION:** X **BOARD ACTION:**

- 4. **OUTCOME:** **BOARD POLICY:**

- 5. **BACKGROUND:**

Review and discussion of the Committee's FY2018 Work Plan.

8/23/17

University of Maine System
Board of Trustees

**Finance, Facilities & Technology Committee
Work Plan FY2018**

Standing Agenda

1. Finance, Facilities or Technology items requiring Committee and/or Board approval
2. Updates from staff on finance, facilities and technology informational items, as needed
3. Capital Projects Status Report (all projects requiring Committee and/or Board approval)
4. Major Technology Projects Status Report (all projects requiring Committee and/or Board approval)

Ad Hoc Agenda

- Periodic updates on Unified Finance and Administration
- Request for Appropriation (September meeting in even numbered years, November in odd numbered years)
- **Joint Meeting of the Audit Committee and the Finance/Facilities/Technology Committee** (late October/early November meeting)
 - External Auditor Report including Required Communications Letter and Summary of Audit Results
 - Presentation of the Annual Financial Report (Audited Financial Statements)
 - Update on Internal Audit
- Annual State of IT Report (February meeting)
- Sightlines Report on the status of the facilities portfolio (March meeting)
- First reading of the Annual Operating, Capital Budget and Tuition Charges (March meeting)
- Approval of Annual Operating Budget, Capital Budget and Tuition Charges (May meeting)
- Multi-Year Financial & Structural Gap Analysis (May meeting)
- Review of 5-year Capital Plan (May meeting)

Note: Items in red require a vote of the Committee

Informational Reports to the Board

Financial Update (Every Board Meeting)

Annual Report on Acquisition & Disposition of Real Property (September meeting)

Annual Report on Gifts, Fund Raising and Endowments (November meeting)

Current Fiscal Year-to-Date Forecast to Budget (November, March, and May meetings)

Maine Economic Improvement Fund Report (January meeting)

Student Financial Aid Report (January meeting)

State of IT Report (January meeting)

Sightlines Report (March meeting)

Student Charges Report (March meeting)

Multi-Year Financial Analysis (May meeting)

5-year Capital Plan (May meeting)

Meeting Schedule

The Committee meets six times during the year in advance of the Board of Trustees meetings. In March, the Committee meets to review, in depth, the Annual Operating Budget and Tuition Charges. When possible, a joint meeting with the Audit Committee is held in late October/early November to review the Auditor's findings and the Annual Financial Report. Additional meetings may be scheduled to discuss facilities and/or technology issues as needed.



AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Schematic Design Engineering Education and Design Center, UM
2. **INITIATED BY:** Norman L. Fournier, Chair
3. **BOARD INFORMATION:** **BOARD ACTION:** **X**
4. **OUTCOME:** **BOARD POLICY:**
 Improve Student Success & Completion 701 – Budgets-Operating & Capital
5. **BACKGROUND:**

The University of Maine System acting through the University of Maine requests authorization to expend up to a preliminary \$1 million to perform Schematic Design and related services for a new building expected to be known as the Engineering Education and Design Center (EEDC) on the Orono campus of the University of Maine.

This request is pursuant to Board policy 701, which requires projects with a total cost of more than \$500,000 to be considered by the Board of Trustees or its Finance, Facilities and Technology Committee. The request is also pursuant to Trustee policy prohibiting net increases in space without Trustee authorization. In this case, the request is to approve and to forward this matter to the consent agenda of the Board of Trustees.

Early estimates indicate the project may cost approximately \$80 million. The cost is expected to be funded largely by University revenue bonds, supported with \$5 million in annual debt-service funding recently approved by the Legislature (P.L. 2017, c. 284). Other funding sources will include privately raised funds and other potential resources as may be identified by the University of Maine Chief Business Officer and University System Treasurer. This current request is for approval to expend only the amount necessary to begin formal design and bid preparation work.

The engineering program at the University of Maine has been growing for the last fifteen years, increasing 71 percent from 2001 to 2015. Employment of engineers in the State has also been growing and the need for engineers is greater than the available supply. In the last two years, the UMaine College of Engineering has needed to restrict enrollment in select programs due to the lack of sufficient facilities and faculty. The new facility will give UMaine the capacity to increase enrollment in engineering to 3,000 students. The current capacity is 2,000 students.

8/28/17 – Revised

The College of Engineering was identified as one of UMaine's Signature Areas of Excellence in 2014 and since then the new EEDC has increasingly been a focal point for planning in the College of Engineering and UMaine. This project was identified in the campus long-term capital plan. Funding had not been secured prior to FY2018 for this project so it was not included in the FY2018 capital plan.

The exact size, design, programming, timeline, operating costs and other details of the new facility remain to be determined. Also, the specific location of the new building on the Orono campus has not been finalized. However, the building will be the center of undergraduate engineering education, so it is essential that it be located in the heart of the engineering district. The particular location of the building will be among the details to be determined as part of the Schematic Design process.

The EEDC will be the heart of undergraduate engineering education at the University of Maine. The focal point is expected to be hands-on, team-based laboratories for senior capstone design projects bringing students from multiple engineering disciplines together to collaborate. Moreover, the intent is to have reconfigurable labs to allow use by several engineering departments and flexible classrooms to enable group learning. There will be informal collaboration spaces for students to work together on projects and assignments as well as specialized classrooms for engineering demonstrations and distance learning. The latter will allow select engineering courses originating at UMaine to be used across the System.

The new building will likely house the Department of Mechanical Engineering and the bioengineering portion of the Department of Chemical and Biological Engineering allowing them the space needed to expand their programs. These two programs currently occupy space in Boardman and Jenness Halls. The future of the space they vacate will be assessed for re-utilization.

The University may use a traditional design/bid/build construction method for this project but so-called alternative delivery methods are permitted under University practices and will be considered.

The funding for this phase of the work will come from resources to be identified by the University Treasurer and University of Maine Chief Business Officer.

5. TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities and Technology Committee forward this item to the Consent Agenda at the September 17-18, 2017, Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the expenditure of up to \$1 million to begin the Schematic Design of the Engineering Education and Design Center at the University of Maine with funding to be identified by the University Treasurer.



AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Property Removal, Northern Road Duplexes, UMPI
2. **INITIATED BY:** Norman L. Fournier, Chair
3. **BOARD INFORMATION:** **BOARD ACTION:** X
4. **OUTCOME:** **BOARD POLICY:**
 Enhance Fiscal Positioning 802 – Disposition of Real Property
5. **BACKGROUND:**

The University of Maine System acting through the University of Maine at Presque Isle requests authorization to dispose of the property consisting of approximately 1 acre of land and three duplex housing units located at 17, 19, 21, 23, 25 and 27 Northern Road in Presque Isle.

This request is pursuant to Board policy 802 – Disposition of Real Property, which requires Board of Trustees consideration of real property sales or transfers when the value is greater than \$50,000. The appraised value and abrogation fee in this instance are both greater than \$240,000.

The property was acquired by the University in 1999 from the U.S. Department of Education through a Public Benefit Allowance and was part of the former Loring Air Force Base housing. The University is requesting to dispose of the property by executing the abrogation clause of the deed followed by transfer of the property to the Aroostook Band of Micmacs who currently own and occupy many of the remaining and nearby housing units in this location.

The units are each approximately 2,237 gross square feet, totaling 6,712 GSF, and sit on approximately 1 acre of land. Two of the units have been used by faculty, staff, and students in the past; the third was utilized by the Maine School Administrative District (MSAD) 1 for educational programming until recently. MSAD 1 is no longer interested in using this building and recently returned the property to the University.

Since the units were not being used in the recent past, they were not part of the Sightlines review and there is no Sightlines data available.

The campus currently has sufficient space on the campus to meet its current housing needs. Moreover, UMPI would need to dedicate significant financial resources in order to upgrade these three buildings to meet current standards.

The deed restrictions limit the use of this property to educational purposes and also restrict the selling or leasing for the property for 30 years, which in this case is until 2029. In order for the University to dispose of the property, it must either return the property to the government or abrogate the remaining Public Benefit Allowance.

The preference is to abrogate in coordination with the U.S. Department of Education and have the Aroostook Band of Micmacs pay the abrogation fee and closing cost, including the appraisal, which will relieve the University of this obligation and will help meet other needs in the community. The Micmacs have indicated to UMPI that they have secured the required financing to pay the abrogation fee.

The Duplexes were appraised for \$240,000. The official abrogation fee from the DOE is \$96,000. The University will bear nominal if any costs in connection with this transfer.

The removal of these buildings from the university's inventory will reduce the campus gross square footage, and reduce the need for the campus to invest maintenance and operational dollars in the underutilized space.

The resolve language in this case is slightly different than in many other real estate matters before the Board because certain language was required by the federal government. In practical effect, while a single person is being empowered to carry forward the Board's approval, if it is granted, that person will nonetheless still consult with University Counsel and the University Treasurer before executing any agreements.

5. TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities and Technology Committee forward this item to the Consent Agenda at the September 17-18, 2017, Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the University of Maine System acting through the University of Maine at Presque Isle to dispose of three housing units located at 17, 19, 21, 23, 25 and 27 Northern Road, Presque Isle, Maine, subject to review and approval by General Counsel and the University Treasurer of the final terms and conditions.

Furthermore, per the USDOE's request, that the Board of Trustees authorizes Chip Gavin, Chief Facilities and General Services Officer, to be the sole individual empowered to carry out the intent of this resolution, including the authority to make payments as necessary to secure the abrogation.

8/22/2017



ITEM SUMMARY

- 1. **NAME OF ITEM:** Capital Project Status Report
- 2. **INITIATED BY:** Norman L. Fournier, Chair
- 3. **BOARD INFORMATION:** X **BOARD ACTION:**
- 4. **OUTCOME:** **BOARD POLICY:**
- 5. **BACKGROUND:**

Attached is the Capital Project Status Report for the September 1, 2017 meeting of the Finance, Facilities, and Technology Committee.

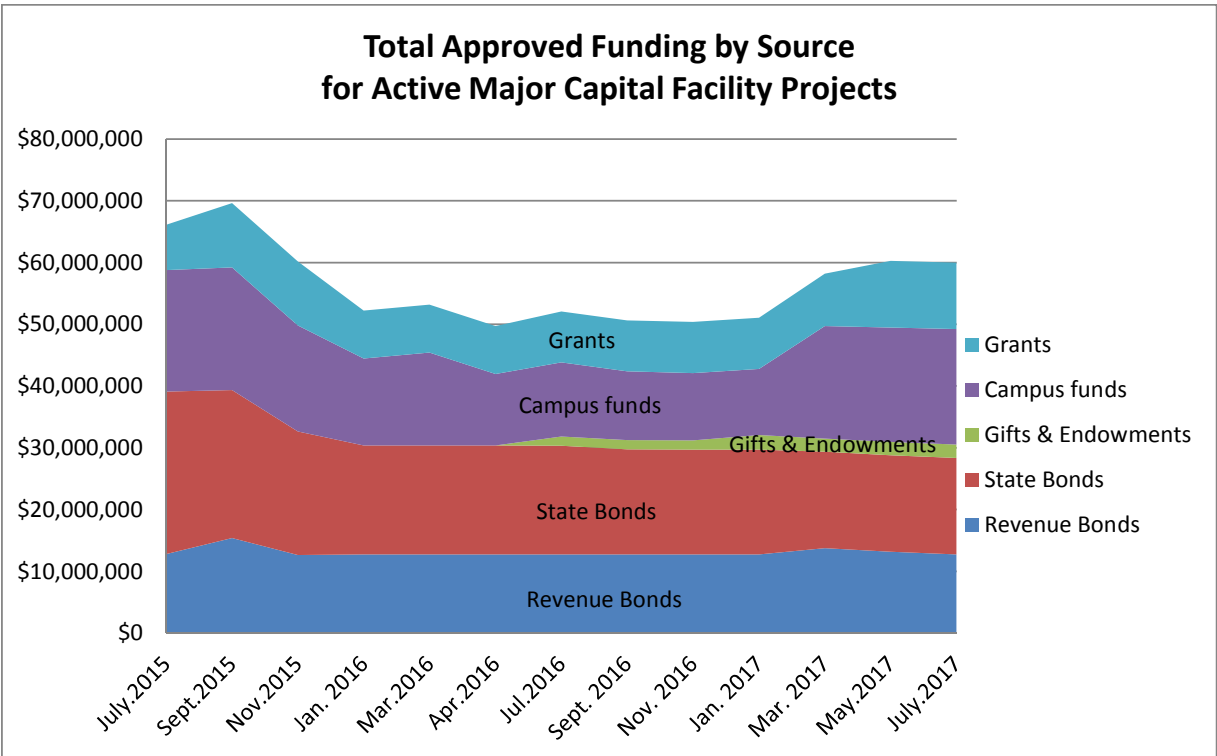
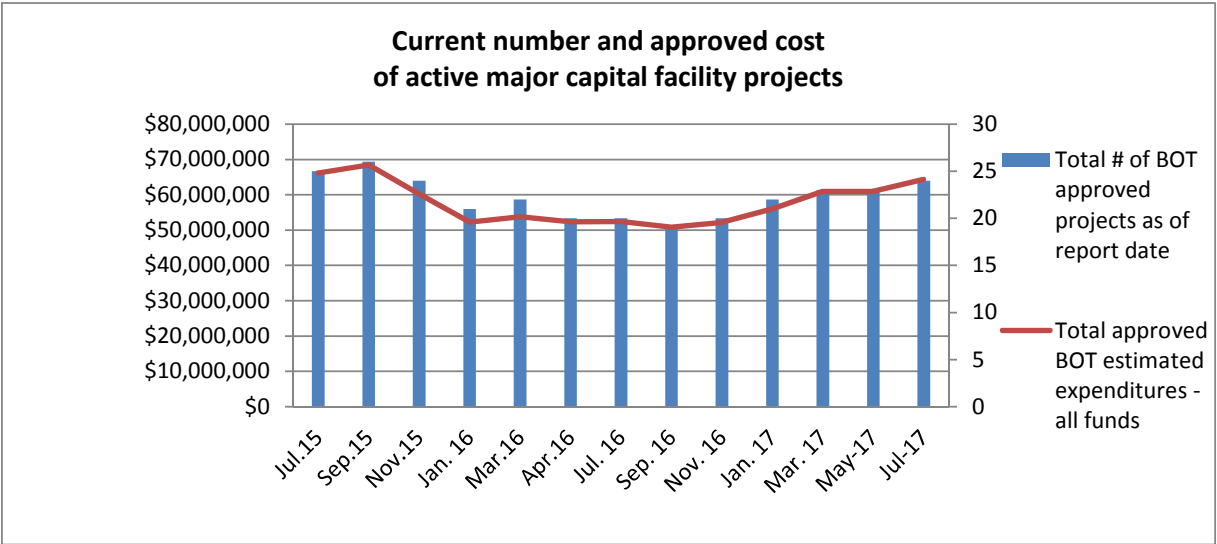
The report reflects a total of 24 projects, with one additional project since the previous report.

The Darling Marine Center Waterfront Infrastructure project at the University of Maine (project number TBD) was approved by the Board at the July 2017 meeting, with an approved budget of \$3M.

Four projects will be removed from the next report due to completion. They are: the University of Maine at Farmington’s Central Heating Plant (2100066), the University of Maine at Machias’ Demolition of Kimball Hall (4100031), the University of Maine at Presque Isle’s Folsom/Pullen Science Classroom & Laboratory Upgrades (7100009), and the System’s Improvements to Existing Space for Relocation of Personnel from 16 Central St (8100022, 8100023, 8100025, 8200055; 5200368, 5100407, 5100408, 5200373, 5200374).

The data in this report is effective as of July 31, 2017. Other updates are as noted on the list.

8/22/2017



8/22/2017

Capital Project Status Report
Board Approved Projects
September 2017 - Finance, Facilities & Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Funding Source(s) & each source's share of expenditures to date	Status	Original Estimated Completion	Current Est. Completion	Original Approved Estimate	Current Approved Estimate	% Expended of Current Approved Estimate	Prior Actions, Information & Notes
UM								
Advanced Structures and Composites Center Expansion/ASCC Equip W2-Thermoplastics Lab/ASCC Equip W2 Tow Carriage (5100316, 5100414, 5100432)	Grants (77%), 2010 State Energy Bond (11%), Gifts (12%)	Project 5100316 is Complete, Project 5100414 remains as Design in Progress, Project 5100432 is Design in Progress	2014	2017	\$6,400,000	\$10,400,000	90%	Board Approved \$6.4M in November, 2012. Board approved \$1.6M in March 2014. Board approved increase of \$871,000 in March 2015. BOT approved additional \$1.5M in May 2016 for equipment project.
** Cooperative Extension Diagnostic & Research Lab (5100387)	2014 State Bond (89%), Campus E&G Funds (5%), Grants (6%)	Construction in Progress	2016	2018	\$9,000,000	\$9,400,000	45%	BOT approved \$9M in July, 2015. Board approved increase of \$400,000 in July 2017.
** Aquatic Animal Health Facility (5100440)	Grants (100%)	Design in Progress	2017	2018	\$2,300,000	\$2,300,000	4%	Board approved \$2.3M in January, 2017.
** Barrow's Hall ESRB Lab Renovations (5100424)	Campus E&G Funds (100%)	Construction in Progress	2017	2018	\$1,900,000	\$1,900,000	8%	Board approved \$1.9M in March, 2017
Memorial Union Bear's Den Renovations (5100427)	Campus AUX Funds (100%)	Construction in Progress	2017	2018	\$3,600,000	\$3,600,000	17%	Board approved \$3.6M in March, 2017
* Darling Marine Center Waterfront Infrastructure (TBD)	Bond (22%), Campus E&G Funds (28%), Grants (50%)	Design in Progress	2017	2018	\$3,000,000	\$3,000,000	0%	Board approved \$3M in July, 2017.
UMA								
Lewiston Hall Renovation (1100528)	Campus E&G Funds (100%)	Substantially Complete	2015	2017	\$1,000,000	\$1,000,000	99%	BOT approved \$1M in September, 2015. Note that an additional \$1M was authorized for this project as part of the 16 Central Street relocation and is being tracked for clarity as part of the 16 Central Street line of this report.
UMF								
** Science Labs Renovations (Preble & Ricker (2100065, 2100068)	2013 Lab & Class State Bond (100%)	Substantially Complete	2014	2018	\$1,377,000	\$1,377,000	86%	Board approved \$1.377M in July 2014.
*** Central Heating Plant (2100066)	Revenue Bond (98%) Campus E&G Funds (2%)	Substantially Complete	2014	2017	\$11,000,000	\$11,440,000	99%	Board approved \$11M in July 2014. Board approved change of Energy Type in January 2015. Change in project cost to \$11.44M (4% change) approved by Chancellor in December 2016 per Trustee policy 701.
UMFK								
** Forestry Geographic Info Sys Tech Labs/Nursing Lab Renov/Teleconf Ctr Upgrades (3100029 3100030 3100031)	2013 Lab & Class State Bond (100%)	Construction in Progress	2014	2018	\$1,200,000	\$1,200,000	98%	Board approved \$1.2M in May 2014.
UMM								
Science Building Laboratory Upgrades (4100027)	2013 Lab & Class State Bond (98%) E&G Funds (2%)	Substantially Complete	2014	2017	\$600,000	\$600,000	98%	Finance & Facilities Committee Approved \$600K in January, 2014.
Compressed Natural Gas Heating Conversion (4100028)	Revenue Bonds (100%)	Substantially Complete	2014	2017	\$1,800,000	\$1,800,000	84%	Board approved \$1.8M in July 2014.

Finance/Facilities/Technology Committee Meeting - Capital Projects Status Report

Campus, Project Name (Project ID)	Funding Source(s) & each source's share of expenditures to date	Status	Original Estimated Completion	Current Est. Completion	Original Approved Estimate	Current Approved Estimate	% Expended of Current Approved Estimate	Prior Actions, Information & Notes
UMM								
*** Kimball Hall Demolition (4100031)	Campus E&G Funds (100%)	Substantially Complete	2015	2017	\$950,000	\$950,000	87%	BOT approval of \$950K in November 2015.
UMPI								
*** Folsom/Pullen Science Classroom & Laboratory Upgrades (7100009)	2013 Lab & Class State Bond (100%)	Substantially Complete	2015	2017	\$1,200,000	\$1,200,000	88%	Board approved \$1.2M in March 2014.
USM								
Campus Card Access Install (6100271)	Campus E&G Funds (100%)	Construction in Progress	2017	2018	\$700,000	\$700,000	83%	Board approved \$700K in March, 2017.
Bio-Science Chemistry Lab (6100250)	2013 Lab & Class State Bond (100%)	Construction Complete	2015	2017	\$1,250,000	\$1,250,000	97%	BOT approved transfer of \$1.25M in July, 2015 from Payson-Smith Lab Renov (6100236).
Bailey Hall Lab Renovation (6100237)	2013 Lab & Class State Bond (100%)	Construction Complete	2014	2017	\$1,250,000	\$1,250,000	87%	Board approved \$1.25M in May 2014.
Gorham Softball Field Improvements (6200181)	Campus E&G Funds (100%)	Construction Complete	2015	2017	\$1,500,000	\$2,389,000	91%	BOT approved \$1.5M in July, 2015. Board approved increase to \$2.2M in March, 2016. Change in project cost to \$2.389M (8.6% change) approved by Chancellor in January 2017 per Trustee policy 701.
Wireless Infrastructure Upgrade (6100255 256 257 258 259 260)	Campus E&G Funds (100%)	Construction Complete	2015	2017	\$1,900,000	\$1,900,000	96%	BOT approved \$1.9M in September, 2015.
Brooks Kitchen Exhaust Upgrade (6100245)	Campus E&G Funds (100%)	Construction in Progress	2016	2017	\$819,000	\$893,000	44%	Board approved \$819,000 in March, 2016. Change in project cost to \$893K (9.04% change) approved by Chancellor in March 2017 per Trustee policy 701.
Costello Field House Floor Replacement (6100280)	Gifts & Endowments (100%)	Construction in Progress	2017	2017	\$900,000	\$900,000	74%	Board approved \$900,000 in November, 2016.
Science Building Renovations & Build-Out (6100274)	Campus E&G Funds (100%)	Construction in Progress	2017	2017	\$1,600,000	\$1,600,000	49%	Board approved \$1.6M in January, 2017.
Anderson Hall Renewal & Renovations (6200191, 6100272)	Campus E&G Funds (100%)	Construction in Progress	2017	2018	\$1,250,000	\$1,250,000	7%	Board approved \$1.25M in January, 2017.
UMS								
*** Improvements to existing space for relocation of personnel from 16 Central Street (8100022 8100023 8100025 8200055; 5200368 5100407 5100408 5200373 5200374)	Campus E&G Funds (100%)	Complete	2016	2017	\$1,000,000	\$2,000,000	91%	Board approved \$1M in March, 2015. BOT approved an additional \$1M in September, 2015. That additional funding is being tracked in this line for clarity but is being invested in project 1100528.
Explanatory Notes: * Project is new as of this report. ** Details of this project include updates since the last report. *** This project has been completed since the last report and is not expected to appear on the next report.	Funding source(s) reflects primary source(s) for project.		Calendar Year unless otherwise noted.				Percentage expended reflects total expended as of July 31, 2017 as a percentage of the current approved project estimate.	

6.1



AGENDA ITEM SUMMARY

- 1. **NAME OF ITEM:** Lease and Real Estate Report
- 2. **INITIATED BY:** Norman L. Fournier, Chair
- 3. **BOARD INFORMATION:** X **BOARD ACTION:**
- 4. **OUTCOME:** **BOARD POLICY:**
- 5. **BACKGROUND:**

7

Board Policies 801 and 802 governing property acquisitions and disposal require an annual information report on acquisitions and dispositions of real property to be prepared for the Board of Trustees. This summary and attachment comprise the report for FY2017.

Real Estate Transactions:

In summary, there were a total of five acquisitions this year previously approved by Board action. The resulting acquisition resulted in additional 34.51 acres of land owned by UMS. The structures on three of these parcels will be razed for redevelopment. Additionally, a previous land swap occurred at USM. As of the end of FY17, there were no dispositions of real property noted other than the land swap. This report does not reflect Board actions not yet implemented, and does not contain work in process. Key changes and details are below:

The University of Maine System, acting through the University of Maine Farmington, acquired the so-called Prescott Fields consisting of 33.54 acres of developed land that UMF has leased for many years and housed the UMF Athletics programs. Additionally, UMF acquired land and dwelling, with the idea of demolition for eventual development of the land for campus' use, at 129 Perkins St in Farmington. The Board had previously approved these transactions.

At USM the Granite St. swap occurred where UMS swapped land for the development of USM with a third party. The Board previously approved this action. The resulting action decreased the UMS footprint by less than 0.002 acres and allows for continued development necessary for the campus.

Moving northward, the University of Maine at Fort Kent acquired real estate located at 70, as well as, 41 Pleasant Street in Fort Kent Maine, with the intention of demolition for eventual development of the land for the campus' use. Both transactions were previously approved by the Board in January 2017.

Lease transactions:

In summary, the University of Maine System decreased their total spend in leased properties and land, while increasing revenue. As a lessee, UMS reduced land leases by 10% and by \$15,000 per year, while it increased net revenue from leasing properties by approximately \$68,000, or 13 percent increase year-over-year. This report does not reflect Board actions not yet implemented, and does not contain work in process. Key changes and details are below.

As a Lessor, the University is engaged in agreements covering uses including research, early Education and childcare centers, banking and financial services, office spaces, and cell tower locations. Compared with the prior year, the University's total revenue has increased by 13 percent at \$68,385. The increase is related to a new telecommunications agreement at USM, as well as several incremental rent increases per the lease agreements as the agreements continue to age. Additionally, several properties at USM were leased through competitive bid to non-profit property management firm Avesta. This transaction leases over 20,000 square feet of available space at USM, and lessens maintenance burden on facilities at the campus.

As a Lessee, agreements include uses such as office space, forestland, academic and research locations, University College centers, recreational fields, parking facilities, and utility purposes. Overall, the University System reduced its costs by over \$15,000 year over year, largely due to the purchase of long standing leased lands for athletics at the University of Maine at Farmington and the reduction of redundant telecommunications space on a condominium complex in Portland for WMPG at USM. A large increase in square footage at UMaine is related to the lease by FBRI of 40,000 square feet at the former Old Town mill for research use.

8/22/2017

**EXECUTIVE SUMMARY
REAL ESTATE AND LEASE ACTIVITY REPORT**

REAL ESTATE ACQUIRED FROM JULY 1, 2016 to JUNE 30, 2017

	Acquired	Acreage	Sq Ft	Value
UMF	2	33.75	2,362.00	\$ 588,667.00
UMFK	2	0.21	1,224.00	\$ 183,000.00
USM	1	0.00229	360.00	-
TOTALS	5	33.96229	3,946.00	\$ 771,667.00

REAL ESTATE DISPOSITION FROM JULY 1, 2016 to JUNE 30, 2016

	Disposition	Acreage	Sq Ft	Value
USM	1	0.00229	1,816.00	-
TOTALS	1	0.00229	1,816.00	-

Leased from Others (UMS is Lessee)

	Leases		Acreage		Square Feet		Annual Cost	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
UMA	8	7	0	0	61,081	46,347	\$387,894.00	\$395,293.00
UMF	4	3	34.40	17.99	1,200	0	\$27,439.00	\$2,138.00
UMFK	1	1	2.30	2.30	0	0	-	-
UMaine	25	27	2,998.60	2,708.00	42,683	90,113	\$378,024.00	\$527,055.00
UMM	0	0	0	0	0	0	-	-
UMPI	0	0	0	0	0	0	-	-
USM	7	6	1.00	0	18,278	18,169	\$363,668.00	\$217,597.00
USMS	1	1	0	0	657	657	\$10,800.00	\$10,800.00
Totals	46	45	3036.30	2,278.29	123,899	155,286	\$1,167,825.00	\$1,152,883.00

Leased to Others (UMS is Lessor)

	Leases		Acreage		Square Feet		Annual Cost	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
UMA	1	2	-	-	5,500	5,500	\$1,800.00	\$1,800.00
UMF	2	2	0.10	0.10	6,009	6,009	\$18,000.00	\$18,000.00
UMFK	1	1	0.10	-	1,568	1,568	\$12,544.00	\$12,544.00
UMaine	28	29	29.70	28.90	24,561	24,078	\$174,272.00	\$172,626.00
UMM	2	2	-	-	2,610	2,610	\$28,301.00	\$23,501.00
UMPI	5	6	84.50	84.50	2,707	3,207	\$27,400.00	\$34,600.00
USM	16	20	-	-	4,602	27,421	\$256,495.00	\$324,126.00
USMS	-	-	-	-	-	-	-	-
Totals	555	62	114.40	113.50	47,557	70,393	\$518,812.00	\$587,197.00



AGENDA ITEM SUMMARY

- 1. **NAME OF ITEM:** Master Lease Financing Services
- 2. **INITIATED BY:** Norman L. Fournier, Chair
- 3. **BOARD INFORMATION:** **BOARD ACTION:** X
- 4. **OUTCOME:** Enhance Fiscal Positioning **BOARD POLICY:** 701 – Budgets – Operating & Capital
- 5. **BACKGROUND:**

The University of Maine System (UMS) is nearing completion of a sourcing initiative for Master Lease Financing Services, awarded to Banc of America Public Capital Corp, and the negotiation of related contract terms. As required in the contract, this resolution is being presented for Board of Trustee approval. Additionally, management will seek Board of Trustee approval, when required, for any individual lease schedules for capital equipment expenditures of \$500,000 or more consistent with Board of Trustee Policy 701 Budgets – Operating & Capital.

The goal of the Request for Proposal process was to obtain a financing program to support the University’s capital equipment (e.g., vehicles, furniture, tractors, maintenance equipment, copiers) needs, providing campuses with pre-determined terms and conditions and negotiated interest rates. Currently, UMS purchases approximately 40 or more vehicles and other capital equipment annually. As campuses may not have the available budget to cover all purchases in a single fiscal year, they often request financing. When individual financing agreements are completed for each purchase, the administrative burden is great and the transaction carries higher interest rates than would be possible through volume purchasing.

Features of this contract include:

- A three year Master Lease Financing contract with options for two additional one year renewals
- Tax-exempt and taxable interest rates based off of the Intercontinental Exchange (ICE) Swaps Index plus a spread varying with the lease term
- Financing for individual schedules for various years paid quarterly, semi-annually, or annually
- One dollar end of lease period purchase
- Title ownership
- Zero lease fees

- Quarterly reports

The draft contract is included herein for reference.

6. TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities and Technology Committee approves the following resolution to be forwarded to the Consent Agenda for Board of Trustee approval at the September 17-18, 2017 Board Meeting.

That the Board of Trustees authorizes the University of Maine System to execute and deliver a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp, as lessor, and separate schedules thereto for the acquisition, purchase, financing and leasing of certain equipment pursuant to the negotiated contract terms resulting from Request for Proposal #069-2017; 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.

MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT

This Master Equipment Lease/Purchase Agreement (the “*Agreement*”) dated as of _____, and entered into by and between Banc of America Public Capital Corp, a Kansas corporation (“*Lessor*”), and the University of Maine System _____, a body corporate and politic and agency and instrumentality of the State of Maine (“*Lessee*”).

WITNESSETH:

WHEREAS, Lessee desires to lease, purchase and acquire from Lessor certain Equipment described in each Schedule (as each such term is defined herein), subject to the terms and conditions of and for the purposes set forth in each Lease; and

WHEREAS, the relationship between the parties shall be a continuing one and items of equipment and other personal property may be financed pursuant to one or more Leases entered into from time to time in accordance with this Agreement by execution and delivery of additional Schedules by the parties hereto, subject to the terms and conditions provided herein; and

WHEREAS, Lessee is authorized under the constitution and laws of the State to enter into this Agreement and each Schedule for the purposes set forth herein and therein;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

ARTICLE I

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

“*Acquisition Amount*” means, with respect to each Lease, the amount specified in the related Schedule and represented by Lessee to be sufficient, together with other funds (if any) that are legally available for the purpose, to acquire and install the Equipment listed in such Lease.

“*Agreement*” means this Master Equipment Lease/Purchase Agreement, including the exhibits hereto, together with any amendments and modifications to the Agreement pursuant to Section 13.04.

“*Code*” means the Internal Revenue Code of 1986, as amended. Each reference to a Section of the Code in this Agreement and a Lease shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

8.1

“*Commencement Date*” means, for each Lease, the date when Lessee’s obligation to pay rent commences under such Lease, which date shall be the date on which the Equipment listed in such Lease is accepted by Lessee in the manner described in Section 5.01.

“*Contract Rate*” means, with respect to each Lease, the rate identified as such in the related Schedule.

“*Equipment*” means, with respect to each Lease, the property listed in the related Schedule and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article V. Whenever reference is made in this Agreement to Equipment listed in a Lease, such reference shall be deemed to include all such replacements, repairs, restorations, modifications and improvements of or to such Equipment.

“*Equipment Costs*” means, with respect to each Lease, the total cost of the Equipment listed in the related Schedule, including related soft costs such as freight, installation and taxes and other capitalizable costs, legal fees, financing costs and other costs necessary to vest full, clear legal title to the Equipment in Lessee, subject to the security interest granted to and retained by Lessor as set forth in each Lease, and other costs incurred in connection with the financing provided by the lease-purchase of the Equipment as provided in the related Lease; *provided* that (a) any such soft costs on a cumulative basis shall not exceed a percentage approved by Lessor of the total cost of the Equipment subject to such Lease and (b) in no event shall capitalizable delivery costs, installation charges, taxes and similar capitalizable soft costs relating to such Equipment be included without Lessor’s prior consent.

“*Event of Default*” means an Event of Default described in Section 12.01.

“*Event of Non-appropriation*” means, with respect to a Lease, the failure of Lessee’s governing body to appropriate or otherwise make available funds to pay Rental Payments under such Lease following the Original Term or then current Renewal Term sufficient for the continued performance of such Lease by Lessee.

“*Lease*” means a Schedule and the terms and provisions of this Agreement which are incorporated by reference into such Schedule.

“*Lease Term*” means, with respect to each Lease, the Original Term and all Renewal Terms provided in the related Schedule.

“*Lessee*” means the entity referred to as Lessee in the first paragraph of this Agreement.

“*Lessor*” means (a) the entity referred to as Lessor in the first paragraph of this Agreement or (b) any assignee or transferee of any right, title or interest of Lessor in and to the Equipment under a Lease or any Lease (including Rental Payments and other amounts due

thereunder) , but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform under a Lease.

“*Material Adverse Change*” means (a) any change in Lessee’s creditworthiness that could have a material adverse effect on (i) the financial condition or operations of Lessee, or (ii) Lessee’s ability to perform its obligations under this Agreement or any Lease or (b) a downgrade in Lessee’s external debt rating from the date of this Agreement of two or more subgrades by either Moody’s Investors Service, Inc, or Standard & Poor’s Ratings Group or any equivalent successor credit rating agency, or any downgrade by either such agency that would cause Lessee’s credit rating to be below investment grade, or, if any such rating agency no longer publishes such ratings at the date of determination, any other nationally recognized statistical rating organization that is selected by Lessee for purposes of such long-term general obligation bond ratings and long-term general fund related bond ratings.

“*Original Term*” means, with respect to each Lease, the period from the Commencement Date identified in the related Schedule until the end of the fiscal year of Lessee in effect at such Commencement Date.

“*Payment Schedule*” means, with respect to each Lease, the Rental Payment Schedule attached to and made a part of the related Schedule and substantially in the form of *Exhibit B* attached to this Agreement.

“*Prepayment Price*” means, with respect to each Lease, the amount that Lessee shall pay to Lessor to prepay its obligations under such Lease as provided in Section 10.01 hereof.

“*Renewal Terms*” means, with respect to each Lease, the consecutive renewal terms of such Lease as specified in the related Schedule, the first of which commences immediately after the end of the Original Term and each having a duration of one year and a term coextensive with each successive Lessee’s fiscal year; *provided* that the final such renewal term shall commence on the first day of the last fiscal year and end on the first business day after the last scheduled Rental Payment Date.

“*Rental Payment Date*” means, with respect to each Lease, each date on which Lessee is required to make a Rental Payment under such Lease as specified in the related Payment Schedule.

“*Rental Payments*” means, with respect to each Lease, the basic rental payments payable by Lessee on the Rental Payment Dates and in the amounts as specified in the related Payment Schedule, consisting of a principal component and an interest component, and in all cases sufficient to repay the principal component under such Lease and interest thereon at the applicable Contract Rate (or Taxable Rate if then in effect).

“*Schedule*” means each separately numbered Schedule of Property, substantially in the form of *Exhibit A* hereto, together with the related Payment Schedule and any Riders attached to such Schedule of Property.

“*State*” means the State of Maine.

“*Taxable Rate*” means, with respect to each Lease, the rate identified as such in the related Schedule.

“*Vendor*” means the manufacturer or supplier of the Equipment listed in a Schedule or any other person as well as the agents or dealers of the manufacturer, installer or supplier with whom Lessor arranged Lessee’s acquisition, installation and financing of the Equipment pursuant to the applicable Lease.

ARTICLE II

Section 2.01. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor on the date hereof and as of the Commencement Date of each Lease as follows:

(a) Lessee is a body corporate and politic and agency and instrumentality of the State within the meaning of Section 103(c) of the Code, duly organized and existing under the constitution and laws of the State, with full power and authority to enter into this Agreement, each Lease and the transactions contemplated hereby and thereby and to perform all of its obligations hereunder and under each Lease .

(b) Lessee has duly authorized the execution and delivery of this Agreement and each Lease by proper action of its governing body at a meeting duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and each Lease .

(c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof. No Event of Non-appropriation has occurred or is threatened with respect to any Lease.

(d) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic and agency and instrumentality of the State.

(e) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and each Lease and the acquisition and installation by Lessee of the Equipment as provided in each Lease.

(f) During the Lease Term under each Lease, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee’s authority. Lessee does not intend to sell or otherwise dispose of the Equipment or any interest therein prior

to the last Rental Payment (including all Renewal Terms) scheduled to be paid under the related Lease.

(g) Lessee has kept, and throughout the Lease Term of each Lease shall keep, its books and records in accordance with generally accepted accounting principles and practices consistently applied, and shall make available to Lessor (i) annual audited financial statements (including (1) a balance sheet, (2) statement of revenues, expenses and changes in fund balances for actual, (3) statement of cash flows, and (4) footnotes, schedules and attachments to the financial statements) within 210 days after the end of its fiscal year, (ii) such other financial statements and information as Lessor may reasonably request, and (iii) upon Lessor's request, its annual budget for any prior or current fiscal year or for the following fiscal year when approved. The financial statements described in subsection (g)(i) shall be accompanied by an unqualified opinion of Lessee's auditor. Credit information relating to Lessee may be disseminated among Lessor and any of its affiliates and any of their respective successors and assigns.

(h) Lessee has an immediate need for the Equipment listed on each Schedule and expects to make immediate use of the Equipment listed on each Schedule. Lessee's need for the Equipment is not temporary and Lessee does not expect the need for any item of the Equipment to diminish during the related Lease Term.

(i) The payment of the Rental Payments or any portion thereof is not (under the terms of any Lease or any underlying arrangement) directly or indirectly (x) secured by any interest in property used or to be used in any activity carried on by any person other than a state or local governmental unit or payments in respect of such property; or (y) on a present value basis, derived from payments (whether or not to Lessee) in respect of property, or borrowed money, used or to be used in any activity carried on by any person other than a state or local governmental unit. The Equipment will not be used, directly or indirectly, in any activity carried on by any person other than a state or local governmental unit. No portion of the Acquisition Amount relating to any Lease will be used, directly or indirectly, to make or finance loans to any person other than Lessee. Lessee has not entered into any management or other service contract with respect to the use and operation of the Equipment.

(j) There is no pending litigation, tax claim, proceeding or dispute that may adversely affect Lessee's financial condition or impair its ability to perform its obligations under this Agreement or any Lease. Lessee will, at its expense, maintain its legal existence and do any further act and execute, acknowledge, deliver, file, register and record any further documents Lessor may reasonably request in order to protect Lessor's security interest in the Equipment and Lessor's rights and benefits under each Lease.

(k) No lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Lessee has been a party at any time has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal year. No event

has occurred which would constitute an event of default under any debt, revenue bond or obligation which Lessee has issued during the past ten (10) years.

ARTICLE III

Section 3.01. Lease of Equipment. Subject to the terms and conditions of this Agreement, Lessor agrees to provide the funds specified in each Lease to be provided by it for Lessee to acquire the Equipment described in the related Schedule. Upon the execution and delivery of each Lease, Lessor leases, sells and transfers to Lessee, and Lessee acquires, purchases and leases from Lessor, the Equipment as set forth in such Lease and in accordance with the terms thereof. The Lease Term for each Lease may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for the next succeeding Renewal Term up to the maximum Lease Term set forth in such Lease. At the end of the Original Term and at the end of each Renewal Term until the maximum Lease Term has been completed, Lessee shall be deemed to have exercised its option to continue each Lease for the next Renewal Term unless Lessee shall have terminated such Lease pursuant to Section 3.03 or Section 10.01. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the applicable Lease. Each Schedule signed and delivered by Lessor and Lessee pursuant to this Agreement shall constitute a separate and independent lease and installment purchase of the Equipment therein described.

Section 3.02. Continuation of Lease Term. Lessee intends, subject to Section 3.03, to continue the Lease Term of each Lease through the Original Term and all Renewal Terms and to pay the Rental Payments thereunder. Lessee affirms that sufficient funds are legally available for the current fiscal year, and Lessee reasonably believes that an amount sufficient to make all Rental Payments during the entire Lease Term of each Lease can be obtained from legally available funds of Lessee. Lessee further intends to do all things lawfully within its power to obtain and maintain funds sufficient and available to discharge its obligation to make Rental Payments due under each Lease, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable provisions of law.

Section 3.03. Nonappropriation. Lessee is obligated only to pay such Rental Payments under each Lease as may lawfully be made during Lessee's then current fiscal year from funds budgeted and appropriated for that purpose. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments under any Lease following the then current Original Term or Renewal Term, such Lease or Leases shall be deemed terminated at the end of the then current Original Term or Renewal Term thereunder. Lessee agrees to deliver notice to Lessor of such termination promptly after any decision to non-appropriate is made, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If any Lease is terminated in accordance with this Section, Lessee agrees to cease use of the Equipment thereunder and peaceably remove and deliver to Lessor, at Lessee's sole expense (from legally available funds), such Equipment at the location(s) to be specified by Lessor; *provided*, that Lessee shall pay month-to-month rent at the Contract Rate (or the Taxable Rate if

then in effect) set forth in the affected Lease for each month or part thereof that Lessee fails to return the Equipment thereunder pursuant to this Section 3.03.

Section 3.04. Conditions to Lessor's Performance. (a) As a prerequisite to the performance by Lessor of any of its obligations pursuant to any Lease, Lessee shall deliver to Lessor, in form and substance satisfactory to Lessor, the following:

- (i) A fully completed Schedule, executed by Lessee;
- (ii) A Certificate completed and executed by the Clerk or Secretary or other comparable officer of Lessee, in substantially the form attached hereto as *Exhibit C-1*;
- (iii) A copy, certified as full, true and correct by the Clerk or Secretary or other comparable officer of Lessee, of a resolution, ordinance or other official action of Lessee's governing body, in substantially the form attached hereto as *Exhibit C-2*, authorizing the execution and delivery of this Agreement and each Lease entered into pursuant hereto and performance by Lessee of its obligations under each Lease entered into pursuant hereto;
- (iv) An opinion of counsel to Lessee, in substantially the form attached hereto as *Exhibit D*, respecting this Agreement and each Lease entered into pursuant hereto;
- (v) Evidence of insurance as required by Section 7.02 hereof;
- (vi) All documents, including financing statements, affidavits, notices and similar instruments, which Lessor deems necessary or appropriate at that time pursuant to Section 6.02;
- (vii) If Lessee has designated the Lease then being entered into as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, a certificate in substantially the form attached hereto as *Exhibit G* executed by an authorized official of Lessee. If Lessee has not designated the Lease then being entered into as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code, Exhibit G shall not be required.
- (viii) If applicable, a copy of the Form 8038-G/GC with respect to the Lease then being entered into, fully completed and executed by Lessee;
- (ix) In the event that Lessee is to be reimbursed for expenditures that it has paid more than sixty days prior to the Commencement Date for the Lease then being entered into, evidence of the adoption of a reimbursement resolution or other official action covering the reimbursement from tax exempt proceeds of expenditures incurred not more than 60 days prior to the date of such resolution;

(xi) If any items of Equipment are motor vehicles, properly completed certificates of title or certificates of origin (or applications therefor) for such vehicles and noting Lessor's interest thereon;

(xii) A waiver or waivers of interest in the Equipment from any mortgagee or any other party having an interest in the real estate on which the Equipment will be located and/or landlord of the real estate on which the Equipment will be located;

(xiii) Original invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement) and bills of sale (if title to Equipment has passed to Lessee), to the extent required by Section 5.01(b);

(xiv) If applicable, wire instructions for payments to be made to Vendors and Form W-9 from each such Vendor; and

(xv) Such other items, if any, as are set forth in the related Schedule or are reasonably required by Lessor.

(b) In addition to satisfaction of the conditions set forth in subsection (a) of this Section 3.04, the performance by Lessor of any of its obligations pursuant to any Lease shall be subject to: (i) no Material Adverse Change shall have occurred since the dated date of this Agreement, (ii) no Event of Default shall have occurred and then be continuing under any Lease then in effect, (iii) no Event of Non-appropriation under any Lease then in effect shall be threatened and (iv) no Lease shall have been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation.

(c) Subject to satisfaction of the foregoing, (i) Lessor will pay the Acquisition Amount for Equipment described in a Schedule to the Vendor or reimburse Lessee for its prior expenditures with respect to such Equipment (subject to satisfaction of Section 3.04(a)(x) hereof), upon receipt of the documents described in Sections 5.01(a) and (b).

(d) This Agreement is not a commitment by Lessor or Lessee to enter into any Lease not currently in existence, and nothing in this Agreement 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 enters into any proposed Lease shall be a decision solely within their respective discretion.

(e) Lessee will cooperate with Lessor in Lessor's review of any proposed Lease. Without limiting the foregoing, Lessee will provide Lessor with any documentation or information Lessor may reasonably request in connection with Lessor's review of any proposed Lease. Such documentation may include, without limitation, documentation concerning the Equipment and its contemplated use and location and documentation or information concerning the financial status of Lessee and other matters related to Lessee.

(f) In the event of any conflict in terms between a Schedule and this Agreement, the terms of the Schedule shall control in the interpretation of the Lease created thereby.

ARTICLE IV

Section 4.01. Rental Payments. Subject to Section 3.03, Lessee shall promptly pay Rental Payments, in lawful money of the United States of America, to Lessor on the Rental Payment Dates and in such amounts as provided in each Lease. If any Rental Payment or other amount payable hereunder is not paid within 10 days of its due date, Lessee shall pay an administrative late charge of 3% of the amount not timely paid or the maximum amount permitted by law, whichever is less. Lessee shall not permit the federal government to guarantee any Rental Payments under any Lease. Rental Payments consist of principal and interest components as more fully detailed on the Schedule for each Lease, the interest on which begins to accrue as of the Commencement Date for each such Lease.

Section 4.02. Interest and Principal Components. A portion of each Rental Payment is paid as, and represents payment of, interest, and the balance of each Rental Payment is paid as, and represents payment of, principal. Each Lease shall set forth the principal and interest components of each Rental Payment payable thereunder during the applicable Lease Term.

Section 4.03. Rental Payments to Constitute a Current Expense of Lessee. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments under each Lease shall constitute a current expense of Lessee payable solely from its general fund or other funds that are legally available for that purpose and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained in this Agreement or in any Lease constitute a pledge of the general tax revenues, funds or moneys of Lessee.

Section 4.04. Rental Payments to be Unconditional. Except as provided in Section 3.03, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in each Lease shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense, for any reason, including without limitation any failure of the Equipment, any defects, malfunctions, breakdowns or infirmities in the Equipment, disputes with the Vendor of any Equipment or Lessor, any accident, condemnation or unforeseen circumstances or failure of any Vendor to deliver any Equipment or otherwise perform any of its obligations.

Section 4.05 Tax Covenants. With regard to any tax-exempt lease, Lessee agrees that it will not take any action that would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest component of Rental Payments to be or to become ineligible for the exclusion from gross income of the owner or owners thereof for federal income tax purposes. *Section 4.06. Event of Taxability.* Upon the occurrence of an Event of Taxability with respect to any tax-exempt Lease, the interest component of Rental Payments under such Lease and any charge on Rental Payments or other amounts payable based on the Contract Rate shall have accrued and be payable at the Taxable Rate applicable to such Lease retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be

includible in the gross income of the owner or owners thereof for federal income tax purposes, and Lessee will pay such additional amount as will result in the owner receiving the interest component at the Taxable Rate identified in the related Lease.

For purposes of this Section, “*Event of Taxability*” means the circumstance of the interest component of any Rental Payment paid or payable pursuant to a Lease becoming includible for federal income tax purposes in an owner’s gross income as a consequence of any act, omission or event whatsoever, including but not limited to the matters described in the immediately succeeding sentence, and regardless of whether the same was within or beyond the control of Lessee. An Event of Taxability shall be presumed to have occurred upon (a) the receipt by Lessor or Lessee of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence which legally holds that the interest component of any Rental Payment under such Lease is includable in the gross income of the owner thereof; (b) the issuance of any public or private ruling of the Internal Revenue Service that the interest component of any Rental Payment under such Lease is includable in the gross income of the owner thereof; or (c) receipt by Lessor or Lessee of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, selected by Lessor and acceptable to Lessee, to the effect that the interest component of any Rental Payment under a previously tax-exempt Lease has become includable in the gross income of the owner thereof for federal income tax purposes. For all purposes of this definition, an Event of Taxability shall be deemed to occur on the date as of which the interest component of any Rental Payment is deemed includable in the gross income of the owner thereof for federal income tax purposes.

8.1

ARTICLE V

Section 5.01. Acquisition, Delivery Installation and Acceptance of Equipment. (a) With respect to each Lease, Lessee shall order the Equipment to be acquired and financed thereunder, cause the Equipment to be delivered and installed at the location specified in such Lease and pay any and all delivery and installation costs and other Equipment Costs in connection therewith. When the Equipment listed in a Lease has been delivered and installed, Lessee shall promptly accept such Equipment and evidence said acceptance by executing and delivering to Lessor a Final Acceptance Certificate in the form attached hereto as *Exhibit E*.

(b) Lessee shall deliver to Lessor original invoices (and proof of payment of such invoices if Lessee seeks reimbursement for prior expenditures) and bills of sale (if title to such Equipment has passed to Lessee) relating to each item of Equipment accepted by Lessee. Lessor shall, upon receipt of the Final Acceptance Certificate from Lessee, prepare a Schedule of Property and Rental Payment Schedule in the forms attached hereto as *Exhibits A* and *B*, respectively. Lessee shall execute and deliver to Lessor such Schedule of Property and Rental Payment Schedule as a Schedule pursuant to Section 3.04(a)(i) within 5 business days of receipt, subject to satisfaction of the conditions set forth in Section 3.04.

Section 5.02. Quiet Enjoyment of Equipment. So long as Lessee is not in default under the related Lease, neither Lessor nor any entity claiming by, through or under Lessor, shall interfere with Lessee's quiet use and enjoyment of the Equipment during the Lease Term under such Lease.

Section 5.03. Location; Inspection. Once installed, no item of the Equipment will be moved or relocated from the location (or the base location with respect to motor vehicles) specified for it in the related Lease without Lessor's prior written consent, which consent shall not be unreasonably withheld. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property where the Equipment is located for the purpose of inspecting the Equipment.

Section 5.04. Use and Maintenance of the Equipment. Lessee will not install, use, operate or maintain the Equipment (or cause the Equipment to be installed, used, operated or maintained) improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the related Lease. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body, including, without limitation, all anti-money laundering laws and regulations; *provided* that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights under the related Lease.

Lessee agrees that it will maintain, preserve and keep the Equipment in good repair and working order, in a condition comparable to that recommended by the manufacturer. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. In all cases, Lessee agrees to pay any costs necessary for the manufacturer to re-certify the Equipment as eligible for manufacturer's maintenance upon the return of the Equipment to Lessor as provided for herein.

Lessee shall not alter any item of Equipment or install any accessory, equipment or device on an item of Equipment if that would impair any applicable warranty, the originally intended function or the value of that Equipment. All repairs, parts, accessories, equipment and devices furnished, affixed to or installed on any Equipment, excluding temporary replacements, shall thereupon become subject to the security interest of Lessor.

ARTICLE VI

Section 6.01. Title to the Equipment. During the Lease Term under each Lease, and so long as Lessee is not in default under Article XII hereof, all right, title and interest in and to each item of the Equipment under the related Lease shall be vested in Lessee immediately upon its acceptance of each item of Equipment, subject to the terms and conditions of the applicable Lease. Lessee shall at all times protect and defend, at its own cost and expense, its title in and to the Equipment from and against all claims, liens and legal processes of its creditors, and keep all Equipment free and clear of all such claims, liens and processes. Upon the occurrence of an

Event of Default under a Lease or upon termination of a Lease pursuant to Section 3.03 hereof, full and unencumbered legal title to the Equipment shall, at Lessor's option, pass to Lessor, and Lessee shall have no further interest therein. In addition, upon the occurrence of such an Event of Default or such termination, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of such legal title to Lessor and the termination of Lessee's interest therein, and upon request by Lessor shall deliver possession of the Equipment to Lessor in accordance with Section 3.03 or 12.02, as applicable. Upon payment of all amounts due and owing under a Lease in accordance with Section 10.01 (including upon payment of all Rental Payments and other amounts payable under such Lease), Lessor's security interest or other interest in the Equipment under such Lease shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's security interest in the Equipment subject to the related Lease.

Section 6.02. Security Interest. As additional security for the payment and performance of all of Lessee's obligations under each Lease, upon the execution of such Lease, Lessee grants to Lessor a first priority security interest constituting a first lien on (a) the Equipment subject to such Lease and (b) any and all proceeds of any of the foregoing. Upon the execution of each Lease, Lessee authorizes Lessor to file (and Lessee agrees to execute, if applicable) such notices of assignment, chattel mortgages, financing statements and other documents, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain Lessor's security interest in the Equipment subject to such Lease, including, without limitation, such financing statements with respect to personal property and fixtures under Article 9 of the Uniform Commercial Code in effect in the State and treating such Article 9 as applicable to entities such as Lessee.

Section 6.03. Personal Property; No Encumbrances. Lessee agrees that the Equipment is deemed to be and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. Lessee shall not create, incur, assume or permit to exist any mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on any of the real estate where the Equipment under a Lease is or will be located or enter into any agreement to sell or assign or enter into any sale/leaseback arrangement of such real estate without the prior written consent of Lessor; *provided*, that if Lessor is furnished with a waiver of interest in the Equipment under such Lease acceptable to Lessor in its discretion from any party taking an interest in any such real estate prior to such interest taking effect, such consent shall not be unreasonably withheld.

ARTICLE VII

Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment under each Lease free of all levies, liens, and encumbrances except those created by such Lease. The parties to this Agreement contemplate that the Equipment under each Lease will be used for a governmental or proprietary purpose of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of any Equipment is nevertheless determined to be subject to taxation, Lessee shall pay when due

all taxes and governmental charges lawfully assessed or levied against or with respect to such Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes or charges as the same may become due; *provided* that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as accrue during the Lease Term under the affected Lease. During the Lease Term under each Lease, Lessor will not claim ownership of the Equipment thereunder for the purposes of any tax credits, benefits or deductions with respect to such Equipment.

Section 7.02. Insurance. Lessee shall, during the Lease Term under each Lease, maintain or cause to be maintained (a) casualty insurance naming Lessor and its assigns as loss payee and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State, and any other risks reasonably required by Lessor, in an amount at least equal to the greater of (i) the then applicable Prepayment Price under such Lease or (ii) the replacement cost of the Equipment under such Lease; (b) liability insurance naming Lessor and its assigns as additional insured that protects Lessor from liability with limits of at least \$5,000,000 for bodily injury and property damage coverage, or such other minimum coverage amount as may be agreed upon between Lessor and Lessee in connection with the execution and delivery of a Lease, in all events under clauses (a) and (b) issued in form and amount satisfactory to Lessor and by an insurance company that is authorized to do business in the State and having a financial strength rating by A.M. Best Company of “A-” or better; and (c) worker’s compensation coverage as required by the laws of the State. Notwithstanding the foregoing, Lessee may self-insure against the risks described in clauses (a) and/or (b) through a government pooling arrangement, self-funded loss reserves, risk retention program or other self-insurance program, in each case with Lessor’s prior written consent (which shall not be unreasonably withheld) and provided that Lessee has delivered to Lessor such information as Lessor may request with respect to the adequacy of such self-insurance to cover the risks proposed to be self-insured and otherwise in form and substance acceptable to Lessor. In the event Lessee is permitted to self-insure as provided in this Section, Lessee shall provide to Lessor a self-insurance letter in substantially the form attached hereto as *Exhibit F*. Lessee shall furnish to Lessor evidence of such insurance or self-insurance coverage throughout the Lease Term under each Lease. Lessee shall not cancel or modify such insurance or self-insurance coverage in any way that would affect the interests of Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation or modification.

Section 7.03. Risk of Loss. {let’s discuss this section and what the University is able to provide under the applicable law and limit there. The bank is strictly providing third-party financing and is not a vendor. As such, requires indemnification from Lessee to the fullest extent under the law. Whether or not covered by insurance or self-insurance, Lessee hereby assumes all risk of loss of, or damage to the Equipment under any Lease from any cause whatsoever, and no such loss of or damage to the Equipment under any Lease shall relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under any Lease. To the extent permitted by the Maine Tort Claims Act, 14 M.R.S.A. '8101, as amended, the Lessee shall be responsible for the negligent acts or omissions of its officers, employees or agents . Nothing contained herein shall be construed as a waiver of the sovereign immunity of the Lessee and the

Lessee shall continue to enjoy all rights, claims, immunities and defenses available to it under law.

Section 7.04. Advances. In the event Lessee shall fail to keep the Equipment in good repair and working order or shall fail to maintain any insurance required by Section 7.02 hereof, Lessor may, but shall be under no obligation to, maintain and repair the Equipment or obtain and maintain any such insurance coverages, as the case may be, and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term under the affected Lease, and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date until paid at a rate equal to the Contract Rate (or the Taxable Rate if then in effect) *plus* 5% per annum or the maximum amount permitted by law, whichever is less.

8.1

ARTICLE VIII

Section 8.01. Damage, Destruction and Condemnation. If, prior to the termination of the Lease Term under the related Lease, (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, (i) Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment or such part thereof and any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee or (ii) Lessee shall exercise its option to prepay the obligations under the affected Lease in accordance with Section 10.01(b).

If Lessee elects to replace any item of the Equipment (the “*Replaced Equipment*”) pursuant to this Section, the replacement equipment (the “*Replacement Equipment*”) shall be of new or of a quality type, utility and condition at least as good as the Replaced Equipment and shall be of equal or greater value than the Replaced Equipment. Lessee shall grant to Lessor a first priority security interest in any such Replacement Equipment. Lessee shall represent, warrant and covenant to Lessor that each item of Replacement Equipment is free and clear of all claims, liens, security interests and encumbrances, excepting only those liens created by or through Lessor, and shall provide to Lessor any and all documents as Lessor may reasonably request in connection with the replacement, including, but not limited to, documentation in form and substance satisfactory to Lessor evidencing Lessor’s security interest in the Replacement Equipment. Lessor and Lessee hereby acknowledge and agree that any Replacement Equipment acquired pursuant to this paragraph shall constitute “*Equipment*” for purposes of this Agreement and the related Lease. Lessee shall complete the documentation of Replacement Equipment on or before the next Rental Payment Date after the occurrence of a casualty event, or be required to exercise its option to prepay the obligations under the related Lease with respect to the damaged equipment in accordance with Section 10.01(b).

For purposes of this Article, the term “*Net Proceeds*” shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award or sale under threat of

condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) pay or cause to be paid to Lessor the amount of the then applicable Prepayment Price under the related Lease, and, upon such payment, the applicable Lease Term shall terminate and Lessor's security interest in the Equipment shall terminate as provided in Section 6.01 hereof. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after paying such Prepayment Price shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. Lessor makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for use of any of the Equipment, or any other warranty or representation, express or implied, with respect thereto and, as to Lessor, Lessee's acquisition of the Equipment under each Lease shall be on an "as is" basis. In no event shall Lessor be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, any Lease, any Equipment or the existence, furnishing, functioning or Lessee's use of any item, product or service provided for in this Agreement or any Lease.

Section 9.02. Vendor's Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term under each Lease, so long as Lessee shall not be in default under such Lease, to assert from time to time whatever claims and rights (including without limitation warranties) relating to the Equipment that Lessor may have against a Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the applicable Vendors of the Equipment and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to any Lease, including the right to receive full and timely Rental Payments and other payments under each Lease. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties relating to the Equipment.

ARTICLE X

Section 10.01. Prepayment Option. Lessee shall have the option to prepay all, but not less than all, its obligations under a Lease, at the following times and upon the following terms:

(a) From and after the date specified (if any) in the applicable Schedule (the “*Prepayment Option Commencement Date*”), on the Rental Payment Dates specified in the related Payment Schedule, upon not less than 30 days’ prior written notice, and upon payment in full of the Rental Payments then due and all other amounts then owing under the related Lease *plus* the then applicable Prepayment Price, which may include a prepayment premium on the unpaid balance as set forth in such Payment Schedule; or

(b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment listed in a Lease, on the day specified in Lessee’s notice to Lessor of its exercise of the prepayment option (which shall be the earlier of the next Rental Payment Date or 60 days after the casualty event) upon payment in full to Lessor of the sum of (i) any Rental Payment then due under such Lease *plus* (ii) the then applicable Outstanding Balance *plus* (iii) all other amounts then owing hereunder or, in the event such prepayment occurs on a date other than a Rental Payment date, the sum of (x) the Outstanding Balance relating to the Rental Payment immediately prior to the date of such prepayment *plus* (y) accrued interest on the Outstanding Balance relating to the Rental Payment immediately prior to the date of such prepayment *plus* (z) all other amounts then owing hereunder; or

(c) Upon the expiration of the Lease Term under a Lease, upon payment in full of all Rental Payments then due and all other amounts then owing under such Lease to Lessor.

After payment of the applicable Prepayment Price and all other amounts owing under a Lease, Lessor’s security interests in and to the Equipment under such Lease will be terminated and Lessee will own such Equipment free and clear of Lessor’s security interest in such Equipment.

ARTICLE XI

Section 11.01. Assignment by Lessor. Lessor’s right, title and interest in and to Rental Payments and any other amounts payable by Lessee under any and all of the Leases and its security interest in the Equipment subject to the related Lease, and all proceeds therefrom, may be assigned and reassigned by Lessor at any time, in whole or in part, to one or more assignees or subassignees only with the prior written consent of the Lessee in the form of the acknowledgment set forth in Exhibit H hereto, which consent shall not be unreasonably be withheld (except that, in the case of transfer to an affiliate controlling, controlled by or under common control with Lessor, no prior written consent of Lessee shall be required and Lessee hereby agrees to execute and deliver the acknowledgment set forth in Exhibit H hereto upon receipt by the Bank within 5 days of its receipt thereof). Any assignment for which Lessee consent is required but not obtained prior to the effectiveness of such assignment shall be null and void.

(b) During the Lease Term under each Lease, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees or Lease Servicer last designated in such register. [they propose striking this sentence...Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim or other right Lessee may have against Lessor or a Vendor]. Assignments in part may include, without limitation, assignment of all of Lessor's security interest in and to the Equipment listed in a particular Lease and all rights in, to and under the Lease related to such Equipment and all of Lessor's security interest in and to the Escrow Fund, or all rights in, to and under the Escrow Agreement. The option granted in this Section may be separately exercised from time to time with respect to the Equipment listed in each Lease, but such option does not permit the assignment of less than all of Lessor's interests in the Equipment listed in a single Lease.

Section 11.02. Assignment and Subleasing by Lessee. **None of Lessee's right, title and interest in, to and under any Lease or any portion of the Equipment, may be assigned, encumbered or subleased by Lessee for any reason, and any purported assignment, encumbrance or sublease without Lessor's prior written consent shall be null and void.**

ARTICLE XII

Section 12.01. Events of Default Defined. Any of the following events shall constitute an "Event of Default" under a Lease:

(a) Failure by Lessee to (i) pay any Rental Payment or other payment required to be paid under any Lease within 30 days of the date when due as specified therein or (ii) maintain insurance as required under such Lease (including Section 7.02 incorporated therein);

(b) Failure by Lessee to observe and perform any covenant, condition or agreement contained in this Agreement or such Lease on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; *provided* that, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to any Lease or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which Lessee is an obligor, if such default (i) arises under any other agreement for borrowing money, lease financing of

property or provision of credit provided by Lessor or any affiliate of Lessor (including, without limitation, the occurrence of any event of default under any other Lease), or (ii) arises under any obligation under which there is outstanding, owing or committed an aggregate amount in excess of \$100,000;

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, or (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists under a Lease, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments payable by Lessee pursuant to such Lease and other amounts payable by Lessee under such Lease to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating the Lease Term under such Lease, Lessor may enter the premises where the Equipment listed in such Lease is located and retake possession of such Equipment or require Lessee at Lessee's expense to promptly return any or all of such Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and sell or lease such Equipment or, for the account of Lessee, sublease such Equipment, continuing to hold Lessee liable, but solely from legally available funds, for the difference between (i) the Rental Payments payable by Lessee pursuant to such Lease and other amounts related to such Lease or the Equipment listed therein that are payable by Lessee to the end of the then current Original Term or Renewal Term, as the case may be, and (ii) the net proceeds of any such sale, leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under such Lease, including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing such Equipment and all brokerage, auctioneer's and attorney's fees), subject, however, to the provisions of Section 3.03. The exercise of any such remedies respecting any such Event of Default shall not relieve Lessee of any other liabilities under any other Lease or with respect to the Equipment listed therein; and

(c) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights under such Lease relating thereto or as a secured party in any or all of the Equipment subject to such Lease.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under a Lease now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice other than such notice as may be required in this Article.

Section 12.04. Application of Moneys. Any net proceeds from the exercise of any remedy under this Agreement, including the application specified in Section 12.02(b)(ii) (after deducting all expenses of Lessor in exercising such remedies including without limitation all expenses of taking possession, storing, reconditioning and selling or leasing Equipment and all brokerage, auctioneer's or attorney's fees), shall be applied as follows:

(a) If such remedy is exercised solely with respect to a single Lease, Equipment listed in such Lease or rights thereunder, then to amounts due pursuant to such Lease and other amounts related to such Lease or such Equipment.

(b) If such remedy is exercised with respect to more than one Lease, Equipment listed in more than one Lease or rights under more than one Lease, then to amounts due pursuant to such Leases pro rata.

ARTICLE XIII

Section 13.01. Notices. All notices, certificates or other communications under any Lease shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, or delivered by overnight courier, or sent by facsimile transmission (with electronic confirmation) to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Binding Effect. Each Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of any Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 13.04. Amendments, Changes and Modifications. This Agreement and each Lease may only be amended by Lessor and Lessee in writing.

Section 13.05. Execution in Counterparts. This Agreement and each Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument, *provided* that only Counterpart No. 1 of each Lease (including the terms and provisions of this Agreement incorporated therein by reference) shall constitute chattel paper for purposes of the applicable Uniform Commercial Code.

Section 13.06. Applicable Law. This Agreement and each Lease shall be governed by and construed in accordance with the laws of the State.

Section 13.07. Captions. The captions or headings in this Agreement and in each Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement or any Lease.

Section 13.08. Entire Agreement: This Agreement sets forth the entire agreement between the parties on the subject matter hereof and replaces and supersedes all prior agreements on the subject, whether oral or written, express or implied. Neither Lessor nor Lessee shall be bound to any other terms and conditions set forth in any documents, agreements or policies unless such terms and conditions are specifically set forth in this Agreement. Neither Lessor nor Lessee may unilaterally change any term or condition of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[Signature Page Follows]

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

LESSOR:
Banc of America Public Capital Corp
555 California Street, 4th Floor
San Francisco, California 94104
Attention: Contract Administration
Fax No.: (415) 765-7373

LESSEE:

Attention: _____
Fax No.: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

8.1

LIST OF EXHIBITS

- Exhibit A — Form of Schedule of Property
- Exhibit B — Form of Rental Payment Schedule
- Exhibit C-1 — Form of Incumbency and Authorization Certificate
- Exhibit C-2 — Form of Authorizing Resolution
- Exhibit D — Form of Opinion of Lessee’s Counsel
- Exhibit E — Form of Final Acceptance Certificate
- Exhibit F — Form of Self-Insurance Certificate
- Exhibit G — Form of Bank Qualification Designation
- Exhibit H — Form of Notice and Acknowledgement of Assignment

EXHIBIT A

FORM OF SCHEDULE OF PROPERTY NO. _____

Re: Master Equipment Lease/Purchase Agreement, dated as of _____,
 between Banc of America Public Capital Corp, as Lessor, and
 _____, as Lessee

1. *Defined Terms.* All terms used herein have the meanings ascribed to them in the above-referenced Master Equipment Lease/Purchase Agreement (the “*Agreement*”).

2. *Equipment.* For purposes of the Lease created hereby, the following items of Equipment are hereby included under this Schedule together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto as provided in the Agreement.

QUANTITY	DESCRIPTION	SERIAL NO.	MODEL NO.	LOCATION
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3. *Payment Schedule.*

(a) *Rental Payments; Commencement Date.* The Rental Payments shall be in such amounts and payable on such Rental Payment Dates as set forth in the Rental Payment Schedule attached to this Schedule as *Exhibit B* and incorporated herein by this reference, subject to adjustment upon the occurrence of an Event of Taxability as provided in Section 4.06 of the Agreement. Lessee’s obligation to pay Rental Payments under the Lease created hereby shall commence on the date on which the Equipment listed in this Schedule is accepted by Lessee in the manner described in Section 5.01 of the Agreement, as evidenced by the Final Acceptance Certificate executed by Lessee and substantially in the form of *Exhibit E* attached to the Agreement, the “*Commencement Date*”).

(b) *Prepayment Price Schedule.* The Prepayment Price on each Rental Payment Date shall be the amount set forth for such Rental Payment Date in the “Prepayment Price” column of the Rental Payment Schedule attached to this Schedule. The Prepayment Price is in addition to all Rental Payments then due under this Schedule (including the Rental Payment shown on the same line in the Rental Payment Schedule).

8.1

4. *Representations, Warranties and Covenants.* Lessee hereby represents, warrants and covenants that its representations, warranties and covenants set forth in the Agreement (particularly Section 2.01 thereof) are true and correct as though made on the Commencement Date. Lessee further represents and warrants that (a) no Material Adverse Change has occurred since the dated date of the Agreement; (b) no Event of Default has occurred and is continuing under any Lease currently in effect; (c) no Event of Non-appropriation under any Lease currently in effect is threatened; (d) no Lease has been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation; (e) the governing body of Lessee has authorized the execution and delivery of the Agreement and the Leases pursuant to [Resolution No. _____] , approved on _____, 20__; (f) the Equipment listed in this Schedule is essential to the functions of Lessee or to the services Lessee provides its citizens; (g) Lessee has an immediate need for, and expects to make immediate use of, substantially all such Equipment, which will be used by Lessee only for the purpose of performing one or more of Lessee’s governmental or proprietary functions consistent with the permissible scope of its authority; and (h) Lessee expects and anticipates adequate funds to be available for all future payments or rent due after the current budgetary period.

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

OR IF VENDOR PAID DIRECTLY USE:

6. *Acquisition Amount.* The Acquisition Amount for the Equipment listed in this Schedule to be paid to the Vendor (or reimbursed to Lessee) is \$ _____.]

[7][8]. *Lease Term.* The Lease Term shall consist of the Original Term and _____ consecutive Renewal Terms, with the final Renewal Term ending on _____, subject to earlier termination pursuant to the Agreement.

[8][9]. *Prepayment Option Commencement Date.* For purposes of Section 10.01 of the Agreement, the Prepayment Option Commencement Date is _____.

[9][10]. *Contract Rate; Taxable Rate.* The Contract Rate for this Schedule is _____% per annum. The Taxable Rate for this Schedule is _____% per annum.

[OPTION: IF MOTOR VEHICLES ARE BEING FINANCED:

[10][11]. *Registration.* Any Equipment that is a motor vehicle is to be registered and titled as follows:

Any Equipment that is a motor vehicle is to be registered and titled as follows:

(a) *Registered Owner:* [_____]

(b) *Lienholder:* Banc of America Public Capital Corp
Northeast Center Building
2059 Northlake Parkway
Tucker, GA 30084-5321

Lessee shall be responsible for the correct titling of all Equipment leased hereunder. Lessee will cause the original Certificates of Title to be delivered to Lessor for retention in Lessor's files throughout the Lease Term of the Lease created hereby.

[OPTION: IF EQUIPMENT BEING FINANCED MAY CONSTITUTE FIXTURES:

[11][12]. Lessee hereby represents and warrants for the benefit of Lessor that Lessee is the fee owner of the real estate where the Equipment is and will be located and has good and marketable title thereto, and there exists no mortgage, pledge, lien, security interest, charge or other encumbrance of any nature whatsoever on or with respect to such real estate.

Dated: _____

LESSOR:
Banc of America Public Capital Corp
555 California Street, 4th Floor
San Francisco, California 94104
Attention: Contract Administration

LESSEE:

Attention: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Counterpart No. ____ of ____ manually executed and serially numbered counterparts. To the extent that the Lease created hereby constitutes chattel paper (as defined in the applicable 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.

8.1

EXHIBIT B

FORM OF RENTAL PAYMENT SCHEDULE

RENTAL PAYMENT DATE	RENTAL PAYMENT AMOUNT	INTEREST PORTION	PRINCIPAL PORTION	OUTSTANDING BALANCE	PREPAYMENT PRICE [including prepayment premium]
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EXHIBIT C-1

FORM OF INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, a duly elected or appointed and acting _____ Clerk of _____ (“*Lessee*”) certifies as follows:

A. The following listed persons are duly elected or appointed and acting officials of Lessee (the “*Officials*”) in the capacity set forth opposite their respective names below and that the facsimile signatures are true and correct as of the date hereof; and

B. The Officials are duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Master Equipment Lease/Purchase Agreement dated as of _____ (the “*Agreement*”) and separate Schedules relating thereto from time to time as provided in the Agreement (collectively, the “*Schedules*”), each between Lessee and Banc of America Public Capital Corp (“*Lessor*”), and all documents related thereto and delivered in connection therewith (collectively, the “*Operative Agreements*”), and the Operative Agreements are binding and authorized agreements of Lessee, enforceable in all respects in accordance with their terms.

NAME OF OFFICIAL	TITLE	SIGNATURE
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dated: _____

By: _____

Name: _____

Title: _____

(The signer of this Certificate cannot be listed above as authorized to execute the Operative Agreements.)

8.1

EXHIBIT C-2

FORM OF AUTHORIZING RESOLUTION

A RESOLUTION OF THE GOVERNING BODY OF _____,
AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER
EQUIPMENT LEASE/PURCHASE AGREEMENT WITH BANC OF
AMERICA PUBLIC CAPITAL CORP, AS LESSOR, AND SEPARATE
SCHEDULES THERETO 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.

8.1

WHEREAS, _____ (the “*Lessee*”), a [city] [county] [school district]
[special district] [body corporate and politic]and agency and instrumentality of the State of
Maine duly organized and existing under the laws of the State/Commonwealth of
Maine _____, is authorized by the laws of the State/Commonwealth of Maine _____ to
purchase, acquire and lease personal property (tangible and intangible) 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 need
exists for the acquisition, purchase and financing of certain property consisting of
_____ [insert general description, such as public works equipment, office
equipment, public safety vehicles, communications] (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 “*Agreement*”) with Banc of America
Public Capital Corp (or one of its affiliates), as lessor (the “*Lessor*”), substantially in the
proposed form presented to the Board at this meeting, and separate Schedules thereto
substantially in the form attached to the Agreement; and

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

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of the
Lessee as follows:

Section 1. Findings and Determinations. It is hereby found and determined that the terms of the Agreement (including the form of Schedule of Property and the form of Rental Payment Schedule, both attached thereto), in the form presented to the Board at this meeting, are in the best interests of the Lessee for the acquisition, purchase, financing and leasing of the Equipment.

Section 2. Approval of Documents. The form, terms and provisions of the Agreement (including the form of Schedule of Property and the form of Rental Payment Schedule, both attached thereto) are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the Treasurer and Vice Chancellor for Finance & Administration or designee(s) _____ [insert title of officials] of the Lessee (the “Authorized Officials”) executing the same, the execution of such documents being conclusive evidence of such approval. The Authorized Officials are each hereby authorized and directed to sign and deliver on behalf of the Lessee the Agreement, each Schedule thereto under which a separate Lease (as defined in the Agreement) is created, each Rental Payment Schedule attached 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 Rental Payments under all Leases entered into pursuant to the Agreement shall not exceed \$ _____; (b) the maximum term under any Lease entered into pursuant to the Agreement shall not exceed [ten] years; and (c) the maximum interest rate used to determine the interest component of Rental Payments under each Lease shall not exceed the lesser of the maximum rate permitted by law or [ten percent (10%)] per annum. The Authorized Officials may sign and deliver Leases to the Lessor on behalf of the Lessee pursuant to the Agreement on such terms and conditions as they shall determine are in the best interests of the Lessee up to the maximum aggregate principal component, maximum term and maximum interest rate provided above. The foregoing authorization shall remain in effect for so long as any Leases entered into pursuant to the Agreement remain outstanding (including the Original Term and all Renewal Terms, as defined in the Agreement) from the date hereof during which the Authorized Officials are authorized to sign and deliver Leases pursuant to the Agreement on the terms and conditions herein provided and to be provided in each such Lease.

Section 3. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of Final Acceptance Certificates, Escrow Agreements and any tax certificate and agreement, as contemplated in the Agreement) 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 Agreement and each Lease.

Section 4. No General Liability. Nothing contained in this Resolution, the Agreement, any Lease, any Escrow Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement, any Lease, any Escrow Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the Rental Payments payable

under each Lease entered into pursuant to the Agreement are limited obligations of the Lessee, subject to annual appropriation, as provided in the Agreement.

Section 5. Appointment of Authorized Lessee Representatives. The Treasurer and Vice Chancellor for Finance & Administration or designee(s) and the Comptroller _____ and _____ of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of each Lease and the related Escrow Agreement until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreement and any Lease or Escrow Agreement.

Section 6. Severability. 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 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

The undersigned, a duly elected or appointed and acting _____ [Secretary] [City Clerk] [County Clerk] of the Lessee identified in the above Resolution No. ____ (the "*Resolution*"), hereby certifies that the Resolution is a full, true and correct copy of such Resolution as adopted by the governing body of the Lessee on _____, 20___. The Resolution is in full force and effect on the date hereof and has not been amended, modified or otherwise changed by the governing body of the Lessee since the date of adoption of the Resolution.

DATED this ____ day of _____, 20__.

Name: _____
Title: _____

8.1

EXHIBIT D

FORM OF OPINION OF LESSEE’S COUNSEL
(to be typed on letterhead of counsel)

Banc of America Public Capital Corp
555 California Street, 4th Floor
San Francisco, California 94104

Re: Schedule of Property No. _____, dated _____, to Master Equipment Lease/Purchase Agreement, dated as of _____, between Banc of America Public Capital Corp, as Lessor, and _____, as Lessee

Ladies and Gentlemen:

As legal counsel to _____ (“Lessee”), I have examined (a) an executed counterpart of that certain Master Equipment Lease/Purchase Agreement, dated as of _____ (the “Agreement”) and Exhibits thereto, between Banc of America Public Capital Corp, as lessor (“Lessor”), and Lessee; and (b) an executed counterpart of Schedule of Property No. _____, dated _____, between Lessor and Lessee, which incorporates by reference the terms and provisions of the Agreement (such Schedule together with such incorporated terms and provisions are herein referred to collectively as the “Schedule No. _____, and together with the “Agreement”, the “Lease”.), (c) a certified copy of the resolution(s) of the governing body of Lessee which, among other things, authorize Lessee to execute the Agreement, the Original Schedule, the Original Rental Payment Schedule, and all additional Schedules of Property and related rental payment schedules to be entered into pursuant to the Agreement (each of which is herein referred to as an “Additional 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 Schedule; and (d) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinion. The Original Schedule, including the terms and provisions of the Agreement incorporated therein by reference, and the related Original Rental Payment Schedule are herein collectively referred to as the “Lease.” Any Additional Schedule, which incorporates by reference the terms and conditions of the Agreement, and the related rental payment schedule are herein collectively referred to as an “Additional Lease.”

Based on the foregoing, I am of the following opinion:

1. Lessee is a duly created and validly existing public body politic and corporate and agency and instrumentality of the State of Maine under the Constitution and laws of the State of Maine, and has the power and authority to enter into the Lease.
2. Lessee has the requisite power and authority to lease, purchase and acquire the Equipment and to execute and deliver the Lease and each Additional Lease and to perform its obligations under the Lease and each Additional Lease.

8.1

3. The Lease and each Additional Lease have been duly authorized and approved and have been or, with respect to each Additional Lease, will be, duly executed and delivered by and on behalf of Lessee. Assuming due authorization, execution and delivery thereof by Lessor, each of 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.

4. On information and belief the authorization, approval, execution and delivery of the Lease and the Additional Leases and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws.

5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Agreement, the Lease or any Additional Lease or the security interest of Lessor or its assigns, as the case may be, in the Equipment under the Lease or any Additional Lease or other collateral thereunder.

We will need the stricken language in respect of all tax-exempt lease schedules with an amount over \$5M. Lessee qualifies as an entity whose interest is exempt from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended.

Printed Name: _____
Firm: _____
Address: _____
Telephone No.: _____

Signature: _____
Dated: _____

EXHIBIT E

FORM OF FINAL ACCEPTANCE CERTIFICATE

Banc of America Public Capital Corp
555 California Street, 4th Floor
San Francisco, California 94104

Re: Schedule of Property No. _____, dated _____, to Master Equipment Lease/Purchase Agreement, dated as of _____, between Banc of America Public Capital Corp, as Lessor, and _____, as Lessee

8.1

Ladies and Gentlemen:

In accordance with the Master Equipment Lease/Purchase Agreement described above (the "*Agreement*"), the undersigned Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

1. All of the Equipment listed in the above-referenced Schedule of Property (the "*Schedule*") has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment listed in the Schedule as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by Section 7.02 of the Agreement.
4. Lessee hereby reaffirms that the representations, warranties and covenants contained in the Agreement and incorporated into the Schedule by reference are true and correct as of the date hereof.
5. (a) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default exists at the date hereof under any Lease currently in effect; (b) no Material Adverse Change has occurred since the dated date of the Agreement; (c) no Event of Non-appropriation under any Lease currently in effect has been threatened; and (d) no Lease has been terminated as the result of the occurrence of an Event of Default or an Event of Non-appropriation.

Capitalized terms used, but not defined, in this Final Acceptance Certificate shall have the same meanings as when such terms are used in the Agreement.

Date: _____

LESSEE:

By: _____

Name: _____

Title: _____

8.1

EXHIBIT F

FORM OF SELF-INSURANCE CERTIFICATE

Banc of America Public Capital Corp
555 California Street, 4th Floor
San Francisco, California 94104

Re: Schedule of Property No. _____, dated _____, to Master
Equipment Lease/Purchase Agreement, dated as of _____,
between Banc of America Public Capital Corp, as Lessor, and
_____, as Lessee

8.1

In connection with the above-referenced Schedule of Property (the “*Schedule*”),
_____ (the “*Lessee*”) hereby warrants and represents to Banc of
America Public Capital Corp the following information. The terms capitalized herein but not
defined herein shall have the meanings assigned to them in the Agreement incorporated in the
Schedule by reference.

1. The Lessee is self-insured for damage or destruction to the Equipment listed in the
Schedule (herein, the “*Equipment*”). The dollar amount limit for property damage to the
Equipment under such self-insurance program is \$_____. [The Lessee maintains
an umbrella insurance policy for claims in excess of Lessee’s self-insurance limits for property
damage to the Equipment which policy has a dollar limit for property damage to the Equipment
under such policy of \$_____.]

2. The Lessee is self-insured for liability for injury or death of any person or damage
or loss of property arising out of or relating to the condition or operation of the Equipment. The
dollar limit for such liability claims under the Lessee’s self-insurance program is
\$_____. [The Lessee maintains an umbrella insurance policy for claims in excess
of Lessee’s self-insurance limits for liability which policy has a dollar limit for liabilities for
injury and death to persons as well as damage or loss of property arising out of or relating to the
condition or operation of the Equipment in the amount of \$_____.

[3]. The Lessee maintains a self-insurance fund. Monies in the self-insurance fund
[are/are not] subject to annual appropriation. The total amount maintained in the self-insurance
fund to cover Lessee’s self-insurance liabilities is \$_____. [Amounts paid from
the Lessee’s self-insurance fund are subject to a dollar per claim of \$_____.]

[3]. The Lessee does not maintain a self-insurance fund. The Lessee obtains funds to pay claims for which it has self-insured from the following sources: _____.
Amounts payable for claims from the such sources are limited as follows: _____
_____.

4. Attached hereto are copies of certificates of insurance with respect to policies maintained by Lessee.

LESSEE:

By: _____

Name: _____

Title: _____

8.1

EXHIBIT G

FORM OF BANK QUALIFICATION DESIGNATION

The undersigned, a duly authorized official of _____ (the "Lessee") certifies in connection with Schedule of Property No. _____, dated _____, which incorporates by reference the terms and provisions of that certain Master Equipment Lease/Purchase Agreement dated as of _____ (such Schedule of Property and incorporated terms and provisions are herein referred to as the "Lease"), each between Banc of America Public Capital Corp and Lessee, as follows:

1. The obligations evidenced by the Lease are not "private activity bonds" as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code");
2. The Lessee hereby designates the principal components of the Rental Payments payable under the Lease as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
3. The reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Lessee (and all entities treated as one issuer with the Lessee, and all subordinate entities whose obligations are treated as issued by the Lessee) during the current calendar year will not exceed \$10,000,000; and
4. Not more than \$10,000,000 of obligations issued by the Lessee during the current calendar year have been designated for purposes of Section 265(b)(3) of the Code.

DATE: _____

LESSEE:

By: _____

Name: _____

Title: _____

8.1

EXHIBIT H**FORM OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT**

Dated _____

BANC OF AMERICA PUBLIC CAPITAL CORP (“Assignor”) hereby gives notice that, as of _____, 20__, it has assigned and sold to _____ (“Assignee”) all of Assignor’s right, title and interest in, to and under Schedule of Property No. _____, dated _____ (including the Rental Payment Schedule attached thereto, the “Schedule”), which incorporates by reference the terms and provisions of that certain Master Equipment Lease/Purchase Agreement dated as of _____ (the “Agreement”), each between Assignor and _____ (“Lessee”), together with all exhibits, schedules, riders, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith, the Rental Payments and other amounts due under the Lease (as such term is hereinafter defined), all of Assignor’s right, title and interest in the Equipment listed in the Schedule (collectively, the “Assigned Property”).

For purposes of this Notice and Acknowledgment of Assignment (the “Acknowledgment”), “Lease” means collectively the Schedule and the terms and provisions of the Agreement incorporated therein by reference, together with all exhibits, schedules, riders, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith. The term “Lease” specifically excludes all other Schedules of Property entered into under the Agreement and rental payments other than with respect to the Schedule. Each capitalized term used but not defined herein has the meaning set forth in the Agreement.

1. Lessee hereby acknowledges the effect of the assignment of the Assigned Property and absolutely and unconditionally agrees to deliver to Assignee all Rental Payments and other amounts coming due under the Lease in accordance with the terms thereof on and after the date of this Acknowledgment.

2. Lessee hereby agrees that: (i) Assignee shall have all the rights of Lessor under the Lease and all related documents, including, but not limited to, the rights to issue or receive all notices and reports, to give all consents or agreements to modifications thereto, to receive title to the Equipment in accordance with the terms of the Lease, to declare a default and to exercise all rights and remedies thereunder in connection with the occurrence of an Event of Non-appropriation or an Event of Default; and (ii) except as provided in Section 3.03 of the Agreement, the obligations of Lessee to make Rental Payments and to perform and observe the other covenants and agreements contained in the Lease shall be absolute and unconditional in all events without abatement, diminution, deduction, set-off or defense.

3. Lessee agrees that, as of the date of this Acknowledgment, the following information about the Lease is true, accurate and complete:

Number of Rental Payments Remaining	_____
Amount of Each Rental Payment	\$ _____
Total Amount of Rents Remaining	\$ _____
Frequency of Rental Payments	_____
Next Rental Payment Due	_____

4. The Lease remains in full force and effect, has not been amended and no event of default (or event which with the passage of time or the giving of notice or both would constitute a default) or threatened non-appropriation has occurred thereunder.

5. Assignor hereby acknowledges the transfer restrictions imposed by Section 11.01 of the Agreement and confirms that the assignment to Assignee has been made in accordance with the provisions of that Section.

6. Any inquiries of Lessee related to the Lease and all Rental Payments and other amounts coming due pursuant to the Lease on and after the date of this Acknowledgment should be remitted to Assignee at the following address (or such other address as provided to Lessee in writing from time to time by Assignee):

ACKNOWLEDGED AND AGREED:

LESSEE: _____
[FOR EXHIBIT PURPOSES ONLY]

By: _____
Name: _____
Title: _____

ASSIGNOR: BANC OF AMERICA PUBLIC CAPITAL CORP
[FOR EXHIBIT PURPOSES ONLY]

By: _____
Name: _____
Title: _____

8.1

