

Date: November 17, 2022

**MUNICIPAL LEASE PURCHASE AGREEMENT  
(ABATEMENT)**

Lessor: Leasource Financial Services  
5335 Apple Tree Court  
Orangevale, CA 95662

Lessee: Mt. Diablo Unified School District  
1936 Carlotta Drive  
Concord, CA 94519

This Municipal Lease Purchase Agreement (Abatement) (the "Agreement") entered into between Leasource Financial Services ("Lessor"), and Mt. Diablo Unified School District ("Lessee"), a body corporate and politic duly organized and existing under the laws of the State of California ("State");

**WITNESSETH:**

WHEREAS, Lessor desires to lease the Equipment, as hereinafter defined, to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement; and  
NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

**ARTICLE I  
COVENANTS OF LESSEE**

Section 1.01. **Covenants of Lessee.** Lessee represents, covenants and warrants, for the benefit of Lessor and its assignees, as follows:

(a) Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the State of California with full power and authority to enter into this Agreement and the transaction contemplated hereby and to perform all of its obligations hereunder.

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

(c) Lessee has been duly authorized to execute and deliver this Agreement by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment hereunder. Lessee shall cause to be executed an opinion of its counsel in the form attached hereto as Exhibit B.

(d) During the Lease Term, the Equipment will perform and will be used by Lessee only for the purpose of performing essential governmental uses and public functions of Lessee consistent with the permissible scope of Lessee's authority.

(e) Lessee will annually provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing budget year and such other financial information relating to the ability of Lessee to continue this Agreement as may be requested by Lessor.

(f) Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Section 103 thereof, and the regulations of the Treasury Department there under, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of the Rental Payments.

(g) Lessee covenants and agrees that it will use the proceeds of the Agreement as soon as practicable and with all reasonable dispatch for the purpose for which the Agreement has been entered into, and that no part of the proceeds of the Agreement shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Agreement to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Treasury Department there under proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Agreement.

## ARTICLE II DEFINITIONS

Section 2.01. **Definitions.** Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Agreement shall have the respective meanings specified below.

"**Code**" means the Internal Revenue Code of 1986, as amended, and to the extent applicable, the regulations and rulings issued there under and its predecessor.

"**Commencement Date**" is the date when the term of this Agreement begins and Lessee's obligation to pay rent accrues, which date shall be the date first above written.

"**Equipment**" means the property described in Exhibit D and which is the subject of this Agreement.

"**Lease Term**" is defined in Section 4.01.

"**Purchase Price**" shall be equal to the sum of (a) the Prepayment Option Price, as shown on Exhibit E to be the applicable price after the last prior Rental Payment is and has been made, (b) provided that there is no Event of Default hereunder on any rental payment date by paying to Lessor the Rental Payment then due, together with the Purchase Option Price set forth in Exhibit E (c) any unpaid charges for or interest on late payments, and (d) any other amounts payable to Lessor hereunder as reimbursement or repayments for advances.

"**Rental Payments**" means the basic rental payments payable by Lessee pursuant to Exhibit E of this Agreement.

"**Vendor**" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment.

## ARTICLE III LEASE OF EQUIPMENT

Section 3.01. **Lease of Equipment.** Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment, in accordance with the provisions of this Agreement, to have and to hold for the Lease Term.

## ARTICLE IV LEASE TERM

Section 4.01. **Lease Term.** This Agreement shall be in effect and shall commence as of the Commencement Date and shall terminate six (6) years and zero (0) months from the Commencement Date.

Section 4.02. **Delivery, Installation and Acceptance of Equipment.** Lessee shall order the Equipment, shall cause the Equipment to be delivered and installed at the location specified on Exhibit D to this Agreement and shall pay all delivery and installation costs, if any, in connection therewith. When the Equipment is delivered, and installed, Lessee shall immediately accept the Equipment and evidence said acceptance by executing and delivering to Lessor the Acceptance Certificate in the form attached hereto as Exhibit F.

## ARTICLE V ENJOYMENT OF EQUIPMENT

Section 5.01. **Quiet Enjoyment.** Lessor hereby covenants to provide Lessee during the Lease Term with quiet use and enjoyment of the Equipment.

Section 5.02. **Use of the Equipment.** Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement.

Section 5.03. **Location; Right of Inspection.** Once installed, the Equipment will not be moved from the location specified in Exhibit D to this Agreement without Lessor's consent, which shall not be unreasonable withheld. During the Lease Term, the Lessor and its officers, employees and agents shall have the right at all reasonable times during business hours to enter into and upon the property of the Lessee for the Purpose of inspecting the Equipment.

Section 5.04. **Disclaimer of Warranties.** LESSOR MAKES NO WARRANTY NOR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR ANY OTHER WARRANTY WITH RESPECT THERETO AND, AS TO THE LESSOR, THE LESSEE LEASES THE EQUIPMENT "AS IS". In no event shall the Lessor be liable for any loss or damage, including incidental, indirect, special or consequential damage, in connection with or arising out of this Agreement or the existence, furnishing, functioning or the Lessee's use of any items or products or services provided for in this Agreement.

Section 5.05. **Vendors Warranties.** Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time-to-time whatever claims and rights (including without limitation warranties) related to the Equipment that Lessor may have against the Vendor. Lessee's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Equipment, and not against Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Lease, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Equipment.

**ARTICLE VI  
RENTAL PAYMENTS**

Section 6.01. **Rental Payments to Constitute a Current Expense of Lessee.** The Rental Payments and other amounts payable under this Agreement for each budget year of Lessee or portion thereof during the Lease Term shall constitute the rental for such budget year or portion thereof and shall be paid by Lessee for and in consideration of the right to the use and occupancy, and the continued quiet use and enjoyment, of the Equipment by Lessee for and during such budget year or portion thereof. The parties hereto have agreed and determined that such total rental is not in excess of the total fair rental value of the Equipment. In making such determination, consideration has been given to the costs of the Equipment, the uses and purposes served by the Equipment, and the benefits therefrom that will accrue to the parties by reason of this Agreement and to the general public by reason of Lessee's use of the Equipment. Lessee hereby covenants to take such action as may be necessary to include all Rental Payments and other amounts due hereunder in its annual budget and to make the necessary appropriations for all such Rental Payments and other amounts, subject to Section 6.05. The covenants on the part of Lessee herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of Lessee to carry out and perform the covenants and agreements on the part of Lessee contained in this Agreement. The obligation of Lessee to make Rental Payments or other payments due hereunder does not constitute an obligation of Lessee for which the Lessee is obligated to levy or pledge any form of taxation or for which Lessee has levied or pledged any form of taxation. The obligation of Lessee to make Rental Payments or other payments hereunder does not constitute an indebtedness of Lessee, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Section 6.02. **Payment of Rental Payments.** Lessee shall promptly pay Rental Payments, exclusively from legally available funds, in lawful money of the United States of America to Lessor in such amounts and on such dates as described in Exhibit E hereto; provided that, if the Equipment has not been accepted by Lessee, such Rental Payments shall be payable solely from amounts deposited with an escrow agent.

Section 6.03. **Interest and Principal Components.** A portion of each Rental Payment is paid as interest, and the balance of each Rental Payment is paid as principal. Exhibit E hereto sets forth the interest component and the principal component of each Rental Payment during the Lease Term.

Section 6.04. **Rental Payments to be Unconditional.** THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS, AND TO PERFORM AND OBSERVE THE COVENANTS AND AGREEMENTS CONTAINED HEREIN, SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, EXCEPT AS PROVIDED IN SECTION 6.05.

Section 6.05. **Rental Abatement.** Except to the extent of (i) amounts held in an escrow, trust or agency account to make Rental Payments of (ii) amounts received in respect of rental interruption insurance or liquidated damages, Rental Payments due hereunder shall be abated during any period in which, by reason of material damage, destruction or condemnation, there is substantial interference with the use and right of possession by Lessee of the Equipment, or a material portion thereof. The amount of abatement shall be such that the resulting Rental Payments represent fair consideration for the use and possession of the portions of the Equipment not damaged, destroyed or condemned. Such abatement shall continue for the period commencing with the date of such damage, destruction or condemnation and ending with the restoration of the affected Equipment to a condition which will permit the affected Equipment to be used substantially as intended. In the event of any such damage, destruction or condemnation, this Agreement shall continue in full force and effect, except as set forth in Section 11.01.

Section 6.06. **Triple Net Lease.** This Agreement is intended to be a triple net lease. Lessee agrees that the Rental Payments and other payments provided for herein shall be an absolute net return to Lessor free and clear of any expense, charges or set-offs whatsoever.

**ARTICLE VII  
TITLE TO EQUIPMENT; SECURITY INTEREST**

Section 7.01. **Title to the Equipment.** During the term of this Agreement, title to the Equipment shall vest in Lessee, subject to Lessor's rights under this Agreement; provided that title shall thereafter immediately and without any action by Lessee vest in Lessor and Lessee shall immediately surrender possession of the Equipment to Lessor upon (i) any termination of this Agreement without Lessee exercising its option to purchase pursuant to Section 11.01 or (ii) the occurrence of an Event of Default. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sales, certificate of title or other instrument of conveyance. Nevertheless, Lessee shall execute and deliver any such instruments as Lessor may request to evidence such transfer.

Section 7.02. **Security Interest.** Lessee grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments, accessions and substitutions thereto, and on any proceeds therefrom.

Section 7.03. **Liens and Encumbrances to Title.** Lessee shall promptly discharge any mechanic's or material men's liens placed on the Equipment by any agent, contractor or supplier of the Lessee.

Section 7.04. **Personal Property.** THE EQUIPMENT IS AND WILL REMAIN PERSONAL PROPERTY AND WILL NOT BE DEEMED TO BE AFFIXED TO OR A PART OF THE REAL ESTATE ON WHICH IT MAY BE SITUATED, NOTWITHSTANDING THAT THE EQUIPMENT OR ANY PART THEREOF MAY BE OR HEREAFTER BECOME IN ANY MANNER PHYSICALLY AFFIXED OR ATTACHED TO REAL ESTATE OR ANY BUILDING THEREON. IF REQUESTED BY LESSOR, LESSEE WILL, AT LESSEE'S EXPENSE, FURNISH A WAIVER OF ANY INTEREST IN THE EQUIPMENT FROM ANY PARTY HAVING AN INTEREST IN ANY SUCH REAL ESTATE OR BUILDING.

**ARTICLE VIII  
MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES**

Section 8.01. **Maintenance of Equipment by Lessee.** Lessee will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition. If requested by Lessor, Lessee will enter into a maintenance contract for the Equipment with a company that specializes in maintaining facilities similar to the Equipment.

Section 8.02. **Taxes, Other Governmental Charges and Utility Charges.** In the event that the use, possession or acquisition and construction of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), government charges or utility charges and expenses, Lessee will pay all such taxes and charges as they come due.

Section 8.03. **Provisions Regarding Insurance.** At its own expense Lessee shall cause casualty, public liability and property damage, workers' compensation and rental interruption insurance to be carried and maintained (and evidenced by certificates delivered to Lessor throughout the Lease Term) in the amounts and for the coverage's set forth on Exhibit G, provided that the amount of casualty and property damage insurance shall not be less than the then applicable Purchase Price. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement.

All such insurance shall be with insurers that are authorized to issue such insurance in the State of California, shall name Lessee and Lessor as insured's and shall contain a provision to the effect that such insurance shall not be canceled or modified materially and adversely to the interest of Lessor without first giving written notice thereof to Lessor at least ten (10) days in advance of such cancellation.

All such casualty insurance shall contain a provision making any losses payable to Lessee and Lessor as their respective interests may appear, and Lessee will, at its own expense, maintain rental interruption insurance to cover Lessor's loss, total or partial, of the use or possession of any part of the Equipment as a result of any hazard in an amount sufficient at all times to pay an amount not less than the Rental Payments payable by Lessee during a 24-month period. Such rental interruption insurance will be payable for a period adequate to cover the period of repair or reconstruction. Such insurance may be maintained in conjunction with or separate from any other similar insurance maintained by Lessee. All insurance proceeds will be payable to Lessor in amounts proportionate to the loss of use of the Equipment and will supplement Lessee's applicable Rental Payments, if any, during the restoration period in sufficient amount to make Lessor whole during the period of abatement. Lessee will not be permitted to self insure its obligation under this paragraph.

Section 8.04. **Advances.** In the event Lessee shall fail to maintain the full insurance coverage required by this Agreement or shall fail to keep the Equipment in good repair and operating condition, Lessor may (but shall be under no obligation) to purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefore by Lessor shall be repaid to Lessor, together with interest thereon at the rate specified hereafter.

Section 8.05. **Modifications.** Without the prior written consent of the Lessor, the Lessee shall not make any material alterations, modifications or attachments to the Equipment.

**ARTICLE IX  
DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS**

Section 9.01. **Damage, Destruction and Condemnation.** If (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 is taken under the exercise of the power of eminent domain, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied either to the prompt repair, restoration, modification or replacement of the Equipment or, at Lessee's option, to the payment in full of the Purchase Price. Any balance of the Net Proceeds remaining after such work or purchase has been completed shall be paid to Lessee.

Section 9.02. **Insufficiency of Net Proceeds.** If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or replacement, Lessee shall either (a) complete the work and pay any cost in excess of the amount of Net Proceeds, or (b) Lessee shall pay to Lessor the Purchase Price. The amount of the Net Proceeds in excess of the then applicable Purchase Price, if any, may be retained by Lessee.

**ARTICLE X  
TAX COVENANT**

Section 10.01. **Tax Covenant.** It is the intention of the Lessee and the Lessor that the interest portion of the Rental Payments received by the Lessor be and remain exempt from federal income taxation. Lessee covenants that it will take any and all reasonable action necessary to maintain the excludability from federal income taxation of the interest portion of the Rental Payments, and that it will not intentionally perform any act or enter into any agreement or use or permit the use of the Equipment or any portion thereof in a manner that shall have the effect of terminating the exemption from federal income taxation of the interest portion of the Rental Payments, including (without limitation) leasing all or any portion of the Equipment or contracting to a third party for the use or operation of all or any portion of the Equipment if entering into such lease or contract would have such effect.

**ARTICLE XI  
OPTION TO PURCHASE**

Section 11.01. **Purchase Rights.** Lessee shall be entitled to purchase the Equipment:

- (a) upon payment in full of all Rental Payments in accordance with Exhibit E hereof and all other amounts due hereunder; or
- (b) upon written notice delivered at least 30 days in advance of a proposed date for payment, and upon the payment on such date of the then applicable Purchase Price.

**ARTICLE XII  
ASSIGNMENT, SUBLEASING, INDEMNIFICATION, MORTGAGING AND SELLING**

Section 12.01. **Assignment or Sale by Lessor.**

(a) This Agreement, and the obligations of Lessee to make payments hereunder, may be sold, assigned or otherwise disposed of in whole or in part to one or more successors, grantors, holders, assignees or sub assignees by Lessor. Upon any sale, disposition, assignment or reassignment, Lessee shall be provided with a duplicate original counterpart of the document by which the same is made. During the term of this Agreement, Lessee shall each keep a complete and accurate register of all such assignments in form necessary to comply with Section 149(a) of the Code.

(b) Lessee agrees to make all payments to the assignee designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (except arising from Lessor's breach of this Agreement) that Lessee may from time to time have against Lessor or Vendor. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by Lessor or assignee to protect its interests in the Equipment and in this Agreement.

(c) Lessee hereby agrees that Lessor may sell or offer to sell this Agreement (i) through a certificate of participation program, whereby two or more interests are created in the Agreement, the Equipment or the Rental Payments; or (ii) with other similar instruments, agreements and obligations through a pool, trust, limited partnership, or other entity.

Section 12.02. **No Sale, Assignment or Subleasing by Lessee.** This Agreement and the interest of Lessee in the Equipment may not be sold, assigned or encumbered by Lessee without the prior written consent of Lessor.

Section 12.03. **Release and Indemnification Covenants.** To the extent permitted by the laws and Constitution of the State, Lessee shall protect, hold harmless and indemnify Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof except those resulting from Lessor's intentional or negligent acts or omissions, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the entering into this Agreement, the ownership of any item of the Equipment, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person. The indemnification arising under this paragraph shall survive the termination of this Agreement.

**ARTICLE XIII  
EVENTS OF DEFAULT AND REMEDIES**

Section 13.01. **Events of Default.** The following constitute "Events of Default" under this Agreement:

(a) failure by the Lessee to pay any Rental Payment or other payment required to be paid hereunder when due for a period of 15 days after written notice is given to the Lessee by the Lessor, specifying such failure and requesting that it be remedied; provided, however, that if the failure stated in such notice cannot be corrected within such 15-day period, the Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected; or

(b) failure by the Lessee to maintain insurance on the Equipment in accordance with Article VIII Section 8.03 hereof for a period of 15 days after written notice is given to the Lessee by the Lessor, specifying such failure and requesting that it be remedied; provided, however, that if the failure stated in such notice cannot be corrected within such 15-day period, the Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected; or

(c) failure by the Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed for a period of 30 days after written notice is given to the Lessee by the Lessor, specifying such failure and requesting that it be remedied; provided, however, that if the failure stated in such notice cannot be corrected within such 30-day period, the Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected; or

(d) initiation by the Lessee of a proceeding under any federal or state bankruptcy or insolvency law seeking relief under such laws concerning its indebtedness.

Section 13.02. **Remedies on Default.** Whenever any Event of Default shall have occurred and be continuing, the Lessor shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current budget year of Lessee to be due, including without limitation delinquent Rental Payments from prior budget years.

(b) Without terminating this Agreement, Lessor may enter the premises where the Equipment is located and retake possession of the Equipment or require Lessee at Lessee's expense to promptly return any or all of the Equipment to the possession of Lessor at such place within the United States as Lessor shall specify, and lease the Equipment or, for the account of Lessee, sublease the Equipment, continuing to hold Lessee liable each budget year for the difference between (i) the Rental Payments and other amounts payable by Lessee hereunder for the then current budget year, and (ii) the net proceeds of any such leasing or subleasing (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation all expenses of taking possession, removing, storing, reconditioning, leasing, or subleasing the Equipment and all brokerage, auctioneer's or attorney's fees).

(c) Terminating this Agreement, Lessor may enter the premises where the Equipment is located or retake possession of the Equipment or require Lessee at Lessee's expense to promptly return any or all of the Equipment to the possession of Lessor and sell the Equipment, continuing to hold Lessee liable each budget year for the Rental Payments for that budget year and other amounts payable by Lessee hereunder for the then current budget year, less the amortized portion of proceeds for the then current year. Said amortized portion of proceeds are the proceeds from the sale of the equipment less all expenses of Lessor in exercising its remedies under this Agreement (including without limitation all expenses of taking possession, removing, storing, reconditioning, and selling and all brokerage, auctioneer's or attorney's fees) divided by the number of budget years remaining in the Agreement at the time of default. Should the proceeds less expenses of sale equal or exceed the remaining Rental Payments under the Agreement plus any outstanding and unpaid Rental Payments and other amounts payable by Lessee, then the Lessor will not have the election of this remedy.

(d) Lessor may take whatever action at law or in equity necessary or desirable to enforce its rights in the Equipment, including without limitation enforcing any remedy under Article 9 of the California Uniform Commercial Code; provided that such action shall not include acceleration of any Rental Payment to make such Rental Payment due prior to the budget year of Lessee in which it is due as described in Exhibit E.

Section 13.03. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or 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 as 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 13.04. **Late Charge; Interest on Late Payment.** Any Rental Payment not paid on the due date thereof shall bear a late charge equal to two percent (2%) of the amount of the past due Rental Payment, but in no event less than \$100.00. Any unpaid Rental Payment or other amount payable by Lessee to the Lessor hereunder, shall bear interest at the lesser of (a) the rate payable on the principal portion of the Purchase Price, plus five full percentage points per annum, or (b) the maximum rate allowed by law.

#### ARTICLE XIV MISCELLANEOUS

Section 14.01. **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at the addresses set forth on the first page hereof.

Section 14.02. **Certificate as to Arbitrage.** Lessee hereby represents as follows:

(a) The estimated total costs of the Equipment will not be less than the total principal amount of the Rental Payments.

(b) The equipment has been ordered or is expected to be ordered within six months and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within one year from the date hereof.

(c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments.

(d) The Equipment has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments.

(e) To the best of our knowledge, information and belief, the above expectations are reasonable.

(f) Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

Section 14.03. **Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 14.04. **Severability.** In the event, any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14.05. **Amendments.** All amendments hereto must be in writing.

Section 14.06. **Execution in Counterparts.** This Agreement may be executed in several counterparts.

Section 14.07. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 14.08. **Captions.** The captions or heading in the Agreement are for convenience only and no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 14.09. **Entire Agreement.** This Agreement constitutes the entire agreement between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations or warranties, express or implied, not specified herein regarding this Agreement or the copier upgrades from Ubeo Business Services / Ray Morgan Company leased hereunder. Any terms and conditions of any purchase order or other document (with the exception of Supplements) submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement. Lessee by the signature below of its authorized representative acknowledges that it has read this Agreement, understands it and agrees to be bound by its terms and conditions.

**ARTICLE XV  
DEFEASANCE**

Section 15.01. **Defeasance.** The Lessee's obligation to pay the Purchase Price will be deemed to be paid and the Lessee's obligations under this Agreement will be discharged and satisfied upon the deposit by the Lessee with the Lessor of (a) moneys sufficient to pay the Purchase Price or (b) obligations that are directly insured or guaranteed by the United States or, with the prior written consent of the Lessor, any other obligations in which any sinking fund for bonds issued by the Lessee may legally be invested, the principal of and interest on which when due will provide sufficient moneys for such payment.

IN WITNESS WHEREOF, Lessor has executed this Agreement in its corporate name, attested by its duly authorized officers, and Lessee has caused this Agreement to be executed in its corporate name, attested by its duly authorized officers. All of the above occurred as of the date first written on the heading hereof.

Lessor: Leasource Financial Services

By: \_\_\_\_\_  
Thomas L. Cadle, Owner

Lessee: Mt. Diablo Unified School District

By: \_\_\_\_\_  
Dr. Lisa Gonzales, Ed.D., Chief Business Officer

**EXHIBIT A**

**RESOLUTION OF GOVERNING BODY EXTRACT OF MINUTES**

Lessee: Mt. Diablo Unified School District

Date of Agreement: November 17, 2022

At a duly called meeting of the governing body of Lessee (as defined in the Agreement) held on the 12th day of October, 2022 the following resolution was introduced and adopted.

RESOLVED, whereas the governing body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment described in the Municipal Lease Purchase Agreement (Abatement) presented to this meeting; and

WHEREAS, the governing body of Lessee has taken the necessary steps, including any legal bidding requirements, under applicable law to arrange for the acquisition of such Equipment.

BE IT RESOLVED, by the governing body of Lessee that the terms of said Municipal Lease Purchase Agreement (Abatement) are in the best interests of Lessee for the acquisition of such Equipment, and the governing body of Lessee designates and confirms the following persons to execute and deliver, and to witness (or attest), respectively, the Municipal Lease Purchase Agreement (Abatement), the Escrow Agreement, the Agency Agreement, and any related documents necessary to the consummation of the transactions contemplated by the Municipal Lease Purchase Agreement (Abatement).

By: \_\_\_\_\_  
Dr. Lisa Gonzales, Ed.D., Chief Business Officer  
Municipal Lease Purchase Agreement (Abatement)

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the above and foregoing Municipal Lease Purchase Agreement (Abatement) is the same as presented at said meeting of the governing body of Lessee.

\_\_\_\_\_  
Secretary/Clerk

Seal: November 17, 2022  
Date



# Mt. Diablo Unified School District Governing Board

## AGENDA ITEM

**Meeting Date:** 10/12/2022 - 6:00 PM

**Category:** Technology

**Type:** Action

**Subject:** 15.31 Review and Potential Approval of the Piggyback Contract Approval and Proposal for Copier Lease and Services for Mt. Diablo Unified School District Sites and Departments

**LCAP (Local Control  
Accountability Plan)  
Goal:**

Goal 1: All students will receive a high quality education in a safe and welcoming environment with equitable and high expectations, access to technology, and instruction in the California State Standards that prepare them for college and/or career.

**Enclosure:** SUHSD and RMC Agreement for RFP R6-2019  
SUHSD Board Minutes Approving the Award of RFP to RMC  
MDUSD-RMC Preliminary Proposal  
List of Currently Leased Copy Machines

**File Attachment:**

-  SUHSD-Board Minutes Awarding RMC Bid.pdf 
-  SUHSD-RMC Signed Master agreement.pdf 
-  Current List of Copiers.pdf 

**Summary:**

District staff wish to piggyback on Shasta Unified High School District's (SUHSD) Request for Proposal (RFP) R6-2019 for Office Equipment and Related Technology and Services, as allowed by California Public Contract Code, Section 20118. Due to the continued supply market uncertainty, and the need to transition out of our current lease, ending December 31, 2022, staff propose the use of a piggyback agreement that best fits the District's needs for modernizing copiers. We reviewed several existing bids and the services they provided. We also solicited the reviews and opinions of other districts and the services they were using.

Through this process we discovered Ray Morgan Company (RMC), a UBEO Company, and their RFP award with SUHSD. Staff believes this is the best fit for our copier and service needs, as well as an option for other technology services included in their proposal. We will be able to replace our current copiers with new Canon machines at the same or lower cost as we are currently paying. These machines have a higher output than existing machines. Included are cloud-based faxing services, which will also save the District the costs of our fax machines, phone lines, and their service costs.

Upon approval of use of this Piggyback Contract, we will finalize the proposal with RMC. We are still confirming the count of copiers still needed. The proposal will incorporate all the machines currently being leased by the District (Information Technology (IT) Department master lease, as well as sub-leases by sites and departments), and their proposed buyouts. IT will continue to pay for the new leases designated in the prior agreement, and the sites will maintain their extra machine costs at the site level.

Staff is requesting Board approval of for the use of the piggyback agreement with SUHSD, for no more than the identified amount, so that we may finalize the proposal, order machines, and prepare for their installation.

**Funding:** IT portion will be from Program 50290000 (District Copy Machine


Maintenance)  
Various site budgets will cover the additional machines wanted by sites and departments

**Fiscal Impact:** \$528,267.84 per year (\$44,022.32/month) plus any overages and additional taxes

**Recommendation** Move to approve the use of the piggyback Request for Proposal R6-2019 from Shasta Unified High School District with Ray Morgan Company, a UBEO Company, for office equipment and related technology and services

**Approvals:**

**Recommended By:**

**Signed By:**  Elizabeth McClanahan - Director of Purchasing and Warehouse

**Signed By:**  Robert Sidford - Director of Technology and Innovation

**Signed By:**  Dr. Lisa Gonzales - Chief Business Officer

**Signed By:**  Cesar Alvarado - General Counsel

**Signed By:**  Dr. Adam Clark - Superintendent

**Vote Results:**

**Original Motion**

Member **Keisha Nzewi** Moved, Member **Linda Mayo** seconded to approve the **Original** motion 'Move to approve the use of the piggyback Request for Proposal R6-2019 from Shasta Unified High School District with Ray Morgan Company, a UBEO Company, for office equipment and related technology and services'. Upon a Roll-Call Vote being taken, the vote was: Aye: **5** Nay: **0**.  
The motion **Carried** 5 - 0

Linda Mayo Yes  
Debra Mason Yes  
Cherise Khaund Yes  
Keisha Nzewi Yes  
Erin McFerrin Yes

**EXHIBIT C**

**CERTIFICATE OF LESSEE**

THE UNDERSIGNED, duly authorized representative of the named Lessee under that certain Municipal Lease Purchase Agreement (Abatement) dated November 17, 2022 with Leasource Financial Services as Lessor (the "Agreement") hereby certifies as follows and in accordance with the requirements of the Agreement. Capitalized terms used herein have the same meaning as in the Agreement:

**A. INCUMBENCY OF OFFICERS AND SIGNATURES:**

I hold the position noted under my signature, and I have all authority necessary to execute and deliver this Certificate. The following officers of the Lessee are duly elected or appointed, and the signatures opposite their names are true and correct, and where required, have been filed with the appropriate officials of the State:

By: \_\_\_\_\_  
Dr. Lisa Gonzales, Ed.D., Chief Business Officer

**B. ESSENTIAL USE:**

1. The Equipment will be used by the following governmental agency department for the specific purpose of:  
Required for day-to-day business operation.
2. The Equipment is essential for the functioning of the Lessee and is immediately needed by the Lessee. Such need is neither temporary nor expected to diminish during the Lease Term. The Equipment is expected to be used by the Lessee for a period in excess of the Lease Term.
3. Funds are expected to come from the General Fund of the Lessee.

**C. ARBITRAGE CERTIFICATIONS:**

1. The estimated total costs of the Equipment will not be less than the total principal portion of the Rental Payments.
2. Lessee has entered, or reasonably expects to enter within six months of the date hereof, a contract or contracts for the acquisition of the Equipment that obligate payment by Lessee of not less than the lesser of \$100,000 or 2-1/2% of aggregate principal portion of Rental Payments.
3. The acquisition of the Equipment will proceed with due diligence to completion, which is expected on or about November 17, 2022.
4. Except for the Escrow Fund established pursuant to the Escrow Agreement, Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments.
5. The Equipment has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments.
6. To the best of our knowledge, information and belief, the above expectations are reasonable.
7. Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

This Certificate is based upon facts, circumstances, estimates and expectations of the Lessee as of the date on which the Agreement was executed, and to the best of my knowledge and belief, as of this date, such facts, circumstances and estimates are true and correct and such expectations are reasonable.

IN WITNESS WHEREOF, I have executed and delivered this certificate as of the 17th day of November, 2022.

WITNESS:

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

**EXHIBIT D**

**DESCRIPTION OF THE EQUIPMENT**

<b>Customer Name</b>	<b>Address</b>	<b>City</b>	<b>Equipment Model</b>
Copy Center	1936 Carlotta Drive	Concord	Xerox Primelink 9136
College Park High School	201 Viking Drive	Pleasant Hill	Canon 6860
LVAC Admin B-5	1266 San Carlos Ave	Concord	Canon 6860
Willow Creek Center Media Center	1026 Mohr Lane	Concord	Canon 6860
Glenbrook Academy	2351 Olivera Road	Concord	Canon 6860
Pine Hollow Middle School Workability	5522 Pine Hollow Road	Concord	Canon 6860
Alliance Program Room 36	2701 WILLOW PASS RD	Concord	Canon 6860
Crossroads NSHS	2701 Willow Pass Road	Concord	Canon 6860
Robert Shearer Preschool (Gregory Gardens)	1 Corritone Court	Pleasant Hill	Canon 6860
Willow Creek Center	1026 Mohr Lane	Concord	Canon 6860
Prospect HS (Pleasant Hill Middle)	1 Santa Barbara Road	Pleasant Hill	Canon 6860
Welcome Center Room 1	1936 Carlotta Drive	Concord	Canon 6860
Gateway NSHS (Riverview Middle)	235 Pacifica Ave.	Bay Point	Canon 6860
Preschool Assessment Center (Gregory Gardens)	1 Corritone Court	Pleasant Hill	Canon 6860
Shadelands Center	1860 Silverwood Drive	Concord	Canon 6860
Cambridge FLC Room 7	1135 Lacey Lane	Bay Point	Canon 6860
GLENNBROOK ACADEMY	2351 OLIVERA RD	Concord	Canon 6860
Meadow Homes Elementary Room 39	1371 Detroit Ave	Concord	Canon 6860
Olympic High School & Community	2730 Salvio Street	Concord	Canon 6860
LVAC ESL MU-17	1266 San Carlos Ave	Concord	Canon 6860
LOMA VISTA ESL Teachers' Lounge B6B	1266 San Carlos Ave	Concord	Canon 6860
Loma Vista Mt Diablo Education PHEC Room 210	1266 SAN CARLOS AVE	Pleasant Hill	Canon 6860
LVAC CTEC C-5 Office	1266 San Carlos Ave	Concord	Canon 6860
LVAC Admin Breakroom	1266 San Carlos Ave	Concord	Canon 6860
LOMA VISTA CTEC B10 OFFICE	1266 San Carlos Ave	Concord	Canon 6860
Bridge Program	1266 San Carlos Ave.	Concord	Canon 6860
Research & Evaluation DENT Center	1936 Carlotta Drive	Concord	Canon 6860
Mt Diablo Adult Education Center	1 Santa Barbara Road	Pleasant Hill	Canon 6860
SUNRISE (SPECIAL ED)	1861 SILVERWOOD DR.	Pleasant Hill	Canon 6860
Sunrise School (Shadelands)	1861 Silverwood Drive	Concord	Canon 6860
Concord High School	4200 Concord Blvd	Concord	Canon 6860
Concord High School	4200 Concord Blvd	Concord	Canon 6860
College Park High School	201 Viking Drive	Pleasant Hill	Canon 6860
Ygnacio Valley High School	755 Oak Grove Road	Concord	Canon 6860
Mt Diablo High School	2450 Grant Street	Concord	Canon 6860
Fair Oaks Elementary Room 27	2400 Lisa Lane	Pleasant Hill	Canon 6860
Willow Creek English Learner Assessment Center	1026 Mohr Lane	Concord	Canon 6860
Ygnacio Valley High School	755 Oak Grove Street	Concord	Canon 6860
Mt Diablo High School	2450 Grant Street	Concord	Canon 6860

Special Ed BASES	2445 Bacon Street	Concord	Canon 6860
Special Education Shadelands CCS	1860 Silverwood Drive	Concord	Canon 6860
Pine Hollow Middle School (rms9)	5522 Pine Hollow Road	Concord	Canon 6860
District Office Extra	1936 CARLOTTA DRIVE	Concord	Canon 6860
District Office DENT Personnel Department	1936 Carlotta Drive	Concord	Canon 8786
Rio Vista Elementary	611 Pacifica Ave	Bay Point	Canon 8786
Riverview Middle School	205 Pacifica Ave	Bay Point	Canon 8786
Olympic High School	2730 Salvio Street	Concord	Canon 8786
Fair Oaks Middle School	2400 Lisa Lane	Pleasant Hill	Canon 8786
Oak Grove Middle School	2050 Minert Road	Concord	Canon 8786
Valley View Elementary School	181 Viking Drive	Pleasant Hill	Canon 8786
Woodside Elementary School	761 San Simeon Drive	Concord	Canon 8786
Holbrooke Elementary School	3333 Ronald Drive	Concord	Canon 8786
El Dorado Middle School	1750 West Street	Concord	Canon 8786
College Park High School	201 Viking Drive	Pleasant Hill	Canon 8786
Strandwood Elementary School	416 Gladys Drive	Pleasant Hill	Canon 8786
Foothill Middle School	2775 Cedro Lane	Walnut Creek	Canon 8786
Ygnacio Valley Elementary	2217 Chalomar Road	Concord	Canon 8786
Cambridge Elementary	1135 Lacey Lane	Concord	Canon 8786
Diablo View Middle School	300 Diablo View Lane	Clayton	Canon 8786
Valley Verde Elementary School	3275 Peachwillow Lane	Walnut Creek	Canon 8786
Pleasant Hill Middle School	1 Santa Barbara Road	Pleasant Hill	Canon 8786
District DENT Superintendents Office	1936 Carlotta Drive	Concord	Canon C5860
District DENT Special Ed/ Student Services	1936 Carlotta Drive	Concord	Canon 8786
Sequoia Elementary	277 Boyd Road	Pleasant Hill	Canon 8786
Gregory Gardens Elementary School	1 Corritone Court	Pleasant Hill	Canon 8786
El Monte Elementary School	1400 Dina Drive	Concord	Canon 8786
Wren Aven Elementary School	3339 Wren Ave	Concord	Canon 8786
Bel Air Elementary School	663 Canal Road	Bay Point	Canon 8786
Pleasant Hill Elementary School	2097 Oak Park Blvd	Pleasant Hill	Canon 8786
Pine Hollow Middle School	5522 Pine Hollow Road	Concord	Canon 8786
Valhalla Elementary School	530 Kiki Drive	Pleasant Hill	Canon 8786
Hidden Valley Elementary School	500 Glacier Drive	Martinez	Canon 8786
Delta View Elementary School	2916 Ro Verde	Bay Point	Canon 8786
Mt Diablo Elementary School	5880 Mt. Zion Drive	Clayton	Canon 8786
Bancroft Elementary School	2200 Parish Drive	Walnut Creek	Canon 8786
Meadow Homes Elementary School	1371 Detroit Ave	Concord	Canon 8786
Mountain View Elementary School	1705 Thornwood Drive	Concord	Canon 8786
Highlands Elementary School	1326 Pennsylvania Blvd	Concord	Canon 8786
Shore Acres Elementary School	351 Marina Road	Pittsburg	Canon 8786
Silverwood Elementary School	1649 Claycord Ave	Concord	Canon 8786
Westwood Elementary	1748 West Street	Concord	Canon 8786
Monte Gardens Elementary School	3841 Larkspur Drive	Concord	Canon 8786
Sequoia Middle School	265 Boyd Road	Pleasant Hill	Canon 8786
Sun Terrace Elementary School	2448 Floyd Lane	Concord	Canon 8786

Ayers Elementary School	5120 Myrtle Drive	Concord	Canon 8786
Walnut Acres Elementary School	180 Cerezo Drive	Walnut Creek	Canon 8786
El Dorado Middle School	1750 West Street	Concord	Canon 8786
Eagle Peak Montessori School	800 Hutchinson Road	Walnut Creek	Canon 8786
Special Ed Room 24	1936 Carlotta Drive	Concord	Canon 8786
Concord High School	4200 Concord Blvd	Concord	Canon 8786
Mt Diablo High School	2450 Grant Street	Concord	Canon 8786
Ygnacio Valley High School	755 Oak Grove Road	Concord	Canon 8786
Northgate High School	425 Castle Rock Road	Walnut Creek	Canon 8786
College Park High School	201 Viking Drive	Pleasant Hill	Canon 8786
LOMA VISTA ESL Teachers' Lounge B6B	1266 San Carlos Ave	Concord	Canon 8786
Serendipity Restaurant & Bakery (Mt Diablo High)	2611 East Street	Concord	Canon 8786
College Park High School	201 Viking Drive	Pleasant Hill	Canon 8786
Northgate High School	425 Castle Rock Road	Walnut Creek	Canon C 478
Riverview Middle School	205 Pacifica Ave	Bay Point	Canon C 478
Mt Diablo High School Front Office	2450 Grant Street	Concord	Canon C 478
Ygnacio Valley High School (Library)	755 Oak Grove Rd	Concord	Canon C 478
Loma Vista AC ESL A-1	1266 San Carlos Ave	Concord	Canon C 478
Meadow Homes Elementary	1371 Detroit Ave	Concord	Canon C 478
Northgate High School	425 Castle Rock Road	Walnut Creek	Canon C 478
Sequoia Middle School	265 Boyd Road	Pleasant Hill	Canon C 478
Silverwood Elementary School	1649 Claycord Ave	Concord	Canon C 478
DISTRICT - DENT EDUCATION CENTER C Wing	1936 Carlotta Drive	Concord	Canon C 478
Room #1 Dent Center	1936 Carlotta Drive	Concord	Canon C 478
CAMBRIDGE ELEMENTARY	1135 LACEY LN.	Bay Point	Canon C 478
Room #1 Dent Center	1936 Carlotta Drive	Concord	Canon C 478
LOMA VISTA CTEC A5 CTEC Office	1266 San Carlos Ave	Concord	Canon C 478
Loma Vista High School Office	1266 San Carlos Ave	Concord	Canon C 478
LVAC Admin Front Office	1266 San Carlos Ave	Concord	Canon C 478
LVAC Admin C-13	1266 San Carlos Ave	Concord	Canon C 478
LOMA VISTA CTEC D4	1266 San Carlos Ave	Concord	Canon C 478
Loma Vista PHEC Adult Education Room 210	1 Santa Barbara Road	Pleasant Hill	Canon C 478
MT DIABLO ADULT EDUCATION	1266 San Carlos Ave		Canon C 478
LVAC ESL Office	1266 San Carlos Ave		Canon C 478
Meadow Homes Elementary	1371 Detroit Ave	Concord	Canon C 478
Meadow Homes Elementary	1371 Detroit Ave	Concord	Canon C 478
Pine Hollow Middle School	5522 Pine Hollow Road	Concord	Canon C 478
Pleasant Hill Middle School	1 Santa Barbara Road	Pleasant Hill	Canon C 478
District Office Extra	1936 CARLOTTA DRIVE	Concord	Canon C 478
Bel Air Elementary School	663 Canal Road	Bay Point	Canon C 5860
MDUSD Purchasing Department	2326 Bisso Lane	Concord	Canon C 5860
Instructional Support DENT Rm 7	1936 Carlotta Drive	Concord	Canon C 5860
Food Services 2nd Floor M & O Facilities	1936 Carlotta Drive	Concord	Canon C 5860
Fiscal Services CBO's Office	1936 Carlotta Drive	Concord	Canon C 5860

Technology and Informational Services	1936 Carlotta Drive	Concord	Canon C 5860
Risk Management Room 18 Legal	1936 Carlotta Drive	Concord	Canon C 5860
Maintenance Operations	1480 Gasoline Alley	Concord	Canon C 5860
Transportation Department	1480 Gasoline Alley	Concord	Canon C 5860
District Warehouse	2326 Bisso Lane	Concord	Canon C 5860
Transportation Department	1480 Gasoline Alley	Concord	Canon C 5860
Fiscal Services DENT Center	1936 Carlotta Drive	Concord	Canon C 5860
Student Services C & I DENT Center	1936 Carlotta Drive	Concord	Canon C 5860
Maintenance and Operations	1480 Gasoline Alley	Concord	Canon C 5860
M.O & FACILITIES - OPS 2ND FL	1480 GASOLINE ALLEY		Canon C 5860
Valhalla Elementary School	530 Kiki Drive	Pleasant Hill	Canon C 5860
Foothill Middle School	2775 Cedro Lane	Walnut Creek	Canon C 5860
Northgate High School	425 Castle Rock Road	Walnut Creek	Canon C 5860
Mt Diablo Elementary School	5880 Mt. Zion Drive	Clayton	Canon C 5860
Concord High School	4200 Concord Blvd	Concord	Canon C 5860
Highlands Elementary (Room 9)	1326 Pennsylvania Blvd	Concord	Canon C 5860
Cares Room A6	1266 San Carlos Ave	Concord	Canon C 5870
Northgate High School	425 Castle Rock Road	Walnut Creek	Canon C 5870

Lessee: Mt. Diablo Unified School District

By: \_\_\_\_\_  
Dr. Lisa Gonzales, Ed.D., Chief Business Officer

Date: November 17, 2022

**EXHIBIT E**  
**AMORTIZATION SCHEDULE**

Nominal Annual Rate: 4.689 %

	<b>Date</b>	<b>Payment</b>	<b>Interest</b>	<b>Principal</b>	<b>Purchase Option Price</b>
1	02/03/2023	34,930.13	21,541.09	13,389.04	2,182,502.37
2	03/03/2023	34,930.13	8,448.32	26,481.81	2,155,502.00
3	04/03/2023	34,930.13	8,344.85	26,585.28	2,128,403.53
4	05/03/2023	34,930.13	8,240.97	26,689.16	2,101,206.60
5	06/03/2023	34,930.13	8,136.68	26,793.45	2,073,910.85
6	07/03/2023	34,930.13	8,031.98	26,898.15	2,046,515.93
7	08/03/2023	34,930.13	7,926.88	27,003.25	2,019,021.47
8	09/03/2023	34,930.13	7,821.36	27,108.77	1,991,427.12
9	10/03/2023	34,930.13	7,715.43	27,214.70	1,963,732.51
10	11/03/2023	34,930.13	7,609.09	27,321.04	1,935,937.27
11	12/03/2023	34,930.13	7,502.34	27,427.79	1,908,041.05
12	01/03/2024	34,930.13	7,395.16	27,534.97	1,880,043.47
13	02/03/2024	34,930.13	7,287.57	27,642.56	1,851,944.16
14	03/03/2024	34,930.13	7,179.56	27,750.57	1,823,742.76
15	04/03/2024	34,930.13	7,071.12	27,859.01	1,795,438.90
16	05/03/2024	34,930.13	6,962.26	27,967.87	1,767,032.20
17	06/03/2024	34,930.13	6,852.98	28,077.15	1,738,522.29
18	07/03/2024	34,930.13	6,743.27	28,186.86	1,709,908.79
19	08/03/2024	34,930.13	6,633.13	28,297.00	1,681,191.33
20	09/03/2024	34,930.13	6,522.55	28,407.58	1,652,369.53
21	10/03/2024	34,930.13	6,411.55	28,518.58	1,623,443.01
22	11/03/2024	34,930.13	6,300.12	28,630.01	1,594,411.39
23	12/03/2024	34,930.13	6,188.24	28,741.89	1,565,274.29
24	01/03/2025	34,930.13	6,075.94	28,854.19	1,536,031.32
25	02/03/2025	34,930.13	5,963.19	28,966.94	1,506,682.10
26	03/03/2025	34,930.13	5,850.00	29,080.13	1,477,226.25
27	04/03/2025	34,930.13	5,736.37	29,193.76	1,447,663.38
28	05/03/2025	34,930.13	5,622.29	29,307.84	1,417,993.09
29	06/03/2025	34,930.13	5,507.77	29,422.36	1,388,215.00
30	07/03/2025	34,930.13	5,392.81	29,537.32	1,358,328.72
31	08/03/2025	34,930.13	5,277.39	29,652.74	1,328,333.85
32	09/03/2025	34,930.13	5,161.52	29,768.61	1,298,230.00
33	10/03/2025	34,930.13	5,045.20	29,884.93	1,268,016.77
34	11/03/2025	34,930.13	4,928.42	30,001.71	1,237,693.77
35	12/03/2025	34,930.13	4,811.19	30,118.94	1,207,260.59
36	01/03/2026	34,930.13	4,693.50	30,236.63	1,176,716.84
37	02/03/2026	34,930.13	4,575.35	30,354.78	1,146,062.11
38	03/03/2026	34,930.13	4,456.74	30,473.39	1,115,296.01
39	04/03/2026	34,930.13	4,337.67	30,592.46	1,084,418.12
40	05/03/2026	34,930.13	4,218.13	30,712.00	1,053,428.04
41	06/03/2026	34,930.13	4,098.12	30,832.01	1,022,325.37
42	07/03/2026	34,930.13	3,977.64	30,952.49	991,109.69
43	08/03/2026	34,930.13	3,856.70	31,073.43	959,780.59
44	09/03/2026	34,930.13	3,735.28	31,194.85	928,337.66
45	10/03/2026	34,930.13	3,613.38	31,316.75	896,780.49
46	11/03/2026	34,930.13	3,491.01	31,439.12	865,108.66
47	12/03/2026	34,930.13	3,368.17	31,561.96	833,321.76
48	01/03/2027	34,930.13	3,244.84	31,685.29	801,419.37
49	02/03/2027	34,930.13	3,121.03	31,809.10	769,401.06
50	03/03/2027	34,930.13	2,996.73	31,933.40	737,266.42



51	04/03/2027	34,930.13	2,871.95	32,058.18	705,015.02
52	05/03/2027	34,930.13	2,746.69	32,183.44	672,646.44
53	06/03/2027	34,930.13	2,620.93	32,309.20	640,160.26
54	07/03/2027	34,930.13	2,494.68	32,435.45	607,556.05
55	08/03/2027	34,930.13	2,367.94	32,562.19	574,833.37
56	09/03/2027	34,930.13	2,240.70	32,689.43	541,991.80
57	10/03/2027	34,930.13	2,112.97	32,817.16	509,030.91
58	11/03/2027	34,930.13	1,984.73	32,945.40	475,950.26
59	12/03/2027	34,930.13	1,856.00	33,074.13	442,749.42
60	01/03/2028	34,930.13	1,726.76	33,203.37	409,427.95
61	02/03/2028	34,930.13	1,597.02	33,333.11	375,985.41
62	03/03/2028	34,930.13	1,466.77	33,463.36	342,421.36
63	04/03/2028	34,930.13	1,336.01	33,594.12	308,735.36
64	05/03/2028	34,930.13	1,204.75	33,725.38	274,926.97
65	06/03/2028	34,930.13	1,072.96	33,857.17	240,995.74
66	07/03/2028	34,930.13	940.67	33,989.46	206,941.23
67	08/03/2028	34,930.13	807.85	34,122.28	172,762.99
68	09/03/2028	34,930.13	674.52	34,255.61	138,460.57
69	10/03/2028	34,930.13	540.67	34,389.46	104,033.51
70	11/03/2028	34,930.13	406.29	34,523.84	69,481.37
71	12/03/2028	34,930.13	271.39	34,658.74	34,803.69
72	01/03/2029	34,930.13	135.94	34,794.19	0.00
Grand Totals		2,514,969.36	339,501.07	2,175,468.29	

Lessee: Mt. Diablo Unified School District

By: \_\_\_\_\_  
 Dr. Lisa Gonzales, Ed.D., Chief Business Officer

Date: November 17, 2022

**EXHIBIT F**  
**ACCEPTANCE CERTIFICATE**

To Lessor:       Leasource Financial Services  
                    5335 Apple Tree Court  
                    Orangevale, CA 95662

In accordance with the terms of the Municipal Lease Purchase Agreement (Abatement) dated November 17, 2022 (the "Lease") between Leasource Financial Services ("Lessor"), and the undersigned ("Lessee"), Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

1. The Equipment, as such term is defined in the Lease, has been delivered and installed at the Equipment Location specified in Exhibit D - Description of the Equipment to the Lease and accepted on the date indicated below.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. No Event of Default, as such term is defined in the Lease, and no event which with notice or lapse of time, or both, would become an Event of Default, has occurred and is continuing at the date hereof.

Lessee: Mt. Diablo Unified School District

By: \_\_\_\_\_  
Dr. Lisa Gonzales, Ed.D., Chief Business Officer

Date: November 17, 2022

EXHIBIT G

INSURANCE COVERAGE REQUIREMENTS

To: Leasource Financial Services  
5335 Apple Tree Court  
Orangevale, CA 95662

From: Mt. Diablo Unified School District

SUBJECT: INSURANCE COVERAGE REQUIREMENTS

- 1. In accordance with Article VIII, Section 8.03 of the Agreement, we have instructed the insurance agent named below (please fill in name, address telephone number and fax number)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

to issue:

- a. All Risk Physical Damage Insurance on the leased equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming Leasource Financial Services as loss payee.
- b. Public Liability Insurance evidence by a Certificate of Insurance naming Leasource Financial Services and/or its assigns as an Additional Insured.  
  
Minimum Coverage Required:  
  
\$500,000.00 per person  
\$500,000.00 aggregate bodily injury liability  
\$100,000.00 property damage liability
- c. Workers' Compensation Insurance covering all of Lessee's employees working on, in, near or about the Equipment.
- d.  Rental Interruption Insurance in an amount equal to at least two years Rental Payments (\$2,514,969.36) naming WestAmerica Bank as loss payee and/or its assigns as an Additional Insured. WestAmerica Banks address is 4550 Mangels Blvd MAC A-1B, Fairfield, CA 94534-4082.

OR

- 2. Pursuant to Article VIII, Section 8.03 of the Agreement, we are self-insured for all risk, physical damage, and public liability and will provide proof of such self-insurance in letter form together with a copy of the statute authorizing this form of insurance.
- 3. Proof of insurance coverage will be provided prior to the time that the equipment is delivered to us.

Lessee: Mt. Diablo Unified School District

By: \_\_\_\_\_  
Dr. Lisa Gonzales, Ed.D., Chief Business Officer

Date: November 17, 2022

## ESCROW AGREEMENT

**THIS ESCROW AGREEMENT** is made and entered into as of this **17th day of November, 2022**, by and among **WestAmerica Bank** (the "**Custodian**"), **Leasource Financial Services** (the "**Lessor**"), duly organized and existing under the laws of the State of California, and **Mt. Diablo Unified School District** (the "**Lessee**"), a subdivision of the State of California.

In the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

### ARTICLE 1 - RECITALS

**Section 1.01.** Lessor and Lessee have entered into a Master Equipment Lease/Purchase Agreement dated as of **November 17, 2022** a duplicate original of which has been furnished to the Custodian, whereby Lessor has agreed to lease and sell certain personal property described therein (the "Equipment") to Lessee, and Lessee has agreed to lease and purchase the Equipment from Lessor, in the manner and on the terms set forth in the Lease. This Agreement is not intended to alter or change the rights and obligations of Lessor and Lessee under the Lease, but is entirely supplemental thereto.

**Section 1.02.** The terms capitalized in this Agreement, but not defined herein, shall have the meaning given to them in the Lease.

**Section 1.03.** Under the Lease, within 10 days after the execution of the Lease and this Agreement and the delivery to Lessor by Lessee of all documents required to be delivered upon execution of the Lease, Custodian is required to deposit the sum of **\$2,175,468.29**, which is required to be credited to the Equipment Acquisition Fund, established in Article 2 hereof, and used to pay the Equipment Cost of the items of Equipment, and, to the extent not needed for this purpose, to pay or prepay Principal coming due under the Lease; all as herein provided.

**Section 1.04.** Under the Lease, either Lessor or Lessee will cause each item of Equipment to be ordered from the Contractor thereof. The Equipment Cost to be paid to the Contractor supplying the item of Equipment shall be paid solely from the amount deposited by the Custodian as described in this Article, Section 1.03 hereof, in accordance with this Agreement.

**Section 1.05.** Subject to such control by Lessee as is provided for herein, Lessor and Lessee agree to employ the Custodian as described in this Article, Section 1.03, all as hereinafter provided, however, the Custodian shall not be obligated to assume or perform any obligation of Lessee or Lessor or any Contractor with respect thereto or under the Lease by reason of anything contained in this Agreement.

**Section 1.06.** Each of the parties has authority to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto.

## **ARTICLE 2 - EQUIPMENT ACQUISITION FUND**

**Section 2.01.** The Custodian shall establish a special escrow fund designated as the Equipment Acquisition Fund (the "Fund"), and shall keep such Fund separate and apart from all other funds and moneys held by it, and shall administer such Fund as provided in this Agreement.

**Section 2.02.** All moneys paid to the Custodian by Lessor pursuant to Article 1, Section 1.03 of this Agreement, shall be credited to the Fund. The Custodian shall use the moneys in the Fund to pay the Equipment Cost of each item of the Equipment subject to the Lease, upon receipt of a Payment Request Form, attached hereto, known as EXHIBIT A, executed by Lessor and Lessee, fully completed and with all supporting documents described therein attached thereto. Within 10 days after receipt of a Payment Request Form with respect to any item of Equipment, an amount equal to the Equipment Cost as shown therein shall be paid directly to the person or entity entitled to payment as specified therein within 10 days after receipt by Custodian.

**Section 2.03.** Lessee shall furnish to the Custodian as soon as available, a copy of the Purchase Order for all Equipment ordered pursuant to the Lease, showing the Equipment Cost and the estimated delivery date. Attached hereto, known as EXHIBIT C, is a schedule of the Equipment, showing the items, dollar amount, contract or purchase order references, and partial advance payments made by the Lessee. Upon receipt of the funds from Lessor, Custodian is authorized and instructed to disburse to Lessee the amount shown under Item 10 on EXHIBIT C. After all items shown on EXHIBIT C have been purchased, any remaining balance of principle and/or accrued interest shall be disbursed to Lessee.

**Section 2.04.** The Custodian shall only be responsible for the safekeeping and investment of the moneys held in the Fund, and the disbursement thereof in accordance with the Article, and shall not be responsible for the authenticity or accuracy of such certifications or documents, the application of amounts paid pursuant to such certifications by the persons or entities to which they are paid, or the sufficiency of the moneys credited to the Fund to make payments herein required.

**Section 2.05.** Lessee's Payment Request Forms, identified in Section 2.02 above, shall bear the signature of **Dr. Lisa Gonzales, Ed.D.** as shown on the signature page attached hereto.

## **ARTICLE 3 - MONEYS IN EQUIPMENT ACQUISITION FUND; INVESTMENT**

**Section 3.01.** The moneys and investments held by the Custodian under this Agreement, are irrevocably held in trust for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to levy, attachment, or lien by or for the benefit of any creditor of either Lessee or Lessor.

**Section 3.02.** Moneys held by the Custodian hereunder shall be invested by the Custodian at the then prevailing rates offered by the custodian for its money market savings demand deposit account product. Such funds shall be held in the name of the escrow account and held by the custodian. Interest thereon shall accrue to the Escrow Account. With the approval of Lessee, the Custodian may purchase or sell to itself, or any affiliate as principal or agent, investments authorized by this Article. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available.

**Section 3.03.** The Custodian shall furnish to Lessee and Lessor, an accounting of all investments, interest, and income therefrom. Such accounting shall be furnished no less frequently than every month, and upon request of Lessor or Lessee. The Custodian shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it, in accordance with this Article.

#### **ARTICLE 4 - CUSTODIAN'S AUTHORITY; INDEMNIFICATION**

**Section 4.01.** The Custodian may act in reliance upon any writing, instrument, or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice, or instruction in connection with the provisions hereof has been duly authorized to do so. The Custodian shall not be liable in any manner for the sufficiency or correctness as to form, manner, and execution, or the validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

**Section 4.02.** Unless the Custodian is guilty of negligence or misconduct with regard to its duties hereunder, Lessee and Lessor jointly and severally hereby agree to indemnify the Custodian and hold it harmless from any and all claims, liabilities, losses, actions, suits, or proceedings at law or in equity, or any other expense, fees, or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Custodian under this Agreement; and in connection therewith, to indemnify the Custodian against any and all expenses, including reasonable attorney's fees and the cost of defending any action, suit, or proceeding, or resist any claim. The Custodian shall be vested with a lien on all property deposited hereunder for indemnification, for reasonable attorney's fees, court costs, any suit, interpleader or otherwise, or any other expenses, fees or charges of any character or nature, which may be incurred by the Custodian by reason of disputes arising between Lessee and Lessor as to the correct interpretation of the Lease or this Agreement and instruction given to the Custodian hereunder, or otherwise, with the right of the Custodian, regardless of the instructions aforesaid, to hold the said property, until and unless, said additional expenses, fees, and charges shall be fully paid.

**Section 4.03.** If Lessee or Lessor shall be in disagreement about the interpretation of the Lease or this Agreement, or about the rights and obligations, or the propriety of any action contemplated by the Custodian hereunder, the Custodian may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Custodian shall be indemnified to all costs, including reasonable attorney's fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

**Section 4.04.** The Custodian may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Custodian shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind, unless caused by its negligence or misconduct.

#### **ARTICLE 5 - CUSTODIAN'S COMPENSATION**

Lessee hereby agrees to pay the Custodian **\$100.00** as compensation for the services to be rendered hereunder, and will pay and/or reimburse the Custodian upon request for all expenses, disbursements, and advances, including reasonable attorney's fees, incurred or made by it in

connection with carrying out its duties hereunder. The Custodian's fee shall be payable upon execution of this Agreement.

#### **ARTICLE 6 - CHANGE OF ESCROW AGENT**

**Section 6.01.** A national banking association located in the United States, or a state bank or trust company organized under the laws of a state of the United States, qualified as a depository of public funds, may be substituted to act as Custodian under this Agreement upon agreement of the parties hereto. Such substitution shall not be deemed to affect the rights or obligations of the parties. Upon any such substitution, the Custodian agrees to assign to such substitute Custodian its rights under this Agreement.

**Section 6.02.** The Custodian or any successor may at any time resign, by giving mailed notice to Lessee and Lessor, of its intention to resign and of the proposed date of resignation, which shall be a date not less than 30 days after such notice is deposited in the United States mail with postage fully prepaid, unless an earlier resignation date and the appointment of a successor Custodian shall have been or are approved by Lessee and Lessor.

**Section 6.03.** The Custodian may appoint an agent to exercise any of the powers, rights, or remedies granted to the Custodian under this Agreement, and to hold title to property or to take any other action which may be desirable or necessary.

#### **ARTICLE 7 - ADMINISTRATIVE PROVISIONS**

**Section 7.01.** The Custodian shall keep complete and accurate records of all moneys received and disbursed under this Agreement, which shall be available for inspection by Lessee or Lessor, or the agent of either of them, at any time during regular business hours.

**Section 7.02.** All written notices to be given under this Agreement shall be given by mail to the party entitled thereto, at its address set forth in the attached EXHIBIT B, or at such address as the party may provide to the other parties hereto in writing from time to time. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered form, with postage fully prepaid.

**Section 7.03.** This Agreement shall be construed and governed in accordance with the laws of the State of **California**.

**Section 7.04.** Any provisions of this Agreement found to be prohibited by law, shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

**Section 7.05.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Specifically, as used herein the term "Lessor" means any person or entity to whom Lessor has assigned its right to receive Rental Payments under the Lease, and any payments due to Lessor hereunder from the Lessee after the date when a duplicate original of such assignment is filed with the Custodian.

**Section 7.06.** This Agreement 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 Agreement.

**Section 7.07.** This Agreement shall terminate upon disbursement by the Custodian of all moneys held by it hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month, and year first written above.

**Lessor: Leasource Financial Services**

By: \_\_\_\_\_  
Thomas L. Cadle, Principal

**Custodian: WestAmerica Bank**

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

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

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

**Lessee: Mt. Diablo Unified School District**

By: \_\_\_\_\_  
**Dr. Lisa Gonzales, Ed.D. Chief Business Officer**



**ADDENDUM FOR ESCROW FUNDING  
TO  
MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT**

**This Addendum** to Master Equipment Lease/Purchase Agreement (the "Addendum"), dated as of **November 17, 2022**, is made and entered into by and between **Leasource Financial Services** (the "Lessor"), and **Mt. Diablo Unified School District** (the "Lessee").

**WITNESSETH:**

**WHEREAS**, Lessor and Lessee have entered into a Master Equipment Lease/Purchase Agreement dated **November 17, 2022**, herewith (the "Lease"), whereby Lessor has agreed to acquire, lease, and sell to Lessee certain items of Equipment; and

**WHEREAS**, in order to assure the availability of moneys to pay the cost of the Equipment and facilitate the acquisition of the Equipment, Lessee has requested Custodian to deposit in escrow the amount needed for this purpose and to enter into a Escrow Agreement, and Lessor is willing to do so.

**NOW, THEREFORE**, in consideration of the execution of the Lease by each of the parties and the mutual covenants hereinafter set forth, the parties hereto recite and agree as follows:

1. This Addendum shall comprise part of the Lease, and all terms capitalized but not defined herein shall have the meanings given to them in the Lease.
2. Lessor, Lessee, and Custodian shall enter into a Escrow Agreement in the form attached hereto.
3. Within ten (10) days after the execution of the Lease and the delivery to Lessor by Lessee of all documents required to be delivered upon execution of the Lease, Custodian shall deposit, or cause to be deposited, for credit to the Equipment Acquisition Fund, the sum of **\$2,175,468.29**, which shall be held, invested, and disbursed in accordance with the Escrow Agreement.
4. The amount so deposited shall, prior to utilization for purchase of the Equipment, which the parties anticipate will be completed prior to the end of Lessee's fiscal year (June 30), constitute a loan from Lessor to Lessee, which shall be repaid to Lessor as part of the Rental Payments due under the Lease.

**IN WITNESS WHEREOF**, the parties by the duly authorized officers have executed this Addendum in supplement of the Lease pursuant to Article III, Section 3.1 thereof as of the day and year first written above.

**Lessee: Mt. Diablo Unified School District**

By: \_\_\_\_\_  
**Dr. Lisa Gonzales, Ed.D. Chief Business Officer**

**Lessor: Leasource Financial Services**

By: \_\_\_\_\_  
Thomas L. Cadle, Principal

## ARBITRAGE AND TAX CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified **Chief Business Officer** of **Mt. Diablo Unified School District** (the "**Lessee**"), and that in my official capacity as such officer, I am responsible for executing and delivering on behalf of Lessee the **Master Equipment Lease/Purchase Agreement**, dated as of **November 17, 2022** (the "**Lease**"), by and between Lessee and **Leasource Financial Services** (the "**Lessor**"). This Certificate is being issued pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and Treasury Regulations, Sections 1.103-14 and 1.103-15 (the "**Regulations**"). The following facts, estimates, and circumstances are in existence on the date of this Certificate, or are reasonably expected to occur hereafter.

1. The Lease provides for the lease of certain Equipment described in the Equipment Schedules thereto (the "**Equipment**") by Lessor to Lessee and the lease of the Equipment by Lessee from Lessor. Pursuant to the Lease, Lessee is required to make Rental Payments with respect to the Equipment, comprising principal and interest, on the dates and in the amounts set forth in applicable Equipment Schedules to the Lease.

2. Pursuant to the Lease, and for the purpose of meeting its obligations under the Lease and assuring Lessee of the availability of moneys needed to pay the cost of the Equipment when due Lessee, Lessor and **Mt. Diablo Unified School District** (the "**Escrow Agent**"), have executed an Escrow Agreement dated as of **November 17, 2022** (the "**Escrow Agreement**").

3. The ESCROW Agreement provides that Escrow Agent shall deposit **\$2,175,468.29** into escrow, to be credited to the Equipment Acquisition Fund created by the Escrow Agreement and held, invested, and disbursed with respect to the Equipment as provided therein. Interest earnings on amounts held in escrow shall be paid to Lessee.

4. The Equipment will be acquired and installed with due diligence, and the Equipment will be acquired and installed at **several school locations on or before December 15, 2022. Please refer to the Exhibit D of the Municipal Lease Purchase Agreement (Abatement) for the list of the locations of the equipment.**

5. All of the spendable proceeds of the Lease will be expended on the Equipment, and related expenses within three years from the date of execution and Escrow Agreement.

6. The original proceeds of the Lease, and the interest to be earned thereon, do not exceed the amount necessary for the purpose for which the Lease is issued.

7. The interest of Lessee in the Equipment has not been and is not expected during the term of the Lease to be sold or disposed of by Lessee.

8. No sinking fund is expected to be created by Lessee with respect to the Lease and the Rental Payments.

9. Lessee hereby covenants to comply with all requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America. It is expected that all gross

proceeds of the Lease will be expended on the Equipment no later than the day which is six months after the date of issuance of the Lease.

10. To the best of the knowledge and belief of the undersigned, the expectations of Lessee, as set forth above, are reasonable; and there are no present facts, estimates, and circumstances which would change the foregoing expectations.

11. Lessee has not been notified of the listing, or proposed listing of it, by the Internal Revenue Service as an Issuer whose arbitrage certificates may not be relied upon.

**WITNESS my hand this 17th day of November, 2022.**

Lessee: **Mt. Diablo Unified School District**

By: \_\_\_\_\_  
**Dr. Lisa Gonzales, Ed.D. Chief Business Officer**

**EXHIBIT A**

**PAYMENT REQUEST FORM NO. 1**

**WestAmerica Bank** (the "**Custodian**"), under the Escrow Agreement dated this **17th day of November, 2022**, and **Mt. Diablo Unified School District**(the "**Lessee**"), is hereby requested to pay, from the Equipment Acquisition Fund held under said Escrow Agreement, to the persons, firms, or corporations designated below as Payee, the amount set forth opposite each such name, in payment of the Equipment Cost (as defined in said Escrow Agreement) of the Equipment designated opposite such payee's name and account and described on the attached page(s). The Equipment comprises a portion of the Equipment described in EXHIBIT A of the Master Lease/Purchase Agreement described in the Escrow Agreement.

<u>Payee</u>	<u>Amount</u>	<u>Equipment</u>
Ubeo Business Services / Ray Morgan Company	\$2,175,468.29	See Exhibit D

The undersigned hereby certifies that attached is a duplicate, original, or certified copy of the following documents relating to the order, delivery, and acceptance of the Equipment described in this Payment Request Form: **(1)** an Equipment Purchase Order form; **(2)** a manufacturer's or dealer's invoice; and **(3)** Lessee's acceptance certificate relating to the Equipment in the form prescribed by the Lease described in the ESCROW Agreement; provided that if the payment is a Progress Payment, no separate acceptance certificate shall be required, and if the payment is for less than all of the Equipment on the Equipment Schedule, and is not the final payment with respect to Equipment covered by the Equipment Schedule, Lessee shall only be required to furnish an acceptance certificate in the form attached hereto as EXHIBIT 1.

Dated: \_\_\_\_\_, 2022

Lessee: **Mt. Diablo Unified School District**

By: \_\_\_\_\_  
**Dr. Lisa Gonzales, Ed.D. Chief Business Officer**

**Lessor: Leasource Financial Services**

By: \_\_\_\_\_  
Thomas L. Cadle, Principal

**EXHIBIT B**

**(Address to which Written Notices are to be mailed)**

If to ESCROW Agent:

**WestAmerica Bank**  
Attention: **Ester Emory**  
Fax: **707-863-6512**

If to Lessor:

Leasource Financial Services  
5335 Apple Tree Court  
Orangevale, CA 95662

Attention: Tom Cadle  
Telephone: 800-991-0099

If to Lessee:

**Mt. Diablo Unified School District**  
Attention: **Dr. Lisa Gonzales, Ed.D.**  
Telephone: **925-682-8000 Ext. 4007**

**EXHIBIT C**

**(Schedule of Equipment)**

ITEM #	VENDOR/	CONTRACT/	CONTRACT	AMOUNT
1.	_____	_____	_____	\$ _____
2.	_____	_____	_____	\$ _____
3.	_____	_____	_____	\$ _____
4.	_____	_____	_____	\$ _____

**EXHIBIT 1**

**(Certificate of Acceptance for partial Equipment Deliveries)**

I, the undersigned, hereby certify that I am the duly qualified **Chief Business Officer** of **Mt. Diablo Unified School District**(the "Lessee"), and, with respect to the Master Equipment Lease/Purchase Agreement (the "Lease"), dated **November 17, 2022**, by and between Lessee and **Leasource Financial Services** (the "Lessor"), that the Equipment described on the attached **Payment Request Form Number #1** comprises a portion of the Equipment described in the Lease, and has been delivered to, tested, or inspected by, and accepted by Lessee.

Dated: \_\_\_\_\_, 2022

Lessee: **Mt. Diablo Unified School District**

By: \_\_\_\_\_  
**Dr. Lisa Gonzales, Ed.D. Chief Business Officer**