

MASTER LEASE AGREEMENT NO. 08637

Lessor: SunTrust Equipment Finance & Leasing Corp.
300 E. Joppa Road, 7th Floor
Towson, MD 21286

Lessee: City of Manitou Springs
606 Manitou Avenue
Manitou Springs, CO 80829

This MASTER LEASE AGREEMENT (the "Agreement") is entered into between SUNTRUST EQUIPMENT FINANCE & LEASING CORP., a Virginia Corporation (together with any assignee thereof collectively referred to herein as "Lessor") and City of Manitou Springs ("Lessee"), a municipality duly organized and existing under the laws of the state of Colorado ("State");

W I T N E S S E T H:

WHEREAS, Lessee desires to finance the Equipment pursuant to the terms of this Agreement; and

WHEREAS, Lessor desires to lease certain Equipment (referred to collectively as the "Equipment" or "Unit(s) of Equipment") 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

WHEREAS, Lessor, simultaneously with the execution and delivery of this Agreement, may enter into an escrow agreement (the "Escrow Agreement") with an escrow agent designated by Lessor (the "Escrow Agent") whereby Lessor, or its assignee, if any, shall deposit monies sufficient to finance the Equipment to be leased hereunder; and

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

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

**ARTICLE 1
COVENANTS OF LESSEE**

The representations, covenants, warranties, and obligations set forth in this Article are in addition to and are not intended to limit any other representations, covenants, warranties, and obligations set forth in this Agreement. 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.

(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 is authorized under the Constitution and laws of the State to enter into this Agreement, all Individual Payment Schedules (as defined below) and the transaction contemplated hereby, and to perform all of its obligations hereunder.

(d) Lessee has been duly authorized to execute and deliver this Agreement and each of the Individual Payment Schedules under the terms and provisions of the ordinance or resolution of its governing body, attached hereto as Exhibit A, and by other appropriate official approval, and further represents and warrants that all requirements have been met, and procedures have occurred in order to insure the 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 substantially in the form attached hereto as Exhibit B.

(e) During the term of this Agreement, the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee.

(f) Each lease of Equipment or Unit(s) of Equipment hereunder shall be evidenced by an Individual Payment Schedule executed by Lessor and Lessee describing specific personal property, and setting forth provisions relating to the Rental Payments, the term of lease, disposition of Equipment upon the expiration of the lease term and other details with respect to it. The lease for each Unit of Equipment shall become effective on the Accrual Date, as defined below, and the Individual Payment Schedule for the Unit or Unit(s) of Equipment shall specify such date as the effective date of the lease. The original term (the "Original Term") of each Individual Payment Schedule shall commence on the Accrual Date as indicated therein and shall terminate the last day of Lessee's then current fiscal year. The term of the lease will be automatically renewed at the end of the Original Term or any renewal term (the "Renewal Term") for an additional one (1) year, unless the governing body of Lessee fails to appropriate sufficient funds for the making of Rental Payments for the next occurring Renewal Term as provided in Section 4 of this Agreement. 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 specific exhibit attached to the applicable Individual Payment Schedule.

(g) During the period this Agreement is in force, Lessee will annually provide, if requested by Lessor, current financial statements, budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be reasonably requested by Lessor or its assignee.

(h) Each Unit of Equipment acquired under this Agreement will have a useful life in the hands of Lessee that is substantially in excess of the Original Term and all Renewal Terms specifically relating to it.

(i) All Equipment subject to this Agreement is, and during the period this Agreement is in force shall remain personal property.

(j) This Agreement applies to all items of personal property acquired, or to be acquired, by Lessee as evidenced by the execution of Individual Payment Schedules from time to time as may be required to fulfill Lessee's equipment needs.

(k) Lessee has reviewed its available records and has determined that it has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any municipal lease of the same general nature as this Lease, or under any of its bonds, notes, or other obligations of indebtedness for which its revenues or general credit are pledged.

(l) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby (i) conflicts with or results in a breach of the terms, conditions, provisions, or restrictions of any existing law, or court or administrative decree, order, or regulation, or agreement or instrument to which Lessee is now a party or by which Lessee is bound, including without limitation any agreement or instrument pertaining to any bond, note, lease, certificate of participation, debt instrument, or any other obligation of Lessee (any such bond, note, lease, certificate of participation, debt instrument, and other obligation being referred to herein as an "Obligation Instrument"), (ii) constitutes a default under any of the foregoing, or (iii) results in the creation or imposition of any pledge, lien, charge or encumbrance whatsoever upon any of the property or assets of Lessee, or upon the Equipment except for Permitted Encumbrances.

(m) The Governing Body has complied with all applicable open public meeting and notice laws and requirements with respect to the meetings at which Lessee's execution of this Agreement was authorized.

(n) There are no legal or governmental proceedings or litigation pending, or to the best knowledge of Lessee threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling, or finding might adversely affect the transaction contemplated in or the validity of this Agreement.

ARTICLE 2
DEFINITIONS

The following terms will have meanings indicated below unless the context clearly requires otherwise:

"Acceptance Certificate" means the Acceptance Certificate attached hereto as Exhibit F relating to the applicable Unit(s) of Equipment whereby Lessee acknowledges receipt of the applicable Unit of Equipment in good condition.

"Accrual Date" is the date when the term of the Individual Payment Schedule begins and Lessee's obligation to pay Rental Payments accrues. The lease for each Unit of Equipment shall become effective on the Accrual Date.

"Acquisition Cost(s)" means the total cost of acquiring, including any delivery charges, and preparing the Equipment for Lessee's use.

"Adjusted Base Interest Rate" means the Base Interest Rate as adjusted and as described in the Individual Payment Schedules.

"Base Interest Rate" means the interest rate as set forth in the respective Individual Payment Schedule(s).

"Individual Payment Schedule(s)" means the schedules which identify specific Units of Equipment, the Accrual Dates of the lease and terms thereof (which are treated as separate leases) which may become a part of this Agreement from time to time. Each Individual Payment Schedule shall consist of at least, substantially the forms attached hereto as Exhibit A, Exhibit B, Exhibit C, Exhibit D, Exhibit E, and Exhibit F.

"Lease Term" means collectively the Original Term and all Renewal Terms provided for in this Agreement.

"Purchase Price" means the amount which Lessee may, in its discretion, pay to Lessor in order to purchase the Equipment, as set forth in Exhibit(s) E hereto or as set forth in any applicable Individual Payment Schedule.

"Rental Payments" means the rental payments payable by Lessee for each Unit of Equipment pursuant to the provisions of this Agreement and any applicable Individual Payment Schedule during the Lease Term, payable in consideration of the right of Lessee to use the Equipment during the Lease Term. Rental Payments shall be payable by Lessee to Lessor or its assignee in the amounts and at the times during the Lease Term, as set forth in the Individual Payment Schedules made a part of this Agreement.

"Vendor" means (i) the manufacturer/contractor of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment or (ii) Lessor, if so designated as herein above.

ARTICLE 3
DEPOSIT OF MONIES; ACQUISITION AND LEASE OF EQUIPMENT

Section 3.01. Deposit of Monies, Transfers Upon Acceptance. In the event an Escrow Agreement is entered into pursuant to this Agreement, Lessor shall cause to be deposited in the Acquisition Fund created under such Escrow Agreement and held by Escrow Agent, the principal amount specified in Exhibit E. In the event the terms of the Escrow Agreement do not specify the expiration date of said Escrow Agreement, upon the expiration of three years from the Accrual Date, unless notified earlier by Lessor and Lessee, Escrow Agent shall apply any monies in the Acquisition Fund representing the contract price to have been paid to the Vendor(s) for any portion of the Equipment and related equipment for which Lessee has not executed an Acceptance Certificate to the reduction of the unpaid principal balance by paying such monies directly to Lessor. The remaining Rental Payments shall be amended to reflect such prepayment of principal. Lessee shall execute a revised Exhibit E to acknowledge such change.

Section 3.02. Acquisition of the Equipment. Lessor hereby appoints Lessee as its agent solely for the purpose

of acquiring the Equipment and Lessee hereby accepts such appointment. Lessee will do all things necessary to arrange for the acquisition and delivery of the Equipment to Lessee. Lessor shall not be responsible for a Vendor's failure to deliver any Equipment. Lessor shall not be responsible for the obligations of Vendor. Lessee agrees that the Equipment will be acquired in accordance with the terms, conditions and specifications therefor and on file with Lessor.

Upon completion of acquisition of the Equipment satisfactory to Lessee and after authorization by Lessor, but in any event not later than thirty (30) days following completion of such acquisition, Lessee shall deliver to Lessor the required documentation to effect disbursement from the Escrow Account. Lessor shall have no obligation to consent to a disbursement by the Escrow Agent until five (5) business days after it has received all of the following in form and substance satisfactory to Lessor: (a) Acceptance Certificate in the form of Exhibit F hereto; (b) evidence of insurance with respect to the Equipment in compliance with Section 8.03 of this Agreement; (c) Vendor invoice(s) relating to the Equipment and, if such invoice(s) has been paid by Lessee, evidence of payment thereof and evidence of official intent to reimburse such payment as required by the Code; (d) the manufacturer's Certificate of Origin/Certificate of Title and Title Application Form for Equipment subject to Certificate of Title laws; and (e) any other documents or items reasonably required by Lessor, including all of the Exhibits required in accordance with the applicable Individual Payment Schedule.

Upon completion of acquisition of the Equipment satisfactory to Lessee and after authorization by Lessor, but in any event not later than thirty (30) days following completion of such acquisition, Lessee shall deliver to Escrow Agent an executed Acceptance Certificate.

Section 3.03. Payment of Acquisition Cost. Payment to the Vendor(s) of the Acquisition Cost(s) of acquiring the Equipment shall be made from the monies deposited with Escrow Agent, as provided in Section 3.01, which shall be disbursed for that purpose in accordance with and upon compliance with the terms of the Escrow Agreement. Lessor shall not be responsible for any cost overruns for purchasing the Equipment caused by modifications requested by Lessee. In the event such monies are insufficient to pay all Acquisition Costs, Lessee shall pay the remaining Acquisition Costs from its own funds.

ARTICLE 4 LEASE TERM

Section 4.01. 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.

Section 4.02. Commencement of Lease Term. The Original Term of any Individual Payment Schedule shall commence on the Accrual Date and shall terminate the last day of Lessee's then current fiscal year. The Lease Term will be automatically renewed at the end of the Original Term or any Renewal Term for an additional one year, unless Lessee gives written notice to Lessor not less than ninety (90) days prior to the end of the Original Term or Renewal Term then in effect, or such other notice as may be provided in Article 6 hereof, of Lessee's intention to terminate this Agreement at the end of the Original Term or Renewal Term, or upon receipt by Lessor of the Rental Payment due plus the applicable Purchase Price pursuant to Articles 9 or Article 11, as the case may be. 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 Individual Payment Schedule.

Section 4.03. Termination of Lease Term. The Lease Term as it pertains to any Individual Payment Schedule will terminate upon the earliest of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of the applicable Individual Payment Schedule and the non-renewal of such Individual Payment Schedule in the event of non-appropriation of funds pursuant to Section 6.06 hereof;
- (b) the exercise by Lessee of the option to purchase the Equipment granted under the provisions of Articles 9 or 11 hereof;
- (c) a default by Lessee and Lessor's election to terminate this Agreement under Article 13; or

(d) the payment by Lessee of all Rental Payments, late payment charges, past due finance charges, monies due to release liens of any kind whatsoever, or other taxes and utilities authorized or required to be paid by Lessee hereunder or under any Individual Payment Schedule.

This Agreement will automatically terminate in whole upon the last day of the last Renewal Term with respect to any Individual Payment Schedule(s) outstanding plus any other outstanding charges as set forth herein.

ARTICLE 5 ENJOYMENT OF EQUIPMENT

Lessor hereby covenants to provide Lessee during the Lease Term with quiet use and enjoyment of the Equipment and Lessee shall, during the Lease Term, peaceably and quietly have and hold and enjoy the Equipment, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Agreement.

Lessor shall have the right at all reasonable times during business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

ARTICLE 6 RENTAL PAYMENTS

Section 6.01. Rental Payments Constitute a Current Expense of Lessee Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder and under each Individual Payment Schedule shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee. Rental Payments shall be in consideration of Lessee's use of the Equipment during the year in which such payments are due.

Section 6.02. Payment of Rental Payments. Lessee shall pay Rental Payments, exclusively from legally available monies from its general fund and such other legally available funds as may be designated by Lessee in lawful money of the United States of America to Lessor or, in the event of assignment by Lessor, to its assignee, in the amounts and no later than the dates set forth in the applicable Individual Payment Schedule(s). In the event Lessor or its assignee does not receive Rental Payments within such period of time, interest shall continue to accrue at the Base Interest Rate until paid.

Section 6.03. Interest and Principal Components. A portion of each Rental Payment payable hereunder is paid as, and represents payment of, interest, and the balance of the Rental Payment payable hereunder is paid as, and represents payment of, principal. Each Individual Payment Schedule Exhibit E sets forth the interest component and the principal component of each Rental Payment during the Original Term and all Renewal Terms of the respective Individual Payment Schedules.

Section 6.04. Rental Payments to be Unconditional. The obligations of Lessee to make payment of the Rental Payments required under this Article 6 and other sections of this Agreement, and to perform and observe the covenants and agreements contained herein, shall be absolute and unconditional in all events, except as expressly provided under this Agreement. Notwithstanding any dispute between Lessee and Lessor, any Vendor or any other person, Lessee shall make all Rental Payments when due and shall not withhold any Rental Payments, nor shall Lessee assert any right of withholding, set-off or counterclaim against its obligation to make such payments required under this Agreement. Lessee's obligation to make Rental Payments during the Original Term or any Renewal Term shall not be abated through accident or unforeseen circumstances.

Section 6.05. Continuation of Lease Term by Lessee. Lessee intends, subject to the provisions of Section 6.06 below, to continue the lease of the Equipment and all Units thereof through the Original Term and all of the Renewal Terms of each Individual Payment Schedule and to make the Rental Payments as the same shall become due hereunder and under each Individual Payment Schedule. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Original Term and each of the Renewal Terms for the Individual Payment Schedules can be obtained. Lessee agrees to submit the Rental Payments in the budget for consideration for

approval by the City Council on an annual basis during the Original Term and each of the Renewal Terms. Lessee further intends to do all things lawfully within its power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such payments to the extent necessary in each biennial or annual budget submitted and adopted in accordance with applicable provisions of the laws of the State, and to have such portion of the budget approved.

Section 6.06. Non-appropriation. In the event sufficient funds are not appropriated for the Rental Payments required to be paid in the next occurring Renewal Term, then Lessee may terminate this Agreement in whole only by terminating any or all of the Individual Payment Schedules at the end of the then current Original Term or Renewal Term of the respective Individual Payment Schedules, and Lessee shall not be obligated to make payment of the Rental Payments provided for in this Agreement or the Individual Payment Schedules beyond the then current Original or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination. If this Agreement is terminated under the provisions of this Section 6.06, Lessee agrees peaceably to deliver the Unit or Units of Equipment subject to the Individual Payment Schedule or Schedules so terminated to Lessor at the location or locations specified by Lessor. TO THE EXTENT LAWFUL, Lessee agrees that if funds are appropriated to make Rental Payments for a succeeding fiscal year, it will not terminate this Agreement or any Individual Payment Schedule during such fiscal year. In the event of non-appropriation, Lessee shall only be responsible for interest which shall have accrued on the principal balance outstanding as of the preceding Rental Payment due date, as set forth in the Exhibit E attached to the applicable Individual Payment Schedule, through the end of the then current Original Term or Renewal Term.

ARTICLE 7 TITLE TO EQUIPMENT; ENCUMBRANCES

Section 7.01. Title to the Equipment. During the term of this Lease, title to the Equipment and any and all repairs, substitutions, replacements or modifications will be in Lessor or its assigns, subject to the rights of Lessee hereunder. To secure the payment of all Lessee obligations under this Lease, Lessee assigns to Lessor any proceeds of the Equipment, and amounts held in any fund created hereby with respect to the equipment. Lessee agrees to execute such additional documents, including financing statements, affidavits, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its interest in the Equipment and such proceeds and funds.

Section 7.02. Encumbrances. Except for Permitted Encumbrances, Lessee will not permit (i) any liens or encumbrances to be established or remain against the Equipment or (ii) any mechanic's or other lien to be established or remain against the Equipment for labor or materials furnished in connection with any additions, modifications or improvements made by Lessee pursuant to this Section; provided that if any such mechanic's lien is established and Lessee shall first notify or cause to be notified Lessor of Lessee's intention to do so, Lessee may in good faith contest any lien filed or established against the Equipment, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide Lessor with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to Lessor. Lessor will cooperate fully in any such contest.

Section 7.03 Waiver of Damages. With respect to all of the remedies provided for in this Article 7, the Lessee hereby waives any damages occasioned by Lessor's repossession of the Equipment upon an event of default or termination of this Agreement.

ARTICLE 8 MAINTENANCE; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

Section 8.01. Maintenance of Equipment by Lessee. Lessee agrees that at all times during the Lease Term, at Lessee's own cost and expense, to cause maintenance to be performed in such a way so as to make all necessary and proper repairs, replacements and renewals of such component parts as may from time to time be required and to maintain, preserve and keep the Equipment in good repair, working order and condition. To the extent of the provisions of this Agreement, and except as may otherwise be agreed to, neither Lessor nor any of its assignees shall have responsibility in any of these matters, or for the making of improvements or additions to the Equipment.

Section 8.02. Taxes, Other Governmental Charges and Utility Charges. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for income taxes of Lessor), Lessee will pay during the Lease Term, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment and any equipment or other property acquired by Lessee in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Equipment; provided that, with respect to any governmental charges that may lawfully be paid in installments over a period of years, Lessee may elect to pay only such installments as have accrued during the time this Agreement is in effect.

Section 8.03. Provisions Regarding Insurance. At its own expense Lessee shall cause casualty, public liability and property damage insurance to be carried and maintained, or shall demonstrate to the satisfaction of Lessor that adequate self-insurance is provided based upon actuarial sound insurance criteria as are consistent with generally accepted insurance industry standards with respect to the Equipment, sufficient to protect the Full Insurable Value (as that term is hereinafter defined) of the Equipment, and to protect Lessor from liability in all events and which name Lessor and/or its assignee as additional named insured and as a Lender Loss Payee thereunder. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. Lessee shall furnish to Lessor Certificates evidencing such coverage throughout the Lease Term and for each Individual Payment Schedule.

Lessee shall notify Lessor within five (5) business days of any event of damage to or destruction of the Equipment.

The term "Full Insurable Value" as used herein shall mean the full replacement value of the Equipment but in no event less than the applicable Purchase Price.

Any insurance policy pursuant to this Section 8.03 shall be so written or endorsed as to make losses, if any, payable to Lessee and Lessor as their respective interests may appear. The Net Proceeds (as defined in Section 9.01) of the insurance required in this Section 8.03 shall be applied as provided in Article 9 hereof. Each insurance policy provided for in this Section 8.03 shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of Lessor without first giving written notice thereof to Lessor at least 30 days in advance of such cancellation.

Section 8.05. Tax Covenants. Lessee will not make or direct any use of the proceeds of the obligation provided herein or any other funds of Lessee which will cause such obligation to be an "arbitrage bond" within the meaning of Section 148 of the Code, to be "federally guaranteed" within the meaning of Section 149 of the Code, or to be a "private activity bond" within the meaning of Section 141 (a) of the Code. To that end, so long as any Rental Payments are unpaid, Lessee, with respect to such proceeds and such other funds, will comply with all requirements of such Code sections and all regulations of the United States Department of the Treasury issued thereunder to the extent that such requirements are, at the time, applicable and in effect. Furthermore, to the extent applicable pursuant to Section 148 (f) of the Code, Lessee covenants to complete or cause to be completed all reporting requirements and rebate all required arbitrage income to the United States of America. Lessee covenants that the Equipment will be used only for the purpose of performing one or more governmental or proprietary functions of Lessee, and the Equipment will not be used in a trade or business of any person or entity other than Lessee on a basis different from the general public. Lessee will not use or permit the use of the Equipment by any person for a "private business use" within the meaning of Section 141 (b) of the Code in such manner or to such extent as would result in the inclusion of interest received hereunder in gross income for federal income tax purposes under Section 103 of the Code.

Lessor and Lessee shall at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest component of the Rental Payments will not be included in the gross income of Lessor for federal income tax purposes. If Lessor either (i) receives notice from the Internal Revenue Service; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any Rental Payment from federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, the amount which, with respect to Rental Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all

federal, state and local taxes imposed on the interest component of all Rental Payments due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by this Agreement (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost

ARTICLE 9
DAMAGE, DESTRUCTION AND CONDEMNATION:
USE OF NET PROCEEDS

Section 9.01. Damage, Destruction and Condemnation. Unless Lessee shall have exercised its option to purchase the Equipment or any Unit thereof by making payment of the Purchase Price as provided herein or in the applicable Individual Payment Schedule, if prior to the termination of the Lease Term (a) the Equipment or any Unit 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 Unit or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds (as defined below) of any insurance claim or condemnation awarded to be applied to the prompt repair, restoration, modification or improvement of the Equipment. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of Section 8.03 and this Article 9, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

Section 9.02. Insufficiency of Net Proceeds. Subject to Lessee's right to terminate this Agreement or any Individual Payment Schedule under Section 6.06 hereof, if the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01 hereof, Lessee shall either (a) complete the repair or replacement of damaged property and pay any costs in excess of the amount of Net Proceeds or (b) pay to Lessor the amount of the applicable Purchase Price, applying Net Proceeds to such payment.

ARTICLE 10
DISCLAIMER OF WARRANTIES; VENDOR'S
WARRANTIES; USE OF THE EQUIPMENT

Section 10.01. Disclaimer of Warranties. AS BETWEEN LESSOR AND LESSEE, DELIVERY OF EQUIPMENT TO LESSEE AND EXECUTION BY LESSEE OF AN ACCEPTANCE CERTIFICATE WITH RESPECT THERETO SHALL CONSTITUTE LESSEE'S ACKNOWLEDGEMENT THAT THE EQUIPMENT IS IN GOOD ORDER AND CONDITION AND IS OF THE MANUFACTURE, DESIGN AND CAPACITY SELECTED BY LESSEE, THAT LESSEE IS SATISFIED THAT THE SAME IS SUITABLE FOR ITS PURPOSE, AND THAT FOR PURPOSES OF THIS AGREEMENT LESSOR'S ASSIGNEES MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED WITH RESPECT TO EQUIPMENT, INCLUDING WITHOUT LIMITATION, ITS VALUE, DESIGN, CAPACITY, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS INTENDED FOR USE OF THE EQUIPMENT, OR WARRANTY WITH RESPECT THERETO AND LESSOR AND ITS ASSIGNEES HEREBY DISCLAIM ALL SUCH REPRESENTATIONS AND WARRANTIES. THIS SECTION IS INTENDED TO APPLY BETWEEN LESSOR AND LESSEE ONLY TO THE EXTENT OF THE FINANCING CONTEMPLATED HEREIN AND IN NO EVENT IS INTENDED TO AFFECT THE WARRANTIES OR REPRESENTATIONS CONTAINED IN OR INCLUDED WITHIN ANY CONTRACT ENTERED INTO FOR THE ACQUISITION OF THE EQUIPMENT EITHER WITH LESSOR, OR ANY OTHER VENDOR. NOTWITHSTANDING THE FOREGOING, IN THE EVENT LESSOR IS A VENDOR, LESSEE SHALL BE ENTITLED TO ALL APPLICABLE VENDOR WARRANTIES AS TO THE EQUIPMENT, PROVIDED THAT SUCH RIGHTS SHALL PERTAIN SOLELY TO LESSOR AS VENDOR, AND NOT TO ANY SUCCESSORS OR ASSIGNS OF LESSOR UNDER THIS AGREEMENT. In no event shall an assignee, if any, of Lessor be liable for any incidental, direct, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or Lessee's use of any item or products or services provided for in this Agreement.

Section 10.02. Vendor's 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 warranties of the Equipment, which Lessor may have against the Vendor of the Equipment. 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 or an assignee, if any, of Lessor, nor shall such matter have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that an assignee, if any, of Lessor makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the Vendor of the Equipment.

Section 10.03. Use of the Equipment. Lessee will not use, operate or maintain the Equipment or cause the Equipment to be used, operated or maintained improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide or cause to be provided all permits and licenses, if any, necessary for the operation of the Equipment. Lessee may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may, to the extent permitted by law, permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided that prior to such nonpayment it shall furnish the Lessor with the opinion of an independent counsel acceptable to the Lessor to the effect that, by nonpayment of any such items, the interest of the Lessor in such portion of the Equipment will not be materially endangered and that the Equipment will not be subject to loss or forfeiture. Otherwise, the Lessee shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof in form satisfactory to the Lessor. Lessee shall notify Lessor within five (5) business days if there are any claims or lawsuits arising in connection with the Equipment or use thereof.

ARTICLE 11 OPTION TO PURCHASE

Lessee is hereby granted the option to prepay all or a portion of its obligations under this Agreement (if partial prepayment, Lessee shall have the option to prepay once during the Original Term and each Renewal Term) and purchase the Equipment or any Unit thereof for the Purchase Price set forth in Exhibit(s) E hereto or on any applicable Individual Payment Schedule(s). At the request of Lessee, Lessor's title to the Equipment shall transfer to Lessee and this Agreement shall terminate:

(a) at the end of the Lease Term, upon payment in full of Rental Payments due hereunder, plus all past due charges and other amounts hereunder then due and owing, if any; or

(b) at any regularly scheduled payment due date by making the Rental Payment plus the corresponding Purchase Price as set forth in the applicable Individual Payment Schedule, plus all past due charges and other amounts hereunder then due and owing, if any; or

(c) at any time prior to the end of the Original Term by paying the first Rental Payment due plus the Purchase Price, or, in the event Lessee wishes to exercise its option following the Original Term or any Renewal Term, but prior to the due date of the next Rental Payment by paying the preceding Purchase Price as set forth in the applicable Individual Payment Schedule plus accrued interest on the outstanding principal balance at the Base Interest Rate thereon to the date of settlement thereof, plus all past due charges and other amounts hereunder then due and owing, if any; or

(d) if the Lease Term is terminated pursuant to Article 9 of this Agreement, in the event of total damage, destruction or condemnation of the Equipment or any Unit thereof and, if Lessee is not on such date in default under this Agreement, upon payment of the then applicable Purchase Price to Lessor plus all past due charges and other amounts hereunder then due and owing, if any, subject to Lessee's right to terminate this Agreement or any Individual Payment Schedule under Section 6.06 hereof.

In the event Lessee purchases less than all of the Equipment, the related Individual Payment Schedule(s) shall be amended to reflect such prepayment of principal and the remaining Rental Payments shall be adjusted accordingly. Further, Lessee agrees to execute such revised Individual Payment Schedule(s).

ARTICLE 12 ASSIGNMENT, SUBLEASING, INDEMNIFICATION MORTGAGING AND SELLING

Section 12.01. Assignment by Lessor. This Agreement, and Lessor's right to receive payments hereunder, may

be assigned and reassigned in whole or in part to one or more assignees or subassignees by Lessor at any time subsequent to this execution, without the necessity of obtaining the consent of Lessee; provided, however, that no such assignment or reassignment shall be effective against Lessee unless and until (i) Lessee shall have received notice of the assignment or reassignment disclosing the name and address of the assignee or subassignee, and (ii) in the event that such assignment or reassignment is made to a bank or trust company as trustee for holders of certificates or other evidence representing interest in this Agreement, or rights to receive amounts hereunder, such bank or trust company agrees to maintain, or cause to be maintained on behalf of and as agent for Lessee, a book-entry system by which a record of the names and addresses of such holders as of any particular time is kept and agrees, upon request of Lessee, to furnish such information to Lessee. Upon receipt of notice of assignment, Lessee agrees to reflect in a book entry the assignee designated in such notice of assignment, and to make all payments to the assignee designated in the notice of assignment, notwithstanding any claim, defense, set-off or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that Lessee may from time to time have against Lessor, or the assignee. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements which may be reasonably requested by Lessor or its assignee to protect their interests in the Equipment and in this Agreement.

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, which consent may be withheld in the total discretion of Lessor taking into account, among other things, the treatment for federal income tax purposes of the interest component of the Rental Payments.

Section 12.03. Release. Except for the intentional or negligent acts of Lessor or any of its employees or agents thereof arising out of 1) entering into this Agreement, and/or 2) any liability, obligation, loss, claim or damage arising out of or in connection with any misstatement of a material fact or failure to make a statement of material fact by Lessor or any assignee thereof (other than a misstatement by Lessee) in connection with any offer, sale or other transfer of this Agreement or any interest herein, to the extent permitted by the laws and Constitution of the State, Lessee shall hold harmless Lessor from and against any and all liability, obligations, losses, claims and damages, regardless of cause thereof, 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 of this Agreement in connection with the ownership or intended ownership, delivery, rejection, storage or return of any item of Equipment or any accident in connection with the operation, use, condition, possession, storage or return of any item of Equipment resulting in damage to property or injury to or death to any person. Lessee's agreement to hold harmless, Lessor under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

ARTICLE 13 EVENTS OF DEFAULT AND REMEDIES

Section 13.01. Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein; and

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 13.01(a) or 13.01(c), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied as given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, 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 deemed appropriate by Lessor in its sole discretion, is instituted by Lessee within the applicable period and diligently pursued until the default is corrected; and (c) Failure by Lessee to maintain insurance on the Equipment in accordance with Section 8.03 hereof; and

(d) A determination by Lessor that any representation or warranty of Lessee was untrue when made. The foregoing provisions of this Section 13.01 are subject to (i) the provisions of Section 6.06; and (ii) if by reason of force majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the

obligations on the part of Lessee contained in Article 6 and Section 8.03 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of the government of the United States of America or of the state wherein Lessee is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

Section 13.02. Remedies on Default. Whenever any event of default referred to in Section 13.01 hereof shall have happened and be continuing, Lessor shall have the right, at its sole option without further demand or notice, to take one or any combination of the following remedial steps:

(a) With or without terminating this Agreement, (i) enter upon the location and retake possession of the Equipment and sell, lease or sublease the Equipment for the account of Lessee, holding Lessee liable for the rents and other amounts payable by Lessee hereunder to the end of the Original Term or the then current Renewal Term; or (ii) require Lessee to assemble, pack, return and pay the costs of returning the Equipment, within ten (10) days, to a location specified by Lessor, and

(b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights as Lessor of the Equipment.

Section 13.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor or Lessee 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. Any repossession or subsequent sale or lease by Lessor of any item or Unit of Equipment shall not bar an action against Lessee for a deficiency, and the bringing of any action against or the entry of judgment against Lessee shall not bar Lessor's right to repossess any or all Units of Equipment. 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 and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE 14 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 their respective places of business.

Section 14.02. 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 14.03. 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, and the invalid or unenforceable provision shall be reformed and revised to be enforceable to the full extent permissible under the laws of the State.

Section 14.04. Amendments. The terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by Lessor and Lessee, nor shall any such amendment that affects the rights of Lessor's assignee be effective without such assignee's consent.

Section 14.05. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.06. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Colorado.

Section 14.07. Captions. The captions or headings in this Agreement are for convenience only and in no way

define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 14.08. Entire Agreement. This Agreement constitutes the entire agreement between Lessor and Lessee as to the matters herein described. 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 Equipment leased hereunder. Any terms and conditions of any purchase order or other document 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.

IN WITNESS WHEREOF, Lessor has executed this Agreement in its corporate name and attested by its duly authorized officers, and Lessee has caused this Agreement to be executed in its corporate name and attested by its duly authorized officers. This document is dated as of the Accrual Date, whether or not executed as of such date.

LESSEE: CITY OF MANITOU SPRINGS,

Attest:

By: _____

By: Jack Benson _____

Title: _____

Title: City Administrator _____

Date: _____

LESSOR: SUNTRUST EQUIPMENT FINANCE
& LEASING CORP.

Attest:

By: _____

By: Gregory Faherty _____

Title: _____

Title: Vice President _____

Date: _____

INDIVIDUAL PAYMENT SCHEDULE #1

TO

MASTER LEASE AGREEMENT NO. 08634

Entered into November 5, 2012 (the "Dated Date") by and between Lessor and Lessee, this Individual Payment Schedule #1 is made a part of MASTER LEASE AGREEMENT NO. **08634** and hereby incorporates all terms and conditions of said Agreement with respect to Lessee's and Lessor's rights in the personal property described in this Schedule.

This Individual Payment Schedule consists of:

Exhibit A	Ordinance of Governing Body
Exhibit B	Opinion of Counsel
Exhibit C	Certificate as to Arbitrage
Exhibit D	Description of Equipment
Exhibit E	Schedule of Payments
Exhibit F	Acceptance Certificate
Exhibit G	Insurance Coverage Requirements
Supplements:	8038-G IRS Filing
	Bank Eligibility Certificate
	Incumbency Certificate
	Escrow Agreement

LESSOR: SUNTRUST EQUIPMENT FINANCE
& LEASING CORP.

LESSEE: CITY OF MANITOU SPRINGS,

By: Gregory Faherty

By: Jack Benson

Title: Vice President

Title: City Administrator

Date: _____

Date: _____

EXHIBIT A

Ordinance of Governing Body

EXHIBIT B
OPINION OF COUNSEL
(On Attorney's Letterhead)

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
300 East Joppa Road, 7th Floor
Towson, Maryland 21286

Re: Master Lease Agreement dated as of November 5, 2012 (the "Agreement") by and between **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.** ("Lessor") and **[LESSEE]** ("Lessee")

Ladies and Gentlemen:

We have acted as counsel to Lessee with respect to the Agreement described above and various related matters, and in this capacity have reviewed a duplicate original or certified copy thereof and Equipment Schedule No. 01 executed pursuant thereto (together with the Agreement, the "Lease"). The terms capitalized in this opinion but not defined herein shall have the meanings assigned to them in the Lease. Based upon the examination of these and such other documents as we have deemed relevant, it is our opinion that:

1. Lessee is a political subdivision of the State of Colorado (the "State") within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended, and is duly organized, existing and operating under the Constitution and laws of the State.

2. Lessee is authorized and has the power under applicable law to enter into the Lease, and to carry out its obligations thereunder and the transactions contemplated thereby.

3. The Lease has been duly authorized, executed and delivered by and on behalf of Lessee, and is a legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

4. The authorization and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public records, public bidding and all other laws, rules and regulations of the State.

5. The execution of the Lease and the appropriation of moneys to pay the Rental Payments coming due thereunder do not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

6. There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the organization or existence of Lessee, the authority of Lessee or its officers or its employees to enter into the Lease, the proper authorization and/or execution of the Lease or the documents contemplated thereby, the appropriation of moneys to make Rental Payments under the Lease for the current Fiscal Year of Lessee, or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby. To the best of our knowledge, no such litigation, action, suit or proceeding is threatened.

7. The Equipment is personal property, and when used by Lessee will not be or become fixtures under the laws of the State.

8. Ordinance No. _____ of the governing body of Lessee was duly and validly adopted by such governing body on _____, _____, and such resolution has not been amended, modified, supplemented or repealed and remains in full force and effect.

This opinion may be relied upon by the addressee hereof and its successors and assignees of interests in the Lease, but only with regard to matters specifically set forth herein.

Very truly yours,

(type name and title under signature)

EXHIBIT C

CERTIFICATE AS TO ARBITRAGE

I, the undersigned officer of City of Manitou Springs in the state of Colorado (the "Lessee") being the person duly charged, with others, with responsibility of issuing Lessee's obligation in the form of that certain Individual Payment Schedule No. 1 and MASTER LEASE AGREEMENT No. 08634 (the "Agreement") by and between Lessee and SUNTRUST EQUIPMENT FINANCE & LEASING CORP. as lessor (the "Lessor") HEREBY CERTIFY that:

1. The Agreement was executed and delivered by Lessee under and pursuant to existing law to finance the acquisition of the Equipment as described in the Agreement.

2. Pursuant to the Agreement, Lessee is entitled to the use and possession of the Equipment in consideration for the obligations of Lessee under and pursuant to the Agreement. The Equipment will be used in furtherance of the public purposes of Lessee and only for the performance of one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

3. Lessee does not intend to sell the Equipment during the term of the Agreement. Lessee will not receive any monies, funds or other "proceeds" as a result of the execution or delivery of the Agreement other than as described in Paragraph 6 hereof.

4. Lessee has not established any sinking fund from which it intends to make payment under the Agreement, and no monies are pledged other than amounts annually appropriated from the General Fund or other legally available funds of Lessee in amounts equal to the required payments under the Agreement. The remaining general funds of Lessee are not reasonably expected to be used to make such payments, and no other monies, except as set forth herein, are pledged to the payments due under the Agreement or reasonably expected to be used to pay principal and interest payments due under the Agreement.

5. Lessee certifies that the Equipment (as defined in the Agreement) will be operated by Lessee and will not be used in the trade or business of any person on a basis different from the general public.

6. The proceeds to be derived from the Agreement by Lessor or its assignee on the date hereof together with anticipated investment earnings thereon are expected to pay the costs of the acquisition of the Equipment and the financing and legal costs in respect of the execution and delivery of the Agreement. Accrued interest from the Accrual Date not to exceed the interest for a period of six (6) months shall be retained by Lessor or its assignee, if any. The proceeds derived from the sale of an interest in rights to receive Rental Payments under the Agreement, together with anticipated investment earnings thereon, will not exceed the amount necessary for the purpose of the Agreement. It is anticipated that the acquisition of the Equipment will proceed with due diligence to completion and that all of the proceeds derived from the Agreement will be spent within the eighteen (18) months following the execution and delivery of the Agreement and this certificate.

7. The Lessee represents that the Lessee has general taxing powers. A governmental unit has general taxing powers if it has the power to impose taxes (or to cause another entity to impose taxes) of general applicability which, when collected, may be used for the general purposes of that governmental unit. The Lessee also represents that the reasonably anticipated amount of tax-exempt obligations for essential and public purposes which will be issued by the Lessee and all subordinate entities of the Lessee during calendar year 2012 (excluding the portion of obligations issued to currently refund outstanding obligations of the Lessee to the extent the amount of refunding obligation does not exceed the outstanding amount of the refunding obligation) does not exceed \$5,000,000. Accordingly, pursuant to Section 1.148-8 of Treasury Regulations promulgated under the Code, there is no requirement that the Lessee rebate any investment earnings in excess of the yield on the Lease to the federal government, so long as at least 95 percent of the Net Proceeds of the Lease are to be used for local governmental activities of the Lessee (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Lessee).

8. Lessee has not received notice that its Certificate may not be relied upon with respect to its own issues, nor has it been advised that any adverse action by the Commissioner of Internal Revenue is contemplated.

9. Lessee is qualified to designate and hereby designates the obligation represented by the Agreement as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

To the best of Lessee’s knowledge, information, and belief the expectations herein expressed are reasonable and there are no facts, estimates or circumstances other than those expressed herein that would materially affect the expectations.

LESSEE: CITY OF MANITOU SPRINGS,

By: Jack Benson_____

Title: City Administrator_____

Date:_____

EXHIBIT D

DESCRIPTION OF EQUIPMENT

The Equipment which is the subject of the Individual Payment Schedule No. 1 to the MASTER LEASE AGREEMENT NO. 08634, dated November 5, 2012 as follows:

Various capital equipment, law enforcement vehicles and public works/utilities vehicles

Together with all additions, accessions and replacements thereto.

Lessee hereby certifies that the description of the Equipment set forth above constitutes an accurate description of the "Equipment", as defined in the attached MASTER LEASE AGREEMENT NO. 08634, dated November 5, 2012 applicable Individual Payment Schedule. Lessee hereby agrees that it will not relocate the Equipment from the location described below, with the exception of relocation in the course of normal usage, without prior written notice to Lessor.

LESSEE: CITY OF MANTIQU SPRINGS,

By: Jack Benson

Title: City Administrator

Address of Equipment Upon Delivery and Acceptance:

606 Manitou Avenue, Manitou Springs, CO 80829

EXHIBIT E

SCHEDULE OF PAYMENTS

Dated Date: November 5, 2012
Compound Period: Annual
*Interest Rate: 1.7250 %
First Payment due at Closing: \$97,780.47
If escrow is needed, a \$250.00 set up fee will be assessed

Date	Payment	Principal	Interest	Prepayment Price
11/05/2012	97,780.47	97,780.47	0	NA
11/05/2013	97,780.47	91,314.82	6,465.65	292,009.85
11/05/2014	97,780.47	92,890.00	4,890.47	196,333.15
11/05/2015	97,780.47	94,492.36	3,288.11	99,006.03
11/05/2016	97,780.47	96,122.36	1,658.11	-
	=====	=====	=====	
Totals	488,902.35	472,600.00	16,302.35	

*Lessor may adjust the Interest Rate at or prior to closing to reflect market conditions and cost of funds at closing.

LESSEE: CITY OF MANITOU SPRINGS,

By: Jack Benson

Title: City Administrator

EXHIBIT F

ACCEPTANCE CERTIFICATE

The undersigned, as Lessee under the MASTER LEASE AGREEMENT NO. 08634 (the "Agreement"), with SUNTRUST EQUIPMENT FINANCE & LEASING CORP. ("Lessor"), hereby fully accepts and acknowledges receipt in good condition of the Equipment described in the Agreement or in the applicable Individual Payment Schedule attached thereto this _____ of _____ 2012 and certifies that Lessor has fully and satisfactorily performed all of its covenants and obligations required under the Agreement.

Lessee confirms that it will commence payments in accordance with Article 6 of the Agreement or the provisions of the applicable Individual Payment Schedule.

The undersigned officer of Lessee hereby reaffirms in all respects the Certificate as to Arbitrage attached as Exhibit C to the Agreement, and represents that, to the best of his or her knowledge, information and belief, the expectations therein expressed were reasonable as of the Accrual Date on which they were made, and are reasonable as of this date, and that there were, and are as of this date, no facts, estimates or circumstances other than those expressed therein that would materially affect the expectations expressed therein.

LESSEE: CITY OF MANITOU SPRINGS,

By: Jack Benson_____

Title: City Administrator_____

EXHIBIT G

INSURANCE COVERAGE REQUIREMENTS

TO: SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
300 E. Joppa Road, 7th Floor
Towson, MD 21286

FROM: City of Manitou Springs

SUBJECT: INSURANCE COVERAGE REQUIREMENTS

1. In accordance with Section 8.03 of the MASTER LEASE AGREEMENT NO. 08634, we will instruct the insurance agent named below (please fill in name, address, and telephone number)

Provider Name: _____

Provider Address: _____

Provider Contact Person: _____

Contact Email Address (if available): _____

Phone Number: _____ Fax Number: _____

to issue:

a. All Risk Physical Damage Insurance on the leased Equipment or Unit thereof (as defined in the Agreement) evidenced by a Certificate of Insurance and Long Form **Loss Payable Clause naming Lessor "and/or its assigns" Lender Loss Payee.**

b. Public Liability Insurance evidence by a Certificate of Insurance naming "Lessor and/or its assigns" as an Additional Insured.

Minimum Coverage Required:
\$500,000.00 per person
\$500,000.00 aggregate bodily injury liability
\$300,000.00 property damage liability

OR, Upon Lessor's Consent,

2. Pursuant to 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 to Lessor no later than the time that the Equipment or Unit thereof is delivered to us.

LESSEE: CITY OF MANITOU SPRINGS,

By: Jack Benson

Title: Vice President

BANK ELIGIBILITY CERTIFICATE

THIS BANK ELIGIBILITY CERTIFICATE is entered into this 5th of November, 2012 and is executed by City of Manitou Springs, as Lessee, supplementing and adding to Individual Payment Schedule No. 1 to MASTER LEASE AGREEMENT NO. 08634.

WITNESSETH:

WHEREAS, Lessor and Lessee have entered into MASTER LEASE AGREEMENT No. 08634; and

WHEREAS, Lessee desires to supplement the Agreement;

NOW THEREFORE, in consideration of the premises hereinafter contained, Lessee hereby certifies that:

Lessee has not issued or effected the issuance of, and reasonably anticipates that it shall not issue or effect the issuance of more than Ten Million Dollars (\$10,000,000.00) of tax-exempt obligations during the 2012 calendar year, and hereby designates the lease of the Equipment to which this certificate pertains as a "qualified tax-exempt obligation," as defined by Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

In witness whereof, Lessee has caused this Supplement to the Agreement to be executed by its respective officers thereunto duly authorized, all as of the date and year first above written.

LESSEE: CITY OF MANITOU SPRINGS

By: Jack Benson_____

Title: City Administrator_____

INCUMBENCY CERTIFICATE

I do hereby certify that I am the duly elected or appointed and acting City Clerk of **CITY OF MANITOU SPRINGS**, a political subdivision duly organized and existing under the laws of the State of Colorado, that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names.

I further certify that (i) the signatures set opposite their respective names and titles are their true and authentic signatures and (ii) such officers have the authority on behalf of such entity to enter into that certain Master Lease Agreement dated as of November 5, 2012 between such entity and **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
<u>Jack Benson</u>	<u>City Administrator</u>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have duly executed this certificate as of this ____ day of _____, 2012.

By: _____
Name: Donna Kast
Title: City Clerk

SUNTRUST EQUIPMENT FINANCE & LEASING CORP.

ESCROW AGREEMENT

This **ESCROW AGREEMENT**, made and entered into as of the Date shown on Schedule I, by and among **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, a Virginia corporation (“Lessor”), the Lessee named on Schedule I, which is a political subdivision or public body politic and corporate of the State or Commonwealth shown on Schedule I (“Lessee”), and **SUNTRUST BANK**, a Georgia banking corporation, as Escrow Agent (“Escrow Agent”).

In consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE . DEFINITIONS AND RECITALS

Section 1.1. DefinitionsError! Bookmark not defined.. The terms defined in this Section 1.1 shall, for all purposes of this Escrow Agreement, have the meanings specified below or on Schedule I.

“**Acquisition Costs**” means, with respect to the Equipment, the contract price paid or to be paid to the person entitled to such payment upon acquisition or delivery of any portion of the Equipment in accordance with the purchase order or contract herefore. Acquisition Costs may include the administrative, engineering, legal, financial and other costs incurred by Lessee in connection with the acquisition, delivery and financing of the Equipment, if approved by Lessor.

“**Equipment**” means the personal property described in the Acceptance Certificate executed pursuant to the Lease, together with any and all modifications, additions and alterations thereto, to be acquired from the moneys held in the Equipment Acquisition Fund.

“**Equipment Acquisition Fund**” means the account by that name established and held by Escrow Agent pursuant to Article II of this Escrow Agreement.

“**Escrow Agent Fee**” has the meaning set forth in Section 6.1 and the amount of such Escrow Agent Fee is shown on Schedule I.

“**Escrow Agreement**” means this Escrow Agreement and any duly authorized and executed amendment or supplement hereto.

“**Initial Deposit Amount**” means the amount shown as the Initial Deposit Amount on Schedule I.

“**Lease**” means the Master Lease, together with the Equipment Schedule identified on Schedule I, by and between Lessee and Lessor, and any duly authorized and executed amendment or supplement thereto.

“**Master Lease**” means the Master Lease Agreement, dated as of the date shown on Schedule I, by and between Lessee and Lessor, including any Equipment Schedules entered into thereunder and any duly authorized and executed amendment or supplement thereto.

“**Payment Request Form**” means the document substantially in the form attached hereto as Exhibit A to be executed by Lessee and Lessor and submitted to Escrow Agent to authorize payment of Acquisition Costs.

“**Qualified Investments**” means the ST Leasing – Corp Agency NOW Account, a SunTrust Deposit Account for Escrow customers of SUNTRUST EQUIPMENT FINANCE & LEASING CORP. and SunTrust Bank. By signing this Escrow Agreement, Lessee acknowledges that such Qualified Investment is a permitted investment under any state, county or municipal law applicable to the investment of Lessee’s funds.

ARTICLE II. APPOINTMENT OF ESCROW AGENT; AUTHORITY

Section 2.1. Appointment of Escrow Agent. Lessor and Lessee hereby appoint and employ Escrow Agent to receive, hold, invest and disburse the moneys to be paid to Escrow Agent pursuant to this Escrow Agreement and to perform certain other functions, all as hereinafter provided. By executing and delivering this Escrow Agreement, Escrow Agent accepts the duties and obligations of Escrow Agent hereunder.

Escrow Agent undertakes to perform only such duties as are expressly set forth herein, and no additional duties or obligations shall be implied hereunder. In performing its duties under this Escrow Agreement, or upon the claimed failure to perform any of its duties

hereunder, Escrow Agent shall not be liable to anyone for any damages, losses or expenses which may be incurred as a result of Escrow Agent so acting or failing to so act; *provided, however*, Escrow Agent shall not be relieved from liability for damages arising out of its proven gross negligence or willful misconduct under this Escrow Agreement. Escrow Agent shall in no event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel, which may be counsel to any party hereto, given with respect to any question relating to the duties and responsibilities of Escrow Agent hereunder or (ii) any action taken or omitted to be taken in reliance upon any instrument delivered to Escrow Agent and believed by it to be genuine and to have been signed or presented by the proper party or parties. Escrow Agent shall not be bound in any way by any agreement or contract between Lessor and Lessee, including the Master Lease, whether or not Escrow Agent has knowledge of any such agreement or contract.

Section 2.2. Authority. Each of the parties has authority to enter into this Escrow Agreement, and has taken all actions necessary to authorize the execution of this Escrow Agreement by the representatives whose signatures are affixed hereto.

ARTICLE III. EQUIPMENT ACQUISITION FUND

Section 3.1. Equipment Acquisition Fund. Escrow Agent shall establish a special escrow account designated as the “Equipment Acquisition Fund” (the “Equipment Acquisition Fund”), shall keep such Equipment Acquisition Fund separate and apart from all other funds and moneys held by it and shall administer such Equipment Acquisition Fund as provided in this Escrow Agreement.

Section 3.2. Deposit. Upon execution of the Lease and delivery to the Lessor by Lessee of all documents required to be delivered thereunder, Lessor shall deposit or cause to be deposited with Escrow Agent an amount equal to the Initial Deposit Amount. Escrow Agent shall credit such amount to the Equipment Acquisition Fund. The Initial Deposit Amount is to be sent by Lessor to Escrow Agent by wire transfer to: **SunTrust Bank, ABA# 061000104, Account# 9443001321, Account Name: Escrow Services Richmond, Beneficiary as shown on Schedule I, Attention: Matthew Ward.**

Section 3.3. Disbursements. Escrow Agent shall use the moneys in the Equipment Acquisition Fund from time to time to pay the Acquisition Cost of each item of Equipment, within a reasonable time of receipt with respect thereto of a Payment Request Form executed by Lessor and Lessee. Upon receipt of a Payment Request Form executed by Lessor and Lessee, an amount equal to the Acquisition Cost as shown therein shall be paid directly by Escrow Agent to the person or entity entitled to payment as specified therein. Although the Payment Request Form may have schedules, invoices and other supporting document attached to it, Lessor will send to Escrow Agent only the page or pages showing the signatures of Lessor and Lessee, the Acquisition Cost and related payment information, without such schedules, invoices or other supporting documentation. Escrow Agent may act and rely upon the signed Payment Request Form without the need to review or verify any such schedules, invoices or other supporting documentation.

Section 3.4. Transfers Upon Completion. Unless all of the funds deposited by Lessor in the Equipment Acquisition Fund have been previously disbursed pursuant to Section 3.3 or paid to Lessor pursuant to Section 3.5, on the Ending Date shown on Schedule I, Escrow Agent shall pay upon written direction all remaining moneys in the Equipment Acquisition Fund to Lessor or its assignee for application as a prepayment of the unpaid Principal under the related Lease. Any amounts paid pursuant to this Section 3.4 shall be subject to a prepayment fee equal to two percent (2%) of such amount. Lessor shall apply amounts received under this Section 3.4 first to unpaid fees, late charges and collection costs, if any, which have accrued or been incurred under the Master Lease, then to overdue Principal and Interest on the Lease and then, in the sole discretion of Lessor, either (i) to Principal payments thereafter due under the Lease in the inverse order of their maturities or (ii) proportionately to each Principal payment thereafter due under the Lease. In the event that Lessor elects to apply any such amounts in accordance with clause (i) of the preceding sentence, Lessee shall continue to make Rental Payments as scheduled in the applicable Payment Schedule. In the event that Lessor elects to apply such amounts in accordance with clause (ii) of this Section 3.4, Lessor shall provide Lessee with a revised Payment Schedule which shall reflect the revised Principal balance and reduced Rental Payments due under the Lease. Capitalized terms used in this Section 3.4, but not defined herein, shall have the meanings given to such terms in the Lease. Escrow Agent shall have no responsibility to see to the appropriate application of any moneys returned under this Section 3.4.

Section 3.5. Liquidation. Upon receipt of written notice from Lessor or Lessee that the Lease has been terminated pursuant to Sections 3.2 or 12.2 thereof, Escrow Agent shall liquidate all investments held in the Equipment Acquisition Fund and transfer the proceeds thereof and all other moneys held in the Equipment Acquisition Fund to Lessor.

Section 3.6. Responsible Party. The Lessee shall be responsible for the initiation of the disbursement process pursuant to Section 3.3 hereof. Neither Escrow Agent nor Lessor shall be responsible for any additional monies assessed to Lessee resulting from disbursements made from the Equipment Acquisition Fund.

ARTICLE IV. TRUST; INVESTMENT

Section 4.1. Irrevocable Trust. The moneys and investments held by Escrow Agent under this Escrow Agreement are irrevocably held in trust for the benefit of Lessor and Lessee, and such moneys, together with any income or interest earned, shall be expended only as provided in this Escrow Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessor or Lessee (other than Lessor's security interest granted hereunder).

Escrow Agent shall have no responsibility at any time to ascertain whether or not any security interest exists in the Equipment Acquisition Fund or any part of the Equipment Acquisition Fund or to file any financing statement under the Uniform Commercial Code of any jurisdiction with respect to the Equipment Acquisition Fund or any part thereof.

Section 4.2. Investment. Moneys held by Escrow Agent hereunder shall be invested and reinvested by Escrow Agent only in Qualified Investments. Such investments shall be registered in the name of Escrow Agent and held by Escrow Agent for the benefit of Lessor and Lessee. Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Article IV. Such investments and re-investments shall be made giving full consideration for the time at which funds are required to be available. Any income received on such investments shall be credited to the Equipment Acquisition Fund and any loss on such investments shall be charged to the Equipment Acquisition Fund. Escrow Agent 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 IV.

Section 4.3. Disposition of Investments. Escrow Agent shall, without further direction from Lessor or Lessee, sell such investments as and when required to make any payment from the Equipment Acquisition Fund.

Section 4.4. Accounting. Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Escrow Agreement which shall be available for inspection by Lessor or Lessee, or the agent of either of them, at any time during regular business hours upon prior written request. Escrow Agent shall furnish to Lessor and Lessee no less than quarterly an accounting of all investments and interest and income therefrom.

Section 4.5. Termination. This Escrow Agreement shall terminate upon disbursement by Escrow Agent of all moneys held by it hereunder. Notwithstanding the foregoing, this Escrow Agreement shall not be considered to be terminated until all fees, costs and expenses of Escrow Agent have been paid in full. Upon termination, Escrow Agent shall be discharged from all duties and responsibilities under this Escrow Agreement.

ARTICLE V. ESCROW AGENT'S AUTHORITY

Section 5.1. Validity. Escrow Agent may act upon any writing or instrument or signature which it 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 instructions in connection with the provisions hereof has been duly authorized to do so, and Escrow Agent shall be under no duty to make any investigation or inquiry as to any of the foregoing. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same.

Escrow Agent shall be entitled to rely upon any statement, certificate, document or instrument presented to it by or on behalf of Lessee by any of the Lessee's Authorized Representatives shown on Schedule I and shall be entitled to rely upon any such statement, certificate, document or instrument presented to it by any other person who identifies himself or herself as an authorized representative of Lessee.

Section 5.2. Use of Counsel and Agents. Escrow Agent may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers. Escrow Agent shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder and shall be paid or reimbursed the reasonable fees and expenses of such counsel, as provided in Section 6.1. Escrow Agent shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care.

Section 5.3. Interpretation. As an additional consideration for and as an inducement for Escrow Agent to act hereunder, it is understood and agreed that, in the event of any disagreement between the parties to this Escrow Agreement or among them or any other persons resulting in adverse claims and demands being made in connection with or for any money or other property involved in or affected by this Escrow Agreement, Escrow Agent shall be entitled, at the option of Escrow Agent, to refuse to comply with the demands of such parties, or any of such parties, so long as such disagreement shall continue. In such event, Escrow Agent shall make no delivery or other disposition of the Equipment Acquisition Fund or any part of the Equipment Acquisition Fund. Anything herein to the contrary notwithstanding, Escrow Agent shall not be or become liable to such parties or any of them for the failure of Escrow Agent to comply with the conflicting or adverse demands of such parties or any of such parties.

Escrow Agent shall be entitled to continue to refrain and refuse to deliver or otherwise dispose of the Equipment Acquisition Fund or any part thereof or to otherwise act hereunder, as stated above, unless and until:

1. the rights of such parties have been finally settled by binding arbitration or duly adjudicated in a court having jurisdiction of the parties and the Equipment Acquisition Fund; or
2. the parties have reached an agreement resolving their differences and have notified Escrow Agent in writing of such agreement and have provided Escrow Agent with indemnity satisfactory to Escrow Agent against any liability, claims or damages resulting from compliance by Escrow Agent with such agreement.

In the event of a disagreement between such parties as described above, Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent, to tender into the registry or custody of any court having jurisdiction, all money and property comprising the Equipment Acquisition Fund and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties and responsibilities under this Escrow Agreement; *provided, however*, that the filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing and discharge of Escrow Agent of its duties and responsibilities hereunder.

The parties hereto jointly and severally agree that, whether under this Section 5.3 or any other provisions of this Escrow Agreement, in the event any controversy arises under or in connection with this Escrow Agreement or the Equipment Acquisition Fund or in the event that Escrow Agent is made a party to or intervenes in any litigation pertaining to this Escrow Agreement or the Equipment Acquisition Fund, to pay to Escrow Agent reasonable additional compensation for its extraordinary services and to reimburse Escrow Agent for all costs and expenses associated with such controversy or litigation, including reasonable attorney's fees.

Section 5.4. Limited Liability of Escrow Agent. Escrow Agent shall not be liable in connection with the performance or observation of its duties or obligations hereunder except for in the case of its proven gross negligence or willful misconduct. Escrow Agent shall have no obligation or liability to any of the other parties under this Escrow Agreement for the failure or refusal of any other party to perform any covenant or agreement made by such party hereunder or under the Master Lease, but shall be responsible solely for the performance of the duties and obligations expressly imposed upon it as Escrow Agent hereunder.

ARTICLE VI. COMPENSATION

Section 6.1. Escrow Agent Fee. Escrow Agent and/or Lessor shall be paid by Lessee the Escrow Agency Fees shown on Schedule I for the ordinary services to be rendered hereunder (the "Escrow Agency Fees").

Section 6.2. Investment Fees. Escrow Agent shall be entitled to charge reasonable fees and commissions in connection with the investment by it of amounts held in the Equipment Acquisition Fund (the "Investment Fees"). Investment Fees are more fully delineated and defined in any prospectus referenced in or attached to the attached Schedule I. Other Investment Fees may apply for self-directed investment choices or for extraordinary investments outside the Qualified Investment defined herein. Lessor and Lessee hereby authorize Escrow Agent to periodically deduct the Investment Fees from investment earnings on the Equipment Acquisition Fund.

ARTICLE VII. CHANGE OF ESCROW AGENT

Section 7.1. Removal of Escrow Agent. Lessor and Lessee, by written agreement, may by written request, at any time and for any reason, remove Escrow Agent and any successor thereto, and shall thereupon appoint a successor or successors thereto, but any such successor shall have capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and be subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to statute or the requirements of any federal or state supervising or examining authority, then for the purposes of this Section 7.1, the combined capital and surplus of such bank or trust company may be conclusively established in its most recent report of condition so published.

Section 7.2. Resignation of Escrow Agent. Escrow Agent may resign at any time from its obligations under this Escrow Agreement by providing written notice to the parties hereto. Such resignation shall be effective on the date set forth in such written notice which shall be no earlier than 30 days after such written notice has been given, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been approved by Lessor and Lessee. In the event no successor escrow agent has been appointed on or prior to the date such resignation is to become effective, Escrow Agent shall be entitled to tender into the custody of a court of competent jurisdiction all assets then held by it hereunder and shall thereupon be relieved of all further duties and obligations under this Escrow

Agreement. Escrow Agent shall have no responsibility for the appointment of a successor escrow agent hereunder.

Section 7.3. Merger or Consolidation. Any entity into which Escrow Agent may be merged or converted, or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which Escrow Agent may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be eligible under Section 7.1) shall be the successor to Escrow Agent without any execution or filing or further act.

ARTICLE VIII. ADMINISTRATIVE PROVISIONS.

Section 8.1. Notice. All written notices to be given under this Escrow Agreement shall be given by mail, by facsimile or by overnight courier to the party entitled thereto at its contact information specified on Schedule I, or at such contact information 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 or certified form, with postage fully prepaid, or if given by other means, when delivered at the address or facsimile number specified in Schedule I. Any notice given by any party shall be given to both other parties.

Section 8.2. Assignment. Except as expressly herein provided to the contrary, the rights and duties of each of the parties under this Escrow Agreement shall not be assignable to any person or entity without the written consent of all of the other parties. Notwithstanding the above, Lessor may freely assign all or any part of its interest in this Escrow Agreement and the Equipment Acquisition Fund in connection with an assignment by Lessor of its rights under the Lease.

Section 8.3. Binding. This Escrow Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

Section 8.4. Severability. In the event any provision of this Escrow 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 8.5. Entire Agreement; Amendments. This Escrow Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous writings, understandings, agreements, solicitation documents and representations, express or implied. By execution of this Escrow Agreement, Escrow Agent shall not be deemed or considered to be a party to any other document, including the Master Lease.

This Escrow Agreement may be amended, supplemented or modified only by written documents duly authorized, executed and delivered by each of the parties hereto.

Section 8.6. Captions. The captions or headings in this Escrow Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or clauses hereof.

Section 8.7. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be necessary or proper to carry out the intention or to facilitate the performance of the parties under this Escrow Agreement, and for better assuring and confirming the rights and benefits provided herein.

Section 8.8. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of Colorado.

Section 8.9. Execution in Counterparts. This Escrow 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 Escrow Agreement.

Section 8.11. No Tax Reporting. Escrow Agent will not be responsible for tax reporting of any income on the Equipment Acquisition Fund.

EXECUTION PAGE OF ESCROW AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement as of the Date of Escrow Agreement shown on Schedule I.

SUNTRUST BANK,
Escrow Agent

**SUNTRUST EQUIPMENT FINANCE &
LEASING CORP.,**
Lessor

By: _____
Name:
Title:

By: _____
Name: Gregory Faherty
Title: Vice President

CITY OF MANITOU SPRINGS,
Lessee

[SEAL]

By: _____
Name: Jack Benson
Title: City Administrator

Schedule I Information to Complete Escrow Agreement
Exhibit A Payment Request Form

SCHEDULE I

INFORMATION TO COMPLETE ESCROW AGREEMENT

Lease Number: 08634

Equipment Schedule: 001

Date of Escrow Agreement: November 5, 2012

Name of Lessee: City of Manitou Springs

Lessee's State / Commonwealth: Colorado

Escrow Agent Fee: \$250.00 (Escrow Agent)
Investment Fees, if any, are more fully defined on the attached prospectus, if any
Extension and other fees may be applicable if not disbursed by Ending Date.

Initial Deposit Amount: \$472,600.00

Date of Master Lease Agreement: November 5, 2012

Beneficiary Name for Fund: City of Manitou Springs, CO

Ending Date: May 5, 2014

Lessee's Address: 606 Manitou Avenue
Manitou Springs, CO 80829

Attention: Jack Benson

Lessee's Telephone: 719/685-2626

Lessee's Facsimile: 719/685-2577

Lessee's Taxpayer Identification Number: 84-6000692

Lessee's Authorized Representatives Jack Benson, City Administrator [name/title] _____ [signature]
_____ [name/title] _____ [signature]

Escrow Agent's Address: SunTrust Bank
919 East Main Street, 7th Floor
Richmond, VA 23219
Attention: Matthew Ward

Escrow Agent's Telephone: (804) 782-7182

Escrow Agent's Facsimile: (804) 782-7855

Lessor's Address: SUNTRUST EQUIPMENT FINANCE & LEASING CORP.
300 East Joppa Road, 7th Floor
Towson, Maryland 21286
Attention: Escrow Disbursement Coordinator

Lessor's Telephone: (410) 307-6749

Lessor's Facsimile: (410) 307-6665

Lessor's Taxpayer Identification Number: 26-1256148

EXHIBIT A

PAYMENT REQUEST FORM NO. _____

SUNTRUST BANK, as Escrow Agent under an Escrow Agreement dated as of November 5, 2012 (the "Escrow Agreement") by and among the Escrow Agent, **SUNTRUST EQUIPMENT FINANCE & LEASING CORP.**, as Lessor, and **CITY OF MANTOU SPRINGS**, as Lessee, is hereby requested to pay, from the Equipment Acquisition Fund, to the person or entity designated below as payee, that amount set forth opposite each such name, in payment of the Acquisition Costs of the Equipment designated opposite such payee's name and described on the attached page(s). The terms capitalized in this Payment Request Form but not defined herein shall have the meanings assigned to them in the Escrow Agreement.

Payee

Amount

Equipment

The Lessee hereby certifies that:

1. Attached hereto 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: (a) a manufacturer's or dealer's invoice; and (b) unless this Payment Request Form relates to partial payment of a Vendor, as defined in the Lease, in connection with a purchase order approved by Lessor, Lessee's Acceptance Certificate relating to the Equipment.

2. The representations and warranties contained in the Lease are true and correct as of the date hereof.

3. No Non-Appropriation or Event of Default, as each such term is defined in the Lease, or event which with the giving of notice or passage of time or both would constitute an Event of Default, has occurred.

Dated: _____, 20__.

CITY OF MANTOU SPRINGS
Lessee

**SUNTRUST EQUIPMENT FINANCE &
LEASING CORP.,**
Lessor

By: _____
Name:

By: _____
Name:

**SCHEDULE A TO FINANCING STATEMENT OF
CITY OF MANITOU SPRINGS, AS DEBTOR, AND
SUNTRUST EQUIPMENT FINANCE & LEASING CORP., AS SECURED PARTY**

Continuation of Collateral Description

The financing statement to which this Schedule A is attached covers the types of property described on the face of such financing statement and all of the Debtor's right, title and interest in and to (collectively, the "Collateral"):

Various capital equipment, law enforcement vehicles and public works/utilities vehicles

(a) the equipment described in Equipment Schedule No. 01 dated as of November 5, 2012 (the "Equipment Schedule") to the Master Lease Agreement dated as of November 5, 2012 (the "Agreement," and together with the Equipment Schedule, the "Lease") between Debtor, as lessee, and Secured Party, as lessor, as such Lease may be amended, modified or supplemented from time to time together with all of Debtor's right, title and interest in and to the Equipment Acquisition Fund established in Debtor's name at **SUNTRUST BANK** (the "Escrow Agent") pursuant to the Escrow Agreement dated as of November 5, 2012 (the "Escrow Agreement") among Debtor, Secured Party and the Escrow Agent;

(b) to the extent not included in the foregoing, all books, ledgers and records and all computer programs, tapes, discs, punch cards, data processing software, transaction files, master files and related property and rights (including computer and peripheral equipment) necessary or helpful in enforcing, identifying or establishing any item of Collateral; and

(c) to the extent not included in the foregoing, all repairs, replacements, substitutions and modifications and all proceeds and products of any or all of the foregoing, whether existing on the date hereof or arising hereafter.