

City of Fayetteville Staff Review Form

City Council Agenda Items
and
Contracts, Leases or Agreements

4/17/2012

City Council Meeting Date
Agenda Items Only

Sharon Waters & Scott Huddleston
Submitted By

Telecommunications & I.T. Division
Division

Transportation & Finance
Department

Action Required:

A Resolution approving the lease/purchase of a Cisco IP Telephony System from Key Government Finance in the amount of \$625,778.40; approving a project contingency of \$25,000.00; and approving the first payment not to exceed \$225,000.00 in 2012.

\$ 650,778.40 Cost of this request	\$ 533,806.00 Category / Project Budget	I.T. Technology Improvements Program Category / Project Name
4470-9470-5210-00 Account Number	\$ 1,094.88 Funds Used to Date	Telecommunications System Upgrade Program / Project Category Name
04001-1 Project Number	\$ 532,711.12 Remaining Balance	Sales Tax Capital Improvements Fund Name

Budgeted Item

Budget Adjustment Attached

Terry J. Gully
Department Director

3-30-12
Date

Previous Ordinance or Resolution # _____

Original Contract Date: _____

City Attorney

Date

Original Contract Number: _____

Finance and Internal Services Director

Date

Received in City Clerk's Office
04-05-12 A09:37 RCVD
UJG

Chief of Staff

Date

Received in Mayor's Office

Mayor

Date

Comments:



www.accessfayetteville.org

THE CITY OF FAYETTEVILLE, ARKANSAS
DEPARTMENT CORRESPONDENCE

CITY COUNCIL AGENDA MEMO

To: Mayor and City Council

Thru: Don Marr, Chief of Staff
Terry Gulley, Director of Transportation

From: Sharon Waters, Parking and Telecommunications Manager

Date: April 5, 2012

Subject: Telecommunications Agenda Item Information

City staff is including all documents pertaining to this item that is available at this time. Financing documents are still in the City Attorney's office for final review. We wanted to provide all available documents to the City Council as soon as possible for their review and consideration, with the understanding that the City Attorney may still have questions or changes on these documents.

The Cisco promotional discounts offered in this proposal expire at the end of April, so we are hoping to take advantage of these discounts. The promotional options offered in May do not provide the ideal system that we are looking to implement and result in an additional cost of \$90,000.00 to the project.

If by chance we find issues with the final documents that cannot be resolved in a timely manner, we will pull this item from the agenda at the Agenda Session. We would then provide you with a status update at that time.

/slw



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CITY COUNCIL AGENDA MEMO

To: Mayor and City Council

Thru: Don Marr, Chief of Staff
Terry Gulley, Director of Transportation

From: Sharon Waters, Parking and Telecommunications Manager
Scott Huddleston, I.T. Director

Date: March 30, 2012

Subject: A Resolution Approving the Lease/Purchase of a Cisco IP Telephony System from Key Government Financing in the Amount of \$625,778.40; and Approving a Project Contingency of \$25,000.00; and Approving The First Payment Not to Exceed \$225,000.00 in 2012.

PROPOSAL:

Staff recommends the approval of a lease purchase agreement for the Cisco IP Telephony System and approval of a bid waiver to take full advantage of State Contract pricing. This proposal would allow the City to use existing CIP funds that are available in the Sales Tax Improvements Fund and allocated for Telecommunications Systems Upgrades, Project 04001. The City would pay an amount not to exceed \$225,000.00 in 2012 and 4 additional annual payments not to exceed \$60,000.00 annually from existing funds budgeted in the CIP Project 04001. The three enterprise funds would be able to pay their portion of the project out of the CIP from years 2013-2016 in the annual payments noted on the attached schedule.

RECOMMENDATION:

Twenty three years ago, in 1989, the City made a complete overhaul of the city-wide telecommunications system and moved from a private PBX system to AT&T's Plexar leased-line option and purchased Norstar systems that were installed throughout all City facilities. Throughout the years of growth, the City has grown to 17 Norstar systems. In 2007, the City implemented a pilot program with the purchase of the CS1000, an IP Telephony Solution with Nortel Systems, Inc. There were 40 phones originally deployed, and later another 10 more installed at the newly built West Side Wastewater Treatment Facility. The following year, Nortel was acquired and dismantled and no longer supported the CS1000 system. Staff began pursuing other technological options as well as advancements in this technology. The Cisco system will provide total integration of all City facilities, plus call accounting and reporting of all calls, call recording for quality assurance, enterprise fax services, paging features and outbound notification services. These features will greatly improve our customer services and staffing workload.

Cisco Systems, Inc. is the worldwide leader in networking that transforms how people connect, communicate and collaborate. Cisco designs, manufactures, and sells Internet protocol (IP)-based networking and other products related to the communications and information technology (IT) industry and provide services



April 2, 2012

Ms. Sharon Waters
Parking and Telecom Manager
Mr. Scott Huddleston
Information Technologies Director
City of Fayetteville
113 W. Mountain St,
Fayetteville, AR 72701

Dear Sharon/Scott:

This memo summarizes key observations and recommendations regarding the City's telecommunications infrastructure. After review and analysis of the City's telecommunications carrier bills we conducted discussions with key City staff from the Telecommunications and Information Technology departments to better understand and clarify current performance and future objectives. It is in this context that we will address the three major topics below.

CURRENT CARRIER SERVICES

The current WAN is based on a point-to-point T1 network between City Hall and 17 City sites. Almost all sites are connected using a single T1 except for three sites that use multiple T1's (Transportation: 4 as backup to the wireless bridge; Parks: 2 as backup to the wireless bridge; and Water/Sewer Checkpoint: 2). These 22 T1's are consolidated and delivered by AT&T to City Hall over a DS3 (capacity of 28 x T1) in order to optimize the cost of these services.

It should be noted that we did not find any carrier WAN connections to the Noland Water Treatment plant and the Westside Waste Water plant. It appears that the T1 connections from City Hall to these sites are paid for separately by the third party entity (OMI) that operates these facilities.

TACTICAL ISSUES

Happy Hollow Sites: The City has been struggling with periodic outages and service problems after rainy weather with the AT&T T1 connections affecting five sites at the Happy Hollow "campus", these being Transportation (City Shop), Parks, Solid Waste, Animal Services, and Fire #3. From our discussions with AT&T and then confirmed with City staff, it appears that these "wetness" problems have been resolved. However, it should be noted that Transportation (City Shop) is connected to the EJ Ball building (Data Center) via a City owned high speed wireless bridge connection. A fiber optic cable joins Transportation to Parks to carry both site's data traffic over the wireless bridge. The 4 T1's to Transportation and the 2 T1's to Parks are only used as a backup to the wireless bridge and compared to the performance of the bridge are noticeably slower in performance. Because of their close proximity to Transportation (within 100 yards), both Solid Waste and Animal Services were recently connected to Transportation via fiber optic cabling (Parks was already connected to Transportation via fiber optic cabling).

Contracts: The City recently entered into short term contracts with AT&T in order to stave off rate increases; most of these contracts will expire approximately September, 2012. The City is now in position to competitively bid out most of its AT&T services - or change the terms - to their favor. An overview of the key contracts is as follows:

WAN: The T1-based services can be bid out among multiple carriers. We believe this presents an opportunity to involve other carriers in quoting a similar T1-based network. We would recommend that the City consider quotes for a Metro Ethernet solution. Based on the City's interest in pursuing an IP telephony solution it will need to eventually support voice traffic over the City-wide WAN. Additionally, the City is interested in pursuing virtual desktop and this too will increase the need for bandwidth on the WAN. A preliminary quote received from Cox Communications would indicate that increased bandwidth at a similar cost is achievable. The T1's that are

SITE	SYSTEMS DISPLACED	APPROX NUMBER OF USERS/PHONES	APPROX NUMBER OF PLEXAR LINES DISPLACED	ASSOCIATED SITES THAT ARE AFFECTED
Transportation	Norstar	52	53	Parks
Animal Services	Norstar	8	4	
Solid Waste	Norstar	14	11	
Noland Waste	Norstar	10	3	
Water/Sewer	Norstar	29	25	
Airport	Norstar	5	5	
Fire 2	NA	NA	NA	
Fire 4	Norstar	5	2	
Fire 6	Norstar	5	2	
Fire 7	Norstar	5	2	
Yvonne Richard	Norstar	4	3	
Police Whse	Fed from Police	1	1	
Totals:	10 systems	138 phones	111 Plexar	12 sites

Based on the convergence of voice onto the Local Area and Wide Area Network through IP telephony as well as the ability to deploy current IP telephony solutions in a virtualized environment we would strongly recommend that both Telecommunications and IT staff work collaboratively on determining the requirements, design, and deployment of the City's IP telephony system. We would be pleased to provide additional consulting assistance to the City as needed in this regard.

NEXT STEPS

We are finalizing the specification for carrier services for final review by the City to bid out WAN, SIP trunking, significantly downsized Plexar, and long distance services in advance of the AT&T contracts expiring later this year. This will position the City to optimize competitive bidding and secure optimal rates while re-setting their Plexar line commitment and adjusting/increasing WAN bandwidth to City sites currently using T1 in order to prepare them for IP telephony. These outcomes will lay the foundation for allowing the City to pursue an IP telephony solution that can be deployed as part of a manageable deployment.

Plante Moran appreciates the opportunity to be of assistance to the City of Fayetteville. Please call me at 248.223.3666 if you have any questions.

Sincerely,

PLANTE MORAN, PLLC



Matt Lindner

cc: Adam Rujan, Mike Riffel, Ted Mallires

Alexander Open Systems
5308 Village Parkway, Suite 1
Rogers, Arkansas 72758

Business (479) 899-6830
Fax (479) 899-6831
URL: www.aos5.com

March 30, 2012

City of Fayetteville IT and Telcom Team:

Thank you for giving Alexander Open Systems (AOS) the opportunity to partner with the City of Fayetteville in delivering a city-wide enterprise-class Unified Communications platform. AOS values you as a client and truly appreciates the opportunity to be your trusted advisor on this solution.

Implementing an IP telephony solution on a network today is more than just interconnecting devices. The process starts with building a solid foundation resulting from thoughtful consideration to all the applications that will run on the network. AOS has extensive experience locally and across the U.S. with implementing Cisco Unified Communications.

We are confident that our Unified Communications solution experience is best suited for your organizations current and future business requirements. Enclosed is a proposal that will allow the City of Fayetteville to save significant cost in the short and long term. In addition, allow for additional functionality in terms of public safety, enhanced customer service and allow the City of Fayetteville to adopt modern technologies moving forward. All pricing reflects the Arkansas State Contract for Cisco Procurement SP-11-0185 Contract Number 4600021269, Vendor Number 100178887. Thank you, again for your consideration of AOS for this opportunity.



Jennifer Bricker
Account Manager
Alexander Open Systems, Inc.
Phone: 479-899-6830
Email: jennifer.bricker@aos5.com
Fax: 479-899-6831

Cisco Unified Communications Suite

Cisco Unified Communications Servers and Licensing

Cisco Communications Manager Business Edition – Two Servers for Redundancy

- 377 Cisco Unified Workspace User Licenses
- 93 Public Space User Licenses
- 1 Analog Users
- Software Support for Major and Minor Upgrades
- Hardware Support 8x5xNBD

Cisco Contact Center Express

- 10 Agent Licenses
- Upgrade from Enhanced to Premium
- Software Support for Major and Minor Upgrades

Admin Campus

Cisco 2921 ISR Router – Voice Gateway

- Unified Border Element – 50 Sessions for SIP
- Support for up to 64 concurrent calls
- Hardware Support 24x7x4

City Hall

- Cisco 3905 SIP Deskset – Quantity 7
- Cisco 7945 Gig Color Deskset – Quantity 40
- Cisco 7965 Gig Color Deskset – Quantity 25
- Cisco 9971 Video Phone – Quantity 16

Engineering

- Cisco 3905 SIP Deskset – Quantity 1
- Cisco 7945 Gig Color Deskset – Quantity 37
- Cisco 7965 Gig Color Deskset – Quantity 9
- Cisco Catalyst 2960S 48 Port Gig PoE Switch

Police Department

- Cisco 3905 SIP Deskset – Quantity 5
- Cisco 7945 Gig Color Deskset – Quantity 48
- Cisco 7965 Gig Color Deskset – Quantity 16
- Cisco 9971 Video Phone – Quantity 4

Maintenance

- Cisco 3905 SIP Deskset – Quantity 2
- Cisco 7945 Gig Color Deskset – Quantity 5
- Cisco 7965 Gig Color Deskset – Quantity 2

Cable TV

- Cisco 3905 SIP Deskset – Quantity 1
- Cisco 7945 Gig Color Deskset – Quantity 6
- Cisco 9971 Video Phone – Quantity 1

Fire Station 1

- Cisco 7945 Gig Color Deskset – Quantity 8
- Cisco 7965 Gig Color Deskset – Quantity 9
- Cisco 9971 Video Phone – Quantity 1
- Cisco ATA for Analog Connection
- Bogen Analog Paging Adapter

District Court

- Cisco 3905 SIP Deskset – Quantity 2
- Cisco 7945 Gig Color Deskset – Quantity 3
- Cisco 7965 Gig Color Deskset – Quantity 20
- Cisco 9971 Video Phone – Quantity 2

City Shop Campus

Cisco 2921 ISR Router – Voice Gateway

- Unified Border Element – 25 Sessions for SIP
- Support for up to 64 concurrent calls
- Two - Four Port T1/E1 Cards
- Hardware Support 24x7x4 – 5 Year

City Shop

- Cisco 3905 SIP Deskset – Quantity 3
- Cisco 7945 Gig Color Deskset – Quantity 10
- Cisco 7965 Gig Color Deskset – Quantity 8
- Cisco 9971 Video Phone – Quantity 2

Parks

- Cisco 3905 SIP Deskset – Quantity 1
- Cisco 7945 Gig Color Deskset – Quantity 13
- Cisco 7965 Gig Color Deskset – Quantity 2
- Cisco 9971 Video Phone – Quantity 1

Solid Waste

- Cisco 7945 Gig Color Deskset – Quantity 5
- Cisco 7965 Gig Color Deskset – Quantity 3
- Cisco 9971 Video Phone – Quantity 1

Animal Shelter

- Cisco 3905 SIP Deskset – Quantity 1
- Cisco 7945 Gig Color Deskset – Quantity 3
- Cisco 7965 Gig Color Deskset – Quantity 1

Vet Clinic

- Cisco 7945 Gig Color Deskset – Quantity 1
- Power Brick – Quantity 1
- Cisco 3905 SIP Deskset – Quantity 1
- Power Adapter – Quantity 1

Basnaw

- Cisco 3905 SIP Deskset – Quantity 1
- Power Brick – Quantity 1

Warehouse

- Cisco 7945 Gig Color Deskset – Quantity 1
- Power Brick – Quantity 1

Scale House

- Cisco 3905 SIP Deskset – Quantity 1

Remote Sites (T1 Connected)

Nolan Waste Water

- Cisco 7945 Gig Color Deskset – Quantity 6
- Cisco 7965 Gig Color Deskset – Quantity 9
- Cisco 2901 ISR Router-Voice Gateway
 - Cisco Unified Survivable Remote Site Telephony for 10users
 - T1 WAN Interface Card
 - Two Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

West Side Treatment

- Cisco 7965 Gig Color Deskset – Quantity 5
- Cisco 2901 ISR Router-Voice Gateway
 - Cisco Unified Survivable Remote Site Telephony for 15 users
 - T1 WAN Interface Card
 - Two Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

Water/Sewer

- Cisco 3905 SIP Deskset – Quantity 4
- Cisco 7945 Gig Color Deskset – Quantity 18
- Cisco 7965 Gig Color Deskset – Quantity 7
- Cisco 9971 Video Phone – Quantity 1
- Cisco 2901 ISR Router-Voice Gateway
 - Cisco Unified Survivable Remote Site Telephony for 30 users
 - T1 WAN Interface Card
 - Two Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD
- Cisco Catalyst 2960 24 Port 10/100 PoE Switch

Airport

- Cisco 3905 SIP Deskset – Quantity 5
- Cisco 7945 Gig Color Deskset – Quantity 1
- Cisco 7965 Gig Color Deskset – Quantity 3
- Cisco 9971 Video Phone – Quantity 1
- Cisco 2901 ISR Router-Voice Gateway
 - Cisco Unified Survivable Remote Site Telephony for 10 users
 - T1 WAN Interface Card
 - Two Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD
- Cisco Catalyst 2960 24 Port 10/100 PoE Switch

Fire Station 2

- Cisco 7945 Gig Color Deskset – Quantity 2
- Cisco 2901 ISR Router-Voice Gateway
 - Embedded 10/100/1000 8 Port PoE Switch
 - Cisco Unified Survivable Remote Site Telephony for 5 users
 - T1 WAN Interface Card
 - Four Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

Fire Station 3

- Cisco 7945 Gig Color Deskset – Quantity 3
- Cisco 7965 Gig Color Deskset – Quantity 4
- Cisco 2901 ISR Router-Voice Gateway
 - Cisco Unified Survivable Remote Site Telephony for 5 users
 - T1 WAN Interface Card
 - Four Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

Fire Station 4

- Cisco 7945 Gig Color Deskset – Quantity 5
- Cisco 2901 ISR Router-Voice Gateway
 - Embedded 10/100/1000 8 Port PoE Switch
 - Cisco Unified Survivable Remote Site Telephony for 5 users
 - T1 WAN Interface Card
 - Four Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

Fire Station 5

- Cisco 7945 Gig Color Deskset – Quantity 5
- Cisco 2901 ISR Router-Voice Gateway
 - Embedded 10/100/1000 8 Port PoE Switch
 - Cisco Unified Survivable Remote Site Telephony for 5 users
 - T1 WAN Interface Card
 - Four Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

Fire Station 6

- Cisco 7945 Gig Color Deskset – Quantity 4
- Cisco 7985 Video Phone – Quantity 1
- Cisco 2901 ISR Router-Voice Gateway
 - Embedded 10/100/1000 8 Port PoE Switch
 - Cisco Unified Survivable Remote Site Telephony for 5 users
 - T1 WAN Interface Card
 - Four Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

Fire Station 7

- Cisco 7945 Gig Color Deskset – Quantity 6
- Cisco 2901 ISR Router-Voice Gateway
 - Embedded 10/100/1000 8 Port PoE Switch
 - Cisco Unified Survivable Remote Site Telephony for 5 users
 - T1 WAN Interface Card
 - Four Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

Fire Marshall

- Cisco 7965 Gig Color Deskset – Quantity 6
- Cisco 2901 ISR Router-Voice Gateway
 - Embedded 10/100/1000 8 Port PoE Switch
 - Cisco Unified Survivable Remote Site Telephony for 10 users
 - T1 WAN Interface Card
 - Two Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

Yvonne Richardson

- Cisco 7945 Gig Color Deskset – Quantity 3
- Cisco 2901 ISR Router-Voice Gateway
 - Cisco Unified Survivable Remote Site Telephony for 5 users
 - T1 WAN Interface Card
 - Two Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD

NWA Mall

- Cisco 7945 Gig Color Deskset – Quantity 13
- Cisco 7965 Gig Color Deskset – Quantity 9
- Cisco 2901 ISR Router-Voice Gateway
 - Cisco Unified Survivable Remote Site Telephony for 25 users
 - T1 WAN Interface Card
 - Two Port Voice Interface FXO Card
 - Hardware Support 8x5xNBD
- Cisco Catalyst 2960 24 Port 10/100 PoE Switch

Other/Spare

- Cisco 3905 SIP Deskset – Quantity 4
- Cisco 7925 Wireless Phone – 4
 - Hardware Support 8x5xNBD
- Cisco 7937 Conference Station – 1
 - Hardware Support 8x5xNBD
- Cisco 7945 Gig Color Deskset – Quantity 4
- Cisco 7965 Gig Color Deskset – Quantity 4
- Cisco 7916 Series Expansion Modules - Quantity 10

	5 Year
Cisco UC	\$477,808.10
AOS Discount	(\$90,000.00)
AOS Installation Services	\$88,000.00
	\$475,808.10

XMedius Electronic Fax Server

XMedius Enterprise Fax Server

- 228 Channel
- Microsoft Exchange Integration
- Technical Support with Software Updates
- AOS Installation Services

	5 Year
XMedius Enterprise Fax	\$26,243.00
AOS Installation Services	\$3,600.00
	\$29,843.00

IPAccelerate for Advanced Paging and Outbound Notification

IPAccelerate for Advanced Paging and Outbound Notification

- 200 Device License
- Software Maintenance
- AOS Installation Services

	5 Year
IPAccelerate	\$7,497.50
Software Maintenance	\$12,820.73
AOS Installation Services	\$3,600.00
	\$23,918.23

Cisco MediaSense – Call Recording

Cisco MediaSense for Call Recording

- Licensed for 10 Concurrent Recordings
- Software Support for Major and Minor Upgrades
- AOS Installation Services

	5 Year
MediaSense	\$3,228.00
Software Maintenance	\$1,336.30
AOS Installation Services	\$7,500.00
	\$12,064.30

Call Accounting

ISI Infortel Select

- Call Accounting Server
- Onsite Training
- Maintenance and Support
- AOS Installation Services

	5 Year
Infortel Select	\$10,900.00
Software Maintenance	\$10,990.00
AOS Installation Services	\$3,600.00
	\$25,490.00

Summary and Financin

	<u>5 Year</u>
Cisco Unified Communications	\$475,808.10
XMedius Fax	\$29,843.00
IPCelerate Paging and Mass Notification	\$23,913.23
Cisco MediaSense Call Recording	\$12,064.30
ISI Infortel Call Accounting	<u>\$25,490.00</u>
	\$567,118.63
Tax	\$52,983.53
Shipping	<u>\$5,671.24</u>
Total	\$625,778.40

AOS, LLC

Springfield

636 W. Republic Rd
 Unit F100 Corp Village Park
 Springfield, MO 65807
 Phone: 417-888-2675
 Fax: 417-888-0994

Rogers

5308 Village Parkway #1
 Rogers, AR 72758
 Phone: 479-899-6830
 Fax: 479-899-6831

Tulsa

7666 E. 61st St
 #310
 Tulsa, OK 74133
 Phone: 918-935-3530
 Fax: 918-935-3532

Oklahoma City

3030 NW Expressway
 Suite 1750
 Oklahoma City, OK 73112
 Phone: 405-943-8900
 Fax: 405-943-8902

C. 3
 Cisco **QUOTATION** System
 Page 16 of 68
 Quote No.: SQ009691
 Customer ID: ZFAYE-101
 Date: 3/30/2012
 Sales Rep: JENNIFERE
 Designer: JEREMIAHG

Please visit www.aos5.com for a complete listing of all service areas

QUOTE TO:	SHIP TO:
ACCOUNTS PAYABLE CITY OF FAYETTEVILLE 113 W MOUNTAIN STREET FAYETTEVILLE, AR 72701 Phone: (479) 575-8306 Fax:	CHRIS DOUGHTY CITY OF FAYETTEVILLE 113 W MOUNTAIN STREET FAYETTEVILLE, AR 72701

QUANTITY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
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Servers/Licensing

1.00	Unified Workspace Licensing - Top Level for STD	0.00	0.00
1.00	Analog, non-app device add-on for UWL	24.00	24.00
377.00	Unified Workspace Licensing STD, 1 User Govt/Edu	195.00	73,515.00
93.00	Public Space non-app phone add-on for UWL	90.00	8,370.00
1.00	UCSS for UCM analog user for five Year - 1 users	6.60	6.60
93.00	UCSS for UCM Pub user for five Year - 1 users	23.40	2,176.20
377.00	5-Yr UWL STD UCSS	69.00	26,013.00
5.00	ESSENTIAL SW CCX 8.5 5 Seat CCX ENH CM Bundle - AVAIL	415.00	2,075.00
5.00	ESSENTIAL SW Analog, non-app device add-on for UWL	0.83	4.15
425.00	ESSENTIAL SW Public Space non-app phone add-on for UWL	3.32	1,411.00
1,885.00	ESSENTIAL SW Svcs Mapping SKU;Under 1k UWL STD users	17.43	32,855.55
1.00	CCX 8.5 - CM,CME Bundle Licenses;ADD ON pDeliveryLICENSESONLY	0.00	0.00
1.00	CCX 8.5 CCX CM Bundle Appliance Entitlement, PAK pDelivery	1,797.00	1,797.00
10.00	UCSS for CCX PRE for Five Year - 1 users	310.80	3,108.00
1.00	CCX 8.5 ADDON - eDelivery LICENSES ONLY	0.00	0.00
5.00	CCX 8.5 ADDON PREMIUM Seat Qty 1 LICENSE	1,110.00	5,550.00
25.00	ESSENTIAL SW CCX 8.5 ADDON PREMIUM Seat Qty 1 LICENSE	170.15	4,253.75
1.00	CCX 8.5 UPGRADE - eDelivery LICENSES ONLY	0.00	0.00
5.00	CCX 8.5 UPGRADE - 8.5 to 8.5 Qty 1 ENH-PRE Seat LICENSE ONLY	555.00	2,775.00
25.00	ESSENTIAL SW CCX 8.5 UPGRADE - 8.5 to 8.5 Qty 1 ENH-P	99.60	2,490.00
1.00	UCS SP4 UC BDL 2FI,1xCH-4xB200w/2x5650,48GB DDR3,1xVNIC	0.00	0.00
1.00	UCS SP BASE 5108 Blade Svr AC Chassis	7,245.00	7,245.00
2.00	UCS 6248 FI w/ FC Expn Card, Cables Bundle	5,152.50	10,305.00
4.00	UCS SP4 BNDL w/B200,2xE5650,6x8GB DDR3,1xVNIC	6,140.50	24,562.00
20.00	UC SUPPORT 24X7X4OS UCS B200 M2 Blade Server	211.65	4,233.00
5.00	UC SUPPORT 24X7X4OS 5108 Blade Server Chassis	180.11	900.55
10.00	UC SUPPORT 24X7X4OS 6120XP 20PT Fabric Interconnect	666.49	6,664.90
			\$220,334.70

UC\Admin Campus

1.00	Cisco 2921 Voice Bundle, PVD3-32, UC License PAK	2,697.00	2,697.00
2.00	Unified Border Element Enterprise License - 25 sessions	1,797.00	3,594.00
1.00	PVD3 32-channel to 64-channel factory upgrade	900.00	900.00

AOS, LLC

Springfield

636 W. Republic Rd
 Unit F100 Corp Village Park
 Springfield, MO 65807
 Phone: 417-888-2675
 Fax: 417-888-0994

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Tulsa

7666 E. 61st St
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 Fax: 918-935-3532

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3030 NW Expressway
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 Oklahoma City, OK 73112
 Phone: 405-943-8900
 Fax: 405-943-8902

C. 3
 Cisco Systems
 QUOTATION
 Page 17 of 68
 Quote No.: SQ009691
 Customer ID: ZFAYE-101
 Date: 3/30/2012
 Sales Rep: JENNIFERE
 Designer: JEREMIAHG

Please visit www.aos5.com for a complete listing of all service areas

5.00	SMARTNET 24X7X4 Cisco 2921 Voice Bundle	730.40	3,652.00
			\$10,843.00
UC\Admin Capus\City Hall			
7.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	415.80
40.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	11,760.00
25.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	9,300.00
16.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	11,616.00
			\$33,091.80
UC\Admin Campus\Engineering			
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
37.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	10,878.00
9.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	3,348.00
2.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	1,452.00
1.00	Catalyst 2960S 48 GigE PoE 740W 4xSFP LAN BASE	4,497.00	4,497.00
1.00	AC Power cord, 16AWG	0.00	0.00
			\$20,234.40
UC\Admin Campus\Police Dept			
5.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	297.00
48.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	14,112.00
16.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	5,952.00
4.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	2,904.00
2.00	Cisco 7925G Phone	420.00	840.00
2.00	Cisco 7925G Battery, Extended	57.00	114.00
2.00	Cisco 7925G Power Supply for North America	27.00	54.00
5.00	SMARTnet 8x5xNBD Service for the Cisco 7925G	19.92	99.60
			\$24,372.60
UC\Admin Campus\Maintenance			
5.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,470.00
2.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	118.80
2.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	744.00
			\$2,332.80
UC\Admin Campus\Cable TV			
6.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,764.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$2,549.40
UC\Admin Campus\Fire Station1			
1.00	Cisco ATA 187 with configurable impedance	180.00	180.00
6.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	2,352.00
9.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	3,348.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	TAMB Bogen Communications Inc.	250.00	250.00
			\$6,856.00

AOS, LLC

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C. 3
Cisco **QUOTATION** System
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Quote No.: S0009691
Customer ID: ZFAYE-101
Date: 3/30/2012
Sales Rep: JENNIFERE
Designer: JEREMIAHG

Please visit www.aos5.com for a complete listing of all service areas

UC\Admin Campus\Dist Court

20.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	7,440.00
2.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	1,452.00
3.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	882.00
2.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	118.80
			\$9,892.80

UC\City Shop connected

1.00	Cisco 2921 Voice Bundle, PVDM3-32, UC License PAK	2,697.00	2,697.00
1.00	Included: Power Cord, 110V	0.00	0.00
2.00	Unified Border Element Enterprise License - 25 sessions	1,797.00	3,594.00
1.00	Cisco Config Pro Express on Router Flash	0.00	0.00
1.00	512MB DRAM for Cisco 2901-2921 ISR (Default)	0.00	0.00
1.00	256MB Compact Flash for Cisco 1900, 2900, 3900 ISR	0.00	0.00
1.00	PVDM3 32-channel to 64-channel factory upgrade	900.00	900.00
1.00	Cisco 2921/2951 AC Power Supply	0.00	0.00
1.00	Cisco 2901-2921 IOS UNIVERSAL	0.00	0.00
1.00	IP Base License for Cisco 2901-2951	0.00	0.00
1.00	Unified Communication License for Cisco 2901-2951	0.00	0.00
5.00	SMARTNET 24X7X4 Cisco 2921 Voice Bundle	730.40	3,652.00
			\$10,843.00

UC\City Shop\City Shop

3.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	178.20
10.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	2,940.00
8.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	2,976.00
2.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	1,452.00
			\$7,546.20

UC\City Shop\Parks

13.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	3,822.00
2.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	744.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$5,351.40

UC\City Shop\Solid Waste

5.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,470.00
3.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,116.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
			\$3,312.00

UC\City Shop\Animal Shelter

3.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	882.00
1.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	372.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$1,313.40

UC\City Shop\Vet Clinic

1.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	294.00
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C. 3
Cisco
QUOTATION System
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Quote No.: SQ009691
Customer ID: ZFAYE-101
Date: 3/30/2012
Sales Rep: JENNIFERE
Designer: JEREMIAHG

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1.00	7900 Series Transformer Power Cord, North America	6.00	6.00
1.00	Cisco Unified IP Phone Power Injector - Power injector (ext	75.00	75.00
1.00	Power Adapter for Cisco Unified SIP Phone 3905, NA	18.00	18.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$452.40
UC\City Shop\Basnaw			
1.00	Power Adapter for Cisco Unified SIP Phone 3905, NA	18.00	18.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$77.40
UC\City Shop\PD Warehouse			
1.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	294.00
1.00	7900 Series Transformer Power Cord, North America	6.00	6.00
1.00	Cisco Unified IP Phone Power Injector - Power injector (ext	75.00	75.00
			\$375.00
UC\City Shop\Scale House			
1.00	Power Adapter for Cisco Unified SIP Phone 3905, NA	18.00	18.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$77.40
UC\T1 Remote\Nolan Waste			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
3.00	Communication Manager Express or SRST - 5 seat license	90.00	270.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
6.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,764.00
9.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	3,348.00
			\$9,888.20
UC\T1 Remote\West Side Trtmnt			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
3.00	Communication Manager Express or SRST - 5 seat license	90.00	270.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
5.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,860.00
			\$6,636.20
UC\T1 Remote\Water Sewer			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Communication Manager Express or SRST - 25 seat license	330.00	330.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
18.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	5,292.00
7.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	2,604.00

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C. 3
 Cisco Unified Communications System
QUOTATION
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 Quote No.: SQ009691
 Customer ID: ZFAYE-101
 Date: 3/30/2012
 Sales Rep: JENNIFERE
 Designer: JEREMIAHG

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1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	Catalyst 2960 24 10/100 PoE + 2 T/SFP LAN Base Image	1,497.00	1,497.00
1.00	Included: Power Cord, 110V	0.00	0.00
4.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	237.60
			\$15,282.80

UCIT1 RemotelAirport

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
2.00	Communication Manager Express or SRST - 5 seat license	90.00	180.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
5.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	297.00
1.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	294.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	Catalyst 2960 24 10/100 PoE + 2 T/SFP LAN Base Image	1,497.00	1,497.00
1.00	Included: Power Cord, 110V	0.00	0.00
3.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,116.00
			\$8,616.20

UCIT1 RemotelFire Station 2

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
2.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	588.00
			\$6,195.20

UCIT1 RemotelFire Station 3

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
2.00	Communication Manager Express or SRST - 5 seat license	90.00	180.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
3.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	882.00
4.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,488.00
			\$7,320.20

UCIT1 RemotelFire Station 4

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00

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C. 3
 Cisco **QUOTATION** System
 Page 21 of 68
 Quote No.: SQ009691
 Customer ID: ZFAYE-101
 Date: 3/30/2012
 Sales Rep: JENNIFERE
 Designer: JEREMIAHG

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5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
5.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,470.00
			\$7,077.20
UC\T1 Remote\Fire Station 5			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
5.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,470.00
			\$7,077.20
UC\T1 Remote\Fire Station 6			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
4.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,176.00
			\$6,783.20
UC\T1 Remote\Fire Station 7			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
6.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,764.00
			\$7,371.20
UC\T1 Remote\Fire Marshall			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
2.00	Communication Manager Express or SRST - 5 seat license	90.00	180.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
6.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	2,232.00
			\$6,918.20
UC\T1 Remote\Y. Richardson			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00

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C. 3
Cisco **QUOTATION** System
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1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
3.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	882.00
			55,478.20
UC:T1 Remote\NWA Mail			
1.00	Cisco 2901 Voice Bundle, PVD3-16, UC License PAK	1,617.00	1,617.00
2.00	Communication Manager Express or SRST - 5 seat license	90.00	180.00
1.00	1-port T1/fractional T1 DSU/CSU WAN Interface Card	600.00	600.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
13.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	3,822.00
1.00	Catalyst 2960 24 10/100 PoE + 2 T/SFP LAN Base Image	1,497.00	1,497.00
1.00	Included: Power Cord, 110V	0.00	0.00
9.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	3,348.00
			13,353.20
UC:T1 Remote\Other			
4.00	Cisco 7925G Phone	420.00	1,680.00
4.00	Cisco 7925G Battery, Extended	57.00	228.00
4.00	Cisco 7925G Power Supply for North America	27.00	108.00
20.00	SMARTnet 8x5xNBD Service for the Cisco 7925G	19.92	398.40
1.00	Cisco IP Conference Station 7937 Global	792.00	792.00
5.00	SMARTnet 8x5xNBD Service for Cisco 7937 Conf Ph	39.84	199.20
4.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	237.60
4.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,176.00
4.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,488.00
10.00	7916 IP Phone Color Expansion Module	312.00	3,120.00
10.00	7900 Series Transformer Power Cord, North America	6.00	60.00
10.00	Cisco IP phone transformer for the 7900 phone series	27.00	270.00
10.00	Footstand kit for single 7914, 7915, or 7916	19.80	198.00
			9,955.20
Call Accounting			
1.00	Infotel Select 1000	7,500.00	7,500.00
1.00	Onsite Installation and Training	3,400.00	3,400.00
1.00	5 Year Support	10,990.00	10,990.00
			21,890.00
IPcelerate			
1.00	IPSession Software Module pre-loaded Supports up to 1800 usr	7,497.50	7,497.50
1.00	5 Year Software Maintenance	12,820.73	12,820.73
			20,318.23
Recording			
1.00	IP Media UCSS eDelivery Option	0.00	0.00
10.00	UCSS for IP Media Recording Base License 5 year- 1 port	52.80	528.00
1.00	Server software and licenses for Media Capture Platform	0.00	0.00

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C. 3
 Cisco **QUOTATION** System
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10.00	Per-port license for IP Media Recording	135.00	1,350.00
10.00	License for Audio recording-1 port	15.00	150.00
1.00	Server Software for Media Capture Platform	1,200.00	1,200.00
5.00	ESSENTIAL SW MCP Right to Use Paper license	24.07	120.35
50.00	ESSENTIAL SW Per-port License for IP Media Recording	24.07	1,203.50
5.00	ESSENTIAL SW MCP Right to Use Paper license for Audio	2.49	12.45
			\$4,564.30
Xmedius			
1.00	Admin Orientation 2H + 30Min Q&A	395.00	395.00
1.00	Interstar XMediusFAX 6.5 Enterprise Server License, Unlimite	4,495.50	4,495.50
6.00	One T.38 Channel	1,165.50	6,993.00
1.00	Microsoft Exchange Connector	1,435.50	1,435.50
1.00	Phone Support w/SW Upgrade	12,924.00	12,924.00
			\$26,243.00
AOS Executive Discount			
-1.00	AOS Executive Discount	90,000.00	-90,000.00
			-\$90,000.00
AOS Professional Services			
1.00	AOS Professional Services	88,000.00	88,000.00
1.00	AOS Professional Services-Call Accounting	3,600.00	3,600.00
1.00	AOS Professional Services-Xmedius	3,600.00	3,600.00
1.00	AOS Professional Services-IPcelerate	3,600.00	3,600.00
1.00	AOS Professional Services-Recording	7,500.00	7,500.00
			\$106,300.00
	Merchandise Total		\$567,123.63
	Tax Total		52,983.53
	Shipping		\$5,671.24
	Document Total		\$625,778.40

Above quoted pricing is valid until 4/29/2012 .

Quoted pricing includes sales tax. If qualified customer has a valid tax exemption certificate on file with AOS at the time of billing , sales tax will NOT be included on the invoice.

Total solution financing* is available. Ask your account manager how you can avoid upfront cost and pay for your solution over time.

*Restrictions apply. Subject to credit approval and documentation.

Customer signature constitutes agreement with all AOS Terms and Conditions, which may be found at <http://www.aos5.com/terms> in addition to any addendums shown on this quote.

Customer Signature _____

Date _____



CISCO SYSTEMS CAPITAL LEASING OPTION

March 30, 2012
City of Fayetteville
--Quote Valid for 30 days

EQUIPMENT: The lease financing will be completed by Key Government Finance, Cisco Systems Capital's financing partner for government and education customers. Payments due under the Lease financing will be made directly to Key Government Finance, Inc. at P.O. Box 1187, Englewood, CO 80150-1187.

LESSOR: Key Government Finance, Inc.

LESSEE: City of Fayetteville

EQUIPMENT: Cisco Systems Products

Cisco Systems Equipment	3	\$91,484.77
non-cisco	5	64,701.23
ACS services	5	158,100.00
SNT	5	80,464.48
Shipping and taxes	5	64,844.77
TOTAL AMOUNT TO BE LEASED	3	\$73,178.40

FINANCING: This is a tax-exempt state and municipal government lease with the title to the equipment passing to lessee. This is a net lease under which lessee pays all costs, including insurance, maintenance and taxes, for the term of the lease. At the end of the lease term the equipment can be purchased for \$1

Amount to be Leased	Interest Rate	Annual Payments	Payment Date	Payment Factor ^(*)	Prts./Year	Term	Adv./Aft.
\$ 625,778.40	2.87%	200,000.00	4/1/2012	0.31960130	1	48 Months	Advance
		\$ 113,494.27	1/1/2013	0.18136406			
		\$ 113,494.27	1/1/2014	0.18136406			
		\$ 113,494.27	1/1/2015	0.18136406			
		\$ 113,494.27	1/1/2016	0.18136406			

^(*) The payment factor expresses the payment as a percentage of the Equipment Cost. To calculate the periodic lease payment for any Equipment Cost, multiply the payment factor by the Equipment Cost.

APPROVAL:

The financing contemplated by this proposal is subject to the execution and delivery of all appropriate documents (in form satisfactory to Lessor), including without limitation, to the extent applicable, the Master Lease Agreement, any Schedule, financing statements, legal opinion or other documents or agreements reasonably required by Lessor. This proposal, until credit-approved, serves as a quotation, not a commitment by Key Government Finance to provide credit. Final acceptance of this proposal is subject to credit, collateral and essential use review and approval by Lessor. Financing structure is subject to credit review and approval.

The interest rate quoted herein assumes that the interest component of the Payments is exempt from federal income tax. Lessor will provide a taxable financing proposal if it is determined that the financing will not qualify for tax-exempt interest rates.

CONTACT:
Brandon Cleaver- US State & Local Government Account Manager (South)
Cisco Systems Capital, Inc.
843-822-4455
Susan Moore- US State & Local Government Account Manager (South)
Key Government Finance, a Cisco Systems Capital Partner
PH: 205-995-5171

bcrs@eml@cisco.com

SUSAN.C.MOORE@KEY.CO.UK

Jennifer Brewer
DOS Account Manager
3/30/2012

NOTES:

Alternative financing options available on request

Vendor #: _____ Vendor Name: **Key Government Finance** Requisition No.: **3** Date: **3/30/2012**

Address: **1000 S. McCaslin Blvd.** Fob Point: _____ P.O Number: _____ Expected Delivery Date: _____
 City: _____ State: **CO** Zip Code: **80027** Ship to code: **62**

Requester: **Sharon Waters** Requester's Employee #: **174** Extension: **277**
 Division Head Approval: *Sharon Waters*

Item	Description	Quantity	Unit of Issue	Unit Cost	Extended Cost	Account Numbers	Project/Subproject #	Inventory #	Fixed Asset #
1	Cisco IP Telephony System	1	lot	200,000.00	\$200,000.00	4470-9470-5210-00	04001-1		
2	Project Contingency	1	lot	25,000.00	\$25,000.00	4470-9470-5210-00	04001-1		
3		1			\$0.00				
4		1			\$0.00				
5		1			\$0.00				
6		1			\$0.00				
7		1			\$0.00				
8		1			\$0.00				
9		1			\$0.00				
10	Shipping/Handling	1			\$0.00				

Special Instructions: _____
 State Contract No. **4600021269**

Subtotal: **\$225,000.00**
 Tax: _____
 Total: **\$225,000.00**

Approvals:
 Mayor: _____ Department Director: _____ Purchasing Manager: _____
 Finance & Internal Services Director: _____ Budget Manager: _____ IT Manager: _____
 Dispatch Manager: _____ Utilities Manager: _____ Other: _____

April 5, 2012



Key Equipment Finance Inc.
1000 S. McCaslin Boulevard
Superior, CO 80027

Tel: (205) 699-8131
Cell: (205) 789-8399
Fax: 216-370-6226

Dear Ms. Waters:

We have emailed you the Key Government Finance documentation for the Cisco project, state contract number SP-11-0185. Key Government Finance is Cisco's exclusive funding partner in the public space. If you have any questions regarding our relationship or the financing documents please do not hesitate to call.

Sincerely,

Susan Moore
Regional Account Manager
Key Government Finance

SOLE SOURCE JUSTIFICATION

PURPOSE:

This form, with one or more categories completed, must accompany purchase requisitions for the sole source procurement of equipment, services or supplies exceeding \$1000 (purchased from State Contract vendors excepted). The purpose of sole source justification is to show that competitive bidding is impractical because only one product or service provider can meet a specific need. Therefore, an equitable evaluation of comparable products or services must be made and documented by the requester who shows that rejection of other products or services is based solely on their failure to meet that need. In cases where no other comparable source can be identified, a technical description of the product requested and a listing of those companies which were considered as alternative sources must be provided. Quality can be a subjective evaluation based upon opinion. Municipal (public) procurement law requires price considerations be evaluated via competitive quoting or bidding.

While all sole source justifications are subject to review, sole source justified purchases of \$20,000.00 or more must be publicly bid or a bid waiver approved by Council. Justifications must contain clear, in-depth, and accurate information in order to avoid protests and the possibility of delaying the procurement.

INSTRUCTIONS:

1. Please type or print legible in ink.
2. Complete all categories and sections that apply.
3. Provide full explanation, complete descriptions, and/or list all relevant reasons where space has been provided. Sole Source Justification forms lacking sufficient detail cannot be approved.
4. Sign and date the form in the space provided for "signature".
5. Improperly completed, and/or unsigned forms will be returned to the sender.

TO: Purchasing Division Date: April 4 30, 2012
FROM: Sharon Waters Dept: Parking & Telecommunications
Names of Requisitioner and Dept. Head
SUBJECT: Sole Source Justification
Purchase Requisition PR03 (attached)
Proposed Vendor Key Government Finance, Inc.
Product Description Financing on Cisco IP Telephony System

STATEMENT

I am aware that Fayetteville Code of Ordinances, Title III Administration, Chapter 34, Article II mandates that the procurement of services, materials, equipment and supplies be via competitive quotes whenever the amount is over \$1,000.00. However, I am requesting sole source procurement based on the following criteria. (Attach additional sheets as necessary):

1. The requested product is an integral repair part or accessory compatible with existing equipment. (please state the manufacturer and model number of existing equipment):

Key Government Finance is the exclusive financing company partnered with Cisco for the 5 year lease/purchase of the Cisco IP Telephony System.

2. The requested product has special design/performance features which are essential to my needs.

Both A and B portions of this category must be completed.

- A. These features are:

- B. In addition to the product requested, I have contacted other suppliers and considered their product of similar capabilities. I find their product unacceptable for the following reasons (identify companies contacted, individuals contacted, model number and specific technical deficiency).

3. I have standardized the requested product/service; the use of another would require considerable time and money to evaluate.

Explain: _____

4. The requested product is one which I (or my staff) have specialized training and/or extensive experience. Retraining would incur substantial cost in money and/or time.

Explain: _____

5. Please consider sole source approval for this reason(s) (e.g. trade-in allowance; availability of services, parts and maintenance; product is a prototype; inventory of parts are maintained, etc.):

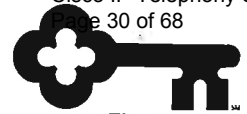
Authorization:

Full Name and Title of Requisitioner Sharon Waters, Parking and Telecom Manager
(typed or printed in ink)

Signature *Sharon Waters* Date 04/04/2012

Full Name of Division Head Sharon Waters
(typed or printed in ink)

Signature *Sharon Waters* Date 04/04/2012



Key Government Finance, Inc.
1000 South McCaslin Boulevard
Superior, CO 80027-9456

Wednesday, April 04, 2012

City of Fayetteville
Sharon Waters
113 West Mountain Street
Fayetteville, AR 72701

Re: Key Government Finance, Inc.
Property Schedule No. 1

Dear Ms. Waters:

Enclosed, please find two (2) sets of financing documents for your review and execution. (If these documents were emailed to you, please print out two (2) sets.) Execute both sets and return all of the originals to my attention. **The original sets of the executed documents are required prior to funding your transaction. To expedite the return of these documents, please overnight them to me using Key Government Finance's FedEx account #xxxx, and send to:**

KEY GOVERNMENT FINANCE, INC. ATTN: SUZANNE HOFF
1000 S. MCCASLIN BLVD, SUPERIOR, CO 80027.

Only the person with Signing Authority should execute the documents. For verification of original documents, please execute in blue ink. Upon closing, Key Government Finance will return a fully executed original set for your files.

Please Note: [This transaction is subject to credit approval and] All fully executed documents must be returned no later than 4-20-12; otherwise, the transaction is subject to re-pricing.

Executed documents required for funding are:

1. Master Tax-Exempt Installment/Purchase Agreement
2. Arkansas Addendum to Master Purchase Agreement
3. Property Schedule No. 1
4. Property Description and Payment Schedule (Exhibit 1)
5. Purchaser's Counsel's Opinion (Exhibit 2): *NOTE* Red Book Bond Counsel should be engaged.
6. Purchaser's Certificate (Exhibit 3)
7. Payment of Proceeds Instructions (Exhibit 4)
8. Acceptance Certificate (Exhibit 5)
9. Bank Qualified Tax-Exempt Obligation (Exhibit 6)
10. Certificate of Insurance – **Required prior to funding.**
11. Notification of Tax Treatment
12. Invoicing Instructions – **Required in order to ensure that invoices are directed to the proper area in your organization.**
13. Escrow Agreement

An IRS Form 8038-G or 8038-GC will be required for this transaction. Please consult with your Legal/Bond Counsel for instruction to complete this form. The original form will be required for funding, which we will submit to the IRS on your behalf. Or, you may submit the original completed form to the IRS directly. KGF will require a copy of the completed form and proof of filing prior to funding.

Please contact me at 720-304-1419 with any questions or concerns you may have.

Sincerely,
Suzanne Hoff,
Account Manager

DOCUMENTATION CHECKLIST

- Master Tax-Exempt Installment/Purchase Agreement** – Schedule 1*
- Arkansas Addendum to Master Tax-Exempt Installment/Purchase Agreement***
- Property Schedule 1***
- Property Description and Payment Schedule** -Exhibit 1
- Purchaser's Counsel's Opinion** - Exhibit 2. Exhibit 2 is the standard legal opinion used by Key Government Finance, Inc. This opinion will need to be processed by your attorney on their letterhead. Your attorney will want to review the Installment/Purchase Agreement. ***NOTE* Red Book Bond Counsel should be engaged.**
- Purchaser's Certificate** - Exhibit 3. Please fill in the date of the meeting of the governing body, referenced in section 1. We would also like a copy of those minutes or board resolutions for our files.
- Payment of Proceeds Instructions** - Exhibit 4. This is the Vendor payment information.
- Acceptance Certificate** - Exhibit 5. **The date of Acceptance will need to be filled in** with the date the equipment is installed and accepted.
- Bank Qualification Certificate** -Exhibit 6. **One of the two boxes MUST be checked.**
- Request for Certificate of Insurance** – Please fill out the form and fax it to your insurance company. The Property and Liability Insurance Certificate are required prior to funding.
- Notification of Tax Treatment** - Please complete and return.
- Invoicing Instructions** – The information you provide enables us to invoice you correctly.
- Escrow Agreement**
Please keep copies of Exhibit A (Form of Requisition of Costs of Property) and Schedule 1 (Disbursement Schedule). When you are ready to disburse funds from Escrow, you will need to sign and fill in both Exhibit A and Schedule 1. Along with those 2 forms, we will need copies of invoices. Exhibit 5 (Acceptance Certificate) will need to be filled out when the project is complete and it is your final payment request.
- Invoice for 1st Payment** – **Payment must be received PRIOR to funding**

*The items above marked with an asterisk require a signature in the presence of a witness/attestor. The attesting of the signature does not require a notary, but the signature of a person present at the time the document is signed.

Master Tax-Exempt Installment Purchase Agreement

BETWEEN:	Key Government Finance, Inc. (the "Seller") 1000 South McCaslin Blvd. Superior, CO 80027
AND:	City of Fayetteville (the "Purchaser") 113 West Mountain Street Fayetteville, AR 72701 Attention: Sharon Waters Telephone: 479.575.8277
DATED:	4/15/2012

ARTICLE I

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

"Agent" means any agent for the Registered Owners, if any, to which all or a portion of Seller's right, title and interest in, to and under a Property Schedule and the Property under such Property Schedule may be assigned for the benefit of the Registered Owners of Participation Certificates in such Property Schedule.

"Agreement" means this Master Tax-Exempt Installment Purchase Agreement, including all exhibits and schedules attached hereto.

"Commencement Date" is the date when the term of a Property Schedule and Purchaser's obligation to pay Installment Payments thereunder commences, which date shall be set forth in the Property Schedule.

"Event of Default" is defined in Section 13.01.

"Event of Nonappropriation" is defined in Section 6.02.

"Installment Payments" means the installment payments payable by Purchaser under Article VI of this Agreement and each Property Schedule, as set forth in each Property Schedule.

"Installment Payment Dates" means the dates on which Installment Payments are due under a Property Schedule, as set forth in each Property Schedule.

"Participation Certificates" means certificates evidencing a right to receive a share of Installment Payments payable under a Property Schedule and any other rights set forth herein with respect to the Property under said Property Schedule.

"Property" means, collectively, the property purchased pursuant to this Agreement, and with respect to each Property Schedule, the property described in such Property Schedule, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 8.01 or Article IX.

"Property Schedule" means a Property Schedule in the form attached hereto for Property Schedule 1. Subsequent Property Schedules pursuant to this Agreement shall be numbered consecutively, beginning with Property Schedule 2.

"Purchaser" means the entity described as such in the first paragraph of this Agreement, its permitted successors and assigns.

"Registered Owners" means the registered owners of Participation Certificates in a Property Schedule as shown on the registration books maintained by the Agent.

"Seller" means the entity identified as such in the first paragraph of this Agreement, its successors and assigns.

"State" means the State in which Purchaser is located.

"Term" means, with respect to a Property Schedule, the Term set forth in such Property Schedule, as provided in Section 4.02.

"Vendor" means the manufacturer or contractor of the Property as well as the agents or dealers of the manufacturer or contractor with whom Purchaser arranged for the purchase of the Property.

ARTICLE II

2.01 Property Schedules Separate Financings. Each Property Schedule executed and delivered under this Agreement shall be treated as a separate financing, distinct from other Property Schedules. Without limiting the foregoing, upon the occurrence of an Event of Default with respect to a Property Schedule, Seller shall have the rights and remedies specified herein with respect to the Property financed and the Installment Payments payable under such Property Schedule, and except as expressly provided in Section 12.02 below, Seller shall have no rights or remedies with respect to Property financed or Installment Payments payable under any other Property Schedules unless an Event of Default has also occurred under such other Property Schedules.

ARTICLE III

3.01 Covenants of Purchaser. As of the Commencement Date for each Property Schedule executed and delivered hereunder, Purchaser shall be deemed to represent, covenant and warrant for the benefit of Seller, any Agent, and any Registered Owners, as follows:

- (a) Purchaser is a public body corporate and politic duly organized and existing under the constitution and laws of the State with full power and authority to enter into this Agreement and the Property Schedule and the transactions contemplated thereby and to perform all of its obligations thereunder.
- (b) Purchaser 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. To the extent Purchaser should merge with another entity under the laws of the State, Purchaser agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned Purchaser's rights and shall assume Purchaser's obligations hereunder.
- (c) Purchaser has been duly authorized to execute and deliver this Agreement and the Property Schedule by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the Property Schedule, and Purchaser has complied with such public bidding requirements as may be applicable to this Agreement and the Property Schedule and the acquisition by Purchaser of the Property thereunder. On or before the Commencement Date for the Property Schedule, Purchaser shall cause to be executed an opinion of counsel in substantially the form attached to the form of the Property Schedule as Exhibit 2.
- (d) During the Term for the Property Schedule, the Property thereunder will perform and will be used by Purchaser only for the purpose of performing essential governmental uses and public functions within the permissible scope of Purchaser's authority.
- (e) Purchaser will provide Seller with current financial statements, budgets and proof of appropriation for the ensuing budget year and other financial information relating to the ability of Purchaser to continue this Agreement and the Property Schedule in such form and containing such information as may be requested by Seller.
- (f) Purchaser will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), including Sections 103 and 148 thereof, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order to maintain the excludability from gross income for federal income tax purposes of the interest component of Installment Payments under the Property Schedule and will not use or permit the use of the Property in such a manner as to cause a Property Schedule to be a "private activity bond" under Section 141(a) of the Code. Purchaser covenants and agrees that it will use the proceeds of the Property Schedule as soon as practicable and with all reasonable dispatch for the purpose for which the Property Schedule has been entered into, and that no part of the proceeds of the Property Schedule shall be invested in any securities, obligations or other investments except for the temporary period pending such use nor used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the Commencement Date of the Property Schedule, would have caused any portion of the Property Schedule to be or become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the regulations of the Treasury Department thereunder proposed or in effect at the time of such use and applicable to obligations issued on the date of issuance of the Property Schedule.
- (g) The execution, delivery and performance of this Agreement and the Property Schedule and compliance with the provisions hereof and thereof by Purchaser does not conflict with or result in a violation or breach or constitute a default under, any resolution, bond, agreement, indenture, mortgage, note, lease or other instrument to which Purchaser is a party or by which it is bound by any law or any rule, regulation, order or decree of any court, governmental agency or body having jurisdiction over Purchaser or any of its activities or properties resulting in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any property or assets of Purchaser or to which it is subject.
- (h) Purchaser's exact legal name is as set forth on the first page of this Agreement. Purchaser will not change its legal name in any respect without giving thirty (30) days prior written notice to Seller.

ARTICLE IV

4.01 Sale of Property. On the Commencement Date of each Property Schedule executed hereunder, Seller will be deemed to sell, transfer and convey to Purchaser, and Purchaser will be deemed to purchase and accept from Seller, the Property described in such Property Schedule, in accordance with this Agreement and such Property Schedule.

4.02 Term. The term of each Property Schedule shall commence on the Commencement Date set forth therein and shall terminate upon payment of the final Installment Payment set forth in such Property Schedule, unless terminated sooner pursuant to this Agreement or the Property Schedule.

4.03 Delivery, Installation and Acceptance of Property. Purchaser shall order the Property, shall cause the Property to be delivered and installed at the locations specified in the applicable Property Schedule and shall pay all taxes, delivery costs and installation costs, if any, in connection therewith. To the extent funds are deposited under an escrow agreement or trust agreement for the acquisition of the Property, such funds shall be disbursed as provided therein. When the Property described in such Property Schedule is delivered, installed and accepted as to Purchaser's specifications, Purchaser shall immediately accept the Property and evidence said acceptance by executing and delivering to Seller the Acceptance Certificate substantially in the form attached to the Property Schedule.

ARTICLE V

5.01 Location; Inspection. The Property will be initially located or based at the location specified in the applicable Property Schedule. Seller shall have the right at all reasonable times during business hours to enter into and upon the property of Purchaser for the purpose of inspecting the Property.

ARTICLE VI

6.01 Payment of Installment Payments. Purchaser shall promptly pay Installment Payments under each Property Schedule, exclusively from legally available funds, in lawful money of the United States of America, to Seller in such amounts and on such dates as described in the applicable Property Schedule, at Seller's address set forth on the first page of this Agreement, unless Seller instructs Purchaser otherwise. Purchaser shall pay Seller a charge on any delinquent Installment Payments under a Property Schedule in an amount sufficient to cover all additional costs and expenses

incurred by Seller and Agent from such delinquent Installment Payment. In addition, Purchaser shall pay a late charge of five percent (5%) or the highest amount permitted by applicable law, whichever is lower, on all delinquent Installment Payments.

6.02 Non-Appropriation. If sufficient funds are not appropriated to make Installment Payments required under a Property Schedule, such Property Schedule shall terminate and Purchaser shall not be obligated to make Installment Payments under said Property Schedule beyond the then current fiscal year for which funds have been appropriated. Upon the occurrence of such nonappropriation (an "Event of Nonappropriation") Purchaser shall, no later than the end of the fiscal year for which Installment Payments have been appropriated, deliver possession of the Property under said Property Schedule to Seller. If Purchaser fails to deliver possession of the Property to Seller upon termination of said Property Schedule by reason of an Event of Nonappropriation, the termination shall nevertheless be effective but Purchaser shall be responsible for the payment of damages in an amount equal to the portion of Installment Payments thereafter coming due that is attributable to the number of days after the termination during which the Purchaser fails to deliver possession and for any other loss suffered by Seller as a result of Purchaser's failure to deliver possession as required. In addition, Seller may, by written instructions to the Agent or to any other escrow agent who is holding proceeds of the Property Schedule, instruct the Agent or such escrow agent to release all such proceeds and any earnings thereon to Seller, such sums to be credited to Purchaser's obligations under the Property Schedule and this Agreement. Purchaser shall notify Seller in writing within seven (7) days after the failure of the Purchaser to appropriate funds sufficient for the payment of the Installment Payments, but failure to provide such notice shall not operate to extend the Term or result in any liability to Purchaser.

6.03 Interest Component. A portion of each Installment Payment due under each Property Schedule is paid as, and represents payment of, interest, and each Property Schedule hereunder shall set forth the interest component (or method of computation thereof) of each Installment Payment thereunder during the Term.

6.04 Installment Payments to be Unconditional. SUBJECT TO SECTION 6.02, THE OBLIGATIONS OF PURCHASER TO PAY THE INSTALLMENT PAYMENTS DUE UNDER THE PROPERTY SCHEDULES AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROPERTY OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES. THIS PROVISION SHALL NOT LIMIT PURCHASER'S RIGHTS OR ACTIONS AGAINST ANY VENDOR AS PROVIDED IN SECTION 10.02.

6.05 Defeasance of Installment Payments. Purchaser may at any time irrevocably deposit in escrow with a defeasance escrow agent for the purpose of paying all of the principal component and interest component accruing under a Property Schedule, a sum of cash and non-callable securities consisting of direct obligations of, or obligations of the principal of an interest on which are unconditionally guaranteed by, the United States of America or any agency or instrumentality thereof, in such aggregate amount, bearing interest at such rates and maturing on such dates as shall be required to provide funds sufficient for this purpose. Upon such defeasance, all right, title and interest of Seller in the Property under said Property Schedule shall terminate. Purchaser shall cause such investment to comply with the requirements of federal tax law so that the exclusion from gross income of the interest component of Installment Payments under said Property Schedule is not adversely affected.

6.06 Continuation of Installment Agreement by Purchaser. Purchaser intends to continue all Property Schedules entered into pursuant to this Agreement and to pay the Installment Payments thereunder. Purchaser reasonably believes that legally available funds in an amount sufficient to make all Installment Payments during the term of all Property Schedules can be obtained. Purchaser agrees that its staff will provide during the budgeting process for each budget year to the governing body of Purchaser notification of any Installment Payments due under the Property Schedules during the following budget year. Notwithstanding this covenant, if Purchaser fails to appropriate the Installment Payments for a Property Schedule pursuant to Section 6.02, such Property Schedule shall terminate. Although Purchaser has made this covenant, in the event that it fails to provide such notice, no remedy is provided and Purchaser shall not be liable for any damages for its failure to so comply.

ARTICLE VII

7.01 Title to the Property. Upon acceptance of the Property by Purchaser, title to the Property shall vest in Purchaser, subject to Seller's interests under the applicable Property Schedule and this Agreement.

7.02 Personal Property. The Property is and will remain personal property and will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Property or any part thereof may be or hereafter become in any manner physically affixed or attached to real estate or any building thereon. If requested by Seller, Purchaser will, at Purchaser's expense, furnish a waiver of any interest in the Property from any party having an interest in any such real estate or building.

7.03 Security Interest. To secure the performance of all of Purchaser's obligations under this Agreement, including without limitation all Property Schedules now existing or hereafter executed, Purchaser grants to Seller, for the benefit of Seller and its successors and assigns, a security interest constituting a first lien in all of the Property, whether now owned or hereafter acquired, all additions, attachments, alterations and accessions to the Property, all substitutions and replacements for the Property, and on any proceeds of any of the foregoing, including insurance proceeds. Purchaser shall execute any additional documents, including financing statements, affidavits, notices and similar instruments, in form and substance satisfactory to Seller, which Seller deems necessary or appropriate to establish, maintain and perfect a security interest in the Property in favor of Seller and its successors and assigns. Purchaser hereby authorizes Seller to file all financing statements which Seller deems necessary or appropriate to establish, maintain and perfect such security interest.

7.04 Substitution. Purchaser may substitute for all or any portion of the Property under a Property Schedule personal property of approximately equal or greater market value and with an equal or greater useful life. In the event of any such substitution, Purchaser shall deliver to Seller a certification that the personal property proposed to be substituted has approximately equal or greater market value and an equal or greater useful life as the portion of the Property being substituted for, together with an opinion of counsel acceptable to Seller to the effect that the proposed substitution will not adversely affect the exemption of the interest components of Installment Payments under the Property Schedule from federal income taxation. Purchaser shall be responsible for all costs and expenses of Seller, including counsel fees, for any such substitution. Purchaser shall cause all financing statements, fixture filings, certificates of title, affidavits, notices and similar instruments, to be made or filed in a timely manner to secure and perfect the security interest of Seller in the substituted property.

ARTICLE VIII

8.01 Maintenance of Property by Purchaser. Purchaser shall keep and maintain the Property in good condition and working order and in compliance with the manufacturer's specifications, shall use, operate and maintain the Property in conformity with all laws and regulations concerning the Property's ownership, possession, use and maintenance, and shall keep the Property free and clear of all liens and claims, other than those created by this Agreement. Purchaser shall have sole responsibility to maintain and repair the Property. Should Purchaser fail to maintain, preserve and keep

the Property in good repair and working order and in accordance with manufacturer's specifications, and if requested by Seller, Purchaser shall enter into maintenance contracts for the Property in form approved by Seller and with approved providers.

8.02 Liens, Taxes, Other Governmental Charges and Utility Charges. Purchaser shall keep the Property free of all levies, liens and encumbrances, except for the interest of Seller under this Agreement. The parties to this Agreement contemplate that the Property will be exempt from all property taxes. Nevertheless, if the use, possession or acquisition of the Property is determined to be subject to taxation or later becomes subject to such taxes, Purchaser shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Property. Purchaser shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property. Purchaser shall pay such taxes or charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, Purchaser shall be obligated to pay only such installments as accrue during the then current fiscal year of the Term for such Property.

8.03 Insurance. At its own expense, Purchaser shall maintain (a) casualty insurance insuring the Property against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Seller in an amount equal to at least the outstanding principal component of Installment Payments, and (b) liability insurance that protects Seller from liability in all events in an amount reasonably acceptable to Seller, and (c) worker's compensation insurance covering all employees working on, in, near or about the Property; provided that Purchaser may self-insure against all such risks. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. All such insurance shall be with insurers that are authorized to issue such insurance in the State. All such liability insurance shall name Seller as an additional insured. All such casualty insurance shall contain a provision making any losses payable to Seller and Purchaser as their respective interests may appear. All such insurance shall contain a provision to the effect that such insurance shall not be canceled or modified without first giving written notice thereof to Seller and Purchaser at least thirty (30) days in advance of such cancellation or modification. Such changes shall not become effective without Seller's prior written consent. Purchaser shall furnish to Seller, on or before the Commencement Date for each Property Schedule, and thereafter at Seller's request, certificates evidencing such coverage, or, if and to the extent that Purchaser self-insures, a written description of its self-insurance program together with a certification from Purchaser's risk manager or insurance agent or consultant to the effect that Purchaser's self-insurance program provides adequate coverage against the risks listed above.

8.04 Advances. In the event Purchaser shall fail to either maintain the insurance required by this Agreement or keep the Property in good repair and working order, Seller may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof or maintain and repair the Property and pay the cost thereof. All amounts so advanced by Seller shall be due and payable on the next Installment Payment Date and Purchaser covenants and agrees to pay such amounts so advanced by Seller with interest thereon from the date such amounts are advanced until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

ARTICLE IX

9.01 Damage or Destruction. If (a) the Property under a Property Schedule 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 Property under a Property Schedule or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Seller and Purchaser will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, unless Purchaser shall have exercised its right to defease the Property Schedule as provided herein, or unless Purchaser shall have exercised its option to prepay the Installment Payments due under the Property Schedule, if the Property Schedule so provides. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Purchaser. For purposes of Section 14.02(b) and this Article IX, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

9.02 Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 9.01, Purchaser shall (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if Purchaser shall make any payments pursuant to this Section, Purchaser shall not be entitled to any reimbursement therefor from Seller nor shall Purchaser be entitled to any diminution of the amounts payable under Section 6.02, or (b) defease the Property Schedule pursuant to Section 6.07, or (c) exercise its option to prepay the Installment Payments due under the Property Schedule in accordance with the optional prepayment provisions of the Property Schedule, if any. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after such defeasance or purchase may be retained by Purchaser.

ARTICLE X

10.01 Disclaimer of Warranties. SELLER MAKES NO (AND SHALL NOT BE DEEMED TO HAVE MADE ANY) WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE PROPERTY, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE STATE OF TITLE THERETO OR ANY COMPONENT THEREOF, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND SELLER HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE PROPERTY IS SOLD TO PURCHASER "AS IS" ON THE DATE OF THIS AGREEMENT OR THE DATE OF DELIVERY, WHICHEVER IS LATER, AND ALL SUCH RISKS, IF ANY, ARE TO BE BORNE BY PURCHASER. Purchaser acknowledges that it has made (or will make) the selection of the Property from the Vendor based on its own judgment and expressly disclaims any reliance upon any statements or representations made by Seller. Purchaser understands and agrees that (a) neither the Vendor nor any sales representative or other agent of Vendor, is (i) an agent of Seller, or (ii) authorized to make or alter any term or condition of this Agreement, and (b) no such waiver or alteration shall vary the terms of this Agreement unless expressly set forth herein. In no event shall Seller be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement, the Property Schedules, or the existence, furnishing, functioning or use of any item, product or service provided for in this Agreement or the Property Schedules.

10.02 Vendor's Warranties. Seller hereby irrevocably assigns to Purchaser all rights that Seller may have to assert from time to time whatever claims and rights (including without limitation warranties) related to the Property against the Vendor. Purchaser's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Property, and not against Seller, nor shall such matter have any effect whatsoever on the rights and obligations of Seller with respect to this Agreement, including the right to receive full and timely payments hereunder. Purchaser expressly acknowledges that Seller makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Property.

10.03 Use of the Property. Purchaser will not install, use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement and the applicable Property Schedule. Purchaser shall provide all permits and licenses,

if any, necessary for the installation and operation of the Property. In addition, Purchaser agrees to comply in all respects with all laws, rules and regulations of any jurisdiction in which its operations involving any item of Property may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Property; provided that Purchaser may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of Seller, adversely affect the interest of Seller in and to the Property or its interest or rights under this Agreement. Purchaser shall promptly notify Seller in writing of any pending or threatened investigation, inquiry, claim or action by any governmental authority which could adversely affect this Agreement, any Property Schedule or the Property thereunder.

10.04 Modifications. Subject to the provisions of this Section, Purchaser shall have the right, at its own expense, to make alterations, additions, modifications or improvements to the Property. All such alterations, additions, modifications and improvements shall thereafter comprise part of the Property and shall be subject to the provisions of this Agreement. Such alterations, additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, on completion of any alterations, additions, modifications or improvements made pursuant to this Section, shall be of a value which is equal to or greater than the value of the Property immediately prior to the making of such alterations, additions, modifications and improvements. Purchaser shall, at its own expense, make such alterations, additions, modifications and improvements to the Property as may be required from time to time by applicable law or by any governmental authority.

ARTICLE XI

11.01 Option to Prepay. Purchaser shall have the option to prepay the Installment Payments due under a Property Schedule, but only if the Property Schedule so provides, and on the terms set forth in the Property Schedule.

ARTICLE XII

12.01 Assignment by Seller. Seller's right, title and interest in, to and under each Property Schedule and the Property under such Property Schedule may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Seller and, to the extent of their interest, by any Registered Owner, without the necessity of obtaining the consent of Purchaser; provided that (a) any assignment, other than an assignment to or by a Registered Owner, shall not be effective until Purchaser has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee, and (b) any assignment to or by a Registered Owner shall not be effective until it is registered on the registration books kept by the Agent. Purchaser shall retain all such notices as a register of all assignees (other than Registered Owners) and shall make all payments to the assignee or assignees designated in such register or, in the case of Registered Owners, to the Agent. In the event that Seller's interest in a Property Schedule and the Property thereunder is assigned to the Agent, Participation Certificates in that Property Schedule may be executed and delivered by the Agent to Registered Owners. Purchaser agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Seller or any assignee to protect its interests in this Agreement and the Property Schedules.

12.02 Property Schedules Separate Financings. Assignees of the Seller's rights in one Property Schedule shall have no rights in any other Property Schedule unless such rights have been separately assigned. Seller may collectively assign two or more Property Schedules with the same Commencement Date to the Agent for the purpose of causing the execution and delivery of Participation Certificates in the Property Schedules with the same Commencement Date. Such assignment shall occur on such Commencement Date and upon such assignment all Property Schedules so assigned shall be treated as a single financing and a single Property Schedule with respect to rights and remedies upon the occurrence of an Event of Default under this Agreement. Registered Owners rights with respect to the Property Schedules shall be determined as provided in the escrow agreement or trust agreement relating to such Participation Certificates.

12.03 Assignment and Subleasing by Purchaser. NONE OF PURCHASER'S RIGHT, TITLE AND INTEREST IN, TO AND UNDER THIS AGREEMENT AND IN THE PROPERTY MAY BE ASSIGNED, TRANSFERRED, LEASED OR ENCUMBERED BY PURCHASER FOR ANY REASON, WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER.

12.04 Release and Indemnification Covenants. To the extent permitted by applicable law, Purchaser shall indemnify, protect, hold harmless, save and keep harmless Seller from and against any and all liability, obligation, loss, claim and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest (collectively, "Losses") arising out of or resulting from the entering into this Agreement, any Property Schedules hereunder, the ownership of any item of the Property, the loss of federal tax exemption of the interest on any of the Property Schedules, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Property or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Property resulting in damage to property or injury to or death to any person; provided, however, that Purchaser shall not be required to indemnify Seller for Losses arising out of or resulting from Seller's own willful or negligent conduct, or for Losses arising out of or resulting from Seller's preparation of disclosure material relating to Participation Certificates (other than disclosure material provided to Seller by Purchaser). The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement, or the applicable Property Schedule, or the termination of the Term for such Property Schedule for any reason.

ARTICLE XIII

13.01 Events of Default Defined. Any of the following shall constitute an "Event of Default" under a Property Schedule:

- (a) Failure by Purchaser to pay any Installment Payment under the Property Schedule or other payment required to be paid with respect thereto at the time specified therein;
- (b) Failure by Purchaser to observe and perform any covenant, condition or agreement on its part to be observed or performed with respect to the Property Schedule, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to Purchaser by Seller, unless Seller shall agree in writing to an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Purchaser within the applicable period and diligently pursued until the default is corrected;
- (c) Any statement, representation or warranty made by Purchaser in or pursuant to the Property Schedule or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Purchaser shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Purchaser, or of all or a substantial part of the assets of Purchaser, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal

bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or a petition or an answer admitting the material allegations of a petition filed against Purchaser in any bankruptcy, reorganization or insolvency proceeding; or

- (e) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Purchaser or of all or a substantial part of the assets of Purchaser, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

The foregoing provisions of Section 13.01 are subject to the following limitation: if by reason of force majeure Purchaser is unable in whole or in part to perform its agreements under this Agreement and the Property Schedule (other than the obligations on the part of Purchaser contained in Article VI hereof) Purchaser shall not be in default during the continuance of such inability. The term "force majeure" as used herein shall mean 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 or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections, riots, landslides, earthquakes, fires, storms, droughts, floods, explosions, breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Purchaser.

13.02 Remedies on Default. Whenever any Event of Default exists with respect to a Property Schedule, Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Without terminating the Property Schedule, and by written notice to Purchaser, Seller may declare all Installment Payments and other amounts payable by Purchaser thereunder to the end of the then-current budget year of Purchaser to be due, including without limitation delinquent Installment Payments under the Property Schedule from prior budget years, and such amounts shall thereafter bear interest at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less;
- (b) Seller may terminate the Property Schedule by written notice to Purchaser and may accelerate the principal component of all outstanding Installment Payments, in which case Purchaser shall pay to Seller a sum sufficient to defease the Property Schedule under Section 6.05, together with interest on such sum from the date of acceleration until so paid at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is less, and to pay all other sums due under the Property Schedule;
- (c) Seller may enter the premises where the Property subject to the Property Schedule is located and retake possession of the Property, or require Purchaser, at Purchaser's expense, to promptly return any or all of the Property to the possession of Seller at such place within the United States as Seller shall specify, and Seller may thereafter dispose of the Property in accordance with Article 9 of the Uniform Commercial Code in effect in the State, continuing to hold Purchaser liable for all costs and expenses incurred by Seller in exercising its remedies hereunder, including, without limitation, all costs and expenses of taking possession, removing, storing and reconditioning the Property, and including, without limitation, all brokerage and attorneys fees;
- (d) By written notice to the Agent, if any, Seller may instruct the Agent to apply all sums held by the Agent in any accounts relating to the Property Schedule under the applicable escrow or trust agreement as provided in the applicable escrow or trust agreement.
- (e) By written notice to any escrow agent (other than the Agent) who is holding proceeds of the Property Schedule, Seller may instruct such escrow agent to release all such proceeds and any earnings thereon to Seller, such sums to be credited to payment of Purchaser's obligations under the Property Schedule;
- (f) Seller may take any action at law or in equity that may appear necessary or desirable to enforce or to protect any of its rights under the Property Schedule and this Agreement.

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

13.04 Costs and Attorney Fees. Upon the occurrence of an Event of Default by Purchaser in the performance of any term of this Agreement, Purchaser agrees to pay to Seller or reimburse Seller for, in addition to all other amounts due hereunder, all of Seller's costs of collection, including reasonable attorney fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to Purchaser, shall be secured by this Agreement until paid and shall bear interest at the rate of 12% per annum or the maximum amount permitted by law, whichever is less. In the event suit or action is instituted to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

ARTICLE XIV

14.01 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee (other than a Registered Owner) at its address as it appears on the registration books maintained by Purchaser and to any Registered Owner at its address as it appears on the registration books maintained by the Agent.

14.02 Certification as to Arbitrage. Unless a separate Certificate as to Arbitrage is delivered on the Commencement Date, Purchaser shall be deemed to make the following representations and covenants as of the Commencement Date for each Property Schedule:

- (a) The estimated total costs, including taxes, freight, installation, cost of issuance, of the Property under the Property Schedule will not be less than the total principal amount of the Installment Payments.
- (b) The Property under the Property Schedule has been ordered or is expected to be ordered within six months and the Property is expected to be delivered and installed, and the Vendor fully paid, within one year from the Commencement Date. Purchaser will pursue the completion of the Property and the expenditure of the net proceeds of the Property Schedule with due diligence.

- (c) Purchaser has not created or established, and does not expect to create or establish, any sinking fund or other source of funds that is reasonably expected to be used to pay the Installment Payments under the Property Schedule, or (ii) that may be used solely to prevent a default in the payment of the Installment Payments under the Property Schedule.
- (d) The Property under the Property Schedule has not been and is not expected to be sold or otherwise disposed of by Purchaser, either in whole or in major part, prior to the last maturity of the Installment Payments under the Property Schedule.
- (e) There are no other obligations of Purchaser which (i) are being sold within 15 days of the Commencement Date of the Property Schedule; (ii) are being sold pursuant to the same plan of financing as the Property Schedule; and (iii) are expected to be paid from substantially the same source of funds.
- (f) The officer or official who has executed the Property Schedule on Purchaser's behalf is familiar with Purchaser's expectations regarding the use and expenditure of the proceeds of the Property Schedule. To the best of Purchaser's knowledge, information and belief, the facts and estimates set forth in herein are accurate and the expectations of Purchaser set forth herein are reasonable.

14.03 Further Assurances. Purchaser agrees to execute such other and further documents, including, without limitation, confirmatory financing statements, continuation statements, certificates of title and the like, and to take all such action as may be necessary or appropriate, from time to time, in the reasonable opinion of Seller, to perfect, confirm, establish, reestablish, continue, or complete the interests of Seller in this Agreement and the Property Schedules, to consummate the transactions contemplated hereby and thereby, and to carry out the purposes and intentions of this Agreement and the Property Schedules.

14.04 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Seller and Purchaser and their respective successors and assigns.

14.05 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.

14.06 Waiver of Jury Trials. Purchaser and Seller hereby irrevocably waive all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of Seller or Purchaser in the negotiation, administration, performance or enforcement hereof.

14.07 Amendments, Changes and Modifications. This Agreement may be amended in writing by Seller and Purchaser to the extent the amendment or modification does not apply to outstanding Property Schedules at the time of such amendment or modification. The consent of the applicable assignee or Agent, if any, shall be required to any amendment or modification before such amendment or modification shall be applicable to any outstanding Property Schedule.

14.08 Execution in Counterparts. This Agreement and the Property Schedules hereunder may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

14.10 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.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

Seller: Key Government Finance, Inc.
By: _____
Name: _____
Title: _____

Purchaser: City of Fayetteville
By: _____
Name: _____
Title: _____

Attest By: _____
Name: _____
Title: _____

Addendum to Master Tax-Exempt Installment Purchase Agreement

Arkansas Counties and Municipalities

THIS **ADDENDUM**, which is entered into as of 4/15/2012 between Key Government Finance, Inc. ("Seller") and City of Fayetteville ("Purchaser"), is intended to modify and supplement the Master Tax-Exempt Installment Purchase Agreement between Seller and Purchaser of even date herewith (the "Master Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Agreement.

1. If the Purchaser is a county, the following representation, warranty and covenant is made by Purchaser:

The aggregate principal amount of short-term financing obligations incurred by the Purchaser pursuant Amendment 78 to the Constitution of the State of Arkansas, including property schedules under the Master Agreement, does not and shall not exceed two and one half percent (2½ %) of the assessed value of taxable property located within the county, as determined by the last tax assessment completed before the last obligation was incurred by the Purchaser.

2. If the Purchaser is a municipality, the following representation, warranty and covenant is made by Purchaser:

The aggregate principal amount of short-term financing obligations incurred by the Purchaser pursuant Amendment 78 to the Constitution of the State of Arkansas, including property schedules under the Master Agreement, does not and shall not exceed five percent (5%) of the assessed value of taxable property located within the municipality, as determined by the last tax assessment completed before the last obligation was incurred by the Purchaser.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Addendum to be executed in their names by their duly authorized representatives as of the date first above written.

Seller: Key Government Finance, Inc.
By:
Name:
Title:

Purchaser: City of Fayetteville
By:
Name:
Title:

Attest By:
Name:
Title:

Property Schedule No. 1

Master Tax-Exempt Installment Purchase Agreement

This **Property Schedule No. 1** is entered into as of the Commencement Date set forth below, pursuant to that certain Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), dated as of 4/15/2012, between Key Government Finance, Inc., and City of Fayetteville.

1. Interpretation. The terms and conditions of the Master Agreement are incorporated herein by reference as if fully set forth herein. Reference is made to the Master Agreement for all representations, covenants and warranties made by Purchaser in the execution of this Property Schedule, unless specifically set forth herein. In the event of a conflict between the provisions of the Master Agreement and the provisions of this Property Schedule, the provisions of this Property Schedule shall control. All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement.
2. Commencement Date. The Commencement Date for this Property Schedule is 4/15/2012.
3. Property Description and Payment Schedule. The Property subject to this Property Schedule is described in Exhibit 1 hereto. Purchaser shall not remove such property from the locations set forth therein without giving prior written notice to Seller. The Installment Payment Schedule for this Property Schedule is set forth in Exhibit 1.
4. Opinion. The Opinion of Purchaser's Counsel is attached as Exhibit 2.
5. Purchaser's Certificate. The Purchaser's Certificate is attached as Exhibit 3.
6. Payment of Proceeds. Seller shall disburse the proceeds of this Property Schedule in accordance with the instructions attached hereto as Exhibit 4.
7. Acceptance Certificate. The form of Acceptance Certificate is attached as Exhibit 5.
8. Additional Purchase Option Provisions. In addition to the Purchase Option provisions set forth in the Master Agreement, Installment Payments payable under this Property Schedule shall be subject to prepayment as follows: See termination amount in Exhibit 1 (Payment Schedule), subject to per diem adjustment.
9. Bank Qualification Certificate. Attached as Exhibit 6. One of the two boxes *must* be checked off.
10. Expiration. Seller, at its sole determination, may choose not to accept this Property Schedule if the fully executed, original Agreement (including this Property Schedule and all ancillary documents) are not received by Seller at its place of business by 4/15/2012.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Property Schedule to be executed in their names by their duly authorized representatives as of the Commencement Date above.

Seller: Key Government Finance, Inc.
By:
Name:
Title:

Purchaser: City of Fayetteville
By:
Name:
Title:

Attest By:
Name:
Title:

EXHIBIT 1

Property Description and Payment Schedule

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement between Key Government Finance, Inc., and City of Fayetteville.

The Property is as follows: The Property as more fully described in Exhibit A incorporated herein by reference and attached hereto.

EQUIPMENT LOCATION: 113 West Mountain Street, Fayetteville, AR 72701

USE: Telecommunications – This use is essential to the proper, efficient and economic functioning of Purchaser or to the services that Purchaser provides; and Purchaser has immediate need for and expects to make immediate use of substantially all of the Property, which need is not temporary or expected to diminish in the foreseeable future.

Installment Payment Schedule

If the Due Dates are not defined in this Installment Payment Schedule, they shall be defined as the first day of each monthly period of this Installment Payment Schedule commencing with the Acceptance Date.

Total Principal Amount \$619,978.80

Payment No.	Due Date	Installment Payment	Principal	Interest	Termination
1	15-Apr-2012	\$200,000.00	\$200,000.00	\$0.00	\$432,578.16
2	15-Jan-2013	111,948.35	102,800.50	9,147.84	326,693.64
3	15-Jan-2014	111,948.35	102,703.50	9,244.85	220,909.04
4	15-Jan-2015	111,948.35	105,697.01	6,251.33	112,041.12
5	15-Jan-2016	111,948.35	108,777.78	3,170.56	0.00

Purchaser: City of Fayetteville
By:
Name:
Title:

EXHIBIT A

Property Description

Equipment as described in AOS, LLC Quotation No. SQ009691, Dated April 3, 2012, as follows:

DRAFT-Subject to Credit Approval

AOS, LLC

Springfield
 636 W. Republic Rd
 Unit F100 Corp Village Park
 Springfield, MO 65807
 Phone: 417-888-2675
 Fax: 417-888-0994

Rogers
 5308 Village Parkway #1
 Rogers, AR 72758
 Phone: 479-899-6830
 Fax: 479-899-6831

Tulsa
 7666 E. 61st St
 #310
 Tulsa, OK 74133
 Phone: 918-935-3530
 Fax: 918-935-3532

Oklahoma City
 3030 NW Expressway
 Suite 1750
 Oklahoma City, OK 73112
 Phone: 405-943-8900
 Fax: 405-943-8902

C. 3
 Cis...
QUOTATION System
 Page 43 of 68
 Quote No.: SQ009691
 Customer ID: ZFAYE-101
 Date: 4/3/2012
 Sales Rep: JENNIFERE
 Designer: JEREMIAHG

Please visit www.aos5.com for a complete listing of all service areas

QUOTE TO:	SHIP TO:
ACCOUNTS PAYABLE CITY OF FAYETTEVILLE 113 W MOUNTAIN STREET FAYETTEVILLE, AR 72701 Phone: (479) 575-8306 Fax:	CHRIS DOUGHTY CITY OF FAYETTEVILLE 113 W MOUNTAIN STREET FAYETTEVILLE, AR 72701

QUANTITY	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
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Servers/Licensing

1.00	Unified Workspace Licensing - Top Level for STD	0.00	0.00
1.00	Analog, non-app device add-on for UWL	24.00	24.00
377.00	Unified Workspace Licensing STD, 1 User Govt/Edu	195.00	73,515.00
93.00	Public Space non-app phone add-on for UWL	90.00	8,370.00
1.00	UCSS for UCM analog user for five Year - 1 users	6.60	6.60
93.00	UCSS for UCM Pub user for five Year - 1 users	23.40	2,176.20
377.00	5-Yr UWL STD UCSS	69.00	26,013.00
5.00	ESSENTIAL SW CCX 8.5 5 Seat CCX ENH CM Bundle - AVAIL	415.00	2,075.00
5.00	ESSENTIAL SW Analog, non-app device add-on for UWL	0.83	4.15
425.00	ESSENTIAL SW Public Space non-app phone add-on for UWL	3.32	1,411.00
1,885.00	ESSENTIAL SW Svcs Mapping SKU, Under 1k UWL STD users	17.43	32,855.55
1.00	CCX 8.5 - CM,CME Bundle Licenses;ADD ON pDeliveryLICENSESONLY	0.00	0.00
1.00	CCX 8.5 CCX CM Bundle Appliance Entitlement, PAK pDelivery	1,797.00	1,797.00
10.00	UCSS for CCX PRE for Five Year - 1 users	310.80	3,108.00
1.00	CCX 8.5 ADDON - eDelivery LICENSES ONLY	0.00	0.00
5.00	CCX 8.5 ADDON PREMIUM Seat Qty 1 LICENSE	1,110.00	5,550.00
25.00	ESSENTIAL SW CCX 8.5 ADDON PREMIUM Seat Qty 1 LICENSE	170.15	4,253.75
1.00	CCX 8.5 UPGRADE - eDelivery LICENSES ONLY	0.00	0.00
5.00	CCX 8.5 UPGRADE - 8.5 to 8.5 Qty 1 ENH-PRE Seat LICENSE ONLY	555.00	2,775.00
25.00	ESSENTIAL SW CCX 8.5 UPGRADE - 8.5 to 8.5 Qty 1 ENH-P	99.60	2,490.00
1.00	UCS SP4 UC BDL 2FI,1xCH-4xB200w/2x5650,48GB DDR3,1xVNIC	0.00	0.00
1.00	UCS SP BASE 5108 Blade Svr AC Chassis	7,245.00	7,245.00
2.00	UCS 6248 FI w/ FC Expn Card, Cables Bundle	5,152.50	10,305.00
4.00	UCS SP4 BNDL w/B200,2xE5650,6x8GB DDR3,1xVNIC	6,140.50	24,562.00
20.00	UC SUPPORT 24X7X4OS UCS B200 M2 Blade Server	211.65	4,233.00
5.00	UC SUPPORT 24X7X4OS 5108 Blade Server Chassis	180.11	900.55
10.00	UC SUPPORT 24X7X4OS 6120XP 20PT Fabric Interconnect	666.49	6,664.90
			\$220,334.70

UCAdmin Campus

1.00	Cisco 2921 Voice Bundle, PVD3-32, UC License PAK	2,697.00	2,697.00
2.00	Unified Border Element Enterprise License - 25 sessions	1,797.00	3,594.00
1.00	PVD3 32-channel to 64-channel factory upgrade	900.00	900.00

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Quote No.: SQ009691
Customer ID: ZFAYE-101
Date: 4/3/2012
Sales Rep: JENNIFERE
Designer: JEREMIAHG

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5.00	SMARTNET 24X7X4 Cisco 2921 Voice Bundle	730.40	3,652.00
1.00	8-port voice/fax expansion module - FXS and DID	990.00	990.00
1.00	High density voice/fax extension module - 8 FXS/DID	924.00	924.00
1.00	16-channel high-density voice and video DSP module	480.00	480.00
1.00	Network Module Adapter for SM Slot on Cisco 2900, 3900 ISR	150.00	150.00
			\$13,387.00
UC\Admin Campus\City Hall			
7.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	415.80
40.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	11,760.00
25.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	9,300.00
16.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	11,616.00
			\$33,091.80
UC\Admin Campus\Engineering			
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
37.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	10,878.00
9.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	3,348.00
2.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	1,452.00
1.00	Catalyst 2960S 48 GigE PoE 740W 4xSFP LAN BASE	4,497.00	4,497.00
1.00	AC Power cord, 16AWG	0.00	0.00
			\$20,234.40
UC\Admin Campus\Police Dept			
5.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	297.00
48.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	14,112.00
16.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	5,952.00
4.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	2,904.00
2.00	Cisco 7925G Phone	420.00	840.00
2.00	Cisco 7925G Battery, Extended	57.00	114.00
2.00	Cisco 7925G Power Supply for North America	27.00	54.00
5.00	SMARTnet 8x5xNBD Service for the Cisco 7925G	19.92	99.60
			\$24,372.60
UC\Admin Campus\Maintenance			
5.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,470.00
2.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	118.80
2.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	744.00
			\$2,332.80
UC\Admin Campus\Cable TV			
6.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,764.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$2,549.40
UC\Admin Campus\Fire Station1			
1.00	Cisco ATA 187 with configurable impedance	180.00	180.00
8.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	2,352.00
9.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	3,348.00

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Quote No.: 80009691
Customer ID: ZFAYE-101
Date: 4/3/2012
Sales Rep: JENNIFERE
Designer: JEREMIAHG

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1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	TAMB Bogen Communications Inc.	250.00	250.00
1.00	BOGEN 24V DC 300MA POWER SUPPLY	0.00	0.00
			\$6,856.00
UC\Admin Campus\Dist Court			
20.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	7,440.00
2.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	1,452.00
3.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	882.00
2.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	118.80
			\$9,892.80
UC\City Shop connected			
1.00	Cisco 2921 Voice Bundle, PVDM3-32, UC License PAK	2,697.00	2,697.00
1.00	Included: Power Cord, 110V	0.00	0.00
2.00	Unified Border Element Enterprise License - 25 sessions	1,797.00	3,594.00
1.00	Cisco Config Pro Express on Router Flash	0.00	0.00
1.00	512MB DRAM for Cisco 2901-2921 ISR (Default)	0.00	0.00
1.00	256MB Compact Flash for Cisco 1900, 2900, 3900 ISR	0.00	0.00
1.00	PVDM3 32-channel to 64-channel factory upgrade	900.00	900.00
1.00	Cisco 2921/2951 AC Power Supply	0.00	0.00
1.00	Cisco 2901-2921 IOS UNIVERSAL	0.00	0.00
1.00	IP Base License for Cisco 2901-2951	0.00	0.00
1.00	Unified Communication License for Cisco 2901-2951	0.00	0.00
5.00	SMARTNET 24X7X4 Cisco 2921 Voice Bundle	730.40	3,652.00
			\$10,843.00
UC\City Shop\City Shop			
3.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	178.20
10.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	2,940.00
8.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	2,976.00
2.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	1,452.00
			\$7,546.20
UC\City Shop\Parks			
13.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	3,822.00
2.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	744.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$5,351.40
UC\City Shop\Solid Waste			
5.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,470.00
3.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,116.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
			\$3,312.00
UC\City Shop\Animal Shelter			
3.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	882.00
1.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	372.00

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1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$1,313.40
UC\City Shop\Vet Clinic			
1.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	294.00
1.00	7900 Series Transformer Power Cord, North America	6.00	6.00
1.00	Cisco Unified IP Phone Power Injector - Power injector (ext	75.00	75.00
1.00	Power Adapter for Cisco Unified SIP Phone 3905, NA	18.00	18.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$462.40
UC\City Shop\Basnaw			
1.00	Power Adapter for Cisco Unified SIP Phone 3905, NA	18.00	18.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$77.40
UC\City Shop\PD Warehouse			
1.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	294.00
1.00	7900 Series Transformer Power Cord, North America	6.00	6.00
1.00	Cisco Unified IP Phone Power Injector - Power injector (ext	75.00	75.00
			\$375.00
UC\City Shop\Scale House			
1.00	Power Adapter for Cisco Unified SIP Phone 3905, NA	18.00	18.00
1.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	59.40
			\$77.40
UC\T1 Remote\Nolan Waste			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
3.00	Communication Manager Express or SRST - 5 seat license	90.00	270.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
6.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,764.00
9.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	3,348.00
			\$9,288.20
UC\T1 Remote\West Side Trtmnt			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
3.00	Communication Manager Express or SRST - 5 seat license	90.00	270.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
5.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,860.00
			\$6,036.20
UC\T1 Remote\Water Sewer			
1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Communication Manager Express or SRST - 25 seat license	330.00	330.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20

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Quote No.: SC009691
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18.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	5,292.00
7.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	2,604.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	Catalyst 2960 24 10/100 PoE + 2 T/SFP LAN Base Image	1,497.00	1,497.00
1.00	Included: Power Cord, 110V	0.00	0.00
4.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	237.60
			\$14,682.80

UC\T1 Remote\Airport

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
2.00	Communication Manager Express or SRST - 5 seat license	90.00	180.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
5.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	297.00
1.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	294.00
1.00	Cisco Unified IP Phone 9971, Charcoal, Slim Hndst with Camera	726.00	726.00
1.00	Catalyst 2960 24 10/100 PoE + 2 T/SFP LAN Base Image	1,497.00	1,497.00
1.00	Included: Power Cord, 110V	0.00	0.00
3.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,116.00
			\$8,016.20

UC\T1 Remote\Fire Station 2

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
2.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	588.00
			\$5,595.20

UC\T1 Remote\Fire Station 3

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
2.00	Communication Manager Express or SRST - 5 seat license	90.00	180.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
3.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	882.00
4.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,488.00
			\$6,720.20

UC\T1 Remote\Fire Station 4

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
5.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,470.00

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\$6,477.20

UC\T1 Remote\Fire Station 5

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
5.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,470.00

\$6,477.20

UC\T1 Remote\Fire Station 6

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
4.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,176.00

\$6,183.20

UC\T1 Remote\Fire Station 7

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Eight port 10/100/1000 Ethernet switch interface card w/ PoE	597.00	597.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	Cisco 2901 AC Power Supply with Power Over Ethernet	150.00	150.00
1.00	Four-port Voice Interface Card - FXO (Universal)	528.00	528.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
6.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,764.00

\$6,771.20

UC\T1 Remote\Fire Marshall

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
2.00	Communication Manager Express or SRST - 5 seat license	90.00	180.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
6.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	2,232.00

\$6,318.20

UC\T1 Remote\Y. Richardson

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
1.00	Communication Manager Express or SRST - 5 seat license	90.00	90.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
3.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	882.00

\$4,878.20

UC\T1 Remote\NWA Mail

1.00	Cisco 2901 Voice Bundle, PVDM3-16, UC License PAK	1,617.00	1,617.00
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C. 3
 Cisco **QUOTATION** System
 Page 49 of 68
 Quote No.: SC009691
 Customer ID: ZFAYE-101
 Date: 4/3/2012
 Sales Rep: JENNIFERE
 Designer: JEREMIAHG

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2.00	Communication Manager Express or SRST - 5 seat license	90.00	180.00
1.00	Two-port Voice Interface Card - FXO (Universal)	264.00	264.00
5.00	SMARTNET 24X7X4 Cisco 2901 Voice Bun	405.04	2,025.20
13.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	3,822.00
1.00	Catalyst 2960 24 10/100 PoE + 2 T/SFP LAN Base Image	1,497.00	1,497.00
1.00	Included: Power Cord, 110V	0.00	0.00
9.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	3,348.00
			\$12,763.20
UC\T1 Remote\Other			
4.00	Cisco 7925G Phone	420.00	1,680.00
4.00	Cisco 7925G Battery, Extended	57.00	228.00
4.00	Cisco 7925G Power Supply for North America	27.00	108.00
20.00	SMARTnet 8x5xNBD Service for the Cisco 7925G	19.92	398.40
1.00	Cisco IP Conference Station 7937 Global	792.00	792.00
5.00	SMARTnet 8x5xNBD Service for Cisco 7937 Conf Ph	39.84	199.20
4.00	Cisco Unified SIP Phone 3905, Charcoal, Standard Handset	59.40	237.60
4.00	Cisco IP Phone 7945G, Gig Ethernet, Color, spare	294.00	1,176.00
4.00	Cisco IP Phone 7965G, Gig Ethernet, Color, spare	372.00	1,488.00
10.00	7916 IP Phone Color Expansion Module	312.00	3,120.00
10.00	7900 Series Transformer Power Cord, North America	6.00	60.00
10.00	Cisco IP phone transformer for the 7900 phone series	27.00	270.00
10.00	Footstand kit for single 7914, 7915, or 7916	19.80	198.00
			\$9,955.20
Call Accounting			
1.00	Infortel Select 1000	7,500.00	7,500.00
1.00	Onsite Installation and Training	3,400.00	3,400.00
1.00	5 Year Support	10,990.00	10,990.00
			\$21,890.00
IPcelerate			
1.00	IPSession Software Module pre-loaded Supports up to 1800 usr	7,497.50	7,497.50
1.00	5 Year Software Maintenance	12,820.73	12,820.73
			\$20,318.23
Recording			
1.00	IP Media UCSS eDelivery Option	0.00	0.00
10.00	UCSS for IP Media Recording Base License 5 year- 1 port	52.80	528.00
1.00	Server software and licenses for Media Capture Platform	0.00	0.00
10.00	Per-port license for IP Media Recording	135.00	1,350.00
10.00	License for Audio recording-1 port	15.00	150.00
1.00	Server Software for Media Capture Platform	1,200.00	1,200.00
5.00	ESSENTIAL SW MCP Right to Use Paper license	24.07	120.35
50.00	ESSENTIAL SW Per-port License for IP Media Recording	24.07	1,203.50
5.00	ESSENTIAL SW MCP Right to Use Paper license for Audio	2.49	12.45
			\$4,564.30
Xmedius			

AOS, LLC

Springfield
 636 W. Republic Rd
 Unit F100 Corp Village Park
 Springfield, MO 65807
 Phone: 417-888-2675
 Fax: 417-888-0994

Rogers
 5308 Village Parkway #1
 Rogers, AR 72758
 Phone: 479-899-6830
 Fax: 479-899-6831

Tulsa
 7666 E. 61st St
 #310
 Tulsa, OK 74133
 Phone: 918-935-3530
 Fax: 918-935-3532

Oklahoma City
 3030 NW Expressway
 Suite 1750
 Oklahoma City, OK 73112
 Phone: 405-943-8900
 Fax: 405-943-8902

C. 3
 Cisc **QUOTATION** System
 Page 50 of 68
 Quote No.: SQ009691
 Customer ID: ZFAYE-101
 Date: 4/3/2012
 Sales Rep: JENNIFERE
 Designer: JEREMIAHG

Please visit www.aos5.com for a complete listing of all service areas

1.00	Admin Orientation 2H + 30Min Q&A	395.00	395.00
1.00	Interstar XMediusFAX 6.5 Enterprise Server License, Unlimite	4,495.50	4,495.50
6.00	One T.38 Channel	1,165.50	6,993.00
1.00	Microsoft Exchange Connector	1,435.50	1,435.50
1.00	Phone Support w/SW Upgrade	12,924.00	12,924.00
			\$26,243.00
AOS Executive Discount			
-1.00	AOS Executive Discount	90,000.00	-90,000.00
			-\$90,000.00
AOS Profesional Services			
1.00	AOS Profesional Services	88,000.00	88,000.00
1.00	AOS Profesional Services-Call Accounting	3,600.00	3,600.00
1.00	AOS Profesional Services-Xmedius	3,600.00	3,600.00
1.00	AOS Profesional Services-IPcelerate	3,600.00	3,600.00
1.00	AOS Profesional Services-Recording	7,500.00	7,500.00
			\$106,300.00
		Merchandise Total	\$561,867.63
		Tax Total	52,492.49
		Shipping	\$5,618.68
		Document Total	\$619,978.80

Above quoted pricing is valid until 4/29/2012 .

Quoted pricing includes sales tax. If qualified customer has a valid tax exemption certificate on file with AOS at the time of billing, sales tax will **NOT** be included on the invoice.
 Total solution financing* is available. Ask your account manager how you can avoid upfront cost and pay for your solution over time.

*Restrictions apply. Subject to credit approval and documentation.

Customer signature constitutes agreement with all AOS Terms and Conditions, which may be found at <http://www.aos5.com/terms> in addition to any addendums shown on this quote.

Customer Signature _____

Date _____

EXHIBIT 2

Purchaser 's Counsel's Opinion

[To be provided on letterhead of Purchaser's counsel.]

[Address to Seller and Purchaser]

RE: Property Schedule No. 1 to Master Tax-Exempt Installment Purchase Agreement between Key Government Finance, Inc. and City of Fayetteville.

Ladies and Gentlemen:

We have acted as special counsel to City of Fayetteville ("Purchaser"), in connection with the Master Tax-Exempt Installment Purchase Agreement, dated as of 4/15/2012 (the "Master Agreement"), between City of Fayetteville, as Purchaser, and Key Government Finance, Inc. as Seller ("Seller"), and the execution of Property Schedule No. 1 (the "Property Schedule") pursuant to the Master Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Master Agreement and Property Schedule.

As to questions of fact material to our opinion, we have relied upon the representations of Purchaser in the Master Agreement and the Property Schedule and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Purchaser is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Purchaser has all requisite power and authority to enter into the Master Agreement and the Property Schedule and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement and the Property Schedule by Purchaser has been duly authorized by all necessary action on the part of Purchaser.
4. All proceedings of Purchaser and its governing body relating to the authorization and approval of the Master Agreement and the Property Schedule, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
5. Purchaser has acquired or has arranged for the acquisition of the Property subject to the Property Schedule, and has entered into the Master Agreement and the Property Schedule, in compliance with all applicable public bidding laws.
6. Purchaser has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Purchaser of the Master Agreement and the Property Schedule.
7. The Master Agreement and the Property Schedule have been duly executed and delivered by Purchaser and constitute legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Purchaser, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, litigation is pending, (or, to our knowledge, threatened) against Purchaser in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Purchaser to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal of or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

9. The Purchaser is a political subdivision within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder, and the portion of payments identified as the interest component of the Installment Payments (as set forth in the payment schedule attached to the Property Schedule) will not be includable in Federal gross income of the recipient under the statutes, regulations, court decisions and rulings existing on the date hereof and consequently will be exempt from Federal income taxes.

This opinion may be relied upon by Seller, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Property Schedule.

Very truly yours,

By: _____

DO NOT SIGN THIS FORM – MUST BE ON LETTERHEAD OF PURCHASER’S COUNSEL

Dated: _____

DRAFT-Subject to Credit Approval

EXHIBIT 3

Purchaser 's Certificate

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement between Key Government Finance, Inc. and City of Fayetteville.

The undersigned, being the duly elected, qualified and acting keeper of records for the City of Fayetteville ("Purchaser ") do hereby certify, as of 4/15/2012, as follows:

1. Purchaser did, at a meeting of the governing body of the Purchaser held _____ by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Property Schedule (the "Property Schedule") and the Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement") by the following named representative of Purchaser, to wit:

NAME OF EXECUTING OFFICIAL (Official who signed the documents.)	TITLE OF EXECUTING OFFICIAL	SIGNATURE OF EXECUTING OFFICIAL
And/ Or		

2. The above-named representative of the Purchaser held at the time of such authorization and holds at the present time the office set forth above.

3. The meeting(s) of the governing body of the Purchaser at which the Master Agreement and the Property Schedule were approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Master Agreement and the Property Schedule and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Purchaser relating to the authorization and delivery of Master Agreement and the Property Schedule have been: (a) held within the geographic boundaries of the Purchaser; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Purchaser, if any, and the laws of the State.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default (as such term is defined in the Master Agreement) exists at the date hereof with respect to this Property Schedule or any other Property Schedules under the Master Agreement.

5. The acquisition of all of the Property under the Property Schedule has been duly authorized by the governing body of Purchaser.

6. Purchaser has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Installment Payments scheduled to come due during the current budget year under the Property Schedule and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

7. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Purchaser in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement or the Property Schedule or of other agreements similar to the Master Agreement; (b) questioning the authority of Purchaser to execute the Master Agreement or the Property Schedule, or the validity of the Master Agreement or the Property Schedule, or the payment of principal or interest on, the Property Schedule; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement and the Property Schedule; or (d) affecting the provisions made for the payment of or security for the Master Agreement and the Property Schedule.

City of Fayetteville
Attest By:
Title:
SOMEONE OTHER THAN THE EXECUTING OFFICIAL(S) SHOWN ABOVE MUST SIGN HERE.

EXHIBIT 4

Payment of Proceeds Instructions

Key Government Finance, Inc.
1000 South McCaslin Blvd.
Superior, CO 80027

Re: Property Schedule No. 1 (the "Property Schedule") to Master Tax-Exempt Installment Purchase Agreement between Key Government Finance, Inc. ("Seller"), and City of Fayetteville ("Purchaser").

Ladies and Gentlemen:

The undersigned, an Authorized Representative of the Purchaser hereby requests and authorizes Seller to disburse the net proceeds of the Property Schedule as follows:

Name of Payee: KEY BANK, N.A. – Escrow Account

By wire transfer XX

City of Fayetteville

By: _____

Name: _____

Title: _____

DRAFT-Subject to Credit Approval

EXHIBIT 5

Acceptance Certificate

Key Government Finance, Inc.
1000 South McCaslin Blvd.
Superior, CO 80027

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement between Key Government Finance, Inc. and City of Fayetteville

Ladies and Gentlemen:

In accordance with the above-referenced Master Tax-Exempt Installment Purchase Agreement (the "Master Agreement"), the undersigned ("Purchaser") hereby certifies and represents to, and agrees with, Key Government Finance, Inc. ("Seller"), as follows:

- (1) The Property, as such terms are defined in the above-referenced Property Schedule, has been acquired, made, delivered, installed and accepted on the date indicated below.
- (2) Purchaser has conducted such inspection and/or testing of the Property as it deems necessary and appropriate and hereby acknowledges that it accepts the Property for all purposes.
- (3) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as such terms are defined in the Master Agreement) exists at the date hereof.

Date: _____

City of Fayetteville
as Purchaser

By: _____

Name: _____

Title: _____

EXHIBIT 6

Bank Qualification Certificate

Key Government Finance, Inc.
1000 South McCaslin Blvd.
Superior, CO 80027

Re: **Property Schedule No. 1** to Master Tax-Exempt Installment Purchase Agreement between Key Government Finance, Inc. and City of Fayetteville

Bank Qualified Tax-Exempt Obligation

(Check box for Bank Qualified designation)

Lessee hereby designates this Property Schedule as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. Lessee reasonably anticipates issuing tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds and including all tax-exempt obligations of subordinate entities of the Lessee) during the calendar year in which the Commencement Date of this Property Schedule falls, in an amount not exceeding \$10,000,000.00.

Non-Bank Qualified Tax-Exempt Obligation

(Check box for Non-Bank Qualified designation)

Lessee reasonably anticipates issuing more than \$10,000,000.00 in tax-exempt obligations in the calendar year of the Commencement Date as defined in the Property Schedule.

****Note: ONE of the boxes above MUST be checked.**

Purchaser: City of Fayetteville
By:
Name:
Title:

****Please fill out this form and fax it to your insurance company****

Request for Certificate of Insurance

TO:

Insurance Carrier: (Name) _____
(Address) _____
(Address) _____
(Contact Name) _____
(Contact Phone) _____
(Contact Fax) _____

FROM:

Customer/Purchaser: City of Fayetteville
113 West Mountain Street
Fayetteville, AR 72701
Contact Name: Sharon Waters
Contact Phone: 479.575.8277
Contact Fax: 479.575.8250

City of Fayetteville is in the process of financing certain telecommunications equipment with Key Government Finance, Inc.

City of Fayetteville requests that Key Government Finance, Inc. be listed as "Key Government Finance, Inc., their successors and assigns" and that it be named ADDITIONAL INSURED as to liability coverage and LOSS PAYEE as to property coverage. A copy of said certificate should be forwarded to Key Government Finance, Inc. as described below.

NOTE: Coverage is to include:

- (1) insurance against all risks of physical loss or damage to the Equipment;
- (2) commercial general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage of not less than \$1,000,000; and
- (3) if applicable, automobile liability coverage of not less than \$3,000,000.

Key Government Finance, Inc. is to receive **30 days** prior written notice of cancellation or material change in coverage. **Qualifying language such as "endeavor to provide"; "but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representative" or the like will NOT be accepted and will delay funding.**

1. Please **FAX** this completed information to:
Key Government Finance, Inc.
Suzanne Hoff, Account Manager
Phone Number: 720-304-1419
Fax Number: 866-840-3016
2. Please **MAIL** a Certificate of Insurance to:
Key Government Finance, Inc.
Suzanne Hoff
1000 S. McCaslin Boulevard
Superior, CO 80027
3. Please **CONTACT** the Account Manager:
- ✓ When faxing this Certificate.
 - ✓ If this cannot be completed today.
 - ✓ If you have any questions.

Notification of Tax Treatment

Key Government Finance, Inc. is required to collect and remit sales/use tax in the taxing jurisdiction where your equipment will be located. In the event we do not receive a valid sales tax exemption certificate prior to the date your financing commences, you will be charged sales/use tax.

Personal property tax returns will be filed as required by local law. In the event that any tax abatements or special exemptions are available on the equipment you will be leasing from us, please notify us as soon as possible and forward the related documentation to us. This will ensure that your financed equipment will be reported correctly.

Please indicate below if you feel that your purchase is subject to tax or whether a valid exemption exists.

_____ I agree that my purchase is subject to sales/use tax.

_____ I am exempt from sales/use tax and I have attached a completed exemption certificate to Key Government Finance, Inc.

_____ I have previously provided a completed exemption certificate to Key Government Finance, Inc. which is valid for this transaction.

_____ I am exempt from state tax but subject to local tax. I have attached a completed exemption certificate.

_____ I have a valid abatement or property tax exemption (documentation attached).

If applicable to the tax rates in your state, are you outside the city limits or in an unincorporated area?

Additional comments:

Purchaser: City of Fayetteville
By:
Name:
Title:

PURCHASER INVOICE INSTRUCTIONS
(The information you provide enables us to invoice you correctly)

City of Fayetteville

BILL TO ADDRESS:

BILLING CONTACT:

First, M.I. and Last Name:

Title:

Phone Number:

Fax Number:

PURCHASE ORDER NUMBER:

Invoices require purchase order numbers: YES _____ NO _____

Purchase Order Number:

FEDERAL TAX ID NUMBER:

EQUIPMENT LOCATION (If different from Billing Address):

ADDITIONAL INFORMATION NEEDED ON INVOICE:

Escrow Disbursement Instructions for Tax-Exempt financing

In reference to your equipment financing, we will be depositing the financing proceeds directly into an escrow account. This account will provide you with the ability to disburse funds incrementally (either directly to vendors or to reimburse yourself) based on equipment invoices (any \$ size and frequency). You will control the disbursement of funds by completing the attached documents.

Escrow Disbursements – The following are the steps that you will need to take when making disbursements of proceeds from your escrow account:

1. Complete and sign **Exhibit A** "FORM OF REQUISITION OF COSTS OF PROPERTY". This needs to be on your letterhead.
 2. Complete and sign – **Schedule 1** "DISBURSEMENT SCHEDULE" complete with payment information.
 3. Attach – Invoice(s) from the Vendor(s).
 4. Mail a completed and signed copy of the **Exhibit A, Schedule 1 and the Vendor invoices** to my attention at the address listed below.
- **Note: If the disbursement from the escrow is for the reimbursement of funds already expended, you must attach proof of payment (front and back of cancelled checks).**

****PLEASE NOTE THAT WE MUST RECEIVE THE ORIGINAL DOCUMENTS****

Once you are ready to do the final disbursement out of the Escrow account:

- Final Disbursement – Include the signed and dated original of the **Exhibit 5** "ACCEPTANCE CERTIFICATE" (this document was part of your original document package), along with the Exhibit A "FORM OF REQUISITION OF COSTS OF PROPERTY" and the rest of the attachments needed. Additionally, please include a letter stating that this is the final disbursement and that you wish to close the Escrow account.
- If there is any money remaining in the Escrow account, after the final disbursement to the Vendor(s), the balance will be applied to your next payment.

If you have any questions regarding this information, please give me a call.

Thank you.

Suzanne Hoff
Key Government Finance
1000 S. McCaslin Blvd.
Superior CO 80027
720-304-1419
866-840-3016 Fax

ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement"), dated as of 4/15/2012 and entered into by and among Key Government Finance, Inc. ("Seller"), City of Fayetteville ("Purchaser") and KeyBank National Association (the "Escrow Agent").

RECITALS:

- A. Seller and Purchaser are parties to a Master Tax-Exempt Installment Purchase Agreement, dated as of 4/15/2012 and Schedule No. 1 thereunder, dated as of 4/15/2012 (the "Purchase Agreement") whereunder Purchaser is acquiring from Seller certain personal property more particularly described therein (the "Property").
- B. Seller and Purchaser intend to cause or have caused certain funds to be deposited with Escrow Agent to pay for costs of the Property, and Escrow Agent has agreed to disburse said funds in accordance with the terms and conditions of this Escrow Agreement.
- C. 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 officers whose signatures are affixed hereto.

NOW, THEREFORE, the parties agree as follows:

1. Appointment of Escrow Agent. Seller, Purchaser and Escrow Agent agree that Escrow Agent shall act as sole Escrow Agent under the Purchase Agreement and this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. The Escrow Agent, in its capacity as escrow agent hereunder, shall not be deemed to be a party to the Purchase Agreement, and this Escrow Agreement shall be deemed to constitute the entire agreement regarding the Acquisition Fund (as hereinafter defined) among Seller, Purchaser and Escrow Agent.
2. Acquisition Fund. There is hereby established in the custody of Escrow Agent a special trust fund designated as the "City of Fayetteville Acquisition Fund" (the "Acquisition Fund") to be held and administered by Escrow Agent in trust for Purchaser in accordance with this Escrow Agreement, subject to Seller's rights under Section 3 hereof. It is anticipated that the funds in the Acquisition Fund and earnings thereon shall be sufficient to pay the cost of acquisition of the Property. In the event such sums are insufficient, Purchaser shall be responsible for the timely payment of any deficiency.

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

2.A. Deposit in Acquisition Fund. There shall be deposited in the Acquisition Fund the sum of \$619,978.80. Escrow Agent shall maintain accounting records sufficient to permit calculation of the income on investments and interest earned on deposit of amounts held in the Acquisition Fund, and such income and interest shall become part of the Acquisition Fund and may be expended as provided herein.

2.B. Disbursements from Acquisition Fund. Escrow Agent shall make payments from the Acquisition Fund to pay costs of the Property upon receipt of requisitions from Purchaser, signed by an authorized individual substantially in the form attached hereto as Exhibit A, which is incorporated by reference herein. In the event Escrow Agent is directed or requested by Purchaser to hold or deposit any retained funds or to accept a retainage bond (in lieu of funds) as may be required by law or the terms of the acquisition contract to which Purchaser is a party, Escrow Agent shall act in accordance with Purchaser's instructions, and such retained funds (or performance bond) and any interest thereon shall be paid as provided in instructions to Escrow Agent from Purchaser. The final requisition shall include the final acceptance certificate required in the Purchase Agreement, which shall be executed by the Purchaser and delivered to the Escrow Agent. Where requisitions involve titled motor vehicles, the requisition shall also include:

- (i) Manufacturers Certificate of Origin.
- (ii) Motor vehicle paperwork appropriate to state of registration, noting Key Government Finance, Inc. as lien holder.
- (iii) Insurance certificate naming Key Government Finance, Inc., its successors and assigns as sole loss payee and additional insured for the specified equipment.

3. Termination of Escrow.

(a) Acquisition of Property. Upon the final acceptance of the Property by Purchaser, as evidenced by execution by Purchaser of a final acceptance certification pursuant to the Purchase Agreement and delivered to Escrow Agent, and the payment of all costs related thereto (i) any retainage shall be disbursed as directed by Purchaser, and (ii) any amounts remaining in the Acquisition Fund (including the earnings from investments thereof) shall be transferred to Purchaser and be applied toward reimbursement of Purchaser for funds advanced for the Property. To the extent that additional moneys in excess of those needed to reimburse Purchaser for the acquisition of the Property exist in the Acquisition Fund, such amounts shall be paid to Seller and applied

KEYCORP CONFIDENTIAL - This is counterpart # _____ of _____ manually executed counterparts. Only counterpart # 1 constitutes chattel paper

first to the next payment due on the Purchase Agreement and then applied to prepayment of the principal component of the payments and Seller shall recalculate the installment payment schedule for the remaining term such that the remaining installment payments shall be level. Upon disbursement of all sums in the Acquisition Fund, this Escrow Agreement shall terminate, provided that the indemnifications by Purchaser shall survive the termination of this Escrow Agreement.

(b) Eighteen Months. This Escrow Agreement shall terminate eighteen (18) months from the date of this Escrow Agreement. It may, however, be extended by mutual consent of the Purchaser and Seller in writing to the Escrow Agent either in advance of the termination or retroactively. Any money remaining in the Acquisition Fund at the time of termination under this subsection (b) shall be transferred to Seller and shall be applied first to the next payment due under the Purchase Agreement, and then, if there are amounts remaining, applied to the prepayment of the Purchase Agreement being applied to principal and Seller shall recalculate the installment payment schedule for the remaining term such that the remaining installment payments shall be level. Purchaser shall be deemed to have accepted all Property paid for from the Acquisition Fund at the time of termination under this subsection (b). Upon disbursement of all sums in the Acquisition Fund, this Escrow Agreement shall terminate, provided that the indemnifications by Purchaser shall survive the termination of this Escrow Agreement.

(c) Event of Default; Nonappropriation. Upon receipt of written notice from Seller of an event of default by Purchaser under the Purchase Agreement or an event of nonappropriation, if provided for under the Purchase Agreement, Escrow Agent shall disburse the funds in the Acquisition Fund to Seller for application in accordance with the Purchase Agreement. Upon such payments from the Acquisition Fund, this Escrow Agreement shall terminate, provided that the indemnifications by Purchaser shall survive the termination of this Escrow Agreement.

4. Investment of Acquisition Fund; Arbitrage Rebate.

(a) Investment of Acquisition Fund. Monies held by Escrow Agent hereunder shall be invested and reinvested by Escrow Agent upon written instructions from Purchaser in an investment which is a permitted investment for Purchaser under the laws of the state in which Purchaser is organized. Escrow Agent shall have no responsibility for advising Purchaser or Seller as to the permissibility of any investment of monies in the Acquisition Fund. If Escrow Agent does not receive a written direction from Purchaser as to the investment or reinvestment of monies in the Acquisition Fund, Escrow Agent may hold such monies uninvested until such direction is received. Escrow Agent shall have no responsibility for any losses suffered from any investment of monies on deposit in the Acquisition Fund authorized by Purchaser.

(b) Arbitrage Rebate. Purchaser hereby represents, covenants and warrants that pursuant to Treasury Regulations Section 1.148-7(d), the gross proceeds of the Purchase Agreement will be expended for the governmental purposes for which the Purchase Agreement was entered into, as follows: at least 15% within six months after the Commencement Date, such date being the date of deposit of funds into the Acquisition Account under Section 2.A., hereof, at least 60% within 12 months after the Commencement Date, and 100% within 18 months after the Commencement Date. If Purchaser is unable to comply with Section 1.148-7(d) of the Treasury Regulations, Purchaser shall, at its sole expense and cost, compute rebatable arbitrage on the Purchase Agreement and pay rebatable arbitrage to the United States at least once every five years, and within 60 days after payment of the final rental or installment payment due under the Purchase Agreement.

5. Amendment and Modification. This Escrow Agreement may not be amended, modified, altered, supplemented or waived except by a written instrument executed by Seller, Purchaser and Escrow Agent.

6. Regarding the Escrow Agent.

(a) Duties of Escrow Agent. Escrow Agent undertakes to perform only such duties as are specifically set forth in this Escrow Agreement. Escrow Agent shall be under no implied obligation or subject to any implied liability hereunder. Escrow Agent shall incur no liability whatsoever except for its gross negligence or willful misconduct so long as it is acting in good faith. Escrow Agent shall not be required to take notice of any of the provisions of the Purchase Agreement or any document or instrument executed in connection therewith, except as expressly set forth in this Escrow Agreement. The permissive right of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as a duty.

(b) Escrow Agent Reliance. Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. 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; and its duties hereunder shall be limited to those specifically provided herein.

(c) Counsel and Fees; Reliance upon Counsel. If Escrow Agent believes it to be reasonably necessary to consult with counsel concerning any of its duties in connection herewith, or in case the Escrow Agent becomes involved in litigation on account of acting hereunder, then, in either case, its cost, expenses and reasonable attorneys fees shall be paid by Purchaser. Escrow Agent's right to receive its attorneys' fees and expenses shall survive the termination of this Escrow Agreement. If Escrow Agent consults with counsel, Escrow Agent may act, in good faith, in reliance upon the advice of counsel concerning its duties in connection herewith or in acting hereunder.

(d) No Obligation to Take Legal Action. Escrow Agent shall not be under any obligation to take any legal action in connection with this Escrow Agreement or for its enforcement, or to appear, prosecute or defend any action or legal proceeding which, in its opinion, would or might involve it in any costs, expense, loss or liability, or to otherwise expend or risk its own funds or incur any financial liability in the performance of this Escrow Agreement, unless and as often required by it, it shall be furnished with security and indemnity satisfactory against all such costs, expenses, losses or liabilities. If any controversy arises

between the parties hereto or with any third person, the Escrow Agent shall not be required to resolve the same or to do so (other than to use its best efforts to give notice of such controversy to Seller and Purchaser) but may, at its discretion, institute such interpleader or other proceedings as it deems proper.

(e) Quarterly Statement. Escrow Agent shall issue a quarterly accounting statement showing receipts to and disbursements from the Acquisition Fund. Such statement shall be mailed to Seller and Purchaser.

(f) Resignation and Termination. Escrow Agent may, upon providing thirty days written notice, resign its position as Escrow Agent and terminate its liabilities and obligations hereunder. In the event Escrow Agent is not notified within thirty days of a successor Escrow Agent, Escrow Agent shall be entitled to transfer all funds to a court of competent jurisdiction with a request to have a successor appointed, at the expense of Purchaser. Upon filing such action and delivering such assets, Escrow Agent's obligations and responsibilities shall cease. Seller and Purchaser may jointly terminate Escrow Agent and appoint a successor Escrow Agent by providing 15 days written notice to Escrow Agent.

7. Indemnification. To the extent permitted by law, Purchaser hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by or asserted against, Escrow Agent at any time (whether or not also indemnified against the same by Purchaser or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of this Escrow Agreement, the establishment hereunder of the Acquisition Fund, the acceptance of the funds and securities deposited therein, the purchase of any securities to be purchased pursuant thereto, the retention of such securities or the proceeds thereof, and any payment, transfer or other application of moneys or securities by Escrow Agent in accordance with the provisions of this Escrow Agreement; provided, however, that Purchaser shall not be required to indemnify, protect, save or keep harmless Escrow Agent against Escrow Agent's own gross negligence or willful misconduct or gross negligence or willful misconduct of Escrow Agent's respective successors, assigns, agents and employees or the material breach by Escrow Agent of the terms of this Escrow Agreement. The indemnities contained in this Section shall survive the termination of this Escrow Agreement.

8. Notices. Any notices permitted or required under this Escrow Agreement shall be in writing and shall be deemed given upon the date of personal delivery or 48 hours after deposit in the United States mail, certified or registered, postage fully prepaid, return receipt requested, addressed to the addresses set forth on the signature page of this Escrow Agreement. The party to whom notices or copies of notices are to be sent shall have the right at any time and from time to time to change its address for notice or person to receive notice by giving notice in the manner specified in this paragraph.

9. Escrow Agent's Fee. Escrow Agent shall be paid no fee for setting up the escrow. In the event that Escrow Agent is made a party to litigation with respect to the Acquisition Fund, or brings an action in interpleader, or Escrow Agent is required to render any service not provided for in this Escrow Agreement, or there is any assignment of interests in this escrow or any modification hereof, Escrow Agent shall be entitled to reasonable compensation for such extraordinary services and reimbursement by Purchaser for all fees, costs, liability and expenses, including attorney fees. Purchaser also agrees to pay any investment fees or other charges of Escrow Agent, such as wire transfer charges and disbursement charges and agrees such fees and charges may be deducted by and paid to the Escrow Agent from funds in or to be deposited in the Acquisition investment earnings to be deposited in the Acquisition Fund.

10. Counterparts. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Escrow Agreement is to be executed by the parties hereto in sufficient numbers so that an Escrow Agreement bearing each party's original signature can be held by the Escrow Agent.

11. Waiver. Any waiver by any party of any breach of any term or condition of this Escrow Agreement shall not operate as a waiver of any other breach of such term or condition or any other term or condition, nor shall any failure to enforce such provision hereof operate as a waiver of such provision or of any other provision hereof, nor constitute nor be deemed a waiver or release of any other party for anything arising out of, connected with, or based on this Escrow Agreement.

12. Exhibits. All exhibits, schedules and lists attached to this Escrow Agreement or delivered pursuant to this Escrow Agreement shall be deemed a part of this Escrow Agreement and incorporated herein, where applicable, as if fully set forth herein.

13. Applicable Law. This Escrow Agreement shall be governed by the laws of the state in which Purchaser is located.

14. Successors and Assigns. This Escrow Agreement shall be binding on and shall inure to the benefit of the parties and their respective successors and assigns. Any corporation or association into which the Escrow Agent may merge, or to which Escrow Agent may sell or transfer its banking business, shall automatically be and become successor Escrow Agent hereunder and vested with all powers as was its predecessor without the execution or filing of any instruments or further act, deed or conveyance on the part of the parties hereto.

15. 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.

IN WITNESS WHEREOF, Seller, Purchaser and Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives, all as of the date first above written.

Key Government Finance, Inc.

City of Fayetteville

By _____
Authorized Officer

By _____

Title _____

Title _____

Address: 1000 South McCaslin Blvd.
Superior, CO 80027

Address: 113 West Mountain Street
Fayetteville, AR 72701

KEYBANK NATIONAL ASSOCIATION

By _____
Authorized Officer

Address: 127 Public Square
Cleveland OH 44114

DRAFT-Subject to Credit Approval

[Please type on your letterhead]
EXHIBIT A
FORM OF REQUISITION
COSTS OF PROPERTY

C/O Key Government Finance, Inc.
1000 South McCaslin Blvd.
Superior, CO 80027
Attn: Suzanne Hoff
720-304-1419

On Behalf of:
KeyBank National Association
127 Public Square
Cleveland OH 44114

Amount Requested: \$ _____

Total Disbursements to Date: \$ _____

Requisition No.: _____

1. The undersigned, an officer or official of Purchaser, hereby requests and authorizes KeyBank National Association, as Escrow Agent under the Escrow Agreement dated as of 4/15/2012, among City of Fayetteville (the "Purchaser"), Key Government Finance, Inc. (the "Seller") and Escrow Agent, to pay to or upon the order of the Purchaser the amount specified above for the payment or reimbursement of costs of Property described in Schedule 1 attached.

2. The Purchaser hereby certifies that:
(a) each obligation mentioned in Schedule 1 has been properly incurred, is a proper charge against the Acquisition Fund and has not been the basis of any previous disbursement;
(b) no part of the disbursement requested hereby will be used to pay for materials not yet incorporated into the Property or for services not yet performed in connection therewith;
(c) insurance requirements of the Purchase Agreement have been complied with and such coverage is in force;
(d) as of the date of this Requisition no event of default or event of nonappropriation, if any, as such terms are defined in the Purchase Agreement between Seller and Purchaser has occurred and is continuing and no event which with notice or lapse of time, or both, has occurred and is continuing which would constitute such event of default or event of nonappropriation; and
(e) the Property acquired with this disbursement is functionally complete and operationally independent and is hereby accepted. If this is the final requisition, the final acceptance certification required in the Purchase Agreement is attached hereto.

3. All capitalized terms herein shall have the meanings assigned to them in the Escrow Agreement.

4. The list of equipment, set forth in the equipment/property description to the Purchase Agreement, shall be deemed amended upon payment of this requisition to include the property set forth in Schedule 1 hereto and any property paid with funds of this requisition.

City of Fayetteville

By: _____
Name: _____
Title: _____
Date: _____

Approved by Seller, or in the event Seller's right, title and interest in the Purchase Agreement has been assigned, by the current assignee of Seller's right, title and interest in the Purchase Agreement:

Key Government Finance, Inc.

By: _____
Name: _____
Title: _____
Date: _____

[Purchaser to attach final acceptance certification if final disbursement request.]

SCHEDULE 1 DISBURSEMENT SCHEDULE

To Requisition No. _____ for the Acquisition Fund:

1. Amount: \$ _____

Payee: _____

By check _____ By wire transfer _____

If by check, Payee's address: _____

If by wire transfer, instructions as follows:

Pay to:

Bank Name:
Bank Address:
Bank City, State, Zip:
Bank Phone:
For Account of:
Account No.:
ABA No.:

2. Amount: \$ _____

Payee: _____

By check _____ By wire transfer _____

If by check, Payee's address: _____

If by wire transfer, instructions as follows:

Pay to:

Bank Name:
Bank Address:
Bank City, State, Zip:
Bank Phone:
For Account of:
Account No.:
ABA No.:

City of Fayetteville

By: _____

Name: _____

Title: _____

Date: _____



Key Government Finance, Inc.
 1000 S. McCaslin Blvd.
 Superior CO 80027

INVOICE

Bill to: City of Fayetteville Sharon Waters 113 West Mountain Street Fayetteville, AR 72701 swaters@ci.fayetteville.ar.us	Invoice No.	001
	Invoice Date:	4/4/12
	Lease No.	TBD, Sch. 1
	Purchase Order No.	
	Contract No.	
	CSA No.	
	ACT No.	
	Reference:	

Qty	Item	Description	Total
1	Lease Payment	Payment due 4/15/2012	\$200,000.00
		Tax	
		Balance Due	\$200,000.00

Please remit funds to:
 Key Government Finance, Inc.
 Attn: Suzanne Hoff
 1000 S. McCaslin Blvd.
 Superior, CO 80027

 Contact Phone: 720-304-1419

REMITTANCE INFORMATION	
Date:	
Amount Due:	
Amount Enclosed:	

- Please remember to:
- 1) Make checks payable to Key Government Finance, Inc.
 - 2) Return a copy of this invoice with your payment.
 - 3) Keep a copy of this invoice for your records.
 - 4) Direct all inquiries to the contact listed above.

Comments:

