

CITY OF LONG BEACH
INDEX TO LEGAL DOCUMENTS

30261

Master Lease / Purchase Agreement;

Exhibit A - Equipment Schedule No. 01;

Acceptance Certificate;

Payment Schedule;

Exhibit B – Tax Agreement and Arbitrage Certificate;

Exhibit C - Resolution of Governing Body;

Exhibit D - Incumbency Certificate;

Exhibit E - Opinion of Counsel;

Exhibit F - Escrow Agreement, with its Schedule A;


 Exhibit G-1 – Self-Insurance Certificate for Liability Coverage;

Exhibit G-2 – Request for Property Insurance Certificate/Certificate;

UCC Financing Statements with attached Schedule A;

Form 8038-G.

30261

MASTER LEASE-PURCHASE AGREEMENT

This Master Lease-Purchase Agreement together with all addenda, riders and Attachments hereto, as the same may from time to time be amended, modified or supplemented ("Master Lease") is made and entered by and between SunTrust Leasing Corporation ("Lessor") and the lessee, City of Long Beach ("Lessee"), dated as of September 5, 2007 in the Notional Amount, program amount, of: \$10,000,000.00.

LEASE OF EQUIPMENT: Subject to the terms and conditions of this Master Lease, Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, all Equipment described in each Schedule signed from time to time by Lessee and Lessor.

CERTAIN DEFINITIONS: All terms defined in the Lease are equally applicable to both the singular and plural form of such terms. (a) "Schedule" means each Lease Schedule signed and delivered by Lessee and Lessor, together with all addenda, riders, attachments, certificates and exhibits thereto, as the same may from time to time be amended, modified or supplemented, substantially in the form of Exhibit A outlined in the Index to Legal Documents. Lessee and Lessor agree that each Schedule (except as expressly provided in said Schedule) incorporates by reference all of the terms and conditions of the Master Lease. (b) "Lease" means any one Equipment Schedule and this Master Lease as incorporated into said Equipment Schedule. (c) "Equipment" means the property described in each Schedule, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto. (d) "Lien" means any security interest, lien, mortgage, pledge, encumbrance, judgment, execution, attachment, warrant, writ, levy, other judicial process or claim of any nature whatsoever by or of any person. (e) "Escrow Account" means the fund of that name established and administered pursuant to the Escrow Agreement. (f) "Escrow Agreement" means that certain agreement executed in connection with any Schedule, among Lessor, Lessee and Escrow Agent, substantially in the form of Exhibit F, relating to the Equipment Acquisition Fund (as defined in the Escrow Agreement). (g) "Escrow Agent" means SunTrust Bank, a Georgia banking corporation, in its capacity as escrow agent under the Escrow Agreement, and its successors. (h) "Fiscal Year" means each twelve month fiscal period of Lessee. (i) "Equipment" means all items of property described in Equipment Schedules and subject to this Agreement, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto. (j) "Equipment Group" means each group of Equipment listed in a single Equipment Schedule. (k) "Equipment Schedule" means each sequentially numbered schedule executed by Lessor and Lessee with respect to an Equipment Group, together with all addenda, riders, attachments, certificates and exhibits thereto, as the same may from time to time be amended, modified or supplemented, substantially in the form outlined in the Index to Legal Documents. (l) "Interest" means the portion of a Rental Payment designated as and comprising interest as provided in a Payment Schedule. (m) "Net Proceeds" means any insurance proceeds or condemnation awards paid with respect to any Equipment remaining after payment therefrom of all expenses incurred in the collection thereof. (n) "Payment Date" means each date upon which a Rental Payment is due and payable as provided in a Payment Schedule. (m) "Payment Schedule" means the schedule of Rental Payments attached to an Equipment Schedule. (n) "Principal" means the portion of any Rental Payment designated as and comprising principal as provided in a Payment Schedule. (o) "Prepayment Price" means the amount so designated and set forth opposite a Payment Date in a Payment Schedule indicating the amount for which Lessee may purchase the related Equipment Group as of such Payment Date after making the Rental Payment due on such Payment Date. (p) "Rental Payment" means each payment due from Lessee to Lessor on a Payment Date. (q) "State" means the state of California, in which Lessee is situated; (r) "Vendor" means each of the manufacturers or vendors from which Lessee has ordered or with which Lessee has contracted for the manufacture, delivery and/or installation of the Equipment.

- 1 **MASTER LEASE TERM:** The term of the Master Lease shall be three (3) years from the date above and can be extended for an additional two (2) years with concurrence of Lessor and Lessee. The terms and conditions contained in this Master Lease and incorporated into a Lease or Equipment Schedule funded hereunder, shall survive the expiration of the Lease Term so long as any Equipment Schedules or Leases entered into under this Master Lease have not been terminated or have any outstanding obligations thereunder.

- 2 **NOTIONAL AMOUNT:** Represents the total amount of the full line of credit that Lessor has agreed to provide Lessee as evidenced by entering into various Lease Equipment Schedules signed and delivered by Lessee and Lessor, together with all addenda, riders, attachments, certificates and exhibits thereto.
- 3 **LEASE TERM:** The term of the lease of the Equipment described in each Lease ("Lease Term") commences on the first date any of such Equipment is accepted by Lessee pursuant to Section 5 hereof and, unless earlier terminated as expressly provided in the Lease, continues until Lessee's payment and performance in full of all of Lessee's obligations under the Lease.
- 4 **RENT PAYMENTS:**
- a For each Lease, Lessee agrees to pay to Lessor the Rental Payments in the amounts and at the times as set forth in the Payment Schedule attached to the Equipment Schedule. A portion of each Rental Payment is paid as and represents the payment of interest as set forth in the Payment Schedule. Lessee acknowledges that its obligation to pay Rental Payments including interest therein accrues as of the Accrual Date stated in the Equipment Schedule or its Payment Schedule; provided, that no Rental Payment is due until Lessee accepts the Equipment under the Lease or the parties execute an escrow agreement in substantially the same form as attached hereto as Exhibit F or as otherwise agreed to by the parties. Rental Payments will be payable for the Lease Term in U.S. dollars, without notice or demand at the office of Lessor (or such other place as Lessor may designate from time to time in writing).
 - b If Lessor receives any payment from Lessee later than ten (10) days from the due date, Lessee shall pay Lessor on demand as a late charge five per cent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.
 - c EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 6 HEREOF OR IN ANY WRITTEN MODIFICATION TO THE LEASE SIGNED BY LESSOR, THE OBLIGATION TO PAY RENTAL PAYMENTS UNDER EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND SHALL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER.
- 5 **DELIVERY; ACCEPTANCE; FUNDING CONDITIONS:**
- a Lessee shall arrange for the transportation, delivery and installation of all Equipment to the location specified in the Equipment Schedule ("Location") by Equipment suppliers ("Suppliers") selected by Lessee. Lessee shall pay all costs related thereto.
 - b Lessee shall accept Equipment as soon as it has been delivered and is operational. Lessee shall evidence its acceptance of any Equipment by signing and delivering to Lessor the applicable Equipment Schedule. If Lessee signs and delivers an Equipment Schedule and if all Funding Conditions have been satisfied in full, then Lessor will pay or cause to be paid the costs of such Equipment as stated in the Equipment Schedule ("Purchase Price") to the applicable Supplier.
 - c Lessor shall have no obligation to pay any Purchase Price unless all reasonable conditions established by Lessor ("Funding Conditions") have been satisfied, including, without limitation, the following: (a) Lessee has signed and delivered the Equipment Schedule and its Payment Schedule and attached documents including but not limited to an Acceptance Certificate in the form attached hereto; (b) no Event of Default shall have occurred and be continuing; (c) no material adverse change shall have occurred in the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder (collectively, the "Code"); (d) no material adverse change shall have occurred in the financial condition of Lessee or any Supplier; (e) the Equipment is reasonably satisfactory to Lessor and is free and clear of any Liens (except Lessor's Liens); (f) all representations of Lessee in the Lease remain true, accurate and complete; and (g) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor: (1) evidence of insurance coverage required by the Lease; (2) an opinion of Lessee's counsel; (3) reasonably detailed invoices for the Equipment; (4) Uniform Commercial Code (UCC) financing statements; (5) copies of resolutions by Lessee's governing body authorizing the Lease and incumbency certificates for the person(s) who will sign the Lease; (6) such documents and certificates relating to the tax-exempt interest payable under the Lease (including, without limitation, IRS Form 8038G or 8038GC) as Lessor may request; and (7)

such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor.

6 TERMINATION FOR GOVERNMENTAL NON-APPROPRIATIONS:

- a For each Lease, Lessee represents and warrants: that it has appropriated and budgeted the necessary funds to make all Rental Payments required pursuant to such Lease for the remainder of the fiscal year in which the Lease Term commences; and that it currently intends to make Rental Payments for the full Lease Term as scheduled in the applicable Payment Schedule if funds are appropriated for the Rental Payments in each succeeding fiscal year by its governing body. Without contractually committing itself to do so, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated therefor. Lessee directs the person in charge of its budget requests to include the Rental Payments payable during each fiscal year in the budget request presented to Lessee's governing body for such fiscal year; provided, that Lessee's governing body retains authority to approve or reject any such budget request. All Rental Payments shall be payable out of the general funds of Lessee or out of other funds legally appropriated therefor. Lessor agrees that no Lease will be a general obligation of Lessee and no Lease shall constitute a pledge of either the full faith and credit of Lessee or the taxing power of Lessee.
- b If Lessee's governing body fails to appropriate sufficient funds in any fiscal year for Rental Payments or other payments due under a Lease and if other funds are not legally appropriated for such payments, then a "Non-Appropriation Event" shall be deemed to have occurred. If a Non-Appropriation Event occurs, then: (a) Lessee shall give Lessor immediate notice of such Non-Appropriation Event and provide written evidence of such failure by Lessee's governing body; (b) on the Return Date, Lessee shall return to Lessor all, but not less than all, of the Equipment covered by the affected Lease, at Lessee's sole expense, in accordance with Section 21 hereof; and (c) the affected Lease shall terminate on the Return Date without penalty to Lessee, provided, that Lessee shall pay all Rental Payments and other amounts payable under the affected Lease for which funds shall have been appropriated, provided further, that Lessee shall pay month-to-month rent at the rate set forth in the affected Lease for each month or part thereof that Lessee fails to return the Equipment under this Section 6b. "Return Date" means the last day of the fiscal year for which appropriations were made for the Rental Payments due under a Lease.
- c If a Non-Appropriation Event occurs, then, during the twelve (12) month period following the Return Date, Lessee agrees not to acquire (by purchase, lease or otherwise) replacement equipment which is functionally similar to the Equipment covered by such terminated Lease, or to appropriate funds for the acquisition of such replacement equipment. Notwithstanding the foregoing of this Section 6c, the restrictions of this Section 6c shall automatically and without further action of the parties be ineffective and be deleted: (a) from any terminated Lease if the net proceeds of the sale of the returned Equipment are sufficient to pay the Termination Value of the Equipment and all accrued but unpaid Rental Payments due under the affected Lease as of the Return Date; or (b) from any Lease if the application of the restrictions in this section would not be permitted by then applicable law or would cause such Lease to be invalid or unenforceable in any material respect.

- 7 LIMITATION ON WARRANTIES:** LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY OF THE EQUIPMENT OR AS TO THE VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY OF ANY OF THE EQUIPMENT. For and during the Lease Term, Lessor hereby assigns to Lessee any manufacturer's or Supplier's product warranties, express or implied, applicable to any Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's sole expense. Lessee agrees that (a) all Equipment will have been purchased by Lessor in accordance with Lessee's specifications from Suppliers selected by Lessee; (b) Lessor is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment; (c) Lessor assumes no obligation with respect to any manufacturer's or Supplier's product warranties

or guaranties; (d) no manufacturer or Supplier or any representative of said parties is an agent of Lessor; and (e) any warranty, representation, guaranty or agreement made by any manufacturer or Supplier or any representative of said parties shall not be binding upon Lessor.

8 TITLES; SECURITY INTEREST:

- a Upon Lessee's acceptance of any Equipment under a Lease, title to the Equipment shall vest in Lessee, subject to Lessor's security interest therein and all of Lessor's other rights under such Lease including, without limitation, Sections 6, 20 and 21 hereof.
- b As collateral security for the Secured Obligations, Lessee hereby grants to Lessor a first priority security interest in any and all of the Equipment (now existing or hereafter acquired) and any and all proceeds thereof, including but not limited to proceeds deposited into an Escrow Account in connection with any Lease or Equipment Schedule funded hereunder. Lessee agrees to execute and deliver to Lessor all necessary documents to evidence and perfect such security interest, including, without limitation, UCC financing statements and any amendments thereto.
- c "Secured Obligations" means Lessee's obligations to pay all Rental Payments and all other amounts due and payable under all present and future Leases and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due, or existing or hereafter arising) of Lessee under all present and future Leases.

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

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

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

12 LIENS, SUBLEASES AND TAXES:

- a Lessee shall keep all Equipment free and clear of all Liens except those Liens created under its Lease. Lessee shall not sublet or lend any Equipment or permit it to be used by anyone other than Lessee or Lessee's employees.
- b Lessee shall pay when due all Taxes which may now or hereafter be imposed upon any Equipment or its ownership, leasing, rental, sale, purchase, possession or use, upon any Lease or upon any Rental Payments or any other payments due under any Lease. If Lessee fails to pay such Taxes when due, Lessor shall have the right, but not the obligation, to pay such Taxes. If Lessor pays any such Taxes, then Lessee shall, upon demand, immediately reimburse Lessor therefor. "Taxes" means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lessor, whether they are assessed to or payable by Lessee or Lessor, including, without limitation (a) sales, use, excise, licensing, registration, titling, gross receipts, stamp and personal property taxes; and (b) interest, penalties or fines on any of the foregoing.

13 RISK OF LOSS:

- a Lessee bears the entire risk of loss, theft, damage or destruction of any Equipment in whole or in part from any reason whatsoever ("Property Loss"). No Property Loss to or of any Equipment shall relieve Lessee from the obligation to make any Rental Payments or to

perform any other obligation under any Lease. Proceeds of any applicable insurance recovery will be applied to Lessee's obligations under this Section 13.

- b If a Property Loss occurs to any Equipment, Lessee shall immediately notify Lessor of the same and Lessee shall, unless otherwise directed by Lessor, immediately repair the same.
- c If Lessor determines that any item of Equipment has suffered a Property Loss beyond repair ("Total Loss"), then Lessee shall either: (a) immediately replace the Total Loss with similar equipment in good repair, condition and working order free and clear of any Liens (except Lessor's Liens), in which event such replacement equipment shall automatically be Equipment under the applicable Lease, and deliver to Lessor true and complete copies of the invoice or bill of sale covering the replacement equipment; or (b) on earlier of sixty (60) days after the Property Loss or the next scheduled Rental Payment date, pay Lessor (i) all amounts owed by Lessee under the applicable Lease, including the Rental Payments due on or accrued through such date plus (ii) an amount equal to the Termination Value as of the Rental Payment date (or if the Property Loss payment is due between Rental Payment dates, then as of the Rental Payment date preceding the date that the Property Loss payment is due) set forth in the Payment Schedule to the applicable Lease. If Lessee is making such payment with respect to less than all of the Equipment under a Lease, then Lessor will provide Lessee with the pro rata amount of the Rental Payment and Termination Value to be paid by Lessee with respect to a Total Loss and a revised Payment Schedule.
- d To the extent not prohibited by State law, Lessee shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. These obligations of Lessee shall survive any expiration or termination of any Lease. Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney's fees), damages or losses which arise directly from events occurring after any Equipment has been returned by Lessee and received by Lessor in accordance with the terms of the applicable Lease or which arise directly from the gross negligence or willful misconduct of Lessor.

14 INSURANCE:

- a During the course of the Lease and/or any Equipment Schedule hereunder, Lessee, at its sole expense, shall at all times keep all Equipment insured against Special Perils Personal Property Losses (which covers all risks insured in all risk property and casualty coverage, except for floods and earthquakes) for an amount equal to the Replacement Value of the Equipment. "Replacement Value" means the lesser of fair market value required to replace Equipment with equipment that is of like value, utility and remaining useful life, or the Termination Value defined on any Equipment Schedule hereunder, neither of which shall never exceed the Replacement Value defined on any Exhibit G hereto. The deductible for said insurance shall be approved by Lessor (such approval shall not be unreasonably withheld or delayed) and in no case shall exceed the most common deductible applicable to Lessee's other personal and real property. Proceeds of any such insurance covering damage or loss of any Equipment shall be payable to Lessor as loss payee as its interest may appear.
- b During the course of any Lease and/or Equipment Schedule hereunder, Lessee at its sole expense shall at all times either carry public liability and third party property damage insurance, or maintain liability self-insurance coverage equivalent in scope to ISO CG 00 01 10 93 with limits of \$1MM per occurrence and \$2MM in the aggregate naming Lessor as an additional insured with coverage equivalent in scope to ISO CG 20 26 11 85.
- c All insurers shall be rated at least A:VIII by AM Best Company or be admitted insurers in the State with ratings of at least A:V at the start of any policy durations. In the event that self-insurance is properly documented in accordance with Exhibit G hereto, such self-insurance will be permitted so long as there are no material adverse changes to the financial wherewithal and general creditworthiness of the Lessee, in the sole, yet reasonable exercise of discretion by Lessor. Lessee shall promptly deliver to Lessor satisfactory evidence of required insurance coverage and all renewals and replacements thereof. Each insurance policy will require that the insurer give Lessor at least thirty (30) days prior written notice of any cancellation of such policy (other than by reason for non-payment, in which case, at least

ten (10) days notice will be provided). The insurance maintained by Lessee shall be primary and not excess with respect to Lessor.

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

16 LESSEE'S REPRESENTATIONS AND WARRANTIES: With respect to each Lease and its Equipment, Lessee hereby represents and warrants to Lessor that: (a) Lessee has full power, authority and legal right to execute and deliver the Lease and to perform its obligations under the Lease, and all such actions have been duly authorized by appropriate findings and actions of Lessee's governing body; (b) the Lease has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms; (c) the Lease is authorized under, and the authorization, execution and delivery of the Lease complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and property acquisition laws) and all applicable judgments and court orders; (d) the execution, delivery and performance by Lessee of its obligations under the Lease will not result in a breach or violation of, nor constitute a default under, any agreement, lease or other instrument to which Lessee is a party or by which Lessee's properties may be bound or affected; (e) there is no pending, or to the best of Lessee's knowledge threatened, litigation of any nature which may have a material adverse effect on Lessee's ability to perform its obligations under the Lease; (f) Lessee is a state, or a political subdivision thereof, as referred to in Section 103 of the Code, and Lessee's obligation under the Lease constitutes an enforceable obligation issued on behalf of a state or a political subdivision thereof; (g) Lessee has a need for, and expects to make use of, the Equipment, which is deemed to be essential and such need is not temporary or expected to diminish during the applicable Lease Term. ; and (h) to the best of Lessee's knowledge, no lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Lessee has been a party at any time during the past ten (10) years has been terminated by Lessee as a result of insufficient funds being appropriated in any Fiscal Year, and no event has occurred which would constitute an event of default under any debt, revenue bond or obligation which Lessee has issued during the past ten (10) years.

17 TAX COVENANTS:

a. Lessee hereby covenants and agrees that: (a) Lessee shall comply with all of the requirements of Section 149(a) and Section 149(e) of the Code, as the same may be amended from time to time, and such compliance shall include, but not be limited to, executing and filing Internal Revenue Form 8038G or 8038GC, as the case may be, and any other information statements reasonably requested by Lessor; (b) Lessee shall not do (or cause to be done) any act which will cause, or by omission of any act allow, any Lease to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or any Lease to be a "private activity bond" within the meaning of Section 141(a) of the Code; and (c) Lessee shall not do (or cause to be done) any act which will cause, or permit any omission which would allow, the interest portion of any Rental Payments to be or become includable in gross income for Federal income taxation purposes under the Code.

b. If Lessor either (i) receives notice, in any form, from the Internal Revenue Service or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor, that Lessor may not exclude any Interest paid under any Lease from its Federal gross income (each an "Event of Taxability"), it is understood and agreed by the parties that the Lessee shall pay to Lessor upon demand (x) an amount which, with respect to Rental Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the Interest due through the date of such event), will restore to Lessor its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of Rental Payments and reinvestment at the after-tax yield rate) on the transaction evidenced by such Lease through the date of such event and (y)

as additional Rental Payments to Lessor on each succeeding Payment Date such amount as will maintain such after-tax yield to Lessor; or (z) the Prepayment Price, if applicable and as indicated on any respective Schedule hereunder, along with an amount which would compensate Lessor for any reduction in its after-tax yield. As of each Lease Date and with respect to each Lease, Lessee makes each of the representations, warranties and covenants contained in the Tax Agreement and Arbitrage Certificate delivered with respect to such Lease, and by this reference each such Tax Agreement and Arbitrage Certificate is incorporated in and made a part of this Agreement. Notwithstanding the foregoing, Lessee shall have a reasonable opportunity to cure any Event of Taxability, which may be cured and which can be cured in thirty (30) days,

18 ASSIGNMENT:

- a Lessee shall not assign, transfer, pledge, hypothecate, nor grant any Lien on, nor otherwise dispose of, any Lease or any Equipment or any interest in any Lease or Equipment.
- b Lessor may assign its rights, title and interest in and to any Lease or any Equipment, and/or may grant or assign a security interest in any Lease and its Equipment, in whole or in part, to any party at any time. Any such assignee or lien holder (an "Assignee") shall have all of the rights of Lessor under the applicable Lease. LESSEE AGREES NOT TO ASSERT AGAINST ANY ASSIGNEE ANY CLAIMS, ABATEMENTS, SETOFFS, COUNTERCLAIMS, RECOUPMENT OR ANY OTHER SIMILAR DEFENSES, WHICH LESSEE MAY HAVE AGAINST LESSOR. Unless otherwise agreed by Lessee in writing, any such assignment transaction shall not release Lessor from any of Lessor's obligations under the applicable Lease. An assignment or reassignment of any of Lessor's right, title or interest in a Lease or its Equipment shall be enforceable against Lessee only after Lessee receives a written notice of assignment which discloses the name and address of each such Assignee; provided, that such notice from Lessor to Lessee of any assignment shall not be so required if Lessor assigns a Lease to Lessor (and its successors or assigns) or any of its direct or indirect subsidiaries. Lessee shall keep a complete and accurate record of all such assignments in the form necessary to comply with Section 149(a) of the Code and for such purpose, Lessee hereby appoints Lessor (or Lessor's designee) as the book entry and registration agent to keep a complete and accurate record of any and all assignments of any Lease. Lessee agrees to acknowledge in writing any such assignments if so requested.
- c Lessor hereby agrees that with respect to assigned Equipment Schedules: (a) the term Secured Obligations as used in Section 8c hereof shall only apply to those obligations of Lessee under the Assigned Leases and shall exclude the obligations of Lessee under any Non-Assigned Leases, except for any cross-default and/or cross-collateralized rights and remedies which are expressly permitted by Lessee hereunder; (b) said Assignee shall have no Lien on, nor any claim to, nor any interest of any kind in, any Non-Assigned Lease or any Equipment covered by any Non-Assigned Lease, except for any cross-default and/or cross-collateralized rights and remedies which are expressly permitted by Lessee hereunder; and (c) Assignee shall exercise its rights, benefits and remedies as the assignee of Lessor (including, without limitation, the remedies under Section 20 of the Master Lease) solely with respect to the Assigned Leases, except for any cross-default and/or cross-collateralized rights and remedies which are expressly permitted by Lessee hereunder. "Assigned Leases" means only those Leases which have been assigned to an Assignee pursuant to a written agreement; and "Non-Assigned Leases" means all Leases excluding the Assigned Leases.
- d Subject to the foregoing, each Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

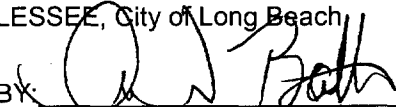
19 EVENTS OF DEFAULT: For each Lease, "Event of Default" means the occurrence of any one or more of the following events as they may relate to such Lease: (a) Lessee fails to make any Rental Payment (or any other payment) as it becomes due in accordance with the terms of the Lease, and any such failure continues for ten (10) days after the due date thereof; (b) Lessee fails to perform or observe any of its obligations under Sections 12a, 14 or 18a hereof; (c) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease and such failure is not cured within thirty (30) days after receipt of written notice thereof by Lessor; (d) any statement, representation or warranty made by Lessee in the Lease or in any writing delivered by Lessee pursuant thereto or in connection therewith proves at any time to have been false, misleading or erroneous in any material respect as of the time when made; (e) Lessee applies

for or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets, or a petition for relief is filed by Lessee under any federal or state bankruptcy, insolvency or similar law, or a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law is filed against Lessee and is not dismissed within sixty (60) days thereafter; (f) Lessee shall be in default under any other Lease or under any other financing agreement executed at any time with Lessor; or (g) an Event of Taxability if such event is not or cannot reasonably be cured within thirty (30) days by Lessor.

- 20 **REMEDIES:** If any Event of Default occurs, then Lessor may, at its option, exercise any one or more of the following remedies: (a) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all amounts then currently due under all Leases and all remaining Rental Payments due under all Leases during the fiscal year in effect when the Event of Default occurs together with interest on such amounts at the rate of twelve percent (12%) per annum (but not to exceed the highest rate permitted by applicable law) from the date of Lessor's demand for such payment; (b) Lessor may require Lessee to promptly return all Equipment to Lessor in the manner set forth in Section 21 (and Lessee agrees that it shall so return the Equipment), or Lessor may, at its option, enter upon the premises where any Equipment is located and repossess such Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession; (c) Lessor may sell, lease or otherwise dispose of any Equipment, in whole or in part, in one or more public or private transactions, and if Lessor so disposes of any Equipment, then Lessor shall retain the entire proceeds of such disposition free of any claims of Lessee, provided, that if the net proceeds of the disposition of all the Equipment exceeds the applicable Termination Value of all the Schedules plus the amounts payable by Lessee under clause (a) above of this Section and under clause (f) below of this Section, then such excess amount shall be remitted by Lessor to Lessee; (d) Lessor may terminate, cancel or rescind any Lease as to any and all Equipment; (e) Lessor may exercise any other right, remedy or privilege which may be available to Lessor under applicable law or, by appropriate court action at law or in equity, Lessor may enforce any of Lessee's obligations under any Lease; and/or (f) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lessor as a result (directly or indirectly) of the Event of Default and/or of Lessor's actions under this Section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of any Equipment. None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Lessor. Lessor's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of Lessor to exercise any remedy under any Lease shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.
- 21 **RETURN OF EQUIPMENT:** If Lessor is entitled under the provisions of any Lease, including any termination thereof pursuant to Sections 6 or 20 of this Master Lease, to obtain possession of any Equipment or if Lessee is obligated at any time to return any Equipment, then (a) title to the Equipment shall vest in Lessor immediately upon Lessor's notice thereof to Lessee, and (b) Lessee shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by the applicable Lease, shall be free and clear of any Liens (except Lessor's Lien) and shall comply with all applicable laws and regulations. Until Equipment is returned as required above, all terms of the applicable Lease shall remain in full force and effect including, without limitation, obligations to pay Rental Payments and to insure the Equipment. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor to evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment.
- 22 **LAW GOVERNING:** Each Lease shall be governed by the laws of the state of Lessee (the "State").
- 23 **NOTICE:** All notices to be given under any Lease shall be made in writing and either personally delivered or mailed by regular or certified mail or sent by an overnight courier delivery company to the other party at its address set forth herein or at such address as the party may provide in writing from

time to time. Any such notices shall be deemed to have been received five (5) days subsequent to mailing.

- 24 **FINANCIAL INFORMATION:** As soon as they are available after their completion in each fiscal year of Lessee during any Lease Term, Lessee will deliver to Lessor upon Lessor's request the publicly available annual financial information or other budgetary or appropriation information of Lessee.
- 25 **SECTION HEADINGS:** All section headings contained herein or in any Schedule are for convenience of reference only and do not define or limit the scope of any provision of any Lease.
- 26 **EXECUTION IN COUNTERPARTS:** Each Schedule to this Master Lease may be executed in several counterparts, each of which shall be deemed an original, but all of which shall be deemed one instrument. Only one counterpart of each Equipment Schedule shall be marked "Lessor's Original" and all other counterparts shall be deemed duplicates. An assignment of or security interest in any Equipment Schedule may be created through transfer and possession only of the counterpart marked "Lessor's Original".
- 27 **ENTIRE AGREEMENT; WRITTEN AMENDMENTS:** Each Lease, together with the exhibits, schedules and addenda attached thereto and made a part hereof and other attachments thereto constitute the entire agreement between the parties with respect to the lease of the Equipment covered thereby, and such Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of any Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

LESSEE, City of Long Beach
BY: 

NAME: Anthony W. Batts

TITLE: City Manager

ADDRESS:

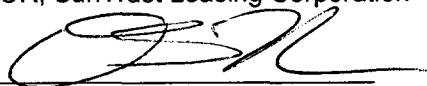
333 W. Ocean Boulevard, 6th Floor

Long Beach, CA 90802

Telephone: 562-570-6169

FAX: 562-570-5836

LESSOR, SunTrust Leasing Corporation

BY: 

NAME: Donald S. Keough

TITLE: Vice President

ADDRESS:

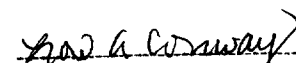
300 E. Joppa Road, 7th Floor

Towson, Maryland 21286

Telephone: (410) 307-6600

Fax: (410) 307-6702

APPROVED AS TO FORM

9/5, 2007
ROBERT E. SHANNON, City Attorney
By 
DEPUTY CITY ATTORNEY

This is counterpart No. 2 of 2 serially numbered, manually executed counterparts of this document. To the extent that this Lease Agreement constitutes chattel paper under the Uniform Commercial Code, a security interest in this Lease Agreement may be created through the transfer and possession of Counterpart No. 1 only, without the need to transfer possession of any other original or counterpart or copy of this Lease Agreement or any original or counterpart or copy of any exhibits, addenda, schedules, certificates, riders or other documents and instruments executed and delivered in connection with this Lease Agreement.

EXHIBIT A

EQUIPMENT SCHEDULE NO. 01
TO LEASE NO. 06121

The following Equipment comprises an Equipment Group which is the subject of the Master Lease Agreement dated as September 5, 2007 (the "Agreement") between the undersigned Lessor and Lessee. The Agreement is incorporated herein in its entirety, and Lessee hereby reaffirms each of its representations, warranties and covenants contained in the Agreement. Lessee warrants that no Non-Appropriation Event and to its knowledge no Event of Default or event which, with the passage of time or the giving of notice or both, would constitute an Event of Default, has occurred under the Agreement. An Acceptance Certificate and Payment Schedule are attached to this Equipment Schedule and by reference are made a part hereof. The terms capitalized in this Equipment Schedule but not defined herein shall have the meanings assigned to them in the Agreement.

EQUIPMENT GROUP


The cost of the Equipment Group to be funded by Lessee under this Lease is **\$4,336,295.00** (the "Acquisition Cost"). The Equipment Group consists of the following Equipment which has been or shall be purchased:

TWENTY (20) ELGIN STREET SWEEPERS \$4,336,195.00
DOCUMENTATION FEE \$100.00

The Equipment Group is or will be located at the following address(es). Prior to relocation of the Equipment Group or any portion thereof during the Lease Term, Lessee will provide written notice to Lessor:

City Treasurer's Office
333 West Ocean Boulevard, 6th Floor
Long Beach, CA 90802

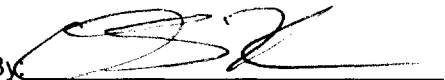
CITY OF LONG BEACH,
Lessee

By: 
Name: Anthony W. Batts
Title: City Manager
Date: 9/7/07

Address: City Treasurer's Office
333 West Ocean Boulevard, 6th Floor
Long Beach, CA 90802

Telephone: 562/570-6169
Facsimile: 562/570-5836

SUNTRUST LEASING CORPORATION,
Lessor

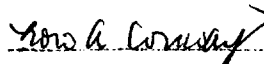
By: 
Name: Donald S. Keough
Title: Vice President
Date: _____

Address: Hampton Plaza
300 E. Joppa Road; 7th Floor
Towson, MD 21286

Telephone: 410/307-6600
Facsimile: 410/307-6702

APPROVED AS TO FORM

9/5, 2007
ROBERT E. SHANNON, City Attorney

By: 

DEPUTY CITY ATTORNEY

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ACCEPTANCE CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting representative of Lessee identified below and, with respect to the above referenced Equipment Schedule and Lease, that:

1. The Equipment described below has been delivered and installed in accordance with Lessee's specifications, is in good working order and is fully operational and has been fully accepted by Lessee on or before the date indicated below:

2. Attached are (a) evidence of insurance with respect to the Equipment ; (b) Vendor invoice(s) and/or bill(s) of sale relating to the Equipment, and if such invoices have been paid by Lessee, evidence of payment thereof (evidence of official intent to reimburse such payment as required by the Code having been delivered separately by Lessee); and (c) financing statements executed by Lessee as debtor and/or the original certificate of title or manufacturer's certificate of origin and title application, if any, for any Equipment which is subject to certificate of title laws.

3. Rental Payments shall be due and payable by Lessee on the dates and in the amounts indicated on the Payment Schedule attached to the Equipment Schedule. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Lease during the current Fiscal Year of Lessee. Such moneys will be applied in payment of all such Rental Payments due and payable during such current Fiscal Year. Lessee intends to make Rental Payments for the full Lease Term if funds are appropriated for the Rental Payments in subsequent Fiscal Years.

4. Lessee hereby authorizes and directs Lessor to fund the Acquisition Cost of the Equipment by paying, or directing the payment by the Escrow Agent (if applicable) of, the invoice prices to the Vendor(s), in each case as set forth above, or by reimbursing Lessee in the event such invoice prices have been previously paid by Lessee.

_____ 5. **Final Acceptance Certificate.** This Acceptance Certificate constitutes final acceptance of all of the Equipment identified in the Equipment Schedule described above. Lessee certifies that upon payment in accordance with paragraph 4 above, or direction to the Escrow Agent (if applicable) to make payment, Lessor shall have fully and satisfactorily performed all of its covenants and obligations under the Lease. [CHECK BOX IF APPLICABLE.]

APPROVED AS TO FORM

_____ 9/5, 2007
ROBERT E. SHANNON, City Attorney
By Shirley Crowley
DEPUTY CITY ATTORNEY

CITY OF LONG BEACH,
Lessee

By: Anthony W. Batts
Name: Anthony W. Batts
Title: City Manager
Date: 9/7/07

PAYMENT SCHEDULE

The Funding Date with respect to the above referenced Equipment Group shall be September 5, 2007. The Annual Interest Rate applicable to the Equipment Group shall be 3.91%. Lessee will make Rental Payments each consisting of Principal and Interest as set forth below for a term of 4 years. The first Rental Payment is due on October 5, 2007 and subsequent payments are due monthly on like date thereafter.

<u>Payment Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Prepayment Price*</u>
1	10/5/2007	97,734.90	83,605.81	14,129.09	4,380,269.87
2	11/5/2007	97,734.90	83,878.22	13,856.68	4,293,875.30
3	12/5/2007	97,734.90	84,151.52	13,583.38	4,207,199.23
4	1/5/2008	97,734.90	84,425.72	13,309.18	4,120,240.74
5	2/5/2008	97,734.90	84,700.80	13,034.10	4,032,998.92
6	3/5/2008	97,734.90	84,976.79	12,758.11	3,945,472.82
7	4/5/2008	97,734.90	85,253.67	12,481.23	3,857,661.54
8	5/5/2008	97,734.90	85,531.46	12,203.44	3,769,564.14
9	6/5/2008	97,734.90	85,810.15	11,924.75	3,681,179.70
10	7/5/2008	97,734.90	86,089.74	11,645.16	3,592,507.25
11	8/5/2008	97,734.90	86,370.25	11,364.65	3,503,545.90
12	9/5/2008	97,734.90	86,651.68	11,083.22	3,414,294.67
13	10/5/2008	97,734.90	86,934.02	10,800.88	3,324,752.64
14	11/5/2008	97,734.90	87,217.28	10,517.62	3,234,918.84
15	12/5/2008	97,734.90	87,501.46	10,233.44	3,144,792.33
16	1/5/2009	97,734.90	87,786.57	9,948.33	3,054,372.17
17	2/5/2009	97,734.90	88,072.61	9,662.29	2,963,657.39
18	3/5/2009	97,734.90	88,359.58	9,375.32	2,872,647.02
19	4/5/2009	97,734.90	88,647.48	9,087.42	2,781,340.12
20	5/5/2009	97,734.90	88,936.32	8,798.58	2,689,735.71
21	6/5/2009	97,734.90	89,226.11	8,508.79	2,597,832.81
22	7/5/2009	97,734.90	89,516.84	8,218.06	2,505,630.47
23	8/5/2009	97,734.90	89,808.51	7,926.39	2,413,127.70
24	9/5/2009	97,734.90	90,101.14	7,633.76	2,320,323.53
25	10/5/2009	97,734.90	90,394.72	7,340.18	2,227,216.97

PAYMENT SCHEDULE

<u>Payment Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Prepayment Price*</u>
26	11/5/2009	97,734.90	90,689.25	7,045.65	2,133,807.04
27	12/5/2009	97,734.90	90,984.75	6,750.15	2,040,092.75
28	1/5/2010	97,734.90	91,281.21	6,453.69	1,946,073.10
29	2/5/2010	97,734.90	91,578.63	6,156.27	1,851,747.11
30	3/5/2010	97,734.90	91,877.03	5,857.87	1,757,113.77
31	4/5/2010	97,734.90	92,176.39	5,558.51	1,662,172.09
32	5/5/2010	97,734.90	92,476.73	5,258.17	1,566,921.05
33	6/5/2010	97,734.90	92,778.05	4,956.85	1,471,359.66
34	7/5/2010	97,734.90	93,080.36	4,654.54	1,375,486.88
35	8/5/2010	97,734.90	93,383.64	4,351.26	1,279,301.74
36	9/5/2010	97,734.90	93,687.92	4,046.98	1,182,803.18
37	10/5/2010	97,734.90	93,993.18	3,741.72	1,085,990.20
38	11/5/2010	97,734.90	94,299.45	3,435.45	988,861.77
39	12/5/2010	97,734.90	94,606.70	3,128.20	891,416.87
40	1/5/2011	97,734.90	94,914.96	2,819.94	793,654.45
41	2/5/2011	97,734.90	95,224.23	2,510.67	695,573.49
42	3/5/2011	97,734.90	95,534.50	2,200.40	597,172.96
43	4/5/2011	97,734.90	95,845.78	1,889.12	498,451.80
44	5/5/2011	97,734.90	96,158.08	1,576.82	399,408.98
45	6/5/2011	97,734.90	96,471.40	1,263.50	300,043.44
46	7/5/2011	97,734.90	96,785.73	949.17	200,354.14
47	8/5/2011	97,734.90	97,101.09	633.81	100,340.00
48	9/5/2011	97,734.90	97,417.48	317.42	0.00
Totals		4,691,275.20	4,336,295.00	354,980.20	

APPROVED AS TO FORM

_____ 9/5, 2007
ROBERT E. SHANNON, City Attorney
 By Aswla Conway

DEPUTY CITY ATTORNEY

CITY OF LONG BEACH,
 Lessee

By: Anthony W. Batts
 Name: Anthony W. Batts
 Title: City Manager
 Date: 9/7/07

* After payment of Rental Payment due on such date.

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EXHIBIT B

Lease Number: 06121
Equipment Schedule: 01

TAX AGREEMENT AND ARBITRAGE CERTIFICATE

This **TAX AGREEMENT AND ARBITRAGE CERTIFICATE** (this "Certificate") is issued by **CITY OF LONG BEACH** ("Lessee") in favor of **SUNTRUST LEASING CORPORATION** ("Lessor") in connection with that certain Master Lease Purchase Agreement dated as of, September 5, 2007 (the "Agreement"), by and between Lessor and Lessee. The terms capitalized herein but not defined herein shall have the meanings assigned to them in the Agreement.

Section 1. In General.

1.1. This Certificate is executed for the purpose of establishing the reasonable expectations of Lessee as to future events regarding the financing of certain equipment (the "Equipment") to be acquired by Lessor and leased to Lessee pursuant to and in accordance with the Equipment Schedule (the "Equipment Schedule") executed under the Agreement (together with all related documents executed pursuant thereto and contemporaneously herewith, the "Financing Documents"). As described in the Financing Documents, Lessor shall apply \$4,336,295.00 (the "Principal Amount") toward the acquisition of the Equipment and Lessee shall make Rental Payments under the terms and conditions as set forth in the Financing Documents.

1.2. The individual executing this Certificate on behalf of Lessee is delegated with the responsibility of reviewing and executing the Financing Documents, pursuant to the official action of Lessee adopted with respect to the Financing Documents, a copy of which has been delivered to Lessor.

1.3. The Financing Documents are being entered into for the purpose of providing funds for financing the cost of acquiring, equipping and installing the Equipment which is essential to the governmental functions of Lessee, which Equipment is described in the Equipment Schedule. The Principal Amount will be deposited in escrow by Lessor on the date of issuance of the Financing Documents and held by SUNTRUST BANK, as escrow agent (the "Escrow Agent") pending acquisition of the Equipment under the terms of that certain Escrow Agreement dated as of September 5, 2007, (the "Escrow Agreement"), by and between Lessor and Escrow Agent.

1.4. Lessee will timely file for each payment schedule issued under the Lease a Form 8038-G (or, if the invoice price of the Equipment under such schedule is less than \$100,000, a Form 8038-GC) relating to such Lease with the Internal Revenue Service in accordance with Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code").

Section 2. Non-Arbitrage Certifications.

2.1. The Rental Payments due under the Financing Documents will be made with legally available and lawfully appropriated monies. No sinking, debt service, reserve or similar fund or account will be created or maintained for the payment of the Rental Payments due under the Financing Documents or pledged as security therefor.

2.2. There have been and will be issued no obligations by or on behalf of Lessee that would have a material adverse effect on Lessee's ability to enter into a tax-exempt lease purchase or other financing, including any that would be deemed to be (i) issued or sold within fifteen (15) days before or after the date of issuance of the Financing Documents; (ii) issued or sold pursuant to a common plan of financing with the Financing Documents; and (iii) paid out of substantially the same source of funds as, or deemed to have substantially the same claim to be paid out of substantially the same source of funds as, the Financing Documents.

2.3. Other than the Principal Amount held under the Escrow Agreement, Lessee does not and will not have on hand any funds that are or will be restricted, segregated, legally required or otherwise intended to be used, directly or indirectly, as a substitute, replacement or separate source of financing for the Equipment.

2.4. No portion of the Principal Amount is being used by Lessee to acquire investments which produce a yield materially higher than the yield realized by Lessor from Rental Payments received under the Financing Documents.

2.5. The Principal Amount does not exceed the amount necessary for the governmental purpose for which the Financing Documents were entered into. Such funds are expected to be needed and fully expended for payment of the costs of acquiring, equipping and installing the Equipment.

2.6. Lessee does not expect to convey, sublease or otherwise dispose of the Equipment, in whole or in part, at a date which is earlier than the final Payment Date under the Financing Documents.

Section 3. Disbursement of Funds; Reimbursement to Lessee.

3.1. It is contemplated that the entire Principal Amount deposited in escrow will be used to pay the acquisition cost of Equipment to the Vendors or manufacturers thereof, provided that, if applicable, a portion of the principal amount may be paid to Lessee as reimbursement for acquisition cost payments already made by it so long as the conditions set forth in Section 3.2 below are satisfied.

3.2. Lessee shall not request that it be reimbursed for Equipment acquisition cost payments already made by it unless each of the following conditions have been satisfied:

(a) Lessee adopted a resolution and/or minute order or otherwise declared its official intent in accordance with Treasury Regulation § 1.150-2 (the "Declaration of Official Intent"), wherein Lessee expressed its intent to be reimbursed from the proceeds of a borrowing for all or a portion of the cost of the Equipment, which expenditure was paid to the Vendor not earlier than sixty (60) days before Lessee adopted the Declaration of Official Intent;

(b) The reimbursement being requested will be made by a written allocation before the later of eighteen (18) months after the expenditure was paid or eighteen (18) months after the items of Equipment to which such payment relates were placed in service;

(c) The entire payment with respect to which reimbursement is being sought is a capital expenditure, being a cost of a type properly chargeable to a capital account under general federal income tax principles; and

(d) Lessee will use any reimbursement payment for general operating expenses and not in a manner which could be construed as an artifice or device under Treasury Regulation § 1.148-10 to avoid, in whole or in part, arbitrage yield restrictions or arbitrage rebate requirements.

Section 4. Use and Investment of Funds; Temporary Period.

4.1. Lessee has incurred or will incur, within six (6) months from the date of issuance of the Financing Documents, binding obligations to pay an amount equal to at least five percent (5%) of the Principal Amount toward the costs of the Equipment. An obligation is not binding if it is subject to contingencies within Lessee's control. The ordering and acceptance of the items of Equipment will proceed with due diligence to the date of final acceptance of the Equipment.

4.2. An amount equal to at least eighty-five percent (85%) of the Principal Amount will be expended to pay the cost of the Equipment by the end of the three-year period commencing on the date of this Certificate. No portion of the Principal Amount will be used to acquire investments that do not carry out the governmental purpose of the Financing Documents and that have a substantially guaranteed yield of four (4) years or more.

4.3. (a) Lessee covenants and agrees that it will rebate an amount equal to excess earnings on the Principal Amount deposited under the Escrow Agreement to the Internal Revenue Service if required by, and in accordance with, Section 148(f) of the Code, and make the annual determinations and maintain the records required by and otherwise comply with the regulations applicable thereto. Lessee reasonably expects to cause the Equipment to be acquired by March 31, 2009.

(b) Lessee will provide evidence to Lessor that the rebate amount has been calculated and paid to the Internal Revenue Service in accordance with Section 148(f) of the Code unless (i) the entire Principal Amount is expended on the Equipment by the date that is the six-month anniversary of the Financing Documents or (ii) the Principal Amount is expended on the Equipment in accordance with the following schedule: At least fifteen percent (15%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within six (6) months from the date of issuance of the Financing Documents; at least sixty percent (60%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment within twelve (12) months from the date of issuance of the Financing Documents; and one hundred percent (100%) of the Principal Amount and interest earnings thereon will be applied to the cost of the Equipment prior to eighteen (18) months from the date of issuance of the Financing Documents.

(c) Lessee hereby covenants that (i) Lessee is a governmental unit with general tax powers; (ii) the Lease is not a "private activity bond" under Section 141 of the Code; and (iii) at least ninety-five percent (95%) of the Principal Amount is used for the governmental activities of Lessee.

Section 5. Escrow Account.

The Financing Documents provide that the monies deposited in escrow shall be invested until payments to the Vendor(s) or manufacturer(s) of the Equipment are due. Lessee will ensure that such investment will not result in Lessee's obligations under the Financing Documents being treated as an "arbitrage bond" within the meaning of Section 148(a) of the Code. Any monies which are earned from the investment of these funds shall be labeled as interest earned. All such monies will be disbursed on or promptly after the date that Lessee accepts the Equipment.

Section 6. No Private Use; No Consumer Loan.

6.1. Lessee will not exceed the private use restrictions set forth in Section 141 of the Code. Specifically, Lessee will not permit more than ten percent (10%) of the Principal Amount to be used for a Private Business Use (as defined herein) if, in addition, the payment of more than ten percent (10%) of the Principal Amount plus interest earned thereon is, directly or indirectly, secured by (i) any interest in property used or to be used for a Private Business Use or (ii) any interest in payments in respect of such property or derived from any payment in respect of property or borrowed money used or to be used for a Private Business Use.

In addition, if both (A) more than five percent (5%) of the Principal Amount is used as described above with respect to Private Business Use and (B) more than five percent (5%) of the Principal Amount plus interest earned thereon is secured by Private Business Use property or payments as described above, then the excess over such five percent (5%) (the "Excess Private Use Portion") will be used for a Private Business Use related to the governmental use of the Equipment. Any such Excess Private Use Portion of the Principal Amount will not exceed the portion of the Principal Amount used for the governmental use of the particular project to which such Excess Private Use Portion is related. For purposes of this paragraph 6.1, "Private Business Use" means use of bond proceeds or bond financed-property directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and excluding use as a member of the general public.

6.2. No part of the Principal Amount or interest earned thereon will be used, directly or indirectly, to make or finance any loans to non-governmental entities or to any governmental agencies other than Lessee.

Section 7. No Federal Guarantee.

7.1. Payment of the principal or interest due under the Financing Documents is not directly or indirectly guaranteed, in whole or in part, by the United States or an agency or instrumentality thereof.

7.2. No portion of the Principal Amount or interest earned thereon shall be (i) used in making loans the payment of principal or interest of which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts if such investment would cause the financing under the Financing Documents to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 8. Miscellaneous.

8.1. Lessee shall keep a complete and accurate record of all owners or assignees of the Financing Documents in form and substance satisfactory to comply with the registration requirements of Section 149(a) of the Code unless Lessor or its assignee agrees to act as Lessee's agent for such purpose.

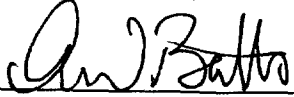
8.2. Lessee shall maintain complete and accurate records establishing the expenditure of the Principal Amount and interest earnings thereon for a period of five (5) years after payment in full under the Financing Documents.

8.3. To the best of the undersigned's knowledge, information and belief, the above expectations are reasonable and there are no other facts, estimates or circumstances that would materially change the expectations expressed herein.

IN WITNESS WHEREOF, this Tax Agreement and Arbitrage Certificate has been executed on behalf of Lessee as of September 5, 2007.

CITY OF LONG BEACH,

Lessee

By: 

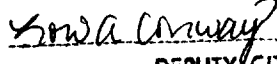
Name: Anthony W. Batts

Title: City Manager

Date: 9/7/07

APPROVED AS TO FORM

9/5, 2007
ROBERT E. SHANNON, City Attorney

By 
DEPUTY CITY ATTORNEY

This is counterpart No. 2 of 2 serially numbered, manually executed counterparts of this document. To the extent that this Lease Agreement constitutes chattel paper under the Uniform Commercial Code, a security interest in this Lease Agreement may be created through the transfer and possession of Counterpart No. 1 only, without the need to transfer possession of any other original or counterpart or copy of this Lease Agreement or any original or counterpart or copy of any exhibits, addenda, schedules, certificates, riders or other documents and instruments executed and delivered in connection with this Lease Agreement.

EXHIBIT C

Lease Number: 06121
Equipment Schedule: 01

FORM OF RESOLUTION, DECLARATION OF OFFICIAL INTENT, AND/OR MINUTE ORDER.

Note that STLC will be looking for the following items:

1. Reference to the Amount to be financed;
2. Reference to sorts of Equipment that may be financed;
3. Reference to the program or line that is anticipated;
4. Reference to STLC as the approved Lessor;
5. Reference to approved form of documentation; and
6. Reference to the Authorized Persons entitled to act for and bind the Lessee.



OFFICE OF THE CITY ATTORNEY
Long Beach, California

ROBERT E. SHANNON
City Attorney

HEATHER A. MAHOOD
Chief Assistant City Attorney

MICHAEL J. MAIS
Assistant City Attorney

September 5, 2007

PRINCIPAL DEPUTIES

Barbara D. de Jong
Dominic Holzhaus
Belinda R. Mayes
J. Charles Parkin

DEPUTIES

Gary J. Anderson
Richard F. Anthony
Christina L. Checel
Alysha P. Choi
Lori A. Conway
Randall C. Fudge
Charles M. Gale
Monte H. Machit
Anne C. Lattime
Lisa Peskay Malmaster
Barry M. Meyers
Cristyl Meyers
Howard D. Russell
Tiffani L. Shin

SunTrust Leasing Corporation
300 East Joppa Road, 7th Floor
Towson, Maryland 21286

RE: Master Lease Agreement dated as of September 5, 2007 (the "Agreement")
by and between **SUNTRUST LEASING CORPORATION** ("Lessor") and
CITY OF LONG BEACH ("Lessee") and Schedule No. 01 to the Agreement

Ladies and Gentlemen:

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

1. Lessee is a municipal corporation and political subdivision of the State of California (the "State") within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended, and is duly organized, existing and operating under the Constitution and laws of the State.
2. Lessee is authorized and has the power under applicable law to enter into the Lease, and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Lease has been duly authorized, executed and delivered by and on behalf of Lessee, and is a legal, valid and binding obligation of Lessee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.
4. The authorization and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public records, public bidding and other laws, rules and regulations of the State.
5. The execution of the Lease and the appropriation of moneys to pay the Rental Payments coming due thereunder do not and will not result in the violation of any

SunTrust Leasing Corporation
September 5, 2007
Page 2

constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

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

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

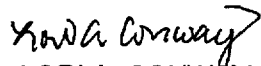
8. Resolution and/or Minute Order of the governing body of Lessee was duly and validly adopted by such governing body on July 10, 2007, and such resolution has not been amended, modified, supplemented or repealed and remains in full force and effect.

This opinion may be relied upon by the addressee hereof and its successors and assignees of interests in the Lease, but only with regard to matters specifically set forth herein. This opinion may not be relied upon by any third party that is not a successor or assignee of the addressee.

Very truly yours,

ROBERT E. SHANNON, City Attorney

By:


LORI A. CONWAY
Deputy City Attorney

SUNTRUST LEASING CORPORATION

ESCROW AGREEMENT

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

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

ARTICLE I. DEFINITIONS AND RECITALS

Section 1.1. Definitions. The terms defined in this Section 1.1 shall, for all purposes of this Escrow Agreement, have the meanings specified below or on Schedule I.

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

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

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

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

"Escrow Agreement" means this Escrow Agreement and any duly authorized and executed amendment or supplement hereto.

"Initial Deposit Amount" means the amount shown as the Initial Deposit Amount on Schedule I.

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

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

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

"Qualified Investments" means the ST Leasing – Corp Agency NOW Account, a SunTrust Deposit Account for Escrow customers of SunTrust Leasing Corporation. By signing this Escrow Agreement, Lessee acknowledges that such Qualified Investment is a permitted investment under any state, county or municipal law applicable to the investment of Lessee's funds.

ARTICLE II. APPOINTMENT OF ESCROW AGENT; AUTHORITY

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

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

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

ARTICLE III. EQUIPMENT ACQUISITION FUND

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

Section 3.2. Deposit. Upon execution of the Lease and delivery to Lessor by Lessee of all documents required to be delivered thereunder, Lessor shall deposit or cause to be deposited with Escrow Agent an amount equal to the Initial Deposit Amount. Escrow Agent shall credit such amount to the Equipment Acquisition Fund. The Initial Deposit Amount is to be sent by Lessor to Escrow Agent by wire transfer to: **SunTrust Bank, Atlanta, Georgia, ABA# [REDACTED] Account# [REDACTED] Account Name: Corporate Agency Services, Beneficiary as shown on Schedule I, Attention: Matthew Ward (804)782-7182.**

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

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

Section 3.5. Liquidation. Upon receipt of written notice from Lessor or Lessee that the Master Lease has been terminated pursuant to Sections 6 or 19 thereof, Escrow Agent shall liquidate all investments held in the Equipment Acquisition Fund and transfer the proceeds thereof and all other moneys held in the Equipment Acquisition Fund to Lessor.

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

ARTICLE IV. TRUST; INVESTMENT

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

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

Section 4.2. Investment. Moneys held by Escrow Agent hereunder shall be invested and reinvested by Escrow Agent only in Qualified Investments. Such investments shall be registered in the name of Escrow Agent and held by Escrow Agent for the benefit of Lessor and Lessee. Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Article IV. Such investments and re-investments shall be made giving full consideration for the time at which funds are required to be available. Any income received on such investments shall be credited to the Equipment Acquisition Fund and any loss on such investments shall be charged to the Equipment Acquisition Fund. Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with this Article IV.

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

Section 4.4. Accounting. Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Escrow Agreement which shall be available for inspection by Lessor or Lessee, or the agent of either of them, at any time during regular business hours upon prior written request. Escrow

Agent shall furnish to Lessor and Lessee no less than quarterly an accounting of all investments and interest and income therefrom.

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

ARTICLE V. ESCROW AGENT'S AUTHORITY; INDEMNIFICATION

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

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

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

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

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

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

In the event of a disagreement between such parties as described above, Escrow Agent shall have the right, in addition to the rights described above and at the option of Escrow Agent to initiate an interpleader

action in a court of competent jurisdiction all money and property comprising the Equipment Acquisition Fund and may take such other legal action as may be appropriate or necessary, in the opinion of Escrow Agent. Upon such tender, the parties hereto agree that Escrow Agent shall be discharged from all further duties and responsibilities under this Escrow Agreement; *provided, however*, that the filing of any such legal proceedings shall not deprive Escrow Agent of its compensation hereunder earned prior to such filing and discharge of Escrow Agent of its duties and responsibilities hereunder.

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

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

Section 5.5. Indemnification. Escrow Agent shall have no obligation to take any legal action in connection with this Escrow Agreement or towards its enforcement, or to appear in, prosecute or defend any action or legal proceeding which would or might involve it in any cost, expense, loss or liability unless security and indemnity, as provided in this Section 5.5, shall be furnished.

To the extent permitted by applicable law, Lessee and Lessor agrees to jointly and not severally indemnify Escrow Agent and its officers, directors, employees and agents and save Escrow Agent and its officers, directors, employees and agents harmless from and against any and all Claims (as hereinafter defined) and Losses (as hereinafter defined) which may be incurred by Escrow Agent or any of such officers, directors, employees or agents as a result of Claims asserted against Escrow Agent or any of such officers, directors, employees or agents as a result of or in connection with Escrow Agent's capacity as such under this Escrow Agreement by any person or entity. For the purposes hereof, the term "Claims" shall mean all claims, lawsuits, causes of action or other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counterclaim, cross action or impleader) Escrow Agent or any such officer, director, employee or agent, even if groundless, false or fraudulent, so long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, result from, relate to or be based upon, in whole or in part: (a) the acts or omissions of Lessor or Lessee (in which case, Lessor shall indemnify Escrow Agent and its officers, directors, employees and agents solely for the acts or omissions of Lessor and Lessee shall indemnify Escrow Agent and its officers, directors, employees and agents solely for the acts or omissions of Lessee), (b) the appointment of Escrow Agent as escrow agent under this Escrow Agreement, or (c) the performance by Escrow Agent of its powers and duties under this Escrow Agreement; and the term "Losses" shall mean losses, costs, damages, expenses, judgments and liabilities of whatever nature (including but not limited to attorneys', accountants' and other professionals' fees, litigation and court costs and expenses and amounts paid in settlement), directly or indirectly resulting from, arising out of or relating to one or more Claims. Upon the written request of Escrow Agent or any such officer, director, employee or agent (each referred to hereinafter as an "Indemnified Party"), and to the extent permitted by law, Lessee and Lessor agree to assume the investigation and defense of any Claim, including the employment of counsel acceptable to the applicable Indemnified Party and the payment of all expenses related thereto and, notwithstanding any such assumption, the Indemnified Party shall have the right, and Lessee and Lessor agree to pay the cost and expense thereof, to employ separate counsel with respect to any such Claim and participate in the investigation and defense thereof in the event that such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to such Indemnified Party which are different from or additional to those available to either

Lessor or Lessee. Lessee and Lessor hereby agree that the indemnifications and protections afforded Escrow Agent in this Section 5.5 shall survive the termination of this Escrow Agreement.

ARTICLE VI. COMPENSATION

Section 6.1. Escrow Agent Fee. Escrow Agent and/or Lessor shall be paid by Lessee the Escrow Agency Fee shown on Schedule I for the ordinary services to be rendered hereunder (the "Escrow Agency Fee") from interest earnings from a deduction taken by Lessor and expressly authorized by Lessee at the time the Escrow Account is closed, and will be paid and/or reimbursed by Lessee upon request for all costs, expenses, disbursements and advances, such as reasonable attorney's fees and court costs, incurred or made by Escrow Agent in connection with carrying out its duties hereunder, including the costs, expenses, disbursements and advances described in Sections 5.2, 5.3 and 6.2. The Escrow Agent Fee and such other costs, expenses, disbursements and advances shall be payable from the interest earnings from the Equipment Acquisition Fund. In the event a shortfall occurs, said shortfall shall be the responsibility of Lessee and not the responsibility of Escrow Agent, Lessor, or their agents or assigns. Such shortfall shall be paid by Lessee to Escrow Agent within thirty (30) days following receipt by Lessee of a written statement setting forth such shortfall.

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

Section 6.3. Security for Fees and Expenses. As security for fees and expenses of Escrow Agent hereunder to be borne by Lessee and any and all losses, claims, damages, liabilities and expenses incurred by Escrow Agent in connection with its acceptance of appointment hereunder or with the performance of its obligations under this Escrow Agreement, which are to be borne by Lessee, and to secure the obligation of Lessee to indemnify Escrow Agent as set forth in Section 5.5, Escrow Agent is hereby granted a security interest in and a lien upon the Equipment Acquisition Fund, which security interest and lien shall be prior to all other security interests, liens or claims against the Equipment Acquisition Fund or any part thereof.

ARTICLE VII. CHANGE OF ESCROW AGENT

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

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

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

ARTICLE VIII. ADMINISTRATIVE PROVISIONS.

Section 8.1. Notice. All written notices to be given under this Escrow Agreement shall be given by mail, by facsimile or by overnight courier to the party entitled thereto at its contact information specified on Schedule I, or at such contact information as the party may provide to the other parties hereto in writing from time to time. Any such notice shall be deemed to have been received 72 hours after deposit in the United States mail in registered or certified form, with postage fully prepaid, or if given by other means, when delivered at the address or facsimile number specified in Schedule I. Any notice given by any party shall be given to both other parties.

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

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

Section 8.4. Severability. In the event any provision of this Escrow Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

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

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

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

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

Section 8.9. Execution in Counterparts. This Escrow Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Escrow Agreement.

Section 8.10. Waiver of Jury Trial. Lessor, Lessee and Escrow Agent hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Escrow Agreement.

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

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

**SCHEDULE I
INFORMATION TO COMPLETE ESCROW AGREEMENT**

Lease Number: 06121
Equipment Schedule: 01
Date of Escrow Agreement: September 5, 2007
Name of Lessee: City of Long Beach
Lessee's State / Commonwealth: California
Escrow Agency Fee: \$250.00
Initial Deposit Amount: \$4,336,195.00
Date of Master Lease Agreement: September 5, 2007
Beneficiary Name for Fund: City of Long Beach
Ending Date: March 31, 2009

APPROVED AS TO FORM

Lessee's Address: City Treasurer's Office
333 West Ocean Boulevard, 6th Floor
Long Beach, CA 90802
Attention: Daniel Thurber
Lessee's Telephone: 562/570-6169
Lessee's Facsimile: 562/570-5836
Lessee's Taxpayer Identification Number: [REDACTED]

9/5, 2007
ROBERT E. SHANNON, City Attorney
By *[Signature]*
DEPUTY CITY ATTORNEY

Lessee's Authorized Representatives Anthony W. Bafts, City Manager

[Signature] [signature]

Escrow Agent's Address: SunTrust Bank, Corporate Agency Services
HDQ 5310
919 East Main Street, 10th Floor
Richmond, Virginia 23219
Attention: Matt Ward
Escrow Agent's Telephone: (804) 782-7182
Escrow Agent's Facsimile: (804) 782-7855

Lessor's Address: SunTrust Leasing Corporation
300 E. Joppa Road, 7th Floor
Towson, Maryland 21286
Attention: Aleta Way
Lessor's Telephone: (410) 307-6600
Lessor's Facsimile: (410) 307-6702
Lessor's Taxpayer Identification Number: _____

This is counterpart No. 2 of 2 serially numbered, manually executed counterparts of this document. To the extent that this Lease Agreement constitutes chattel paper under the Uniform Commercial Code, a security interest in this Lease Agreement may be created through the transfer and possession of Counterpart No. 1 only, without the need to transfer possession of any other original or counterpart or copy of this Lease Agreement or any original or counterpart or copy of any exhibits, addenda, schedules, certificates, riders or other documents and instruments executed and delivered in connection with this Lease Agreement.

Form of

PAYMENT REQUEST FORM NO. _____

SUNTRUST BANK as Escrow Agent under an Escrow Agreement dated as of September 5, 2007 (the "Escrow Agreement") by and among the Escrow Agent, **SUNTRUST LEASING CORPORATION**, as Lessor, and **CITY OF LONG BEACH**, as Lessee, is hereby requested to pay, from the Equipment Acquisition Fund, to the person or entity designated below as payee, that amount set forth opposite each such name, in payment of the Acquisition Costs of the Equipment designated opposite such payee's name and described on the attached page(s). The terms capitalized in this Payment Request Form but not defined herein shall have the meanings assigned to them in the Escrow Agreement.

<u>Payee</u>	<u>Amount</u>	<u>Equipment</u>
--------------	---------------	------------------

Lessee hereby certifies that:

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

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

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

Dated: _____, 20__.

CITY OF LONG BEACH,
Lessee

SUNTRUST LEASING CORPORATION,
Lessor

By _____
Name:
Title:
Date: _____

By _____
Name:
Title:
Date: _____

EXHIBIT G-1

Lease Number: 06121
Equipment Schedule: 01

Certificate of Self-Insurance for Liability Coverage

TO: SunTrust Leasing Corporation
Attn: Ms. Jan Kyger
300 East Joppa Road, 7th Floor
Towson, Maryland 21286
Phone: 410-307-6606
Fax: 410-307-6669

Dear Sir or Madam:

THE CITY OF LONG BEACH has entered into to a Master Lease / Purchase Agreement dated as of September 5, 2007 with **SUNTRUST LEASING CORPORATION**. In accordance with the Agreement, Lessee certifies that it self-insures and will maintain the following insurance coverages in accordance with the terms of the Master Lease Purchase Agreement and in the respective amounts set forth herein:

Public Liability Insurance is self-insured by the Lessee in scope equivalent to ISO CG 00 01 10 93. SunTrust Leasing Corporation and/or its assigns is hereby named as an Additional Insured in scope equivalent to ISO CG 20 26 11 85.

The following minimum coverage is required:

Liability:	\$1,000,000.00 per person/occurrence
Liability - Bodily Injury:	\$2,000,000.00 aggregate
Liability - Property Damage:	\$1,000,000.00 property damage liability

LOCATION: City Treasurer's Office, 333 W. Ocean Blvd., 6th Floor, Long Beach, CA 90802

COVERAGE EFFECTIVE DATES:

Upon expiration or termination of the coverage outlined above, an updated certificate of insurance will be mailed to SunTrust Leasing Corporation, 300 East Joppa Road, 7th Floor, Towson, Maryland 21286, Attention: Jan Kyger. Additional insurance related inquires should be addressed to: City of Long Beach, Risk Management Bureau, City Hall, 10th Floor, 333 West Ocean Blvd., Long Beach, California 90802.

The foregoing is represented to be true and correct and effective as of this ____ day of _____, 2007.

CITY OF FLONG BEACH,

Lessee

By: 

Name: Anthony W. Batts

Title: City Manager

Date: _____

APPROVED AS TO FORM

9/5, 2007
ROBERT E. SHANNON, City Attorney

By 
DEPUTY CITY ATTORNEY

This is counterpart No. 2 of 2 serially numbered, manually executed counterparts of this document. To the extent that this Lease Agreement constitutes chattel paper under the Uniform Commercial Code, a security interest in this Lease Agreement may be created through the transfer and possession of Counterpart No. 1 only, without the need to transfer possession of any other original or counterpart or copy of this Lease Agreement or any original or counterpart or copy of any exhibits, addenda, schedules, certificates, riders or other documents and instruments executed and delivered in connection with this Lease Agreement.

**SCHEDULE A TO FINANCING STATEMENT OF
CITY OF LONG BEACH AS DEBTOR, AND
SUNTRUST LEASING CORPORATION, AS SECURED PARTY**

Continuation of Collateral Description

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

TWENTY (20) ELGIN STREET SWEEPERS

(a) the equipment described in Equipment Schedule No. 01 dated as of September 5, 2007 (the "Equipment Schedule") to the Master Lease Agreement dated as of September 5, 2007 (the "Agreement," and together with the Equipment Schedule, the "Lease") between Debtor, as lessee, and Secured Party, as lessor, as such Lease may be amended, modified or supplemented from time to time together with all of Debtor's right, title and interest in and to the Equipment Acquisition Fund established in Debtor's name at **SUNTRUST BANK** (the "Escrow Agent") pursuant to the Escrow Agreement dated as of September 5, 2007 (the "Escrow Agreement") among Debtor, Secured Party and the Escrow Agent;

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

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

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name City of Long Beach	2 Issuer's employer identification number [REDACTED]		
3 Number and street (or P.O. box if mail is not delivered to street address) 333 West Ocean Boulevard	Room/suite	4 Report number 3 07-	
5 City, town, or post office, state, and ZIP code Long Beach, CA 90802		6 Date of issue September 5, 2007	
7 Name of issue Master Lease Agreement No. 06121, Schedule No. 01		8 CUSIP number n/a	
9 Name and title of officer or legal representative whom the IRS may call for more information Daniel Thurber		10 Telephone number of officer or legal representative (562) 570-6169	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input checked="" type="checkbox"/> Other. Describe ► Street Sweepers	18 4,336,295.00
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input checked="" type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	9/5/2011	\$ 4,336,295.00	\$ 4,336,295.00	4 years	3.91 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 4,336,295.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 4,336,295.00

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called	_____
34 Enter the date(s) the refunded bonds were issued	_____

Part VI Miscellaneous	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	37a
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
40 If the issuer has identified a hedge, check box <input type="checkbox"/>	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here
 Signature of issuer's authorized representative: *Anthony W. Batts* Date: **9/5, 2007**
 APPROVED AS TO FORM Anthony W. Batts, City Manager
 Type or print name and title

SUNTRUST LEASING CORPORATION

DISBURSEMENT AUTHORIZATION

September 5, 2007

SunTrust Leasing Corporation
300 E. Joppa Road; 7th Floor
Towson, Maryland 21286

Gentlemen:

In connection with the certain Equipment Schedule No. 01 executed between SunTrust Leasing Corporation and the Lessee identified below, pursuant to that certain Master Lease Agreement No. 06121 dated as of September 5, 2007, Lessee hereby directs SunTrust Leasing Corporation to wire transfer the monies as follows and to deduct the documentation fee due to SunTrust Leasing Corporation at closing:

Destination Information:

Bank Name	SunTrust Bank
Bank ABA Number	
Account Number	
Account Name	Corporate Agency Services
Attention	Matthew Ward 804-782-7182
Dollar Value	\$4,336,195.00
Reference	City of Long Beach, CA

Documentation Fee:

SunTrust Leasing Corp.	
Dollar Value	\$100.00
Reference	City of Long Beach, CA

TOTAL DISBURSEMENTS: \$4,336,295.00

Lessee acknowledges: (a) the Acquisition Cost of the Equipment is being increased by \$600.00 to cover the Documentation Fee & UCC filing fee ("Fee"), and (b) this Fee will be allocated to cost of the largest single piece of Equipment under lease. Lessee warrants that payment to the persons of the amounts described above constitutes full and final payment to all persons necessary so that the Equipment is fully paid for and shall be owned by Lessee free of all liens and encumbrances.

CIT OF LONG BEACH,
Lessee

By: Anthony W. Batts
Name: Anthony W. Batts
Title: City Manager
Date: 9/5/07

APPROVED AS TO FORM

9/5, 2007
ROBERT E. SHANNON, City Attorney
By Row A Conway
CITY

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