

STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT

Lease Number: 1001066-001

This State and Municipal Lease/Purchase Agreement (the "Lease") is made and entered into on this, the 17th day of August 2012 by and between Ervin Leasing Company, with offices at 3893 Research Park Drive, Ann Arbor, MI 48108 (herein called the "Lessor"), and Harrah Public Works Authority with its principal address at P.O. Box 636, Harrah, OK 73045 (herein called the "Lessee"), wherein it is agreed as follows:

1. **LEASE OF EQUIPMENT:** Lessee hereby requests Lessor to acquire the equipment described in Exhibit A attached hereto and made a part hereof. Subject to the terms and conditions hereof, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the equipment described in Exhibit A, with all replacement parts, repairs, additions and accessories incorporated therein or affixed thereto (herein collectively called the "Equipment").
2. **DELIVERY AND ACCEPTANCE:** Lessee agrees to order the Equipment from the supplier of such Equipment, but will not be liable for specific performance of this Lease or for damages if for any reason the supplier delays or fails to fill the order. Lessee will cause the Equipment to be delivered at the location specified in Exhibit A (the "Equipment Location"). Lessee will pay all transportation and other costs, if any, incurred in connection with the delivery and installation of the Equipment. Any delay in such delivery will not affect the validity of this Lease. Lessee will accept the Equipment as soon as it has been delivered and is operational, or as soon as any manufacturer or vendor preacceptance test period has expired. Lessee will have no more than thirty (30) days from the date of delivery of the Equipment to accept such Equipment. In the event the Equipment is not accepted by Lessee within thirty (30) days from the date of its delivery, Lessor, at Lessor's sole option, will have the right to terminate this Lease. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a delivery and acceptance certificate in the form of Exhibit B attached hereto and made a part hereof (the "Acceptance Certificate"). Lessee hereby authorizes the Lessor to add to this Lease and to any other description of the Equipment the serial number of each item of Equipment when available.
3. **TERM:** This Lease will become effective upon the execution hereof by Lessee and Lessor. The initial term of this Lease will commence on the earlier of the date Lessee executes the Acceptance Certificate or the date funds sufficient to purchase the Equipment are deposited with a bank or trust company in an escrow fund (the "Start Date") and will extend through the end of Lessee's fiscal year containing the Start Date. Unless earlier terminated as expressly provided for in this Lease, the term of this Lease will be automatically renewed on a year-to-year basis for the number of annual fiscal periods necessary to comprise the lease term as set forth in Exhibit C attached hereto and made a part hereof (the "Lease Term").
4. **RENT:** Lessee agrees to pay Lessor or any Assignee (as defined in Section 22 below), the rental payments for the Equipment as set forth in Exhibit C (the "Rental Payments"). A portion of each Rental Payment is paid as and represents the payment of interest as set forth in Exhibit C. The Rental Payments will be payable without notice or demand, at the office of Lessor (or such other place as Lessor or any Assignee may designate in writing, from time to time) and will commence on the Start Date or as otherwise set forth in Exhibit C, and the remaining Rental Payments will be payable on the same day of each consecutive month or quarter or semiannual or annual period thereafter (as designated in Exhibit C) for the duration of the Lease Term. Any notice, invoicing, purchase orders, quotations or other forms or procedures requested by Lessee in connection with payment will be fully explained and provided to Lessor or any Assignee sufficiently in advance of the payment due date for the completion thereof by Lessor or any Assignee prior to such payment date, but none of the foregoing will be a condition to Lessee's obligation to make any such payment. If Lessee fails to pay any monthly rental payment or any other sums under the Lease within ten (10) days when the same becomes due, Lessee shall pay to Lessor (in addition to and not in lieu of other rights of Lessor) a late charge equal to the greater of five (5%) percent of such delinquent amount or Twenty-Five Dollars (\$25.00), but in any event not more than the maximum permitted by law. Such late charge shall be payable by Lessee upon demand by Lessor and shall be deemed rent hereunder. Lessee acknowledges and agrees that the late charge (i) does not constitute interest, (ii) is an estimate of the costs Lessor will incur as a result of the late payment and (iii) is reasonable in amount. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder will constitute a current expense of Lessee and will not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee. EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 8 HEREOF, THE RENTAL PAYMENTS SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND WILL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER.

Notwithstanding the foregoing, in the event that Lessee, by its use of the Equipment or by its actions or omissions or by any means whatsoever, causes any interest payments as set forth in Exhibit C to be included in Lessor's gross income, Lessee agrees that the interest portion of the Rental Payments on Exhibit C will be adjusted commencing with the first day of the next succeeding fiscal year of the Lessee, but only if this Lease is renewed for such fiscal year, and thereafter, so that Lessor, its Assignees and any participants with such, will be in the same after-tax position they would have been in had such payment been excluded from the gross income of Lessor, its Assignees and any participants with such under Section 103 of the Code.

5. **AUTHORITY AND AUTHORIZATION:** Lessee represents, warrants and covenants that (a) it will do or cause to be done all things necessary to preserve and keep in full force and effect (i) its existence, and (ii) subject to Section 8 hereof, the Lease; (b) it has complied with all bidding and budgeting requirements where necessary and by due notification has presented this Lease for approval and adoption as a valid obligation on its part and that all requirements have been met and procedures have been followed to ensure the enforceability of the Lease; (c) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year period; (d) no event has occurred and no condition exists which, upon the execution of this Lease or with notice or the passage of time or both, would constitute a default under any debt, revenue or purchase obligation which it has issued or to which it is a party (the "Obligation") nor has it been in default under any Obligation at any time during the past five (5) years, and (e) no lease, rental agreement or contract for purchase, to which Lessee has been a party, at any time during the past five (5) years, has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal period.
6. **LESSEE CERTIFICATION:** Lessee warrants and covenants that (i) it is a state, or a political subdivision thereof, within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the related regulations and rulings thereunder; (ii) subject to Section 8 hereof, Lessee's obligation under this Lease constitutes an enforceable obligation issued by or on behalf of a state, or political subdivision thereof, such that any interest income derived under this Lease and due Lessor or its Assignee, including, but not limited to, those amounts designated as interest in Exhibit C, will not be includable in the gross income of Lessor, its Assignee or any participants with such for the purposes of federal income taxation; (iii) this Lease represents a valid deferred payment obligation of Lessee for the amount herein set forth; (iv) Lessee has the legal capacity to enter into this Lease and is not in contravention of any state, county, district, city or town statute, rule, regulation or other governmental provision; (v) during the Lease Term, the Equipment will not be used in a trade or business of any other person or entity; (vi) Lessee will complete and file on a timely basis, Internal Revenue Service form 8038G or 8038GC, as appropriate, in the manner set forth in Section 149(e) of the Code; and (vii) Lessee will not take any action or permit the omission of any action reasonably within its control which action or omission will cause the interest portion of any Rental Payment hereunder to be includable in gross income for federal income taxation purposes.
7. **APPROPRIATIONS AND ESSENTIAL USE:** Lessee reasonably believes that sufficient funds can be obtained to make all Rental Payments during the Lease Term. The responsible financial officer of Lessee will do all things lawfully within his or her power to obtain funds from which the Rental Payments, including any Rental Payments required by Section 4 hereof, may be made, including making provisions for such payments, to the extent necessary, in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend this Lease for any subsequent annual fiscal period is solely within the discretion of the then current governing body of Lessee. It is Lessee's current intent to make the Rental Payments for the full Lease Term if funds are legally available therefore, and in that regard Lessee represents that (a) the use of the Equipment is essential to its proper, efficient, and economic functioning or to the services that it provides to its citizens; (b) Lessee has an immediate need for and expects to make immediate use of substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future; and (c) the Equipment will be used by the Lessee only for the purpose of performing one or more of its governmental or proprietary functions consistent with the permissible scope of its authority.
8. **NONAPPROPRIATION OF FUNDS:** In the event no funds or insufficient funds are appropriated and budgeted or otherwise made available for Rental Payments, including any Rental Payments required by Section 4 hereof, for any fiscal period in which the Rental Payments for the Equipment are due under this Lease, then, without penalty, liability or expense to Lessee, this Lease will thereafter terminate and be rendered null and void on the last day of the fiscal period for which appropriations were made, except as to (i) the portions of the Rental Payments herein agreed upon for which funds have been appropriated and budgeted or are otherwise available and (ii) Lessee's other obligations and liabilities under this Lease relating to, accruing or arising prior to such termination. Lessee will, not less than sixty (60) days prior to the end of such applicable fiscal period, in writing, notify Lessor and any Assignee of such occurrence, but failure to give such notice will not prevent such termination. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee on the day of such termination, packed for shipment in accordance with manufacturer's specifications and eligible for manufacturer's maintenance, and freight prepaid and insured to any location in the continental United States designated by Lessor, all at Lessee's expense, Lessor or its Assignee may exercise all available legal and equitable rights and remedies in retaking possession of the Equipment.
9. **EXCLUSION OF WARRANTIES; LIMITATIONS OF LIABILITY; DISCLAIMER OF CONSEQUENTIAL DAMAGES:** LESSEE HAS SELECTED BOTH THE EQUIPMENT AND THE VENDOR(S) FROM WHOM LESSOR IS TO PURCHASE THE EQUIPMENT IN RELIANCE HEREON. LESSEE ACKNOWLEDGES AND AGREES THAT THE EQUIPMENT IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY LESSEE, THAT LESSOR IS NOT A MANUFACTURER, VENDOR, DISTRIBUTOR OR LICENSOR OF SUCH EQUIPMENT, AND THAT LESSOR LEASES THE EQUIPMENT AS IS AND HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE

PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO INCLUDING ANY WARRANTIES OF TITLE OR AGAINST INFRINGEMENT OR ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR PRACTICE, ALL OF WHICH ARE SPECIFICALLY DISCLAIMED BY LESSOR AND IN NO EVENT SHALL LESSOR BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO THE SALE, LEASE, USE, PERFORMANCE OR MAINTENANCE OF THE EQUIPMENT, INCLUDING INTERRUPTION OF SERVICE, LOSS OF DATA, LOSS OF REVENUE OR PROFIT, LOSS OF TIME OR BUSINESS, OR ANY SIMILAR LOSS, EVEN IF ANY SUCH PERSON IS ADVISED IN ADVANCE OF THE POSSIBILITY OR CERTAINTY OF SUCH DAMAGES AND EVEN IF LESSEE ASSERTS OR ESTABLISHES A FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED IN THIS LEASE.

Lessee acknowledges that neither the original vendor nor licensor of the Equipment (including the salespersons of any of them) is an agent of Lessor, nor are they authorized to waive or alter any terms of this Lease. Lessee hereby waives any claim (including any claim based on strict or absolute liability in tort) it might have against Lessor or any assignee of the Lessor for any loss, damage or expense caused by or with respect to the Equipment. Lessor hereby assigns to Lessee during the Lease Term, to the extent permitted by law, all manufacturer's warranties, if any, that it may have with respect to the Equipment, and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's expense. Lessor authorizes Lessee, to the extent permitted by law, to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer. Lessor assumes no responsibility for shipment, delivery, installation or maintenances, and all claims of Lessee with respect thereto, whether for delay, damage or otherwise, will be made against the manufacturer. Lessor, at its option, may provide in its purchase order that the manufacturer agrees that any of such claims may be made by Lessee directly against the manufacturer. The obligation of Lessee to pay the Rental Payments as defined in Section 4 will not be abated, impaired or reduced by reason of any claims of Lessee with respect to the Equipment, including but not limited to its condition, quality, workmanship, delivery, shipment, installation, defects or otherwise.

- 10. TITLE, SECURITY INTEREST:** Title to the Equipment is deemed to be in Lessee so long as no Event of Default pursuant to section 19 below has occurred and/or this Lease has not been terminated pursuant to the provisions of Section 8 above. Upon the earlier of (i) termination of this Lease in accordance with Section 8 above or (ii) the occurrence of an Event of Default by Lessee pursuant to Section 19 below, title will immediately revert to Lessor free of any right, title or interest of Lessee unless Lessor elects otherwise. In order to secure all of Lessee's obligations hereunder, Lessee hereby (a) to the extent permitted by law, grants to Lessor a first and prior security interest in any and all rights, titles and interest of Lessee in the Lease, the Equipment and in all additions, attachments, accessions, accessories, replacements and substitutions thereto, now or hereafter acquired, together with all rents, issues, income, profits and proceeds thereof, including insurance proceeds; (b) agrees that financing statements evidencing such security interest may be filed; and (c) agrees to execute and deliver all certificates of title and other instruments necessary or appropriate to evidence and perfect such security interest. Lessee further agrees that the Uniform Commercial Code will apply as between the parties hereto and Assignees of Lessor.
- 11. PERSONAL PROPERTY:** The Equipment is, and will remain, personal property and will not be deemed to be affixed or attached to real property or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish to Lessor landlord or mortgage waiver with respect to the Equipment.
- 12. USE; REPAIRS:** Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and will comply with all laws, ordinances, insurance policies and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of, its possession, use or maintenance. Lessee, at its sole costs and expense, will maintain the Equipment according to the manufacturer's recommended guidelines or the equivalent and meet any and all recertification requirements and will furnish proof of such maintenance, if requested by Lessor and will furnish all needed servicing and parts, which parts will become part of the Equipment. If the Equipment is such as is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement with a party satisfactory to Lessor.
- 13. ALTERATIONS:** Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent, and any permitted alteration or attachment which cannot be readily removed without damaging the Equipment's originally intended function or value will become part of the Equipment.
- 14. LOCATION; INSPECTION:** The Equipment will not be removed from, or if the Equipment consists of rolling stock, its permanent base will not be changed from the Equipment Location without Lessor's prior written consent, which consent will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operations.
- 15. LIENS AND TAXES:** Lessee will keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee will pay, when due, all charges and taxes (federal, state and local) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor will have the right, but will

not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes for which Lessee is responsible or liable under this Lease, Lessee will, upon demand, reimburse Lessor therefor.

- 16. RISK OF LOSS; DAMAGE; DESTRUCTION:** Lessee assumes all risk of loss of or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment will relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair (the proceeds of any insurance recovery will be applied to the cost of such repair). If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee, at the option of Lessor, will (a) replace the same with like equipment in good repair; or (b) on the next Rental Payment date pay to Lessor (i) all amounts owed by Lessee under this Lease, including the Rental Payment due on such date, and (ii) an amount not less than the balance of the Rental Payments then remaining unpaid hereunder. In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Rental Payment and the balance of the Rental Payments then remaining unpaid hereunder, as applicable, to be made by Lessee with respect to the Equipment which has suffered the event of loss.
- 17. INSURANCE:** Lessee will, at its expense, maintain at all times during the Lease Term (a) fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as will be satisfactory to Lessor. In no event will the insurance limits be less than the greater of (i) an amount equal to the balance of the Rental Payments then remaining for the Lease Term or (ii) any minimum required by any co-insurance provisions of such insurance, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor, and (c) workers' compensation coverage as required by the laws of the state in which Lessee is located. Each insurance policy required by clause (b) of the preceding sentence will name Lessee as an insured and Lessor or its assigns as an additional insured and loss payee, as appropriate, and each insurance policy required by the preceding sentence will contain a clause requiring the insurer to give Lessor or its Assignee at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or its assigns, as their interest may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice hereof and make available to Lessor all information and documentation relating thereto. Notwithstanding the foregoing, with Lessor's prior written consent, Lessee may self-insure against any and all risks for which insurance is required.
- 18. INDEMNIFICATION:** To the extent permitted by law, and solely from legally available funds, Lessee agrees to indemnify Lessor against, and hold Lessor, its Assignees, or any participants with such, harmless from, any and all claims, actions, proceedings, expenses, damages, liabilities or losses (including, but not limited to, attorneys' fees and court costs) arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, possession, use, operation or return and the recovery of claims under insurance policies thereon.
- 19. EVENTS OF DEFAULT:** The Term "Event of Default" as used in this Lease, means the occurrence of any one or more of the following events: (a) Lessee fails to make any Rental Payment (or any other payment) as it becomes due in accordance with the terms of this Lease, and any such failure continues for ten (10) days after the date thereof; (b) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure is not cured within ten (10) days after written notice thereof by Lessor; (c) the discovery by Lessor that any statement, representation or warranty made by Lessee in this Lease or in any document delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (d) Lessee becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or substantial part of its assets, a petition for relief is filed by Lessee under federal bankruptcy, insolvency or similar laws, or a petition in a proceeding under any bankruptcy, insolvency or similar laws, is filed against Lessee and is not dismissed within thirty (30) days thereafter; (e) Lessee suffers an adverse material change in its financial condition or operations from the date hereof and, as a result, Lessor deems itself insecure; or (f) Lessee is in default under any other agreement executed at any time with Lessor, its affiliates or Lessor's Assignee or under any other agreement or instrument by which it is bound.
- 20. REMEDIES:** Upon the occurrence of an Event of Default, Lessor may, at its option, exercise any one or more of the following remedies: (a) by written notice to Lessee, declare an amount equal to all amounts then due under this Lease and all remaining Rental Payments which will become due during the then current fiscal year of Lessee to be immediately due and payable, whereupon the same will become immediately due and payable; (together with interest on such amount at the lesser of one and one-half (1 ½ %) percent per month or the maximum permitted by law from the date on which Lessor has declared this Lease to be in default; (b) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 8 hereof, or Lessor, at its option, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same without liability to Lessor or its agents for such entry or for damage to property or otherwise; (c) sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for (i) all Rental Payments and other payments due to the effective date of such selling, leasing or subleasing, and (ii) for the difference between the purchase price, rental and other amounts paid by the purchaser, lessee or

sublessee pursuant to such sale, lease or sublease and the remaining amounts payable by the Lessee through the end of the then current fiscal year of Lessee hereunder; and (d) exercise any other right, remedy or privilege which may be available to it under applicable law, including the right to (i) proceed by appropriate court action to enforce the terms of this Lease, (ii) recover damages for the breach of this Lease, and (iii) rescind this Lease as to any or all of the Equipment.

In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

- 21. EARLY PURCHASE OPTION:** Lessee may, upon sixty (60) days prior written notice to Lessor, and provided Lessee has fully paid and performed all other obligations hereunder and provided no Event of Default has occurred and is continuing, pay to Lessor the applicable amount set forth on Exhibit C attached hereto, whereupon title to the Equipment will become unconditionally vested in Lessee, and Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, where is, without warranty, express or implied, except that Lessor will warrant to Lessee that the Equipment is free and clear of any liens created by Lessor.
- 22. ASSIGNMENT:** Except as expressly provided herein, Lessee will not (a) assign, transfer, pledge, hypothecate or grant any security interest in, or otherwise dispose of, this Lease or the Equipment or any interest in this Lease or the Equipment or (b) sublet or lend the Equipment or permit the Equipment to be used by anyone other than Lessee or Lessee's employees unless Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor that such action will not adversely affect the exclusion of the interest portions of the Rental Payments from gross income for federal income tax purposes.

Lessor, without the consent of Lessee, may assign all or any portion or portions of its right, title and interest in and to this Lease, the Equipment and any other documents executed with respect to this Lease, and/or grant or assign all or any portion or portions of its security interest in this Lease and the Equipment, in whole or in part to various assignees, their agents or trustees (each and any one hereinafter referred to as an "Assignee"). Any such assignment to an Assignee may provide that the Lessor or the Assignee will act as a collection and paying agent for owners of certificates of participation in this Lease, or may provide that a third-party trustee or agent will act as collection and paying agent for any Assignee, provided that any such trustee or agent will maintain registration books as a register of all persons who are owners of certificates of participation or other interest in Rental Payments and Lessee receives written notification of the name and address of the trustee or agent and a copy of the pooling and fractionalization agency or trustee agreement, if any. Any such Assignee will have all of the assigned rights of Lessor under this Lease. Subject to the foregoing, this Lease will inure to the benefit of and will be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Any assignment or reassignment of any of Lessor's right, title or interest in this Lease or the Equipment will be effective upon receipt by Lessee of a duplicate original of the counterpart document by which the assignment or reassignment is made, disclosing the name and address of each such Assignee and, where applicable, to whom further payments hereunder should be made. During the Lease Term, Lessee covenants that it will keep a complete and accurate record of all assignments in form necessary to comply with Section 149(a) of the Code and the regulations, proposed or existing, from time to time promulgated thereunder. Lessee agrees to acknowledge in writing any assignments if so required.

Lessee agrees that, upon notice of assignment, if so instructed it will pay directly to the Assignee, or its Trustee or Agent without abatement, deduction or setoff all amounts which become due hereunder. Lessee further agrees that it will not assert against any Assignee, Trustee or Agent any defense, claim, counterclaim or setoff on account of any reason whatsoever with respect to any Rental Payments or other amounts due hereunder or with respect to any action brought to obtain possession of the Equipment pursuant to this Lease.

- 23. FINANCIAL STATEMENTS:** Each year during the term of this Lease, Lessee hereby agrees to deliver to Lessor a copy of: (i) annual audited financial statements within one hundred twenty (120) days of Lessee's fiscal year-end; and (ii) within a reasonable period of time, any other financial information Lessor requests from time to time.
- 24. NATURE OF AGREEMENT:** Lessor and Lessee agree that upon the due and punctual payment and performance of the installments of Rental Payments and other amounts and obligations under this Lease, title to the Equipment will vest permanently in Lessee as provided in this Lease, free and clear of any interest, lien or security of Lessor therein.
- 25. AMENDMENTS:** This Lease may be amended or any of its terms modified for the purpose of adding Equipment, with the written consent of the parties hereto. In such event, additions to or additional exhibits attached hereto will be executed by Lessee. All other amendments or modifications of the terms of this Lease (except for the addition or serial numbers for the Equipment as set forth in the Acceptance Certificate) must be accomplished by written consent of Lessee and Lessor, or its Assignee, if any; provided, however, that no amendment of this Lease will operate to reduce or delay any Rental Payments to be made hereunder without the consent of Lessor, or its Assignee, at the time of such amendment.

26. NOTICES: All notices to be given under this Lease must be made in writing and mailed by certified mail 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 notice will be deemed to have been received five (5) days subsequent to mailing.

27. SECTION HEADINGS: All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

28. GOVERNING LAW VENUE: This Lease will be governed by the provisions hereof and by the laws of the State of Oklahoma.

29. FURTHER ASSURANCES: Lessee will deliver to Lessor (i) an opinion of counsel in substantially the form of Exhibit D attached hereto or as Lessor may otherwise request; and (ii) if applicable, a certificate of a duly authorized official as to designation as a qualified tax-exempt obligation. Moreover, Lessee will execute or provide, as requested by Lessor, any documents and information that are reasonably necessary with respect to the transaction contemplated by this Lease.

30. ENTIRE AGREEMENT: This Lease, together with the exhibits attached hereto and made a part hereof and other attachments hereto and other documents or instruments executed by Lessee and Lessor in connection herewith, constitute the entire agreement between the parties with respect to the lease of the Equipment, and this Lease will not be modified, amended, altered or changed except with the written consent of Lessee or Lessor.

31. SEVERABILITY: Any provision of this Lease found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Lease.

32. WAIVER: The waiver by Lessor of any breach by Lessee of any term, covenant or condition, hereof will not operate as a waiver of any subsequent breach hereof.

33. CERTIFICATION AS TO ARBITRAGE: Lessee hereby represents as follows:

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

(b) The Equipment has been ordered or is expected to be ordered within six months of the effective date of this Lease, and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within one (1) year of the effective date of this Lease.

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

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

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

34. ELECTRONIC TRANSACTIONS. The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT, ARE NOT ENFORCEABLE. TO PROTECT YOU (LESSEE(S)) AND US (LESSOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

BY SIGNING BELOW, YOU AND WE AGREE THAT THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN US.

LESSOR: Ervin Leasing Company

LESSEE: Harrah Public Works Authority

DATE:

DATE:

BY:

BY:

Authorized Signature and Title:

Authorized Signature and Title:

EXHIBIT A TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. 1001066-001

Description of Equipment

DESCRIPTION OF LEASED EQUIPMENT (Make, Kind, Model Number, Serial Number, Any other pertinent identification)	
<p>Sensus Flexnet (Metro 50) Base Station, Sensus Flexnet Command Link Smart Point Command Link, Trimble Nomad Handheld 900LE Yellow NMDAJY-111-00, Mtr 3/4' Iperl 1 Gal TR/PL (SB) Short Body (7-1/2') Length 1 Gallon TR/PL W/ 6ft Wire, MXU 520M TC 1-Port(Leak); Sensus Model 520M Single Port M2 Meter Transceiver Unit Pit Version Touchcouple Hourly Reads Leak Detection, CSI: Meter Installation 3rd Party, MTR 2" Omni R2-1 Gal; 1 Gallon ECR Lay Length (17"), MTR 3" Omni T2-1 Gal (19"); 1 Gallon ECR 1 Gal Pulse Output Turbo Drs Lay Length (19"), CSI: Meter Installation 3rd Party, Sensus Flex Monthly Ami Hosting/Support Fee System Size=7,501-10,000, CSI: Meter Installation 3rd Party, Sensus Propeller Mtr 4" #101 4" Model 101 With E-Rofi/Het Register 100 Gallon Read, Sensus Propeller Mtr 3" #101 Model 101 With Het Register 1 Gallon Read, CSI Meter Installation 3rd Party, Sensus Flexnet RNI Setup/Configuration in the Sensus Data Center, Sensus Telemetric Model T866-FLC</p>	\$526,000.00
TOTAL	\$526,000.00

Location of Equipment

Street Address: 19625 NE 23rd

City: Harrah

County: Oklahoma

State: OK

Zip Code: 73045

Lessee hereby certifies that the description of the property set forth above constitutes an accurate account of the Equipment as referred to in the Lease.

Harrah Public Works Authority

LESSEE:

BY:

X

DATE:

EXHIBIT B TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. 1001066-001

DELIVERY AND ACCEPTANCE CERTIFICATE

TO: Ervin Leasing Company

Reference is made to the State and Municipal Lease/Purchase Agreement between the undersigned Harrah Public Works Authority ("Lessee"), and Ervin Leasing Company ("Lessor") dated August 17, 2012 ("Lease") and to the Equipment as such term is defined therein. In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or otherwork necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment
4. The serial number for each item of Equipment which is set forth on Exhibit A to the Lease is correct.

This certificate will not be considered to alter, construe, or amend the terms of the Lease.

LESSEE:
Harrah Public Works Authority

WITNESS:

BY :
X
DATE:

Federal Tax ID #: 73-1386830

EXHIBIT C

Lessee: Harrah Public Works Authority
 Lessor: Ervin Leasing Company
 Lease Number: 1001066-001
 Start Date: 9/1/2012
 Lease Term in Months: 84 months
 Rental Periods: Monthly in Arrears
 First Payment Date: 3/1/2013
 Capital Cost of
 Equipment: \$526,000.00

Rental Payment Date	Payment Amount	Amount Credited to Interest	Amount Credited to Capital Cost	Early Purchase Option Price
3/1/2013	\$ 7,238.77	\$ 9,913.16	2,674.39-	\$ 544,534.62
4/1/2013	\$ 7,238.77	\$ 1,647.70	\$ 5,591.07	\$ 538,775.82
5/1/2013	\$ 7,238.77	\$ 1,630.28	\$ 5,608.49	\$ 532,999.07
6/1/2013	\$ 7,238.77	\$ 1,612.80	\$ 5,625.97	\$ 527,204.33
7/1/2013	\$ 7,238.77	\$ 1,595.26	\$ 5,643.51	\$ 521,391.51
8/1/2013	\$ 7,238.77	\$ 1,577.67	\$ 5,661.10	\$ 515,560.58
9/1/2013	\$ 7,238.77	\$ 1,560.03	\$ 5,678.74	\$ 509,711.48
10/1/2013	\$ 7,238.77	\$ 1,542.33	\$ 5,696.44	\$ 503,844.14
11/1/2013	\$ 7,238.77	\$ 1,524.58	\$ 5,714.19	\$ 497,958.53
12/1/2013	\$ 7,238.77	\$ 1,506.77	\$ 5,732.00	\$ 492,054.57
1/1/2014	\$ 7,238.77	\$ 1,488.90	\$ 5,749.87	\$ 486,132.20
2/1/2014	\$ 7,238.77	\$ 1,470.98	\$ 5,767.79	\$ 480,191.38
3/1/2014	\$ 7,238.77	\$ 1,453.01	\$ 5,785.76	\$ 474,232.04
4/1/2014	\$ 7,238.77	\$ 1,434.97	\$ 5,803.80	\$ 468,254.13
5/1/2014	\$ 7,238.77	\$ 1,416.89	\$ 5,821.88	\$ 462,257.59
6/1/2014	\$ 7,238.77	\$ 1,398.74	\$ 5,840.03	\$ 456,242.36
7/1/2014	\$ 7,238.77	\$ 1,380.54	\$ 5,858.23	\$ 450,208.39
8/1/2014	\$ 7,238.77	\$ 1,362.28	\$ 5,876.49	\$ 444,155.60
9/1/2014	\$ 7,238.77	\$ 1,343.97	\$ 5,894.80	\$ 438,083.96
10/1/2014	\$ 7,238.77	\$ 1,325.59	\$ 5,913.18	\$ 431,993.38
11/1/2014	\$ 7,238.77	\$ 1,307.16	\$ 5,931.61	\$ 425,883.82
12/1/2014	\$ 7,238.77	\$ 1,288.68	\$ 5,950.09	\$ 419,755.23
1/1/2015	\$ 7,238.77	\$ 1,270.13	\$ 5,968.64	\$ 413,607.53
2/1/2015	\$ 7,238.77	\$ 1,251.53	\$ 5,987.24	\$ 407,440.67
3/1/2015	\$ 7,238.77	\$ 1,232.87	\$ 6,005.90	\$ 401,254.60
4/1/2015	\$ 7,238.77	\$ 1,214.15	\$ 6,024.62	\$ 395,049.24
5/1/2015	\$ 7,238.77	\$ 1,195.38	\$ 6,043.39	\$ 388,824.55
6/1/2015	\$ 7,238.77	\$ 1,176.54	\$ 6,062.23	\$ 382,580.45
7/1/2015	\$ 7,238.77	\$ 1,157.65	\$ 6,081.12	\$ 376,316.90
8/1/2015	\$ 7,238.77	\$ 1,138.69	\$ 6,100.08	\$ 370,033.81
9/1/2015	\$ 7,238.77	\$ 1,119.68	\$ 6,119.09	\$ 363,731.15
10/1/2015	\$ 7,238.77	\$ 1,100.61	\$ 6,138.16	\$ 357,408.85
11/1/2015	\$ 7,238.77	\$ 1,081.48	\$ 6,157.29	\$ 351,066.84
12/1/2015	\$ 7,238.77	\$ 1,062.29	\$ 6,176.48	\$ 344,705.06
1/1/2016	\$ 7,238.77	\$ 1,043.04	\$ 6,195.73	\$ 338,323.46
2/1/2016	\$ 7,238.77	\$ 1,023.73	\$ 6,215.04	\$ 331,921.97
3/1/2016	\$ 7,238.77	\$ 1,004.36	\$ 6,234.41	\$ 325,500.53
4/1/2016	\$ 7,238.77	\$ 984.93	\$ 6,253.84	\$ 319,059.07
5/1/2016	\$ 7,238.77	\$ 965.44	\$ 6,273.33	\$ 312,597.54
6/1/2016	\$ 7,238.77	\$ 945.89	\$ 6,292.88	\$ 306,115.88
7/1/2016	\$ 7,238.77	\$ 926.27	\$ 6,312.50	\$ 299,614.00
8/1/2016	\$ 7,238.77	\$ 906.60	\$ 6,332.17	\$ 293,091.87
9/1/2016	\$ 7,238.77	\$ 886.86	\$ 6,351.91	\$ 286,549.40
10/1/2016	\$ 7,238.77	\$ 867.07	\$ 6,371.70	\$ 279,986.55
11/1/2016	\$ 7,238.77	\$ 847.21	\$ 6,391.56	\$ 273,403.24
12/1/2016	\$ 7,238.77	\$ 827.29	\$ 6,411.48	\$ 266,799.42
1/1/2017	\$ 7,238.77	\$ 807.31	\$ 6,431.46	\$ 260,175.01
2/1/2017	\$ 7,238.77	\$ 787.26	\$ 6,451.51	\$ 253,529.96
3/1/2017	\$ 7,238.77	\$ 767.15	\$ 6,471.62	\$ 246,864.19
4/1/2017	\$ 7,238.77	\$ 746.98	\$ 6,491.79	\$ 240,177.65

5/1/2017	\$	7,238.77	\$	726.75	\$	6,512.02	\$	233,470.26
6/1/2017	\$	7,238.77	\$	706.46	\$	6,532.31	\$	226,741.99
7/1/2017	\$	7,238.77	\$	686.10	\$	6,552.67	\$	219,992.74
8/1/2017	\$	7,238.77	\$	665.67	\$	6,573.10	\$	213,222.44
9/1/2017	\$	7,238.77	\$	645.19	\$	6,593.58	\$	206,431.06
10/1/2017	\$	7,238.77	\$	624.64	\$	6,614.13	\$	199,618.50
11/1/2017	\$	7,238.77	\$	604.02	\$	6,634.75	\$	192,784.71
12/1/2017	\$	7,238.77	\$	583.35	\$	6,655.42	\$	185,929.63
1/1/2018	\$	7,238.77	\$	562.60	\$	6,676.17	\$	179,053.17
2/1/2018	\$	7,238.77	\$	541.80	\$	6,696.97	\$	172,155.29
3/1/2018	\$	7,238.77	\$	520.92	\$	6,717.85	\$	165,235.91
4/1/2018	\$	7,238.77	\$	499.99	\$	6,738.78	\$	158,294.96
5/1/2018	\$	7,238.77	\$	478.98	\$	6,759.79	\$	151,332.38
6/1/2018	\$	7,238.77	\$	457.92	\$	6,780.85	\$	144,348.10
7/1/2018	\$	7,238.77	\$	436.78	\$	6,801.99	\$	137,342.05
8/1/2018	\$	7,238.77	\$	415.58	\$	6,823.19	\$	130,314.17
9/1/2018	\$	7,238.77	\$	394.32	\$	6,844.45	\$	123,264.38
10/1/2018	\$	7,238.77	\$	372.98	\$	6,865.79	\$	116,192.62
11/1/2018	\$	7,238.77	\$	351.59	\$	6,887.18	\$	109,098.83
12/1/2018	\$	7,238.77	\$	330.12	\$	6,908.65	\$	101,982.92
1/1/2019	\$	7,238.77	\$	308.59	\$	6,930.18	\$	94,844.83
2/1/2019	\$	7,238.77	\$	286.99	\$	6,951.78	\$	87,684.50
3/1/2019	\$	7,238.77	\$	265.32	\$	6,973.45	\$	80,501.84
4/1/2019	\$	7,238.77	\$	243.59	\$	6,995.18	\$	73,296.81
5/1/2019	\$	7,238.77	\$	221.79	\$	7,016.98	\$	66,069.32
6/1/2019	\$	7,238.77	\$	199.92	\$	7,038.85	\$	58,819.30
7/1/2019	\$	7,238.77	\$	177.98	\$	7,060.79	\$	51,546.69
8/1/2019	\$	7,238.77	\$	155.97	\$	7,082.80	\$	44,251.41
9/1/2019	\$	7,238.77	\$	133.90	\$	7,104.87	\$	36,933.39
10/1/2019	\$	7,238.77	\$	111.76	\$	7,127.01	\$	29,592.57
11/1/2019	\$	7,238.77	\$	89.54	\$	7,149.23	\$	22,228.86
12/1/2019	\$	7,238.77	\$	67.26	\$	7,171.51	\$	14,842.21
1/1/2020	\$	7,238.77	\$	44.91	\$	7,193.86	\$	7,432.53
2/1/2020	\$	7,238.77	\$	22.72	\$	7,216.05	\$	-
	\$	608,056.68	\$	82,056.68	\$	526,000.00		

Interest, if any, accruing from the Start Date to the actual date of funding shall be retained by Lessor as additional consideration for entering into this Lease Purchase Agreement.

LESSEE: HARRAH PUBLIC WORKS AUTHORITY

SIGNED BY: _____

TITLE AND DATE: _____

EXHIBIT D TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. 1001066-001

OPINION OF COUNSEL
(To be on Letterhead of Lessee's Counsel)
[Date]

Re: State and Municipal Lease/Purchase Agreement No. 1001066-001, dated August 17, 2012 (the "Lease"), between Ervin Leasing Company ("Lessor") and Harrah Public Works Authority ("Lessee")

Ladies and Gentlemen:

As legal counsel to Lessee, I have examined (a) the Lease, which, among other things, provides for the sale to and purchase by the Lessee of the Equipment, (b) an executed counterpart of the ordinance or resolution of Lessee which, among other things, authorizes Lessee to execute the Lease and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions.

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

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power.
2. Lessee has the requisite power and authority to purchase the Equipment and to execute and deliver the Lease and to perform its obligations under the Lease.
3. The Lease and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee, and the Lease is a valid and binding obligation of Lessee enforceable in accordance with its terms.
4. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state and federal laws.
5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Lease or the security interest of Lessor or its assigns, as the case may be, in the Equipment.

Furthermore, I confirm that the name of the Lessee as stated in the Lease, as Harrah Public Works Authority is the exact legal name of the Lessee for all purposes contemplated herein.

All capitalized terms herein shall have the same meanings as in the Lease. Lessor, its successors and assigns and any counsel rendering an opinion on the tax-exempt status of the interest components of Rental Payments are entitled to rely on this opinion.

Very truly yours,

EXHIBIT E TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. 1001066-001

I, _____, do hereby certify that I am the duly elected, or appointed and acting Secretary/Clerk of the Harrah Public Works Authority, an agency duly organized and existing under the laws of the State of Oklahoma (the "Lessee"), and that the following resolutions have been presented to and duly adopted by the _____ at a meeting duly and regularly held and convened in accordance with applicable law on the _____ day of _____, 20____.

WHEREAS, the Lessee is entering a State and Municipal Lease/Purchase Agreement ("Lease") dated August 17, 2012, with Ervin Leasing Company;

WHEREAS, Lessee has carefully reviewed its financing requirements for the current calendar year and reasonably expects that it will not issue more than ten million dollars (\$10,000,000) of tax-exempt obligations during the calendar year;

NOW, THEREFORE, be it RESOLVED, that the Lessee be, and hereby is, authorized to enter into the Lease with Ervin Leasing Company for a period of 84 months, and be it further

RESOLVED, that the following officials of the Lessee be, and hereby are, authorized, empowered and directed to sign on its behalf the Lease and any addenda, schedules, notes, UCC financing statements or other instruments issued under the provision of the Lease and any other instrument or document which may be necessary or expedient in connection with agreement upon or fulfillment of the provisions of the Lease.

<u>Title</u>	<u>Printed Name</u>	<u>Signature</u>
_____	_____	_____
_____	_____	_____

RESOLVED, that pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, this Lease be and hereby is designated a "qualified tax-exempt obligation" includable within the ten million dollars (\$10,000,000) of the aggregate issues designated as "qualified tax-exempt obligations" for the calendar year within which this Lease is entered into.

RESOLVED, that Lessee shall not designate more than ten million dollars (\$10,000,000) of tax-exempt obligations during the current calendar year as qualified tax-exempt obligations and Lessee, together with its subordinate entities, does not reasonably expect to issue more than ten million dollars (\$10,000,000) of tax-exempt obligations during the current calendar year.

IN WITNESS WHEREOF, I have duly executed this certificate and affixed the seal hereto this day ____ of _____, 20____.

LESSEE: Harrah Public Works Authority

BY:
X

TAX ID NUMBER: 73-1386830

STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. 1001066-001

ESSENTIAL USE/SOURCE OF FUNDS LETTER

August 17, 2012

Ervin Leasing Company
3893 Research Park Drive
Ann Arbor, MI 48108

Re: State and Municipal Lease/Purchase Agreement No. 1001066-001, dated August 17, 2012 (the "Lease"), between Ervin Leasing Company ("Lessor") and Harrah Public Works Authority ("Lessee")

Ladies and Gentlemen:

This confirms and affirms that the Equipment described in the Lease is essential to the function of the undersigned or to the service we provide to our citizens.

Further, we have an immediate need for, and expect to make immediate use of, substantially all such Equipment, which need is not temporary or expected to diminish in the foreseeable future. Such Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, such Equipment was selected by us to be used as follows: _____

The estimated useful life of such Equipment based upon manufacturer's representations and our projected needs is _____ years.

Our source of funds for payments of the Rental Payments due under the Lease for the current fiscal year is _____.

We currently expect and anticipate adequate funds to be available for all future payments of rent due after the current fiscal year for the following reasons:

Very truly yours,

LESSEE: Harrah Public Works Authority

WITNESS:

BY:

X

DATE:

Proof of Insurance

Insurance Agent Name: _____
Agency Name: _____
Address: _____
Phone Number: _____
E-Mail: _____

Ladies and Gentlemen:

Please add Commerce Bank, as both sole loss payee under property insurance covering the equipment listed on attached Exhibit A and additional insured under the general liability insurance policy. The minimum liability coverage is \$1,000,000.00. Please mail or fax an insurance certificate to:

Commerce Bank
8000 Forsyth Blvd, Suite 510
St. Louis, MO 63105

Please note that the Bank requires 30 day written notice of cancellation of the policy covering leased equipment.

Lessee: Harrah Public Works Authority

By: _____

Title:

Date: _____