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	Buyer Name Stephanie Williams (FAC-DMPS)		

Article VI: Insurance and Risk of Loss

Section 6.1. Liability and Property Insurance. During each Lease Term, Lessee shall provide self insurance for liability for personal injuries, death or damage to or loss of property arising out of or in any way relating to the Equipment sufficient to protect Lessor from liability in all events and self insurance through the State's Risk Management Fund for all-risk casualty and property damage in an amount equal to the greater of the full replacement cost of the Equipment with new Equipment having substantially similar Specifications or the applicable Purchase Option Price of each Equipment Group.

Section 6.2. Risk of Loss. As between Lessor and Lessee, Lessee assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any Equipment and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others. Whether or not covered by insurance, Lessee hereby assumes responsibility for and agrees to reimburse Lessor for and, to the extent permitted by law, will indemnify and hold Lessor harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of this Contract, the transactions contemplated hereby and the Equipment, including but not limited to, (a) the selection, manufacture purchase acceptance or rejection of Equipment or the ownership of the Equipment, (b) the delivery, lease, possession, maintenance, use, condition, return or operation of the Equipment, (c) the condition of the Equipment sold or otherwise disposed of after possession by Lessee, (d) the conduct of Lessee, its officers, employees and agents, (e) a breach of Lessee of any of its covenants or obligations hereunder and (f) any claim, loss, cost or expense involving alleged damage to the environment relating to the Equipment, including, but not limited to investigation, removal, cleanup and remedial costs. This provision shall survive the termination of this Contract.

Section 6.3. Damage to or Destruction of Equipment. Lessee shall provide a complete written report to Lessor immediately upon any loss, theft, damage or destruction of any Equipment and of any accident involving any Equipment. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair ("Damaged Equipment"), Lessee shall as soon as practicable after such event either (a) replace the same at Lessee's sole cost and expense with equipment of equal or greater value to the Damaged Equipment immediately prior to the item of the loss occurrence, such replacement equipment to be subject to Lessor's approval, whereupon such replacement equipment shall be substituted in the applicable Lease and the other

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related documents by appropriate endorsement or amendment; or (b) pay the applicable Purchase Option Price of the Equipment Group which includes the Damaged Equipment as set forth in the related Exhibit A. Lessee shall notify Lessor of which course of action it will take within fifteen (15) days after the loss occurrence. If, within forty-five (45) days of loss occurrence, (a) Lessee fails to notify Lessor; (b) Lessee and Lessor fail to execute an amendment to the applicable Equipment Schedule to delete the Damaged Equipment and add the replacement equipment or (c) Lessee has failed to pay the applicable Purchase Option Price of the Equipment, then Lessor may, at its sole discretion, declare the applicable Purchase Option Price of the Damaged Equipment to be immediately due and payable, and Lessee is required to pay the same. The Net Proceeds of insurance with respect to the Damaged Equipment shall be made available by Lessor to be applied to discharge Lessee's obligation under this Section. The payment of the Purchase Option Price for the Equipment Group and the termination of Lessor's interest in the Equipment is subject to the terms of Article XIII hereof.

ARTICLE VII: OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. Lessee shall exercise due care in the installation, use, operation and maintenance of the Equipment, and shall not install, use, operate or maintain the Equipment improperly, carelessly or for a purpose or in a manner contrary to that contemplated by this Contract. Lessee shall operate and maintain the Equipment fully in accordance with any insurance policy provision, applicable prevailing industry standards and, if applicable, the manufacturer's specifications therefor. Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Equipment. Lessee shall comply with State and Federal Laws applicable to the installation, use, possession and operation of the Equipment, and if compliance with any such State and Federal Law requires changes or additions to be made to the Equipment, such changes or additions shall be made by Lessee at its expense. Lessee shall not use any item of Equipment to haul, convey, store, treat, transport or dispose of any "hazardous substances" or "hazardous waste" as such terms are defined in any federal, state or local law, rule or regulation pertaining to the protection of the environment (together, "Environmental Laws"). Lessee agrees that if Lessee is required to deliver any item of Equipment to Lessor or Lessor's agent, the Equipment shall be delivered free of all substances which are regulated by or form a basis for liability under any Environmental Law. Lessee shall comply with all license and copyright requirements of any software used in connection with the Equipment.

Section 7.2. Maintenance of Equipment by Lessee. Lessee shall keep the Equipment at the address specified in the respective Exhibit A and shall notify Lessor in writing prior to moving the Equipment to another address. Lessee shall, at its own expense, maintain, preserve and keep the Equipment in good repair, working order and

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condition, and shall from time to time make all repairs and replacements necessary to keep the Equipment in such condition, and in compliance with State and Federal Laws, ordinary wear and tear accepted. Lessee shall maintain Equipment in a condition suitable for certification by the manufacturer thereof (if certification is available). At Lessee's own cost and expense, if so required on an Equipment Schedule, Lessee will enter into and maintain in force a maintenance agreement acceptable to Lessor during the applicable Lease Term and will satisfy any other specific maintenance provisions specified on the related Exhibit A. In the event that any parts of accessories forming part of any item or items of Equipment become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, Lessee, at its own expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all liens and encumbrances and with a value and utility at least equal to that of the parts or accessories being replaced (assuming that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Equipment and, as such, shall be subject to the terms of this Contract. Lessor shall have no responsibility for any of these repairs or replacements.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, Lessee shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Equipment, the Lease Payments or any part thereof, or which become due during the Lease Term, whether assessed against Lessee or Lessor. Lessee shall also pay when due all utilities and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, and all special assessments and charges lawfully made by any governmental body that may be secured by a lien on the Equipment; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments as are required to be paid during the Lease Term as and when the same become due. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section.

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Section 7.4. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest rate at the rate of 18% per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

ARTICLE VIII: TITLE, SECURITY INTEREST; LIENS

Section 8.1. Title. During the Lease Term, legal title to and ownership of all Equipment and any and all repairs, replacements, substitutions and modifications thereto shall be in Lessee and Lessee shall take all actions necessary to vest such title and ownership in Lessee.

Section 8.2. Security Interest. Lessee grants to Lessor a continuing, first priority security interest in and to the Equipment, all repairs, replacements, substitutions and modifications thereto or thereof and all proceeds of the foregoing in order to secure Lessee's payment of all Lease Payments and the performance of all other obligations to be performed by Lessee. Lessee will join with Lessor in executing such financing statements will perform such acts as Lessor may request to establish and maintain a valid first lien and perfected security interest in the Equipment. Each financing statement shall reflect the Commonwealth of Kentucky as debtor, Lessor as secured party and shall indicate the name of the Using Department that has the use and possession of the Equipment described in such financing statement. If requested by Lessor, Lessee shall obtain a landlord and/or mortgagee's consent and waiver with respect to the Equipment. Lessee authorizes Lessor to file financing statements generally in the forms of Exhibit D hereto and amendments thereto describing the Equipment and containing any other information required by the applicable Uniform Commercial Code and all proper terminations of the filings of other secured parties with respect to the Equipment in such form and substance as Lessor, in its sole discretion, may determine. Lessor shall submit copies of such forms to Lessee. If requested by Lessor, Lessee shall conspicuously mark the Equipment with appropriate lettering, labels or tags, and maintain such markings during the Lease Term, so as clearly to disclose Lessor's security interest in the Equipment. Upon termination of the Lease with respect to any Equipment Group through exercise of Lessee's option to purchase the Equipment pursuant to Article XIII or through payment by Lessee of all Lease Payments and other amounts relating thereto, Lessor's security interest in such Equipment Group shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may reasonably request to evidence the termination of Lessor's security interest in such Equipment Group.

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Section 8.3. Liens. During the Lease Term, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge lien, charge, encumbrance or claim on or with respect to the Equipment (together, "Liens"), other than the respective rights of Lessor and Lessee as herein provided. Except as expressly provided in Section 7. 3 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary duly to discharge to remove any such lien. Lessee shall reimburse Lessor for any expenses incurred by Lessor to discharge or remove any Lien.

Section 8.4. Modification of Equipment. Lessee will not, without prior written consent of Lessor, affix or install any accessory equipment or device on any of the Equipment if such addition will change or impair the originally intended function or use of the Equipment.

Section 8.5. Personal Property. Unless otherwise indicated on Exhibit A, the Equipment is and shall at all times be and remain personal property and not fixtures but in the event the Equipment may be deemed as a fixture, Lessee shall deliver to Lessor the legal description of the real estate where the Equipment is located to attach to a financing statement to be filed in the appropriate governmental office in order to perfect a security interest in fixtures.

ARTICLE IX: WARRANTIES

Section 9.1. Selection of Equipment. The Equipment and the Contractor have been selected by Lessee, and Lessor shall have no responsibility in connection with the selection of the Equipment, the ordering of the Equipment, its suitability for the use intended by Lessee, the acceptance by the Contractor or its sales representative of the order submitted, or any delay or failure by the Contractor or its sales representative to manufacture, deliver or install the Equipment for use by Lessee.

Section 9.2. Contractor's Warranties. Lessor hereby assigns to Lessee for and during the related Lease Term, all of its interest, if any, in all Contractor's warranties, guarantees and patent indemnity protection, express or implied, issued on or applicable to an Equipment Group, and Lessee may obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor has no obligation to enforce any Contractor's warranties or obligations on behalf of itself or Lessee.

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SECTION 9.3. DISCLAIMER OF WARRANTIES. LESSEE ACKNOWLEDGES THAT IT SELECTED THE EQUIPMENT WITHOUT ASSISTANCE OF LESSOR, ITS AGENTS OR EMPLOYEES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS CONTRACT OR THE EQUIPMENT OR LESSEE'S USE OF THE EQUIPMENT.

ARTICLE X: ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 10.1. Assignment and Subleasing by Lessee. Neither this Contract nor any Lease hereunder or any Equipment may be sold, assigned, subleased, transferred, pledged or mortgaged by Lessee to agencies or entities that are not State Agencies or entities.

Section 10.2. Assignment by Lessor. Lessor wishing to assign part or all of the proceeds of a Lease hereunder shall submit to the Finance and Administration Cabinet's Division of Statewide Accounting Services a notarized assignment form stating the name, address, and TIN (taxpayer identification number) of the assignor and assignee, the amount to be assigned, and the contract number. Assignments made contemporaneously with the Funding Date may be documented on the related Equipment Schedule. If the assignment is approved by the director of the Division of Statewide Accounting Services, a copy shall be sent to the assignor, the assignee, the Finance and Administration Cabinet's Division of Material and Procurement Services, and the affected agency. The original shall be filed in the director's office, Division of Statewide Accounting Services and Lessee shall maintain a record of all assignments. Only the proceeds of a Lease can be assigned, not the Lease itself.

An approved assignment shall apply to all amendments and renewals of the original Lease assigned and shall be effective until the original Lease and any renewals expire or are terminated, or until a subsequent assignment of the Lease proceeds is approved.

The Division of Statewide Accounting Services shall establish an alternate vendor number for the assignee and record the vendor number in the upper right corner of the assignment form.

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ARTICLE XI: EVENTS OF DEFAULT AND REMEDIES

Section 11.1. Events of Default Defined. The following are Events of Default under each Lease:

- (a) Failure by Lessee to pay any Lease Payment or other payment required to be paid when due and the continuation of said failure for a period of ten (10) days (other than by reason of Non-Appropriation).
- (b) Failure by Lessee to maintain insurance as required by Article VI.
- (c) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Clauses (a) and (b) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.
- (d) The determination by Lessor that any representation or warranty made by Lessee in this Contract was untrue in any material respect upon execution of this Contract of any Exhibit A or Exhibit B.
- (e) The filing of a petition in bankruptcy by or against Lessee, or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation of Lessee.

Section 11.2. Remedies on Default. Whenever any Event of Default shall have occurred, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Lessor, with or without terminating any Lease, may declare all Lease Payments due or to become due with respect to all Leases entered into for the benefit of the Using Department involved in the Lease to which the Event of Default relates during the Fiscal Period in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Lease Payments shall be immediately due and payable.

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- (b) Lessor, with or without terminating any Lease, may repossess any or all of the Equipment Groups subject to the Leases entered into for the benefit of the Using Department involved in the Lease to which the Event of Default relates by giving Lessee written notice to deliver such Equipment Groups in the manner provided in Section 11.5; or in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where such Equipment Groups are kept and take possession of such Equipment Groups and charge Lessee for costs incurred in repossessing same, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. If the Equipment Groups or any portion of it have been destroyed or damaged beyond repair, Lessee shall pay the applicable cost to purchase the damaged or destroyed Equipment Group as set forth in the Equipment Schedule relating thereto to Lessor. Notwithstanding the fact that Lessor has taken possession of the Equipment Groups, Lessee shall continue to be responsible for the Lease Payments due with respect thereto during the Fiscal Period then in effect.
- (c) If Lessor terminates any Lease and, in its discretion, takes possession and disposes of the Equipment Group subject hereto or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all cost (including, but not limited to, attorneys' fees) incurred in securing possession of the Equipment Group; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the applicable Purchase Option Price the Equipment Group; and (v) the balance of any Lease Payments owed by Lessee during the Fiscal Period then in effect. Any disposition proceeds remaining after the requirements of Clauses (i), (ii), (iii), (iv) and (v) have been met shall be paid to Lessee.
- (d) Lessor may take any other remedy available at law or in equity with respect to such Event of Default, including those requiring Lessee to perform any of its obligations or to pay any moneys due and payable to Lessor and Lessee shall pay the reasonable attorneys' fee and expenses incurred by Lessor in enforcing any remedy hereunder.

Section 11.3. No Remedy Exclusive. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor.

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Section 11.4. Late Charges. Whenever any Event of Default under Section 11.1, Clause (a) shall have happened and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to require a late payment charge accruing from the tenth (10th) day after the Payment Date until the payment is made equal to one percent (1%) of the delinquent amount, and Lessee shall be obligated to pay the same immediately upon receipt of Lessor's written invoice therefor; provided, however, that this Section shall not be applicable if or to the extent that the application thereof would affect the validity of this Contract.

Section 11.5. Return of Equipment. Upon termination of this Contract and/or any Lease hereunder prior to the payment of all Lease Payments, Lessee shall promptly, at its own cost and expense (a) perform any testing and repairs required to place the Equipment in the condition required by Article VII, (b) if deinstallation, disassembly or crating is required, cause the Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor and (c) return the Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession. Upon termination of this Lease in accordance with Lessee's Non-Appropriation or default, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor, Lessee shall have no further interest therein and Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment. In the event of Non-Appropriation or default by Lessee, this Contract terminates as to all Leases for that particular Using Department, and all Equipment subject to Leases entered into for that Using Department are subject to return to the Lessor.

ARTICLE XII: ADMINISTRATIVE PROVISIONS

Section 12.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid or sent via overnight delivery service to the Cabinet on behalf of Lessee and to Lessor at addresses specified on the execution page hereof; provided that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

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Section 12.2. Binding Effect. This Contract and each Lease hereunder shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successor and assigns.

Section 12.3. Severability. In the event any provision of this Contract or any Lease 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 12.4. Applicable Law. This Contract shall be governed by and construed in accordance with the laws of the State of Kentucky. Nothing herein shall be construed or interpreted to give any person other than Lessee and Lessor any legal or equitable right, remedy or claim under or in respect to this Contract or any Lease. Lessor and Lessee agree that no Contractor is a third party beneficiary of this Contract and there are no third party beneficiaries of this Contract.

SECTION 12.5. WAIVER OF JURY TRIAL. LESSOR AND LESSEE HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO, IN CONNECTION WITH OR ARISING OUT OF THIS CONTRACT. THE VENUE FOR ANY LEGAL ACTION WILL BE FRANKLIN CIRCUIT COURT, FRANKFORT, KENTUCKY.

Section 12.6. Financial Information. Lessee will provide Lessor with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Period and such other financial information relating to the ability of Lessee to continue this Contract and any Lease as may be requested by Lessor.

Section 12.7. Financing Statement. A carbon, photographic or other reproduction of this Contract is sufficient as a financing statement in the State to perfect the security interests granted to Lessor.

Section 12.8. Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument, provided there shall be only one fully executed original of this Contract. Only the original of this Contract and each Lease marked "Original – Chattel Paper" shall be chattel paper under the Uniform Commercial Code.

Section 12.9. Captions. The captions or headings in this Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions, Articles, Sections or Clauses hereof.

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Section 12.10. 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 reasonably be required for correcting any inadequacies or incorrect description of the Equipment hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Contract.

Section 12.11. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary herein or in any Exhibit A, in no event shall this Contract or any Lease hereunder require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum amount permitted by applicable law. Any such excess interest or fees shall first be applied to reduce Principal, and when no Principal remains, refunded to Lessee. In determining whether the interest paid or payable exceeds the highest lawful rate, the total amount of interest shall be spread through the applicable Lease Term so that the interest is uniform through such term.

Section 12.12. Lessee's Performance. Time is of the essence. Lessor's failure at any time to require strict performance by Lessee of any of Lessee's obligations shall not waive or diminish Lessor's rights thereafter to demand strict compliance by Lessee.

ARTICLE XIII: OWNERSHIP OF EQUIPMENT AND OPTION TO PURCHASE

Section 13.1. Option to Purchase. Provided there has been no Non-Appropriation or Event of Default, Lessee shall have the option to purchase Lessor's interest in any Equipment Group on any Payment Date for the then applicable Purchase Option Price set forth in Exhibit A relating thereto. Lessee shall give notice to Lessor of its intention to exercise its option with respect to any Lease not less than thirty (30) days prior to the Payment Date on which the option will be exercised and shall deposit with Lessor on the date of exercise an amount equal to all Lease Payments and any other amounts then due or past due under the related Lease (including the Lease Payment due on the Payment Date on which the option is exercised) and the applicable Purchase Option Price set forth in the related Exhibit A.

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ARTICLE XIV: INTEREST RATE DETERMINATION

The Interest rate applicable to each Equipment Schedule shall be determined pursuant to the following formula.

Interest Rates: Interest rates are based on a Treasury Swap Rate formula and fixed for the term of the lease upon funding. These interest rates are calculated on a monthly basis using the formula below. The index rates are pulled from the Federal Reserve H.15 Report, which is issued weekly, and posted on the Federal Reserve's website (<http://www.federalreserve.gov/releases/H15/>). The report is used from the last week of the month to calculate the rates for the following month. A rate letter is e-mailed to all interested parties at Lessee during the first week of each month.

Formula:

Current Financing Rate = {(Current H.15 Swap Rate-Base H.15 Swap Rate) x .56} + Base Financing Rate

Definitions:

Financing Term	Base Financing Rate (%)	H.15 Term (Year)	Base H.15 Rate (%)
24 Mo Arr	2.575	1	1.36
36 Mo Arr	2.747	2	1.87
48 Mo Arr	2.940	2	1.87
60 Mo Arr	3.138	3	2.43
72 Mo Arr	3.320	3	2.43
84 Mo Arr	3.488	4	2.90
96 Mo Arr	3.741	4	2.90
108 Mo Arr	3.871	5	3.29
120 Mo Arr	3.990	5	3.29
132 Mo Arr	4.198	7	3.83
144 Mo Arr	4.285	7	3.83
156 Mo Arr	4.466	7	3.83
168 Mo Arr	4.534	7	3.83
180 Mo Arr	4.596	10	4.34

Lessee has the option to pay quarterly, semi-annually or annually. The add-on basis points for these alternative payment frequencies are as follows:

<u>Frequency</u>	<u>Add to Current Financing Rate</u>
Quarterly, in Arrears	0.04%
Semiannual, in Arrears	0.07%
Annual, in Advance	0.00%
Annual, in Arrears	0.15%

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EXECUTION PAGE

IN WITNESS WHEREOF, Lessor and Lessee have caused this Contract to be executed in name by its duly authorized officers.

COMMONWEALTH OF KENTUCKY, Lessee
Acting by and through its Finance and Administration Cabinet

Mike Burnside 8-27-03 DIV Director II
Name Date Title

Division of Material and Procurement Services
New Capitol Annex
702 Capitol Ave RM 373
Frankfort, KY 40601
Telephone: (502) 564-4510
Facsimile: (502) 564-7209

GE CAPITAL PUBLIC FINANCE, INC., Lessor

[Signature] 8-26-03 Vice President
Name Date Title

8400 Normandale Lake Blvd
Suite 470
Minneapolis, MN 55437
Attn: Risk Management
Telephone: (800) 346-3164
Facsimile: (952) 897-5601

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EXHIBIT A

EQUIPMENT SCHEDULE

Schedule of Equipment, Lease Payments, Etc.

The following Equipment comprises an Equipment Group, which is the subject of the Master Lease Contract dated as of **September 1, 2003**, between the undersigned Lessor and Lessee. The Contract is incorporated herein in its entirety and Lessee hereby reaffirms all of its representations and warranties contained in the Contract. Lessee warrants that no Non-Appropriation and no Event of Default of any event, which, with the passage of time or the giving of notice would constitute a default, has occurred under the Contract. Lessee has appropriated or obtained sufficient appropriations to pay the Lease Payments due under this Lease in the current Fiscal Year and such funds have not been expended for any other purpose.

Lease Date _____ Final Acceptance Date _____

Cabinet _____

Using Department _____

Administrative Office Address _____

Equipment Group

1. Location. The Equipment Group is located at the following address. Prior to relocation of the Equipment Group or portion thereof during the Lease Term, Lessee will provide written notice to Lessor;

2. Use. Lessee will use the Equipment Group to perform the following essential governmental or proprietary functions:

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3. Description. The following description of the Equipment Group is supplemented by the description of items of Equipment in the Contractor's invoices delivered by Lessee to Lessor and/or by the description of Equipment in Payment Request Forms executed by Lessor to authorize disbursements from an Escrow Account.

<u>Quantity</u>	<u>Cost per Unit</u>	<u>Description</u>	<u>Serial Number *</u>

* If serial numbers are not available at the date of signing this Exhibit A, Lessee hereby authorizes Lessor to insert the serial numbers when available and Lessor shall provide Lessee with a copy of the completed Exhibit A.

Lease Payments

Lessee shall make Lease Payments consisting of Principal and Interest at the annual rate as set forth in the attached Payment Schedule.

COMMONWEALTH OF KENTUCKY, Lessee
Acting by and through its Finance and Administration Cabinet

Name Date Title

GE CAPITAL PUBLIC FINANCE, Lessor

Name Date Title

Attachment: Payment Schedule

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Assignment By Lessor

Lessor hereby gives notice of its assignment of its rights, but none of its obligations, in and to the Lease evidenced by this Equipment Schedule effective as of the Funding Date to the following Assignee:

Name: _____
Address: _____

Fed ID No.: _____
Amount to be assigned: _____
Contract Number: _____

The right to receive all Lease Payments identified on the attached Payment Schedule is assigned.

**GE CAPITAL PUBLIC FINANCE, INC.,
Assignor**
8400 Normandale Lake Blvd., Suite 470
Minneapolis, MN 55437
Fed ID No.: 41-1527085

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

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

On this ____ day of _____, 2003, before me came _____, to me known and personally known to me to be the individual described in and who executed the foregoing notice of assignment, and he acknowledged to me that he executed the same.

Notary Public

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Approval of Assignment

The above assignment by Lessor is approved.

Division of Statewide Accounting Services

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

[Original Chattel Paper]

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SCHEDULE OF LEASE PAYMENTS RELATING TO EQUIPMENT

Annual Percentage Rate _____%

Lessee will make _____ Lease Payments of \$ _____ each consisting of Principal and Interest as set forth below.

Payment Number	Payment Date	Total Payment	Principal Component	Interest Component	Purchase Option Price

COMMONWEALTH OF KENTUCKY, Lessee
Acting by and through its Finance and Administration Cabinet

Name Date Title

GE CAPITAL PUBLIC FINANCE, Lessor

Name Date Title

ACKNOWLEDGED:

Using Department

Name Date Title

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EXHIBIT B

EQUIPMENT SCHEDULE NO. ____

CERTIFICATE OF ACCEPTANCE

I, the undersigned, hereby certify that I am the duly qualified and acting officer of the Using Department identified below; and, with respect to the above-referenced Equipment Schedule dated _____ to the Master Lease Contract dated _____ by and between the Commonwealth of Kentucky (Lessee) acted by and through its _____ Cabinet and GE Capital Public Finance, Inc (Lessor), that:

1. The equipment described in Exhibit A, 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. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Lease Payments required to be paid under the Lease during the current Fiscal Period of Lessee, and such moneys will be applied in payment of all such Lease Payments due and payable during such current Fiscal Period.
3. Lease payments shall be due and payable by Lessee on the dates and in the amounts indicated on Exhibit A of the above-referenced Equipment Schedule a such Exhibit is completed by Lessor.
4. All capitalized terms herein have the meanings ascribed to them in the Contract.

COMMONWEALTH OF KENTUCKY, Lessee

Using Department

Name

Date

Title

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EXHIBIT C

**OPINION OF COUNSEL TO CABINET
(to be typed on letterhead of counsel)**

{insert date}

Lessee
Street Address
City, State, Zip

GE Capital Public Finance, Inc.
8400 Normandale Lake Blvd. Suite 470
Minneapolis, MN 55437

Re: Master Lease Contract dated as of _____, by and between GE Capital Public Finance, Inc. ("Lessor") and the Commonwealth of Kentucky ("Lessee").

{Counsel to expand opinion to include an Escrow Agreement and executed Addenda to Lease, if applicable}

Ladies and Gentlemen:

I have acted as counsel to the _____ Cabinet of the Commonwealth of Kentucky with respect to Equipment Schedule No. _____ to the Master Lease Contract described above and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Contract and Equipment Schedule No. _____ attached thereto and executed pursuant thereto (together, the "Lease"). Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. The Commonwealth of Kentucky (the "Lessee") is authorized and has power under applicable law to enter into the Lease, and to carry out its obligations thereunder and the transactions contemplated thereby.
2. The Lease has been duly authorized, approved, executed and delivered by on behalf of Lessee by the _____ of the _____ Cabinet (the "Cabinet"), and is a legal, valid and binding contract of Lessee enforceable in accordance with its

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terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

3. 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 applicable open meeting, public records, public bidding and all other laws, rules and regulations of the Commonwealth of Kentucky.
4. The execution of the Lease and the appropriation of moneys to pay the Lease Payments coming due thereunder do not and will not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
5. 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 the Cabinet or the Lessee; the authority of the Cabinet or its officers or its employees to enter into the Lease on behalf of the Lessee; the proper authorization, approval and/or execution of the Lease and other documents contemplated thereby; the appropriation of moneys to make Lease Payments under the Lease for the current fiscal period of Lessee; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby and, to the best of my knowledge, no such litigation or actions are threatened.
6. The equipment financed pursuant to Equipment Schedule No. ___ to the Lease is personal property, and when used by the Using Department (as defined in the Lease) will not be or become fixtures under the laws of the State.
7. The Lessee has duly delegated authority to ___ [Using Department] to execute the Certificate of Acceptance relating to Equipment Schedule No. _____ and Lessor may rely on such Certificate of Acceptance as a certificate executed by Lessee.

Very truly yours,

(type name and title under signature)

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EXHIBIT D

UNIFORM COMMERCIAL CODE-FINANCING STATEMENT- FORM UCC-1



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. SEND ACKNOWLEDGMENT TO: (Name and Address)
LexisNexis Document Solutions 801 Adlai Stevenson Drive Springfield, IL 62703

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names					
1a. ORGANIZATION'S NAME					
OR					
1b. INDIVIDUAL'S LAST NAME					
1c. MAILING ADDRESS					
702 Capitol Avenue					
CITY					
Frankfort					
STATE					
KY					
POSTAL CODE					
40601					
COUNTRY					
USA					
1d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR		1e. TYPE OF ORGANIZATION	
		Other		1f. JURISDICTION OF ORGANIZATION	
		Other		KY	
1g. ORGANIZATIONAL ID #, if any					
<input checked="" type="checkbox"/> NONE					
2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names					
2a. ORGANIZATION'S NAME					
OR					
2b. INDIVIDUAL'S LAST NAME					
2c. MAILING ADDRESS					
CITY					
STATE					
POSTAL CODE					
COUNTRY					
USA					
2d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR		2e. TYPE OF ORGANIZATION	
				2f. JURISDICTION OF ORGANIZATION	
2g. ORGANIZATIONAL ID #, if any					
<input type="checkbox"/> NONE					
3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)					
3a. ORGANIZATION'S NAME					
OR					
3b. INDIVIDUAL'S LAST NAME					
3c. MAILING ADDRESS					
8400 Normandale Lake Blvd.,					
Suite 470					
CITY					
Minneapolis					
STATE					
MN					
POSTAL CODE					
55437					
COUNTRY					
USA					

4. This FINANCING STATEMENT covers the following collateral:
Equipment and as described on Exhibit A hereto.

Using Department: _____

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG LIEN	NON-UCC FILING
6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable).	7. Check to REQUEST SEARCH REPORT (on Debtor(s) only).	8. OPTIONAL FILER REFERENCE DATA				

KY-SOS

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

LexisNexis Document Solutions
801 Adlai Stevenson Drive
Springfield, IL 62703

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
Commonwealth of Kentucky

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
702 Capitol Avenue Frankfort KY 40601 USA

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
Other KY NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR(S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
GE Capital Public Finance, Inc.

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
8400 Normandale Lake Blvd., Minneapolis MN 55437 USA

4. This FINANCING STATEMENT covers the following collateral:

Equipment and Fixtures as described on Exhibit A hereto. THIS IS A FIXTURE FILING. The description of the real estate is described in exhibit B hereto and Debtor is the owner thereof.

Using Department: _____

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or record) in the REAL ESTATE RECORDS. **7.** Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable) (ADDITIONAL FEE) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA
KY-SOS

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

LexisNexis Document Solutions
801 Adlai Stevenson Drive
Springfield, IL 62703-4261

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EXHIBIT E
FORMS OF FORM 8038-G AND FORM 8038-GC

Form **8038-G** **Information Return for Tax-Exempt Governmental Obligations**
 (Rev. November 2000) Department of the Treasury Internal Revenue Service
 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

1 Issuer's name
 2 Issuer's employer identification number
 3 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 4 Report number
 3 2003
 5 City, town, or post office, state, and ZIP code 6 Date of issue
 7 Name of issue 8 CUSIP number
 NA
 9 Name and title of officer or legal representative whom the IRS may call for more information 10 Telephone number of officer or legal representative

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11 Education 11
 12 Health and hospital 12
 13 Transportation 13
 14 Public safety 14
 15 Environment (including sewage bonds) 15
 16 Housing 16
 17 Utilities 17
 18 Other. Describe 18
 19 If obligations are TANs or RANs, check box If obligations are BANs, check box
 20 If obligations are in the form of a lease or installment sale, check box

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 NA	\$	\$ NA	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

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

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 NA years
 32 Enter the remaining weighted average maturity of the bonds to be advance refunded NA years
 33 Enter the last date on which the refunded bonds will be called NA
 34 Enter the date(s) the refunded bonds were issued NA

Part VI Miscellaneous

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

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 Date Type or print name and title



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Form **8038-GC**

(Rev. November 2000)

Department of the Treasury
Internal Revenue Service

Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales

► Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name	2 Issuer's employer identification number		
3 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite		
4 City, town, or post office, state, and ZIP code	5 Report number 5 2003	7 Telephone number of officer or legal representative	
6 Name and title of officer or legal representative whom the IRS may call for more information			
Part II Description of Obligations Check if reporting: a single issue <input type="checkbox"/> or on a consolidated basis <input type="checkbox"/>			
8a Issue price of obligation(s) (see instructions)	8a		
b Issue date (single issue) or calendar year (consolidated) (see instructions) ►	8b		
9 Amount of the reported obligation(s) on line 8a:	9a		
a Used to refund prior issue(s)	9b		
b Representing a loan from the proceeds of another tax-exempt obligation (e.g., bond bank)			
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(iii) (small issuer exception), check this box			<input type="checkbox"/>
11 If any obligation is in the form of a lease or installment sale, check this box			<input type="checkbox"/>
12 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box			<input type="checkbox"/>
Sign Here	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.		
	Issuer's authorized representative	Date	Type or print name and title

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to pay a penalty in lieu of arbitrage rebate (see the line 12 instructions).

Filing a consolidated return. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a **separate return**, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a **consolidated return**, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev. Proc. 88-10, 1988-1 C.B. 635, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "This Statement is Submitted in Accordance with Rev. Proc. 88-10." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See **Where To File** below.

Where To File

File Form 8038-GC, and any attachments, with the Internal Revenue Service Center, Ogden, UT 84201.

Other Forms That May Be Required

For arbitrage rebate (or paying a penalty in lieu of arbitrage rebate) to the Federal government, use Form 8038-T, Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and