



# CITY OF DANBURY

155 DEER HILL AVENUE  
DANBURY, CONNECTICUT 06810

**DENA DIORIO**  
DIRECTOR OF FINANCE

(203)797-4652  
FAX: (203)796-1526

## MEMORANDUM

TO: Mark D. Boughton via the Common Council

FROM: Dena R. Diorio, Director of Finance & Personnel

DATE: September 28, 2004

SUBJECT: Board of Education Apple Lease Rollover

Attached for your consideration is a proposed lease agreement allowing the Board of Education to acquire new computer equipment for the district. The current lease has one remaining payment that would be incorporated into the new lease agreement.

The lease equity amount totals \$449,223. The remaining payment from the existing lease totals \$159,208.90 for a total lease amount of \$608,431.67. Finance charges over the four-year period total \$61,512.33. The Board's annual lease payment will total \$167,486, the same as the current lease agreement.

A listing of the equipment to be purchased is attached. I am requesting that the Common Council consider this lease agreement at its next meeting. Please feel free to contact me should you require any additional information. Thank you.

C: Les Pinter, Assistant Corporation Counsel

**DANBURY PUBLIC SCHOOLS**  
**Administrative Center**  
**63 Beaver Brook Road**  
**Danbury, Connecticut 06810-6211**  
**Email: longoe@danbury.k12.ct.us**

**Elio Longo, Jr.**  
**Director of Finance & Support Services**

**(203) 797-4703**  
**Fax: (203) 790-2875**

**September 29, 2004**

**To: Dena Diorio, Finance Director, City of Danbury**  
**Re: Apple Computer Master Lease #6327722-015**

Mrs. Diorio,

The Danbury Board of Education approved a motion at its regularly scheduled meeting on September 22, 2004 to enter a master lease agreement for computer equipment with Apple Financial Services. Apple Computer has been a partner with the district for a number of years addressing our infrastructure and classroom technology needs. Danbury Public Schools' Information Technology and Media specialist have identified an immediate need to replace outdated Macs in the classrooms. The replacement plan is centered on the availability of the City's \$1M IT bond and the BOE's technology budget. With regard to the former I must again thank you for your help throughout the approval and purchase process. The piece which remains at this time is the latter. Historically, the BOE has leased equipment from Apple Computer (AFS) structured as a municipal lease with a \$1.00 Purchase Option. In essence, the full value of the equipment is depreciated/amortized over the lease term. Currently, the BOE has a 48-month master lease with AFS. Payments are structured as annual in arrears and payment #3 of 4 in the amount of \$167,486.00 was made in July 2004. The fourth and final payment is due in one year's time.

The structured (fixed) annual payments serve as a write-down to the principal balance such that the leased equipment value plus interest charge is captured by AFS in 48-months. Typically, one would await the expiration of an existing master lease prior to entering a new lease. Given the immediate need to introduce approximately 1000 new eMacs to address outdated equipment and equity issues the BOE has decided to terminate the existing lease early and rollover the remaining principal balance forward to a new lease. Essentially, a new lease would finance the remaining balance of the old lease and the cost of new equipment. When I began my deliberations with Apple Computer with future budget constraints in mind I requested a proposal that would keep our current lease payment (\$167,486.00 per year) fixed for the next four years. Along the way deeper equipment discounts, more favorable interest rates and interest credits were successfully negotiated. Attached please find supporting documents that identify the terms of the proposed lease agreement and our equipment lease plan.

At this time I respectfully ask for your assistance in bringing the lease proposal before the Common Council for their review and as an action item on the Council's October 5, 2004 agenda. I will be present along with IT/Media specialists on the evening of October 5<sup>th</sup> to

address any questions council members may have. Should you require additional information at this time please contact me directly at 797-4703. Again, many thanks for the support you have given to BOE initiatives.

Regards,

c: Eddie L. Davis, Superintendent  
William Glass, Associate Superintendent  
Sue Rice, Coordinator of Education Services  
Terri Barb, Technology Support Analyst



Apple Financial Services

Friday, September 03, 2004

Elio Longo, Jr.  
Director of Finance and Support  
Danbury Public Schools  
63 Beaver Brook Road  
Danbury, CT 06811

Dear Mr. Longo:

I would like to take this opportunity to thank you for your time in allowing Ann Kittridge and myself to present and share our individual Apple perspectives with you and your staff. As requested, I went back to our management team and discussed your pricing requirements. The outcome of our discussion has a positive impact on your request. Listed below you will find the revised numbers based on a four (4) year lease purchase option:

**Portfolio Review:**

Lease Structure:	Municipal, \$1.00 Purchase Option
Term:	48 Months
Repayment Schedule:	Quarterly / Annual
Remaining Balance:	\$159,208.90
Lease Payment:	\$167,486.00
Remaining Payments:	One (1) – August 2005
Valid Through:	September 24, 2004

**New Equipment Availability / Equity:**

48 Months

Lease Structure:	Municipal, \$1.00 Purchase Option
Term:	48 Months
Repayment Schedule:	Annual, in arrears
Lease Payment:	\$167,486.00
Remaining Balance:	\$159,208.90
New Equipment/Equity:	<u>\$449,222.77</u>
New Lease Amount:	\$608,431.67
Interest Rate on New Equipment Only:	2.44%
Overall Interest Rate:	3.89%
Repayment Terms:	September 2005, 2006, 2007 and 2008

This proposal, which supersedes all prior written or oral proposals and discussions, is offered for discussion purposes only, is not to be construed as an offer or extension of credit or services and constitutes a general non-binding expression of interest on the part of both *Danbury Public Schools and Apple Financial Services* to lease computer equipment. It is not intended to, and does not create a legally binding commitment or obligation on either party and is subject to (i) satisfactory completion of confirmatory due diligence by Apple Financial Services, (ii) Apple Financial Services internal approval (including, without limitation, credit and legal review and approval), (iii) receipt of any required governmental approvals, and (iv) the negotiation, execution and delivery of definitive lease documentation and ancillary agreements. A credit approval may be issued, if at all, only in writing, after a complete financial, legal and documentation review and may contain additional terms and conditions.

If you have any questions, or need further information please feel free to contact me at 508-565-9922.

Regards,

Bob

Robert DeBrase  
Apple Financial Services  
448 Turnpike Street, Suite 1-4  
South Easton, MA 02175  
bdebrase@applefin.com

cc: Sue Rice  
Ann Kittridge



# Proposal

**Date**

9/27/04

**Proposer/Customer Information**

Proposal for: Elio Longo

**Regular Price Subtotal**

\$540,537.00

Proposal by: Ann Kittredge

**Total Discount**

-\$99,064.00

Please contact me with any questions at

860-526-5991

**Final Price**

\$441,473.00

Note: Offer good thru 12/15/2004

Prices, products, and specifications are subject to change or discontinuance without notice. Offer not valid with any other sales promotions or offers. All items quoted must be ordered to achieve discounted pricing.

**Items to be ordered**

Description	Part Number	Regular Price	Discounted Price	Qty	Ext. Price
eMac/1Ghz/512/40GB/No CD/No Modem	Z0AE	\$666.00	\$543.94	400	\$217,576.00
eMac/Superdrive/1GB/80GB/56K	Z0AE	\$1,101.00	\$899.22	17	\$15,286.74
eMac/Superdrive/1GB/BT/AE/80GB	Z0AE	\$1,217.00	\$993.96	1	\$993.96
APP for eMac	S1412Z/A	\$119.00	\$97.19	418	\$40,625.42
eMac Tilt and Swivel Stand	M8784G/A	\$44.00	\$35.94	18	\$646.92
Xserve/2Ghz/CD-250GB/2GB/PCI	Z08X	\$3,084.00	\$2,518.80	26	\$65,488.80
Xserve Dual/CD-PCI/2GB/250GB	Z08Y	\$4,219.00	\$3,445.79	6	\$20,674.74
APP for Xserve	S1686LL/A	\$760.00	\$620.72	2	\$1,241.44
Lacie 250GB	T9825LL/A	\$259.00	\$211.53	29	\$6,134.37
iBook/Combo/14"/512/AE	Z0A0	\$1,360.00	\$1,110.75	8	\$8,886.00
iBook/Superdrive/12"/AE/BT/60GB/512	Z0A0	\$1,630.00	\$1,331.27	19	\$25,294.13
APP for iBooks	S1414Z/A	\$183.00	\$149.46	27	\$4,035.42
Powerbook/15"/Supdrive/80GB/AE 1GB	Z0A3	\$2,704.00	\$2,208.44	1	\$2,208.44
Powerbook/12"/Superdrive/512/AE/80GB	Z0A3	\$2,389.00	\$1,951.17	1	\$1,951.17
APP for Powerbook	S1415Z/A	\$239.00	\$195.20	2	\$390.40
iBook Bag/Kensington	T3163LL/A	\$40.00	\$32.67	27	\$882.09
OSX Panther	D2588LL/A	\$28.00	\$22.87	500	\$11,435.00
iLife 04 Volume License	D2765Z/A	\$6.00	\$4.90	500	\$2,450.00
Keynote CD Set	D2071Z/A	\$0.00	\$0.00	13	\$0.00
M-Audio Keystation 49e USB	T9095LL/A	\$99.00	\$80.86	24	\$1,940.64
Airort Extreme Base Station w MA	M8799LL/A	\$179.00	\$146.19	40	\$5,847.60
Technical Services Prepaired 40 HRs/5 days	D1737LL/A	\$175.00	\$142.93	40	\$5,717.20
Podium Pad	T4233LL/A	\$30.00	\$24.50	2	\$49.00

Apple Computer ATTN: Education Sales MS-198  
 2420 Ridgpoint Drive PO Box 149116  
 Austin, TX 78714-9116

Please fax your order to: Patrick Donahue 512-674-2202



In order to facilitate the most efficient and timely processing of your equipment order, the following information must be included on all Purchase Orders. Please review the following list and incorporate all information into your Purchase Orders. **One (1) purchase order and ship to location per lease agreement schedule.**

- ◆ Purchase Order Date
- ◆ Purchase Order Number
- ◆ Ship To Address – Street address
- ◆ Product Description
- ◆ Apple Product Number
- ◆ Unit and Extended Price of Product
- ◆ Authorized Signature
- ◆ Printed Name, Title, Date Signed
- ◆ Vendor Name\*
- ◆ Dates the building is closed for delivery

If you do not have this information please call the Inside Product Sales Team at 800-800-2775 or via the Internet at <http://www.apple.com/products/> for a current proposal. All proposals over 30 days old need to be re quoted.

\*The vendor on all purchase order(s) for Apple leased equipment must be:

Apple Computer, Inc.  
c/o AFS Education Finance Program  
2420 Ridgepoint Drive  
Austin, TX 78754

\*The vendor on the purchase order(s) for the Non-Apple leased equipment must be:

**Apple Computer, Inc**  
**Vendor Name/Contact Person**  
**Vendor complete street address, city, state, and zip code**  
**Vendor phone # and fax #**

Please be aware that an incorrect purchase order will delay the delivery of your equipment. If you have any questions, you may reach me at 847-283-6225.

Sincerely

Valerie Snyder  
AFS Education Finance Program  
Municipal Contracts Administrator

*Connecticut State Contract Award: 012-A-26-7001-C*

Contact Information

Primary contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Secondary contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Contacts during summer break

\*If the same as above leave blank

Primary contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Secondary contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

## Insurance Coverage Requirements

To: Apple Computer, Inc.  
3000 Lakeside Dr Ste 200N  
Bannockburn, IL. 60015

Subject: INSURANCE COVERAGE REQUIREMENTS

- ( ) 1. In accordance with Section 14 of the Lease Agreement, we have instructed the insurance agent named below (please fill in name, address, and telephone number):

Name of Insurance Agent		Phone Number
Address		
City	State	Zip

to issue:

- a. All-Risk Physical Damage Insurance on the leased equipment evidenced by a Certificate of Insurance and Long Form Loss Payable Clause, naming Apple Computer, Inc. and/or its assigns as Loss Payee.

Coverage Required: Full Replacement Value

- b. Public Liability Insurance evidenced by a Certificate of Insurance, naming Apple Computer, Inc. and/or its assigns as an Additional Named Insured.

Minimum Coverage Required:           \$100,000.00 per person  
  \$100,000.00 aggregate bodily injury liability  
  \$50,000.00 property damage liability

Such insurance policies shall not be canceled nor any reduction or restriction of coverage by effected until at least fifteen (30) days prior written notice has been given by Certified Mail, Return Receipt Requested, to Apple Computer, Inc. and/or its assigns as Loss Payee.

Lessee: City of Danbury, Connecticut

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

OR

- ( ) 2. We are self-insured for all risk, physical damage, and public liability, and will provide proof of such self-insurance in letter form, together with a copy of the statute authorizing this form of insurance.

Lessee: City of Danbury, Connecticut

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**OPINION OF COUNSEL**

**This must be placed on your attorney's letterhead**

Date: \_\_\_\_\_

To: Apple Computer, Inc.  
and its successors and assigns

With respect to Lease Schedule No. 015 to that certain Master Lease Purchase Agreement No 6327722 dated \_\_\_\_\_, 20\_\_ by and between Apple Computer, Inc. ("Lessor") and City of Danbury, Connecticut, City of Danbury, Connecticut, collectively as the "Lease", I am of the opinion that: (i) Lessee is a State or fully constituted subdivision or agency of the State in which it is located; (ii) Lessee is duly organized and existing under the Constitution and laws of the State in which it is located; (iii) Lessee is authorized to enter into and carry out its obligations under the Lease and any other documents required to be delivered in connection therewith; (iv) the Lease has been duly authorized, executed and delivered by Lessee in accordance with the applicable laws, rules, ordinances and regulations; (v) Lessee has complied with all applicable law governing open meetings and public bidding required in connection with the Lease and the acquisition of the Equipment; (vi) the Lease is genuine, valid and enforceable in accordance with its terms; (vii) the person (s) signing the Lease has (have) the authority to do so and acted within the full authorization of Lessee's governing body; and (viii) Lessee has sufficient monies available to make all payments required to be paid under the Lease during the current fiscal year and such monies have been properly budgeted and appropriated for this purpose in accordance with State law.

\_\_\_\_\_  
Attorney for Lessee

NOTICE OF ACKNOWLEDGEMENT OF ASSIGNMENT

Dated \_\_\_\_\_

Apple Computer, Inc. ("Assignor") hereby gives notice that Assignor assigned to General Electric Capital Corporation ("Assignee") all of its rights in and to Lease Schedule No. 015 (the "Lease") to the Master Lease Purchase Agreement 6327722 dated \_\_\_\_\_, by and between Assignor and City of Danbury, Connecticut ("Lessee").

Assignor hereby requests, and instructs Lessee, that all rental payments and other amounts coming due pursuant to the Lease on and after the date hereof are payable to and should be remitted to Assignee as directed by Assignee invoices.

Lessee's questions related to the administration of the Lease and billing should be referred to Assignee as follows:

General Electric Capital Corporation  
P.O. Box 3083  
Cedar Rapids, IA 52406-9890  
Telephone (800) 633-3980  
Attn: Customer Service

The Federal Tax Identification Number of General Electric Capital Corporation is 13-1500700.

Lessee hereby acknowledges the effect of and consents to the Assignment and absolutely and unconditionally agrees to deliver all rental payments and other amounts coming due under the Lease in accordance with terms thereof to Assignee. Assignor and Lessee agree that, notwithstanding any provisions of the Lease or any other agreement to the contrary, in the event of default under the Lease (1) Lessor may accelerate only the rentals and other amounts due in the fiscal period in which the default occurred and Lessee is required to pay such amounts subject to legally available funds and (2) all leases subject to the Master Lease Purchase Agreement owned by Assignee or its affiliates and all agreements between Lessee and Assignee or its affiliates shall be in default but a default under another lease subject to the Master Lease Purchase Agreement not owned by Assignee or any of its affiliates shall have no impact on the Lease or any other agreement between the Lessee and Assignee or its affiliates.

**Lessee agrees that (1) Assignee shall not have any of the obligations or liabilities of Assignor, (2) Assignee shall have all rights of Lessor under the Lease, including but not limited to all the rights to issue or receive all notices and reports, to give all consents, to receive title to the equipment, to declare a default and to exercise all remedies thereunder, and (3) Lessee shall pay Assignee all rents and other amounts due under the Lease as and when due, without deduction or offset, notwithstanding any claim Lessee may have against Assignor, or relative to the equipment, or any other claim of Lessee arising prior to the Assignment.**

Apple Computer, Inc.  
Assignor

City of Danbury, Connecticut  
Lessee

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Master Lease Purchase Agreement # 6327722  
Lease Schedule # 015**

**LESSOR: APPLE COMPUTER, INC.**  
3000 Lakeside Dr Ste 200N  
Bannockburn, IL. 60015

**LESSEE: City of Danbury, Connecticut**  
63 Beaver Brook Rd  
Danbury, CT. 06811

Apple personal computers, servers, and networking equipment not to exceed **\$608,431.67** . Equipment configuration to be determined by invoices presented to Apple Computer, Inc., as Lessor, and accepted by Lessee which will be incorporated as the final Schedule of Equipment. Final Rental stream will be amended, if necessary, determined by final equipment payment by Lessor as determined by the effective interest rate stated below.

**TRANSACTION TERMS:**

**TRANSACTION SUMMARY**

# OF RENTS: 4 @ \$167,486.00 (net of applicable taxes)

PAYABLE: Annual in Arrears

LEASE TERM: 48 Months

LEASE RATE: .28750

Effective Interest Rate based on Equipment cost to Lessor's Assignee: 5.68%

Promotional Interest Rate based on Equipment cost to Lessor's Assignee : 2.44%

EQUIPMENT PURCHASE OPTION AT END OF LEASE TERM:  \$1  FMV  Other

Equipment Cost to Lessor's Assignee \$449,222.77

Upgrade#6327722-012 \$159,208.90  
Discount \$ (25,878.84)

Tax \$  
**TOTAL: \$ 582,552.83**

Equipment Location (if different from Lessee address above):  
\_\_\_\_\_

Lessee Contact/Telephone: Elio Longo Jr 203-797-4733

**THIS SCHEDULE INCORPORATES ALL OF THE TERMS AND CONDITIONS IN THE MASTER LEASE PURCHASE AGREEMENT IDENTIFIED ABOVE.**

**IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS SCHEDULE SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. THIS SCHEDULE INCORPORATES THE TERMS OF THE ABOVE IDENTIFIED MASTER LEASE PURCHASE AGREEMENT. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN SCHEDULE OR THE MASTER LEASE PURCHASE AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS SCHEDULE ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS SCHEDULE. YOU AGREE THAT THE EQUIPMENT WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.**

**YOU CERTIFY THAT ALL THE INFORMATION GIVEN IN THIS SCHEDULE AND YOUR APPLICATION WAS CORRECT AND COMPLETE WHEN THIS SCHEDULE WAS SIGNED. THIS SCHEDULE IS NOT BINDING UPON US OR EFFECTIVE UNTIL AND UNLESS WE EXECUTE THIS SCHEDULE.**

ACCEPTED BY:

PROPOSED BY:

LESSOR: APPLE COMPUTER, INC.

LESSEE: City of Danbury, Connecticut

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_ FED TAX ID #: \_\_\_\_\_

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## ESCROW AGREEMENT

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THIS ESCROW AGREEMENT ("Agreement") is made and entered into as of \_\_\_\_\_, 20\_\_\_\_, by and among Marshall & Ilsley Trust Company (the "Escrow Agent"), Apple Computer, Inc. ("Lessor"), and City of Danbury, Connecticut ("Lessee").

In the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

### **ARTICLE 1: RECITALS**

**Section 1.01.** Lessor and Lessee have entered into a Master Lease Purchase Agreement dated as of \_\_\_\_\_ and Equipment Schedule No. 6327722-015 ("Schedule") thereto, dated as of \_\_\_\_\_ (together, the "Lease"), a duplicate original of which has been furnished to the Escrow Agent, whereby Lessor has agreed to finance for Lessee the acquisition of certain Equipment and/or Software described in such Schedule (the "System"), and Lessee has agreed to make Rental Payments to Lessor, in the manner and on the terms set forth therein. This Agreement is not intended to alter or change the rights and obligations of Lessor and Lessee under the Lease, but is entirely supplemental thereto.

**Section 1.02.** The terms capitalized in this Agreement but not defined herein shall have the meanings given to them in the Lease.

**Section 1.03.** Upon the execution of the Lease and this Agreement and the delivery to Lessor by Lessee of all documents required to be delivered upon execution of the Lease, Lessor is required to deposit or cause to be deposited with the Escrow Agent the sum of \$423,343.93 to be credited to the System Acquisition Fund established in Article 2 hereof and used to pay the acquisition costs of the System (the "System Cost"), and, to the extent not needed for this purpose, to pay or prepay Principal coming due under the Lease; all as hereinafter provided.

**Section 1.04.** Under the Lease, Lessee will cause each item of the System to be ordered from the Contractor therefor. The System Cost to be paid to the Contractor supplying the item of the System shall be paid solely from the amount deposited with the Escrow Agent as described in Section 1.03 hereof, in accordance with this Agreement.

**Section 1.05.** Lessor and Lessee agree to employ the Escrow Agent to receive, hold, invest and disburse the moneys paid to the Escrow Agent by Lessor as described in Section 1.03, all as hereinafter provided; however, the Escrow Agent shall not be obligated to assume or perform any obligation of Lessee or Lessor or any Contractor with respect thereto or under the Lease by reason of anything contained in this Agreement.

**Section 1.06.** Each of the parties has authority to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto.

### **ARTICLE 2: SYSTEM ACQUISITION FUND**

**Section 2.01.** The Escrow Agent shall establish a special escrow fund designated as the "City of Danbury, Connecticut System Acquisition Fund" (the "System Acquisition Fund"), shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Agreement.

**Section 2.02.** All moneys paid to the Escrow Agent by Lessor pursuant to Section 1.03 of this Agreement shall be credited to the System Acquisition Fund. The period from the date of deposit with the Escrow Agent to the date specified in Section 2.03 is herein referred to as the "Acquisition Period". The Escrow Agent shall use the moneys in the Acquisition Fund to pay the System Cost of each item of the System upon receipt with respect thereto of a Payment Request Form attached hereto as Exhibit A, executed by Lessor and Lessee, fully completed and with all supporting documents described therein attached thereto. Upon receipt of a Payment Request Form with respect to any item of the System, Escrow Agent shall disburse an amount equal to the System Cost as shown therein directly to the person or entity entitled to payment as specified therein. Lessee agrees that it will submit Payment Request

Forms only with respect to operationally complete and functionally independent portions of the System which may be utilized by Lessee without regard to whether the balance of the System is delivered and accepted (hereinafter, "Complete Portions of the System"). Lessee acknowledges and agrees that Lessor shall not approve any Payment Request Form which does not describe a Complete Portion of the System.

**Section 2.03.** Lessee shall furnish to the Escrow Agent as soon as available a copy of the purchase order for all Equipment ordered pursuant to the Lease, showing the System Cost and the estimated delivery date. On 10-01-2005, the Escrow Agent shall pay: (1) to Lessor an amount equal to the deposit made by Lessor pursuant to Section 1.03, less the amount thereof previously disbursed to pay the System Cost of any item of the System, and less an amount thereof equal to the System Cost of all items of the System for which the Escrow Agent has received a Payment Request Form and which has not been paid; and (2) to Lessee the entire remaining balance on deposit in the System Acquisition Fund in reimbursement for interest paid by Lessee under the Lease during the Acquisition Period. The amount paid to Lessor shall, at Lessor's election, be applied to pay the Principal portion of the next Rent thereafter coming due under the Lease or to pay and prepay a proportionate amount of the Principal portion of all Rents thereafter coming due under the Lease. Within fifteen (15) days after receiving such amount Lessor shall notify Lessee as to how it will be applied, and shall furnish to Lessee a new Rent schedule reflecting any changes in Rents due to any prepayment.

**Section 2.04.** Upon receipt of written notice from Lessor or Lessee that the Lease has been terminated pursuant to Sections 5 or 16 thereof or that Lessee has determined not to complete the acquisition of the System or any project related thereto, the Escrow Agent shall liquidate all investments held in the System Acquisition Fund and transfer the proceeds thereof and all other moneys held in the System Acquisition Fund to Lessor.

**Section 2.05.** The Escrow Agent shall only be responsible for the safekeeping and investment of the moneys held in the System Acquisition Fund, and the disbursement thereof in accordance with this Article, and shall not be responsible for the authenticity or accuracy of such certifications or documents, the application of amounts paid pursuant to such certifications by the persons or entities to which they are paid, or the sufficiency of the moneys credited to the System Acquisition Fund to make the payments herein required.

### **ARTICLE 3: MONEYS IN EQUIPMENT ACQUISITION FUND; INVESTMENT**

**Section 3.01.** The moneys and investments held by the Escrow Agent under this Agreement are irrevocably held in trust for the benefit of Lessee and Lessor, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of either Lessee or Lessor. Lessor, Lessee and the Escrow Agent intend that the System Acquisition Fund constitute an escrow account in which Lessee has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that Lessee shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that Lessor have a security interest in the System Acquisition Fund, and such security interest is hereby granted to Lessor by Lessee, to secure payment of all sums due to Lessor under the Lease. For such purpose, the Escrow Agent hereby agrees to act as agent for Lessor in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the System Acquisition Fund, Lessor's interest therein.

**Section 3.02.** Moneys held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent upon order of Lessee only in Qualified Investments, as defined in Section 3.05. Such investments shall be registered in the name of the Escrow Agent and held by the Escrow Agent for the benefit of Lessor and Lessee. With the approval of Lessee, the Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Article. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available.

**Section 3.03.** The Escrow Agent shall, without further direction from Lessee, sell such investments as and when required to make any payment from the Equipment Acquisition Fund. Any income received on such investments shall be credited to the System Acquisition Fund.

**Section 3.04.** The Escrow Agent shall furnish to Lessee and Lessor, reports accounting for all investments and interest and income therefrom. Such accounting shall be furnished no less frequently than monthly and shall also include a report of the balance in the System Acquisition Fund, the amounts disbursed therefrom and the date of final disbursement pursuant to Section 2.03 hereof. Neither Lessor nor the Escrow Agent shall be responsible or liable for

any loss suffered in connection with any investment of moneys made by the Escrow Agent in accordance with this Article (other than Escrow Agent in its capacity as obligor under any Qualified Investment). In the event funds in the System Acquisition Fund are insufficient to pay the acquisition costs of the System, Lessee shall deposit additional funds into the System Acquisition Fund in an amount sufficient to pay the balance of the System Cost.

**Section 3.05.** As used in this Agreement, the term "Qualified Investments" means (a) securities which are general obligations of or are guaranteed as to the payment of principal and interest by the United States of America; (b) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; (c) commercial paper issued by corporations organized under the laws of a state of the United States which is rated in the highest rating category by Standard & Poor's Ratings Services, a division of the McGraw Hill Companies, Inc. ("S&P") or Moody's Investors Service, Inc.; (d) certificates of deposit issued by or other forms of deposit in any national or state bank to extent that such deposits are fully insured by the Federal Deposit Insurance Corporation or any successor agency which is backed by the full faith and credit of the United States. By execution of this Agreement, Lessee also consents to the investment and reinvestment by the Escrow Agent of any moneys held as part of the Escrow Fund in shares of a money market fund (including a money market fund for which Escrow Agent and its affiliates provides advisory, custodial, administrative or similar services and receives fees), provided the (a) money market fund is registered under the Investment Securities Act of 1933; (c) the money market fund has been rated by a nationally recognized statistical rating organization in one of that organization's three highest mutual fund rating categories; and (d) the money market fund's investments are limited to those "Qualified Investments" (a), (b) or (c) above. Derivative products are not "Qualified Investments."

#### **ARTICLE 4: ESCROW AGENT'S AUTHORITY; INDEMNIFICATION**

**Section 4.01.** The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

**Section 4.02.** Unless the Escrow Agent is guilty of negligence or misconduct with regard to its duties hereunder, Lessee, to the extent permitted by law, and Lessor jointly and severally hereby agree to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, to indemnify the Escrow Agent against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

**Section 4.03.** If Lessee or Lessor shall be in disagreement about the interpretation of the Lease or this Agreement, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be indemnified by Lessor and Lessee, to the extent permitted by law, for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

**Section 4.04.** The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or misconduct.

#### **ARTICLE 5: ESCROW AGENT'S COMPENSATION**

Escrow Agent's compensation for the services to be rendered hereunder is set forth in Escrow Fee Schedule hereto of the Escrow Agreement. Lessor hereby agrees to pay the initial annual administration fee upon execution of the Agreement. Lessee hereby agrees to pay/or reimburse Escrow Agent upon request for all expenses, disbursement and advances, ongoing annual administration, investment fees or other charges, including reasonable attorneys' fees, incurred or made by it in connection with carrying out its duties hereunder and agrees such fees and charges may be deducted from the investment earnings on the Escrow Fund.

**ADMINISTRATION FEE** Two hundred fifty dollars (\$250.00) per year

- First year administration fee payable upon execution on escrow
- Ongoing annual administration fees will be charged against the account income
- Money Market vehicle: Marshall Money Market Fund Y Shares

#### **REIMBURSEMENT OF EXPENSES**

Out of pocket expenses for supplies and other items including but not limited to long distance charges, delivery expenses, insurance tax reporting forms, postage, checks and envelopes will be charged in addition to the above fees.

#### **DISCLOSURE**

When extraordinary duties or additional services are required or requested, additional fees will be charged. Fees are subject to adjustment as circumstances require.

M&I Investment Management Corp advise the Marshall Funds. M&I Investment Management Corp and Marshall & Ilsley Trust Company are affiliates of M&I Trust Company. M&I Investment Management Corp receives an investment advisory fee for services provided to the Marshall Funds. In addition, Marshall & Ilsley Trust Company receives fees from the Marshall Funds for services as administrator, custodian and shareholder services agent. M&I Trust Company will not charge an account-level investment management fee or account sweep fee for assets invested in the Marshall Funds.

#### **ARTICLE 6: CHANGE OF ESCROW AGENT**

**Section 6.01.** A national banking association located in the United States or a state bank or trust company organized under the laws of a state of the United States, qualified as a depository of public funds, may be substituted to act as Escrow Agent under this Agreement upon agreement of the parties hereto. Such substitution shall not be deemed to affect the rights or obligations of the parties. Upon any such substitution, the Escrow Agent agrees to assign to such substitute Escrow Agent its rights under this Agreement.

**Section 6.02.** The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation, which shall be a date not less than thirty (30) days after such notice is deposited in the United States mail with postage fully prepaid, unless an earlier resignation date and the appointment of a successor Escrow Agent shall have been or are approved by Lessee and Lessor.

**Section 6.03.** The Escrow Agent may appoint an agent to exercise any of the powers, rights or remedies granted to the Escrow Agent under this Agreement, and to hold title to property or to take any other action which may be desirable or necessary.

#### **ARTICLE 7: ADMINISTRATIVE PROVISIONS**

**Section 7.01.** The Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Agreement, which shall be available for inspection by Lessee or Lessor, or the agent of either of them, at any time during regular business hours.

**Section 7.02.** All notices 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 to the addresses specified beneath each party's

signature; provided that the parties, by notice given hereunder, may designate different addresses to which subsequent notices will be sent.

**Section 7.03.** This Agreement shall be construed and governed in accordance with the laws of the state of Michigan.

**Section 7.04.** Any provisions of this Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement or the Lease.

**Section 7.05.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Specifically, as used herein the term "Lessor" means any person or entity to whom Lessor has assigned its right to receive Rent under the Lease and any payments due to Lessor hereunder from after the date when a duplicate original of such assignment is filed with the Escrow Agent.

**Section 7.06.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

**Section 7.07.** This Agreement shall terminate upon disbursement by the Escrow Agent of all moneys held by it hereunder.

**Section 7.08.** This Agreement (and, with respect to Lessor and Lessee, together with the Lease) constitutes the entire agreement of the parties relating to the subject matter hereof.

**Section 7.09.** Contemporaneously with the execution hereof, Lessee will deliver to Lessor an Arbitrage and Tax Certificate in the form attached hereto as Exhibit B.

**Section 7.10.** Lessor, Lessee and Escrow Agent hereby waive any right to trial by jury in any action or proceeding with respect to, in connection with or arising out of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY BLANK; EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**Marshall & Ilsley Trust Company, N.A.**  
Escrow Agent

**Apple Computer, Inc.**  
Lessor

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address: 651 Nicollet Mall  
Minneapolis, MN 55402  
Attention: Pamela Halvorson  
Telephone: 612-904-8179  
Facsimile: 612-904-8008

Address: 3000 Lakeside Dr Ste 200N  
Bannockburn, IL. 60015  
Attention: Alex Allen  
Telephone: 847-283-6247  
Facsimile: 800-277-5358

**City of Danbury, Connecticut**

Lessee

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: 63 Beaver Brook Rd  
Danbury, CT. 06811  
Attention: Elio Longo Jr  
Telephone: 203-797-4733  
Facsimile: \_\_\_\_\_

**EXHIBIT A**  
**Payment Request Form No. \_\_\_\_\_**  
**Relating to Equipment Schedule No. 6327722-015**

Marshall & Ilsley Trust Company, Escrow Agent under an Escrow Agreement dated as of \_\_\_\_\_ and among the said Escrow Agent, General Electric Capital Corporation ("Lessor") as assignee of the original lessor, and City of Danbury, Connecticut ("Lessee"), is hereby requested to pay, from the Equipment Acquisition Fund held under said Escrow Agreement, to the persons, firms or corporations designated below as payee, the amount set forth opposite each such name, in payment of the Equipment Cost (as defined in said Escrow Agreement) of the Equipment designated opposite such payee's name and account and described on the attached page(s). The Equipment comprises a portion of the Equipment described in the above-referenced Equipment Schedule.

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

The undersigned Lessee hereby certifies that:

1. The Equipment or Software described above comprises a portion of the System described in the above-referenced Schedule, and has been delivered to, tested and inspected by, and accepted by Lessee. The Equipment or Software described herein is operationally complete and functionally independent and may be utilized by Lessee without regard to whether the balance of the System is delivered and accepted.

2. The amounts requested to be paid as set forth above have not been the basis of a prior request.

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

4. No Non-Appropriation and no Event of Default, or event which with the giving of notice or passage of time or both would constitute an Event of Default, has occurred under the Lease.

5. Lessee has appropriated or obtained appropriation of funds sufficient to pay all Rents and all other amounts due under the Lease in the current Fiscal Year.

6. Attached hereto are the following documents:

Invoice(s) with detailed description of Equipment or Software (i.e., serial numbers);

Proof of payment if Payee is Lessee (i.e., copy of canceled checks);

Insurance Certificate; and

If this is the final disbursement request, Certificate of Acceptance (Exhibit B to Master Lease Agreement).

**City of Danbury,  
Connecticut**

Lessee

**Received and Approved:**

**By: General Electric Capital Corporation  
Lessor**

EXHIBIT NO SIGNATURE REQUIRED

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT B**  
**Arbitrage and Tax Certificate**

I, the undersigned, hereby certify that I am the duly qualified and acting officer of the lessee identified below ("Lessee"), and that in my official capacity as such officer, I am responsible for executing and delivering on behalf of Lessee the Master Purchase Lease Agreement dated as of \_\_\_\_\_ and Equipment Schedule No. \_\_\_\_\_ thereto dated as of \_\_\_\_\_ (together, the "Lease"), by and between City of Danbury, Connecticut ("Lessee") and General Electric Capital Corporation ("Lessor"). This Certificate is being issued pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations, Sections 1.148-0 through 1.148-11 and 1.150-1 and 1.150-2 (the "Regulations"). The following facts, estimates and circumstances are in existence on the date of this Certificate or are reasonably expected to occur hereafter.

1. The Lease provides for the lease of certain equipment and software described therein (the "System") by Lessor to Lessee and the lease of the System by Lessee from Lessor. Pursuant to the Lease, Lessee is required to pay Rents with respect to the System, comprising principal and interest, on the dates and in the amounts set forth in applicable Payment Schedule to the Lease.
2. Pursuant to the Lease and for the purpose of meeting its obligations under the Lease and assuring Lessee of the availability of moneys needed to pay the cost of the System when due, Lessee, Lessor and M & I Trust Company, as escrow agent ("Escrow Agent"), have executed an escrow agreement dated as of \_\_\_\_\_ (the "Escrow Agreement").
3. The Escrow Agreement provides that Lessor shall deposit \$423,343.93 into escrow, to be credited to the System Acquisition Fund created by the Escrow Agreement and held, invested and disbursed with respect to the System as provided therein. Interest earnings on amounts held in escrow not utilized for System acquisition costs shall be paid to Lessee as reimbursement of interest paid during the Acquisition Period.
4. A contract or purchase order dated as of \_\_\_\_\_, 20\_\_\_\_, providing for the acquisition and delivery of the System has been executed between Lessee and \_\_\_\_\_.
5. The System will be acquired and installed with due diligence and, based upon the provisions of the contract or purchase order described in paragraph 4 hereof, the System will be acquired and installed on or before \_\_\_\_\_, 20\_\_\_\_.
6. All of the spendable proceeds of the Lease will be expended on the System and related expenses within three years from the date of the Lease and Escrow Agreement.
7. The original proceeds of the Lease, and the interest to be earned thereon, do not exceed the amount necessary for the purpose for which the Lease is issued.
8. The interest of Lessee in the System has not been and is not expected during the term of the Lease to be sold or disposed of by Lessee.
9. No sinking fund, reserve fund or any similar fund is expected to be created by Lessee with respect to the Lease and the Rents.
10. Lessee hereby covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder relating to the rebate of arbitrage profit to the United States of America. It is expected that all gross proceeds of the Lease will be expended on the System no later than the day which is \_\_\_\_\_ months after the date of issuance of the Lease.
11. To the best of the knowledge and belief of the undersigned, the expectations of Lessee, as set forth above, are reasonable, and there are no present facts, estimates and circumstances which would change the foregoing expectations.

12. Lessee has not been notified of the listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**City of Danbury, Connecticut**  
Lessee

By: \_\_\_\_\_

Title: \_\_\_\_\_

Apple Computer, Inc.  
 Amortization Schedule For  
 City of Danbury, Connecticut  
 Exhibit to Lease Schedule No. 6327722-015

GROSS CONTRACT	669,944.00	5.68%	Annual Interest Rate
GROSS FINANCE	87,391.17	87,391.12	
ENDING PYMT IN ADV	0.00		
ANNUAL PAYMENT	167,486.00		
PRESENT VALUE	582,552.83		

	Principal	Total Payment	Subtotal	Interest Expense	Principal
0	582,552.83	0.00	582,552.83	2,759.70	(2,759.70)
1	585,312.53	0.00	585,312.53	2,772.80	(2,772.80)
2	588,085.33	0.00	588,085.33	2,785.94	(2,785.94)
3	590,871.27	0.00	590,871.27	2,799.14	(2,799.14)
4	593,670.41	0.00	593,670.41	2,812.40	(2,812.40)
5	596,482.81	0.00	596,482.81	2,825.72	(2,825.72)
6	599,308.53	0.00	599,308.53	2,839.11	(2,839.11)
7	602,147.63	0.00	602,147.63	2,852.56	(2,852.56)
8	605,000.19	0.00	605,000.19	2,866.07	(2,866.07)
9	607,866.26	0.00	607,866.26	2,879.65	(2,879.65)
10	610,745.91	0.00	610,745.91	2,893.29	(2,893.29)
11	613,639.20	0.00	613,639.20	2,907.00	(2,907.00)
12	616,546.20	167,486.00	449,060.20	2,127.34	165,358.66
13	451,187.53	0.00	451,187.53	2,137.41	(2,137.41)
14	453,324.95	0.00	453,324.95	2,147.54	(2,147.54)
15	455,472.48	0.00	455,472.48	2,157.71	(2,157.71)
16	457,630.20	0.00	457,630.20	2,167.93	(2,167.93)
17	459,798.13	0.00	459,798.13	2,178.20	(2,178.20)
18	461,976.33	0.00	461,976.33	2,188.52	(2,188.52)
19	464,164.86	0.00	464,164.86	2,198.89	(2,198.89)
20	466,363.75	0.00	466,363.75	2,209.31	(2,209.31)
21	468,573.06	0.00	468,573.06	2,219.77	(2,219.77)
22	470,792.83	0.00	470,792.83	2,230.29	(2,230.29)
23	473,023.12	0.00	473,023.12	2,240.86	(2,240.86)
24	475,263.97	167,486.00	307,777.97	1,458.04	166,027.96
25	309,236.01	0.00	309,236.01	1,464.95	(1,464.95)
26	310,700.96	0.00	310,700.96	1,471.89	(1,471.89)
27	312,172.84	0.00	312,172.84	1,478.86	(1,478.86)
28	313,651.70	0.00	313,651.70	1,485.86	(1,485.86)
29	315,137.57	0.00	315,137.57	1,492.90	(1,492.90)
30	316,630.47	0.00	316,630.47	1,499.98	(1,499.98)
31	318,130.44	0.00	318,130.44	1,507.08	(1,507.08)
32	319,637.53	0.00	319,637.53	1,514.22	(1,514.22)
33	321,151.75	0.00	321,151.75	1,521.39	(1,521.39)
34	322,673.14	0.00	322,673.14	1,528.60	(1,528.60)
35	324,201.74	0.00	324,201.74	1,535.84	(1,535.84)
36	325,737.58	167,486.00	158,251.58	749.69	166,736.31
37	159,001.27	0.00	159,001.27	753.24	(753.24)
38	159,754.51	0.00	159,754.51	756.81	(756.81)
39	160,511.31	0.00	160,511.31	760.39	(760.39)
40	161,271.70	0.00	161,271.70	763.99	(763.99)
41	162,035.70	0.00	162,035.70	767.61	(767.61)
42	162,803.31	0.00	162,803.31	771.25	(771.25)
43	163,574.56	0.00	163,574.56	774.90	(774.90)
44	164,349.46	0.00	164,349.46	778.57	(778.57)
45	165,128.04	0.00	165,128.04	782.26	(782.26)
46	165,910.30	0.00	165,910.30	785.97	(785.97)
47	166,696.27	0.00	166,696.27	789.69	(789.69)
48	167,485.96	167,486.00	(0.04)	(0.00)	167,486.00
49	(0.04)	0.00	(0.04)	(0.00)	0.00
50	(0.04)	0.00	(0.04)	(0.00)	0.00
51	(0.04)	0.00	(0.04)	(0.00)	0.00
52	(0.04)	0.00	(0.04)	(0.00)	0.00
53	(0.04)	0.00	(0.04)	(0.00)	0.00
54	(0.04)	0.00	(0.04)	(0.00)	0.00
55	(0.05)	0.00	(0.05)	(0.00)	0.00
56	(0.05)	0.00	(0.05)	(0.00)	0.00
57	(0.05)	0.00	(0.05)	(0.00)	0.00
58	(0.05)	0.00	(0.05)	(0.00)	0.00

Form **8038-G**

**Information Return for Tax-Exempt Governmental Obligations**

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

(Rev. May 1999)

Department of the Treasury  
Internal Revenue Service

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

**Part I Reporting Authority** If Amended Return, check here

1 Issuer's name <b>City of Danbury, Connecticut</b>	2 Issuer's employer identification number :	
3 Number and street (or P.O. box if mail is not delivered to street address) <b>63 Beaver Brook Rd</b>	Room/suite	4 Report number G -
5 City, town, or post office, state, and ZIP code <b>Danbury, CT. 06811</b>	6 Date of issue	
7 Name of issue	8 CUSIP number	
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 <input checked="" type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

**Part III Description of Obligations.** (Complete for the entire issue for which this form is being filed.)

(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	\$	\$	years	%

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

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

**Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)**

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

**Part VI Miscellaneous**

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

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

**Please Sign Here**

Signature of issuer's authorized representative	Date	Type or print name and title
---	------	------------------------------

