LEASE PURCHASE AGREEMENT

This Lease Purchase Agreement (hereinafter referred to as "Agreement") dated and effective as of _____ (the "Effective Date") by and between _____, an _____ corporation (hereinafter referred to as "Lessor") and the Alabama Department of Corrections, an agency of the State of Alabama (hereinafter referred to as "Lessee") (Lessor and Lessee are referred to individually as a "Party" and collectively as the "Parties"). Unless the context otherwise clearly requires, the capitalized terms herein shall have the respective meanings set forth in Exhibit A for all purposes of this Agreement.

WHEREAS, the Lessor and the Lessee have entered into an agreement for the Lessee's acquisition of certain equipment to be installed at various locations owned or operated by the Lessee; and

WHEREAS, in order to finance the acquisition and installation of the equipment and improvements; and

WHEREAS, Lessor desires to provide financing for the energy-savings improvements to be acquired through an Energy Services Agreement on an installment payment method with tax-exempt financing; and

WHEREAS, as security for Lessor's providing of funds for acquisition and installation of the Equipment under the terms of this Agreement, Lessee has agreed to grant to Lessor a perfected first priority security interest in the Equipment; and

WTTNESSETH, in consideration of the mutual covenants and conditions hereinafter set forth, the Parties hereto agree as follows:

1. **Agreement to Lease Equipment**. Lessor hereby agrees to lease or cause to be leased to Lessee, and Lessee shall lease from Lessor, the Equipment, all on the terms and conditions set forth in this Agreement, to have and to hold for the Agreement Term. Lessor shall have no obligation to make any disbursement to a Vendor, reimburse Lessee for any payment made to a Vendor, or consent to any request to release funds from the Equipment Acquisition Fund for acquisition of the Equipment until Lessor has received, in form and substance satisfactory to Lessor, executed counterparts of all exhibits, instruments and certificates attached hereto, required by any provision of this Agreement, or incorporated herein by reference.

2. **Term and Payments**. The Agreement Term applicable to this Agreement shall commence on the Effective Date hereof and shall terminate

upon the earliest to occur of any of the following events: (a) the payment by Lessee of all Rental Payments, Additional Payments, any rebate payments and any other payments required to be paid by Lessee hereunder; or (b) the payment of the entire Prepayment Option Price as provided in Paragraph 16 hereof and any Additional Payments due hereunder; or (c) Lessor's election to terminate this Agreement under Paragraph 17 due to Lessee's default hereunder; or (d) an event of nonappropriation under Paragraph 3 hereof. Lessee shall pay to Lessor the Rental Payments in lawful money of the United States of America, in the amounts and on the dates set forth in Exhibit C. The Rental Payments shall be payable without notice or demand when due at such place as Lessor shall direct writing. Notwithstanding any dispute between Lessee, Lessor, any Vendor or any other person, Lessee shall make all Rental Payments when due and shall not withhold any Rental Payments pending Final resolution of such dispute. The obligation of Lessee to make the Rental Payments enumerated in Exhibit C shall be absolute and unconditional in all events and shall not be subject to any set-off, defense, counterclaim or recoupment for any reason, including Equipment failure or defect. Without limiting the generality of the foregoing, Lessee shall not be entitled to any abatements, reductions, setoffs, or recoupment for any reason whatsoever, due to any present or future claims of Lessee against Lessor or any other person under this Agreement or otherwise, against the Vendor of any item of Equipment, or by reason of any defect in or damage to, or loss or destruction of all or any of the Equipment from whatsoever cause, or the interference with the use thereof, or any insolvency, bankruptcy, reorganization or similar proceedings by or against Lessor or Lessee, it being the intention of the Parties hereto that the Rental Payments and Additional Payments payable by Lessee under this Agreement shall continue to be payable in all events, unless the obligation to pay the same shall expire or be eliminated pursuant hereto. However, Lessee does not waive any defense or claim that it may have against any party arising out of any breach of this Agreement.

Interest on this Agreement shall begin to accrue from the Effective Date.

Lessee shall pay to Lessor as Additional Payments hereunder, in addition to the Rental Payments payable by Lessee, such amounts in each year as shall be required by Lessor in payment of any reasonable costs and expenses incurred by Lessor in connection with the execution or performance of this Agreement, the lease of the Equipment to Lessee, including, without limitation, insurance premiums not otherwise paid hereunder and all other reasonable, direct and necessary administrative costs of Lessor or charges required to be paid by it in order to comply with the terms of this Agreement. Such Additional Payments shall be billed to Lessee by Lessor from time to time, together with a statement certifying that the amount so billed has been paid by Lessor for one or more of the items described, or that such amount is then payable by Lessor for such items. Reasonable amounts so billed shall be due and payable to Lessor within thirty (30) calendar days after receipt of the bill by Lessee.

3. **Non appropriation and Right of Termination**. The obligations of Lessee to make Rental Payments and to make any other payments to Lessor (or to any other person) pursuant to this Agreement are subject to appropriation by the Legislature of the State of Alabama of funds that are lawfully available to be applied for such purpose. If such an appropriation is not made prior to a Fiscal period of Lessee, for the Rental Payments scheduled in such fiscal period, Lessor may terminate this Agreement without penalty, or Lessee may terminate this Agreement by providing written notice of such Nonappropriation to Lessor as soon as the decision to nonappropriate is made. Upon any such termination of this Agreement, all of Lessee's rights, title and interest in and its obligation under this Agreement and to the Equipment shall terminate effective on the last day of the last fiscal period of Lessee for which such an appropriation was made.

4. **Taxes and Other Governmental Charges**. Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances, except those created under this Agreement. Lessee shall timely pay when due, all charges and taxes, including but not limited to, assessments, license fees, taxes (including sales, use, excise, personal property, ad valorem, stamp, documentary and other taxes) and all other governmental charges, fees, fines or penalties whatsoever, if any, whether payable by Lessor or Lessee, now or hereafter imposed by any governmental body or agency on or relating to the Equipment, the Rental Payments, or the use, registration, rental shipment, transportation, delivery, ownership or operation of the Equipment and on or relating to this Agreement including Gross-Up Rent in the event the interest on this Agreement is or becomes taxable. If Lessor pays any charges or taxes for which Lessee is responsible or liable under this Agreement, Lessee shall promptly reimburse Lessor therefore. Lessee shall be required to maintain adequate and fall records relating to the Equipment including but not limited to records concerning payments made under this Paragraph 4, and shall provide Lessor and its assigns evidence of any and all payments made pursuant to this Paragraph 4, immediately upon payment thereof and in any event at least annually.

5. **Lessee's Covenants and Representations**. Lessee covenants and represents as follows:

(a) Lessee is a state or a governmental entity and political subdivision organized under the laws of the State.

(b) Lessee represents, and will provide an opinion of its counsel to the effect that it has full power and authority to enter into this Agreement; that this Agreement has been duly authorized, executed, and delivered by Lessee, and is a valid and binding obligation of Lessee enforceable in accordance with its terms; that Lessee is a state or a political subdivision of the State within the meaning of Section 103 (c) of the Code and is duly organized, existing and operating under the constitution and laws of the State; that all requirements for

execution, delivery and performance of this Agreement have been, or will be, complied with in a timely manner; and that the portion of the Rental Payments designated as interest on the payment schedule attached hereto as Exhibit C is exempt from income taxation under applicable federal and State of Alabama law;

(c) All Rental Payments hereunder have been, and will be, duly authorized and paid when due out of funds then on hand and legally available for such purposes; subject to Paragraph 3, Lessee will, to the extent permitted by State law and other terms and conditions of this Agreement, include in its budget for each successive fiscal period during the term of this Agreement a sufficient amount to permit Lessee to discharge all of its obligations hereunder, and Lessee has budgeted and available for the current fiscal period sufficient funds to comply with its obligations hereunder;

(d) There are no pending or threatened lawsuits or administrative or other proceedings contesting the authority for, authorization of, performance of, or expenditure of funds pursuant to, this Agreement;

(e) Information supplied and statements made by Lessee in any Financial statement or current budget prior to or contemporaneously with this Agreement are true and correct in all material respects;

(f) Lessee has an immediate need for, and expects to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future;

(g) There are no circumstances presently affecting Lessee that could reasonably be expected to alter its foreseeable need for the Equipment or adversely affect its ability or willingness to budget funds for the payment of sums due hereunder;

(h) During the term of this Agreement, Lessee will annually provide Lessor: (i) within 210 days of the end of Lessee's fiscal year current audited financial statements (or Lessee's current unaudited Financial statements or reports, as applicable, to the extent audits are not available with 210 days of the end of Lessee's fiscal year, with the audited financial statements to be provided as soon as available), and (ii) budgets or proof of appropriation, as requested, for the ensuing fiscal year;

(i) Lessee has complied with all State bidding requirements as may be applicable to this Agreement or the acquisition of the Equipment, if any;

(j) The weighted average useful life of the Equipment exceeds the term of this Agreement;

(k) Lessee will submit to the U. S. Secretary of the Treasury an information reporting statement and other information relating to this Agreement at the times and in the forms required by the Internal Revenue Code of 1986;

(l) Lessee shall not use any monies advanced by Lessor in connection with a lease to reimburse expenditures previously made by Lessee, except in compliance with the requirements of Section 1.150-2 of the Treasury Regulations;

(m) Lessee hereby represents and warrants that it has not entered into any, and is not aware of the existence of any contracts, agreements, arrangements or understandings with any person or firm that could give rise to any third-party claim for, and has not been previously paid a broker's, finder's or agent's fee or commission or other similar payment in connection with, the negotiations leading to the consummation of this Agreement;

(n) As provided for in Code of Ala. § 41-16A-5(a)(8), Lessee covenants that in the event any Lease is cancelled or terminated prior to the payment in full of all Rental Payments due under each Payment Schedule, Lessee shall not acquire property comparable to the Equipment for a period of one (1) year from the date of such early cancellation or termination;

6. **Use and Licenses**. Lessee shall pay and discharge all utility and other operating expenses and shall cause the Equipment to be used only for or in connection with the operation of its governmental functions. Lessee will not use, operate or maintain the Equipment improperly, carelessly or in violation of any applicable law, ordinance, rule or regulation of any governmental authority and shall, at Lessee's expense, obtain all registrations, permits and licenses, if any, required for the lawful use and occupancy of the Equipment.

7. **Entire Agreement; Waiver.** This Agreement, together with the Payment Schedule, the Certificate of Final Acceptance, the Escrow Agreement and any other documents required to be delivered pursuant to this Agreement, constitute the entire Agreement between the parties with respect to the financing of the Equipment, and this Agreement shall not be modified, amended, altered, or changed except with the written consent of the Lessee and Lessor or its assignees. Any provision of this Agreement found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Agreement. The waiver by Lessor ot its

assignees or Lessee of any breach by the other party of any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach thereof

8. Repairs, Alterations and Improvements. Lessee agrees that Lessor shall not be obligated to rebuild, replace, maintain or make any repairs to the Equipment or to any improvements located thereon during the Agreement Term. Lessee may, at its own expense, install or place in or on, or attach or affix to, the Equipment such other equipment or accessories as may be necessary or convenient to use the Equipment for its intended purposes, provided that such other equipment or accessories do not impair or diminish the value or utility of the Equipment. All such other equipment and accessories shall be removed by Lessee upon termination of this Agreement, provided that any resulting damage shall be repaired at Lessee's expense. Any such other equipment or accessories not removed shall become the property of Lessor. At the expiration or termination of this Agreement, for any reason except Lessee's exercise of its purchase option set forth in Paragraph 16, or Lessee's payment in full of all Rental Payments and Additional Payments, if any, due hereunder, Lessee shall surrender the Equipment in good condition, allowance being made for ordinary wear and tear from proper use. Without the written consent of Lessor, Lessee shall not make any other alterations, modifications or improvements to the Equipment except as required or permitted hereunder. Any other alterations, modifications or improvements to the Equipment shall immediately become part of the Equipment, subject to the provisions hereof. Without the prior written consent of Lessor, Lessee shall not affix or attach any of the Equipment to any real property; provided, however, that it is understood that the Equipment constitutes various energy conservation measures which are to be installed in Lessee's facilities; Lessor hereby agrees that the Equipment may be affixed or attached to Lessee's facilities, regardless of the fact that such facilities may constitute real property. The Equipment shall remain personal property, regardless of whether it becomes affixed or attached to real property or permanently rests upon any real property or any improvement thereon. The Parties hereto expressly agree and understand that the Equipment shall never be deemed or considered to constitute any form of fixture.

9. Maintenance. Lessee, at its own cost and expense, will maintain the Equipment in good operating condition for the duration of this Agreement and will not use or deal with the Equipment in any manner which is inconsistent with any laws or regulations. The Equipment will not be misused, abused, wasted, or be allowed to deteriorate except for ordinary wear and tear resulting from its intended use. Lessee agrees to cause the Equipment to be maintained pursuant to manufacturer's standard maintenance specifications and will provide proof of proper maintenance at Lessor's request.

10. Alterations. Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's or its assignees' prior written consent

unless such alterations, additions, or improvements may be readily removed without damage to the Equipment.

11. Location: Inspection. The Equipment may be moved at Lessee's option to any locations within the State. In the event Lessee moves the Equipment, Lessee will notify the Lessor in writing within thirty (30) days of the new location(s). Lessee will maintain a list of all Equipment by model and serial; numbers and provide said list throughout the term. Lessor will be entitled to enter upon the location(s) at which the Equipment is maintained during reasonable business hours and upon reasonable notice, consistent with Lessee's security requirements and accompanied by Lessee's personnel, to inspect the Equipment or observe its use and operation.

12. Liens. Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, security interest, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment, title thereto or any interest therein, except the respective rights of Lessor and Lessee hereunder.

13. Damage to or Destruction of Equipment. Lessee shall bear the entire risk of loss, damage, theft or destruction of the Equipment from any and every cause whatsoever, and no loss, damage, destruction or other event shall release Lessee from the obligation to pay the full amount of the Rental Payments or from any other obligation under this Agreement. In the event of damage to the Equipment, Lessee will immediately place the same in good repair, with the proceeds of any insurance recovery applied to the cost of such repair. If Lessee determines that the Equipment has been damaged or destroyed beyond repair, Lessee may, at Lessee's option, elect to pay Lessor all amounts then owed by Lessee to Lessor under the terms of this Agreement, including the Rental Payment due on the next Payment Date and an amount equal to the applicable Prepayment Option Price set forth in Exhibit C. Upon payment of said amount, this Agreement shall terminate, Lessor's interest in the Equipment shall vest in Lessee, and neither Party shall have any further obligations to the other.

14. Insurance. Lessee shall, either self-insure against any and all risks assumed in this Agreement or shall purchase and maintain one or more commercial insurance policies with regard to the Equipment sufficient to satisfy Lessee's obligations hereunder. Lessee shall, during the Agreement Term, at its own expense, provide comprehensive liability insurance with respect to the Equipment, insuring against such risks, and in such amounts as are customary for lessees of equipment of a character similar to the Equipment. In addition, Lessee shall, during the Agreement Term, at its own expense, provide casualty insurance with respect to the Equipment, insuring against customary risks, with minimum coverage of not less than the amount of the unpaid principal portion of the Rental Payments as of the last preceding Payment Date specified in Exhibit C. If insurance policies are provided with respect to the Equipment, all insurance policies shall be with insurers authorized to do business in the State and shall name both Lessor and Lessee as insured parties as their respective interest may appear.

Insurance proceeds from casualty losses shall be payable solely to Lessor, subject to the provisions of Paragraph 13. Lessee shall, upon request, deliver to Lessor evidence of the required coverages together with premium receipts, and each insurer shall agree to give Lessor written notice of non payment of any premium due and ten (10) calendar days' notice prior to cancellation or alteration of any such policy, Lessee shall also carry and require any other person or entity working on, in or about the Equipment to carry worker's compensation insurance (including, in the case of the Lessee, self-insurance) covering employees on, in or about the Equipment.

15. Quiet Possession. Lessor covenants and warrants that Lessor has the right to make this Agreement and that Lessee shall, during the Agreement Term, have quiet and peaceful possession of the Equipment as against the lawful acts of third parties.

16. Prepayment Option. Lessee shall have the option to prepay the Rental Payments owed hereunder (in whole but not in part) on any applicable Payment Date on or after July 15, 2017; provided: (i) Lessee is not in default under this Agreement; (ii) Lessee gives written notice to Lessor of its intention to exercise this option at least thirty (30) calendar days prior to the Payment Date on which the option is to be exercised; (iii) Lessee has complied with all applicable laws concerning acquisition of Equipment; (iv) there is a specific Prepayment Option Price shown on Exhibit C on that Payment Date; and (v) on the applicable Payment Date, Lessee shall deposit with Lessor an amount equal to all Rental Payments together with any Additional Payments and any other amounts then due or past due (including, but not limited to, the Rental Payment due on the applicable Payment Date and all accrued interest) together with the applicable Prepayment Option Price, all as shown on Exhibit C. The closing shall be on the Payment Date or the First business day preceding the Payment Date at the office of Lessor or such other place as Lessor may direct in writing.

17. Default and Lessor's Remedies.

(a) The occurrence of one or more of the following events shall constitute an "Event of Default", whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency;

(1) Lessee fails to make any payment hereunder when due or within ten (10) calendar days thereafter;

(2) Lessee fails to comply with any other covenant, condition or agreement of Lessee hereunder for a period of thirty (30) calendar days after notice thereof; provided that, if Lessee makes a commercially reasonable effort to cure, such default during such thirty (30) calendar day period, but will, in good faith, require additional time to complete such cure, no default will be declared so long as Lessee continues to make good faith, commercially reasonable efforts to cure such default, and such default is in any event cured within sixty (60)

calendar days;

(3) Any representation or warranty made by Lessee hereunder shall be untrue in any material respect as of the date made;

(4) Lessee makes, permits or suffers any unauthorized assignment, transfer or other disposition of this Agreement or any interest herein, or any part of the Equipment or any interest therein;

(5) Lessee becomes insolvent; or admits in writing its inability to pay its debts as they mature; or applies for, consents to or acquiesces in the appointment of a trustee, receiver or custodian for Lessee or a substantial part of its assets, including, but not limited to, the Equipment; or, in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for Lessee or a substantial part of its property, and is not discharged within sixty (60) calendar days; or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law; ... any dissolution or liquidation proceeding is instituted by or against Lessee and, if instituted against Lessee, is consented to or acquiesced in by Lessee or is not dismissed within sixty (60) calendar days.

(b) Upon the occurrence of any Event of Default specified herein, Lessor may, at its sole discretion, exercise any or all of the following remedies:

(1) Enforce this Agreement by appropriate action to collect amounts due or to become due hereunder, by acceleration or otherwise, or to cause Lessee to perform its other obligations hereunder in which event Lessee shall be liable for all costs and expenses incurred by Lessor;

(2) To the extent allowed by the applicable law, enter upon Lessee's premises and take possession of the Equipment, without demand or notice and without court order or any process of law, and remove the same and release or otherwise dispose of the Equipment for Lessee's account, in which event Lessee waives any and all damages resulting therefrom and shall be liable for all costs and expenses incurred by Lessor in connection therewith and the difference, if any, between the amounts to be paid pursuant to Paragraph 2 hereof and the amounts received and to be received by Lessor in connection with any such re-letting:

(3) To the extent allowed by the applicable law, terminate this Agreement and repossess the Equipment, in which event Lessee shall be

liable for any amounts payable hereunder through the date of such termination and all costs and expenses incurred by Lessor in connection therewith; or

(4) Pursue and exercise any other remedy available at law or in equity, in which event Lessee shall be liable for any and all Costs and Expenses incurred by Lessor in connection therewith.

As provided in Paragraph 2 of this Agreement, under no circumstances shall Lessee be liable under this subsection (b) for any amount in excess of the sum appropriated for the previous and current fiscal years, less all amounts previously due and paid during such previous and current Fiscal years from amounts so appropriated.

18. Termination. Unless Lessee has paid all Rental Payments and any Additional Payments due hereunder, or properly exercised its prepayment option pursuant to Paragraph 16 hereof, Lessee shall, upon any earlier termination hereof pursuant to the terms of this Agreement, surrender the Equipment to Lessor unencumbered and in at least as good condition and repair as when delivered to Lessee, ordinary wear and tear resulting from proper use excepted. Nothing in this paragraph shall be construed to create any right of Lessee to terminate this Agreement, except in those circumstances otherwise set forth in this Agreement.

19. Assignment. Lessee will not either:

(i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Agreement or the Equipment or any interest in this Agreement or the Equipment; or

(ii) sublet or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees.

Lessor may, at any time and from time to time or to the extent permitted by law, without obtaining the consent of Lessee, assign, transfer or otherwise convey all or any part of its interest in the Equipment, this Agreement, or the Equipment Acquisition Fund, including Lessor's rights to receive the Rental Payments, Additional Payments or any part thereof (in which event Lessee agrees to make all Rental Payments and Additional Payments thereafter to the assignee(s) designated by Lessor) and to exercise any other

rights and remedies of Lessor set forth herein or therein. Lessor is specifically granted the right to: (i) assign, transfer, deposit or otherwise deliver this Agreement to a Custodian pursuant to a Custodial Agreement delivered by Lessor, or its assignees, and (ii) serialize all of the payments to be made by Lessee under this Agreement and sell Participation Interests representing the right of the holder thereof to receive a portion of the Rental Payments being made by Lessee, to one or more purchasers. Any such assignment, transfer or conveyance may be to such Custodian for the benefit of the owners of the Participation Interests. No such assignment, transfer or conveyance shall be effective until Lessee's Registration Agent shall have received a written Notice and Acknowledgement of Assignment that discloses the name and address of each such assignee; provided, however, that if such assignment is made to a Custodian for owners of Participation Interests, it shall thereafter be sufficient that a copy of the Custodial Agreement shall have been deposited with Lessee's Registration Agent until Lessee's Registration Agent shall have been advised that such Custodial Agreement is no longer in effect. During the term of this Agreement, Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code. For this purpose, Lessee appoints Lessor to act as its Registration Agent. Lessor agrees on Lessee's behalf to maintain such record of all assignments, and to provide a copy of such record to Lessee. Lessee agrees, if so requested, to acknowledge each such assignment in writing within fifteen (15) calendar days after request therefor, but such acknowledgment shall in no way be deemed necessary to make any assignment effective.

20. Gross-Up Rent. If Lessor either (i) receives notice, in any form, from the Internal Revenue Service or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor, that Lessor may not exclude any interest paid under this Agreement (as shown in the Payment Schedule attached hereto as Exhibit C) from its federal gross income (each an "Event of Taxability"), the Lessee shall pay to Lessor upon demand the Gross-Up Rent.

21. Late Charge. Lessor shall have the right to require late payment charge for each Rental Payment or any other amount due hereunder which is not paid within Fifteen (15) days of the date when due equal to the lesser of 5% of each late payment or the legal maximum. This Paragraph 22 is only applicable to the extent it does not affect the validity of this Agreement.

22. Notices. Any notices to be given or to be served upon any Party hereto in connection with this Agreement must be in writing and may be given by certified or registered mail, and shall be deemed to have been given and received forty-eight (48) hours after a registered or certified

letter containing such notice, postage prepaid, is deposited in the United States mail, and if given otherwise shall be deemed to have been given when delivered to and received by the Party to whom it is addressed. Such notice shall be given to the Parties at their respective addresses designated on the signature page of this Agreement or at such other address as either Party may hereafter designate in writing.

23. Personal Property. The Equipment is and shall at all times be and remain personal property.

24. Tax Exemption; Tax Covenants. Lessee acknowledges and agrees that Lessor has calculated the Rental Payments assuming that the interest portion of each Rental Payment is exempt from federal income taxation. Lessee represents, warrants and covenants that it will do or refrain from doing all things necessary or appropriate to ensure that the interest portion of the Rental Payments is exempt from federal income taxation, including, but not limited to, executing and filing all information statements required by Section 149(e) of the Code, and timely paying, to the extent of available funds, amounts required to be rebated to the United States pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended. In addition, Lessee makes the following tax covenants:

(a) It is the intention of the Parties hereto that the interest portion of the Rental Payments received by Lessor and its successors and assigns hereunder be and remain excludable from gross income for purposes of federal income taxation. In furtherance of the foregoing, Lessee, to the best of its ability and knowledge, covenants that it shall, at all times, do and perform all acts and things necessary and within its control so that the interest portion of the Rental Payments received by Lessor shall, for the purposes of federal Income taxation, be excluded from gross income of Lessor. Lessee shall not permit the use of the proceeds of this Agreement, nor take or omit to take any action, so as to cause such interest portion to cease to be excluded from gross income of Lessor for the purposes of federal income taxation.

(b) Lessee covenants that it will not use or permit the use of any Equipment in any manner or for any trade or business that would cause the interest portion of the Rental Payments to be taxable.

(c) Lessee hereby covenants that it will not take or permit any action or omit to take any action that would cause this Agreement to be an arbitrage bond within the meaning of Section 148 of the Code. Lessee hereby agrees to execute a Tax Agreement and Arbitrage Certificate, Substantially in the form of Exhibit 11.

(d) The weighted average maturity (defined in accordance with the

Code) of the principal component of the Rental Payments under this Agreement will not exceed 120% of the weighted average, reasonably expected economic life in the hands of Lessee of the Equipment leased hereunder.

(e) Lessee agrees to complete and File in a timely manner an information reporting return (Form 8038-G or 8038-GC, as applicable) as required by the Code.

(f) Lessor and Lessee certify and covenant to each other and to the owners from time to time of Lessor's interests in this Agreement that, so long as any Rental Payments remain unpaid hereunder, monies on deposit in the Escrow Fund will not be Used in a manner that will cause this Agreement to be classified as arbitrage bonds within the meaning of Section 148(a) of the Code.

26. DISCLAIMER OF WARRANTIES. LESSOR (AND ANY AND EACH OF ITS SUCCESSORS AND ASSIGNS), NOT BEING THE VENDOR OF ANY OF THE EQUIPMENT, HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY, REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER,INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE. LESSEE ACCORDINGLY AGREES NOT TO ASSERT ANY CLAIM WHATSOEVER AGAINST LESSOR BASED THEREON. LESSEE FURTHER AGREES, REGARDLESS OF CAUSE, NOT TO ASSERT ANY CLAIM WHATSOEVER AGAINST LESSOR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES OR LOSS, OF ANY CLASSIFICATION IN ANY WAY RELATED TO THE USE OR CONDITION OF THE EQUIPMENT. LESSOR SHALL HAVE NO OBLIGATION TO INSTALL, ERECT, TEST, ADJUST, SERVICE OR MAINTAIN ANY EQUIPMENT. LESSEE SHALL LOOK SOLELY TO THE VENDOR FOR ANY AND ALL CLAIMS RELATED TO THE EQUIPMENT. LESSEE LEASES THE EQUIPMENT "AS IS, WHERE IS" AND "WITH ALL FAULTS." LESSOR AND LESSEE HEREBY ACKNOWLEDGE THAT TIFF WARRANTIES OF THE VENDOR, IF ANY, ARE FOR THE BENEFIT OF LESSEE.

27. Delivery and Installation. Lessee shall select the type, quantity and Supplier of each item of Equipment designated in Exhibit B. Lessor shall have no liability for any delay in delivery or failure by the Vendor to deliver any Equipment or to fill any purchase order or meet the conditions thereof. Lessee, at its expense, will pay for all costs and charges in connection with the delivery, installation and use

of the Equipment (it being understood that costs associated with delivery and installation of the Equipment are included in the total amount of the Equipment Financed hereunder as set forth in Exhibit C). Upon receipt of the Equipment, Lessee shall furnish Lessor with an Acceptance Certificate (Exhibit E).

Execution of the Acceptance Certificate by the Commissioner, as authorized by the Constitution and laws of the State and by the Lessee's authorizing resolution (as attached hereto as Exhibit E) shall constitute acceptance of the Equipment on behalf of Lessee. Regardless of whether Lessee has furnished an Acceptance Certificate pursuant to this Paragraph 27, by making a Rental Payment after its receipt of the Equipment pursuant to this Agreement, Lessee shall be deemed to have accepted the Equipment on the date of such Rental Payment for purposes of this Agreement. All Rental Payments paid prior to delivery of the Acceptance Certificate shall be credited to Rental Payments as they become due. Lessee understands and agrees that the Vendor is not an agent of Lessor. No salesman or agent of the Vendor is authorized to waive or alter any term or condition of this Agreement, and no representation as to Equipment or any other matter by the Vendor shall in any way affect Lessee's duty to pay the Rental Payments and perform its other obligations as set forth in this Agreement. Lessee hereby acknowledges that it has or will have selected the Equipment identified on Exhibit B using its own criteria and not in reliance on any representations of Lessor.

28. Title to Equipment. During the term of this Agreement and so long as no Event of Default has occurred, legal title to the Equipment and any and all additions, repairs, replacements or modifications thereof shall be vested in Lessee, subject to the rights of Lessor under this Agreement, including the security interest granted herein. Lessee shall at all times, at its expense, protect and defend Lessee's title to the Equipment and Lessor's rights and interests therein and will keep the Equipment free and clear from any and all claims, liens and encumbrances except those created by this Agreement in favor of Lessor. It is the intent of the Parties hereto that all items of Equipment shall at all times be and remain personal property, notwithstanding that any such Equipment may now or hereafter be affixed to realty. If requested by Lessor, Lessee will, at Lessee's reasonable expense, furnish a waiver of any interest in the Equipment from any party having an interest in such real estate or building to which the Equipment becomes affixed. Upon satisfaction of all payment obligations herein contained, title to the Equipment shall remain vested in the Lessee.

29. Security Interest. This Agreement is intended to constitute a security agreement within the meaning of the Uniform Commercial Code of the State (the "UCC"), In order to secure, all of its obligations hereunder to Lessor as Lessee's assignee, Lessee hereby: (a) grants to Lessor a purchase money security interest constituting a first lien on any and all right, title and interest of Lessee in the Equipment and in all additions, attachments, accessions, and substitutions thereto, and on any revenues, profits, or other proceeds therefrom; (b) agrees that

this Agreement may be filed as a financing statement evidencing such security interest in the Equipment governed thereby; (c) agrees that Lessor or its Assignee may execute such additional documents, including financing statements, affidavits, notices, and similar instruments, for and on behalf of Lessee, which Lessor deems necessary or appropriate to protect Lessor's interest in the Equipment and in this Agreement; (d) agrees to execute, and deliver such additional documents, including financing statements, certificates of title, affidavits, notices and similar instruments, in form satisfactory to Lessor, necessary or appropriate to perfect and maintain such security interest in the Equipment; and (e) agrees that in the event the Equipment is covered by a certificate-of-title statute of the State, Lessee shall fully comply with and take all such actions mandated by the requirements of such certificate-of-title statute to perfect Lessor's security interest in the Equipment, including but not limited to indicating Lessor's security interest on any and all certificate-of-title Corms covering the Equipment and (at Lessor's discretion) delivering to Lessor the original certificate-of-title to the Equipment, to be held by Lessor throughout the term of this Agreement. If Lessor's security interest in all or some of the Equipment shall terminate in accordance herewith, at the request of Lessee, Lessor shall execute and deliver to Lessee documents which evidence the termination of Lessor's security or other interest in such Equipment. Lessee shall promptly discharge any liens placed on the Equipment, including, without limitation, any mechanics' or materialmens liens. If requested by Lessor, Lessee shall obtain the waiver of any interest in the Equipment from any owner of, or a secured party with an interest in, equipment on which the Equipment becomes an accession. If requested by Lessor, to the extent that the Equipment would be subject to a lien upon its acquisition by Lessee under any agreement or other instrument to which Lessee or any affiliate of Lessee is a party, Lessee shall obtain a waiver of such lien. Lessee is required to provide written notice to Lessor of any change in its name, corporate structure or principal place of business. Such notice shall be provided thirty (30) calendar days in advance of the date that such change is planned to take effect.

30. Performance of Lessee's Obligations. If Lessee shall fail to promptly perform any of its obligations under this Agreement, Lessor may, at its option, perform any act or make any payment that Lessor deems necessary for the maintenance and preservation of the Equipment, including, but not limited to, payments for satisfaction of liens, repairs, taxes, levies and insurance. All expenses incurred by Lessor in performing such acts, including, but not limited to, legal fees and all such payments made by Lessor together with late charges as provided in Paragraph 22 herein, shall be payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor shall not be deemed a waiver or release of any obligation or default on the part of Lessee.

31. Indemnification. To the extent legally permissible under the laws of the State, Lessee agrees to indemnify, protect and hold harmless Lessor from and against any and all liabilities, obligations, losses, damages, claims, costs and expenses (including reasonable attorneys' fees), of whatsoever kind and nature,

arising out of the use, condition (including, but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, selection, delivery, storage, leasing or return of any item of Equipment, or any failure on the part of Lessee to accept the Equipment or otherwise to perform or comply with any conditions of this Agreement. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect, notwithstanding the expiration or termination of the term of this Agreement. In no event, whether as a result of breach of contract, warranty, tort (including negligence or strict liability), indemnity or otherwise, shall Lessor, or its assignees, if any, be liable for any special, consequential, incidental or penal damages, including, but not limited to, loss of profit or revenue, loss of use of the Equipment or any associated equipment, service materials or software, damage to associated equipment, service materials or software, cost of capital, cost of substitute equipment, service materials or software, facilities, services or replacement power, downtime costs or claims of Lessee for such damages or costs and claims associated with any treatment, handling, storage, processing or disposal or related aspect or action incurred with respect to environmental matters, and Lessee shall indemnify and hold harmless Lessor from any such damages.

32. Costs. Lessee shall pay Lessor all Costs and Expenses related to the delivery of possession of the Equipment in accordance herewith, and the exercise of remedies with respect to the Equipment Acquisition Fund, incurred by Lessor in enforcing any of the terms, conditions or provisions of this Agreement and the Escrow Agreement, as set forth in Exhibit F, hereto.

33. Escrow Agreement. In connection with the financing of the costs of the Equipment and the various closing costs associated with the Financing contemplated by this Agreement, the Parties have agreed to use an escrow procedure to provide for the terms regarding the delivery, distribution and accounting for the proceeds of this Agreement. The Lessor and Lessee hereby agree to execute and deliver the Escrow Agreement, substantially in the form of Exhibit F, on the date of execution and delivery of this Agreement.

34. Securities Matters. Lessee specifically acknowledges that Lessor, or one or more of its assigns, may assign or otherwise transfer this Agreement, serialize the Payments and issue Certificates all as provided in Paragraph 19 above. Lessee specifically acknowledges that Lessor or one or more of its assigns may also engage and utilize a Placement Agent for the purpose of assisting with the sale of such Certificates, all without expense to Lessee. Lessee acknowledges and agrees that the Certificates, when issued, shall be deemed securities of Lessee, as to which Lessee shall have certain responsibilities and liabilities. Lessee hereby authorizes Lessor and Placement Agent to act on its behalf for the limited purpose of preparing and deeming Final an Offering Memorandum. Lessee hereby agrees to

cooperate fully with Lessor and Placement Agent with respect to the issuance of the Certificates and to provide additional closing certificates, satisfactory documentation, specific information regarding the Equipment that it is leasing hereunder, and demographic and Financial information concerning Lessee, for inclusion in the Offering Memorandum, all as reasonably requested, and Lessee represents and warrants that such information provided to Lessor or the Placement Agent is true and accurate in all material respects when delivered. Lessor agrees to hold Lessee harmless from any damages or claims arising from Lessor's negligent or intentional acts or omissions in connection with the sale of the Certificates. Further, Lessee authorizes the Placement Agent and any Custodian to deliver the Offering Memorandum to any subsequent purchasers, in whole or in part, of the Certificates. Finally, acknowledging that the Certificates will be Municipal Securities, Lessee agrees to provide certain continuing disclosures, including specifically annual financial statements and information related to material events such as those required by Rule 15c2-12(b)(5) of the Securities and Exchange Commission, to enter into a separate Continuing Disclosure Agreement with Lessor and/or its assigns to ensure such disclosures are made and to provide to Lessor or its assigns a DTC Letter of Representations, executed by Lessee, all as reasonably requested by Lessor or Placement Agent.

35. Authority of Lessee/Issuer. Lessee represents and warrants that its authority to enter into and consummate this Agreement includes the additional authority to issue the Certificates, and to execute those additional documents and forms related to the issuance of the Certificates, including those Exhibits and Additional Documents listed in the Index of Exhibits.

36. Not to Constitute a Debt of the State/Settlement of Claims. It is agreed that the terms and commitments contained herein shall not be constituted as a debt of the State of Alabama in violation of Article 11, Section 213, of the Constitution of Alabama 1901, as amended by Amendment No. 26. If any provision or amendment, either now in effect or which may, during the course of this Agreement, be enacted, then the conflicting provision in the contract shall be deemed null and void.

37. Miscellaneous.

(a) Lessor reserves the right to enter upon Lessee's property during business hours at any time, but only in accordance with the security and other regulations of the Lessee governing access and without undue disruption or interference with the operations of Lessee's business or any location where the Equipment is located, to inspect the same or to make such repairs as Lessor may deem advisable or to otherwise protect Lessor's right and interest in the Equipment.

(b) Time is of the essence. No covenant or obligations hereunder to be performed by Lessee may be waived except by the written consent of Lessor, and a waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a waiver of such covenant or obligation as to any other occasion and shall not preclude Lessor from invoking such remedy at any later time prior to Lessee's cure of the condition giving rise, to such remedy. Lessor's rights hereunder are cumulative and not alternative.

(c) This Agreement shall be construed in accordance with, and governed by, the laws of the State of Alabama, without giving effect to its choice of laws provisions.

(d) This Agreement constitutes the entire agreement between the Parties and shall not be modified, waived, discharged, terminated, amended, altered or changed in any respect except by a written document signed by both Lessor and Lessee.

(c) If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of the Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

(f) Lessor hereunder shall have the right at any time or times, by notice to Lessee, to designate or appoint any person or entity to act as agent or trustee for Lessor for any purposes hereunder.

(g) Lessee will immediately notify Lessor in writing of any loss to or change, occurring in or to the Equipment of a change in Lessee's address, or in any fact or circumstance warranted or represented by Lessee to Lessor, or if any Event of Default occurs.

(h) Use of the neutral gender herein is for purposes of convenience only and shall be deemed to mean and include the masculine or feminine gender whenever and wherever appropriate.

(i) The captions set forth herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

(j) Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, where permitted by this Agreement.

38. Execution in Counterparts. 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 instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of this the ____ day of _____, 2010.

LESSOR:

_____

_____

LESSEE:

STATE OF ALABAMA

DEPARTMENT OF CORRECTIONS

INDEX OF EXHIBITS TO LEASE PURCHASE AGREMENT

1. **Exhibit A: Definitions**

2. **Exhibit B: Equipment Schedule**

3. **Exhibit C: Payment Schedule**

4. **Exhibit D: Notice and Acknowledgement of Assignment**

5. **Exhibit E: Acceptance Certificate**

6. **Exhibit F: Escrow Agreement**

7. **Exhibit G: Energy Services Agreement of ADOC and Johnson Control Inc.**

8. **Exhibit H: Energy Services Agreement of ADOC and Noresco LLC.**

EXHIBIT A

DEFINITIONS

Definitions: Unless the context otherwise clearly requires, the following terms shall have the respective meanings set forth below for all purposes of the Agreement:

1.01 "Acceptance Certificate" means a certificate in substantially the form of Exhibit E attached hereto and which shall be delivered by Lessee to Lessor upon final receipt and acceptance of all of the Equipment, as provided in Paragraph 27 hereof

1.02. "Additional Payments" means any amounts (other than Rental Payments) required to be paid by Lessee pursuant to the terms of this Agreement.

1.03 "Agreement" means this Lease Purchase Agreement, together with each of the exhibits, schedules, or other documents attached to this Agreement or referenced herein, as supplemented and amended from time to time.

1.04 "Agreement Term" means the term of this Agreement as specified in Paragraph 2 of this Agreement.

1.05 "Authorizing Legislation" means Chapter 16A of Title 41 of the Code of Alabama and Chapter 16, Article 7 of Title 41.

1.06 "Certificate of Insurance" means a certificate which shall be delivered by Lessee to Lessor prior to Closing and the delivery of the Equipment, in satisfaction of Lessee's obligations regarding insurance, as provided in Paragraph 14 of this Agreement.

1.07 "Johnson Control Contract" means the contract between the Lessee and Johnson Control Inc. attached hereto as Exhibit G.

1.08 "Noresco Contract" means the contract between the Lessee and Noresco LLC attached hereto as Exhibit H.

1.09 "Closing" means the latest to occur of- (i) execution of this Agreement by all of the Parties; (h) the Effective Date of this Agreement as set forth in the, first paragraph of this Agreement; or (iii) the date on which Lessor acquires the Equipment or funds the Equipment Acquisition Fund, as the case maybe.

1.10 "Code" means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein shall be deemed to include, the United States Treasury Regulations proposed or in effect thereunder.

1.11 "Commissioner" means the Commissioner of the Department of Corrections of the State of Alabama,

1.12 "Costs and Expenses" shall mean, to the extent allowed by law: (i) reasonable attorneys' fees if this Agreement is referred for collection to an attorney other than a salaried employee of Lessor or the holder of this Agreement; (ii) court costs and disbursements, including such costs in the event of any action necessary to secure possession of the Equipment; and (iii) actual and reasonable out-of-pocket expenses incurred in connection with any repossession or foreclosure.

1.13 "Custodian" means a financial institution with trust powers or other similar custodial agent pursuant to an agreement defining the terms and conditions of such custodial arrangement (the "Custodial Agreement") delivered by Lessor, or its assignees, in connection with the offer and sale of Participation Interests.

1.14 "DTC" shall mean the Depository Trust Company, a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the Provisions of Section 17a of the Securities Exchange Act of 1934, as amended.

1.15 "Escrow Agent" means a financial institution acting in its capacity as Escrow Agent under the Escrow Agreement, and it successors.

1.16 "Escrow Agreement" means the Escrow Agreement, in substantially the same form of Exhibit F, attached hereto, dated as of the Effective Date set forth in the first paragraph of this Agreement, among Lessor, Lessee, and Escrow Agent, relating to the Equipment Acquisition Fund.

1.17 "Equipment" means (a) the equipment identified in Exhibit B, (b) any property acquired in substitution, renewal, repair or replacement for or as additions, improvements, accessions and accumulations to any of such equipment and (c) any accessories, equipment, parts and appurtenances appertaining or attached to any of such equipment or from time to time incorporated therein or installed thereon.

1.18. "Equipment Acquisition Fund" means the fund of that name, and the sub-accounts therein, established and administered pursuant to the terms of the Escrow Agreement.

1.19 "Event of Default" is defined in Paragraph 17 of this Agreement.

1.20 "Gross-Up Rent" means (i) an amount which, with respect to Rental

Payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest due through the date of an Event of Taxability), will restore to Lessor its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of Rental Payments and reinvestment at the after-tax yield rate) on the transaction evidenced by this Agreement through the date of an Event of Taxability, and (h) with respect to any Rental Payments thereafter, an additional rental payment in an amount sufficient to maintain such after-tax yield to the Lessor.

1.21 "Lessee" means the entity referred to as Lessee in the first paragraph of this Agreement.

1.22 "Lessor" means (a) the entity referred to as Lessor in the first paragraph of this Agreement or (b) any assignee or transferee of any right, title or interest of Lessor in and to the Equipment, the Equipment Acquisition Fund or this Agreement (including Rental Payments) pursuant to Paragraph 19 of this Agreement, but does not include any entity solely by reason of that entity retaining or assuming any obligation of Lessor to perform, hereunder,

1.23 "Municipal Securities" means any security exempt from the registration requirements of the Securities Act of 1933, as amended, as set forth in Section 3(a)(2) of such Act.

1.24 "Notice and Acknowledgment of Assignment" means a certificate in substantially the form of Exhibit D *attached* hereto and which shall be delivered by and between the Parties as provided in Paragraph 19 hereof.

1.25 "Participation Interests" means participation interests, certificates of participation, custodial receipts or other instruments representing the right of the holder thereof to receive a portion of the Payments being made by Lessee to Lessor or its assigns.

1.26 "Payments" means the Rental Payments and the Additional Payments, collectively.

1.27 "Payment Date" means the date for payment of Rental Payments as set forth in Exhibit C attached hereto.

1.28 "Prepayment Option Price" means the price determined pursuant to Paragraph 16 and Exhibit C attached hereto at which Lessee may purchase from Lessor all of the Equipment prior to the scheduled payment of all Rental Payments to be paid hereunder and as shown in Exhibit C hereto.

1.29 "Registration Agent" shall mean the Lessor, or its assigns, keeping record of the registered owner of the Agreement, for purposes of Section 149(a) of the Code.

1.30 "Rental Payments" means the amounts (allocable to a principal component and an interest component) payable by Lessee pursuant to the provisions of this Agreement, as payment for the purchase price for the Equipment as set forth in Exhibit C attached hereto. As provided in this Agreement, Rental Payments shall be payable by Lessee directly to Lessor in the amounts and at the times as set forth in Exhibit C attached hereto.

1.31 "State" means the State of Alabama.

1.32 "Tax Agreement and Certificate" means that certain separate agreement to be executed by Lessee in substantially the form of Exhibit H, ensuring compliance with the Code, including the non-arbitrage provisions thereof.

1.33 "Vendor" means Johnson Control Inc. and/or Noresco LLC.