

Appendix E
GE Capital Technology Lease

Lease Purchase Agreement No. T090300761 dated as of _____, 2003 (“Agreement”), by and between, APPLE COMPUTER, INC., as “Lessor”, and ANCHORAGE SCHOOL DISTRICT, as “Lessee” with its principal address of 4919 Van Buren Street, Anchorage, AK 99517.

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

Agreement - this lease purchase agreement.

Contractor - any manufacturer or vendor of the System.

Damaged Equipment - Equipment that is lost, stolen or damaged.

Damages - means any injuries, damages, penalties, claims or losses, including reasonable legal expenses, incurred by you or any other person caused by the transportation, installation, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the System.

Day - a calendar day unless otherwise specified.

Documents - This Agreement, any documents relative to the acquisition of the System and any other documents required to be delivered in connection with this Agreement.

Escrow Account - an account from which the cost of the System is to be paid.

Equipment - all items of personal property described in and financed under this Agreement, including any combination or all of the following: hardware, software license (s) and or services.

Equipment Location - the place where you have represented that all items of personal property described in this Agreement will be located.

Lease Supplement - that portion of the Agreement in substantially the same form as Exhibit 1 which describes, among other things, the specific Equipment, Equipment Location, and Rent amount due under this Agreement.

Lease Term - the time period listed in the Lease Supplement.

Lessor Equipment - Equipment manufactured or assembled by Lessor.

Net Book Value - any and all amounts which may be due and payable by you to us under the Agreement, plus the present value of all Rent payments remaining through the end of the Lease Term as stated in an amortization schedule provided in the Lease Supplement.

Other Equipment - Equipment not manufactured, assembled, or distributed by Lessor.

Product Warranty - any express product warranty from Lessor.

Rent - payments payable by the Lessee to Lessor for the acquisition of the System as shown in the Lease Supplement.

Software - means any operating systems or application programs described in the Lease Supplement and subject to this Agreement.

System - Equipment or Software, or both, including services and software license (s).

System Cost - cash price of Equipment, including fees for Software license.

We, Us, and Our - Lessor or our agent.

You and Your - Lessee or your agent.

Other capitalized terms not otherwise defined in this Agreement.

TERMS AND CONDITIONS

1. ACQUISITION OF SYSTEM. By the mutual execution of this Agreement, both you nor we have made a commitment to lease the System. You hereby represent and warrant that the System and the Contractor have been selected by you in compliance with all applicable laws, codes, ordinances, regulations, and internal policies. You further represent and warrant that we shall have no responsibility in connection with the selection of the Equipment, including any Software, the ordering of the Equipment, including any Software, its suitability for the use intended by you, the acceptance by the Contractor or the Contractor's sales representative of the order submitted, or any delay or failure by the Contractor or its sales representative to manufacture, deliver, install, or maintain the Equipment, including any Software for your use. You shall order the System from the appropriate Contractor.

ESCROW AGREEMENT. If upon agreement by both you and us as to the System to be acquired and leased by you under this Agreement, you and we enter into an escrow agreement with an escrow agent establishing an Escrow Account from which the cost of the System is to be paid (a) you and we shall immediately complete and execute this Agreement; (b) the amount deposited by us into the Escrow Account shall be repaid by the Rent payable hereunder; and (c) the Rent relating to the System shall have an aggregate principal component equal to the amount of our deposit into the Escrow Account and shall be due and payable as provided in Lease Supplement commencing upon the deposit of funds by us into the Escrow Account. You acknowledge and agree that no disbursements shall be made from an Escrow Account except for portions of the System that are operationally complete and functionally independent and that may be fully utilized by you without regard to whether the balance of the System is delivered and accepted.

2. LEASE. You have executed this Agreement on account of your desire to lease the System described more fully in the Lease Supplement. If we, in our sole discretion, determine the proposed Agreement is acceptable, we shall execute the same. Subject to the terms of this Agreement, you agree to lease from us the Equipment, and, if applicable, finance any software license fee for any Software, and delivery and installation costs more fully described in the Lease Supplement.

3. INVOICE PAYMENT OR REIMBURSEMENT. We shall have no obligation whatsoever to make any payment to a Contractor or reimburse you for any payment you made to a Contractor for the System until five (5) business days after we have received all of the following in form and substance satisfactory to us in our sole discretion: (a) This Agreement; (b) Exhibit 1 to this Agreement, the Lease Supplement; (c) a written notice from you of acceptance of the System in substantially the same form as Exhibit 2; (d) a resolution or evidence of other official action taken by or on behalf of your governing board to authorize the acquisition of the System on the terms provided in this Agreement in substantially the same form as Exhibit 4; (e) evidence of insurance with respect to the System in compliance with Section 14 of this Agreement; (f) Contractor invoice and/or bill of sale relating to the System and if such invoice has been paid by Lessee, evidence of payment thereof; (g) an Opinion of Counsel in substantially the same form as Exhibit 5; (h) a certificate of appropriation in substantially the same form as Exhibit 3; and (i) any other documents, items, or information required by us.

4. DELIVERY AND ACCEPTANCE OF SYSTEM. Acceptance of the System shall occur immediately upon delivery. When you receive the System, you agree to inspect it and to verify in writing such information as we may require. Delivery and installation costs are your responsibility unless otherwise agreed to in advance with us and the Contractor of the System. If you signed a purchase contract for the System, by signing this Agreement you assign your rights, but none of your obligations under it, to us.

5. RENT. You agree to pay us Rent consisting of principal and interest (plus applicable taxes) in the amount and frequency stated in the Lease Supplement. If your Rent payments are due in advance, your first Rent payment is due on the date you accept the System or on the date of our deposit into an Escrow Account. We will advise you as to (a) the due date of each Rent payment, and (b) the address to which you must send your payments. Rent is due whether or not you receive an invoice from us. You authorize us to change the Rent by not more

than 15% due to changes in the Equipment configuration which may occur prior to our execution of the Lease Supplement. We will send you a copy of such changes. Restrictive endorsements on checks you send to us will not reduce your obligations to us. **Unless a prop:ar exemption certificate is provided, applicable sales and use taxes will be added to the Rent.**

NON-APPROPRIATION OF FUNDS. You intend to remit and reasonably believe that moneys in an amount sufficient to remit all Rent and other payments can and will lawfully be appropriated and made available to permit your continued utilization of the Systems leased hereunder and the performance of its essential function during the Lease Term. The person in charge of preparing your budget will include in each of your fiscal budgets a request for the Rent to become due in such fiscal period. We acknowledge that appropriation of moneys for Rent is a governmental function which you cannot contractually commit yourself in advance to perform and this Agreement does not constitute: (i) a multiple fiscal year direct or indirect debt or financial obligation; or (ii) an obligation payable in any fiscal year beyond the fiscal year for which funds are lawfully appropriated; or (iii) an obligation creating a pledge of or a lien on your tax or general revenues. In the event that your governing board does not approve an appropriation of funds at any time during the Lease Term for the payment of Rent and other payments if any due and to become due for a fiscal year during the Lease Term for the System you shall have the right to return the System in accordance with Section 18 of this Agreement and terminate the Agreement on the last day of the fiscal period for which sufficient appropriations were received without penalty or expense to you, except as to the portion of Rent for which funds shall have been appropriated and budgeted. At least thirty (30) Days prior to the end of your fiscal year, your chief executive officer (or legal counsel) shall certify in writing that (a) despite your utilization of best efforts to obtain sufficient appropriations, funds have not been appropriated for the fiscal period, and (b) you have exhausted all funds legally available for the payment of Rent. You acknowledge and agree that this non-appropriation provision is not intended to be used as a substitute for convenience termination nor for the purpose of replacing the System with other substantially identical property. To the extent permitted by applicable law, you acknowledge and agree not to utilize the non-appropriation provision for such purposes.

6. UNCONDITIONAL OBLIGATION. EXCEPT AS PROVIDED IN THE SECOND PARAGRAPH OF SECTION 5 "NON- APPROPRIATION OF FUNDS." YOU AGREE THAT YOU ARE UNCONDITIONALLY OBLIGATED TO PAY ALL RENT AND ANY OTHER AMOUNTS DUE UNDER THIS AGREEMENT FOR THE FULL LEASE TERM EVEN IF THE SYSTEM IS DAMAGED OR DESTROYED, IF IT IS DEFECTIVE OR IF YOU HAVE TEMPORARY OR PERMANENT LOSS OF ITS USE. YOU ARE NOT ENTITLED TO REDUCE OR SET-OFF AGAINST RENT OR OTHER AMOUNTS DUE HEREUNDER FOR ANY REASON WHATSOEVER.

7. DISCLAIMER OF WARRANTIES. THE SYSTEM IS BEING LEASED TO YOU IN AS-IS CONDITION (which is the condition of the System at the time of acceptance). NO INDIVIDUAL IS AUTHORIZED TO CHANGE ANY PROVISION OF THE AGREEMENT. YOU AGREE THAT YOU HAVE SELECTED THE SYSTEM BASED UPON YOUR OWN JUDGMENT. YOU HAVE NOT RELIED ON ANY STATEMENTS WE OR OUR EMPLOYEES HAVE MADE. EXCEPT AS PROVIDED IN OUR WRITTEN PRODUCT WARRANTY, WE HAVE NOT MADE AND DO NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING WITHOUT LIMITATION, THE SYSTEM'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. You are aware that we manufactured and/or assembled the Lessor Equipment and will contact us for a description of your warranty rights with respect to Lessor Equipment. You agree to settle any dispute you may have regarding performance of the Lessor Equipment directly with us and not make any claim against the Rent due any new owner described in Section 21. You agree to continue to pay such new owner all Rent and other payments even if you have a dispute with us regarding the Lessor Equipment. Nothing in this Agreement shall relieve us of any obligations which we may have as the manufacturer or the distributor of the Lessor Equipment including, without limitation, the obligations outlined in the Product Warranty. You acknowledge and agree that the Product Warranty is a separate agreement between you and us and not a part of this Agreement. You are also aware of the name of the manufacturer of Other Equipment and the name of the Software licensor. You agree to contact the manufacturer of the Other Equipment or the licensor of the Software for a description of your warranty rights. Provided you are not in default under the Agreement, you may enforce all of the warranty rights directly against the manufacturer of the Other Equipment or the licensor of the Software, as the case may be. You agree to settle any disputes you may have regarding performance of the Other Equipment or the Software directly with the manufacturer of the Other Equipment or the licensor of the Software, as the case may be, and not make any claim against the Rent due us or any new owner described in Section 21. You agree to continue to pay us (or such new owner) all Rent and other sums which may be due and payable even if you have a dispute with any manufacturer of the Equipment or the licensor of the Software, including, without limitation, such manufacturer's or licensor's bankruptcy.

8. TITLE AND SECURITY INTEREST. You shall have title to the Equipment immediately upon acceptance and shall be deemed to be the owner of the Equipment as long as you are not in default under the Agreement. In the event of a default, title to the Equipment shall revert to us free and clear of any rights or interests you may have in the Equipment. To secure all of your obligations to us under the Agreement you hereby grant us a first priority purchase money security interest in (a) the Equipment to the extent of your interests in the Equipment, (b) anything attached or added to the Equipment at any time, (c) any money or property from the sale of the Equipment, (d) any money from an insurance claim if the Equipment is lost or damaged, (e) your rights under each agreement for the licensing of software; (f) the System. You agree that the security interest will not be affected if this Agreement is changed in any way. If allowed by the laws of the state where you are located and if we request, you agree to sign financing statements in order for us to publicly record our security interest. You hereby appoint us as your true lawful attorney-in-fact to affix your signature to UCC financing statements, if required, prepared and filed on your behalf by us with the same force and effects as if you have signed such financing statements. The Agreement or a copy of the Agreement shall be sufficient as a financing statement and may be filed as such.

You and we acknowledge and agree that the Software is subject to the exclusive proprietary rights of Vendor and you shall have no ownership rights in the Software and you shall immediately surrender possession of the Software to us upon the occurrence of an Event of Default. Transfer of title to us pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. You shall, nevertheless, execute and deliver any such instruments as we may request to evidence such transfer.

9. USE, MAINTENANCE AND REPAIR. You will not move the System from the Equipment Location without our advance written consent except that any System that has been designed by nature to be a movable piece of technology (such as laptop computers) may be moved within the continental United States without a written consent from the Lessor. In order to facilitate the use of the Equipment by students and/or faculty members of Lessee's organization ("Authorized Users") while on premises other than those belonging to Lessee, Lessee acknowledges and agrees that: (a) Lessee shall use due care to ensure that the System is not (i) used for any illegal activity or (ii) used by anyone other than Authorized Users; (b) Lessee shall not (i) sub-lease, rent or sell the System (in whole or in part) to any Authorized User, and (c) Lessee (and not Authorized Users) shall be solely responsible for (i) maintaining insurance in accordance with Section 14 herein, (ii) payment of any applicable property taxes on the System, and (iii) return of the System to Lessor in the event of Lessee's default or non-appropriation hereunder. You will give us reasonable access to the Equipment Location so that we can check the System's existence, condition and proper maintenance. You will use the System in the manner for which it was intended, as required by all applicable manuals and instructions and keep it eligible for any manufacturer's certification and/or standard, full service maintenance contract. At your own cost and expense, subject to any applicable written warranties, you will keep the Equipment in good repair, condition and working order, ordinary wear and tear excepted. All replacement parts and repairs shall be governed by the terms of the Agreement. You will not make any permanent alterations to the Equipment that will result in a decrease in the market value of the Equipment. You agree to install all later production versions and maintenance or enhancement releases received under the Licenses Agreement relating to the Software License portion of the Equipment (if applicable).

10. TAXES. You agree that you will pay us, when invoiced, all taxes (including any sales, use and personal property taxes), fines, interest and penalties we are assessed relating to the Agreement and the System (excluding taxes based on our net income). You agree to file any

required personal property tax returns and, if we ask, you will provide us with proof of payment. We do not have to contest any tax assessments.

11. CLAIMS. Inasmuch as our sole responsibility in connection with this Agreement is to provide financing for the acquisition of the System, it is the intent of the parties that we incur no liability, cost or expense with respect to transportation, installation, selection, purchase, lease, ownership, possession, modification, maintenance, condition, operation, use, return or disposition of the System. You hereby acknowledge and agree that we are not responsible (except for our obligations as outlined in the Product Warranty, as manufacturer and/or assembler of Lessor Equipment, or to the extent caused solely by our intentional or negligent acts or omissions) for any Damages. You agree that you shall not bring or make any claim, lawsuit or action against us and shall reimburse us for and defend us against any claims for any Damages even after the Agreement has expired for acts or omissions which occurred during the Lease Term.

12. IDENTIFICATION. You authorize us to insert missing or correct information on the Agreement, including, without limitation, your official name, serial numbers and any other information describing the System. We will send you copies of such changes. You will attach to the Equipment any name plates or stickers we provide you.

13. LOSS OR DAMAGE. You are responsible for any loss of or Damages to the System from any cause at all, whether or not insured, from the time the System is delivered to you until it is returned to us. If any item of the Equipment is Damaged Equipment you will notify us in writing within fifteen (15) Days of such event. Within fifteen (15) Days after the date you have notified us of such event, at your option, you will either: (a) repair the Damaged Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, while continuing to pay the Rent on a current basis; or (b) while continuing to pay the Rent on a current basis replace the Damaged Equipment at your sole cost and expense with equipment having substantially similar manufacturer's specifications and of equal or greater value to the Damaged Equipment immediately prior to the time of the loss occurrence, such replacement equipment to be subject to our approval, whereupon such replacement equipment shall be substituted in the applicable Agreement and the other related documents by appropriate endorsement or amendment; or (c) pay us an amount equal to the Net Book Value of the Damaged Equipment and continue the Agreement for the non-Damaged Equipment with Rent equivalent to the product of the total original cost of the non-Damaged Equipment divided by the cost of the System multiplied by the amount of the original Rent. Provided you are not in default or an event of non-appropriation has not occurred under the Agreement, we will forward to you any insurance proceeds which we receive for Damaged Equipment for your use to solely repair or replace the Damaged Equipment. If you are in default, we will apply any insurance proceeds we receive to reduce your obligations under Section 16 of this Agreement.

14. INSURANCE. You agree to (a) keep the System fully insured against loss, naming us and our assigns as loss payee under any commercial or self-insurance plan you may have insuring the System against loss, and (b) obtain a general commercial liability insurance policy (or suitable program of self-insurance) covering both personal injury and property damage in amounts not less than we may tell you, naming us and our assigns as additional insured, until you have met all of your obligations under the Agreement. We are under no duty to tell you if your insurance coverage is adequate. The policies shall state that we are to be notified of any proposed cancellation at least 30 Days prior to the date set for cancellation. Upon our request, you agree to provide us with certificates or other evidence of insurance acceptable to us. If you do not provide us with evidence of proper insurance within 10 Days of our request or we receive notice of policy cancellation, we may (but we are not obligated to) obtain insurance on our interest in the System at your sole expense. You will pay all insurance premiums and related charges. You may request to provide self-insurance on our interest in the System. Approval of such self-insurance shall be subject to such terms and conditions as may be required by us in our sole discretion.

15. DEFAULT. You will be in default under this Agreement if any of the following happens: (a) you fail to pay any Rent or other payment due under the Agreement within 10 days after its due date, or (b) you fail to perform or observe any other promise or obligation in the Agreement and do not correct the default within 10 Days after we send you written notice of default, or (c) any representation, warranty or statement you have made in the Agreement shall prove to have been false or misleading in any material respect, or (d) any insurance carrier cancels or threatens to cancel any insurance on the System, or (e) the System or any part of it is abused, illegally used, or misused, or (f) the System or any part of it is lost, destroyed, or damaged beyond repair and remains uninsured in accordance with Section 13, or (g) a petition is filed by or against you under any bankruptcy or insolvency laws, or (h) you default on any other agreement between you and us (or our affiliates), or (i) you fail to obtain insurance as required in Section 14.

16. REMEDIES. Upon the occurrence of a default, we may, in our sole discretion, do any or all of the following (without limiting any other rights or remedies available to us): (a) provide written notice to you of default; (b) as liquidated damages for loss of a bargain and not as a penalty, declare due and payable under this Agreement, (i) any and all amounts which may be then due and payable by you under the Agreement, plus (ii) all Rent payments remaining through the end of the then-current fiscal year. We have the right to require you to remove all proprietary data from the System, holding us and any subsequent owner described in Section 21 or their assigns harmless if you fail to do so. If you fail to deliver the System as required by Section 18, you will make the System available to us for repossession during reasonable business hours or we may repossess the System, so long as we do not breach the peace in doing so, or we may use legal process in compliance with applicable law pursuant to court order to have the System repossessed. You will not make any claims against us or the System for trespass, damage or any other reason. If we take possession of the Equipment we may (a) sell or lease the Equipment at public or private sale or lease, and/or (b) exercise such other rights as may be allowed by applicable law. You agree that (a) we have no obligation to sell the Equipment, and (b) if we do sell the Equipment we have no obligation to pay any proceeds of such sale to you. You agree (a) to pay all of the costs we incur to enforce our rights against you, including attorney's fees, and (b) that we will retain all of our rights against you even if we do not choose to enforce them at the time of your default. Notwithstanding anything contained in this Section 16 or Section 15 above, if we have assigned our rights in the Agreement we shall not have the right to exercise the remedies stated herein and the decision whether to exercise any or all of the remedies stated herein shall be in the sole and absolute discretion of the party assigned this Agreement.

16B. TERMINATION RIGHTS. Relating to the Software License portion of the Equipment (if applicable): In addition to all other terms and provisions provided herein, if any payment agreement is in default pursuant to Section 15 herein, you hereby agree and acknowledge that we or any new owner described in Section 21, shall have the right, pursuant to a Termination Rights Agreement to require Vendor to immediately terminate all licenses granted to you related to the Software, and to terminate or withhold support, consulting and all other services related to the Software License. You agree and acknowledge that you will indemnify Vendor, us or any new owner described in Section 21 for said termination. This indemnification provision shall survive the termination of this Agreement and any payment agreement.

You agree to execute a Termination Rights Agreement with each Vendor who is granting to you any license, support or consulting services, or other services related to a Software License under this Agreement in substantially the same form as attached Exhibit A.

17. YOUR OPTION AT END OF AGREEMENT. Provided you are not in default nor that an event of non-appropriation has occurred, upon expiration of the Lease Term you have the option to purchase all but not less than all of the System, including a fully paid-up license in the Software listed in this Agreement, for \$1.00 (plus all sales and other applicable taxes).

18. RETURN OF SYSTEM. If (a) a default occurs, or (b) a non-appropriation of funds occurs in accordance with Section 5, at your sole cost you will immediately return the System (including all copies of the Software free of any proprietary data), manuals, and accessories to any location and aboard any carrier we may designate in the continental United States. The Equipment must be properly packed for shipment in accordance with the manufacturer's recommendations or specifications, freight prepaid and insured, maintained in accordance with Section 9, and in "Average Saleable Condition." "Average Saleable Condition" means the System is immediately available for use by a third party buyer, user or lessee, other than yourself, without the need for any repair or refurbishment. All Equipment must be free of markings other than those placed at our request. You will pay us for any missing or defective parts or accessories. You will continue to pay Rent until the System is accepted by us. Our acceptance of the System shall occur fifteen (15) Days after delivery unless we reject the Equipment for good cause within such fifteen (15) Day period.

19. YOUR REPRESENTATIONS AND WARRANTIES. You hereby represent and warrant to us that as of the date of this Agreement, and throughout each Lease Term: (a) you are the entity indicated as Lessee in the Agreement and that is your official legal name; (b) you are a state, or a fully constituted political subdivision or agency of the State in which you are located ("State"); (c) you are duly organized and existing under the Constitution and laws of the State in which you are located; (d) you are authorized to enter into and carry out your obligations under the Documents; (e) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, codes, ordinances, regulations, and policies; (f) any person signing the Documents has the authority to do so, is acting with the full express authorization of your organization, and holds the offices indicated below his or her signature, which is genuine; (g) all financial information you have provided to us is true and accurate and provides a good representation of your financial condition; (h) the System is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Lease Term only by you and only to perform such function; (i) you intend to use and own the System for the entire Lease Term and shall take all necessary action, in accordance with the second paragraph of Section 5, to include in your annual budget any funds required to fulfill your obligations for each fiscal year during each Lease Term; (j) you have complied fully with all applicable laws, codes, ordinances, regulations, and policies, governing open meetings, competitive pricing and/or public bidding and appropriations required in connection with this Agreement and the acquisition of the System; (k) your obligations to remit Rent hereunder constitutes a current expense and not a debt under applicable state law; no provision of the Agreement constitutes a pledge of your tax or general revenues, and any provision which is so construed by a court of competent jurisdiction is void from the inception of the Agreement; and (l) all payments due and to become due during your current fiscal year are within the fiscal budget of such year, and are included within an unrestricted and unencumbered appropriation currently available for the lease-purchase of the System;

20. YOUR PROMISES. In addition to the other provisions of this Agreement, you agree that during the term of this Agreement you will take any action we reasonably request to protect our rights in the System and to meet your obligations under the Agreement.

21. ASSIGNMENT. YOU WILL NOT SELL, TRANSFER, ASSIGN, PLEDGE, SUB-LEASE OR PART WITH POSSESSION OF THE SYSTEM, OR FILE OR PERMIT A LIEN TO BE FILED AGAINST THE SYSTEM, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED UNDER THIS AGREEMENT. You will not attach any of the Equipment to any real estate. Upon our reasonable request and at your cost, you will get each person with an interest in the real estate where the System is located to waive any rights they may have in the System. We may, without notifying you, sell, assign, or transfer our rights, but none of our obligations, under any Agreement and our interests in the System. You agree that if we do so, the new owner (and any subsequent owners) will have the same rights and benefits that we now have, but will not have to perform any of our obligations. You agree that the rights of the new owner will not be subject to any claims, defenses, or set-offs that you may have against us, the System, or the manufacturer or licensor of the Other Equipment or Software. However, any such assignment, sale, or transfer of the Agreement or the System will not relieve us of any obligations we may have to you under the Agreement. If you are given notice of a new owner of a Agreement, you agree to respond to any requests about the Agreement and, if directed by us, to pay the new owner all Rent and other amounts due under the Agreement.

22. COLLECTION EXPENSES, OVERDUE PAYMENT, EARLY TERMINATION. You agree that we can, but do not have to, take on your behalf any action which you fail to take as required by the Agreement, and our expenses will be in addition to of the Rent which you owe us. We may charge you a late charge to cover our collection costs equal to the higher of 10% of any late payment or \$22, but not more than the highest legal rate. To the extent allowed by law, any late payment or non-payment of any past due amount will accrue interest at the lower of 18% per annum or the highest legal rate from the due date until paid. If you so request and we permit the early termination of the Agreement (for reasons other than non-appropriation pursuant to Section 5), you agree to pay a fee for such privilege.

23. AGREED LEASE RATE. You understand that the Equipment may be purchased (and the Software licensed) for System Cost or it may be leased. By signing the Agreement, you acknowledge that you have chosen to lease the System from us for the Lease Term and that you have agreed to pay Rent. We both intend to comply with all applicable laws. If it is determined that your payments under the Agreement result in an interest payment higher than allowed by applicable law, then any excess interest collected will be applied to the repayment of principal and interest will be charged at the highest rate allowed by law. In no event will we charge or receive or will you pay any amounts in excess of the legal amount.

24. MISCELLANEOUS. This Agreement contains our entire agreement and supersedes any conflicting provision of any equipment purchase order or any other agreement. **TIME IS OF THE ESSENCE IN THIS AGREEMENT.** If a court finds any provision of this Agreement to be unenforceable, the remaining terms of the Agreement shall remain in effect. **THIS AGREEMENT IS A "FINANCE LEASE" AS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE ("UCC").** You authorize us or our agent to (a) obtain credit reports, (b) make such other credit inquiries as we may deem necessary, and (c) furnish payment history information to credit reporting agencies. To the extent permitted by law, we may charge you a fee of up to \$100 to cover our documentation, filing, and investigation costs. 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; *provided, however,* that only counterpart one shall constitute the original for the Agreement for purposes of the sale or transfer of this Agreement as chattel paper as provided in this Agreement.

25. NOTICES. All written notices to each other must be sent by certified mail or recognized overnight delivery service, postage prepaid, to the addresses as stated herein, or by facsimile transmission, with oral confirmation of receipt. At anytime after this Agreement is signed, you or we may change an address or facsimile telephone number by giving notice to the other of the change.

26. WAIVERS. WE AND YOU EACH AGREE TO WAIVE AND TO TAKE ALL REQUIRED STEPS TO WAIVE ALL RIGHTS TO A JURY TRIAL. To the extent you are permitted by applicable law, you waive all rights and remedies conferred upon a lessee by Article 2A (Sections 508-522) of the Uniform Commercial Code including but not limited to your rights to: (a) cancel or repudiate this Agreement; (b) revoke acceptance of the System; (c) recover damages from us for any breach of warranty or for any other reason (other than any obligations which we may have to you under the terms of the Product Warranty for the Lessor Equipment, or as manufacturer and/or assembler of Lessor Equipment, or to the extent caused solely by our intentional or negligent acts or omissions); and (d) grant a security interest in any System in your possession. To the extent you are permitted by applicable law, you waive any rights you now or later may have under any statute or otherwise which may limit or modify any of our rights or remedies. **ANY ACTION YOU TAKE AGAINST US FOR ANY DEFAULT, INCLUDING BREACH OF WARRANTY OR INDEMNITY, MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT WHICH CAUSED IT.** We will not be liable for specific performance of this Agreement or for any losses, damages, delay or failure to deliver the System.

IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. THE TERMS OF THIS AGREEMENT MAY ONLY BE CHANGED BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AND WE AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT. EXCEPT FOR AN EVENT OF NON-APPROPRIATION, THIS AGREEMENT IS NOT CANCELABLE. YOU AGREE THAT THE SYSTEM WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

YOU CERTIFY THAT ALL THE INFORMATION YOU HAVE GIVEN IN THIS AGREEMENT AND YOUR APPLICATION (IF ANY) WAS CORRECT AND COMPLETE WHEN THIS AGREEMENT WAS SIGNED. THIS AGREEMENT IS NOT BINDING UPON US OR EFFECTIVE UNLESS AND UNTIL WE EXECUTE THIS AGREEMENT. THIS AGREEMENT WILL BE GOVERNED BY THE LAWS OF THE STATE WHERE YOU ARE LOCATED WITHOUT REGARD TO THE CONFLICT OF LAW PRINCIPLES THEREOF. YOU AGREE TO THE JURISDICTION AND VENUE OF THE FEDERAL COURTS IN THE STATE WHERE YOU ARE LOCATED.

LESSOR: APPLE COMPUTER, INC

BY: _____

TITLE: _____

DATE: _____

LESSEE: ANCHORAGE SCHOOL DISTRICT

BY: Pamela K. Clemens

TITLE: Director, Purchasing/Warehouse

DATE: 9/30/03

FED TAX ID#: 92-600078 "

**EXHIBIT NO. 1 TO LEASE PURCHASE AGREEMENT NO. T090300761
LEASE SUPPLEMENT**

This Lease Supplement is executed as part of that Lease Purchase Agreement No. T090300761 ("Agreement"), and is effective as of _____. The terms, conditions, representations, and warranties of the Agreement are hereby incorporated herein by reference. Unless otherwise indicated, all capitalized terms, when used herein, which are defined in the Agreement are intended to have the same meaning as when used therein.

EQUIPMENT LOCATION			
EQUIPMENT LOCATION (NUMBER AND STREET) <i>Highland Tech High School, 5630 E. Northern Light Blvd., Ste 100</i>			
CITY <i>Anchorage</i>	COUNTY	STATE <i>AK</i>	ZIP CODE <i>99504</i>

EQUIPMENT INFORMATION		
QUANTITY	ORDER NO.	EQUIPMENT DESCRIPTION (INCLUDE SERIAL NO., MAKE, MODEL, etc.)
See "Attachment A" attached hereto and made a part hereof.		

YOUR RENT PAYMENT SCHEDULE			
NUMBER OF RENT PAYMENTS (IN ORDER):	RENT:	LEASE TERM (IN MONTHS):	FREQUENCY OF RENT PAYMENTS:
3	\$116,028.00	36 MONTHS	Annual / Arrears
ADVANCE RENT:		SPECIAL PAYMENT PROVISIONS: 1 st Rental Payment Due One Year Following Acceptance Date	

LEASE RATE FACTOR	TOTAL OF ALL RENT PAYMENTS	EQUIPMENT COST FINANCED	LEASE CHARGE RATE
COST OF CREDIT TO YOU	AMOUNT PAID AFTER ALL RENT PAYMENTS MADE	AMOUNT OF CREDIT PROVIDED FOR EQUIPMENT	DOLLAR AMOUNT CREDIT WILL COST YOU
.38712	\$348,084.00	\$299,718.21	\$48,365.79

IMPORTANT: READ THIS BEFORE SIGNING. THE TERMS OF THIS LEASE SUPPLEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE. TERMS OR ORAL PROMISES WHICH ARE NOT CONTAINED IN THIS WRITTEN AGREEMENT MAY NOT BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT BETWEEN YOU AND US. YOU AGREE TO COMPLY WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT. 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 AGREEMENT WAS CORRECT AND COMPLETE WHEN THIS LEASE SUPPLEMENT WAS SIGNED. THE AGREEMENT IS NOT BINDING UPON US OR EFFECTIVE UNLESS AND UNTIL WE EXECUTE THIS AGREEMENT. THIS AGREEMENT WILL BE GOVERNED BY THE LAWS OF THE STATE OF WHERE YOU ARE LOCATED. YOU AGREE TO THE JURISDICTION AND VENUE OF FEDERAL AND STATE COURTS WHERE YOU ARE LOCATED.

COUNTERPART NO. ____ OF ____ MANUALLY EXECUTED AND SERIALLY NUMBERED COUNTERPARTS. TO THE EXTENT THAT THIS AGREEMENT CONSTITUTES CHATTEL PAPER (AS DEFINED IN THE UNIFORM COMMERCIAL CODE), NO SECURITY INTEREST HEREIN MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

LESSOR: APPLE COMPUTER, INC.	LESSEE: ANCHORAGE SCHOOL DISTRICT.
BY: _____	BY: <u>Pamela K. Chernes</u>
TITLE: _____	TITLE: <u>Director, Purchasing/Warehouse</u>
DATE: _____	DATE: <u>9/30/03</u>
	FED TAX ID#: <u>92-6000078</u>

ATTACHMENT A – EQUIPMENT INFORMATION (page 1 of 2)
To Exhibit 1 - Lease Supplement to Lease Purchase Agreement No. T090300761

PART #	DESCRIPTION	QTY
Apple		
Z09P	Xserve Dual 1.33GHz	1
065-4133	Gigabit Ethernet Card	
065-4137	Dual 1.33GHz PowerPC G4	
065-4190	Combo Drive (DVD-ROM/CD-RW)	
065-4190	1GB DDR333 SDRAM - 2 DIMMs	
065-4230	PCI Video Card (lower slot)	
065-4132	Mac OS X Server, Unlimited License	
065-4131	Accessory kit	
065-4193	180GB ADM (1x180GB Ultra ATA)	
M8939G/A	Apple Drive Module for Xserve & Xserve RAID - 180GB	1
M9035G/A	Apple Mouse	1
M9034LL/A	Apple Keyboard	1
T4946LL/A	Mitsubishi Diamond Plus 74 (17" CRT) - Black	1
B7512LL/A	iBook Wireless Mobile Lab (10-Pack)	1
B7504LL/A	5 Pack: iBook (12.1"/800/256MB/30G/CD/AirPort)	1
S1414Z/A	APP for iBook - Auto Enrollment	15
Z09K	iMac 1GHz w/ 15" TFT	40
065-4521	Combo Drive (DVD-ROM/CD-RW)	
065-4330	512MB DDR333 - 2 DIMMs	
065-4484	80GB Ultra ATA drive	
065-4481	Accessory Kit	
065-4667	Keyboard/Mac OS X - U.S. English	
S1412Z/A	APP for iMac - Auto Enroll	60
M8859LL/A	PowerBook 15.2TFT/1GHz-L3/512SD(2 SO-DIMMS)/60G/SuperDrive/64VRAM/56K/AIRPT	3
S1415Z/A	APP for PowerBook w/o Display - Auto Enroll	3
Z073	eMac 1GHz Combo Drive	20
065-4051	512MB SDRAM - 1 DIMM	
065-4040	Built in display	
065-4036	Accessory Kit	
065-4046	56K internal modem	
065-4037	Keyboard/Mac OS - U.S. English	
065-4108	60GB Ultra ATA drive	
065-4045	DVD-ROM/CD-RW Combo drive	
D2090LL/A	Apple Maintenance Program	78
M9118Z/A	Apple Remote Desktop v1.2 (Unlimited Client)	1
M8817LL/A	iSight	10
T6420LL/A	Nikon Coolpix 3100 Digital Camera - 3.2 Megapixel Digital Camer	5
T6293LL/A	Sony DCR-TRV19 MiniDV Handycam Camcorder	12
T6623LL/A	HP LaserJet 1300N	8

ATTACHMENT A – EQUIPMENT INFORMATION (continued page 2 of 2)
To Exhibit 1 - Lease Supplement to Lease Purchase Agreement No. T090300761

T6712LL/A	Palm Zire 71	30
T5112LL/A	ProScope Digital USB Microscope - 50x	5
T5764LL/A	LaCie d2 200GB FireWire Drive	2
T6912LL/A	Epson PowerLite S1 Projector	6
T5327LL/A	ACTIVCart	1
T5326LL/A	Promethean ACTIVboard Plus	1
T3519G/A	Belkin 14ft Ethernet CAT 5e, RJ45 Cable	30
T3518G/A	Belkin 25ft Ethernet CAT 5e, RJ45 Cable	30
T7636LL/A	EPSON Perfection 3170 Photo Scanner	2
M7649ZM/B	Apple Studio Display (17" flat panel)	1
Z07K	Power Mac G5 Dual 2GHz	1
B4607LL/A	APP for Power Mac with Display - Auto Enroll	1
T6623LL/A	HP LaserJet 1300N Ethernet Laser Printer	8
<u>Third Party</u>		
	Dell Mobile Cart Laptops	15
	Dell Optiplex Desktops	53
	Contracted Services	
	Chariot Group	
	Cisco Product	

Highland Tech High
5530 E. Northern Lights #1
Anchorage, AK 99504
907.742.1700 - 907.742.1711 (fax)

October 2, 2003

MEMORANDUM

TO: Apple Financial Services
Attn: Josh Spell

FROM: CJ Stiegele
Principal



This is to advise that Highland Tech High, a charter school authorized by the Anchorage School District, has appropriated the funds in the FY05 budget for payment on the lease with Apple Financial Services. The budgeting process is not finalized until February, 2004. Upon completion of the Anchorage School District budget we will be happy to provide you with the documentation evidencing such appropriation.

Fax: 8005508015

Aug 12 2004 14:07

P. 01



PURCHASE ORDER NO.7249463-001

SHIP TO: Anchorage School District Attn Heather Snead 4918 Van Buren St. Anchorage, AK 99517. (LESSEE)	SUPPLIER OF EQUIPMENT: Northrop Grumman Computing Systems, Inc 1400 Talbot Road Renton, WA 98055 (SELLER)
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EQUIPMENT DESCRIPTION	PRICE
Computer Equipment: See Attached Customer Purchase Order Quote # 232799	COST: \$16,821.96 SHIP: \$0.00 TOTAL COST: \$16,821.96

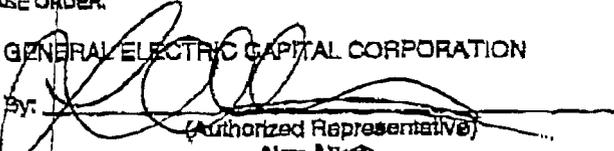
PURCHASE ORDER TERMS AND CONDITIONS - READ CAREFULLY

THIS PURCHASE ORDER MAY BE ACCEPTED BY SELLER ONLY UPON THE TERMS AND CONDITIONS SPECIFIED HEREIN. SHIPMENT OF THE EQUIPMENT SHALL BE AN ACKNOWLEDGMENT OF SELLER'S ACCEPTANCE OF SUCH TERMS AND CONDITIONS. ALL OTHER TERMS OR CONDITIONS ARE HEREBY OBJECTED TO BY BUYER AND SHALL NOT BECOME A PART OF THIS PURCHASE ORDER.

LESSEE DESIRES TO LEASE THE EQUIPMENT DESCRIBED ABOVE (THE "EQUIPMENT") FROM BUYER PURSUANT TO THE TERMS OF A LEASE AGREEMENT ENTERED INTO BETWEEN BUYER AND LESSEE (THE "LEASE"). THIS PURCHASE ORDER IS ISSUED BY BUYER FOR THE SOLE PURPOSE OF ACQUIRING THE EQUIPMENT FOR LEASE TO LESSEE. NEITHER LESSEE NOR ANY REPRESENTATIVE OF SELLER IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS PURCHASE ORDER.

- Seller warrants that Lessee selected the Equipment and requested that Buyer purchase and lease the Equipment on the terms and conditions of the Lease. Seller further warrants that the Equipment will be (a) free of any claim by any third party, (b) new unless otherwise stated in the Equipment description above, (c) in conformity with Lessee's specifications therefor, (d) merchantable and fit for the purpose which it was designed and marketed to Lessee, and (e) free from defect of material or workmanship.
- Lessee is authorized to receive delivery of, to inspect, and to accept or reject the Equipment as Buyer's agent. Either Buyer or Lessee shall have the right to reject and return to Seller, at Seller's sole risk and expense, any Equipment which is defective or does not conform to specification at any time. Defects shall not be waived by failure of Lessee to notify Seller of such defects upon receipt of the Equipment or by Buyer's payment of Seller's invoice. Seller shall defend, indemnify and save harmless Buyer, Lessee and all users of the Equipment from all damages, claims and liabilities including reasonable costs, expenses and attorney's fees, which result from Seller furnishing patent infringing, defective, or non-conforming Equipment. All warranties and service normally accompanying the Equipment shall be extended by Seller directly to Buyer, Lessee or any user of the Equipment.
- Buyer shall have no obligation or liability to Seller under the terms of this Purchase Order unless (a) Seller shall have delivered all of the Equipment to Lessee at the address indicated hereon within sixty (60) days of the Date of Purchase Order, and (b) Buyer shall have received Lessee's written statement (and/or verbal confirmation) acknowledging receipt of the Equipment in good condition and repair, accepting the Equipment as satisfactory in all respects for all purposes of the Lease. In the event the Equipment is rejected by Lessee, the Lease does not commence, or a Lessee default occurs under the Lease prior to the acceptance of the Equipment, Buyer shall have no obligation or liability to Seller whatsoever.
- On the date all of the Equipment is shipped to Lessee, Seller must mail its invoice for the Equipment to Buyer at the Bill To address set forth above. The Purchase Order Number must be clearly referenced on all invoices submitted to Buyer. Invoices shall be paid by Buyer within three (3) days after Buyer's receipt of Lessee's confirmation of acceptance of the Equipment in accordance with Paragraph 3 above.
- This Purchase Order (and any obligations of Seller hereunder) shall not be assigned by Seller. Seller may not delegate any of Seller's duties or obligations under this Purchase Order without the prior written consent of Buyer. Any such attempted assignment or delegation shall be void.
- Seller agrees to comply with the applicable provisions of any federal, state, or local law or ordinance and all lawful orders, rules, and regulations issued thereunder.
- Buyer shall be entitled at all times to set off any amount owing at any time from Seller to Buyer or any of its affiliated companies against any amount payable at any time by Buyer in connection with this Purchase Order.
- Risk of loss and title to the Equipment shall be not pass to Buyer unless and until the Equipment has been received, inspected, and accepted by Lessee under the terms of the Lease. Time is of the essence of this Purchase Order.
- THIS PURCHASE ORDER SHALL BE GOVERNED AND CONSTRUED UNDER THE LAWS OF THE STATE OF MICHIGAN. SELLER AND BUYER WAIVE ALL RIGHTS TO A JURY TRIAL.
- THIS PURCHASE ORDER SHALL EXPIRE SIXTY (60) DAYS FROM THE DATE OF THIS PURCHASE ORDER. SELLER'S LIABILITIES AND INDEMNITIES SHALL SURVIVE THE EXPIRATION OF THIS PURCHASE ORDER.

BILL TO: General Electric Capital Corporation
 ("BUYER") 3000 Lakeside Drive Ste200
 Bannockburn, IL 60015
 Telephone: 847-283-6247
 Facsimile: 800-277-5358

GENERAL ELECTRIC CAPITAL CORPORATION
 By: 
 (Authorized Representative)
 Alex Allen
 Date of Purchase Order: 8-12-04

Master Lease Purchase Agreement # 7249463 Lease Schedule # 001

LESSOR: APPLE COMPUTER, INC.
201 West Big Beaver, Suite 1400
Troy, MI 48084

**LESSEE: Anchorage School District as a component unit of
the Municipality of Anchorage, Alaska**
4919 Van Buren St
Anchorage, AK 99517

Apple personal computers, servers, and networking equipment not to exceed **\$240,134.02**. 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:

OF RENTS: 3 @ \$88,003.60 (net of applicable taxes)

PAYABLE: Annual in Arrears

LEASE TERM: 36 Months

LEASE RATE: .36648

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

Equipment Location (if different from Lessee address above):

Lessee Contact/Telephone: Mark Standley 907-230-8528

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

TRANSACTION SUMMARY

Equipment Cost to Lessor's Assignee	\$149,723.00
3 rd Party equipment	\$ 98,115.11
Equipment Discount	\$ 7,704.09
Tax	\$
TOTAL:	<u>\$240,134.02</u>

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:

LESSOR: APPLE COMPUTER, INC.

BY: _____

TITLE _____

DATE: _____

PROPOSED BY:

LESSEE: Anchorage School District as a component unit of
the Municipality of Anchorage, Alaska

BY: Pamela K. Williams

TITLE: Director, Purchasing / Warehouse

DATE: 1/30/04 FED TAX ID #: 92-6000078

SCHEDULE OF EQUIPMENT

SCHEDULE "A"

Lease Schedule Number: 7249463-001 (the "Agreement")

Lessee's Legal Name: "ANCHORAGE SCHOOL DISTRICT AS A COMPONENT UNIT OF THE MUNICIPALITY OF ANCHORAGE, ALASKA" ("Lessee")

Lessor's Legal Name: Apple Financial Services ("Lessor")

This Schedule "A" is attached to and made a part of the Agreement described above between Lessee and Lessor. The Equipment listed below is being leased by Lessor to Lessee subject to the terms and conditions of the Agreement. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

This Schedule "A" is hereby verified as true and correct and is signed by duly authorized representatives of Lessor and Lessee as of this _____ day of _____, 20____.

LESSOR:
Apple Financial Services

LESSEE:
"ANCHORAGE SCHOOL DISTRICT AS A COMPONENT UNIT OF THE MUNICIPALITY OF ANCHORAGE, ALASKA"

By: _____

By: Pamela K Chenier

Name: _____

Name: Pamela K Chenier

Title: _____

Title: Director, Purchasing/Warehouse

Qty	Equipment Model & Description
1	Xserve Dual 1.33GHz
1	Apple Drive Module for Xserve & Xserve RAID -180GB
1	Apple Mouse
1	Apple Keyboard
1	Mitsubishi Diamond Plus 74 (17" CRT) - Black
1	iBook Wireless Mobile Lab (10-Pack)
5	ProScope Digital USB Microscope - 50x
1	5 Pack: iBook (12.1"/800/256MB/30G/CD/AirPort)
12	Sony DCR-TRV19 MiniDV Handycam Camcorder
30	Palm Zire 71
40	iMac 1GHz w/ 15" TFT
2	LaCie d2 200GB FireWire Drive
3	APP for PowerBook w/o Display - Auto Enroll
15	APP for iBook - Auto Enrollment
60	APP for iMac - Auto Enroll
3	PowerBook 15.2TFT/1GHz-L3/512SD(2SO-DIMMS)/60G/SuperDrive/64VRAM/56K/AIRPT
10	iSight
1	Promethean ACTIVboard Plus
5	Nikon Coolpix 3100 Digital Camera - 3.2 Megapixel Digital Camera
6	Epson PowerLite S1 Projector
78	Mac OS X Maintenance 36 Mths 1000+ seats, price per seat
5	HP LaserJet 2300DN (Save \$50 w/Mac purchase)
1	Promethean Stand with Castors
20	eMac 1GHz Combo Drive
1	Apple Remote Desktop v1.2 (Unlimited Client)
1	Bretford Digital Media Cart
20	Belkin 7ft Ethernet CAT 5e, Crossover Cable
20	Belkin 14ft Ethernet CAT 5e, RJ45 Cable
20	Belkin 25ft Ethernet CAT 5e, RJ45 Cable
1	Power Mac G5 Dual 2GHz
1	Apple Studio Display (17" flat panel)
2	EPSON Perfection 3170 Photo Scanner
8	HP LaserJet 1300N



Jermain Dunnagan & Owens, P.C.

LAW OFFICES

WILLIAM K. JERMAIN
CHARLES A. DUNNAGAN
BRADLEY D. OWENS
RANDALL G. SIMPSON
HOWARD S. TRICKEY
GREGORY C. TAYLOR
ARY C. SLEEPER
JAUL R. FRIEDMAN
DIANE F. VALLENTINE
W. MICHAEL STEPHENSON
ANDRENA L. STONE
EUGENIA G. SLEEPER
ERIC J. BROWN
SARAH E. JOSEPHSON
MATTHEW SINGER
MARK P. MELCHERT
CHRISTINA OTTO TEREZI
ROBERT E. HENDERSON

3000 A STREET, SUITE 300
ANCHORAGE, ALASKA 99503-4097

TELEPHONE (907) 563-8844
FAX (907) 563-7322
E-MAIL info@jdoalaw.com

SERVING ALASKANS SINCE 1976

February 2, 2004

Apple Computer, Inc.
201 W. Big Beaver Road, Ste. 1400
Troy, MI 48084-4171

Ladies and Gentlemen:

I am General Counsel for the Anchorage School District, which is a component unit of the Municipality of Anchorage, Alaska. In that capacity, I have examined that certain Master Lease Purchase Agreement No. 7249463 and Addendum, and Lease Schedule No. 7249463-001, dated January 30, 2004, by and between Apple Computer, Inc. ("Lessor") and Anchorage School District as a component unit of the Municipality of Anchorage, Alaska ("Lessee"), referred to collectively as the "Lease." In addition, I have examined (a) such other agreements, instruments and documents, and such questions of law, and (b) originals or copies, certified to my satisfaction, or such certificates or public officials and officers and representatives of Lessee, and I have made such inquiries of officers and representatives of Lessee, in each case as I have deemed relevant, appropriate or necessary as the basis for the opinions set forth herein.

Based upon the foregoing and my examination of 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, in its name, is authorized to enter into and carry out its obligations under the Lease and any other documents required to be delivered in connection therewith, with copies of such authorizing documentation attached hereto as Exhibit A; (iv) the Lease has been duly authorized, executed and delivered by Lessee in accordance with the applicable laws, rules, ordinances and regulations (including, without limitation, the execution of the Lease in the name of "Anchorage School District as a component unit of the Municipality of Anchorage, Alaska"), with copies of such authorizing documentation attached hereto as Exhibit A; (v) Lessee has complied with all applicable law governing open meetings, public procurement and public bidding required in connection with the Lease and the acquisition of the Equipment; (vi) no voter ratification (or referendum) or approval, consent or withholding of objection from any federal, state or local governmental authority is required with respect to the entering into or performance by the Lessee of the Lease and the transactions contemplated thereby; (vii) the Lease is not subject to Anchorage Charter

Section 13.08(b) because the transactions contemplated by the Lease shall not be characterized as a lease purchase of a "capital improvement" under any applicable law, rule or regulation; (viii) the Lease is legal, genuine, valid, binding and enforceable in accordance with its terms; (ix) the person(s) signing the Lease has (have) the power and authority to do so and acted within the full authorization of Lessee's governing body; (x) there is no known action, suit, proceeding, or investigation at law or in equity pending before any court, public board or body or threatened against or directly affecting Lessee wherein an unfavorable ruling, decision or finding would adversely affect Lessee's performance under the Lease or the transactions contemplated thereby; and (xi) Lessee, in its own budget, 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 and all other applicable laws, rules, and regulations.

This opinion is delivered to the addressee for its benefit and for the benefit of its assigns for the purpose contemplated by the Lease and may be shared with counsel for the addressee and its assigns.

Respectfully,

JERMAIN, DUNNAGAN & OWENS, P.C.



Saul R. Friedman

SRF\jrg

ESCROW AGREEMENT

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 Anchorage School District as a component unit of the Municipality of Anchorage, Alaska ("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. 7249463-001 ("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 \$293,405.21 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 "Anchorage School District as a component unit of the Municipality of Anchorage, Alaska 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 January 1, 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 Escrow Agreement. Lessor hereby agrees to pay for reimbursement of 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 & Hsley 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 & Hsley 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 Nicollett Mall
Minneapolis, MN 55402
Attention: Pamela Halvorson
Telephone: 612-904-8179
Facsimile: 612-904-8008

Address: 201 W Big Beaver Rd, Ste 1400
Troy, MI 48084
Attention: Risk Management
Telephone: 248-689-7000
Facsimile: 800-277-5358

**Anchorage School District as a component unit
of the Municipality of Anchorage, Alaska**
Lessee

By: _____

Title: _____

Date: _____

Address: 4919 Van Buren St
Anchorage, AK 99517
Attention: Pam Chenier
Telephone: _____
Facsimile: _____

Master Lease Purchase Agreement #7249463 Lease Schedule # 001

LESSOR: APPLE COMPUTER, INC.
201 West Big Beaver, Suite 1400
Troy, MI 48084

**LESSEE: Anchorage School District as a component unit of
the Municipality of Anchorage, Alaska**
4919 Van Buren St
Anchorage, AK 99517

Apple personal computers, servers, and networking equipment not to exceed \$240,134.02. 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: 3 @ \$88,003.60 (net of applicable taxes)	Equipment Cost to Lessor's Assignee \$149,723.00
PAYABLE: Annual in Arrears	3 rd Party equipment \$ 98,115.11
LEASE TERM: 36 Months	Equipment Discount \$ 7,704.09
LEASE RATE: .36648	Tax \$
EQUIPMENT PURCHASE OPTION AT END OF LEASE TERM: <input checked="" type="checkbox"/> \$1 <input type="checkbox"/> FMV <input type="checkbox"/> Other	TOTAL: \$240,134.02
Equipment Location (if different from Lessee address above):	
Lessee Contact/Telephone: Mark Standley 907-230-8528	
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:
LESSOR: APPLE COMPUTER, INC.
BY: [Signature]
TITLE: Contracts Admin
DATE: 3-4-04

PROPOSED BY:
**LESSEE: Anchorage School District as a component unit of
the Municipality of Anchorage, Alaska**
BY: [Signature]
TITLE: Director, Purchasing / Warehouse
DATE: 1/30/04 FED TAX ID #: 92-6000078

LEASE MODIFICATION

3/5/2004

Anchorage School District as a component unit of the Municipality of Anchorage, Alaska
4919 Van Buren St
Anchorage, AK 99517

RE: Schedule No. 001 to Master Lease Purchase 7249463 (the "Lease")

The purpose of this letter is to advise you that we have inserted or corrected missing or incorrect information in the Lease, as authorized by Section 3 of the Lease. For each section designated below with an [X], we have deleted the identified section as it appears in the Lease and substituted the following information in its place.

DELETED TRANSACTION TERMS

- [X] Third Party Equipment Cost: \$98,115.11
- [X] Apple Equipment Cost : \$142,018.91
- [X] Total Equipment Cost: \$240,134.02
- [X] Total Annual In Arrears Rent : 3@ \$88,003.60

ADDED TRANSACTON TERMS

- [X] Third Party Equipment Cost: \$150,697.11
- [X] Apple Equipment Cost : \$142,018.91
- [X] Total Equipment Cost \$292,716.02
- [X] Total Annual In Arrears Rent: 3@ \$107,273.68

ACKNOWLEDGED BY :

Anchorage School District as a component unit of the Municipality of Anchorage, Alaska
(Lessee)

BY: Pamela K Chewi

TITLE: Purchasing/ Warehouse Director

DATE: 3/11/04

Apple Financial Services: (Lessor)

BY: _____

TITLE: _____

DATE: _____

ANCHORAGE SCHOOL DISTRICT

12/03/2003

Purchase Request#: 406118

Page 1

PR Number: 406118
 Requested by: KIMBALL MCILVAIN
 Location: HIGHLAND TECH
 Vendor: V07528 APPLE EDUCATION FINANCE
 Address: 34308 EAGLE WAY
 CHICAGO, IL 60673-1343
 Phone: OF (800)821-3922
 Phone: FX (319)841-6324

PO Number: 4P04862
 Required Date: 10/05/03
 Entry Date: 09/30/03
 Requested Date: 09/30/03
 Contact:

LINE ITEM	VENDOR	LINE ITEM TOTAL
1 & 2	DELL ITEMS EQUALS	\$ 81,277.32
3 & 4	APPLE COMPUTER INC.	\$142,018.99
5	CONTRACT SERVICES TOTAL	\$ 35,000.00
6	CHARIOT GROUP LINE ITEM:	\$ 17,582.00
7	CISCO PRODUCT	\$ 16,837.79
TOTAL		\$275,878.23

#1

APPLE ED FIN-DELL LATITUDE D500 (15)
 221-2339 1.30GHZ, PENTIUM M, 14.1 XGA ENGLISH
 311-1874 512MB, 2DIMMS, DBL DATA RATE
 340-6894 20GB HD 9.5MM
 340-6895 FLOPPY DRIVE, INTERNAL/
 EXTERNAL
 420-1946 WINDOWS XP PROSP1, ENGLISH
 313-1865 INTERNAL 56K MODEM
 313-1531 24X CDRW
 430-0514 INTEL PRO/WIRELESS 2100 WLAN802.11B MINIPCI CARD
 312-0054 6-CELL PRIMARY BATTERY
 950-6770 NEXT BUSINESS DAY ON-SITE & COMPLETE CARE SERVICE,
 INITIAL YR
 950-7772 2 YR EXTENSION
 (15 @ \$1,496.00 = \$22,440.00)

#2

APPLE ED FIN-DELL OPTIPLEX GX279T(54)
 221-2810 2.40GHZ, P4, 800 FSB, 512K CACHE, SMALL MINITOWER
 311-2864 512MB, NON-ECC, 333MHZ DDR,X256
 310-1515 DELL PS/2 KEYBOARD, GRAY,NO HOT KEYS
 320-0527 DELL E171FP, FLAT PANEL, 17"
 VIEWABLE IMAGE SIZE, GRAY
 320-0428 INTEGRATED VIDEO-INTEL DVMT
 340-8889 40GB EIDE, 7200RPM, ATA/100 HARD DRIVE
 340-8733 3.5", 1.44MB FLOPPY DRIVE
 420-2119 WINDOWS XP, PRO VERSION,
 SERVICE PACK 1, NTFS,CD,ENG
 310-8307 DELL PS/2 2-BUTTON MOUSE,
 SCROLL, GRAY
 430-0353 INTEGRATED INTEL GIGABIT NIC 10/100/1000 W/ALERT
 STANDARDS FORMAT
 313-1387 48X MAX CD-REWRITEABLE DRIVE
 313-8170 INTEGRATED SOUND BLASTER
 COMPATIBLE AC97 SOUND
 313-1495 INTERNAL CHASSIS SPEAKER OPT
 313-7168 OPTIPLEX RESOURCE CD
 900-6630 TYPE 3 CONTRACT - NEXT BUSINESS DAY PARTS + LABOR
 ONSITE RESPONSE, INITIAL YR
 900-6602 2 YR EXTENSION
 900-9987 INSTALLATION DECLINED
 310-3559 MOUSE PAD
 (54 @ \$1,110.14 = \$59,947.50)

#1 & #2 EXTENDED PRICE FOR ITEMS EQUALS \$81,277.32

#3

APPLE ED FIN - APPLE EQUIPMENT Z09P XSERVE DUAL 1.33GHZ (1@3539.04)
065-4133 GIGABIT ETHERNET CARD
065-4137 DUAL 1.33GHZ POWERPC G4
065-4190 COMBO DRIVE (DVD-ROM/CD-RW)
065-4190 1GB DDR333 SDRAM - 2 DIMMS
065-4230 PCI VIDEO CARD (LOWER SLOT)
065-4132 MAC OS X SERVER, UNLIMITED LICENSE
065-4131 ACCESSORY KIT
065-4193 180GB ADM-1X180GB ULTRA ATA
M8939G/A APPLE DRIVE MODULE FOR
XSERVE & XSERVE RAID-180GB (1@413.92)
M9035G/A APPLE MOUSE (1@40.56)
M9034LL/A APPLE KEYBOARD (1@40.56)
T4946LL/A MITSUBISHI DIAMOND PLUS 74 (17" CRT) - BLACK (1@161.33)

B7512LL/A IBOOK WIRELESS MODILE LAB (10 PACK) (1@11061.47)
B7504LL/A 5 PACK: IBOOK (12.1"/800/
256MB/30G/CD/AIRPORT) (1@4,678.47)
S1414Z/A APP FOR IBOOK - AUTO
ENROLLMENT (15@168.70=\$2530.527)
Z09K IMAC 1GHZ W/ 15" TFT (40@1188.29=\$47,531.41)
065-4521 COMBO DR (DVD-ROM/CD-RW)
065-4330 512MB DDR333 - 2 DIMMS
065-4484 80GB ULTRA ATA DRIVE
065-4481 ACCESSORY KIT
065-4667 KEYBOARD/MAC OS X - US ENGL
S1412Z/A APP FOR MAC-AUTO ENROLL (60@109.70=\$6582.12)

M8981LL/A POWERBOOK 15.2 TFT/1.25GHZ 512SD (2 S0-DIMMS)
/60G/SUPER DRIVE/64 VRAM/56K/AIRPORT (3@2119.37=6358.11)

S1415Z/A APP FOR POWERBOOK W/O DISPL
AUTO ENROLL (3@220.33=660.98)
Z073 EMAC 1GHZ COMBO DRIVE (20@907.12=\$18,142.72)
065-4051 512MB SDRAM - 1 DIMM
065-4040 BUILT IN DISPLAY
065-4036 ACCESSORY KIT
065-4046 56K INTERNAL MODEM
065-4037 KEYBOARD/MAC OS - US ENGL
065-4108 60GB ULTRA ATA DRIVE
065-4045 DVD-ROM/CD-RW COMBO DRIVE
D2090LL/A Apple Maintenance Prog (78) (79@54.39=\$4296.82)

M9118Z/A Apple Remote Desktop v1.2 (Unlimited Client) (1@275.64)

M8817LL/A iSight (10@118.92=1189.21)

T6420LL/A Nikon Coolpix 3100 Digital Camera - 3.2 Megapixel Digi Cam (5)
(5@312.51=\$1562.56)

#4

T6293LL/A Sony DCR-TRV19 MiniDV Handycam Camcorder (12@552.20=6626.37)

T4710LL/B BRETTFORD DIGITAL MEDIA CART (1@828.76)

T6712LL/A Palm Zire 71 (30@275.64=\$8269.14)

T5112LL/A ProScope Digital USB Microscope - 50x (5@183.45=917.26)

T5764LL/A LaCie d2 200GB FireWire Drive (2@257.20=514.40)

T6912LL/A Epson PowerLite S1 Proj (6@874.85=\$5,249.11)

T5327LL/A ACTIVCart (1@367.82)

T5326LL/A Promethean ACTIVboard Plus (1@1654.75)

T3519G/A Belkin 14ft Ethernet CAT 5e, RJ45 Cable (30@8.25=247.52)

T3518G/A Belkin 25ft Ethernet CAT 5e,RJ45 Cable (30@11.94=358.14)

T7636LL/A EPSON Perfection 3170 Photo Scanner (2@183.45=366.90)

M7649ZM/B Apple Studio Display(17" flat panel) (1@552.20)

Z07K Power Mac G5 Dual 2GHz (1)(1@2695.54)

B4607LL/A APP for Power Mac with Display - Auto Enroll (1@188.20)

T6623LL/A HP LaserJet 1300N Ethernet Laser Printer (8@528.67=4229.37)

#3 & #4 EXTENDED PRICE FOR ITEMS EQUALS \$142,018.99

#5 APPLE ED FIN - CONTRACT SERVICES TOTAL \$35,000.00

Tag1: F40925
Serial1: DV-09747

#6 TOTAL AMOUNT FOR THIS LINE ITEM: \$17,582.00

APPLE ED FIN - CHARIOT GROUP ITEMS:

1-SMART 3000i MULTIMEDIA CABINET \$12,749.00
1-SMART 3000i-VC1-00, LG VTC SHELF \$229.00
1-FREIGHT FOR 3000i \$1,800.00
1-POLYCOM MP VIEWSTATION (DEMO)*NO CHG W/PURCHASE OF 3000i
9-JBL CT24, CEILING SPEAKER \$1,035.00
1-INTERM PA2000 W/RACK MOUNT \$499.00
1-WALL PLATAE, CABLE & CONNECTORS \$250.00
12-HOURS, LABOR \$1,020.00

#7 TOTAL CISCO PRODUCT = \$16,837.79

APPLE ED FIN - CISCO PRODUCT WS-G5483 1000 BASET GIGABIT INTERFACE CONVERTER
(7 @ \$150.39 = \$1,052.73)

WS-C2950G-48-EI CATALYST 2950, 48 10/100 W/ 2 GBIC SLOTS, ENHANCED IMAGE
7 @ \$1,711.38 = \$11,979.66)

WS-C3550-12T 10-10/100/1000 BASET PORTS AND 2 GBIC PORTS 1 @ \$3,805.40)

THIS WILL PROVIDE FOR 338 PORTS OF 10/100 MBPS W/ A GIGABIT ETHERNET
BACKBONE. 7 PORTS OF THE 3550 WILL UPLINK 2950S. 1 PORT FOR ROUTER.
2 PORTS OF 10/100/1000 FOR SERVER. CONNECTIONS AND 2 GBIC SLOTS VACANT. PATCH CORDS
TO BE PROVIDED BY HTH. EQUIPMENT TO BE ORDERED ON BULK
PURCHASE BY ASD TO QUALIFY FOR DISC. RATES. IN THE INTERIM, LAN
CONNECTIVITY WILL BE PROVIDED BY ASD IT.