

SCHOOL DISTRICT RESOLUTION NO. ____

NAME OF DISTRICT: MULTNOMAH COUNTY SCHOOL DISTRICT #3

MAXIMUM PRINCIPAL COMPONENT OF QZAB: \$2,000,000.00

MAXIMUM TERM: 15 YEARS

MAXIMUM INTEREST RATE OF QZAB: 0.00 PERCENT

EXECUTING OFFICIALS: KAREN FISCHER GRAY,
SUPERINTENDENT
MARY L. LARSON,
BUSINESS MANAGER

RESOLUTION APPROVING THE INSTALLMENT PURCHASE FINANCING WHEREBY ALL POINTS CAPITAL CORP. SELLS CERTAIN PROPERTY TO THE DISTRICT PURSUANT TO AN INSTALLMENT PURCHASE AGREEMENT; AND AUTHORIZING THE OFFICERS OF THE DISTRICT TO EXECUTE THE INSTALLMENT PURCHASE AGREEMENT AND SUCH OTHER DOCUMENTS AND CERTIFICATES AS MAY BE NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED BY THE AFOREMENTIONED AGREEMENT.

WHEREAS, Section 271.390 of the Oregon Revised Statutes authorizes school districts in the State of Oregon to enter into binding agreements for the purchase of equipment and improvements to real property; and

WHEREAS, the District has the need to finance the purchase of certain property (the "Project") set forth in Schedule 1 of the Installment Purchase Agreement attached hereto as Exhibit A (the "Agreement"); and

WHEREAS, it is intended that ALL POINTS CAPITAL CORP. (the "Seller") will, pursuant to the Agreement, sell the Project to the District, subject to the terms and conditions of and for the purposes set forth in the Agreement;

WHEREAS, the District and the Seller intend that the Agreement be structured so as to qualify as a "Qualified Zone Academy Bond" or "QZAB" pursuant to Sections 54A and 54E of the Internal Revenue Code of 1986, as amended (collectively referred to herein, with the rules and regulations promulgated thereunder, as the "Code"); and

WHEREAS, the District reasonably expects that at least 35 per cent of the students of the District at each of the schools at which the Project will be installed and used will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act, and

further believes the District is or will be a "Qualified Zone Academy" as defined by Section 54E of the Code with respect to the QZABs; and

WHEREAS, Learn.com has by written commitment, agreed to make a private business contribution consisting of 235 one-year student licenses providing access to online courses, which the District hereby designates as a "qualified contribution" for purposes of Section 54E(d)(4)(E) of the Code, and such contribution is in an amount sufficient to meet the requirements for QZABs under Section 54E of the Code; and

WHEREAS, the Seller has offered to finance the Project by entering into the Agreement and receiving installment payments, as well as tax credits at the rate and under the conditions provided by Sections 54A and 54E of the Code;

NOW, THEREFORE, THE BOARD OF THE DISTRICT HEREBY FINDS, DETERMINES, DECLARES AND RESOLVES AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct and the Board of the District so finds and determines.

Section 2. Approval of Agreement. The Agreement is hereby approved in substantially the form submitted to and reviewed by the Board, and as attached hereto, with such changes therein as shall be approved by the representative of the District executing said document, said representative's execution thereof to be conclusive evidence of said representative's approval. The Executing Officials of the District designated above (each, an "Executing Official") are hereby separately authorized and directed to execute, attest to and deliver the Agreement on behalf of and as the act and deed of the District. In addition, the Board hereby approves the financing of an additional \$60,000.00, together with interest thereon, as non-QZAB financing, for the payment of the Placement Agent fee to McLiney and Company, as further described in the Closing Memorandum attached to the Agreement as Schedule 5.

Section 3. Terms of Financing. The total principal component of installment payments under the Agreement shall not exceed the Maximum Principal Component designated above. The Agreement shall bear interest at a rate not to exceed the Maximum Interest Rate set forth above. The term of the financing shall not exceed the Maximum Term set forth above, and shall in no event exceed 15 years. Execution of the Agreement by the Executing Official shall be deemed to be final approval of the final payment schedule to the Agreement.

Section 4. QZAB Designation. The Agreement and the Note evidencing the payment obligation under the Agreement are hereby designated as a "Qualified Zone Academy Bond" in accordance with Sections 54A and 54E of the Code, and the officers of the District are hereby authorized to make all certifications and representations reasonably required by said Sections 54A and 54E of the Code to demonstrate that the schools at which the Project will be installed or used are "Qualified Zone Academies" and that the Agreement and Note is a "Qualified Zone Academy Bond."

Section 5. Further Authority. The District shall, and the officers and agents of the District are hereby authorized and directed to, take such action, expend such funds and execute such other agreements, including escrow agreements, documents, certificates and instruments as may be necessary or

desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the District with respect to the Agreement.

Section 6. No Conflict of Interest. The voting and approval of this Resolution was conducted in compliance with all applicable state and local conflict of interest laws. In accordance with such laws:

Resolution. _____ (insert name(s) or "none") abstained from voting on this

Section 7. Effective Date. This Resolution shall take effect and be in full force and effect from and after its passage and approval.

APPROVED BY THE BOARD OF DIRECTORS MAY 11, 2009.

MULTNOMAH COUNTY SCHOOL
DISTRICT #3

By: _____
Title: Chair

Attest:

Clerk

EXHIBIT A

INSTALLMENT PURCHASE AGREEMENT

INSTALLMENT PURCHASE AGREEMENT (the "Agreement"), dated as of May 1, 2009, and entered into between ALL POINTS CAPITAL CORP. (the "Seller"), and the MULTNOMAH COUNTY SCHOOL DISTRICT #3, Portland, Oregon, a body corporate and politic existing under the laws of the State of Oregon (the "District").

WITNESSETH:

WHEREAS, the Oregon Revised Statutes authorize school districts in the State of Oregon to enter into binding agreements for the purchase of equipment and improvements to real property; and

WHEREAS, the District has the need to finance the purchase of certain property as set forth in Schedule 1 hereto (the "Project"); and

WHEREAS, the Seller is willing to sell the Project to the District and the District desires to purchase the Project from the Seller pursuant to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, the District is authorized under the Constitution and the laws of the State of Oregon to enter into this Agreement for the purposes set forth herein;

WHEREAS, the District and the Seller intend that this Agreement be structured so as to qualify as a "Qualified Zone Academy Bond" or "QZAB" pursuant to Section 54E of the Internal Revenue Code of 1986, as amended (collectively referred to herein, with the rules and regulations promulgated thereunder, as the "Code"); and

WHEREAS, the Seller has offered to finance the Project by entering into this Agreement and receiving installment payments, as well as tax credits at the rate and under the conditions imposed by Section 54E of the Code;

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Installment Purchase Agreement, including the Schedules attached hereto.

“Bond Counsel” shall mean Davis Wright Tremaine LLP, or such other legal counsel with experience in the area of tax law and local government law related to this Agreement as approved by Seller and the District.

“Closing Memorandum” is defined in Section 3.01.

“Commencement Date” is the date when the term of this Agreement and the District’s obligation to pay Installment Payments hereunder commences, which date shall be the date of closing set forth in the Closing Memorandum.

“District” means the entity described as such in the first paragraph of this Agreement, its successors and assigns.

“Equipment” means the portion of the Project set forth in Schedule 1 as the Equipment. “Event of Default” is defined in Section 12.01.

“Improvements” means the improvements and modifications to the Real Property, as described in Schedule 1, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 7.01 or Article VIII.

“Installment Payment Dates” shall mean the dates on which Installment Payments are due under this Agreement, as set forth in Schedule 2.

“Installment Payments” means the basic installment payments payable by the District pursuant to Article V and as set forth in Schedule 2.

“Interest Component” is defined in Section 5.03.

“Note” means the promissory note, in the form attached hereto as Schedule 4, executed by the District and made payable to Seller, which evidences the District’s obligation to pay the Installment Payments to the Seller in accordance with the terms and conditions of this Agreement.

“Principal Component” means the portion of Installment Payments designated as Principal Component in Schedule 2, hereto.

“Project” means the Equipment and the Improvements.

“Project Account” means the term set forth in the Project Account established under Section 4.02, hereof.

“Qualified Contribution” means any contribution (of a type and quality acceptable to the District) of (i) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment), (ii) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom, (iii) services of employees as volunteer

mentors, (iv) internships, field trips, or other educational opportunities outside the academy for students, or (v) any other property or service specified by the District, other than services of employees of the District.

“Qualified Purpose” means rehabilitating or repairing the public school facilities of the District and/or providing equipment for use at public school facilities in which the Qualified Zone Academies are established.

“Qualified Zone Academies” means the schools at which the Project will be installed or used as set forth in Schedule 1.

“QZAB Credit Rate” is the tax credit rate set forth in the Tax Certificate.

“Real Property” means the real property upon which the Improvements will be made as described in Schedule 1.

“Seller” means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

“Tax Certificate” means the Tax Certificate executed as of the Commencement Date and delivered to the Seller and Bond Counsel pursuant to the Closing Memorandum.

“Term” means the term set forth in Section 4.01.

“Vendor” means, as the context requires, any manufacturer or contractor for the Equipment or the Improvements or any portion thereof as well as the agents or dealers of the manufacturer from whom the Equipment and Improvements are purchased for sale to the District.

ARTICLE II

Section 2.01. Covenants of the District. The District represents, covenants and warrants for the benefit of the Seller and any successors or assigns as follows:

- (a) The District is a public body corporate and politic duly organized and existing under the constitution and laws of the State of Oregon with full power and authority to enter into this Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.
- (b) The District will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic. To the extent the District should merge with another educational entity under the laws of the State of Oregon, the District agrees that as a condition to such merger it will require that the remaining or resulting entity shall be assigned the District's rights and shall assume the District's obligations and covenants hereunder, and that it will promptly submit to the Seller written notice of any such merger together with evidence of the assignment of the District's rights and obligations hereunder.

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- (c) The District has been duly authorized to execute and deliver this Agreement by proper action by its governing body, or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement and the District has complied with such public bidding requirements as may be applicable, if any, to the acquisition by the District of the Project hereunder.
- (d) During the Term, the Project will perform and will be used by the District only for the purpose of performing essential governmental uses and public functions of the District consistent with the permissible scope of the District's authority.
- (e) The estimated weighted average life of the financing under this Agreement does not exceed the estimated dollar weighted average life of the Project that is financed under this Agreement as required under Section 271.390(5) of the Oregon Revised Statutes.
- (f) Within one hundred fifty (150) days of the end of each fiscal year of the District during the term hereof, the District shall provide the Seller with (i) a copy of its audited financial statements for such fiscal year and (ii) a copy of the budgets for the ensuing fiscal year. In addition, the District shall furnish to the Seller such other financial information relating to the ability of the District to continue making the Installment Payments under this Agreement as may reasonably be requested by the Seller.
- (g) The schools at which the Project will be installed or used are "qualified zone academies" under Section 54E(d) of the Code in that
 - (i) such schools are designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,
 - (ii) the students in the schools are subject to the same academic standards and assessments as other students educated by the District,
 - (iii) the comprehensive education plan of such schools is approved by the District, and
 - (iv) there is a reasonable expectation (as of the Commencement Date) that at least 35 percent of the students attending such school will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.
- (h) The District has written commitments from private entities to make Qualified Contributions having a present value (as of the date of the effective date of this Agreement) of not less than 10% of the principal component of this Agreement. The written commitments are from Learn.com, Inc. for 235 one-year student licenses providing access to online courses having a retail value of at least \$866.00 per license for a total present value contribution of \$203,510.00.
- (i) That 100% of the "available project proceeds" (as defined in Section 54A(e)(4) of the Code) of this Agreement (the "Available Project Proceeds") will be used for Qualified

Purposes at the Qualified Zone Academies and that the District owns and holds fee title to the Real Property to which all or a part of the Project may be or become a fixture.

- (j) The Board of the District has authorized the execution and delivery of this Agreement and has designated this Agreement and Note a Qualified Zone Academy Bond by board resolution on file with the Secretary of the District.
- (k) The District qualifies as a local education agency as defined in Section 14101 of the Elementary and Secondary Education Act of 1965.
- (l) To the best of our knowledge and belief, the amount of the QZABs represented by the Agreement, issued by the District and approved by the Department of Education of the State, will not cause the State's QZAB allocation under the Code to be exceeded. Further, except for the approvals by the Board of Directors of the District and the State Department of Education, which have been obtained, no other governmental or regulatory approvals are required as a condition of execution and delivery of this Agreement.
- (m) The District reasonably expects, as of the Commencement Date, that (1) 100% or more of the Available Project Proceeds will be spent for one or more Qualified Purposes within the three 3 year period beginning on the Commencement Date (the "Expenditure Period"), and (2) a binding commitment with a third party to spend at least 10% of the Available Project Proceeds will be incurred within the 6 month period beginning on the Commencement Date.
- (n) The District will comply with all applicable provisions of the , including Sections 54A and 54E thereof and Section 148, and the regulations of the Treasury Department thereunder, from time to time proposed or in effect, in order for this Agreement to qualify as a Qualified Zone Academy Bond under Section 54E and to maintain the tax credits under Section 54A for Seller. The District covenants to comply with the terms and conditions in the Tax Certificate and all terms and conditions applicable to the Project Account, including the provisions of the Tax Certificate. The District hereby represents and warrants that the representations and warranties in the Tax Certificate are true and correct as of the Commencement Date. The District covenants to pay from all lawfully available funds, as defined in Section 288.162 of the Oregon Revised Statutes, of the District, any arbitrage rebate required to the United States in order for this Agreement to maintain its qualification as a Qualified Zone Academy Bond under Section 54E of the Code and to maintain the tax credits under Section 54E of the Code for Seller.
- (o) The Project complies, and will continue to comply through its completion, in all respects with the requirements of 40 U.S.C. 3141, et seq. (Davis-Bacon Act) and all applicable requirements of the American Recovery and Reinvestment Act.
- (p) Applicable federal, state and local law requirements governing conflicts of interest are satisfied with respect to the approval of this Agreement and conduct of the Project.

ARTICLE III

Section 3.01. Sale of Project. The Seller hereby sells, assigns, transfers and conveys the Project to the District, and the District hereby purchases and accepts the Project from the Seller, in accordance with this Agreement, for the Term of this Agreement. Delivery of this Agreement and the Note shall be in accordance with the Closing Memorandum, attached hereto as Schedule 5.

ARTICLE IV

Section 4.01. Term. The term of this Agreement shall commence on the Commencement Date and shall terminate on the date upon which all Installment Payments are paid in full, unless terminated earlier in accordance with the provisions of this Agreement.

Section 4.02. Project Account. There is hereby created under this Agreement an account to be held by _____ on behalf of the District pursuant to an Escrow Agreement to be executed by the District and _____ on the Closing Date, to be known as the "2009 MULTNOMAH COUNTY SCHOOL DISTRICT #3 Project Account," to be used as herein described (the "Project Account"). A portion of the proceeds of this Agreement (the "Proceeds") as set forth in the Closing Memorandum shall be deposited in the Project Account and used to pay for the Project. The Project Account shall be used by District solely for Qualified Purposes at Qualified Zone Academies and the District shall keep records of all expenditures of the Proceeds and otherwise comply with the provisions of the Tax Certificate.

Section 4.03. Purchase and Construction of Project. The District shall cause the Equipment to be acquired and the Improvements to be constructed and installed and shall pay all acquisition, construction and installation costs, if any, in connection therewith, from the Proceeds of this Agreement on deposit in the Project Account. If the Proceeds are insufficient to acquire the Project, the District shall complete acquisition of the Project with its own funds and the Seller shall have no obligation to fund the Project other than from Proceeds deposited in the Project Account. The District shall keep records of all expenditures of the proceeds of this Agreement, including accurate records and description of the Project so acquired with said proceeds.

ARTICLE V

Section 5.01. Payment of Installment Payments. The District shall promptly pay Installment Payments on the Installment Payment Dates in such amounts and on such dates as described in Schedule 2 hereto. Installment Payments shall be made exclusively from legally available funds and in lawful money of the United States of America. Payment shall be such that the Seller or its assigns shall be in receipt of the Installment Payment on the date such Installment Payment is due. In the event the District shall pay by check or draft, such check or draft must be mailed at least ten (10) business days prior to the date such Installment Payment is due. In the event the District shall pay by wired funds, such funds must be received on the business day prior to the date such Installment Payment is due. If the District shall fail to mail the check or wire the funds as required by the two previous sentences, the District shall pay the Seller a charge on any delinquent Installment Payment at the rate of 12% per annum or the maximum amount permitted by

law, whichever is less. To evidence this payment obligation, the District shall execute and deliver to Seller the Note.

Section 5.02. Installment Payments to Constitute a Binding Contractual Obligation of the District. The Seller and the District understand and intend that the obligation of the District to pay Installment Payments hereunder shall constitute a binding contractual obligation of the District for the full Term of this Agreement. The District covenants to include all such Installment Payments due hereunder in its annual budgets and to make the necessary annual appropriation for all such Installment Payments. This Agreement shall not be subject to termination by the District in the event the District fails to appropriate Installment Payments. This Agreement and the Note are payable out of all lawfully available funds of the District, and all lawfully available funds of the District are pledged to the payment thereof.

Section 5.03. Interest Component. The interest component of the Installment Payment, if any, shall be set forth in Schedule 2 under the column entitled "Interest Component."

Section 5.04. Installment Payments to be Unconditional. THE OBLIGATIONS OF THE DISTRICT TO MAKE PAYMENT OF THE INSTALLMENT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE PROJECT OR ANY PORTION THEREOF OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

Section 5.05. Loss of Qualified Zone Academy Bond Status. If the Seller, or its permitted assigns, either (i) receives notice, in any form, from the Internal Revenue Service, or (ii) reasonably determines, based on an opinion of an independent tax counsel selected by the Seller and approved by the District, which approval the District will not unreasonably withhold, that the Seller is otherwise eligible and able to use the tax credit described in Section 54E(b) of the Code (the "Credit") but may not use the Credit due to a final determination of the Internal Revenue Service (after the District has exhausted all administrative appeal remedies) that the Agreement, and Note thereto, is not a "qualified zone academy bond" as defined in Section 54E(d) of the Code, then the District shall pay to the Seller, within thirty (30) days after the Seller notifies the District of such determination, the amount which, taking into account all penalties, fines, interest and additions to federal income tax that are imposed on the Seller as a result of the loss of "qualified zone academy bond" status for the Agreement owned by the Seller to restore to the Seller the same after-tax yield on the Agreement that the Seller would have realized from the Commencement Date to the date of such determination, had the loss of "qualified zone academy bond" status not occurred (the "Make Whole Payment"). In addition, the District agrees that upon the occurrence of such an event, it will pay an additional amount of interest, on each Installment Payment Date occurring after the date on which the first additional payment was made by the District pursuant to the preceding sentence, as will maintain such after-tax yield to the Seller (the "Make Whole Supplemental Interest"). In the event that the District makes any payment to the Seller pursuant to this Section 5.05 and it is subsequently determined, pursuant to a final, conclusive and non-appealable decision of the Internal Revenue Service or a court of competent jurisdiction that this Agreement constitutes a qualified zone academy bond, the District shall be entitled to

reimbursement for all amounts so paid to the Seller under this Section 5.05. In the event that less than 100% of the proceeds of this Agreement are not expended prior to the end of the Expenditure Period (or any extension thereof obtained pursuant to Section 54A(d)(2)(B)(iii) of the Code for one or more Qualified Purposes and the District has not obtained an extension thereof from the IRS, the District shall redeem its obligations under this Agreement in the amounts and in the manner required by Section 54A(d)(2)(B)(i) of the Code. The amount and manner of such redemption shall be confirmed in an opinion by bond counsel, which shall be obtained at the expense of the District. In the event of such redemption, the District shall pay to the Seller, or its assignee, within thirty (30) days after redeeming such obligations, an amount determined on a present value basis, equal to the aggregate value of the unused tax credits that the Seller, or its assignee, would otherwise have received with respect to the obligations under this Agreement under federal income tax law over the remaining duration of the Term (the "Tax Credit Make Whole Payment"). For purposes of determining the amount of the Tax Credit Make Whole Payment, it shall be assumed (1) that all payments Installment Payments due under this Agreement would have been made on each of the due dates set forth in Schedule 2, and (2) that during the entire remaining Term, Seller would have had sufficient taxable income, and otherwise would have been able to obtain the full benefit of the tax credits available on each credit allowance date (as defined in Section 54A(e) of the Code).

ARTICLE VI

Section 6.01. Title to the Project. Upon acquisition of the Project by the District from the Vendor in accordance with Section 4.03, title to the Project shall vest in the District.

Section 6.02. Modifications of the Project. The District shall have the right, at its own expense, to remodel the Project or to make additions or modifications thereto, so long as such remodel, addition or modification is consistent with Section 54E of the Code and the Tax Certificate. All such additions and modifications shall thereafter comprise part of the Project and shall be subject to the provisions of this Agreement. Such additions or modifications shall not in any way damage the Project, substantially alter its nature or cause it to be used for purposes other than those authorized under the provisions of state and federal law.

ARTICLE VII

Section 7.01. Maintenance of Project by the District. The District agrees that it will, at its own cost and expense, maintain, preserve and keep the Project in good repair and working order. The Seller shall have no responsibility to maintain, repair or make improvements or additions to the Project.

Section 7.02. Liens, Taxes, Other Governmental Charges and Utility Charges. The District shall keep the Project free of all levies, liens and encumbrances. The parties to this Agreement contemplate that the Project will be exempt from all property taxes. Nevertheless, if the use, possession or acquisition of the Project is determined to be subject to taxation, or if the District fails to make such filings and claims which may be necessary to secure the exemption from property taxation, the District shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Project. The District shall pay all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project. The District shall pay such taxes or

charges as the same may become due; provided that, with respect to any such taxes or charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as accrue during the then current fiscal year of the Term of this Agreement.

Section 7.03. Insurance. At its own expense, the District shall maintain (i) casualty insurance insuring the Project against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State of Oregon and any other risks reasonably required by the Seller in an amount equal to at least the outstanding Principal Component of Rental Payments and, (ii) liability insurance that protects the District from liability in all events in amounts deemed to be reasonably necessary by the District's governing body, and (iii) worker's compensation insurance covering all employees working on, in, near or about the Equipment. The District may self-insure against such risks. All such insurance shall be with insurers that are authorized to issue such insurance in the State of Oregon. All insurance proceeds from casualty losses shall be applied as provided in Article VIII of this Agreement.

ARTICLE VIII

Section 8.01. Damage, Destruction and Condemnation. If (a) the Project or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the District will cause the Net Proceeds (as hereinafter defined) of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Project or on other Qualified Purposes for the Qualified Zone Academies, unless the Seller, in its sole discretion, consents in writing to the terms to prepay the Installment Payments in full under this Agreement. Any balance of the Net Proceeds remaining after such work has been completed shall be retained by the District and applied to other Qualified Purposes for the Qualified Zone Academies. For purposes of Section 7.03 and this Article, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, the District shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds and, if the District shall make any payments pursuant to this Section, the District shall not be entitled to any reimbursement therefor from the Seller nor shall the District be entitled to any diminution of the amounts payable under Article V, or (b) if District shall have the option to prepay the Installment Payments in full under this Agreement, prepay the Installment Payments in full. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after such defeasance or prepayment may be retained by the District and applied to other Qualified Purposes for the Qualified Zone Academies.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. THE SELLER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR WARRANTY WITH RESPECT THERETO. In no event shall the Seller be liable for any incidental, indirect, special or consequential damage in connection with or arising out of this Agreement or the existence, furnishing, functioning or the District's use of any item, product or service provided for in this Agreement.

Section 9.02. Vendor's Warranties. The Seller hereby irrevocably appoints the District its agent and attorney-in-fact to assert from time to time whatever claims and rights (including without limitation warranties) related to the Project that the Seller may have against any Vendor. The District's sole remedy for the breach of such warranty, indemnification or representation shall be against the Vendor of the Project and not against the Seller nor shall such matter have any effect whatsoever on the rights and obligations of the Seller with respect to this Agreement, including the right to receive full and timely payments hereunder. The District expressly acknowledges that the Seller makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties of the Vendor of the Project.

Section 9.03. Use of the Project. The District will not construct, use, operate or maintain the Project improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. The District shall provide all permits and licenses, if any, necessary for the construction and operation of the Project. In addition, the District agrees to comply in all respects with all laws of the jurisdiction in which its operations involving any item of Project may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the items of the Project; provided that the District may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of the Seller, adversely affect the interest or rights of the Seller under this Agreement. In contracting for any aspects of the project to which the Davis-Bacon Act applies, the District shall comply with all requirements thereof.

ARTICLE X

Section 10.01. Prepayment. Except as provided in Section 5.05 and relevant Sections of the Code, the District shall not have the option to prepay the unpaid Principal Component of Installment Payments, in whole or in part

ARTICLE XI

Section 11.01. Assignment by the Seller. Seller's right, title and interest in, to and under this Agreement, the Note and the Property may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Seller without the necessity of obtaining the consent of Purchaser; provided that any assignment shall not be effective until the District has received written notice, signed by the assignor, of the name, address and tax identification number of the assignee. The District shall retain all such notices as a register of all assignees and shall make all payments to the assignee or assignees designated in such register. The District agrees to execute all documents that may be reasonably requested by the Seller to protect its interests in this Agreement. Seller's right, title and interest in the Agreement and

the Note may only be assigned and re-assigned to the same party. Upon written notice to the District, Seller may transfer the entitlement to the tax credits available under this Agreement, pursuant to, and to the extent permitted by Section 54A and the Treasury Regulations promulgated thereunder.

Section 11.02 Assignment or Sale by the District. Except as provided in Section 2.01(b), none of the District's right, title and interest in, to and under this Agreement and in the Project may be sold, leased, assigned, conveyed or encumbered by the District for any reason; except that the District may sell or lease all or part of the Project if the District obtains the prior written consent of the Seller and an opinion of Bond Counsel satisfactory to the Seller that such sale or leasing will not adversely affect the tax credits under Section 54E on the Agreement. Following any sale or lease permitted under this Section 11.03, the District shall remain liable to pay Installment Payments under this Agreement, and the Project shall continue to be subject to the use restrictions contained in Article I of this Agreement. To the extent permitted by the law, the District shall indemnify, protect, hold harmless, save and keep harmless the Seller, and their respective officers, directors, employees, successors and assigns, from and against any and all liability, obligation, loss, claim and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, arising from or as a result of any failure of the District's successor in interest to the Project to comply with the use restrictions contained in Article I of this Agreement.

Section 11.04. Release and Indemnification Covenants. To the extent permitted by the law, the District shall indemnify, protect, hold harmless, save and keep harmless the Seller, and their respective officers, directors, employees, successors and assigns, from and against any and all liability, obligation, loss, claim and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith, including, without limitation, counsel fees, costs and expenses, whether incurred prior to trial, at trial, on appeal or in any bankruptcy proceeding or arbitration proceeding, penalties and interest, arising out of or as the result of the entering into of this Agreement, the ownership of any portion of the Project, the acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any portion of the Project or any accident in connection with the operation, use, condition, possession, storage or return of any portion of the Project resulting in damage to property or injury to or death to any person; provided that the District shall not be required to indemnify the Seller for its own willful or grossly negligent conduct. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Term for any reason.

ARTICLE XII

Section 12.01. Events of Default Defined. Any of the following shall constitute an "Event of Default" under this Agreement:

- (a) Failure by the District to pay any Installment Payment or other payment required to be paid hereunder at the time specified herein;
- (b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the District by the Seller, unless the Seller shall agree in writing to

an extension of such time prior to its expiration; provided that, if the failure stated in the notice cannot be corrected within the applicable period, the Seller will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected;

- (c) Failure to comply with the terms and conditions of the Tax Certificate;
- (d) Any statement, representation or warranty made by the District in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) The District shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of the District or of all or a substantial part of the assets of the District, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against the District in any bankruptcy, reorganization or insolvency proceeding;
- (e) A final ruling shall have been received from the Internal Revenue Service or from a court of competent jurisdiction that the Agreement entered into hereunder is not a Qualified Zone Academy Bond within the provisions of the Section 54E of the Code; or
- (f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of the District or of all or a substantial part of the assets of the District in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, the Seller shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) Without terminating this Agreement, and by written notice to the District, the Seller may declare all Installment Payments and other amounts payable by the District hereunder to the end of the then current budget year of the District to be due, including without limitation delinquent Installment Payments from prior budget years;
- (b) Terminating this Agreement, and by written notice to the District, the Seller may accelerate all outstanding Installment Payments, in which case the District agrees to pay to the Seller an amount equal to the outstanding Installment Payments, as well as any other sums due hereunder; and upon written notice to the District, all funds in the Project Account, shall be

paid to Seller and shall be applied by Seller to the amount due by the District under this Agreement;

- (c) The Seller may take whatever action at law or in equity necessary or desirable to enforce its rights under this Agreement.

Section 12.03. Agreement to Pay Attorneys' Fees and Expenses. In the event the District should default under any of the provisions hereof and the Seller should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the District contained herein, the District agrees that it will pay on demand to the Seller, subject to the limitations and provisions of the laws of the State of Oregon, as amended, the reasonable attorney fees and such other expenses so incurred by the Seller. For purposes of this Section, the reasonable fees of attorneys shall mean attorneys' fees actually incurred at such attorneys' standard hourly rate for such services and shall not be based on any percentage of the outstanding amount due; provided, however that such attorneys' fees shall not exceed the maximum amount permitted by law.

Section 12.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Seller is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Seller to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

ARTICLE XIII

Section 13.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by first class mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by the District.

Section 13.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the District and the Seller and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.04. Amendments, Changes and Modifications. This Agreement may be amended only by the written agreement of the District and the Seller.

Section 13.05. 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.

Section 13.06. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

Section 13.07. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 13.08. Use. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

Section 13.09. Tax Statements. Until a change is requested, all tax statements shall be sent to the following address:

MULTNOMAH COUNTY SCHOOL DISTRICT #3
10636 NE Prescott St.
Portland, OR 97220

IN WITNESS WHEREOF, the Seller and the District have caused this Installment Purchase Agreement to be executed in their names by their duly authorized representatives as of the date first above written.

SELLER:

ALL POINTS CAPITAL CORP.

By _____
Authorized Officer

Address: 265 Broadhollow Road
Melville, NY 11747

THE DISTRICT:

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MULTNOMAH COUNTY SCHOOL DISTRICT #3

By

Karen Fischer Gray,
Superintendent

ATTEST:

Mary L. Larson,
Business Manager

Address: 10636 NE Prescott St.
Portland, OR 97220

COUNTERPART #___ OF 2 COUNTERPARTS. ONLY
COUNTERPART #1 SHALL BE DEEMED TO BE THE ORIGINAL.
NO SECURITY INTEREST MAY BE CREATED IN THIS
AGREEMENT EXCEPT BY THE TRANSFER AND POSSESSION OF
THE ORIGINAL.

SCHEDULE 1 TO INSTALLMENT PURCHASE AGREEMENT

PROJECT DESCRIPTION

Re: Installment Purchase Agreement, dated as of May 1, 2009, between ALL POINTS CAPITAL CORP. and MULTNOMAH COUNTY SCHOOL DISTRICT #3.

The Project shall be installed or used at the following schools (the "Qualified Zone Academies"), all located in Portland, Oregon:

Parkrose High School
Parkrose Middle School
Prescott Elementary
Russell Academy
Sacramento Elementary
Shaver Elementary

The Project consists of the following Equipment and Improvements, as may be amended by the District upon application of the proceeds on the Project. The District agrees to keep a record of all expenditures on the Project.

The Equipment:

None

The Improvements:

Facility Improvement Measure Name	General Description	Building	Amount
Pool Boiler Upgrade	Boiler Replacement at pool.	Parkrose High School	\$146,249
Install Variable Frequency Drives	Variable Frequency Drives upgrade	Parkrose High School	\$87,883
Direct Digital Controls	Installation of Direct Digital Control System at Parkrose High School	Parkrose High School	\$112,373

Demand Controlled Ventilation	Implement DCV in student center, gyms, and other large dedicated spaces	Parkrose High School	\$72,210
Light Fixture Upgrade	Replace existing lighting fixtures in Pool, Gymnasium, and Cafeteria	Parkrose High School	\$73,441
Light Fixture Upgrade	Replacement of Metal Halide Fixtures with Florescent Fixtures	Parkrose High School	\$63,480
Direct Digital Controls	Installation of Direct Digital Control System at Parkrose Middle School	Parkrose Middle School	\$300,445
Direct Digital Controls	Replacement of pneumatic actuators at Parkrose Middle School	Parkrose Middle School	\$85,488
Light Fixture Upgrade	Replacement of Metal Halide Fixtures with Florescent Fixtures	Parkrose Middle School	\$45,185
Direct Digital Controls	Installation of Direct Digital Control System at Prescott Elementary School	Prescott Elementary	\$22,667
Light Fixture Upgrade	Replace existing lighting fixtures in the gymnasiums and in classroom entries.	Prescott Elementary	\$15,061
Window Upgrade	Single Pane window replacement with Double Pane windows	Prescott Elementary	\$129,846
Light Fixture Upgrade	Replace existing lighting fixtures in the gymnasium.	Russell Elementary	\$13,926
Direct Digital Controls	Installation of Direct Digital Control System at Sacramento Elementary School	Sacramento Elementary	\$42,173
Light Fixture Upgrade	Replace existing lighting fixtures in the gymnasium.	Sacramento Elementary	\$14,725
Window Upgrade	Replace and upgrade windows	Sacramento Elementary	\$276,174
Insulate Supply Duct	Tunnel duct insulation	Shaver Elementary	\$24,017
Direct Digital Controls	Controls Upgrade	Shaver Elementary	\$39,395

Window Upgrade	Replace and upgrade windows	Shaver Elementary	\$349,092
Pool AHU Replacement	Installation of pool dehumidifier system	Parkrose High School	\$466,806
Fine Arts Bldg. - 2 New RTU Units	Installation of heat pumps for the FAB	Parkrose High School	\$151,289
Total			\$2,531,922

The Improvements shall be located on the following real property situated in Multnomah County, Oregon (the "Real Property"):

<<Insert property addresses and descriptions>>

SCHEDULE 2 TO INSTALLMENT PURCHASE AGREEMENT

PAYMENT SCHEDULE

Re: Installment Purchase Agreement, dated as of May 1, 2009, between ALL POINTS CAPITAL CORP. and MULTNOMAH COUNTY SCHOOL DISTRICT #3.

All terms used herein have the meanings ascribed to them in the above-referenced Agreement.

- A. Installment Payments. The Installment Payments shall be in the amounts set forth in the "Installment Payment Amount" column of the Payment Schedule contained in this Schedule 2.

- B. Payment Schedule. The Installment Payment Schedule is attached.

Installment Payment Schedule

Installment Payment Date	Installment Payment Amount	Principal Component	Interest Component
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00

SCHEDULE 3 TO INSTALLMENT PURCHASE AGREEMENT

DISTRICT'S CERTIFICATE

Re: Installment Purchase Agreement, dated as of May 1, 2009, between ALL POINTS CAPITAL CORP. (the "Seller") and the MULTNOMAH COUNTY SCHOOL DISTRICT #3 (the "District").

I, the undersigned, the duly appointed, qualified and acting Superintendent of the above-captioned District do hereby certify as of <<CLOSINGDATE>>, as follows:

1. The District did, at a special meeting of the governing body of the District (the "Board") held May 11, 2009, by motion duly made, seconded and carried, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Installment Purchase Agreement (the "Agreement") on its behalf by the Superintendent.

2. The meeting of the Board at which the Agreement was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite majority of the members thereof and the action approving the Agreement and authorizing the execution thereof has not been altered or rescinded. All meetings of the Board relating to the authorization and delivery of the Agreement have been:

- (a) held within the geographic boundaries of the District;
- (b) open to the public, allowing all people to attend;
- (c) held at places that do not practice discrimination on the basis of race, creed, color, sex, age, national origin or disability;
- (d) announced by public notice reasonably calculated to give actual notice to interested persons, including the news media which have requested notice, such notice has included the time and place of the meeting and the principal subjects anticipated to be considered at such meeting;
- (e) in the case of special meetings, announced with at least 24 hours notice to members of the governing body, the news media which have requested notice and to the general public; and
- (f) conducted in accordance with internal procedures of the governing body with a quorum of the governing body in attendance.

3. The District has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Installment Payments scheduled to come due during the current budget year and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.

4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default (as such term is defined in the Agreement) exists at the date hereof. The representations of the District set forth in the Agreement are all true and correct as of the date of this Certificate.

5. All insurance required in accordance with the Agreement is currently maintained by the District.

6. To the best of my knowledge after reasonable inquiry, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any judicial or administrative court or agency, public board or body, pending or threatened against or which affects the District wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Agreement or the enforceability thereof.

7. The budget year of the District is from July 1 to June 30.

IN WITNESS WHEREOF, I hereunto set my hand the day and year first above written.

MULTNOMAH COUNTY SCHOOL
DISTRICT #3

Karen Fischer Gray, Superintendent

The above-named representative of the District held at the time of such authorization and holds at the present time the office set forth above.

Mary L. Larson, Business Manager

SCHEDULE 4 TO INSTALLMENT PURCHASE AGREEMENT

FORM OF NOTE

<<CLOSINGDATE>>

NOTE

FOR VALUE RECEIVED, the undersigned MULTNOMAH COUNTY SCHOOL DISTRICT #3 ("District") promises to pay to the order of ALL POINTS CAPITAL CORP. or its registered assigns ("Seller"), all Installment Payments payable by District under Installment Purchase Agreement between Seller and District (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement. Each Installment Payment due under the Agreement is paid as, and represents payment of, only Principal Component and Interest Component during the Term. The Installment Payment Schedule, which is attached to the Agreement as Schedule 2, is hereby incorporated herein by reference.

If any Event of Default occurs with respect to the Agreement, Seller shall have the rights and remedies set forth in Section 12.02 of the Agreement, including, without limitation, the right to accelerate the unpaid Principal Component of Installment Payments payable under the Agreement and this Note.

The Principal Component of Installment Payments due under the Property Schedule and this Note may be prepaid solely in accordance with the terms of the Agreement.

District hereby represents and warrants that its governing body has made provision for levying and collecting annually by taxation, amounts sufficient to pay the Installment Payments due under the Agreement and this Note.

Without limiting the provisions of Section 13.03 of the Agreement, in the event that any provision or all of the provisions of the Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any provision of this Note.

Pursuant to Section 11.01 of the Agreement, Seller's right, title and interest in the Agreement and this Note may only be assigned and re-assigned to the same party.

The Board of the District has authorized the execution and delivery of the Agreement and this Note and has designated the Agreement and this Note a Qualified Zone Academy Bond by Board resolution on file with the Secretary of the District.

IN WITNESS WHEREOF, District has caused this Note to be executed in its name by its duly authorized representatives as of the date first above written.

MULTNOMAH COUNTY SCHOOL DISTRICT #3

By

Karen Fischer Gray,
Superintendent

ATTEST:

Mary L. Larson,
Business Manager

Address: 10636 NE Prescott St.
Portland, OR 97220

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SCHEDULE 5 TO INSTALLMENT PURCHASE AGREEMENT

FORM OF CLOSING MEMORANDUM

\$2,000,000.00

INSTALLMENT PURCHASE AGREEMENT BETWEEN
ALL POINTS CAPITAL CORP., as Seller

and

MULTNOMAH COUNTY SCHOOL DISTRICT #3, as Purchaser
(QUALIFIED ZONE ACADEMY BONDS, SERIES 2009)

Closing Date: <<CLOSINGDATE>>

Closing

This memorandum sets forth the actions to be taken in connection with the execution and delivery of the \$2,000,000.00 (principal amount) Installment Purchase Agreement dated as of May 1, 2009 (the "Agreement") between the above ALL POINTS CAPITAL CORP. and the above MULTNOMAH COUNTY SCHOOL DISTRICT #3 (the "District"). The transaction is being closed as delivery of a "Qualified Zone Academy Bond," under provisions of Section 54E of the U.S. Internal Revenue Code, as amended. The documents and actions described herein and in the closing list attached hereto are to be delivered and taken as a condition precedent to the execution and delivery of the Agreement. Such delivery of documents and actions shall be deemed to have taken place simultaneously at the closing, and no delivery of documents, payments of moneys or other actions with respect to the foregoing transaction will be considered to have been completed until all such deliveries, payments or other actions have been made or taken.

The closing is scheduled for 10:00 o'clock a.m., Pacific Daylight Savings Time, on <<CLOSINGDATE>> at the offices of ALL POINTS CAPITAL CORP., 265 Broadhollow Road, Melville, NY 11747, and by telephone as necessary.

At the closing, the following actions will be taken:

1. The District will deliver the Agreement, Tax Certificate and Note, fully executed and acknowledged as indicated, together with all exhibits thereto having been fully executed by District officers.
2. Special Counsel to the transaction will deliver its signed opinion.
3. The District will deliver (i) evidence of approval(s) of the QZAB transaction and allocation(s) by the Oregon Department of Education; (ii) an executed letter from the private company or entity making the private contribution as required by the Code for

QZAB transaction; (iii) a copy of its academy zone plan, and (iv) such other items reasonably requested by Seller or Bond Counsel.

4. The Seller will execute the Agreement through its duly authorized officers(s) as indicated.
5. The District authorizes, and the Seller will wire transfer, from the proceeds of the transaction the sum of \$40,000.00 to Security Bank of Kansas City, ABA #101000925, for credit to McLiney and Company, Account No. 102002407, for a portion of the Placement Agent fee. Such amount includes provision for payment of fees and expenses of Davis Wright Tremaine LLP, Special Counsel to the transaction, which McLiney and Company will promptly pay.
6. The District will deliver a separate Promissory Note in the principal amount of \$60,000.00, bearing no interest, payable to McLiney and Company in full six months after the Closing Date.
7. Immediately upon opening of business, Seller will wire transfer \$1,960,000.00 to _____ ABA# _____ for credit to the Multnomah County School District #3 Account No. _____ to be disbursed pursuant to the terms of the Escrow Agreement executed by the District and _____ as of the Closing Date (the "Escrow Agreement"). The District will deposit said amount into the Project Account of the District established pursuant to the Agreement. Amounts will be expended from the Project Account for Project purposes, as set out in the Agreement, the Escrow Agreement and the Tax Certificate.
8. Upon the completion of the above-described actions and transfers of funds, the transaction will be deemed closed, and originals or copies, as appropriate, of documents will be delivered to the appropriate parties:

The actions described herein shall be deemed to have taken place simultaneously, and no delivery of documents, payments or moneys or other actions in respect of the foregoing transaction will be considered to have been completed until all such deliveries, payments or other actions have been made or taken. This Memorandum 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.

Transcripts

The items set forth on the closing list will be examined, assembled and incorporated into the transcripts evidencing the execution and delivery of the Agreement. Copies of the Transcript will be prepared and distributed by Special Counsel to the following:

1. MULTNOMAH COUNTY SCHOOL DISTRICT #3;
2. All Points Capital Corp., as seller;
3. Erik S. Schimmelbusch, Davis Wright Tremaine, LLP; and
4. McLiney and Company, Placement Agent.

Agreed to by the parties as of <<CLOSINGDATE>>.

MULTNOMAH COUNTY SCHOOL DISTRICT
#3

By: _____
Authorized Representative

ALL POINTS CAPITAL CORP., as Seller

By: _____
Authorized Representative

DAVIS WRIGHT TREMAINE LLP

By: _____
Authorized Representative

McLINEY AND COMPANY

By: _____
Authorized Representative