



Fovère

capital management inc.

(Supersedes Terms & Conditions dated February 5, 2008)

SUMMARY OF TERMS AND CONDITIONS

FOR TRUE LEASE

(with Asset Protection Renewal Program maintenance required)

- Date:** February 15, 2008
- Lessee:** The City of Portland ("Lessee")
- Lessor:** Fovère (Portland) LP or like entity to be determined ("Lessor")
- Equipment:** **Essential use parking equipment** (individually "Unit" and collectively "Equipment") to be mutually acceptable to Lessee and Lessor
- Equipment Scenario as described in Appendix "A"
- Lease Structure:** A lease intended as security transaction; under which all tax benefits will remain with Lessor. The lease will be a true lease, and all expenses, including (but not limited to) insurance, maintenance, and taxes, will be for the account of Lessee. It is contemplated that most of the Equipment to be leased is currently owned by the Lessee and will be used under a sale leaseback structure.
- Lease Commencement:** It is anticipated that funding will occur on or about April 1, 2008, subject to final preparation of lease documentation satisfactory to both Lessor and Lessee.
- Minimum Term:** **5 years.** Election of lease term shall be mutually acceptable to Lessee and Lessor.
- Rent:** Lessee shall make semi-annual payments **in advance** (plus any applicable taxes):
- Semi-annual payments (in advance) **\$1,170,000***
- Rent Adjustment:** The semi-annual rent of \$1,170,000 is based on a transaction value (cost) of approximately \$9,450,000. Rent is to be adjusted on the final determination of equipment value (cost) and to be adjusted by any additions to equipment required by Portland.

"APRP"

The Asset Protection Renewal Program "APRP" performed by Precise Parklink is a condition of this financing option, and must be in effect for the entire lease term, with no right of offset against the lease payments.

Early Termination: Lessee may terminate the Lease on the last day of any month after the 30th month during the Initial Term (the "Termination Date") provided that:

- a) Lessee has given written notice to Lessor of its election to terminate the Equipment Schedule, at least 180 days prior to the Termination Date;
- b) Lessee is not in default hereunder;
- c) Lessor has received all rent and other payments due up to and including the Termination Date;
- d) Lessee pays to Lessor an amount equal to the present value of all remaining rent discounted at a 6% interest rate (plus all applicable taxes and other costs and charges relating to such termination) (the "Termination Payment"), such Termination Payment to be paid on or before the Termination Date; and
- e) Lessee returns the Equipment to Lessor, and Lessee assigns to Lessor any assignable rights and warranties it may have from the manufacturer of the Equipment.

End of Term:

Provided that the Lessee is not in default hereunder and provided that Lessee has delivered to Lessor written notice of its intentions no less than 180 days prior to the expiry of the Initial Term, the Lessee shall have the option of either:

- a) **Renewal:** renewing this Equipment Schedule on the same terms and conditions except that the renewal term shall be on a semi-annual to semi annual basis, such extension to begin on the day following the last day of the Initial Term and the semi-annual rent shall be 60% of the amount in the Initial Term (plus applicable taxes, if any);

(Supersedes Terms & Conditions dated February 5, 2008)

b) **Purchase:** purchasing the Equipment on the last day of the Initial Term for an amount equal to 25 percent of the total lease value (cost), such amount (plus applicable taxes) to be paid on the last day of the Initial Term. Any Equipment sold by Lessor on the exercise of a purchase option is sold on an "AS IS, WHERE IS" basis without any warranties by Lessor of any kind whatsoever.

c) **Return:** returning the Equipment to the Lessor.

In the event that the Lessee does not deliver notice of its intentions within the time period indicated above, Lessee shall be deemed to have elected to extend the lease on a semi-annual to semi-annual basis at 60% of the amount of the semi-annual rent as during the Initial Term until the effective date of Lessee's notice of termination to Lessor (not to be less than 180 days after delivery of such notice to Lessor and which must be effective on the last day of a semi-annual period).

If notice has been provided by the Lessee that it wishes to return the equipment, the Precise Parklink will remove Stelio Pay and Display machines at the cost of the Lessor.

Appraisal:

Lessor may require an Appraisal from an independent Equipment Appraiser to determine the remaining useful life and the current fair market value of the Equipment as of date of Lease Commencement. The cost of the Appraisal will be for the account of the Lessee.

Expenses:

Lessee and Lessor will each be responsible for its own expenses incurred in connection with the preparation, negotiation and closing of the lease documentation.

Lease Documents: Documents must be mutually satisfactory to both Lessee and Lessor. Lessee will provide board resolutions, incumbency certificates and other documentation required by Lessor. Executed documents shall control the transaction.



(Supersedes Terms & Conditions dated February 5, 2008)

**Assignment
by Lessor:**

The Lessor shall be entitled to assign its right, title and interest in the Lease and leased equipment on a private placement basis to qualified purchasers. In addition, Lessor shall be entitled to assign its right, title and interest in the Lease to a trustee for the purpose of issuing certificates of participation or other forms of certificates evidencing an undivided interest in such Lease, provided such certificates are sold only on a private placement basis (and not pursuant to any "public offering") to a purchaser(s) who represent that (i) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment (ii) such purchaser understands neither the Lease or certificates will be registered under the Securities Act of 1933, (iii) such purchaser is either an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A, and (iv) that it is the intention of such purchaser to acquire such certificates (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933.

The Lessor shall also be entitled to assign its right, title and interest in the Lease to a Lender in connection with any financing arranged by the Lessor.

**Due
Diligence:**

Lessor will require:

- CAFRs for 2003, 2004, 2005 and 2006;
- the most recent Budget,
- evidence of appropriate insurance coverage and certificates.

Proposal

Expiration Date:

This proposal will expire on April 1, 2008.



(Supersedes Terms & Conditions dated February 5, 2008)

**Acknowledgement of Business Terms
(Subject to Formal & Final Lease Agreement)**

Lessor & Lessee agree with the salient Business Terms outlined herein and agree to proceed to finalizing a formal and Final Lease Agreement. The semi-annual lease payment shall be adjusted in proportion to the final determination of value/cost of the equipment to be lease, as outlined herein.

The Final Lease Agreement shall incorporate the Business Terms outlined herein and shall also include other reasonable lease terms. Both Lessor & Lessee shall be satisfied with the Final Lease Agreement prior to final execution of same.

LESSOR

Fovère Investments Inc. on behalf Lessor entity to be incorporated ("Lessor")

Per:  Dated this 15 day of February, 2008

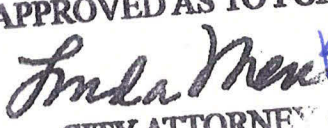
Print Name of Authorized Signing Officer: Paul Marsiglio

Title: Authorized Signing Officer

I have the authority to bind the Corporation

LESSEE

City of Portland

APPROVED AS TO FORM

CITY ATTORNEY

Per:  Dated this 29 day of Feb., 2008

Print Name of Authorized Signing Officer:

Title: Officer



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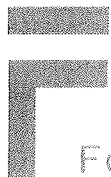
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Per:  Dated this 15 day of February, 2008

Print Name of Authorized Signing Officer: Paul Marsiglio

Title: Authorized Signing Officer

I have the authority to bind the Corporation

LESSEE

City of Portland

Per: _____ Dated this ____ day of _____, 2008

Print Name of Authorized Signing Officer:

Title: Officer