

Addendum to Master Lease



Lease Servicing Center, Inc. dba NCL Government Capital | 220 22nd Ave E., Suite 106 | Alexandria, MN 56308

Lease Servicing Center, Inc. dba NCL Government Capital ("Lessor") and [Customer Name], ("Lessee") hereby agree to amend Master Lease Number _____ dated as of _____ (the "Master Lease") as follows:

- 1. REMEDIES.** Notwithstanding any provision in the Master Lease to the contrary, to the extent the Master Lease allows the Lessor to accelerate amounts to become due under a Lease following an Event of Default under such Lease, such acceleration shall be limited to amounts due and to become due during Lessee's current fiscal year only.
- 2. GOVERNING LAW.** Notwithstanding anything in the Master Lease to the contrary, the Master Lease and each Lease shall be governed by, construed and enforced in accordance with the laws of the state in which Lessee is located.
- 3. INDEMNIFICATION.** To the extent Lessee is or may be obligated to indemnify, defend or hold Lessor harmless for certain events under the terms of the Master Lease, any such indemnification obligation shall arise only to the extent permitted by applicable law and shall be limited solely to sums lawfully appropriated for such purpose.
- 4. NONAPPROPRIATION OF FUNDS.** If Lessee's governing body, or, if applicable, the governmental entity from which Lessee obtains its operating and/or capital funds to appropriate money for any fiscal year sufficient for the continued performance by Lessee of all of Lessee's obligations under a Lease, does not approve funds to be paid to Lessor for the Equipment, Lessee may, upon attempting to give prior written notice to Lessor effective 60 days after the giving of such notice and upon the exhaustion of the funding authorized for the then current appropriation period, return the Equipment to Lessor at Lessee's expense and thereupon be released of its obligation to make all rental payments to Lessor due under such Lease thereafter. The Equipment shall be returned to Lessor freight prepaid and insured to any location in the continental United States designated by Lessor in the same condition as when first delivered to Lessee, reasonable wear and tear resulting solely from authorized use thereof excepted. The foregoing notice shall state the failure of the legislative body or funding authority to appropriate the necessary funds as reason for cancellation and shall be accompanied by payment of all amounts then due to Lessor during the current fiscal year under the Lease. Upon termination under this Paragraph, Lessee shall not be responsible for the payment of any additional rental payments coming due under the affected Lease in succeeding fiscal years, but if Lessee has not complied with the instructions set forth above, the termination shall nonetheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the rental payments that would thereafter have come due if the Lease had not been terminated and which are attributable to the number of days after which Lessee fails to comply with the Lessor's instructions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required. In the event Lessee returns the Equipment pursuant to the terms of this Paragraph, Lessor shall retain all sums paid hereunder by Lessee, including any security deposit paid hereunder. Notwithstanding anything to the contrary in the Master Lease or a Lease, the decision whether or not to budget and appropriate funds is within the discretion of Lessee's governing body. Furthermore, nothing in the Master Lease or a Lease shall require Lessee to seek appropriations sufficient to pay rental payments and other amounts due in Lessee's next fiscal period. Lessee and Lessor understand and intend that Lessee's obligation to pay rent payments and other amounts due under each Lease shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements concerning Lessee's creation of indebtedness, nor shall anything contained in the Master Lease or a Lease constitute a pledge of Lessee's general tax revenues, funds or monies.
- 5. REPRESENTATIONS AND WARRANTIES OF LESSEE.** Paragraph 6(c) of the Master Lease is deleted in its entirety and replaced with the following:

(c) Representations and Warranties. Lessee represents and warrants as of the date of this Lease, and, so long as this Lease is in effect or any part of Lessee's obligations to Lessor remain unfulfilled, shall continue to warrant at all times, that: (i) Lessee has the power and authority under applicable law to enter into the Lease and the transactions contemplated herein and to perform all of its obligations hereunder; (ii) Lessee has duly authorized the execution and delivery of the Lease by appropriate official action of its governing body and has obtained such other authorizations, consents and/or approvals as are necessary to consummate the Lease; (iii) all requirements have been met, and procedures have occurred in order to insure the enforceability of the Lease and Lessee has complied with such public bidding requirements, if any, as may be applicable to the transactions contemplated by the Lease; (iv) the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee; (v) all information provided by Lessee to Lessor in connection with the Lease is true and correct; (vi) Lessee has funds available to pay all rental payments due under the Lease until the end of its current appropriation period; (vii) Lessee intends, subject to the provisions of the Master Lease, to remit to Lessor all sums due and to become due under the Lease for the initial term; (viii) Lessee reasonably believes that legally available funds in an amount sufficient to make all payments for the initial term can be obtained; (ix) the Lease has been duly executed by Lessee and constitutes a valid, legal and binding obligation of Lessee enforceable against Lessee in accordance with its terms; and (x) Lessee has an immediate need for, and expects to make immediate use of, the Equipment, which need is not temporary or expected to diminish during the applicable lease term.

This Addendum is hereby made a part of, and incorporated into, the Master Lease as though fully set forth therein. As modified or supplemented by the terms set forth herein, the provisions of the Master Lease shall remain in full force and effect, provided that, in the event of a conflict between any provision of this Amendment and any provision of the Master Lease, the provision of this Addendum shall control.

Dated as of _____

Secured Party: Lease Servicing Center, Inc. dba
NCL Government Capital

Debtor:

By _____

By _____

Title _____

Title _____