

Cleveland Heights-University Heights
City School District

Appendix “A”

April 16, 2004



Capital Services
 2000 W. Ameritech Center Dr.
 Hoffman Estates, IL 60196
 Office 800/323-7311

**AMENDMENT TO SUPPLEMENTARY SCHEDULE NO. 001-3152300-001
 TO GOVERNMENTAL EQUIPMENT LEASE DATED 10-22-02 (THE "LEASE")
 BY AND BETWEEN
 AMERITECH CREDIT CORPORATION DBA: SBC CAPITAL SERVICES (LESSOR)
 AND**

Board of Education of the Cleveland Heights-University Heights City School District ("LESSEE")
 February 13, 2003

Mr. Joe Lenkey
 Board of Education of the Cleveland Heights-University Heights City School District
 2155 Miramar Blvd
 University Heights, OH 44118

Dear Mr. Lenkey:

Effective as of Commencement Date, the above referenced Supplementary Schedule ("Schedule") and all related documentation are hereby amended as follows:

- Acquisition cost changed from \$614,083.99 to \$852,294.91.
 - Equipment added
 Additional Equipment: UPS
 - Equipment eliminated
 Eliminated Equipment UPS protection from Specified Equipment
- Rental payment changed from 1 @ \$0.00, 13 @ \$56,145.70 to 1 @ \$0.00, 13 @ \$77,925.32 (plus applicable taxes).

All other terms and conditions of the Schedule and the Lease shall remain in full force and effect. All capitalized terms used herein and not defined herein shall have the meanings as set forth or referred to in the Lease. Please sign and return this amendment to _____ within five days, indicating your approval of the modifications(s) to the Schedule.

**AMERITECH CREDIT CORPORATION
 DBA: SBC CAPITAL SERVICES**

BY: _____

TITLE: _____

AGREED AND ACCEPTED:

BY: *[Signature]*

TITLE: Director of Business Services

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Cleveland Heights / University Heights
 AVVID Implementation
 SBC DataComm Project Management

IDFS	AP9619	18	\$	328.62	\$	5,915.00
	Installation	1	\$	10,311.00	\$	10,311.00
				\$ 294,221.00		

Description of Change:

Cleveland Heights wishes to purchase additional UPS's for all of their Data equipment closets. Attached is "Amendment to Supplementary Schedule No. 001-3152300-001," Attachments A, B and C.

Cost and Invoicing of Change: \$294,221.00

Contact Name:

David Boyer

Position:

Director

Signature:

Signature:

Date:

2/20/03

Date:

4/1/03

Purchase Order #:

Project #:



**Cleveland Heights / University Heights
AVVID Implementation
SBC DataComm Project Management**

Project Name: CHUH AVVID Implementation	Reference:
Contact Name: David Boyer	Contact Number: 216-320-2004
Change Order Number:	Change Order Date: 2/18/03
Requested By: John Pendergast	Project Manager: John Pendergast
Service Order #: N/A	Project Phase: Implementation
Change Order Name: Order for Additional UPS's AVVID Project	

Location	Part number	Part Description	QTY	Price	ext price
Boulevard Elem	SOL #PSX011878-005	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
Canterbury Elem	SOL #PSX011884-005	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
Coverntry Elem	SOL#PSX011885-004	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
Fairfax Elem	SOL# PSX011886-004	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
Gearity Elem	SOL#PSX011890-004	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
Noble Elem	SY8K		1	\$ 7,567.00	\$ 7,567.00
Noble Elem	SYPM		2	\$ 1,454.00	\$ 1,454.00
Noble Elem	SYXR4B4		1	\$ 2,716.00	\$ 2,716.00
Noble Elem	AP9612TH		1	\$ 135.00	\$ 135.00
Noble Elem	WSTRTUP5X8-SY-14		1	\$ 910.00	\$ 910.00
Noble Elem	WSTRTUP5X8-SY-12		1	\$ 637.00	\$ 637.00
Noble Elem	WEXTWAR1YR-SY-14		1	\$ 580.00	\$ 580.00
Noble Elem	WEXTWAR1YR-SY-12		1	\$ 341.00	\$ 341.00
Oxford Elem	SY8K		1	\$ 7,567.00	\$ 7,567.00
Oxford Elem	SYPM		1	\$ 1,454.00	\$ 1,454.00
Oxford Elem	SYXR4B4		1	\$ 2,716.00	\$ 2,716.00
Oxford Elem	AP9612TH		1	\$ 135.00	\$ 135.00
Oxford Elem	WSTRTUP5X8-SY-14		1	\$ 910.00	\$ 910.00
Oxford Elem	WSTRTUP5X8-SY-12		1	\$ 637.00	\$ 637.00
Oxford Elem	WEXTWAR1YR-SY-14		1	\$ 580.00	\$ 580.00
Oxford Elem	WEXTWAR1YR-SY-12		1	\$ 341.00	\$ 341.00
Roxburo Elem	sol#PSX011891-004	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
Monticello Middle	SOL#PSX011879-006	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
Roxboro Middle	SOL # PSX011893-006	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
Wiley Middle	Sol.# PSX011877-005	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
Cleveland Hts High School	SY12KEX		1	\$ 8,855.00	\$ 8,855.00
Cleveland Hts High School	SYPM		1	\$ 1,454.00	\$ 1,454.00
Cleveland Hts High School	SYXR12B12		1	\$ 6,315.00	\$ 6,315.00
Cleveland Hts High School	AP9612TH		1	\$ 135.00	\$ 135.00
Cleveland Hts High School	WSTRTUP5X8-SY-15		1	\$ 1,023.00	\$ 1,023.00
Cleveland Hts High School	WSTRTUP5X8-SY-14		1	\$ 637.00	\$ 637.00
Cleveland Hts High School	WEXTWAR1YR-SY-15		1	\$ 580.00	\$ 580.00
Cleveland Hts High School	WEXTWAR1YR-SY-14		1	\$ 341.00	\$ 341.00
Taylor Academy	SOL # PSX011875-007	PSX Type A 6kVA*	1	\$ 20,904.00	\$ 20,904.00
Milliken center	SOL# PSX011894-006	PSX Type A 6kVA*	1	\$ 19,753.00	\$ 19,753.00
IDFS	SU24RMXLB2U		25	\$ 461.64	\$ 11,541.00

Attachment A

Original order

Part number	Description			Cost	Price	Ext Price
SU1400 RM XL3U	UPS protection for equipment specified	48	985	\$ 47,280.00	\$ 1,103.20	\$ 52,953.60
SU24RMXLBP2U	UPS protection for equipment specified	70	499	\$ 34,930.00	\$ 558.88	\$ 39,121.60
SYP8K12RMT-P1	UPS protection for equipment specified	1	9625	\$ 9,625.00	\$ 10,780.00	\$ 10,780.00
SYBT3	UPS protection for equipment specified	1	400	\$ 400.00	\$ 448.00	\$ 448.00
						\$ 103,303.20

Cancelled these

SU1400 RM XL3U	UPS protection for equipment specified	30	985	\$ 29,550.00	\$ 1,103.20	\$ 33,096.00
SU24RMXLBP2U	UPS protection for equipment specified	41	499	\$ 20,459.00	\$ 558.88	\$ 22,914.08
SYP8K12RMT-P1	UPS protection for equipment specified	0	9625	\$ -	\$ 10,780.00	\$ -
SYBT3	UPS protection for equipment specified	0	400	\$ -	\$ 448.00	\$ -
						\$ 56,010.08

Final order

SU1400 RM XL3U	UPS protection for equipment specified	18	985	\$ 17,730.00	\$ 1,103.20	\$ 19,857.60
SU24RMXLBP2U	UPS protection for equipment specified	29	499	\$ 14,471.00	\$ 558.88	\$ 16,207.52
SYP8K12RMT-P1	UPS protection for equipment specified	1	9625	\$ 9,625.00	\$ 10,780.00	\$ 10,780.00
SYBT3	UPS protection for equipment specified	1	400	\$ 400.00	\$ 448.00	\$ 448.00
						\$ 47,293.12

Attachment B

School	Address	City, State & Zip
Whily	2181 Miramar Blvd.	University Heights, OH 44118
Millikin	1700 Crest Rd.	University Heights, OH 44118
Monticello	3665 Monticello	University Heights, OH 44118
Roxburo Middle	2400 Roxboro Rd.	University Heights, OH 44118
Roxburo Elementary	2405 Roxboro Rd.	University Heights, OH 44118
Boulevard	1749 Lee Rd.	University Heights, OH 44118
Canterberry	2530 Canterbury Rd.	University Heights, OH 44118
Coventry	2843 Washington Blvd.	University Heights, OH 44118
Fairfax	3150 Fairfax Rd.	University Heights, OH 44118
Garity	2323 Wrenford Rd.	University Heights, OH 44118
Noble	1293 Ardoon St.	University Heights, OH 44118
Oxford	939 Quilliams Rd.	University Heights, OH 44118

ATTACHMENT C

Cleveland Hts UPS additions.

Location	Part number	QTY	Ext price
Boulevard Elem			
SOL #PSX011878-005	PSX Type A 6kVA*	1	\$ 19,753
Canterbury Elem			
SOL # PSX011884-005	PSX Type A 6kVA*	1	\$ 19,753
Coverntry Elem			
SOL#PSX011885-004	PSX Type A 6kVA*	1	\$ 19,753
Fairfax Elem			
SOL# PSX011886-004	PSX Type A 6kVA*	1	\$ 19,753
Gearity Elem			
SOL#PSX011890-004	PSX Type A 6kVA*	1	\$ 19,753
Noble Elem			
	SY8K	1	\$ 7,567
	SYPM	2	\$ 1,454
	SYXR4B4	1	\$ 2,716
	AP9612TH	1	\$ 135
	WSTRTUP5X8-SY-14	1	\$ 910
	wstrtup5x8-sy-12	1	\$ 637
	wextwar1yr-sy-14	1	\$ 580
	wextwar1year-sy-12	1	\$ 341
	Sub total		\$ 14,340
Oxford Elem			
	SY8K	1	\$ 7,567
	SYPM	1	\$ 1,454
	SYXR4B4	1	\$ 2,716
	AP9612TH	1	\$ 135
	WSTRTUP5X8-SY-14	1	\$ 910
	wstrtup5x8-sy-12	1	\$ 637
	wextwar1yr-sy-14	1	\$ 580
	wextwar1year-sy-12	1	\$ 341
	Subtotal		\$ 14,340
Roxboro Elem			
sol#PSX011891-004	PSX Type A 6kVA*	1	\$ 19,753
Monticello Middle			
SOL#PSX011879-006	PSX Type A 6kVA*	1	\$ 19,753
Roxboro Middle			
SOL # PSX011893-006	PSX Type A 6kVA*	1	\$ 19,753

ATTACHMENT C

Location	Part number	QTY	Ext price
Wiley Middle			
Sol.# PSX011877-005	PSX Type A 6kVA*	1	\$ 19,753
Cleveland Hts High School			
	SY12KEX	1	\$ 8,855
	SYPM	1	\$ 1,454
	SYXR12B12	1	\$ 6,315
	AP9612TH	1	\$ 135
	WSTRTUP5X8-SY-15	1	\$ 1,023
	wstrtupp5x8-sy-14	1	\$ 637
	wextwar1yr-sy-15	1	\$ 580
	wextwar1year-sy-14	1	\$ 341
	Subtotal		\$ 19,340
Taylor Academy			
SOL # PSX011875-007	PSX Type A 6kVA*	1	\$ 20,904
Milliken Center			
SOL# PSX011894-006	PSX Type A 6kVA*	1	\$ 19,753
IDFS			
	SU1400RMXL3U	0	\$ -
	SU24RMXLBP2U	25	\$ 11,541
	AP9619	18	\$ 5,915
	SUBTOTAL		\$ 17,455
Installation all locations			\$ 10,311
	Grand total		\$ 294,221

SUPPLEMENTARY SCHEDULE NO. 001-3152300-001
DATED: 10/22/02

LESSEE:

BOARD OF EDUCATION OF THE CLEVELAND HEIGHTS -
UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
2155 MIRAMAR BOULEVARD
UNIVERSITY HEIGHTS, OH 44118

LESSOR:

THE OHIO BELL TELEPHONE COMPANY
45 ERIEVIEW PLAZA
CLEVELAND, OH 44114

CONTACT: MR. DAVID BOYER
PHONE:

SUPPLIER OF EQUIPMENT: THE OHIO BELL TELEPHONE COMPANY

DESCRIPTION OF EQUIPMENT: SEE ATTACHMENT A

EQUIPMENT COST: \$614,083.99

SALES/PURCHASE ORDER NUMBER (If applicable):

LOCATION OF EQUIPMENT (If different from above): SEE ATTACHMENT B

AMOUNT OF ADVANCE PAYMENT(S): \$0.00

*AMOUNT OF EACH RENTAL PAYMENT: 1 @ \$0.00 and 13 @ \$56,145.70

Note: *Plus, except for property taxes which are included in the Rental Payment amounts, all applicable taxes on each payment. Rental payments may change based upon Equipment cost.

LEASE TERM (MONTHS): 42

RENTAL PAYMENT PERIOD: Quarterly (in arrears)

The Lease Term commences on (Lease Commencement Date) the earlier of: the date the Equipment is accepted by the Lessee or as mutually agreed by Lessor and Lessee.

LESSOR HEREBY LEASES TO LESSEE AND LESSEE HEREBY LEASES FROM LESSOR THE ABOVE-DESCRIBED EQUIPMENT ON THE TERMS AND CONDITIONS SET FORTH HEREIN AND IN THE GOVERNMENTAL EQUIPMENT LEASE DATED 10/22/02 BETWEEN LESSOR AND LESSEE.

THE OHIO BELL TELEPHONE COMPANY

BOARD OF EDUCATION OF THE CLEVELAND
HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL
DISTRICT

(Lessor)

By: _____

(Signature)

Title: _____

11-5-02

(Name of Lessee)

By: _____

(Signature)

Title: _____

Superintendent

REQUEST FOR INSURANCE
SCHEDULE NO. 001-3152300-001

LESSEE:

BOARD OF EDUCATION OF THE CLEVELAND HEIGHTS -
UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
2155 MIRAMAR BOULEVARD
UNIVERSITY HEIGHTS, OH 44118

LESSOR:

THE OHIO BELL TELEPHONE
COMPANY
45 ERIEVIEW PLAZA
CLEVELAND, OH 44114

CONTACT: MR. JOE LENKEY
PHONE:

SUPPLIER OF EQUIPMENT: THE OHIO BELL TELEPHONE COMPANY

DESCRIPTION OF EQUIPMENT: SEE ATTACHMENT A

SALES/PURCHASE ORDER NUMBER (If applicable):

LOCATION OF EQUIPMENT (If different from above): SEE ATTACHMENT B

Please notify your insurance company to forward a copy of your insurance certificate to our office.

Name of Insurance Company/Agency: _____

Name of Agent or Broker: _____

Address: _____

City: _____ State: _____ Zip: _____ Phone: _____

Name of Insurance Carrier: _____ Policy: _____ Exp. Date: _____

Please amend the above policy to include coverage on the above-described Equipment as follows:

PHYSICAL DAMAGE COVERAGE in the amount of: Original Equipment Cost
COMPREHENSIVE GENERAL LIABILITY COVERAGE in the amount of: \$1,000,000 (combined single limit)

Please issue to Lessor at its address shown above, an endorsement to the above policy (1) naming Lessor as additional insured and loss payee, as its interest may appear on the Equipment, and (2) agreeing to give Lessor thirty (30) days prior written notice of the effective date of any alteration or cancellation of such policy.

We appreciate your cooperation in attending to this matter as quickly as possible.

BOARD OF EDUCATION OF THE CLEVELAND
HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL
DISTRICT

(Name of Lessee)

By: _____

(Signature)

Title: _____

EQUIPMENT ACCEPTANCE NOTICE FOR:
SUPPLEMENTARY SCHEDULE NO: 001-3152300-001
DATED: 10/22/02

LESSEE:

BOARD OF EDUCATION OF THE CLEVELAND HEIGHTS -
UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT
2155 MIRAMAR BOULEVARD
UNIVERSITY HEIGHTS, OH 44118

LESSOR:

THE OHIO BELL TELEPHONE
COMPANY
45 ERIEVIEW PLAZA
CLEVELAND, OH 44114

CONTACT: MR. JOE LENKEY
PHONE:

SUPPLIER OF EQUIPMENT: THE OHIO BELL TELEPHONE COMPANY

DESCRIPTION OF EQUIPMENT: SEE ATTACHMENT A

SALES/PURCHASE ORDER NUMBER (If applicable):

LOCATION OF EQUIPMENT (If different from above): SEE ATTACHMENT B

ACCEPTANCE NOTICE

The Lessee acknowledges that the Equipment described above was received in good working order and condition and found satisfactory, and accepted by Lessee for all purposes of this Supplementary Schedule and the related Governmental Equipment Lease, on 08/01/03 It is further acknowledged that said Equipment has been fully installed and all work connected therewith has been satisfactorily completed. Lessee acknowledges that Lessor is not liable for the performance of the Equipment and agrees that all rental payments will be made regardless of Equipment operability. Any decals or metal plates supplied by Lessor have been affixed to the Equipment in accordance with the instructions of Lessor. The term of the Lease related hereto shall commence as of the date hereof.

IMPORTANT:

Lessee must fill in date above

BOARD OF EDUCATION OF THE CLEVELAND
HEIGHTS - UNIVERSITY HEIGHTS CITY SCHOOL
DISTRICT

(Name of Lessee) David J Boyer

By: David Boyer
(Signature)

Title: Director of Business Services

2

GOVERNMENTAL EQUIPMENT LEASE



Lease No. 001-3152300

Date: 10/22/2002

Lessee:

Board of Education of the Cleveland Heights -
University Heights City School District
2155 Miramar Boulevard
University Heights, OH 44118

Lessor:

The Ohio Bell Telephone Company
45 Erieview Plaza
Cleveland, OH 44114

TERMS AND CONDITIONS

Lessee and Lessor agree and acknowledge that this Governmental Equipment Lease (the Lease) is being executed in conjunction with one or more written schedules (Supplementary Schedules) which, by specific reference to this Lease and upon execution by Lessee and Lessor, become subject to all the terms and conditions contained herein. In the event of a conflict between the Lease and any Supplementary Schedule, the language in the Supplementary Schedule shall prevail. The Equipment that is the subject of this Lease is described on the Supplementary Schedules. Upon such execution of a Supplementary Schedule, any and all additional or specific terms and conditions therein shall be, with respect to such Supplementary Schedule, incorporated herein and shall have the same force and effect as if such terms and conditions were expressly set forth herein. The terms and conditions contained herein shall apply to each Supplementary Schedule that is properly executed and made subject to such terms and conditions as if a separate Lease were executed for each Supplementary Schedule. The invalidation, fulfillment, waiver, termination, or other disposition of any rights or obligations of either the Lessee or Lessor or both of them arising from the execution of this Lease in conjunction with any one Supplementary Schedule shall not affect the status of the rights or obligations of either or both of those parties arising from the execution of this Lease in conjunction with any other Supplementary Schedule.

Subsequent wording of this Lease notwithstanding, this Lease is effective with respect to any Supplementary Schedule executed in conjunction herewith for the lease term (as subsequently defined herein) provided in such Supplementary Schedule. Additional Supplementary Schedules may be executed from time to time by the Lessee and the Lessor, and if such Supplementary Schedules refer by date and contracting parties to this Lease, such Supplementary Schedules shall be deemed to be executed in conjunction herewith and to be subject hereto regardless of the date upon which such Supplementary Schedules are executed and notwithstanding that a prior period of effectiveness hereof has lapsed through termination of all previous lease terms.

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the Equipment described on any Supplementary Schedules executed in conjunction herewith and declared to be and to constitute a part of the Equipment leased hereunder (such Equipment together with all parts, replacements, repairs, additions, and accessories incorporated therein and/or affixed thereto hereinafter referred to as the Equipment) on the terms and conditions set forth herein and in such Supplementary Schedules. Because the Equipment may include not only tangible property but also the right to use technology, it is understood that the term "Equipment" covers all of the following: hardware, printers, modems, cables, peripherals and other tangible equipment, all documentation, such as technical documentation, service records or user manuals, operating system software, application software, and such other items, as more specifically described in this Lease or in any Supplementary Schedule. Further, the term, "lease," whenever it is used as a noun in the Lease with reference to the technology or other intangible properties that are part of the Equipment, shall be deemed to mean, assignment and/or sub-license of all of Lessor's license to or interest in, and rights to use, such technology and properties; whenever it is so used with reference to benefits, it shall be deemed to mean, assignment of all of Lessor's rights to receive such benefits. ("To lease," or any other inflectional form of its usage as a verb, shall mean to "sub-license" or "to assign" (as the context

may require), or the appropriate inflectional form thereof.)

1. **Lease Term.** The Lease Term is the period of time which includes the lease term as specified in the block so entitled on Supplementary Schedules executed hereunder from time to time and commences on the date the Equipment is accepted by the ("Lease Commencement Date").

2. **No Warranties.** LESSEE ACKNOWLEDGES THAT LESSOR IS NOT THE MANUFACTURER OR LICENSOR, THE AGENT OF THE MANUFACTURER OR LICENSOR, OR THE DISTRIBUTOR OF THE EQUIPMENT. EXCEPT AS OTHERWISE PROVIDED HEREIN, LESSEE AGREES THAT LESSOR HAS NOT MADE AND MAKES NO REPRESENTATIONS OR WARRANTIES OF WHATSOEVER NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO THE SUITABILITY, DURABILITY, FITNESS FOR USE, MERCHANTABILITY, CONDITION, OR QUALITY OF THE EQUIPMENT AND OF ANY UNIT THEREOF. LESSEE SPECIFICALLY WAIVES ALL RIGHTS TO MAKE CLAIM AGAINST LESSOR FOR BREACH OF ANY WARRANTY OF ANY KIND WHATSOEVER; AND WITH RESPECT TO LESSOR, LESSEE LEASES EQUIPMENT "AS IS". LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LOSS, DAMAGE, OR EXPENSE OF ANY KIND OR NATURE CAUSED DIRECTLY OR INDIRECTLY BY ANY EQUIPMENT LEASED HEREUNDER, OR BY THE USE OR MAINTENANCE THEREOF, OR BY THE REPAIRS, SERVICE OR ADJUSTMENT THERETO OR ANY DELAY OR FAILURE TO PROVIDE ANY THEREOF, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF, OR FOR ANY LOSS OF BUSINESS OR DAMAGE WHATSOEVER AND HOWSOEVER CAUSED. WITHOUT IN ANY WAY IMPLYING THAT ANY SUCH WARRANTY EXISTS AND WITHOUT MAKING ANY REPRESENTATIONS AS TO THE EXTENT OF ANY SUCH WARRANTY, LESSOR AGREES, TO THE EXTENT OF ITS LEGAL POWER, TO MAKE SUCH ASSIGNMENT AND WITHOUT INCREASING ITS LIABILITY HEREUNDER, TO ASSIGN TO LESSEE UPON LESSEE'S REQUEST THEREFOR ANY WARRANTY OF A MANUFACTURER OR LICENSOR OR SELLER RELATING TO THE EQUIPMENT THAT MAY HAVE BEEN GIVEN TO LESSOR.

WITH RESPECT TO ANY SUPPLEMENTARY SCHEDULE EXECUTED IN CONJUNCTION HERewith, AND SUBJECT TO THE LESSEE'S RIGHTS UNDER SECTION 11 HEREOF, THIS IS A NON-CANCELLABLE LEASE FOR THE LEASE TERM INDICATED ON THE SUPPLEMENTARY SCHEDULE AND ANY RENEWAL TERM(S).

3. **Rent Payments.** During the Lease Term and any renewal term, Lessee agrees to pay Lessor rent payments. Rent Payments shall be the amount equal to the Rent Payment amounts on each Supplementary Schedule. Subject to Section 11 hereof, Lessee shall pay Rent Payments in the amounts and on the due dates specified in the Supplementary Schedules until all Rent Payments and all other amounts due under the Lease have been paid in full. If the Lease Commencement Date is other than the first day of a month, Lessee shall make an initial payment on the Lease Commencement Date in an amount equal to one-thirtieth of the Rent Payment specified in the Supplementary Schedules for each day from the Lease Commencement Date (including the Lease Commencement Date) through the last day of such month (including that day). All Rent Payments shall be paid to the Lessor at the address stated above or such other place as the Lessor or its assigns may hereafter direct. Lessee's obligation to make Rent Payments shall not be abated, reduced or subject to offset or diminished as a result of any event, including without limitation damage, destruction, defect, malfunction, loss of use, or obsolescence of the Equipment, inability for any reason to procure funding/receive discounts from the Schools and Libraries program of the Federal Universal Service Fund, or any other event, except such as is specifically provided for in Section 9 and 11 of this Lease. Lessee is solely responsible for obtaining any Schools and Libraries program discounts on Equipment that is the subject of this Lease. The Rent Payments shall be adjusted proportionately upward or downward if the actual cost of the Equipment exceeds or is less than the estimate (original proposal or Equipment Agreement), and in that event the Lessee authorizes Lessor to adjust the Rent Payments upward or downward not to exceed twenty percent (20%).

4. **Selection of Equipment.** Lessee requests Lessor to purchase, or to cause to be purchased (or, in the case of technology, obtain the appropriate license or contract for) Equipment of the type and quantity specified in the Supplementary Schedules and has selected the supplier named therein. The Equipment shall be delivered, freight prepaid, to the Premises. By its execution and delivery of each Supplementary Schedule, Lessee hereby (a) consents and agrees to all of the terms and conditions of any such purchases, licenses or contracts whereby Lessor acquires any or all of the

Equipment, (b) assigns and transfers to Lessor all Lessee's right, title and interest in and to any purchase order, license, contract or arrangement entered into by Lessee with any supplier for the Equipment, (c) promises and agrees to perform all of the duties and obligations of Lessee and/or Lessor under any and all such purchases, licenses, contracts or arrangements with the suppliers of the Equipment and (d) confirms that to the extent of any inconsistency between the provisions of this Lease and the provisions of any such purchase order or arrangement, the provisions of this Lease shall govern. Lessee has reviewed and approved any written supply contract (as defined by section 2A-103(y) of the Uniform Commercial Code) or purchase order or contract covering the Equipment purchased. Lessor is not and shall not be liable for specific performance of this Lease or for damages if for any reason the supplier delays or fails to fill the order or if the Lessee negotiates in bad faith prior to payment by Lessor to the supplier. Any delay in delivery by the supplier shall not affect the validity of this Lease. Lessee shall have no right, title or interest in or to the Equipment except the right to use the same upon the terms and conditions herein contained. The Equipment shall remain the sole and exclusive personal property of Lessor and not be deemed a fixture whether or not it becomes attached to any real property. Any labels supplied by Lessor to Lessee describing the ownership of the Equipment shall be affixed by Lessee upon a prominent place on each item of Equipment.

5. Renewal or Return Options; Location and Surrender of Equipment. (a) Prior to the expiration of the initial Lease Term hereof, Lessee shall have the option to: (i) renew this Lease as to all but not less than all of the Equipment, or (ii) return the Equipment pursuant to Section 5(b) herein. If Lessee desires to exercise either option, it shall give to Lessor irrevocable written notice of its intention to exercise such option at least 120 days (and not more than 180 days) before the expiration of such Lease Term. Notwithstanding anything herein to the contrary, if Lessee fails to notify Lessor of its intent with respect to the exercise of the options described in this Section 5 within the time frames contemplated hereby, this Lease shall automatically be renewed for an additional thirty (30) day period(s) upon the same terms and conditions. Any notice of termination during an automatic extension shall be effective thirty (30) days after the receipt of such notice.

(b) The Equipment shall be delivered to and thereafter kept at the location specified in the Supplementary Schedules and shall not be removed therefrom without Lessor's prior written consent. Upon the expiration or earlier termination of this Lease, upon at least 120 days prior written notice to Lessor, Lessee at its cost and expense, shall immediately return the Equipment (including, without limitation, all service records and user manuals) to Lessor in good repair, working order, with unblemished physical appearance and with no defects which affect the operation or performance of the Equipment ("Return Condition"). Return Condition also indicates that the Equipment will be eligible at termination of this Agreement for acceptance by the manufacturer, or a manufacturer certified third party maintenance organization approved by Lessor, under contract maintenance at the above mentioned organization's then standard rates. The Equipment shall be returned in accordance with Lessor's instructions to the address specified by Lessor and, at Lessee's expense, adequately insured at no less than the full replacement value of the Equipment. If the Equipment is not in Return Condition, Lessee shall remain liable for any and all reasonable costs actually incurred by Lessor to restore the Equipment to Return Condition, allowing for normal wear and tear consistent with the use and age of the equipment. The deinstallation of the Equipment shall be performed by manufacturer certified technicians, approved by Lessor and the Lessor shall have the right to supervise and direct the preparation of the Equipment for return. If, upon termination of this Lease for any reason, Lessee fails or refuses forthwith to return and deliver the Equipment to Lessor, Lessee shall remain liable for any rent accrued and unpaid with respect to the Equipment up to the date that the Equipment is returned to the address specified by Lessor. Notwithstanding the foregoing, Lessor shall have the right, without notice or demand, to enter Lessee's premises or any other premises where the Equipment may be found and to take possession of and to remove the Equipment, at Lessee's sole cost and expense, without legal process. Lessee understands that it may have a right under law to notice and a hearing prior to repossession of the Equipment. As an inducement to Lessor to enter into this transaction, Lessee hereby expressly waives all rights conferred by existing or future law to notice and a hearing prior to such repossession by Lessor or any officer authorized by law to effect repossession and hereby releases Lessor from all liability in connection with such repossession. Lessee's obligation to return Equipment may, at Lessor's option, be specifically enforced by Lessor.

6. Use of Equipment-Inspection. Lessee shall use the Equipment in compliance with all laws, rules, and regulations of the jurisdictions wherein the Equipment is located and solely in the conduct of Lessee's business. Lessee agrees at its expense to obtain all permits and licenses necessary for the operation of the Equipment. Lessee at its expense shall take good and proper care of the Equipment to keep it in good order and condition. Lessee shall pay all costs to install and dismantle the Equipment. Lessee shall not make any alterations, additions, or improvements, or add attachments to the Equipment without the prior written consent of Lessor, except for (i) additions or attachments to the Equipment

consisting solely of telephone terminal equipment, and (ii) additions or attachments to the Equipment purchased by Lessee from the original supplier of the Equipment or any other person or entity approved by Lessor. Subject to the provisions of Section 5(b) hereof, Lessee agrees to restore the Equipment to Return Condition prior to its return to the Lessor and Lessee agrees that any addition, alteration, improvement or attachment shall belong to and become a part of the property of Lessor. Any software upgrade will become the property of the Lessor, and Lessee hereby represents and warrants to Lessor, that Lessee has the right to convey such software to Lessor. Lessor shall have the right, upon reasonable prior notice to Lessee and during normal business hours, to inspect and/or replace the Equipment at its location. Lessee shall not permit its rights or interest hereunder to be subject to any lien, charge, or encumbrance. Lessee shall not permit the Equipment to become or remain a fixture to any real estate or an accession to any personalty not leased hereunder. Lessee shall not be responsible for any liens, charges, or encumbrances on the Equipment caused by Lessor.

7. Liens; Taxes. Lessee shall keep the Equipment free and clear of all levies, liens and security interests, and shall give Lessor immediate notice of any attachment or other judicial process affecting any item of Equipment. Lessee shall pay all charges and local, state and Federal taxes (and reimburse Lessor for any such payments made by Lessor) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding, however, all taxes on or measured by Lessor's net income, provided however, Lessee's payments for taxes hereunder shall never be more than five percent (5%) of the total Rental Payments due in that calendar year during the term of the Lease... Lessee acknowledges that Lessor has included personal property taxes, which Lessor must pay as owner of the Equipment, in the calculation of Rent Payments due hereunder and agrees that the inclusion of such taxes is a proper component of those Rent Payments. IT IS EXPRESSLY AGREED THAT LESSEE SHALL REIMBURSE LESSOR FOR ANY PAYMENTS MADE TO ANY TAXING AUTHORITY FOR PERSONAL PROPERTY TAXES DUE AND OWING WITH RESPECT TO THE EQUIPMENT OWNED BY LESSOR. Further, Lessor may in its sole discretion require Lessee to make payments in amounts and at intervals satisfactory to Lessor to be held by Lessor in a non-interest bearing tax reserve account as security for Lessee's faithful performance of its obligations herein. The obligations of Lessee to pay such sums shall be in addition to all other obligations of Lessee under this Lease and shall continue in full force and effect notwithstanding the termination of this Lease whether by expiration of time, by operation of law or otherwise.

8. Insurance. At its expense, Lessee shall keep the Equipment insured against all risks of loss and damage with companies acceptable to Lessor for an amount equal to the original cost of the Equipment, with Lessor named as a loss payee. Lessee shall also maintain comprehensive general liability insurance, with Lessor named as an additional insured. Lessee shall be liable for any loss not covered by insurance. All said insurance shall be in form and amount satisfactory to Lessor. Lessee shall pay the premiums therefor and deliver to Lessor the certificates of insurance or duplicates thereof or other evidence satisfactory to Lessor of such insurance coverage. Evidence of such insurance coverage shall be furnished no later than the Lease Commencement Date of each Supplementary Schedule and from time to time as Lessor may request. Each insurer shall agree by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor that it will give Lessor thirty (30) days prior written notice of the effective date of any alteration or cancellation of such policy. Lessee may self-insure with respect to the required coverages with Lessor's prior written consent.

9. Casualty Loss. Lessee assumes all risk of loss or damage to the Equipment from any cause whatsoever. If the Equipment, in whole or in part, is lost, stolen, damaged or destroyed, or is taken in any condemnation or similar proceeding (an "Event of Loss"), Lessee shall promptly notify Lessor. Lessee shall, at its option: (a) immediately place the affected Equipment in good condition and working order, (b) replace the affected item with like equipment of equal or greater value, in good condition, and transfer clear title thereto to Lessor, or (c) to the extent permitted by law, pay to Lessor, within thirty (30) days of the Event of Loss, an amount equal to the Stipulated Loss Value ("SLV") (as hereinafter defined) for such affected Equipment, plus any other unpaid amounts then due under the Lease as shown on the last invoice submitted by the Lessor. If an Event of Loss occurs as to part of the Equipment for which the SLV is paid, a prorata amount of each Rent Payment shall abate from the date the SLV payment is received by Lessor. The SLV shall be an amount equal to the sum of all future Rent Payments on the lost, stolen, damaged or destroyed Equipment from the last Rent Payment date to the end of the Lease Term with such Rent Payments discounted to present value at the like-term Treasury Bill rate for the remaining Lease Term in effect on the date of such Event of Loss, or if such rate is not permitted by law, then at the lowest permitted rate.

10. Tax Benefits-True Lease. The parties hereto intend that this Lease be treated as a lease for Federal income

tax purposes, and Lessor and/or the lessor of the Equipment to Lessor, as applicable (Lessor and/or such lessor of the Equipment to Lessor being in this Section 10 referred to as the "Taxpayer"), shall be entitled to such deductions, credits and other benefits (all of which shall herein be referred to as the "Tax Benefits") with respect to the Equipment as are provided to an owner of property by the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), including without limitation any accelerated cost recovery system deductions and investment tax credit with respect to the Equipment. In the event that any of the expected Tax Benefits under any Federal, State or local law shall be lost by, recaptured, not claimed, not available for claim or disallowed to Taxpayer because of (i) any act or failure to act of Lessee and/or any sublessee or assignee of Lessee, (ii) any change in the legal or tax status of Lessee and/or any sublessee or assignee of Lessee, (iii) breach by Lessee of any of its representations or warranties contained in this Lease, (iv) an Event of Loss, (v) an Event of Default (as hereinafter defined), or (vi) any change in or amendment to tax law, congressionally, judicially, or administratively promulgated, Lessee shall promptly pay to Lessor a revised rental or lump sum amount which, in the reasonable judgment of Lessor (and after deduction of all taxes to be paid by Lessor with respect to such payment), shall have the same net after tax rate of return on a discounted cash flow basis as would have been realized by Lessor were Lessor entitled and/or able to use the expected tax deductions, credits or other benefits based on the maximum Federal Income Tax Rate applicable to Lessor, in effect during the Lease Term. The obligation to pay such sums to Lessor shall be in addition to all other obligations of Lessee under this Lease and shall continue in full force and effect until six months after the termination of this Lease notwithstanding the termination of this Lease whether by expiration of time, by operation of law or otherwise, provided however, Lessee's payments for Tax Benefits hereunder shall never be more than five percent (5%) of the total Rental Payments due in that calendar year during the term of the Lease..

11. Non-appropriations. This Section is applicable only if the inclusion of such a nonappropriation provision is legally required. Lessee's obligations to pay Rent and any other amounts due for each fiscal period is contingent upon approval of the appropriation of funds by its governing body. In the event funds are not appropriated for any fiscal period equal to amounts due under the Lease, which does not include funding to Lessee under the Universal Service Fund program, Lessee may terminate the Lease effective on the first day of such fiscal period ("Termination Date"), if: (a) Lessee has used due diligence to exhaust all funds legally available; and (b) Lessor has received written notice from Lessee at least thirty (30) days before the Termination Date. Upon the occurrence of such nonappropriation, Lessee shall not be obligated for any Rent Payments for any fiscal period for which funds have not been so appropriated, and Lessee shall deliver the Equipment to Lessor on the Termination Date, packed for shipment in accordance with the manufacturer's specifications, freight prepaid and insured to any location in the continental United States designated by Lessor. If Lessee terminates a Lease pursuant to this Section, unless the following would affect the validity of a Lease, Lessee will not purchase, lease, rent, seek appropriations for, or otherwise obtain equipment serving the same function as the Equipment for the fiscal period in which such termination occurs or the next succeeding fiscal period and such an obligation will survive termination of this Lease. Lessee understands and acknowledges that the inability to obtain a funding commitment from the Schools and Libraries program of the Federal Universal Service Fund or the discontinuance of such Schools and Libraries program shall not constitute a non-appropriation event under this Section 11.

12 Assignment. NEITHER PARTY SHALL ASSIGN, SUBLEASE, TRANSFER, PLEDGE, MORTGAGE OR OTHERWISE DISPOSE OF OR ENCUMBER ("TRANSFER") ALL OR ANY PART OF THE EQUIPMENT OR THE LEASE OR ANY OF ITS RIGHTS THEREIN OR PERMIT ANY LEVY, LIEN OR ENCUMBRANCE THEREON, WITHOUT THE OTHER PARTY'S PRIOR WRITTEN CONSENT, provided, however, Lessor may at any time and from time to time assign its rights under this Lease to the Equipment and to the Rent Payments and other sums at any time due or to become due or at any time owing or payable by Lessee to Lessor under any of the provisions of this Lease. Lessee further acknowledges and agrees that the rights of any such Assignee in and to the sums payable by Lessee under any provisions of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever by reason of any damage to or loss or destruction of the Equipment, or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessee to Lessor. This Lease inures to the benefit of and is binding upon the heirs, legatees, personal representatives, survivors, successors and assigns of the parties hereto. Lessee acknowledges that any assignment or transfer by Lessor shall not materially change Lessee's duties or obligations under this Lease nor materially increase the burdens or risks imposed on Lessee.

13. Default. Lessee shall be in default under this Lease upon the occurrence of any one or more of the following events (each an "Event of Default"): (a) failure by Lessee to pay any Rent Payments or other amounts payable under any Supplementary Schedule for a period of ten (10) days or more, (b) failure by Lessee to perform any term or condition

hereunder, (c) the inaccuracy of any material representation or warranty made by the Lessee or any guarantor hereof in connection with any Supplementary Schedule hereunder, (d) Lessee's attempt to make an assignment of this Lease or any Supplementary Schedule or sublease any Equipment without Lessor's prior written consent, (e) Lessee dissolves or ceases to exist or transfers a major part in value of its assets, (f) Lessee becomes insolvent, makes an assignment for the benefit of creditors, files a voluntary petition or has an involuntary petition filed or action commenced against it under the United States Bankruptcy Code or any similar federal or state law, (g) an adverse change in Lessee's or any guarantor's financial condition as will, in the good faith judgment of Lessor, impair the Equipment or increase the credit risk involved, (h) failure by Lessee to obtain or maintain any insurance required by Lessor under any Supplementary Schedule hereunder, (i) any guarantor of any of Lessee's obligations under any Supplementary Schedule defaults in the performance of any covenant or obligation hereunder, or (j) Lessee files a UCC-3 termination statement without the prior written authorization of Lessor.

14. Remedies. Upon the occurrence of an Event of Default, Lessor may, at its option do any or all of the following: (a) proceed by appropriate court action either at law or in equity to enforce performance by Lessee of the applicable covenants and terms of this Lease, (b) retake immediate possession of the Equipment, wherever located, and for such purpose, enter upon any premises without liability for so doing, (c) cause Lessee, and Lessee hereby agrees, to return the Equipment to Lessor as provided in this Lease, (d) recover from Lessee all sums owing hereunder and/or all Rent Payments immediately due and payable as shown on the last invoice submitted by the Lessor, (e) sell, lease, hold, use or otherwise dispose of any Equipment as Lessor in its sole discretion may determine and Lessor shall not be obligated to give preference to the sale, lease or other disposition of the Equipment over the sale, lease or other disposition of similar Equipment owned or leased by Lessor, or (f) by notice in writing to Lessee, cancel this Lease whereupon all right and interest of Lessee in or to the possession or use of the Equipment shall absolutely cease. In any event, Lessee shall, without further demand, pay to Lessor an amount equal to all sums due and payable for all periods up to and including the date on which Lessor has declared this Lease to be in default and as partial damages for breach, a sum equal to the unpaid balance of Rent Payments for the current year of the Lease Term.

Further, Lessor shall be entitled to recover from Lessee and Lessee agrees to pay any and all damages which Lessor shall sustain by reason of any such default or breach by Lessee. Lessor shall use best efforts to mitigate damages in the event of any such default or breach by Lessee.

The remedies herein provided in favor of Lessor in the event of Lessee's default as hereinabove set forth shall not be deemed to be exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing in law, in equity or in bankruptcy.

If any sum due to Lessor hereunder is unpaid after its due date, Lessor may, at Lessor's option, collect a delinquency charge of up to the greater of ten dollars or interest at the rate of 18% per annum or at the highest rate permitted by law if less than 18%; provided, however, that Lessor may not charge any amounts in excess of those permitted by law. All such charges shall be payable forthwith as additional sums due hereunder.

15. Notices and Waivers. All notices relating to this Lease shall be delivered in person to an officer of the Lessor or Lessee or shall be mailed certified or registered to Lessor or Lessee at its respective address shown herein or to another address subsequently specified in writing by the appropriate party hereto. A waiver of a specific default shall not be a waiver of any other or subsequent default. No waiver of any provision of this Lease shall be a waiver of any other provision or matter, and all such waivers shall be in writing and executed by an officer of Lessor. No failure on the part of Lessor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof.

16. Entire Agreement, Modification. This Agreement, and any exhibit, Supplementary Schedules, supplement or addendum attached hereto are intended as a full and complete expression of and constitute the entire agreement of the parties with respect to the subject matter hereof, and all prior and contemporaneous understandings, agreements, promises, representations, warranties, terms and conditions, both oral and written, are merged and incorporated into this Agreement, and no such oral or written understanding, agreement, promise, representation, warranty, term or condition not specifically set forth herein shall be binding upon the parties. No agent or employee of any third party (including without limitation the supplier of the Equipment, sales representatives or any agent of such supplier) is authorized to bind Lessor to this Agreement, or to waive, modify or add to the terms and conditions printed herein. Lessee acknowledges and agrees that

neither the manufacturer, the supplier, nor any salesman, representative or other agent of the manufacturer or supplier, is an agent of Lessor. This Agreement and any waiver, modification or an addition to any of its provisions shall not be valid unless in writing and signed by an authorized officer or manager of Lessor.

17. Lessee's Financial Information. Lessee agrees to furnish from time to time such information regarding the financial condition of Lessee as Lessor may reasonably request.

18. Covenants and Warranties. Lessee represents and warrants to Lessor that it has power to execute, deliver and perform each Lease, that all required procedures for execution of this agreement, including competitive bidding, if applicable, have been complied with, and that all Rent Payments and other sums due hereunder will be paid out of funds which are legally available for such purposes. Additionally, Lessee represents, covenants and warrants that: (i) Lessee is a State or fully constituted political subdivision or agency of the State of the Equipment location within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended; (ii) this Lease and all related documents have been fully authorized and constitute valid legal and binding obligations of Lessee, enforceable in accordance with their terms; (iii) the person executing this Lease and any Supplementary Schedules and related documents on behalf of Lessee has been given authority to bind Lessee; (iv) there are no actions or proceedings pending or threatened against Lessee which, if adversely determined, will have a material adverse affect on the ability of Lessee to perform its obligations under a Lease; (v) the obligation of Lessee to pay rent shall constitute a current expense of Lessee and is not in contravention of any applicable limitation of indebtedness; (vi) under no circumstances will Lessee be permitted to terminate the Lease under Section 11 in the event that Lessee is not able to obtain a funding commitment from the Schools and Libraries program of the Federal Universal Service Fund or if such School and Libraries program is discontinued at any time during the Lease Term; and (vii) Lessee will use the Equipment solely to perform essential governmental functions.

19. Miscellaneous. This Lease shall be governed by the internal laws of the State of Ohio. Any litigation arising out of or relating to this Lease or any transaction contemplated hereby may be instituted in any federal or state court in Ohio. Lessee shall execute and deliver to Lessor, upon Lessor's request, such instruments and documents as Lessor deems necessary or advisable for the confirmation or perfection of this Lease and Lessor's rights hereunder, and Lessee hereby irrevocably appoints Lessor, its agents, successors or assigns, its true and lawful attorney-in-fact for the limited purpose of filing on behalf of Lessee any and all UCC Financing Statements, which in Lessor's sole discretion, are necessary or proper to secure Lessor's interest in the Equipment in all applicable jurisdictions. Where so provided by law, Lessor may execute and file evidence of its ownership to said Equipment. Any provision of this Lease prohibited by law in any state shall, as to such state, be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Lease. Lessee represents that the Equipment is being leased hereunder for business purposes and agrees that under no circumstances shall this Lease be construed as a consumer contract.

ATTEST FOR WITNESS

By: _____
(Signature)

Title: _____

LESSEE: Board of Education of the Cleveland Heights-
University Heights City School District

By: Cathy Murphy
(Signature)

Title: Superintendent

CO-LESSEE (if applicable):

By: _____
(Signature)

Title: _____

Accepted:

LESSOR: The Ohio Bell Telephone Company

By: _____

(Signature)

Title: _____

**RECEIVED
BUSINESS SERVICES**

NOV 14 2002

**CLEVE. HTS.-UNIV. HTS.
BOARD OF EDUCATION**

SQUIRE, SANDERS & DEMPSEY L.L.P.

4900 Key Tower
127 Public Square
Cleveland, Ohio 44114-1304

Office: +1.216.479.8500
Fax: +1.216.479.8780

Direct Dial: +1.216.479.8513
JBuchter@ssd.com

November 13, 2002

SBC Capital Services
2000 West Ameritech Center Drive, 4C35D
Hoffman Estates, Illinois 60196

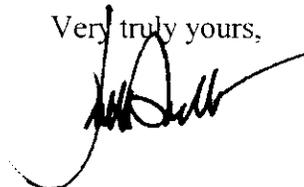
Re: Cleveland Heights-University Heights City School District, Ohio
Governmental Equipment Lease

Dear SBC Capital Services:

On behalf of the Board of Education of the Cleveland Heights-University Heights City School District, I attach the opinion of counsel in the form negotiated with Mr. Mason related to the Governmental Equipment Lease by and between The Ohio Bell Telephone Company and the Board of Education.

If you have any questions with regard to these matter, please let me know.

Very truly yours,



Jonathan F. Buchter/dam

Enclosure

cc: David J. Boyer, Director of Business Services (w/enc.)

November 19, 2002

To: Board of Education of the
Cleveland Heights-University Heights
City School District

Key Municipal Finance, a Division of
Key Corporate Capital, Inc.

Ladies and Gentlemen:

We have examined the transcript of proceedings (the Transcript) relating to the authorization, signing and delivery of Property Schedule No. 03 dated November 19, 2002 (the "Schedule") to the Master Tax-Exempt Lease/Purchase Agreement dated January 13, 2001 (the "Master Lease" and, collectively with the Schedule, the "Lease"), between Key Municipal Finance, a Division of Key Corporate Capital, Inc., as lessor (the "Lessor"), and the Board of Education of the Cleveland Heights - University Heights City School District (the "Board"), as lessee. Pursuant to the Lease the Board is providing for the improvement and equipping of certain school buildings by the installation of telecommunications equipment (the Property). Capitalized terms used herein and not defined herein have the respective meanings given to them in the Lease.

The Board is required by the Lease to make Rental Payments to the Lessor from appropriated funds during the initial term of the Lease and any renewal thereof (the initial term of the Lease and such renewal period during which the Lease is in force are hereinafter referred to, individually and not collectively, as the Lease Term). The aggregate principal component of the Rental Payments is \$732,323. The initial Lease Term commences as of November 19, 2002 and expires on June 30, 2003. Each renewal of the Lease will be for a term (Renewal Term) beginning July 1 and ending June 30 of the next calendar year, except that the final Renewal Term will end May 19, 2006. The renewal of the Lease, the Board's obligation to pay Rental Payments and other obligations of the Board under the Lease are subject to and dependent upon annual appropriations by the Board sufficient to pay Rental Payments. If the Board does not make an appropriation of money sufficient to pay Rental Payments in any succeeding Lease Term, the Lease will terminate as of the end of the then current Lease Term and the Board will be required to return possession of the Property to the Lessor, all in accordance with and subject to the provisions of the Lease.

We have also examined certain other documents, including certificates, opinions and records (but did not review any minutes of meetings of the governing board of the Board other than the meeting at which the Lease was authorized), and we made such investigations concerning applicable laws, as we considered to be appropriate for the purpose of rendering this opinion. For such purpose, we assume the authenticity of all original documents and the conformity to original documents of all copies of documents, the accuracy and completeness of all certificates and records as to factual matters, the authenticity of all signatures on documents and the legal capacity of signers to execute the documents, and the due authorization, execution and delivery by, and the binding effect upon and enforceability against, the Lessor of the Lease.

Board of Education of the
Cleveland Heights-University Heights City School District
Key Municipal Finance, a Division of Key
Corporate Capital, Inc.
November 19, 2002
Page 2

Based upon the foregoing examination and review, we are of the opinion that, under existing law:

(i) The Lease is legal, valid, binding, and enforceable against the Board in accordance with its terms subject to bankruptcy, insolvency and similar laws affecting creditors rights and to the exercise of judicial discretion.

(ii) The renewal of the Lease beyond each Lease Term and the Board's obligation to pay Rental are subject to and dependent upon annual appropriations by the Board. The Board's obligation to pay Rental Payments does not constitute a debt of the Board within the meaning of any constitutional or statutory limitation.

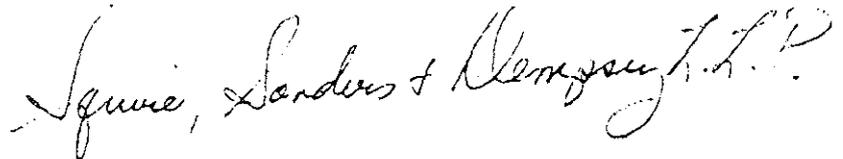
(iii) The Board's execution and delivery of the Lease and the performance of its obligations under the Lease do not and will not conflict with or violate any existing provisions of the Constitution or laws of the State of Ohio or, to the knowledge of our lawyers responsible for this matter, any order, writ, injunction or decree of any governmental authority, or, to the knowledge of our lawyers responsible for this matter, constitute a default under or conflict with or violate any indenture, mortgage, deed of trust or other agreement or instrument to which the Board is a party or by which it or any of its property is bound.

(iv) No consent, approval or other authorization by any regulatory authority having jurisdiction over the Board is required for the Board to enter into the Lease or perform the actions required on its part to be taken under the Lease.

As used in this opinion the term "our lawyers responsible for this matter" includes only those lawyers now with this Firm who have given substantive attention to this matter.

We are furnishing this opinion to you solely for your benefit and that of your assigns and no other person or entity shall be entitled to rely on any matter set forth herein without the express written consent of the undersigned.

Respectfully submitted,



ATTACHMENT A

Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
1000 Base-SX "short haul" GBIC(Multimode only)
Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
1000 Base-SX "short haul" GBIC(Multimode only)
Media Convergence Server 7835 PIII 1266 MHz Top Level Part
MCS-7835-1266 Server w/ Tape Drive-No Software-No Spares
CallManager 3.1 Software for MCS servers
Power Cord,110V
Cisco VoIP Voice Gateway for use with IP Telephony Solution
Cisco VG200 Series IOS MGCP/H323 VOIP GATEWAY
Two-Slot Voice/fax Network Module
Two-port Voice Interface Card - FXO w/ Reversal (for US+)
Power Cord,110V
Unity 3.1
Unity for CallManager, IP Only Integrations
Power Cord - US, Can, Mex, PR, Phil, Ven, Tai, Col, Ecu
Unity, 6-port Real Speak TTS. US Eng, UK, Fr, Ger, Euro Sp
MCS 7847 rack; 1GB; RAID 5, 2nd CPU (W2K included)
Unity Unified Messaging, 1175 users (includes 40 sessions)
Unity, Incremental users for 40-session UM system
Unity Data Store, required for 40-72 ports - Per Processor
Hot-Swap tape drive for MCS7837, MCS7847 and Compaq ML570
24x7x4 Onsite Svc, MCS 7847 rack; 1GB; RAID 5, 2nd CPU (W2K
24x7x4 Onsite Svc, Unity for CallManager
Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
1000 Base-SX "short haul" GBIC(Multimode only)
Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
1000 Base-SX "short haul" GBIC(Multimode only)
Cisco 3700 Series 2-slot Application Service Router
1-Port ISDN withNT-1WAN Interface Card(dial and leased line)
Two-Slot Voice/fax Network Module
Two-port Voice Interface Card - FXO w/ Reversal (for US+)
Power Cord,110V
Cisco 3725 Series IOS IP PLUS
Feat Lic Survivable Remote Site Telephony up to 48 phones
Feat Lic Survivable Remote Site Telephony up to 24 phones
Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V

ATTACHMENT A

1000BASE-T GBIC
1000 Base-SX "short haul" GBIC(Multimode only)
Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
1000 Base-SX "short haul" GBIC(Multimode only)
Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
1000 Base-SX "short haul" GBIC(Multimode only)
Catalyst 3524-PWR-XL Enterprise Edition
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Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
1000 Base-SX "short haul" GBIC(Multimode only)
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Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
1000 Base-SX "short haul" GBIC(Multimode only)
Media Convergence Server 7835 PIII 1266 MHz Top Level Part
MCS-7835-1266 Server w/out Tape Drive-No Software-No Spares
CallManager 3.1 Software for MCS servers
Power Cord,110V
Cisco 3700 Series 2-slot Application Service Router
1-Port ISDN withNT-1WAN Interface Card(dial and leased line)
Two-Slot Voice/fax Network Module
Two-port Voice Interface Card - FXO w/ Reversal (for US+)
Power Cord,110V
Cisco 3725 Series IOS IP PLUS
Single-Port 24 Channel T1 Voice/Fax Network Module
Catalyst 3508G XL Enterprise Edition
Power Cord,110V
Catalyst 3524-PWR-XL Enterprise Edition
Power Cord,110V
1000BASE-T GBIC
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ATTACHMENT A

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Two-port Voice Interface Card - FXO w/ Reversal (for US+)
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Feat Lic Survivable Remote Site Telephony up to 24 phones

Attachment B

School	Address	City, State & Zip
Whily	2181 Miramar Blvd.	University Heights, OH 44118
Millikin	1700 Crest Rd.	University Heights, OH 44118
Monticello	3665 Monticello	University Heights, OH 44118
Roxburo Middle	2400 Roxboro Rd.	University Heights, OH 44118
Roxburo Elementary	2405 Roxboro Rd.	University Heights, OH 44118
Boulevard	1749 Lee Rd.	University Heights, OH 44118
Canterberry	2530 Canterbury Rd.	University Heights, OH 44118
Coventry	2843 Washington Blvd.	University Heights, OH 44118
Fairfax	3150 Fairfax Rd.	University Heights, OH 44118
Garity	2323 Wrenford Rd.	University Heights, OH 44118
Noble	1293 Ardoon St.	University Heights, OH 44118
Oxford	939 Quilliams Rd.	University Heights, OH 44118