

Lessor:



Send Account Inquiries to:
1310 Madrid St., Ste. 101
Marshall, MN 56258
Phone: 800.328.5371
Fax: 800.328.9092

APPLICATION NO.

CONTRACT NO.

Supplier:



Sharp Plaza
Mahwah, NJ 07430

Value Lease Agreement

Send Payments to: P.O. Box 790448 • St. Louis, MO 63179-0448

The words you and your refer to the customer. The words Lessor, we, us and our refer to U.S. Bancorp Business Equipment Finance Group. Every attempt has been made to eliminate confusing language and create a simple, easy-to-read document.

CUSTOMER INFORMATION

Form with fields for FULL LEGAL NAME, STREET ADDRESS, CITY, STATE, ZIP, PHONE, FAX, BILLING NAME, BILLING STREET ADDRESS, CITY, STATE, ZIP, E-MAIL, EQUIPMENT LOCATION.

MAKE/MODEL NO./ACCESSORIES

SERIAL NO.

STARTING METER

Table with 3 columns: MAKE/MODEL NO./ACCESSORIES, SERIAL NO., STARTING METER. Rows include: 1 - Wide Format, 1 - Copy Net, 2 - MX5111N, 1 - MXM1100, 1 - MXM950.

LEASE TERMS

LEASE PAYMENT AMOUNT

SECURITY DEPOSIT

Table with 3 columns: LEASE TERMS, LEASE PAYMENT AMOUNT, SECURITY DEPOSIT. Includes terms like Term in Months (60), Payments of \$7,500.22, and various image payment inclusions.

THIS IS A NONCANCELABLE / IRREVOCABLE AGREEMENT, THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED.

LESSOR ACCEPTANCE

Signature line for U.S. Bancorp Business Equipment Finance Group with fields for DATED, LESSOR, SIGNATURE, TITLE.

CUSTOMER ACCEPTANCE

By providing a telephone number for a cellular phone or other wireless device, you are expressly consenting to receiving communications (for NON-marketing or solicitation purposes) at that number, including, but not limited to, prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system from Lessor and its affiliates and agents.

Signature line for CUSTOMER with fields for DATED, CUSTOMER, SIGNATURE, TITLE.

FEDERAL TAX I.D. #

PRINT NAME

CONTINUING GUARANTY

As additional inducement for us to enter into the Agreement, the undersigned ("you") unconditionally, jointly and severally, personally guarantees that the customer will make all payments and meet all obligations required under this Agreement and any supplements fully and promptly.

Signature line for CONTINUING GUARANTY with fields for PRINT NAME OF GUARANTOR, SIGNATURE, DATED.

ACCEPTANCE OF DELIVERY

You certify that all the Equipment listed above has been furnished, that delivery and installation has been fully completed and satisfactory. Further, all conditions and terms of this Agreement have been reviewed and acknowledged.

X

DATE OF DELIVERY CUSTOMER

SIGNATURE

TITLE

Page 1 of 2

1. **AGREEMENT:** You agree to rent from us the personal property described under "MAKE/MODEL/ACCESSORIES" and as modified by supplements to this Value Lease Agreement from time to time signed by you and us (such property and any upgrades, replacements, repairs and additions referred to as "Equipment") for business purposes only. You agree to all of the terms and conditions contained in this Agreement and any supplement, which together are a complete statement of our Agreement regarding the listed equipment ("Agreement") and supersedes any purchase order or outstanding invoice. This Agreement may be modified only by written agreement and not by course of performance. This Agreement becomes valid upon execution by us and will begin on the rent commencement date and will continue from the first day of the following month for the number of consecutive months shown. The term will be extended automatically for successive 12 month terms unless you send us written notice you do not want it renewed at least ninety (90) days, not more than 180 days before the end of any term. If any provision of this Agreement is declared unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in that jurisdiction and all others. You agree that a facsimile copy of the Lease with facsimile signatures may be treated as an original and will be admissible as evidence of the Agreement. You authorize us to insert or correct missing information on this lease including your proper legal name, serial numbers and any other numbers describing the Equipment. You agree to provide updated annual and/or quarterly financial statements to us upon request.

2. **RENT:** Rent will be payable in installments, each in the amount of the basic rental payment shown plus any applicable sales, use or property tax. If we pay any tax on your behalf, you agree to reimburse us promptly along with a processing fee. You will pay the security deposit on the date you sign this Agreement. Subsequent installments will be payable on the first day of each rental payment period shown beginning after the first rental payment period or as otherwise agreed. We will have the right to apply all sums received from you to any amounts due and owed to us under the terms of this Agreement.

3. **MAINTENANCE AND SUPPLIES:** The charges established by this Agreement include payment for the use of the designated Equipment and accessories, maintenance by Supplier (during normal business hours); inspection, adjustment, parts replacement, drums and cleaning material required for the proper operation, as well as black toner and developer. Paper and staples must be separately purchased by you. Color toner, not included in this Agreement will be billed separately. If necessary, the service and supply portion of this Agreement may be assigned. We may charge you a Supply Freight Fee to cover our costs of shipping supplies to you.

4. **OWNERSHIP OF EQUIPMENT:** Unless you have a \$1.00 purchase option, we have title sole title to the Equipment (excluding software). If you have a \$1.00 purchase option and/or the Agreement is deemed to be a security agreement, you grant us a security interest in the Equipment and all proceeds thereof. You agree to keep the Equipment free and clear of all liens and claims.

5. **WARRANTY DISCLAIMER: WE MAKE NO WARRANTY EXPRESS OR IMPLIED, INCLUDING THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABILITY. YOU AGREE THAT YOU HAVE SELECTED EACH ITEM OF EQUIPMENT BASED UPON YOUR OWN JUDGMENT AND DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY US.**

6. **LOCATION OF EQUIPMENT:** You will keep and use the equipment only at your address shown above and you agree not to move it unless we agree to it. At the end of the Agreement's term, you will return the Equipment to a location we specify at your expense, in retail resalable condition, full working order, and in complete repair. We may inspect the Equipment during the lease term.

7. **LOSS OR DAMAGE:** You are responsible for the risk of loss or for any destruction of or damage to the equipment. No such loss or damage relieves you from the payment obligations under this Agreement. You agree to promptly notify us in writing of any loss or damage and you will then pay to us the present value of the total of all unpaid monthly payments for the full rental term plus the estimated fair market value of the Equipment at the end of the originally scheduled term, all discounted at three percent (3%) per year. Any proceeds of insurance will be paid to us and credited, at our option, against any loss or damage.

8. **COLLATERAL PROTECTION AND INSURANCE:** You agree to keep the equipment fully insured against loss with us as loss payee in an amount not less than replacement cost until this Agreement is terminated. You also agree to obtain a general public liability insurance policy from anyone who is acceptable to us and to include us as an insured on the policy. You agree to provide us certificates or other evidence of insurance acceptable to us, before this Agreement begins or, should you wish us to waive this requirement, we will bill you and you will pay a monthly property damage surcharge of up to .0035 of the total stream of payments as a result of our administrative costs, credit risk and other costs. We may make a profit on this program. As long as you are current at the time of the loss (Intentional acts are not included), the remaining balance owed on the Agreement will be forgiven. You must be current to benefit from this program. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF YOUR RESPONSIBILITY FOR LIABILITY INSURANCE COVERAGE ON THIS EQUIPMENT.

9. **INDEMNITY:** We are not responsible for any loss or injuries caused by the installation or use of the equipment. You agree to hold us harmless and reimburse us for loss and to defend us against any claim for losses or injury caused by the Equipment.

10. **TAXES AND FEES:** You agree to pay when invoiced all taxes (including personal property tax, fines and penalties) and fees relating to this Agreement or the Equipment. You agree to (a) reimburse us annually for all personal property taxes which we are required to pay as Lessor of the Equipment or to remit to us each month our estimate of the monthly equivalent of the annual property taxes to be assessed. We will file all personal property, use or other tax return and you agree to pay us a process fee for making such filings. In addition you agree to pay us a UCC filing fee of \$35.00 and reimburse us for all costs involved in documenting and servicing this Agreement. You further agree to pay us \$75.00 on the date the first payment is due as an origination fee. We reserve the right to charge a fee upon termination of this Agreement either by trade-up, buy-out or default. Any fee charged under this Agreement may include a profit and is subject to applicable taxes.

11. **ASSIGNMENT: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBRENT THE EQUIPMENT OR THIS AGREEMENT.** We may sell, assign, or transfer this Agreement without notice. You agree that if we sell, assign, or transfer this Agreement, the new Lessor will have the same rights and benefits that we have now and will not have to perform any of our obligations. You agree that the rights of the new Lessor will not be subject to any claims, defenses, or set offs that you may have against us.

12. **DEFAULT AND REMEDIES:** If you do not pay any monthly payment or other sum due to us or other party when due or if you break any of your promises in the Agreement or any other Agreement with us, or a petition is filed by or against you or any Guarantor under any bankruptcy or insolvency law, you will be in default. If any part of a payment is late, you agree to pay a late charge of 15% of the payment which is late or if less, the maximum charge allowed by law. If you are ever in default, we may retain your security deposit and at our option, we can terminate or cancel this Agreement and require that you pay (1) the unpaid balance of this Agreement (discounted at 3%); (2) the amount of any purchase option and if none is specified, not greater than 30% of the original equipment cost on Agreements with terms of 0 to 42 months and not greater than 20% of the original equipment cost on Agreements with terms of 43 to 63 months which represents our anticipated residual value in the equipment; (3) and return the equipment to us to a location designated by us. We may recover interest on any unpaid balance at the rate of 8% per annum. We may also use any of the remedies available to us under Article 2A of the Uniform Commercial Code as enacted in the state of Lessor or its Assignee or any other law. If we refer this Agreement to an attorney for collection, you agree to pay our reasonable attorney's fees and actual court costs. If we have to take possession of the equipment, you agree to pay the cost of repossession. The net proceeds of the sale of any repossessed Equipment will be credited against what you owe us under this Agreement. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES FOR ANY DEFAULT BY US UNDER THIS AGREEMENT. You agree that any delay or failure to enforce our rights under this Agreement does not prevent us from enforcing any rights at a later time. It is further agreed that your rights and remedies are governed exclusively by this Agreement and you waive customer's rights under Article 2A (508-522) of the UCC.

13. **UCC FILINGS:** You grant us a security interest in the equipment if this Agreement is deemed a secured transaction and you authorize us to record a UCC-1 financing statement or similar instrument, and appoint us your attorney-in-fact to execute and deliver such instrument, in order to show our interest in the equipment.

14. **SECURITY DEPOSIT:** The security deposit is non interest bearing and is to secure your performance under this Agreement. Any security deposit made may be applied by us to satisfy any amount owed by you, in which event you will promptly restore the security deposit to its full amount as set forth above. If all conditions herein are fully complied with and provided you have not ever been in default of this Agreement per paragraph 12, the security deposit will be refunded to you after the return of the equipment in accordance with paragraph 6.

15. **CONSENT TO LAW, JURISDICTION, AND VENUE:** This Agreement shall be deemed fully executed and performed in the state of Lessor or its Assignee and shall be governed by and construed in accordance with its laws. If the Lessor or its Assignee shall bring any judicial proceeding in relation to any matter arising under the Agreement, the Customer irrevocably agrees that any such matter may be adjudged or determined in any court or courts in the state of Lessor or its Assignee. The Customer hereby irrevocably submits generally and unconditionally to the jurisdiction of any such court so elected by Lessor in relation to such matters. You waive trial by jury in any action between us.

16. **COVERAGES AND COST ADJUSTMENTS:** You agree to comply with any billing procedures designated by us, including notifying us of the meter reading at the end of each month. At the end of the first year of this Agreement and once each successive twelve month period, we may increase the base usage charge per image and the per image charge over the base minimum by a maximum of 10% of the existing charge.

17. **UPGRADE/DOWNGRADE PROVISION: AFTER INCEPTION OF THE AGREEMENT AND UPON YOUR REQUEST, WE MAY REVIEW YOUR IMAGE VOLUME AND PROPOSE OPTIONS FOR UPGRADING OR DOWNGRADING TO ACCOMMODATE YOUR NEEDS.**

18. **TRANSITION BILLING:** You agree to pay to us an Interim payment from and including the Commencement Date through, but not including, the payment due date of the next month following the Commencement Date (the "Interim Payment Period") at a rate equal to 1/30th of the Minimum Monthly Payment set forth herein for each calendar day during the Interim Payment Period.

## FOR MUNICIPALITIES ONLY

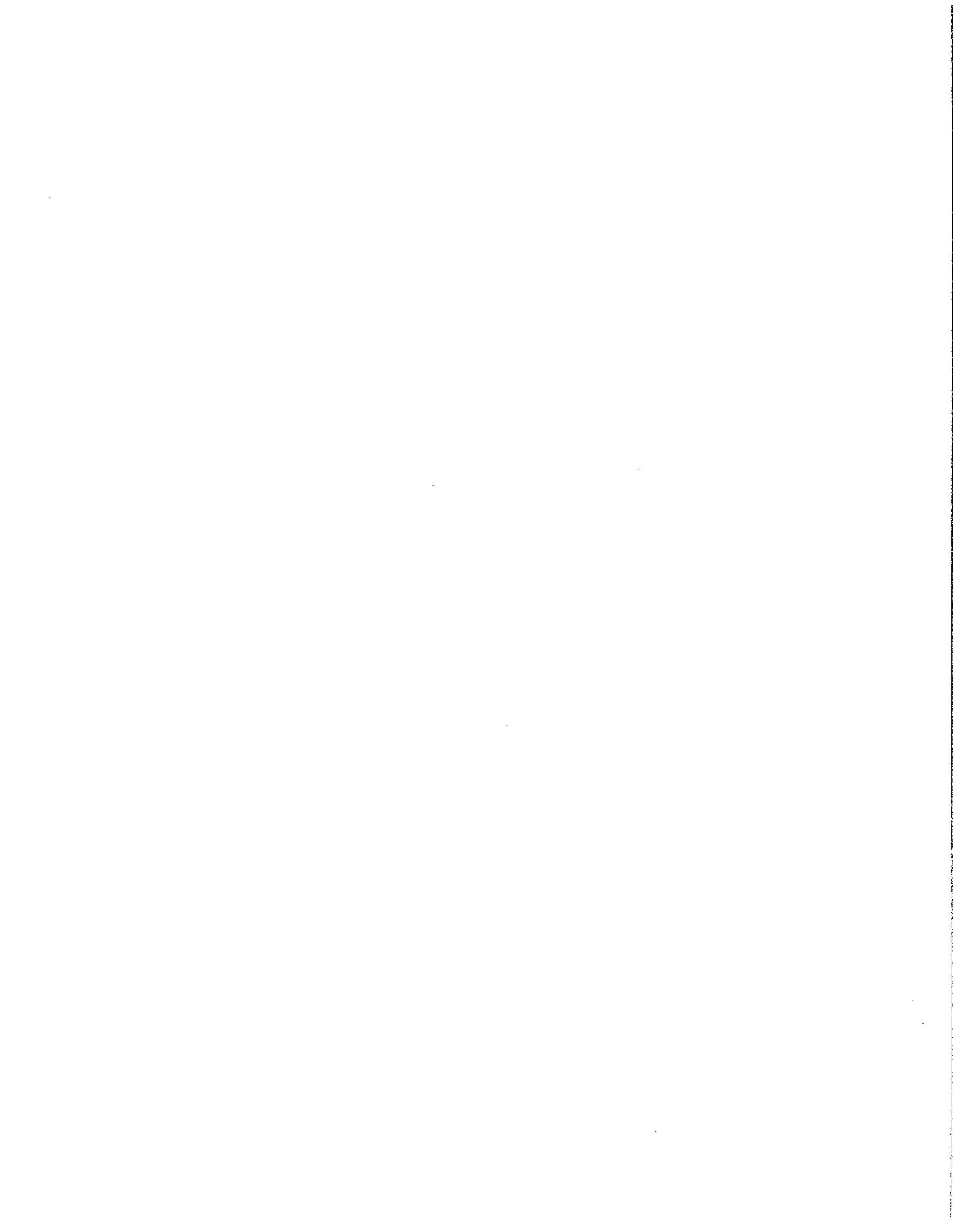
19-A. **CUSTOMER COVENANTS:** You covenant and warrant that (1) it has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the payments scheduled to come due and to meet its other obligations under the Agreement and such funds have not been expended for other purposes; and (2) that there is no action, suit, proceeding or investigation pending, or threatened in any court or other tribunal or competent jurisdiction, state or federal or before any public board or body, which in any way would (a) restrain or enjoin the delivery of the Agreement or the ability of you to make its Base Payments (as set out above); (b) contest or affect the authority for the execution or delivery of, or the validity of, the Agreement; or (c) contest the existence and powers of you; nor is there any basis for any such action, suit, proceeding or investigation; and (3) That the equipment will be operated and controlled by you and will be used for essential government purposes and will be essential for the term of the Agreement. (4) You have not previously terminated a rental for non-appropriation, except as specifically described in a letter appended hereto.

19-B. **SIGNATURES:** Each signor (two if monthly payment exceeds \$1,200) warrants that he/she is fully conversant with the governing relevant legal and regulatory provisions and has full power and authorization to bind you. Signor(s) for you further warrant(s) its governing body has taken the necessary steps; including any legal bid requirements, under applicable law to arrange for acquisition of the Equipment; the approval and execution has been in accordance with all applicable open meeting laws; and that a resolution of the governing body of you authorizing execution of the Agreement has been duly adopted and remains in full force and effect.

19-C. **NON APPROPRIATION:** In the event you are in default under the Agreement because:

1. Funds are not appropriated for a fiscal period subsequent to the one in which the Agreement was entered into which are sufficient to satisfy all of your obligations under the Agreement during said fiscal period;
2. Such non-appropriation did not result from any act or failure to act of you;
3. You have exhausted all funds legally available for all payment due under the Agreement; and
4. There is no other legal procedure by which payment can be made to Lessor.

Then, provided that (a) you have given Lessor written notice of the occurrence of paragraph 1 above thirty (30) days prior to such occurrence; (b) Lessor has received a written opinion from your counsel verifying the same within ten (10) days thereafter; and (c) you do not directly or indirectly purchase, rent or in any way acquire any services or equipment supplied or provided for hereunder; upon receipt of the equipment delivered to a location designated by Lessor, at your expense, Lessors remedies for such default shall be to terminate the Agreement at the end of the fiscal period during which notice is given; retain the advance payments, if any; and/or sell, dispose of, hold, use or rent the equipment as Lessor in its sole discretion may desire, without any duty to account to you.



Customer Bill To	
Customer Name	
Mailing Address	
City	State Zip
Billing Contact	
Phone	Fax
E-Mail	

Customer Location	
Customer Location/Department Name	
City of Durham Print Shop	
Location Address	Zip
101 City Hall Plz 27701	
Physical Location Description	
City	State
Durham	NC
Key Contact	
Phone	Fax
(919) 560-4120	(919) 560-4917
E-Mail	
deanna.overman@durhamnc.gov	
Meter Contact	
Phone	Fax
E-Mail	

Equipment Covered		
Model MX1100	Serial Number / ID Number Black Start Meter	Color Start Meter
Model MX950	Serial Number / ID Number Black Start Meter	Color Start Meter
Model MX5111	Serial Number / ID Number Black Start Meter	Color Start Meter
Model MX5111	Serial Number / ID Number Black Start Meter	Color Start Meter
Model See addendum	Serial Number / ID Number Software & Wide Forma	Color Start Meter
Cancel Equip ID	Cancel Equip ID	Cancel Equip ID

Agreement Entitlement				Start Date			
Parts Yes	Labor Yes	Drums Yes	B Toner Yes	C Toner Yes	Developer Yes	Fuser Oil No	Staples No

Detail of Charges		Authorizations	
Base Charge per Freq	<input checked="" type="checkbox"/>	Comments	
Check if maintenance charges are part of lease payment		Includes \$100,000 Payoff Xerox Lease	
Base Charge Frequency	Meter Frequency	Authorizing Contract Number	
Monthly	Quarterly	Purchase Order Number	
Meter Allowance 1 per Frequency	Aggregate	I have read and understand our obligations under the terms and conditions stated herein, and on the reverse side thereof, as the only agreement pertaining to the equipment hereunder. No other agreements apply unless expressly noted on the face of this agreement or in the contracts specified above. I understand all meter counts are based on 8.5 x 11 (minimum) single sided images unless otherwise noted.	
B/W 225,000	No	<input checked="" type="checkbox"/> Customer has declined maintenance coverage at this time.	
Meter Allowance 2 per Frequency	Consolidate	<input type="checkbox"/> The customer understands obtaining maintenance coverage later may incur charges in addition to the normal maintenance charges and has been informed as to the current time and material billing rates.	
Color 11,500	No	Print Name	
Meter Allowance 3 per Frequency	MPS	Customer Signature	Date
	No		
Excess Charge 1	Term (Months)		
.0055	12		
Excess Charge 2	Master Contract Number		
.0625			
Excess Charge 3			

**THIS AGREEMENT SHALL NOT BE EFFECTIVE UNLESS SIGNED BY THE CUSTOMER AND SBS CONTRACT MANAGEMENT.**

Maintenance Agreement contracts are non-refundable, non-transferable, and non-cancelable. Where applicable, price does not include tax. Sharp Business Systems is a division of Sharp Electronics Corporation.

Sharp Authorization \_\_\_\_\_ Date \_\_\_\_\_

SBS Agreement Number \_\_\_\_\_

