

Product Schedule & Payment Agreement

Page 1 of 2

Company information:
Please use the full legal name of your company

Full Legal Name : City of Lincoln, Nebraska
 Street Address : 555 South 10th Street,
 City: Lincoln County :
 State: Nebraska Zip : 68508
 Federal Tax I.D. #:
 Contact Vince Mjer Phone: 402-441-7410

Tax Status
(attach documentation if applicable)

Taxable Direct Pay Permit Tax Exempt

Sales/Use Tax

Personal property tax

Paid Upfront Billed Upfront (Financed) Billed with each payment
 include in rate Bill as additional Lessee pays directly Lessee is exempt

Product Location
(if other than above)

Street Address: 555 South 10th Street,
 City: Lincoln County:
 State: NE Zip Code: 68508

Billing Address
(if other than above)

Street Address: 555 South 10th Street,
 City: Lincoln County:
 State: Nebraska Zip Code: 68508
 Contact: Phone:

Our agreement

includes:
The items checked are incorporated and by this reference made a part of this

- Master Lease # _____
- First Year Support Coverage
- Early Buyout Schedule Dated Nov 16, 2001
- Form 8038-G
- State/Local Govt. Rider
- Multi Year Support Coverage
- Delivery and Acceptance
- Financing Agreement
- _____

The Product schedule:

Please see the attached Advizex Technologies Quote# linNE5A and linNE7C dated 10/30/2001.

Please attach Equipment Quote or complete this

Total Equipment:	\$127,441.25
Down payment: (Less)	
Net Balance to Finance:	\$127,441.25

Lease

Payments:

Term	Number of Payments (in months)	Payments per Year	Payment Amount (plus applicable taxes)
36	36	12	\$3,741.68



6 This Agreement is for a(n): HP State & Local Government

1. **Non-Cancelable:** THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN.

2. **Term:** The term of this Schedule and Agreement for each Product covered hereunder shall commence upon the date Lessor executes the same and shall expire 36 months following the "Rent Commencement Date" as defined in paragraph 2 of the Financing Agreement, or on the expiration of any applicable renewal period. However, if Lessee has executed this Schedule and the Product ordered has been delivered prior to Lessor's execution thereof, the term of this Schedule and Agreement shall be effective on the date of execution by Lessee.

3. **Interest:** [applicable only to Installment sales and leases with \$1.00 buyout options] The interest to be paid under this Product Schedule and Payment Agreement is \$7,259.23.

4. **Purchase, Renewal, Return Options:** Provided that no event of default has occurred and is continuing to occur at the end of the initial non-cancelable lease term or subsequent renewal term, Lessee shall have the option to exercise the following options by providing Lessor with at least sixty (60) days prior written notice of its intent to:

(i) Purchase all or some of the Product covered by this Agreement for: (CHECK ONE)

The then fair market value of each Product to be purchased. Lessor will advise Lessee in writing as to the then applicable Fair Market Value for each Product to be purchased;

OR One Dollar (\$1.00) for each Product (available only for State and Local Government Leases or with special approval);

OR Fixed Purchase Option of 0.00% of the original amount to finance of the Product to be purchased (less discounts if applicable) plus any accrued late charges and taxes applicable to the transfer of this Product.

(ii) Except for HP ChannelRent and EasyRent, renew all or some of the Equipment covered by this Agreement for an additional non-cancelable period of twelve (12) months for the:

$$\frac{\text{Net Price of Equipment to be Renewed}}{\text{Total Net Price of Equipment}} \times \text{Original Monthly} \times 75\% \text{ Payment}$$

(iii) Renew all or some of the Product covered by this Agreement on a month-to-month basis for the:

$$\frac{\text{Net Price of Equipment to be Renewed}}{\text{Total Net Price of Equipment}} \times \text{Original Monthly Payment}$$

(iv) Return in accordance with the referenced Financing Agreement any Product covered by this Schedule that is not purchased or renewed.

If Lessee fails to notify Lessor of its intentions at least sixty (60) days prior to the expiration of this Schedule, it is agreed that Lessee shall renew all of the Product covered hereunder in accordance with option (iii) above.

During the renewal period, Lessee may purchase all or some of the Product covered hereunder for the price computed in accordance with option (i) above by providing Lessor with sixty (60) days prior written notice.

If Lessee has selected a fixed-price purchase option, during the renewal period, such purchase option shall be re-determined based on the total lease term.

IF LESSEE EXERCISES ITS OPTION TO PURCHASE THE PRODUCT, IT IS SOLD IN ITS THEN "AS IS" CONDITION AT ITS LOCATION WHEN THE OPTION IS EXERCISED.

5. **Early Buyout Option:** At its option beginning with the fourth (4th) month following the Rent Commencement Date, Lessee may purchase all of the Product in its then "as is" condition at its location when the option is exercised. Except for leases with Fair Market Value purchase options, the purchase price shall be determined from the referenced Early buyout Schedule. The early buyout purchase price for leases with Fair Market Value Purchase options shall be such that Lessor's projected yield from the lease shall be preserved.

6. **Product Upgrade/Add-On:** At its option but subject to Lessor's prior written consent, Lessee may enhance or upgrade those items covered under this Schedule by leasing additional or upgrade Product on a then currently marketed Lessor upgrade program. Such additional or upgrade equipment shall be scheduled on a new Product Schedule and Payment Agreement.

7. **Upgrade Credit:** If this Schedule reflects an upgrade credit for Product to be returned by Lessee, Lessee agrees to return such Equipment within thirty (30) days of delivery and acceptance of the new Product acquired hereunder to Lessor's remarketing facility.

8. **Financing Statement:** Lessee hereby nominates and appoints Lessor as its attorney-in-fact for the sole purpose of executing on Lessee's behalf financing statements (and any appropriate amendments thereto) under the provisions of the Uniform Commercial Code for protective purposes.

8 By execution hereof, the signer certifies that s/he has read this agreement and that s/he is duly authorized to execute this agreement on behalf of her/his respective party.

Lessor: Hewlett-Packard Company

By: _____

Name: _____

Title: _____ Date: _____

Lessee: City of Lincoln, Nebraska

By: _____

Name: _____

Title: _____ Date: _____

Co-Lessee:

By: _____

Name: _____

Title: _____ Date: _____



EARLY BUYOUT SCHEDULE

CUSTOMER: Lincoln, City of Inc
 AGREEMENT NUMBER: 37475A
 CONTRACT TYPE: 4020 - Installment

TODAY'S DATE: 16-Nov-01
 PAYMENTS ARE IN ADVANCE
 PPT NOT INCLUDED IN RATE

Periodic Rate Factor: 2.936% of the balance to finance each period beginning In month 1

Buyout is	n/a	after month	1	Buyout is	n/a	after month	2
Buyout is	96.74%	after month	3	Buyout is	93.95%	after month	4
Buyout is	91.02%	after month	5	Buyout is	88.08%	after month	6
Buyout is	85.14%	after month	7	Buyout is	82.21%	after month	8
Buyout is	79.27%	after month	9	Buyout is	76.34%	after month	10
Buyout is	73.40%	after month	11	Buyout is	70.46%	after month	12
Buyout is	67.53%	after month	13	Buyout is	64.59%	after month	14
Buyout is	61.66%	after month	15	Buyout is	58.72%	after month	16
Buyout is	55.78%	after month	17	Buyout is	52.85%	after month	18
Buyout is	49.91%	after month	19	Buyout is	46.98%	after month	20
Buyout is	44.04%	after month	21	Buyout is	41.10%	after month	22
Buyout is	38.17%	after month	23	Buyout is	35.23%	after month	24
Buyout is	32.30%	after month	25	Buyout is	29.36%	after month	26
Buyout is	26.42%	after month	27	Buyout is	23.49%	after month	28
Buyout is	20.55%	after month	29	Buyout is	17.62%	after month	30
Buyout is	14.68%	after month	31	Buyout is	11.74%	after month	32
Buyout is	8.81%	after month	33	Buyout is	5.87%	after month	34
Buyout is	2.94%	after month	35	Buyout is	0.00%	after month	36

THE ABOVE BUYOUT PERCENTAGES ARE PREDICATED UPON THE FOLLOWING ASSUMPTIONS:

- * That all rents due are current. The buyout percentage does not include open invoices.
- * That no event of default has occurred and is continuing at the time the buyout is quoted.
- * The above percentages apply to the amount financed only and do not include applicable taxes (if any).
- * The above percentages include Personal Property Tax Recapture (if applicable) and a processing fee.

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 148(e)
 See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority If Amended Return, check here

1 Issuer's name	2 Issuer's employer identification number	
3 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	4 Report number 3
5 City, town, or post office, state, and ZIP code	6 Date of issue	
7 Name of issue	8 CUSIP number	
9 Name and title of officer or legal representative whom the IRS may call for more information	10 Telephone number of officer or legal representative	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11 <input type="checkbox"/> Education	11
12 <input type="checkbox"/> Health and hospital	12
13 <input type="checkbox"/> Transportation	13
14 <input type="checkbox"/> Public safety	14
15 <input type="checkbox"/> Environment (including sewage bonds)	15
16 <input type="checkbox"/> Housing	16
17 <input type="checkbox"/> Utilities	17
18 <input type="checkbox"/> Other. Describe	18
19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called	_____
34 Enter the date(s) the refunded bonds were issued	_____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	37a
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/>	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>	
40 If the issuer has identified a hedge, check box <input type="checkbox"/>	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here

Signature of Issuer's authorized representative _____ Date _____ Type or print name and title _____

Hewlett-Packard State/Local Government Rider

Financing Agreement No. 37475A

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The provision of the aforementioned Agreement not with standing, Hewlett-Packard Company ("Lessor") and Lessee mutually agree that:

1. Availability of Funds, Non-Appropriation of Funds

Lessee reasonably believes that funds can be obtained sufficient to pay all monies due during the Agreement Term and hereby covenants that it will do all things lawfully within its power to obtain, maintain and properly request and pursue funds from which the Agreement Payments may be made, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved. It is Lessee's intent to make Agreement Payments for the full Agreement Term if funds are legally available therefor and in that regard Lessee represents that the use of the Equipment is essential to its proper, efficient and economic operation.

In the event no funds or insufficient funds are appropriated and budgeted or no funds are otherwise legally available by any means whatsoever in any fiscal period for Agreement Payments due under this Agreement, then the Lessee will immediately notify lessor or its assigns of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which approbations were received without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Agreement Payments herein agreed upon for which funds shall have been appropriated and budgeted or otherwise available. In the event of such termination, Lessee agrees to return Product to lessor or its assigns on the date of such termination, packed for shipment in accordance with manufacturer specifications, and freight prepaid and insured to any location in the continental United States designated by lessor. Lessor will have all legal and equitable rights and remedies to take possession of the Product.

Notwithstanding the foregoing, Lessee agrees (i) that it will not cancel this Agreement under the provisions of this paragraph if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Product or other equipment performing functions similar to the Product for the fiscal period in which such termination occurs or the next succeeding fiscal period thereafter and (ii) that it will not during the Agreement Term give priority in the application of funds to any other functionally similar Product. This paragraph will not be construed so as to permit Lessee to terminate this Agreement

in order to acquire any other equipment or to allocate funds directly or indirectly to perform essentially the same application for which the Product is intended.

2. Income Tax Indemnity

This agreement has been entered into on the basis that lessor or any Assignee of lessor shall claim that the interest paid hereunder is exempt from federal income tax under Section 103(a) of the Internal Revenue Code of 1986 as amended. Should the United States Government disallow, eliminate, reduce, recapture, or disqualify, in whole or in part, any benefits of such exemption as a result of any acts or omissions by Lessee or as a result of the inapplicability of such section at the time this Agreement is entered into because of the status of Lessee, Lessee shall then indemnify Lessor by payment, at Lessor's election, of either:

- (a) Supplemental Payment to lessor during the remaining period of the Agreement Term in an amount necessary to permit lessor to receive (on an after tax basis over the full term of the Agreement) the same rate of return that lessor would have realized had there not been a loss or disallowance of such benefits, together with the amount of any interest or penalty which may be assessed by the governmental authority with respect to such loss or disallowance; or
- (b) A lump sum payable upon demand to lessor which shall be equal to the amount necessary to permit lessor to receive (on an after tax basis over the full term of the Agreement) the same rate of return that lessor would have realized had there not been a loss or disallowance of such benefits together with the amount of any interest or penalty which may be assessed by the governmental authority with respect to such loss or disallowance.

3. Authority and Authorization

Lessee represents and warrants that: (i) Lessee is a fully constituted political subdivision or agency of the state or local governmental unit where the Equipment is located; (ii) the execution, delivery and performance by the Lessee of this Agreement have been duly authorized by all necessary action on the part of Lessee; and (iii) this Agreement constitutes a legal, valid and binding obligation of the Lessee enforceable in accordance with its terms. Lessee agrees that (i) it will do or cause to be done all things necessary to preserve and keep the

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Hewlett-Packard
State/Local Government Rider

Financing Agreement No. 37475A

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Agreement in full force and effect, (ii) it has complied with all bidding requirements where necessary and by due notification presented this Agreement for approval and adoption as a valid obligation on its part, and (iii) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period.

4. Non-Assignability by Lessor

Lessor agrees that it shall not and will not sell, discount, factor, hypothecate or otherwise dispose of its interest in the Equipment and/or the above referenced Financing Agreement.

5. Interest recognition

Lessee and lessor recognize and agree that a portion of the rent hereunder is interest based on the total equipment cost as shown on the equipment schedule, and calculated at the rate of 3.8500 percent (%) per annum.

6. Ownership/ Use of Equipment

Unless otherwise specially acknowledged and agreed to by lessor, Lessee hereby represents and warrants that it is and will remain the exclusive owner, user and operator of the Equipment covered under this Agreement.

7. Form 8038-G Filing Requirement

Lessee hereby acknowledges and agrees that:

- a) Pursuant to the requirements of Section 149 (e) of the Internal revenue Code of 1986, Lessee is responsible for preparing, executing and timely filing an "Information return for Tax-Exempt Governmental Bond Issues" (I.R.S. Form #8038-G) in connection with this transaction.
- b) Lessee will provide lessor with a copy of the I.R.S. Form 8038-G on or before 45 days following the end of the calendar quarter in which this transaction was funded.
- c) Should Lessee fail to properly and timely file an I.R.S. Form 8038-G and to provide Lessor with a copy of the same as provided for above, Lessee's monthly payment shall be increased accordingly, the interest rate applicable to this transaction shall increase to 3.132 percent (%) per month from 2.936 percent (%) per month, retroactive to the original Rent Commencement Date under the above Agreement.
- d) Lessor will, on a best efforts basis, assist Lessee in the preparation and filing of any Form 8038-G required hereunder.

By execution hereof, the signer certifies that s/he has read this Rider and is duly authorized to execute this Agreement on behalf of Lessee.

Lessor: Hewlett-Packard Company

Lessee: City of Lincoln, Nebraska

By: _____

By: _____

Name: _____

Name: _____

Title: _____ Date: _____

Title: _____ Date: _____



Hewlett-Packard
CERTIFICATE OF
DELIVERY & ACCEPTANCE

Financing Agreement No.: 37475A

The Undersigned Lessee hereby certifies as follows:

- (i) that all Product described in the referenced Financing Agreement provided by Advizex Technologies ("Vendor") has been delivered to and has been received by the lessee;
- (ii) that all installation, if applicable, or other work necessary prior to the use of the Product, as mutually agreed upon, has been completed;
- (iii) that the Product has been examined by lessee and is in good operating order and condition; and
- (iv) the Product is accepted by the Lessee under the Financing Agreement.

In the event the Product fails to perform as expected or represented, Lessee will honor the Financing Agreement and continue to remit scheduled payments. Lessee will look solely to Vendor for the performance of all covenants and warranties. By execution hereof, the signer certifies that s/he has read this Certificate and that s/he is duly authorized to execute this Certificate on behalf of Lessee.

By execution hereof, the signer certifies that s/he has read this Certificate and is duly authorized to execute this Certificate on behalf of Lessee.

lessee: City of Lincoln, Nebraska

By: _____

Name: _____

Title: _____ Date: _____

This Certificate of Delivery and Acceptance must be signed by Lessee and received by Lessor prior to payment of Vendor's invoice. Do not sign this certificate until all of the product has been delivered, installed and accepted.



FCGD&A 119901

Hewlett-Packard Financing Agreement

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Financing Agreement #: _____

Lessee: City of Lincoln, Nebraska

Lessor hereby agrees to finance to Lessee and Lessee hereby agrees to finance from Lessor, subject to the terms of this Financing Agreement ("Agreement"), the personal property together with all attachments, replacements, parts, substitutions, additions, software licenses, repairs, support, consulting, and accessories incorporated/affixed whether or not provided by Hewlett-Packard ("Product") described in any Lessor Product Schedule ("Schedule") executed by the parties pursuant to this Agreement.

1. Non-Cancelable

This Agreement shall be effective as of the date of execution by both parties. **THIS AGREEMENT AND ANY SCHEDULES EXECUTED HEREUNDER CANNOT BE CANCELED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN.**

2. Rent; Acceptance of Product

Lessee shall pay to Lessor for use of the Product during the initial and any renewal term of any Schedule, the payment amount specified on said Schedule ("Rent"). Lessee's acceptance will be presumed unless Lessee demonstrates within 14 days after delivery that the Product is not acceptable. Lessor reserves the right to charge interest on any balance that exceeds 30 days past due. Rent shall begin to accrue upon delivery and acceptance of Product ("Rent Commencement Date"). Rent shall begin to accrue whether or not Lessee has received notice that such payment is due.

3. Taxes; Insurance

Lessee agrees to pay to Lessor, when due, all license fees, assessments, sales, use, personal property, excise, and other taxes except for taxes based on lessor's income, now or hereafter imposed on the Product or the possession, operation or use thereof. Lessee shall obtain and maintain liability insurance and insurance against loss or damage to the Product. Upon request, Lessee shall furnish to Lessor a Certificate of Insurance or other evidence of insurance coverage.

4. Loss or Damage

Lessee shall bear the entire risk of loss or damage to the Product from any cause whatsoever from the date of delivery until it is returned and received by Lessor. Lessee shall promptly notify Lessor of any loss or damage. No loss or damage shall relieve Lessee of the obligation to pay Rent or perform any other obligation hereunder. In the event of loss or damage, Lessee, at Lessor's option, shall either place the Product in good condition and repair or pay Lessor the buyout option price set out in the applicable Schedule.

5. Intellectual Property Rights

Unless otherwise stated in writing by Lessor, Lessor copyrighted material (software and printed documentation) may not be copied except for archival purposes, to replace a defective copy or for

program error verification. If Lessor's software license is included in the Product, then Lessor's standard software terms shall apply. Lessor will defend or settle any claim against Lessee that an HP Product or Support delivered under this Agreement infringes a patent, utility model, industrial design, copyright, mask work or trademark in the country where Lessee uses the HP Product or receives Support, provided Lessee: (i) promptly notifies Lessor in writing of the claim; and (ii) cooperates with Lessor in and grants Lessor sole authority to control the defense and any related settlement. Lessor will pay the cost of such defense and settlement and any costs and damages finally awarded by a court against Lessee. If such a claim is made, Lessor may procure the right for Lessee to continue using the HP Product, may modify the Product or replace it. If use of the HP Product is enjoined by a court and Lessor determines that none of these alternatives is reasonably available, Lessor will take back the HP Product and refund its depreciated value if a purchase option has been exercised. Lessor has no obligation for any claim of infringement arising from: (i) Lessor's compliance with any designs, specifications or instructions of Lessee; (ii) modification of the HP Product by Lessee or a third party; (iii) use of the HP Product in a way not specified by Lessor; or (iv) use of the HP Product with Non-HP products not supplied by Lessor. These terms state the entire liability of Lessor for claims of infringement.

6. Identification; Personal Property

If Lessee is in compliance with the terms of this Agreement and applicable Schedules, Lessee shall have quiet enjoyment of the Product. No other right, title or interest shall pass to Lessee. Lessor, at its own expense, may require markings to be affixed to or placed on the Product to give notice of Lessor's ownership thereof. Both parties hereby confirm their intent that the Product shall always remain and be deemed personal property even though said Product may hereafter become attached or affixed to real property.

7. Use; Relocation; Assignment

Lessee will operate the Product in accordance with manufacturer's manuals and instructions, by competent and duly qualified personnel only, in accordance with applicable governmental regulations, if any, and for business, medical, scientific, or commercial purposes only, and not for personal use. Lessee agrees not to sell, assign, sublet, hypothecate or otherwise encumber or suffer a lien upon or against any interest in this Agreement,

any Schedule hereunder, or the Product. Lessee agrees not to alter the Product or remove the Product from its original location without Lessor's prior written consent. Relocation by Lessor's support personnel shall not constitute Lessor's consent.

8. Support; Repairs

If Lessee finances Support provided by Lessor the term of the financed support is non-cancelable. Lessee acknowledges that the finance period and the Support period may not correspond. If no order for Support is made, Lessee, at its own cost and expense, shall keep the Product in good repair, condition and working order.

9. Warranty

For HP Product, Lessee shall have the benefit of applicable manufacturer's warranties which are normally furnished to purchasers of identical product manufactured by HP. **THIS WARRANTY IS EXCLUSIVE AND NO OTHER WARRANTY, WHETHER WRITTEN OR ORAL, IS EXPRESSED OR IMPLIED. LESSOR SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

10. Non-HP Product; Non-HP Vendor

Lessee acknowledges that it has selected the Vendor and Product supplied by Vendor. **LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED WHATSOEVER WITH RESPECT TO VENDOR'S PRODUCT, AND AS TO LESSOR, LESSEE ACQUIRES THE PRODUCT "AS IS".** If Vendor's Product is unsatisfactory for any reason, Lessee shall make any claim on account thereof solely against Vendor and shall nevertheless, pay Lessor all payments due under the Agreement. It is Lessee's sole responsibility to acquire updates or other necessary documentation to Vendor's Product. If Lessee should forfeit any rights granted to Lessee, or if Vendor terminates any rights granted to Lessee, payment shall continue uninterrupted to Lessor. Lessee agrees that it will not assert any defenses, deduction, abatement, counterclaim or set-off against Lessor. Lessee understands and agrees that neither Vendor nor any employee, agent, or representative of Vendor is any agent of Lessor. No agent of Vendor is authorized to waive or alter any terms or conditions of this Agreement, and no representations as to the Vendor's Product or any other matter by Vendor shall in any way affect Lessee's obligations under this Agreement.



FCGFA 119903

Hewlett-Packard
Financing Agreement

Financing Agreement #: _____

Lessee Name: City of Lincoln, Nebraska

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11. Return of Product

Upon expiration or termination, Lessee, at its own risk and expense, shall have the Product packed for shipment in accordance with manufacturer's specifications and shall immediately return the Product to Lessor in the same conditions as when delivered, ordinary wear and tear excepted, freight prepaid and insured, to lessor's remarketing facility.

12. Limitation of Liability

For HP manufactured Product, Lessor will be liable for damage to tangible property per incident up to the greater of \$300,000 or the actual charges paid to Lessor for the Product that is the subject of the claim, and for damages for bodily injury or death, to the extent that all such damages are determined by a court of competent jurisdiction to have been directly caused by a defective Product financed hereunder. Lessor will not be liable for performance delays or for non-performance, due to causes beyond its reasonable control. For any material breach of Support services by HP, Lessee's remedy and Lessor's liability will be limited to a refund of the related Support charges paid during the period of breach, up to a maximum of 12 months. THE REMEDIES PROVIDED HEREIN ARE LESSEE'S SOLE AND EXCLUSIVE REMEDIES. IN NO EVENT SHALL LESSOR BE LIABLE FOR LOSS OF DATA OR FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL (INCLUDING LOST PROFIT), OR OTHER DAMAGE WHETHER BASED IN CONTRACT TORT OR ANY OTHER LEGAL THEORY.

13. Events of Default; Remedies

If Lessee fails to pay Rent when due and fails to cure such breach within ten (10) days of notice of same, or in the event of any other breach of this Agreement, any Schedule hereunder, or any other Agreement between the parties hereto, or if any credit or other information submitted to Lessor is false or misleading in any material respect, or in the event of any act of insolvency or bankruptcy by or against Lessee, Lessor may, at its option, exercise any one or more of the following remedies: (i) declare all sums due and to become due as immediately due and payable; (ii) enter upon the premises where the Product is located and take immediate possession of and remove the same; (iii) sell any or all of the Product at public or private sale or otherwise dispose of, hold, use or lease to others said Product; (iv) exercise any other right or remedy which may be available to Lessor under applicable law, including the right to recover damages for the breach hereof. No remedy referred to herein is intended to be exclusive but each shall be cumulative and in addition to any of the remedies referred to above or otherwise available to Lessor at law or in equity. No express or implied waiver by Lessor of any default should constitute a waiver of any other default or a waiver of any of Lessor's rights. If any action is brought by either party to enforce this Agreement or to protect its interest in the Product, the losing party agrees to pay the costs thereof including reasonable attorney's fees and other costs of collection.

14. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of

Nebraska ~~California~~

Nothing herein shall be deemed to preclude or prevent Lessor from bringing any action or claim to enforce the provisions of this Agreement in any appropriate state or forum.

15. Financing Statements

Lessee hereby grants and Lessor reserves a Purchase Money Security Interest in the Product financed hereunder and any proceeds thereof to secure payment of any balance due hereunder. Lessee hereby nominates and appoints Lessor as its attorney-in-fact for the sole purpose of executing on Lessee's behalf financing statements (and any appropriate amendments thereto) under the provisions of the Uniform Commercial Code for protective purposes, related to this Agreement and any Schedule hereunder.

16. Miscellaneous

(a) This Agreement, together with any Schedules hereunder, and any referenced addenda, exhibits or attachments shall constitute the entire understanding between the parties and supersede any previous communications, representations, or agreements, whether oral or written; (b) Any notice or demands made hereunder shall be in writing and sent by regular mail or facsimile; (c) No change or modification of any term or condition hereof shall be valid unless made in writing and signed by an authorized representative of each party; (d) Any provision of this Agreement which is unenforceable in any jurisdiction shall as to that jurisdiction only be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof.

By execution hereof, the signer certifies that s/he has read this Agreement and is duly authorized to execute this Agreement on behalf of her/his respective party.

Lessor: Hewlett-Packard Company

Lessee: City of Lincoln, Nebraska

By: _____

By: _____

Name: _____

Name: _____

Title: _____ Date: _____

Title: _____ Date: _____

Co-Lessee:

By: _____

Name: _____

Title: _____ Date: _____



