



# State & Local Government Lease Agreement

This State & Local Government Lease Agreement (the "Lease") contains the terms of your agreement with us. Please read it carefully and ask us any questions you may have. The words you, your and lessee mean you, our customer. The words we, us, our and the lessor, mean KIP America Inc.

## Product/Equipment Description

Quantity	Description	Product/Equipment Address
1	KIP 7170K Multifunction System	2600 Hollywood Blvd, Hollywood, RM 308 FL 33022

For additional equipment and accessories, attach addendum.

### Title/Purchase Option

If no box is checked or if both boxes are checked, Title Option A will apply:

- Title Option A - Title to the Products/Equipment will be in Lessee's name during the Lease Term
- Title Option B - Title to the Products/Equipment will be in Lessor's name during the Lease Term

Check applicable box:

- Fair Market Value
- \$1.00 Purchase Option  Other \_\_\_\_\_

### Term and Lease

Lease Payment \$424.76 (plus taxes, if applicable)  
 Term (Months) 60  
 Payment Frequency Monthly

Variable Payment Schedule if applicable:  
(Attach "Payment Schedule Addendum" if necessary)

60 payments @ \$424.76; followed by NA payments @ NA  
followed by \_\_\_ payments @ \_\_\_; followed by \_\_\_ payments @ \_\_\_

Payments are due in Arrears

Documentation Fee: \$50.00 (due with first invoice)

Total Cash Price: \$21,301.91

Annual Rate of Interest: Not Applicable (True Lease)

Additional Provisions:

PLEASE NOTE: Certain state and local government lessees must sign an additional addendum document.

LESSOR: KIP America Inc.  
 39575 W. 13 Mile Road  
 Novi, MI 48377

\_\_\_\_\_  
 Authorized Signature Date Signed

\_\_\_\_\_  
 Printed Name

\_\_\_\_\_  
 Print Title

### Lessee

City of Hollywood Inc  
Lessee Legal Name

Lessee "Doing Business As" Name  
 2600 Hollywood Blvd  
 Billing Street Address  
 Hollywood, FL 33022  
 Billing City, State, Zip

Ralph Dierks  
 Billing Contact Name & Phone No.  
 954-921-3223  
 Lessee Phone Number (if different from above)

### TERMS AND CONDITIONS BY SIGNING THIS LEASE:

BY SIGNING THIS LEASE: (i) YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS ON THE FRONT AND BACK OF THIS LEASE; (ii) YOU AGREE THAT IF A COPY OF THIS LEASE IS SIGNED BY YOU AND THE FRONT OF THE COPY IS DELIVERED TO US BY FACSIMILE TRANSMISSION OR OTHERWISE, TO THE EXTENT ANY PROVISIONS ARE MISSING OR ILLEGIBLE OR CHANGED (AND NOT INITIALED BY BOTH YOU AND US), THE TERMS AND CONDITIONS OF THIS LEASE IN USE ON THE DATE WE RECEIVE THE COPY SIGNED BY YOU WILL BE THE TERMS AND CONDITIONS OF THE LEASE; (iii) YOU AGREE THAT THIS LEASE IS A NET LEASE THAT YOU CANNOT TERMINATE OR CANCEL EXCEPT AS SPECIFICALLY PROVIDED HEREIN, YOU HAVE AN UNCONDITIONAL OBLIGATION TO MAKE ALL PAYMENTS DUE UNDER THIS LEASE, AND YOU CANNOT WITHHOLD, SET OFF OR REDUCE SUCH PAYMENTS FOR ANY REASON; (iv) YOU AGREE THAT YOU WILL USE THE EQUIPMENT ONLY FOR BUSINESS PURPOSES; (v) YOU WARRANT THAT THE PERSON SIGNING THIS LEASE FOR YOU HAS THE AUTHORITY TO DO SO; AND (vi) YOU CONFIRM THAT YOU DECIDED TO ENTER INTO THIS LEASE RATHER THAN PURCHASE THE EQUIPMENT FOR THE TOTAL CASH PRICE. YOU AND WE EXPRESSLY WAIVE ANY RIGHTS TO A TRIAL BY JURY.

### LESSEE SIGNATURE

City of Hollywood Inc  
 Lessee Legal Name

X \_\_\_\_\_ X \_\_\_\_\_  
 Authorized Signature Date Signed

X \_\_\_\_\_  
 Print Signer's Name

\_\_\_\_\_  
 Print Signer's Title

\_\_\_\_\_  
 Federal Tax ID Number

## EQUIPMENT ORDER/SERVICE AGREEMENT TERMS & CONDITIONS

### **1. EFFECTIVE DATE; PAYMENT OF PURCHASE PRICE** *Monthly Billings require a \$100.00 minimum.*

The agreement covered by this Equipment Order shall be effective upon full execution of this Equipment Order by (WBS)-WBS TECHNOLOGIES and Client. Unless otherwise stated in writing, payment of the full purchase price for all equipment, accessories and/or supplies (the "equipment") listed on this Equipment Order, or any accompanying Equipment Schedule made a part hereof, is due upon delivery.

### **2. TITLE TO EQUIPMENT; SECURITY INTEREST**

WBS is the owner of the Equipment and shall retain title to the Equipment, as well as a purchase money security interest in the equipment, until all amounts due from Client hereunder are paid in full, or until such time as title to Equipment may be transferred or assigned by WBS. In the event extended payment terms are agreed to between WBS and Client, in writing, or in the event client elects to enter into a separate Lease or "Finance Lease" (as that term is defined by Article 2A of the Uniform Commercial Code ("UCC")), this Equipment Order (and/or any accompanying Equipment Schedule) may serve as a UCC-1 Financing Statement in order to enable WBS, or its assignee, to perfect its purchase money security interest in the Equipment, as well as the proceeds of or from any sale of the Equipment as collateral for that security interest. Alternatively, Client agrees, at the option of WBS or its assignee, to execute a UCC-1 Financing Statement, or any other documents necessary to perfect WBS purchase money security interest, and/or hereby authorizes WBS or its assignee to execute such documents on Client's behalf.

### **3. ORDERS**

Client may acquire products and maintenance services from WBS by executing and delivering to WBS our TEP, TCM or TIM Agreement for acceptance. If client has elected to execute a Lease Agreement, Client shall be deemed to have consented to the assignment of the Lease Agreement and the Equipment by WBS to a third party Lessor and to enter into the Lease Agreement with such Lessor. These General Terms and Conditions shall be incorporated by reference into any Sales Order, Lease Agreement, or Maintenance Agreement; provided however, that in the event of any conflict between the terms of the Lease Agreement and these General Terms and Conditions, the terms of the Lease Agreement shall control.

### **4. PRICING AND CHARGES**

Pricing for Maintenance Services may be adjusted by WBS on or after each one year anniversary of the effective date of the Maintenance Agreement. End of Term Data Security Compliance requires that all Equipment returned at end of Term or otherwise, is subject to Data Security processes to remove all data not related to the operation of the Equipment. This may include, but not limited to, hard drive replacement. The charges for providing this compliance will be billed at the prevailing rates and be included in the Charges for this Agreement. Two (2) hours of IT are included for ninety (90) days after install for imaging equipment.

### **5. TAXES**

Client shall pay all sales and use taxes, personal property taxes and all other taxes and charges relating to the purchase, ownership, delivery, lease, possession or use of the Equipment or the provision of Maintenance Services.

### **6. BUSINESS HOURS FOR SERVICE**

Maintenance and/or IT services shall be provided hereunder only during WBS normal business hours, which shall be 8:00am to 5:00pm, Monday through Friday, exclusive of National and/or WBS holidays and subject to change by WBS. At Client's request, WBS may render maintenance and/or IT services outside of normal business hours and are subject to availability of WBS TEAM members at WBS rates in effect at time of service.

### **7. LATE CHARGES; INTEREST; SUSPENSION OF SERVICE**

Client agrees to pay all invoices tendered for services performed and/or parts installed on Equipment when services are performed in advance of payment by Client upon receipt of invoice. If any part of any payment due to WBS hereunder is past due, Client agrees that amounts not timely paid shall bear interest at the rate of 1.5% monthly (18% per annum,) or at the maximum rate allowed by law. Without waiver of any other rights hereunder, WBS shall have the right to discontinue service in the event Client becomes delinquent in the payment.

### **8. AVAILABILITY OF SUPPLIES**

WBS Customer Support Engineers and Sales Reps do not carry or deliver consumable supplies (toner, developer, etc.) It is Client's responsibility to purchase and have the necessary supplies available for CSE use. Should CSE or Sales Rep be required to courier consumable items to the Client, Client will be invoiced a courier fee of \$25.00.

### **9. INSTALLATION**

Equipment must be installed according to specific requirements in terms of space, electrical and environmental conditions whose requirements are defined in the Equipment Manuals and Client shall ensure the Equipment is placed in an area that conforms to those requirements.

### **10. DISCLAIMER**

WBS expressly disclaims any duty as insurer of the Equipment and Client shall pay for all cost of repair, parts and/or replacement of the Equipment made necessary by, but not limited to loss or damage through accident, abuse, misuse, theft, fire, water, casualty, natural force or any other negligent act of Client or Client's agents and/or service performed by non-WBS TEAM members. WBS will not assume any liability for any conditions arising from electrical circuitry external to the Equipment and equipment line cord, nor is any external electrical work covered under this agreement.

### **11. CLIENT CHANGES**

Any client changes, alterations or attachments may require a change in the charges set forth herein. WBS also reserves the right to terminate this agreement in the event it shall determine that such changes, alteration or attachments make it impractical for WBS to continue to service the equipment.

### **12. ATTORNEY'S FEES; COSTS**

In the event Client defaults under this Equipment Order or if any other dispute arises hereunder requiring WBS to refer said matter to an attorney and/or initiate or defend any court action in way related to the Equipment Order, Client agrees to pay WBS reasonable attorney's fees and all costs resulting from such action and waives rights to WBS necessitating the use of a Replevin to re-acquire equipment as a result of dispute.

### **13. WAIVER OF JURY TRIAL**

CLIENT HEREBY EXPRESSLY WAIVES TRIAL BY JURY AS TO ANY AND ALL ISSUES ARISING OUT OF, OR ANY WAY RELATED TO THIS EQUIPMENT ORDER.

### **14. NO WAIVER**

Client acknowledges and agrees that any delay or failure to enforce its rights hereunder by WBS does not constitute a waiver of such rights by WBS, or in any way prevent WBS from enforcing such rights or any other rights hereunder at a later time.

### **15. ENTIRE AGREEMENT**

The Equipment Order, together with these "Maintenance Agreement Terms and Conditions" in the event Client has elected to accept service and maintenance from WBS, constitutes the entire agreement between Client and WBS related to the acquisition and usage of the Equipment and any and all prior negotiations, agreements (oral or written) or understandings are hereby superseded.

### **16. NO MODIFICATION OF TERMS**

CLIENT EXPRESSLY ACKNOWLEDGES AND AGREES THAT THESE TERMS AND CONDITIONS MAY NOT BE VARIED, MODIFIED OR CHANGED EXCEPT BY WRITTEN AGREEMENT EXECUTED BY A CORPORATE OFFICER OF WBS. NO SALES OR SERVICE TEAM MEMBERS, INCLUDING BUT NOT LIMITED TO MANAGERS OR SUPERVISORS, HAVE ANY AUTHORITY TO OVERRIDE THE PROVISION.

### **17. NOTICE**

Any notice or other communication given or required in connection with this Equipment Order, shall be in writing and shall be given by certified or registered mail, postage pre-paid, return receipt requested. If sent to WBS, said notice shall be sent to WBS, Attention: President. Initial: \_\_\_\_\_

1. **LEASE; DELIVERY AND ACCEPTANCE.** You agree to lease the product/equipment described on the front of this lease agreement (collectively "Equipment") on the terms and conditions shown on the front and back of this lease ("Lease"). If you have entered into any purchase contract ("Purchase Contract") with any supplier, you assign to us your rights under such Purchase Contract, but none of your obligations (other than the obligation to pay for the Equipment if it is accepted by you as stated below and you timely deliver to us such documents and assurances as we request). If you have not entered into a Purchase Contract, you authorize us to enter into a Purchase Contract on your behalf. You will arrange for the delivery of the Equipment to you. When you receive the Equipment, you agree to inspect it to determine if it is in good working order. This term of this Lease will begin on the date when you sign a Delivery and Acceptance Certificate at which time the Equipment will be deemed irrevocably accepted by you and will continue for the number of months specified in this Lease, unless earlier terminated in accordance with Section 16 of this Lease. The first Lease Payment is due on or before the date the Equipment is delivered to you. The remaining Lease Payments will be due on the day of each subsequent month (or such other time period stated on the front of this Lease) designated by us. If any Lease Payment or other amount payable to us is not paid within 10 days of its due date, you will pay us a late charge equal to the greater of (i) 5% of each late payment or (ii) \$5.00 for each late payment (or such lesser amount as is the maximum amount allowable under applicable law).

2. **NO WARRANTIES.** We are leasing the Equipment to you "AS-IS". YOU ACKNOWLEDGE THAT WE DO NOT MANUFACTURE THE EQUIPMENT, WE DO NOT REPRESENT THE MANUFACTURER OR THE SUPPLIER, AND YOU HAVE SELECTED THE EQUIPMENT AND SUPPLIER BASED UPON YOUR OWN JUDGMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. YOU AGREE THAT REGARDLESS OF CAUSE, WE ARE NOT RESPONSIBLE FOR AND YOU WILL NOT MAKE ANY CLAIM AGAINST US FOR ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL, OR INDIRECT. YOU AGREE THAT NEITHER SUPPLIER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF SUPPLIER IS OUR AGENT OR HAS ANY AUTHORITY TO SPEAK FOR US OR TO BIND US IN ANY WAY. We transfer to you for the term of this Lease any warranties made by the manufacturer or supplier under a Supply Contract.

3. **EQUIPMENT LOCATION; USE AND REPAIR; RETURN.** You will keep and use the Equipment only at the Equipment Location shown on the front of this Lease. You may not move the Equipment without our prior written consent. At your own cost and expense, you will keep the Equipment eligible for any manufacturer's certification, in compliance with all applicable laws and in good condition and working order, except for ordinary wear and tear. You will not make any alterations, additions or replacements to the Equipment without our prior written consent. All alterations, additions and replacements will become part of the Equipment and our property at no cost or expense to us. We may inspect the Equipment at any reasonable time. Unless you purchase the Equipment in accordance with this Lease, upon termination of this Lease you will immediately deliver the Equipment to us in as good condition as when you received it, except for ordinary wear and tear, to any place in the United States that we tell you. You will pay for all outstanding lease payments, late charges, insurance charges, and our estimated property taxes on the Equipment based upon the prior year's actual property tax, and expenses of dismantling, crating, shipping, and insuring the Equipment for its full replacement value during shipping. Unless we request return to us, you must retain physical possession of the Equipment through the end of the initial or any renewal lease term.

4. **TAXES AND FEES.** You are responsible for all sales and use (unless you provide us with an acceptable Sales/Use Tax exemption form), personal property or other taxes relating to the use or ownership of the Equipment now or hereafter imposed, or assessed by any state, federal or local government or agency. You agree to pay when due, or reimburse us for all taxes, fines or penalties imposed upon the Equipment and, if we elect, you agree to pay us estimated property taxes either with each lease payment or at the end of the lease term as more fully set forth herein. We will file all sales, use and personal property tax returns (unless we notify you otherwise in writing). We do not have to contest any taxes, fines or penalties; however, you may do so provided (a) you do so in your own name and at your expense, (b) the contest will not result in any sort of lien being placed on the Equipment or otherwise jeopardize our rights in any of the Equipment, (c) you pay us for any taxes we are remitted to the taxing authorities even though you may be contesting the taxes and indemnify and hold us harmless for any expenses, including legal expenses, we incur as a result of such contest. If we file such personal property tax reports, you will pay property taxes as invoiced by us.

5. **LOSS OR DAMAGE.** As between you and us, you are responsible for any loss, theft or destruction of, or damage to the Equipment (collectively "Loss") from any cause at all, whether or not insured, until it is delivered to us at the end of this Lease. You are required to make all Lease Payments even if there is a Loss. You must notify us in writing immediately of any Loss. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us the amounts specified in Section 9(b) below.

6. **INSURANCE.** You will provide and maintain at your expense (a) property insurance against the loss, theft or destruction of, or damage to, the Equipment for its full replacement value, naming us as loss payee, and (b) public liability and third party property insurance, naming us as an additional insured. If you so request and if we give our prior written consent, in lieu of maintaining the insurance described in the preceding sentence, you may self insure against such risks, provided that our interests are protected to the same extent as if the insurance required in clauses (a) and (b) above had been obtained by third party insurance carriers and provided further that such self insurance program is consistent with prudent business practices with respect to insuring such risk. You will give us certificates or other evidence of such insurance on the commencement date of this Lease and at such times as we request. All insurance obtained from a third party insurer will be in a form, amount and with companies acceptable to us, and will provide that we be given 30 days advance notice of any cancellation or material change of such insurance.

7. **TITLE; SECURITY INTEREST.** If the Option A in this Lease has been chosen, you will hold title to the Equipment in accordance with the Supply Contract. If the Option B in this Lease has been chosen, we will hold title to the Equipment. If (a) you have not terminated this Lease in accordance with Section 16 of this Lease and (b) no Default exists, then upon your payment to us of all Lease Payments and other amounts due under this Lease, at the end of the term of this Lease, you will be entitled to our interest in the Equipment, "AS IS, WHERE IS," through or under us. To secure payment of all amounts due to us, to the extent permitted by law, you grant us and our assigns a first priority security interest in the Equipment (including any replacements, substitutions, additions, attachments and proceeds). You will keep the Equipment free of all liens and encumbrances. You will deliver to us signed financing statements or other documents we request to protect our interest in the Equipment.

8. **DEFAULT.** Each of the following is a "Default" under this Lease: (a) you fail to pay any Lease Payment or any other payment within 10 days of its due date; (b) you do not perform any of your other obligations, including but not limited to, providing and maintaining property insurance required under Section 6 of this Lease on the Equipment, under this Lease or in any other agreement with us or with any of our affiliates and this failure continues for 10 days after we have notified you of it; (c) you become insolvent, you dissolve, you assign your assets for the benefit of your creditors, you sell, transfer or otherwise dispose of all or substantially all of your assets, or you enter (voluntarily or involuntarily) any bankruptcy or reorganization proceeding; or (d) any representation or warranty made by you under this Lease or in any instrument you have provided us proves to be incorrect in any material respect.

9. **REMEDIES.** If a Default occurs, we may do one or more of the following: (a) we may cancel or terminate this Lease and any or all other agreements that we have entered into with you or withdraw any offer of credit; (b) subject to the provisions of Section 16, we may declare an amount equal to all amounts then due under this Lease, and the unpaid principal balance under this Lease as of the due date of the last Lease Payment paid when due and payable, wherever the same shall be immediately due and payable; (c) we may require you to deliver the Equipment to us as set forth in Section 3; (d) we or our agent may peacefully repossess the Equipment without court order and you will not make any claims against us for damages or trespass or any other reason; and (e) we may exercise any other right or remedy available at law or in equity. You agree to pay all of our costs of enforcing our rights against you, including reasonable attorneys' fees. If we take possession of the Equipment, we may sell or otherwise dispose of it with or without notice, at a public or private sale, and apply the net proceeds (after we have deducted all costs related to the sale or disposition of the Equipment) to the amounts that you owe us. You agree that if notice of sale is required by law to be given, 10 days notice shall constitute reasonable notice. You will remain responsible for any amounts that are due after we have applied such net proceeds.

10. **FINANCE LEASE STATUS.** You agree that if Article 2A-Leases of the Uniform Commercial Code applies to this Lease, this Lease will be considered a "finance lease" as that term is defined in Article 2A. By signing this Lease, you agree that either (a) you have reviewed, approved, and received a copy of the Supply Contract or (b) that we have informed you of the identity of the Supplier, that you may have rights under the Supply Contract, and that you may contest the supplier for a description of those rights. TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU WAIVE ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A.

11. **ASSIGNMENT.** YOU MAY NOT ASSIGN, SELL, TRANSFER OR SUBLEASE THE EQUIPMENT OR YOUR INTEREST IN THIS LEASE. We may, without notification to you, sell, assign, or transfer this Lease and our rights in the Equipment. You agree that the new owner will have the same rights and benefits that we have now under this Lease but not our obligations. The rights of the new owner will not be subject to any claim, defense or set-off that you may have against us.

12. **LEASE PAYMENTS; PREPAYMENT OPTION.** You agree to pay us the Lease Payments, including both the principal and interest portions (the amount of principal and interest included in each Lease Payment has been, and will be determined according to the standard actuarial method of). If you give us 30 days' prior written notice and no Default exists, you may prepay and terminate this Lease by paying us on any Lease Payment due date the Lease Payment and any other amounts then due under this Lease, the unpaid principal balance as of such date, and a service charge related to the prepayment of this Lease. If you fulfill such conditions, you will be entitled to our interest in the Equipment as set forth in Section 7, of this Lease.

13. **INDEMNIFICATION.** To the extent not prohibited by applicable law, with respect to any claims, actions, or suits that are made against us as a result of your actions, inactions, negligence or willful misconduct (Claims) you agree to reimburse us for and if we request, to defend us against, any Claims.

14. **MISCELLANEOUS.** You agree that the terms and conditions contained in this Lease make up the entire agreement between you and us regarding the lease of the Equipment. This Lease is not binding on us until we sign it. Any change in any of the terms and conditions of this Lease must be in writing and signed by us. You agree, however, that we are authorized, without notice to you, to supply missing information or correct obvious errors in this Lease. If we delay or fail to enforce any of our rights under this Lease, we will still be entitled to enforce those rights at a later time. All notices shall be given in writing by the party sending the notice and shall be effective when deposited in the U.S. Mail, addressed to the party receiving the notice at its address shown on the front of this Lease (or to any other address specified by that party in writing) with postage prepaid. All of our rights and remedies will survive the termination of this Lease. It is the express intent of the parties not to violate any applicable state laws or to exceed the maximum amount of time price differential or interest, as applicable, permitted to be charged or collected by applicable law, and any such excess will be applied to Lease Payments in inverse order of maturity, and any remaining excess will be refunded to you. If you do not perform any of your obligations under this Lease, we have the right, but not the obligation, to take any action or pay any amounts that we believe are necessary to protect our interests. You agree to reimburse us immediately upon our demand for any such amounts that we pay. IF A SIGNED COPY OF THIS LEASE IS DELIVERED TO US BY FACSIMILE TRANSMISSION, IT WILL BE BINDING ON YOU. HOWEVER, WE WILL NOT BE BOUND BY THIS LEASE UNTIL WE ACCEPT IT BY MANUALLY SIGNING IT OR BY PURCHASING THE EQUIPMENT SUBJECT TO THE LEASE, WHICHEVER OCCURS FIRST. YOU WAIVE NOTICE OF OUR ACCEPTANCE AND WAIVE YOUR RIGHT TO RECEIVE A COPY OF THE ACCEPTED LEASE. YOU AGREE THAT, NOTWITHSTANDING ANY RULE OF EVIDENCE TO THE CONTRARY, IN ANY HEARING, TRIAL OR PROCEEDING OF ANY KIND WITH RESPECT TO THIS LEASE, WE MAY PRODUCE A COPY OF THE LEASE TRANSMITTED TO US BY FACSIMILE TRANSMISSION THAT HAS BEEN MANUALLY SIGNED BY US AND SUCH COPY SHALL BE DEEMED TO BE THE ORIGINAL OF THIS LEASE. TO THE EXTENT (IF ANY) THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COPY OR COUNTERPART HEREOF EXCEPT THE COPY WITH OUR ORIGINAL SIGNATURE. IF YOU DELIVER THIS LEASE TO US BY FACSIMILE TRANSMISSION, YOU ACKNOWLEDGE THAT WE ARE RELYING ON YOUR REPRESENTATION THAT THIS LEASE HAS NOT BEEN CHANGED. If more than one Lease has signed this Lease, each of you agrees that your liability is joint and several.

15. **FUNDING INTENT.** You reasonably believe that funds can be obtained to make all Lease Payments during the Term and hereby covenant that your chief executive or administrative officer or the administrative officer of yours charged with preparing the budget submitted to your governing body, as applicable, will provide that nothing in this Agreement shall be construed to create a deficiency debt or commitment of revenues other than the current revenues of yours, and provided further that if your governing body elects not to appropriate funds for such payments, it shall evidence such nonappropriation by omitting funds for such payments due during the applicable fiscal period from the budget it adopts. It is your intent to make Lease Payments for the full Term if funds are legally available therefore you represent, warrant and covenant to us that the use of the Equipment is essential to its proper, efficient and economic operation. You will provide us with an essential use covenant to us that, among other things, you shall use the Equipment only for its governmental purposes.

16. **NONAPPROPRIATION OF FUNDS.** In the event sufficient funds are not appropriated and budgeted by your governing body or are not otherwise available in any fiscal period for Lease Payments (or any other amount due hereunder), and provided that you have exhausted all funds legally available for payment of the Lease Payments, then you shall immediately notify us of such occurrence and provide us with evidence of such non-appropriation acceptable to us (e.g., written certification by your legal counsel) and this Agreement shall terminate as the last day of the fiscal period for which funds for Lease Payments are available without penalty or expense to you of any kind whatsoever, except as to the portions of Lease Payments and those expenses associated with your surrender of the Equipment pursuant to Section 3 for which funds shall have been appropriated and budgeted or are otherwise available. Upon such termination, title to the Equipment shall vest with us. This Section 16 will not be construed so as to permit you to terminate this Lease in order to acquire any other equipment or services or to allocate funds directly or indirectly to perform essentially the same application for which the Equipment is intended. Notwithstanding the foregoing, you agree that (a) you will terminate this Lease under the provisions of this section 16 if any funds are appropriated to you, or by you, for the acquisition, retention or operation of other equipment or services performing functions similar to the Equipment for the fiscal period in which such termination would occur; (b) you will not during the term of this Lease give priority in the application of funds to any other functionally similar equipment or services; and (c) to the extent permitted by law, you will not expend or commit any funds for the purchase, acquisition or use of other equipment or services performing functions similar to the Equipment until the fiscal period following the fiscal period for which funds were first not available for the Equipment.

17. **AUTHORITY AND AUTHORIZATION.** You represent, warrant and covenant to us that: (a) You are a State or political subdivision thereof, as those terms are used in § 103 of the Code; (b) You have the power and authority to enter into this Lease; (c) this Lease has been duly authorized, executed and delivered by you and constitutes a valid, legal and binding agreement enforceable against you in accordance with its terms; (d) no further approval, consent or withholding of objections is required from any governmental authority with respect to this Lease; (e) the entering into and performance of this Lease will not violate any judgment, order, law or regulation applicable to you or result in the creation of any lien, charge, security interest or other encumbrance upon the Equipment or your assets; (f) there are no actions, suits or proceedings pending or threatened against or affecting you in any court or before any governmental commission, board or authority, that, if adversely determined, would have a material adverse effect on your ability to perform your obligations under this Lease; (g) the Equipment is tangible personal property and shall not become a fixture or real property under your use thereof; (h) you have completed with all bidding requirements and, where necessary, by due notification have presented the Lease and any ancillary documents for approval and adoption as a valid obligation on your part; (i) you will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect; and (j) it has sufficient appropriations or other funds available to pay all amounts due under the Lease for the then current fiscal period. You shall be deemed to have reaffirmed the representations and warranties set forth in this Section 17 each time you execute a Lease. Contemporaneously with your execution of this Lease, you will complete, execute and provide us with an incumbency certificate (in form satisfactory to us) and an opinion of counsel (in form satisfactory to us) as to the matters set forth in clauses (a) through (h) of this Section 17.

18. **GOVERNMENT USE. YOU REPRESENT, WARRANT AND COVENANT AS FOLLOWS: (A) YOU SHALL COMPLY WITH THE INFORMATION REPORTING REQUIREMENTS OF § 149(e) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (CODE), INCLUDING BUT NOT LIMITED TO, THE EXECUTION (AND DELIVERY TO US) OF INFORMATION STATEMENTS REQUESTED BY US; (B) YOU SHALL NOT DO, CAUSE TO BE DONE OR FAIL TO DO ANY ACT IF SUCH ACT OR FAILURE TO ACT WILL CAUSE THIS AGREEMENT, OR ANY TRANSACTION HEREUNDER, TO BE AN ARBITRAGE BOND WITHIN THE MEANING OF § 140 OF THE CODE; (C) YOU SHALL NOT DO, CAUSE TO BE DONE OR FAIL TO DO ANY ACT IF SUCH ACT OR FAILURE TO ACT WILL CAUSE THIS AGREEMENT, OR ANY TRANSACTION HEREUNDER, TO BE A PRIVATE ACTIVITY BOND WITHIN THE MEANING OF § 141 OF THE CODE; (D) YOU SHALL NOT DO, CAUSE TO BE DONE OR FAIL TO DO ANY ACT IF SUCH ACT OR FAILURE TO ACT WILL CAUSE THE INTEREST PORTION OF THE LEASE PAYMENTS TO BE OR BECOME SUBJECT TO FEDERAL INCOME TAXATION UNDER THE CODE, EXCEPT AS SUCH INTEREST PORTION MAY BE TAKEN INTO ACCOUNT AS AN ADJUSTMENT IN DETERMINING THE ALTERNATIVE MINIMUM TAX AND ENVIRONMENTAL TAX IMPOSED ON CORPORATIONS; AND (E) YOU SHALL BE THE ONLY ENTITY TO OWN, USE OR OPERATE THE EQUIPMENT DURING THE TERM. YOU SHALL BE DEEMED TO HAVE REAFFIRMED THE REPRESENTATIONS, WARRANTIES AND COVENANTS SET FORTH IN THIS SECTION 18 EACH TIME IT EXECUTES ANY FUNDAMENTAL AGREEMENT (AS DEFINED IN SECTION 17). IF YOU BREACH ANY REPRESENTATION, WARRANTY OR COVENANT CONTAINED IN THIS LEASE AND, AS A RESULT OF SUCH BREACH, THE INTEREST PORTION OF ANY LEASE PAYMENT BECOMES INCLUDEABLE IN GROSS INCOME OF ANY OWNER THEREOF FOR FEDERAL INCOME TAX PURPOSES, YOU SHALL PAY US PROMPTLY AFTER SUCH DETERMINATION OF TAXABILITY AND ON EACH LEASE PAYMENT DUE DATE THEREAFTER, AN ADDITIONAL AMOUNT DETERMINED BY US TO COMPENSATE US FOR THE LOSS OF SUCH EXCLUDABILITY (INCLUDING, BUT NOT LIMITED TO, COMPENSATION RELATING TO INTEREST EXPENSE, PENALTIES OR ADDITIONS TO TAX), WHICH DETERMINATION SHALL BE CONCLUSIVE ABSENT MANIFEST ERROR.**

19. **CHOICE OF LAW.** This provision shall be governed by the internal laws (as opposed to conflicts of law provisions) of the state in which you are located. If any provision of this Lease or any Equipment or Payment Schedule shall be prohibited by or invalid under that law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Lease or any Equipment or Payment Schedule. This Lease inures to the benefit of and is binding upon the permitted successors or assigns of yours and ours.



Lease Agreement Addendum (Florida)

Table with 3 columns: CUSTOMER INFORMATION, Lessee Name, Lease #, Billing Street Address/City/State/Zip, Annual Rate of Interest.

This Addendum supplements the provisions of the Lease Agreement identified by the Lease Number specified above ("Lease").

1. Title. We will hold title to the Equipment. If (a) you have not terminated this Lease in accordance with Section 3 of this Addendum and (b) no Default exists, then upon your payment to us of all Lease Payments and other amounts due under this Lease, at the end of the term of this Lease, you will be entitled to our interest in the Equipment, "AS IS, WHERE IS," without any warranty or representation from us, express or implied, other than the absence of any liens by, through or under us.

2. Funding Intent. You reasonably believe that funds can be obtained sufficient to make all Lease Payments and other payments during the term of this Lease. You agree that your chief executive or administrative officer (or your administrative office that has the responsibility of preparing the budget submitted to your governing body, as applicable) will provide for funding for such payments in your annual budget request submitted to your governing body.

contained in this Lease will be interpreted as a pledge of your general tax revenues, funds or moneys. Regardless of any other provisions of this Lease, no ad valorem taxes are pledged to the payment of any amount due under this Lease. Also, all amounts due under this Lease will be paid only from funds arising from sources other than ad valorem taxation unless one of the following conditions is satisfied: (i) you are a county and the term of this Lease is sixty (60) months or less; (ii) you are a school district and the term of this Lease is twelve (12) months or less; or (iii) you are a municipality and if you are a home rule city, your charter does not prohibit the payment of amounts due under this Lease from ad valorem taxation revenues.

3. Non-appropriation of Funds. If (a) sufficient funds are not appropriated and budgeted by your governing body in any fiscal period for Lease Payments or other payments due under this Lease, and (b) you have exhausted all funds legally available for such payments, then you will give us written notice and this Lease will terminate as of the last day of your fiscal period for which funds for Lease Payments are available. Such termination is without any expense or penalty, except for the portions of the Lease Payments and those expenses associated with your return of the Equipment in accordance with Section 3 of this Lease for which funds have been budgeted and appropriated or are otherwise legally available. Upon such termination, all of your rights and interests in the Equipment will vest in us.

4. Choice of Law. Regardless of any conflicting provisions in this Lease, THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF FLORIDA. This Section 4 replaces the first sentence of Section 19 of this Lease entitled "Choice of Law".

Lessee: CITY OF HOLLYWOOD INC

Lessor: KIP America, Inc.

Authorized Signature

Authorized Signature

Print Name & Title

Print Name & Title

Date

Date