

Lease Agreement



Customer: HIDALGO, COUNTY OF

BillTo: COUNTY OF HIDALGO
 JP PRECINCT 1 PLACE1
 Ave Ste 301
 1902 Joe Stephens
 Weslaco, TX 78596-3700
 Tax ID#: 1
 State or Local Government

Install: COUNTY OF HIDALGO
 JP PRECINCT 1 PLACE1
 Ave Ste 301
 1902 Joe Stephens
 Weslaco, TX 78596-3700


Solution

Item	Product Description	Agreement Information	Requested Effective Date
1. W5638 (W5638 COPIER/2T)	S/N WRR560430 - Oct (32-55 Ppm Only)	Lease Term: 40 months Purchase Option: FMV This agreement modifies the current Xerox Agreement 955346978 for W5638 S/N WRR560430 as of payment 13.	6/15/2011

Monthly Pricing

Item	Lease Minimum Payment	Print Charges			Maintenance Plan Features
		Meter	Volume Band	Per Print Rate	
1. W5638	\$147.38	1: Total	1 - 20,000 20,001+	Included \$0.0091	- Consumable Supplies Included for all prints
Total	\$147.38	Minimum Payments (Excluding Applicable Taxes)			

Authorized Signature

<p>Customer acknowledges receipt of the terms of this agreement which consists of 4 pages including this face page.</p> <p>Signer: _____ Phone: (956)447-3995</p> <p>Signature: _____ Date: _____</p>	<p>Thank You for your business! This Agreement is proudly presented by Xerox and</p> <p style="text-align: center;">Damaris Morales (956)682-1820</p> <p>For information on your Xerox Account, go to www.xerox.com/AccountManagement</p> <div style="text-align: right;">  </div>
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Terms and Conditions

INTRODUCTION:

1. TOTAL SATISFACTION GUARANTEE. If you are not totally satisfied with any Xerox-brand Equipment delivered under this Agreement, Xerox will, at your request, replace it without charge with an identical model or, at Xerox's option, with Xerox Equipment with comparable features and capabilities. This Guarantee applies only to Xerox-brand Equipment that has been continuously maintained by Xerox under this Agreement or a Xerox maintenance agreement. For "Previously Installed" Equipment, this Guarantee will be effective for 1 year after installation. For all other Equipment, this Guarantee will be effective for 3 years after installation unless the Equipment is being financed under this Agreement for more than 3 years, in which event it will expire at the end of the initial Term of this Agreement.

2. MODIFICATION OF PRIOR AGREEMENT. This Agreement modifies a prior agreement between you and Xerox for the Products identified as "Modifies Prior Agreement". The prior agreement will remain in effect except that any terms in this Agreement that conflict with or are additive to the prior agreement will control. You may be charged a one-time administrative/processing fee for the modification of a prior agreement.

GOVERNMENT TERMS:

3. REPRESENTATIONS & WARRANTIES. This provision is applicable to governmental entities only. You represent and warrant, as of the date of this Agreement, that: (1) you are a State or a fully constituted political subdivision or agency of the State in which you are located and are authorized to enter into, and carry out, your obligations under this Agreement and any other documents required to be delivered in connection with this Agreement (collectively, the "Documents"); (2) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations (including all applicable laws governing open meetings, public bidding and appropriations required in connection with this Agreement and the acquisition of the Products) and are valid, legal, binding agreements, enforceable in accordance with their terms; (3) the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; (4) the Products are essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and will be used during the Term only by you and only to perform such function; and (5) your payment obligations under this Agreement constitute a current expense and not a debt under applicable state law and no provision of this Agreement constitutes a pledge of your tax or general revenues, and any provision that is so construed by a court of competent jurisdiction is void from the inception of this Agreement.

4. FUNDING. This provision is applicable to governmental entities only. You represent and warrant that all payments due and to become due during your current fiscal year are within the fiscal budget of such year and are included within an unrestricted and unencumbered appropriation currently available for the Products, and it is your intent to use the Products for the entire term of this Agreement and make all payments required under this Agreement. If your legislative body does not appropriate funds for the continuation of this Agreement for any fiscal year after the first fiscal year and has no funds to do so from other sources, this Agreement may be terminated. To effect this termination, you must, at least 30 days prior to the beginning of the fiscal year for which your legislative body does not appropriate funds, notify Xerox in writing that your legislative body failed to appropriate funds. Your notice must be accompanied by payment of all sums then owed through the current fiscal year under this Agreement. You will return the Equipment, at your expense, to a location designated by Xerox and, when returned, the Equipment will be in good condition and free of all liens and encumbrances. You will then be released from any further payment obligations beyond those payments due for the current fiscal year (with Xerox retaining all sums paid to date).

SOLUTION/SERVICES:

5. PRODUCTS. "Products" means the equipment ("Equipment"), Software and supplies identified in this Agreement. You agree the Products are for your business use (not resale) in the United States and its territories and possessions ("U.S.") and will not be used for personal, household or family purposes.

6. CONSUMABLE SUPPLIES. If "Consumable Supplies" is identified in Maintenance Plan features, Maintenance Services will include black toner and/or solid ink and color toner and/or solid ink, if applicable ("Consumable Supplies"). Highlight color toner, clear toner, and custom color toner are excluded. Depending on the Equipment model, Consumable Supplies may also include developer, fuser agent, imaging units, waste cartridges, transfer rolls, transfer belts, transfer units, belt cleaner, maintenance kits,

print Cartridges, drum Cartridges, waste trays and cleaning kits. Consumable Supplies are Xerox's property until used by you, and you will use them only with the Equipment for which "Consumable Supplies" is identified in Maintenance Plan Features. If Consumable Supplies are furnished with recycling information, Customer will return the used item to Xerox for remanufacturing. Shipping information is available at Xerox.com/GWA. Upon expiration of this Agreement, Customer will include any unused Consumable Supplies with the Equipment for return to Xerox at the time of removal. If your use of Consumable Supplies exceeds Xerox's published yield by more than 10%, Xerox will notify you of such excess usage. If such excess usage does not cease within 30 days after such notice, Xerox may charge you for such excess usage. Upon request, you will provide current meter reads and/or an inventory of Consumable Supplies in your possession.

7. CARTRIDGES. If Xerox is providing Maintenance Services for Equipment utilizing cartridges designated by Xerox as customer replaceable units, including copy/print cartridges and xerographic modules or fuser modules ("Cartridges"), you agree to use only unmodified Cartridges purchased directly from Xerox or its authorized resellers in the U.S. Cartridges packed with Equipment and replacement Cartridges may be new, remanufactured or reprocessed. Remanufactured and reprocessed Cartridges meet Xerox's new Cartridge performance standards and contain new or reprocessed components. To enhance print quality, Cartridge(s) for many models of Equipment have been designed to cease functioning at a predetermined point. In addition, many Equipment models are designed to function only with Cartridges that are newly manufactured original Xerox Cartridges or with Cartridges intended for use in the U.S.

8. MAINTENANCE SERVICES. Except for Equipment identified as "No Svc.", Xerox (or a designated servicer) will keep the Equipment in good working order ("Maintenance Services"). Maintenance Services will be provided during Xerox's standard working hours in areas open for repair service for the Equipment. Maintenance Services excludes repairs due to: (i) misuse, neglect or abuse; (ii) failure of the installation site or the PC or workstation used with the Equipment to comply with Xerox's published specifications; (iii) use of options, accessories or products not serviced by Xerox; (iv) non-Xerox alterations, relocation, service or supplies; or (v) failure to perform operator maintenance procedures identified in operator manuals. Replacement parts may be new, reprocessed or recovered and all replaced parts become Xerox's property. Xerox will, as your exclusive remedy for Xerox's failure to provide Maintenance Services, replace the Equipment with an identical model or, at Xerox's option, another model with comparable features and capabilities. There will be no additional charge for the replacement Equipment during the remainder of the initial Term. If meter reads are a component of your Maintenance Plan, you will provide them using the method and frequency identified by Xerox. If you do not provide a meter reading, Xerox may estimate the reading and bill you accordingly.

9. EQUIPMENT STATUS. Unless you are acquiring "Previously Installed" Equipment, Equipment will be (1) "Newly Manufactured", which may contain some reconditioned components; (2) "Factory Produced New Model", which is manufactured and newly serialized at a Xerox factory, adds functions and features to a product previously disassembled to a Xerox predetermined standard, and contains new and reconditioned components; or (3) "Remanufactured", which has been factory produced following disassembly to a Xerox predetermined standard and contains new and reconditioned components.

10. SOFTWARE LICENSE. Xerox grants you a non-exclusive, non-transferable license to use in the U.S.: (a) software and accompanying documentation provided with Xerox-brand Equipment ("Base Software") only with the Xerox-brand Equipment with which it was delivered; and (b) software and accompanying documentation identified in this Agreement as "Application Software" only on any single unit of equipment for as long as you are current in the payment of all applicable software license fees. "Base Software" and "Application Software" are referred to collectively as "Software". You have no other rights and may not: (1) distribute, copy, modify, create derivatives of, decompile, or reverse engineer Software; (2) activate Software delivered with the Equipment in an inactivated state; or (3) allow others to engage in same. Title to, and all intellectual property rights in, Software will reside solely with Xerox and/or its licensors (who will be considered third-party beneficiaries of this Section). Software may contain code capable of automatically disabling the Equipment. Disabling code may be activated if: (x) Xerox is denied access to periodically reset such code; (y) you are notified of a default under this Agreement; or (z) your license is terminated or expires. The Base Software license will terminate; (i) if you no longer use or possess the Equipment; (ii) you are a lessor of the Equipment and your first lessee no longer uses or possesses it; or (iii) upon the expiration or termination of this Agreement,

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unless you have exercised your option to purchase the equipment. Neither Xerox nor its licensors warrant that Software will be free from errors or that its operation will be uninterrupted. The foregoing terms do not apply to Diagnostic Software or to software/documentation accompanied by a clickwrap or shrinkwrap license agreement or otherwise made subject to a separate license agreement.

11. SOFTWARE SUPPORT. Xerox (or a designated servicer) will provide the software support set forth below ("Software Support"). For Base Software, Software Support will be provided during the initial Term and any renewal period but in no event longer than 5 years after Xerox stops taking customer orders for the subject model of Equipment. For Application Software, Software Support will be provided as long as you are current in the payment of all applicable software license and support fees. Xerox will maintain a web-based or toll-free hotline during Xerox's standard working hours to report Software problems and answer Software-related questions. Xerox, either directly or with its vendors, will make reasonable efforts to: (a) assure that Software performs in material conformity with its user documentation; (b) provide available workarounds or patches to resolve Software performance problems; and (c) resolve coding errors for (i) the current Release and (ii) the previous Release for a period of 6 months after the current Release is made available to you. Xerox will not be required to provide Software Support if you have modified the Software. New releases of Software that primarily incorporate compliance updates and coding error fixes are designated as "Maintenance Releases" or "Updates". Maintenance Releases or Updates that Xerox may make available will be provided at no charge and must be implemented within six months. New releases of Software that include new content or functionality ("Feature Releases") will be subject to additional license fees at Xerox's then-current pricing. Maintenance Releases, Updates and Feature Releases are collectively referred to as "Releases". Each Release will be considered Software governed by the Software License and Software Support provisions of this Agreement (unless otherwise noted). Implementation of a Release may require you to procure, at your expense, additional hardware and/or software from Xerox or another entity. Upon installation of a Release, you will return or destroy all prior Releases.

12. DIAGNOSTIC SOFTWARE. Software used to evaluate or maintain the Equipment ("Diagnostic Software") is included with the Equipment. Diagnostic Software is a valuable trade secret of Xerox. Title to Diagnostic Software will remain with Xerox or its licensors. Xerox does not grant you any right to use Diagnostic Software, and you will not access, use, reproduce, distribute or disclose Diagnostic Software for any purpose (or allow third parties to do so). You will allow Xerox reasonable access to the Equipment to remove or disable Diagnostic Software if you are no longer receiving Maintenance Services from Xerox, provided that any on-site access to your facility will be during your normal business hours.

PRICING PLAN/OFFERING SELECTED:

13. TERM. The Term for each unit of Equipment will commence upon: (a) delivery of customer-installable Equipment; or (b) installation of Xerox-installable Equipment. Unless either party provides notice of termination at least thirty days before the expiration of the initial Term, it will renew automatically on a month-to-month basis on the same terms and conditions. During this renewal period, either party may terminate the Equipment upon at least 30 days notice. Upon termination, you will make the Products available for removal by Xerox. At the time of removal, the Equipment will be in the same condition as when delivered (reasonable wear and tear excepted).

14. PAYMENT. Payment (including applicable Taxes) is due within 30 days after the invoice date, with all charges being billed in arrears. This Agreement will not be automatically renewed.

15. LATE CHARGE. If a payment is not received by Xerox within 10 days after the due date, Xerox may charge, and you will pay, a late charge of 5% of the amount due or \$25, whichever is greater.

16. PRICE INCREASES. Xerox may annually increase the maintenance component of the Minimum Payment and Print Charges. For Application Software, Xerox may annually increase the software license or support fees. These adjustments will occur at the commencement of each annual contract cycle.

17. DELIVERY, REMOVAL & RELOCATION. Equipment prices include standard delivery charges and, for Equipment for which Xerox retains ownership, standard removal charges. Non-standard delivery, removal and Equipment relocation must be arranged (or approved in advance) by Xerox and will be at your expense.

18. TAXES. You will be responsible for all applicable taxes, fees or charges of any kind (including interest and penalties) assessed by any governmental entity on this Agreement or the amounts payable under this Agreement ("Taxes"), which will be included in Xerox's invoice unless you timely provide proof of your tax exempt status.

Taxes do not include personal property taxes in jurisdictions where Xerox is required to pay personal property taxes, and taxes on Xerox's income. This Agreement is a lease for all income tax purposes and you will not claim any credit or deduction for depreciation of the Equipment, or take any other action inconsistent with your role as lessee of the Equipment.

19. PURCHASE OPTION. If not in default, you may purchase the Equipment, "AS IS, WHERE IS" and WITHOUT ANY WARRANTY AS TO CONDITION OR VALUE, at the end of the initial Term for the "Purchase Option" indicated on the face of this Agreement (i.e., either a set dollar amount or the fair market value of the Equipment at the expiration of the initial Term), plus all applicable Taxes.

20. DEFAULT & REMEDIES. You will be in default under this Agreement if (1) Xerox does not receive any payment within 15 days after the date it is due, or (2) you breach any other obligation in this or any other agreement with Xerox. If you default, Xerox may, in addition to its other remedies (including cessation of Maintenance Services), remove the Equipment at your expense and require immediate payment, as liquidated damages for loss of bargain and not as a penalty, of: (a) all amounts then due, plus interest from the due date until paid at the rate of 1.5% per month; (b) the Minimum Payments (less the Maintenance Services and Consumable Supplies components thereof, as reflected on Xerox's books and records) remaining in the Term, discounted at 4% per annum; (c) the applicable Purchase Option; and (d) all applicable Taxes. You will pay all reasonable costs, including attorneys' fees, incurred by Xerox to enforce this Agreement. If you make the Equipment available for removal by Xerox within 30 days after notice of default, in the same condition as when delivered (reasonable wear and tear excepted), you will receive a credit for the fair market value of the Equipment as determined by Xerox, less any costs incurred by Xerox.

21. DATA SECURITY. Certain models of Equipment can be configured to include a variety of data security features. There may be an additional cost associated with certain data security features. The selection, suitability and use of data security features are solely Customer's responsibility. Upon request, Xerox will provide additional information to Customer regarding the security features available for particular Equipment models.

GENERAL TERMS & CONDITIONS:

22. NON-CANCELABLE AGREEMENT. THIS AGREEMENT CANNOT BE CANCELED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN. YOUR OBLIGATION TO MAKE ALL PAYMENTS, AND TO PAY ANY OTHER AMOUNTS DUE OR TO BECOME DUE, IS ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO DELAY, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM OR RECOURSE FOR ANY REASON WHATSOEVER, IRRESPECTIVE OF XEROX'S PERFORMANCE OF ITS OBLIGATIONS HEREUNDER. ANY CLAIM AGAINST XEROX MAY BE ASSERTED IN A SEPARATE ACTION AND SOLELY AGAINST XEROX.

23. REPRESENTATIONS. The individuals signing this Agreement are duly authorized to do so and all financial information you provide completely and accurately represents your financial condition.

24. LIMITATION OF LIABILITY. Except for liability under the indemnification obligations set forth in this Agreement, Xerox will not be liable to you for any direct damages in excess of \$10,000 or the amounts paid hereunder, whichever is greater, and neither party will be liable to the other for any special, indirect, incidental, consequential or punitive damages arising out of or relating to this Agreement, whether the claim alleges tortious conduct (including negligence) or any other legal theory. Any action you take against Xerox must be commenced within 2 years after the event that caused it.

25. CREDIT REPORTS. You authorize Xerox or its agent to obtain credit reports from commercial credit reporting agencies.

26. FORCE MAJEURE. Xerox will not be liable to you during any period in which its performance is delayed or prevented, in whole or in part, by a circumstance beyond its reasonable control. Xerox will notify you if such a circumstance occurs.

27. PROTECTION OF XEROX'S RIGHTS. You authorize Xerox or its agent to file, by any permissible means, financing statements necessary to protect Xerox's rights as lessor of the Equipment. You will promptly notify Xerox of a change in ownership, or if you relocate your principal place of business or change the name of your business.

28. WARRANTY DISCLAIMER. XEROX DISCLAIMS THE IMPLIED WARRANTIES OF NON-INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE. This Agreement is a "finance lease" under Article 2A of the Uniform Commercial Code and, except to the extent expressly provided herein, and as permitted by applicable law, you waive all of your rights and remedies as a lessee under Article 2A.

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29. INTELLECTUAL PROPERTY INDEMNITY. Xerox will defend, and pay any settlement agreed to by Xerox or any final judgment for, any claim that a Xerox-brand Product infringes a third party's U.S. intellectual property rights. You will promptly notify Xerox of any alleged infringement and permit Xerox to direct the defense. Xerox is not responsible for any non-Xerox litigation expenses or settlements unless it pre-approves them in writing. To avoid infringement, Xerox may modify or substitute an equivalent Xerox-brand Product, refund the price paid for the Xerox-brand Product (less the reasonable rental value for the period it was available to you), or obtain any necessary licenses. Xerox is not liable for any infringement based upon a Xerox-brand Product being modified to your specifications or being used or sold with products not provided by Xerox.

30. TITLE & RISK OF LOSS. Until you exercise your Purchase Option: (a) title to Equipment will remain with Xerox; (b) Equipment will remain personal property; (c) you will not attach the Equipment as a fixture to any real estate; (d) you will not pledge, sub-lease or part with possession of it, or file or permit to be filed any lien against it; and, (e) you will not make any permanent alterations to it. Risk of loss passes to you upon delivery and remains with you until Xerox removes the Equipment. You will keep the Products insured against loss or damage and the policy will name Xerox as a loss payee.

31. ASSIGNMENT. Except for assignment by Xerox to a parent, subsidiary or affiliate of Xerox, or to securitize this Agreement as part of a financing transaction ("Permitted Assignment"), neither party will assign any of its rights or obligations under this Agreement without the prior written consent of the other party. In the event of a Permitted Assignment: (a) Xerox may, without your prior written consent, release to the proposed assignee information it has about you related to this Agreement; (b) the assignee will have all of the rights but none of the obligations of Xerox hereunder; (c) you will continue to look to Xerox for performance of Xerox's obligations, including the provision of Maintenance Services; (d) you waive and release the assignee from any claim relating to or arising from the performance of Xerox's obligations hereunder; (e) you shall not assert any defense, counterclaim or setoff you may have against an assignee; and (f) you will remit payments in accordance with instructions of the assignee.

32. MISCELLANEOUS. Notices must be in writing and will be deemed given 5 days after mailing, or 2 days after sending by nationally recognized overnight courier. Notices will be sent to you at the "Bill to" address identified in this Agreement, and to Xerox at the inquiry address set forth on your most recent invoice, or to such other address as

either party may designate by written notice. You authorize Xerox or its agents to communicate with you by any electronic means (including cellular phone, email, automatic dialing and recorded messages) using any phone number (including cellular) or electronic address you provide to Xerox. This Agreement constitutes the entire agreement as to its subject matter, supersedes all prior oral and written agreements, and will be governed by the laws of the State of New York (without regard to conflict-of-law principles). In any action to enforce this Agreement, the parties agree (a) to the jurisdiction and venue of the federal and state courts in Monroe County, New York, and (b) to waive their right to a jury trial. If a court finds any term of this Agreement unenforceable, the remaining terms will remain in effect. The failure by either party to exercise any right or remedy will not constitute a waiver of such right or remedy. Each party may retain a reproduction (e.g., electronic image, photocopy, facsimile) of this Agreement which will be admissible in any action to enforce it, but only the Agreement held by Xerox will be considered an original. Xerox may accept this Agreement either by signature or by commencing performance. Changes to this Agreement must be in writing and signed by both parties. Any terms on your ordering documents will be of no force or effect. The following four sentences control over every other part of this Agreement. Both parties will comply with applicable laws. Xerox will not charge or collect any amounts in excess of those allowed by applicable law. Any part of this Agreement that would, but for the last four sentences of this Section, be read under any circumstances to allow for a charge higher than that allowed under any applicable legal limit, is modified by this Section to limit the amounts chargeable under this Agreement to the maximum amount allowed under the legal limit. If, in any circumstances, any amount in excess of that allowed by law is charged or received, any such charge will be deemed limited by the amount legally allowed and any amount received by Xerox in excess of that legally allowed will be applied by Xerox to the payment of amounts legally owed under this Agreement, or refunded to you.

33. REMOTE SERVICES. Certain models of Equipment are supported and serviced using data that is automatically collected by Xerox from the Equipment via electronic transmission from the Equipment to a secure off-site location. Examples of automatically transmitted data include product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. All such data shall be transmitted in a secure manner specified by Xerox. The automatic data transmission capability will not allow Xerox to read, view or download the content of any Customer documents residing on or passing through the Equipment or Customer's information management systems.