

**INFORMATION TECHNOLOGY PROFESSIONAL  
OFFSITE DATA BACKUP AND DISASTER RECOVERY  
SERVICES**

**RECOMMENDATION: Adopt Resolution Approving Lease Agreement with HP Integrated Financial Services for Professional Offsite Data Backup and Disaster Recovery Services Provided by Solid Networks**

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**SUMMARY:**

The City has been using offsite data backup and disaster recovery services for the past twelve years. Backing up data is an essential business process for the proper operation of data in today's digital environment. These services are crucial for protecting the City's business continuity in the event of data loss, security breach, or natural disaster. With the emergence of new information technologies, persistent high security threats, and the stark reality of financial loss in the event of a data breach, staff continuously evaluates more efficient and cost effective solutions for the City.

As part of the ongoing evaluation of data solutions, staff requested quotes from authorizes professional companies for the renewal of ongoing offsite data backup and disaster recovery services. The City received the following four (4) proposals:

	<b>Vendor</b>	<b>Quote</b>
1	Solid Networks	\$106,454.00
2	General Datatech LP	\$112,157.52
3	ePlus Technologies	\$116,545.52
4	Entisys 360	\$134,406.90

Solid Networks provided the lowest cost proposal for \$106,454.00. This provides the necessary equipment, installation services, and secure cloud storage. In order to contract with Solid Networks, the City would enter into a lease agreement with HP Integrated Financial Services attached without details to avoid disclosing confidential network security details. This lease would allow the City to pay monthly installments at 0%, instead of the full cost upfront.

Tonight, staff is requesting Council consider the attached resolution approving the lease agreement with HP Integrated Financial Services for the Solid Network professional installation, equipment, and maintenance services. This lease agreement would increase the City's current off-site data backup storage performance, disaster recovery, and security at a lower cost.

**CITY MANAGER'S REPORT  
DECEMBER 14, 2020 CITY COUNCIL REGULAR MEETING  
LEASE AGREEMENT WITH HP INTEGRATED FINANCIAL SERVICES**

**BACKGROUND:**

In past twelve years, the City has been using offsite data backup and disaster recovery services. Backing up data is an essential business process for the proper operation of data in today's digital environment.

These services are crucial for protecting the City's business continuity in the event of data loss, security breach, and or natural disaster. The current system has served its full shelf life and purpose. Due to the emergence of new and more efficient information technologies, persistent high security threats, and the stark reality of financial loss in the event of a data breach, staff has evaluated different and more efficient solutions for the City.

As part of the ongoing evaluation of data solutions, staff requested quotes from authorized professional companies for the renewal of ongoing offsite data backup and disaster recovery services. The City received the following four (4) proposals:

	<b>Vendor</b>	<b>Quote</b>
1	Solid Networks	\$106,454.00
2	General Datatech LP	\$112,157.52
3	ePlus Technologies	\$116,545.52
4	Entisys 360	\$134,406.90

These solutions also come recommended and reviewed from other local agencies with similar security needs as Lathrop. Solid Networks provided the lowest cost proposal for the sum of \$106,454.00. This proposal provides the necessary equipment, professional installation services, and secure cloud storage. In order to contract with Solid Networks, the City would enter into a lease agreement with HP Integrated Financial Services. This lease would allow the City to pay monthly installments at 0%, instead of paying the full cost upfront.

**REASON FOR RECOMMENDATION:**

Staff is requesting Council consideration of the attached resolution approving the lease agreement with HP Integrated Financial Services for the Solid Network professional installation, equipment, and maintenance services. Approval of said lease agreement would increase the City's current off-site data backup storage performance, disaster recovery, and security at a lower cost.

**FISCAL IMPACT:**

Lease Terms: 36 months, \$2,957.05 per month, at 0% interest rate. The terms include a \$1.00 buyout at the end of the 36 months lease. The equipment will provide adequate off-site data backup for the City for the next three (3) years. Funds for this lease agreement are currently available in the FY 20-21 Information Technology approved budget.

**CITY MANAGER'S REPORT  
DECEMBER 14, 2020 CITY COUNCIL REGULAR MEETING  
LEASE AGREEMENT WITH HP INTEGRATED FINANCIAL SERVICES**

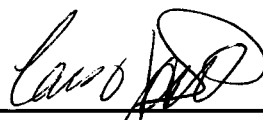
**ATTACHMENTS:**

- A. Resolution Approving Lease Agreement with HP Integrated Financial Services for Professional Offsite Data Backup and Disaster Recovery Services Provided by Solid Networks

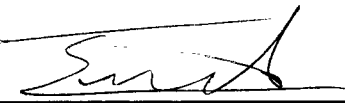
**APPROVALS:**

  
\_\_\_\_\_  
Tony Fernandes  
Chief Information Officer

12-8-2020  
Date

  
\_\_\_\_\_  
Cari James  
Finance & Administrative Services Director

12/8/2020  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

12-8-2020  
Date

  
\_\_\_\_\_  
Stephen Salvatore  
City Manager

12.8.2020  
Date

**RESOLUTION NO. 20-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A LEASE AGREEMENT WITH HP INTEGRATED FINANCIAL SERVICES FOR PROFESSIONAL OFFSITE DATA BACKUP AND DISASTER RECOVERY SERVICES PROVIDED BY SOLID NETWORKS**

**WHEREAS**, the City has been using offsite data backup and disaster recovery services for the past twelve years; and

**WHEREAS**, backing up data is an essential business process for the proper operation of data in today's digital environment; and

**WHEREAS**, these services are crucial for protecting the City's business continuity in the event of data loss, security breach, or natural disaster; and

**WHEREAS**, with the emergence of new information technologies, persistent high security threats, and the stark reality of financial loss in the event of a data breach, staff continuously evaluates more efficient and cost effective solutions for the City; and

**WHEREAS**, as part of the ongoing evaluation of data solutions, staff requested quotes from authorized professional companies for the renewal of ongoing offsite data backup and disaster recovery services; and

**WHEREAS**, the lowest cost proposal was provided by Solid Networks for a sum of \$106,454.00, for all necessary equipment, professional installation services, maintenance and secure cloud storage; and

**WHEREAS**, in order to contract with Solid Networks, the City may enter into a lease agreement with HP Integrated Financial Services to allow the City to pay monthly installments at 0% interest rate, instead of paying the full cost upfront.

**NOW, THEREFORE, BE IT RESOLVED**, the City Council of the City of Lathrop authorizes the City Manager to execute all necessary documents and lease agreement with HP Integrated Financial Services for the Solid Network equipment, professional installation, maintenance, and secure cloud storage services for 36 months, at a cost of \$2,957.05 per month at 0% interest rate.

The foregoing resolution was passed and adopted this 14<sup>th</sup> day of December 2020, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

# STATE AND LOCAL GOVERNMENT SINGLE SCHEDULE LEASE PURCHASE AGREEMENT

When we use the words **you** and **your** in this Lease, we mean **you, our customer**, which is the **Lessee** indicated below. When we use the words **we, us** and **our** in this Lease, we mean the **Lessor, Hewlett-Packard Financial Services Company**. Our address is 200 Connell Drive, Suite 5000, Berkeley Heights, NJ 07922

<b>CUSTOMER INFORMATION</b>	Lessee Name	Tax ID #
	City of Lathrop	
	390 Towne Centre Drive Lathrop, CA 95330, UNITED STATES	Phone No.
	390 Towne Centre Drive Lathrop, CA 95330, UNITED STATES	Phone No.
		Lease 5555690429USA1
		Schedule 5555690429USA1

<b>SUPPLIER INFORMATION</b>	Hewlett-Packard Company	Phone No.	Fax No.
	3800 Quick Hill Road Bldg 2, Suite 100 Austin, TX 78728	Contact Name:	

<b>EQUIPMENT DESCRIPTION</b>	Quantity	Make/Model Quote #: 005814	Price Each/Extension \$106,454.00
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<b>TERM AND LEASE PAYMENT SCHEDULE</b>	Lease Term (Months)	Lease Payment	Documentation Fee	Payment Timing (Check one)	Plus Applicable Taxes and Insurance
	36 months	\$2,957.05	N/A	<input type="checkbox"/> Advance <input checked="" type="checkbox"/> Arrears	
	Additional Provisions			Total Cash Price \$106,454.00	
			Annual Rate of Interest	Latest Commencement Date	
			N/A	<b>February 28, 2021</b>	

### PART I

You agree to lease the equipment described above (collectively, "Equipment") on the terms and conditions of this lease agreement ("Lease"). The term of this Lease is set forth above. This Lease shall be effective with respect to the Equipment from and after the date of your acceptance of the Equipment. Each Lease Payment (singly, a Lease Payment and collectively, the "Lease Payments") are to be made in the manner specified above and shall commence on the date the Equipment is accepted by you as evidenced by your execution and delivery to us of a Delivery and Acceptance Certificate with respect to the Equipment. You must notify us of any change in the Equipment to be included in any proposed Lease and we reserve the right to accept or reject such change. Our acceptance of this Lease shall be evidenced by our execution hereof.

### PART II

1. **TERMS AND CONDITIONS.** In consideration of our purchase of the Equipment selected by you, we lease to you, and you lease from us, the Equipment identified above pursuant to the terms and conditions set forth herein. **THIS LEASE AND THE DOCUMENTS REFERRED TO HEREIN CONSTITUTE THE FULL AND ENTIRE AGREEMENT** between you and us in connection with the Equipment and **MERGES ANY OTHER UNDERSTANDING**. In no case shall the preprinted terms and conditions on the Supplier's standard transactional documentation (e.g., order forms and invoices) apply to us. Neither you nor we rely on any other statement, representation or assurance of cure. This lease can be neither canceled nor modified except by a written agreement signed by both parties.

2. **YOUR WARRANTIES TO US.** You expressly represent and warrant to us, and we rely on, each of the following statements: (a) you have read and understood this Lease; (b) **you have selected the equipment and specifications, and the equipment will meet your needs**; (c) you will authorize us to pay for the Equipment only after you have received and accepted the Equipment as fully operable for your purposes; (d) the interest portion of the Lease Payments shall be excluded from gross income for federal income tax purposes, and you will do nothing to cause, nor fail to take action which results in, the interest portion of the Lease Payments

being includible in gross income for federal income tax purposes; (e) **NEITHER THE SUPPLIER OF THE EQUIPMENT NOR ANY OF ITS SALESPERSONS ARE, OR HAVE ACTED AS, OUR AGENTS OR EMPLOYEES**; (f) financial information and other statements provided to us are accurate and correct and will be updated upon our request during the term of this Lease; (g) you are a political subdivision or agency or department of a State; (h) the entering into and performance of this Lease are authorized under the laws and constitution of your state and do not violate or contradict any judgement, law, order, or regulation, or cause any default under any agreement to which you are a party; (i) you have complied with all bidding requirements and, where necessary, have properly presented this Lease for approval and adoption as a valid obligation on your part; (j) this Lease is a legal, valid and binding obligation enforceable in accordance with its terms; (k) you have sufficient appropriated funds or other moneys available to pay all amounts due under this Lease for your current fiscal period; (l) the use of the Equipment is essential for your proper, efficient and economic operation, you will be the only entity to own, use or operate the Equipment during the term of this Lease and you will use the Equipment only for your governmental purposes; (m) You do not and will not: 1) export, re-export, or transfer any Equipment, software, source code or any direct product thereof to a prohibited destination, or to nationals of proscribed countries

wherever located, without prior authorization from the United States and other applicable governments; and 2) use any Equipment, software or technology, technical data, or technical assistance related thereto or the products thereof in the design, development, or production of nuclear, missile, chemical, or biological weapons or transfer the same to a prohibited destination, or to nationals of proscribed countries, without prior authorization from the United States and other applicable governments. You are not an entity or person designated by the United States government or any other applicable government with which transacting business without the prior consent of such government is prohibited. Upon our request, you agree to provide us with an opinion of counsel as to clauses (g) through (j) above, a certificate of appropriations as to clause (k) above, an essential use letter as to clause (l) above, and any other documents that we request, including information statements to be filed with the Internal Revenue Service, with all such documents being in a form satisfactory to us.

**3. YOUR WAIVER OF DAMAGES AND WARRANTIES FROM US. YOU LEASE THE EQUIPMENT FROM US "AS IS, WHERE IS." EXCEPT AS TO QUIET ENJOYMENT, WE MAKE ABSOLUTELY NO WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE AS REPRESENTED OR WARRANTED BY THE SUPPLIER, OR IS UNSATISFACTORY FOR ANY REASON WHATSOEVER, YOU SHALL MAKE ANY CLAIM ON ACCOUNT THEREOF SOLELY AGAINST THE SUPPLIER AND YOU HEREBY WAIVE ANY SUCH CLAIM AGAINST US. ALL WARRANTIES FROM THE SUPPLIER TO US, TO THE EXTENT ASSIGNABLE, ARE HEREBY ASSIGNED TO YOU FOR THE TERM OF THIS LEASE FOR YOUR EXERCISE AT YOUR EXPENSE. YOU SHALL HOLD US HARMLESS AND SHALL BE RESPONSIBLE FOR ANY LOSS, DAMAGE OR INJURY TO PERSONS OR PROPERTY CAUSED BY THE EQUIPMENT. NO REPRESENTATION OR WARRANTY BY THE SUPPLIER OR SALESPERSON IS BINDING ON US NOR SHALL BREACH OF SUCH WARRANTY RELIEVE YOU OF YOUR OBLIGATIONS TO US. IN NO CASE SHALL WE BE LIABLE TO YOU FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.**

**4. PAYMENTS.** You agree to make Lease Payments as set forth above and to pay such other charges as provided herein. **IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THIS LEASE SHALL BE NON-CANCELABLE (EXCEPT AS SET FORTH IN SECTION 6 HEREOF), AND THAT THIS LEASE IS A NET LEASE. YOU AGREE THAT YOU HAVE AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY ALL LEASE PAYMENTS AND OTHER AMOUNTS WHEN DUE.** You hereby authorize us to reduce the lease payments by up to twenty percent (20%) in the event that the actual total cost of the equipment at the time of closing is less than the estimate. Lease Payments shall be increased by any cost or expense we incur to preserve the Equipment or to pay taxes, assessments, fees, penalties, liens, or encumbrances. Unless we give written notice of a new address, all payments under this Lease shall be sent to us at the address provided at the beginning of this Lease. Each payment received, at our discretion, will be applied first to the oldest charge due under this Lease. **YOU AGREE THAT TIME IS OF THE ESSENCE AND TO MAKE PAYMENTS REGARDLESS OF ANY PROBLEMS YOU MIGHT HAVE WITH THE EQUIPMENT INCLUDING ITS OPERATION, CAPABILITY, INSTALLATION, OR REPAIR AND REGARDLESS OF ANY CLAIM, SETOFF, DEFENSE YOU MIGHT HAVE AGAINST THE SUPPLIER, MANUFACTURER, SALESPERSON, OR OTHER THIRD PARTY.** Without our prior written consent, any payment to us of a smaller sum than due at any time under this Lease shall not constitute a release or an accord and satisfaction for any greater sum due, or to become due, regardless of any endorsement restriction, unless otherwise agreed by both parties in a signed writing.

**5. 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, chief financial or administrative officer will provide for funding for such payments in your annual budget request submitted to your governing body. You and we agree that your obligation to make Lease Payments under this Lease will be your current expense and will not be interpreted to be a debt in violation of applicable law or constitutional

limitations or requirements. Nothing contained in this Lease will be interpreted as a pledge of your general tax revenues, funds or moneys.

**6. NONAPPROPRIATIONS OF FUNDS.** If (i) sufficient funds are not appropriated and budgeted by your governing body in any fiscal period for all Lease Payments and all other payments due under this Lease for such fiscal period, and (ii) you have exhausted all funds legally available for such payments, then you will give us written notice and return the Equipment to us, and this Lease will terminate as of the last day of the fiscal period for which funds are available to pay amounts due under this Lease. 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 this Lease for which funds have been budgeted and appropriated or are otherwise legally available.

**7. TAXES, ASSESSMENTS AND FEES.** You will pay when due, either directly or to us upon our demand, all taxes, fines and penalties relating to this Lease or the Equipment that are now or in the future assessed or levied by any state, local or other government authority. We will file all personal property, use or other tax returns (unless we notify you otherwise in writing) and you agree to pay us a fee for making such filings. We do not have to contest any taxes, fines or penalties. You will pay estimated property taxes with each invoice or annually, as invoiced. In addition, you authorize us to file at our option financing statements and/or fixture filings without your signature. If we request, you will execute such financing statements and/or fixture filings. To the extent permitted by law, you hereby grant us a security interest in all Lease Payments and Equipment, and all of your interest therein, and all proceeds and products thereof. You agree to pay us a documentation fee to be billed with the first Lease Payments to cover account setup and administrative costs. You agree to reimburse us for reasonable costs incurred in collecting taxes, assessments, or fees for which you are liable, and any collection charges attributable thereto, including reasonable attorney fees.

**8. NOTICE.** 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 page 1 of this Lease (or to any other address specified by that party in writing) with first class postage prepaid.

**9. SUCCESSORS AND ASSIGNMENTS. YOU AGREE NOT TO TRANSFER, SELL, SUBLEASE, ASSIGN, PLEDGE OR ENCUMBER EITHER THE EQUIPMENT OR ANY RIGHTS UNDER THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT,** and even with our consent, you shall remain jointly and severally liable to the full extent with your assignee. **WE MAY, AT OUR OPTION ASSIGN OUR RIGHTS AND INTERESTS UNDER THIS LEASE WITH NOTICE TO YOU BUT WITHOUT YOUR CONSENT.** You agree that our assignee will have the same rights and remedies that we have now. You agree that the rights of our assignee will not be subject to claims, defenses, or setoffs that you may have against us. You agree that we are not an agent of our assignee and that we have no affiliation with such assignee except for such assignment. You stipulate that any such assignment by us shall not materially change your duties, obligations or risks under this Lease. You agree to acknowledge each such assignment in writing if so requested and keep a complete and accurate record of all such assignments in a manner that complies with §149 of the Code, and the regulations promulgated thereunder.

**10. OWNERSHIP AND TITLE,** You will have title to the Equipment upon your acceptance of it; provided, however, that title will immediately vest in us or our assignee if this Lease is terminated because you have not appropriated funds for payment of Lease Payments or other amounts due hereunder, as provided in Section 6 of this Lease or if you are in default of this Lease pursuant to the terms of Section 16 of this Lease. We have the right to inspect the Equipment, and have the right to affix and display a notice of our security interest in the Equipment. The Equipment shall remain personal property whether or not affixed to realty and shall not be part of any real property on which it is located. At our request, you shall obtain a landlord and/or mortgage waiver for the Equipment. All additions, attachments, and accessories placed on the Equipment become part of the Equipment unless removed prior to

the termination of this Lease. You agree to maintain the Equipment so that it may be removed from the property or building where located without damage.

11. OPERATION AND TERMINATION. You shall be solely responsible for the installation, operation, and maintenance of the Equipment, shall keep it in good condition and working order, and shall use and operate the Equipment in compliance with applicable laws. If the Equipment is of the type not normally maintained by you, then you, at your expense, shall maintain in full force and effect throughout the term of this Lease Supplier's standard maintenance contract. You agree to keep and use this Equipment only at the address specified above, to never abandon or move the Equipment from that address, nor relinquish possession of the Equipment except to our agent. If you are required to return the Equipment to us for any reason, you shall, at your expense, wipe clean or permanently delete all data contained on the Equipment, including without limitation, any data contained on internal or external drives, discs, or accompanying media, immediately crate, insure and return the Equipment to the designated location in as good a condition as when you received it, excepting only reasonable wear and tear. In the case of any item of Software to be returned to us, you will also deliver to us the original certificate of authenticity issued by the licensor of such Software, if any.

12. RISK OF LOSS AND INSURANCE. During the term of this Lease, you bear the entire risk of loss or damage to the Equipment. You shall immediately notify us of the occurrence of any loss or other occurrence affecting our interests and shall make repairs or corrections at your expense. In such event, and to the extent permitted by law, you agree to continue to meet all payment and other obligations under this Lease. You agree to keep the Equipment insured at your expense against risks of loss or damage from any cause whatsoever. You agree that such insurance shall not be less than the replacement value of the Equipment. You also agree that the insurance shall be in such additional amount as is reasonable to cover us for public liability and property damage arising from the Equipment or your use of it. You agree to name us as the loss payee and an additional insured. Upon our request, you agree to furnish proof of each insurance policy including a certificate of insurance and a copy of the policy. The proceeds of such insurance shall be applied at our sole election toward the replacement or repair of the Equipment or payment towards your obligations. If you so request and we give our prior written consent, in lieu of maintaining insurance as described herein, you may self insure against such risks, provided that our interests are protected to the same extent as if the insurance had been obtained by third party insurance carriers and provided further that such self insurance program is consistent with prudent business practices with respect with such insurance 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. Such insurance obtained will be in a form, amount and with companies acceptable to us, and will provide that we will be given 30 days' advance notice of any cancellation or material change of such insurance.

13. INDEMNITY. You agree, to the extent permitted by law, to indemnify and hold us harmless from and against, any and all losses, damages, injuries, claims, demands, and expenses, including any and all attorney's fees and legal expenses ("Claims") arising from or caused by any actual or alleged use, possession, maintenance, condition (whether or not latent or discoverable), operation, location, delivery or transportation of any item of Equipment.

14. TRANSFER OF EQUIPMENT AT END OF TERM OF LEASE AND PURCHASE OPTION. When you have paid all Lease Payments and all other amounts due under this Lease and have satisfied the other terms of this Lease, we shall transfer all of our interest in the Equipment to you "AS IS, WHERE IS," without any warranty, express or implied, from us. With 30 days prior written notice, you may purchase the Equipment (other than software that we may not be authorized to sell) on any Lease Payment date for an amount equal to the rent due on the Lease Payment date, the remaining Lease Payments due under this Lease discounted at the annual rate of 3% and all other amounts due under this Lease. You may exercise this purchase option only if you are not in default under the terms of this Lease.

15. COLLECTION CHARGES AND ATTORNEY'S FEES. If any part of any sum is not paid when due, you agree to pay us: (i) in the first month, a late charge to compensate us for collecting and processing the late sum, such late charge is stipulated and liquidated at the greater of \$.05 per dollar of each delayed sum or \$15; plus (ii) a charge for every month after the first month in which the sum is late to compensate us for the inability to reinvest the sum, such charge is stipulated and liquidated at 1 1/2% per month, or when less, the maximum allowed by law.

16. DEFAULT. You shall be in default of this Lease on the occurrence of any of the following events: (a) you fail to pay any Lease Payment or any other amount due under this Lease within 10 days after it first becomes due; (b) you assign, move, pledge, sublease, sell or relinquish possession of the Equipment, or attempt to do so, without our written authorization; (c) you breach any other obligations under this Lease, or any other agreement with us, and fail to cure such breach within ten days after we send notice of the existence of such breach; (d) you breach any warranty to us; (e) any execution or writ of process is issued in any action or proceeding to seize or detain the Equipment; or (f) you file a voluntary petition in bankruptcy, you are adjudicated as a bankrupt, or any proceeding is filed against you under the bankruptcy or similar laws of the United States or the state where the Equipment is located, and the proceeding is not dismissed within 60 days after filing.

17. REMEDIES. Should you default, we have the right to collect and to exercise any or all of the following: (a) we may cancel or terminate this Lease or any or all other agreements that we have entered into with you or withdraw any offer of credit; (b) we may require you to pay us, as compensation for loss of our bargain and not as a penalty, all Lease Payments for the remainder of your current fiscal period; (c) we have the right to immediately retake possession of the Equipment without any court order or other process of law and for such purpose may enter upon any premises where the Equipment may be, remove the same and apply any proceeds from any sale or lease of the Equipment to the payment of amounts which would have been due, if the default had not occurred; and (d) we have the right to exercise any remedy at law or equity, notice thereof being expressly waived by you. Our delay or failure to exercise a remedy constitutes neither a waiver of any other remedy or a release of your liability to return the Equipment or for any loss or Claim with respect thereto. You shall be liable for all reasonable costs and expenses incurred in the repossession, recovery, storage, repair, sale, re-lease or other disposition of the Equipment.

18. SEVERABILITY. The provisions of this Lease are severable and shall not be affected or impaired if any one provision is held unenforceable, invalid, or illegal. Any provision held in conflict with any statute or rule of law shall be deemed inoperative only to the extent of such conflict and shall be modified to conform to such statute or rule.

19. RELEASES. To the extent permitted by applicable law, you hereby waive your rights to: (a) cancel or repudiate this Lease; (b) revoke acceptance of or reject the Equipment; (c) claim a security interest in the Equipment; (d) accept partial delivery of the Equipment; (e) sell or dispose of the Equipment upon rejection or revocation; (f) seek "cover" in substitution for this Lease from us.

20. MITIGATION OF DAMAGES. Should we use or dispose of any returned or repossessed Equipment, we will credit the amount that you owe with any excess which we actually recover over the cost of retaking and disposing of the Equipment. Any action under this Lease by you for claims against us for indemnity, misrepresentation, breach of warranty and contract default or any other matter shall be commenced within one (1) year after any such cause of action accrues. The provisions of this Section 20 shall be applied only to the extent permitted by the laws of the state where the Equipment is located.

21. MISCELLANEOUS. Regardless of any conflicting provisions in this Lease, this Lease will be governed by the laws of the state in which the Equipment is located. Any change in any of the terms and conditions of this Lease must be in writing and signed by us. 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. It is the express intent of the parties not to violate any applicable usury 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 such excess payment 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 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.

All representations, warranties and covenants made by you hereunder shall survive the termination of this Lease and shall remain in full force and effect. All of our rights, privileges and indemnities under this Lease, to the extent they are fairly attributable to events or conditions occurring or existing on or prior to the expiration or termination of this Lease, shall survive such expiration or termination and be enforceable by us and our successors and assigns. You agree that we may disclose any information provided by you to us or created by us in the course of administering this Lease to any of our parent or affiliates.

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**BY SIGNING BELOW YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND ALL OF THE TERMS AND CONDITIONS OF THIS LEASE.**

City of Lathrop

HEWLETT-PACKARD FINANCIAL SERVICES COMPANY

X \_\_\_\_\_  
Authorized Signature  
  
\_\_\_\_\_  
Print Name & Title                              Date

X \_\_\_\_\_  
Authorized Signature  
  
\_\_\_\_\_  
Print Name & Title                              Date

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**CERTIFICATION**

I, the undersigned, DO HEREBY CERTIFY that I am a duly elected or appointed and acting officer (or duly authorized designee of such officer) of the City of Lathrop (the "Customer"), a political subdivision or agency or department of the State of California and that I have custody of the records of the Customer; that the individual executing the above State and Local Government Single Schedule Lease Purchase Agreement (the "Lease") on behalf of the Customer is incumbent in the office printed or typed below his/her signature and is duly authorized to execute and deliver the Lease and all related documents, in the name and on behalf of the Customer; and that the signature of such individual is his/her authentic signature.

IN WITNESS WHEREOF, I have hereto set my hands and affixed the seal of the Customer this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Certifier's Signature [To be executed by person other than individual executing above lease.]

\_\_\_\_\_  
Print Name

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

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