

Response to

Alabama Community College System

For Manufacturer Supplied Technology Equipment with Peripherals,
Software, Networking, Equipment, Maintenance and Professional
Support Services from HP Inc.



February 9, 2024

Bid #: ACCS-2024-01





A. Letter of Transmittal

February 6, 2024

Tokrica Mack
ITS Division
Alabama Community College System
P.O. Office Box 302130
Montgomery, AL 36130-2130

Dear Alabama Community College System Evaluation Committee:

HP Inc. (HP) is pleased to submit this proposal to Alabama Community College System (“The System”) for manufacturer-supplied technology products and services. The System will benefit from partnering with a vendor who can provide leading-edge computer and print products with competitive pricing, comprehensive support and streamlined procurement. HP’s commitment to quality and reliability, product stability, security and manageability will help The System achieve cost objectives, resulting in a reduced cost of ownership.

Further details regarding The System’s benefits of partnering with HP, key differentiators, and a summary of our proposed solution is provided below in Section D. Bid Summary.

In accordance with Section 4.1.2 (Letter of Transmittal) of the Request for Bid, HP provides the following information:

- **Submitting organization:**

HP Inc.
1501 Page Mill Road
Palo Alto, CA 94304
FEIN: 94-1081436

- **Name and title of the person authorized by the organization to contractually obligate the organization:**

Deborah Kaiser
Contracts Specialist
(281) 927-8498

Colleen Lively
Contracts Specialist
(281) 927-7523

- **Name, title and telephone number of the person authorized to negotiate the contract on behalf of the organization:**

Trey Wakefield (or his designee(s))
Senior Legal Counsel; US State, Local Government & Education
(770) 355-5628

- **Names, titles and telephone numbers of persons to be contacted for clarification:**

Primary Contract Management Contact: **Primary Sales Contact:**

Debra Lee
Contract Sales Management
(847) 537-0344

Boz Bell (or his designee(s))
Alabama Education Account Manager
(505) 239-9081

- **Explicitly indicate acceptance of the Conditions Governing the Procurement:**

HP accepts the "Conditions Governing Procurement," specifically sections 2.1 through 2.1.9 of the RFB.

- **Be signed by the person authorized to contractually obligate the organization:**

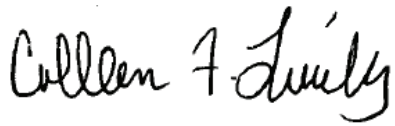
This proposal has been signed by a person authorized to contractually obligate HP. A copy of the signature authorization is included as *HP Attachment 1 - HP Signature Authorization*.

- **Acknowledge receipt of any and all amendments to this RFB:**

Please see *HP Attachment 2* for acknowledgement of any amendments.

HP is committed to The System's success and is confident that our solution addresses your critical requirements. We look forward to meeting with you to review our capabilities, discuss the benefits of our proposed solution, and explore the next steps in forging a strong and mutually beneficial business relationship.

Sincerely,

A handwritten signature in black ink that reads "Colleen Lively". The signature is written in a cursive, flowing style.

Colleen Lively
Contracts Specialist
(281) 927-7523



B. Evaluation Submission Form

HP has completed the required form, which is included on the following page.

6.5 Appendix E - Evaluation Submission Form

The purpose of this form is to provide a single summary document per submitting vendor, that references required materials. This document is intended to assist the Evaluation Committee easily find specific items of information during the evaluation process and to assist participating agency personnel in locating specific vendor information after the award of the bid.

Vendor Contact Information

This will be published for participating agencies to streamline the vendor contact process. Please complete this information as accurately as possible. If the information below changes, please send a revised version of this page to jpa-notification@accs.edu

Vendor Name: HP Inc. Date: 2/06/2024

Website Address: www.hp.com

	Name(s)	Phone Number(s)	E-Mail Address(s)
Primary Contract Executive(s)	Debra Lee	847-537-0344	debra.lee@hp.com
Senior Account/Sales Manager(s) (by region if necessary)	Boz Bell	505-239-9081	boz.bell@hp.com
Account/Sales Manager(s) (by region if necessary)	Alexxus Rivera	505-433-6810	alexus.rivera1@hp.com
Technical Support	Daniel Gilbreath	404-376-4825	dan.gilbreath@hp.com

BID INFORMATION INDEX

Please complete the following form to assist the Evaluation Committee in finding specific information related to your bid response.

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Non-Disclosure

The information in the portions of this proposal or quotation marked as “confidential” constitute trade secrets or information that is confidential or proprietary to HP Inc. (HP). It is furnished in confidence with the understanding that it will only be used or disclosed for evaluation purposes, unless otherwise required by law or permitted by HP. If a contract is awarded based on this proposal or quotation, the Customer may use and disclose this information to the extent required by law. The restriction does not limit the Customer’s right to use or disclose this information if obtained from another source without restriction.

If HP’s proposal is submitted in both electronic and hard copy formats and the contents differ, only the hard copy will constitute the valid HP proposal. If no hard copy is submitted and if the content differs between the PDF version and any other electronic format, only the PDF version will constitute the valid HP proposal.

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D. Bid Summary

As Alabama Community College System (The System) selects a technology solutions partner to deliver a complete solution to meet its RFB requirements, we know you will consider many factors including quality, reliability, serviceability, the overall return on investment, and the breadth of a true partnership. HP's commitment to Education, along with our knowledge base and skill set, uniquely position us to provide The System with the "total solution" that is designed to not only provide the level of partnership sought, but to meet and exceed The System's overall expectations.

HP's proposal describes our unmatched ability to meet The System's requirements with products that incorporate leadership technologies, backed by an award-winning support services organization and strong alliances.

HP's history of developing and supporting superior and highly reliable products is demonstrated by our rapid growth and recognition in the Personal Computer (PC), Imaging and Print industry, and our position as a **worldwide PC market leader**. HP was named **#1 on Newsweek's "America's Most Responsible Company,"**¹ retaining our top spot! HP is a proven, well-rounded technology provider with the experience, vision, products, and solutions to meet and exceed the stated RFB requirements. HP's objective is to provide The System a model that is functional, cost-effective, and customer-service oriented.

HP designs, manufactures and provides the industry's most secure and manageable client devices for PCs, and imaging and printing industries in the world. HP was founded by Bill Hewlett and Dave Packard - two engineers who believe in the power of technology and the contribution it could make to our customers' lives, communities and businesses - and, 80+ years later, we are still a company that applies strategic thinking and innovation continually to provide new features to our products that improve the lives and businesses of our customers.

The System's Benefits of Partnering with HP

No other vendor can surpass HP in completeness of vision, breadth of solutions and commitment to customers.

The benefits to The System of deploying a high-performance, standardized PC or imaging and print platform; providing mobile devices with secure, easy connectivity for students and employees; and enabling high-quality support are numerous. HP expects The System will experience the following benefits:

- **Superior Products** - The quality and diversity of HP PC, and imaging and printing products assure enduring choices, dependability, and low product lifecycle costs. Our emphasis on stability and supportability translates into reliable products that require less maintenance and less frequent software image updates. Moreover, HP's commitment to providing compatibility and cost-effective hardware upgrade options offers outstanding investment protection with the addition of custom and value-added services to wrap around your device - providing a solution, not just a product.

¹ <https://www.newsweek.com/rankings/americas-most-responsible-companies-2023>



- **Price Savings** - As a proven technology leader, HP has the experience, vision and products to provide solutions that yield substantial cost savings. HP provides not only a “not-to-exceed” discount for maintenance services and for hardware based on a discount off HP’s U.S. Commercial List Price, but also provides competitive volume price savings through competitive quote requests. On product, we offer competitive volume firm fixed pricing based on the procuring entity’s specific configurations held firm for a specific timeframe as mutually agreed. This methodology helps procuring entities manage their budgets. With the pandemic impacting market conditions and supply costs, which are always subject to volatility due to the nature of the industry, we believe our pricing offer will provide The System the best value with the most savings.
- **Customer Satisfaction** - HP’s emphasis on quality, customer satisfaction and total customer experience is a top priority for us. HP strives to provide the best experience, from placing an order for one unit, to project/standard initiation, implementation and support. HP’s goal is to exceed your expectations.
- **Environmental Leadership** - Since 2001 HP has provided in-depth information on its social and environmental progress to stakeholders, including customers, industry analysts, investors, employees, and others. The 2022 HP Sustainable Impact Report covers HP’s Sustainable Impact policies, programs, goals, and progress. It includes HP’s performance data through fiscal year 2022 (which ended October 31, 2022), unless stated otherwise. In addition to our Sustainable Impact Report, we share information on our programs and progress in our Sustainable Impact Report Executive Summary at h20195.www2.hp.com/v2/GetDocument.aspx?docname=c05179523 and our Sustainable Impact website <http://www.hp.com/sustainableimpact>.

To view the 2022 HP Sustainable Impact Report or previous versions, see www.hp.com/go/report.
- **Dedicated Multifunction Account Team**—Boz Bell will be The System’s single point-of-contact. As the Account Manager, Boz is responsible for validating that The System achieves the very best from its relationship with HP. Boz will communicate with The System in a regular, timely and appropriate manner and will ensure that The System forms relationships with appropriate high-level HP executives. Additionally, HP’s Inside Sales Representative, Alexus Rivera, is a member of the area sales team and serves as the point of contact when Boz is unavailable. Alexus can assist The System with any questions or product information and solution needs.
- **Quarterly Reviews** —HP’s quarterly communication and review meetings provide regular monitoring and reporting of products, services, and pricing within the HP contract. Current products are discussed, and potential changes to products are addressed during this meeting. The quarterly communication and review meetings will be scheduled according to an agreed upon schedule with The System. Members of the quarterly communication and review meetings may include The System-level representation, internal technical representation, and all HP Account Team representatives.
- **Direct Pricing from HP or a Local Partners (Reseller Agents)** - Procuring entities purchase directly from HP under this contract but may elect to identify local reseller partners (Reseller Agents) to assist them with pre- and post-sales support.

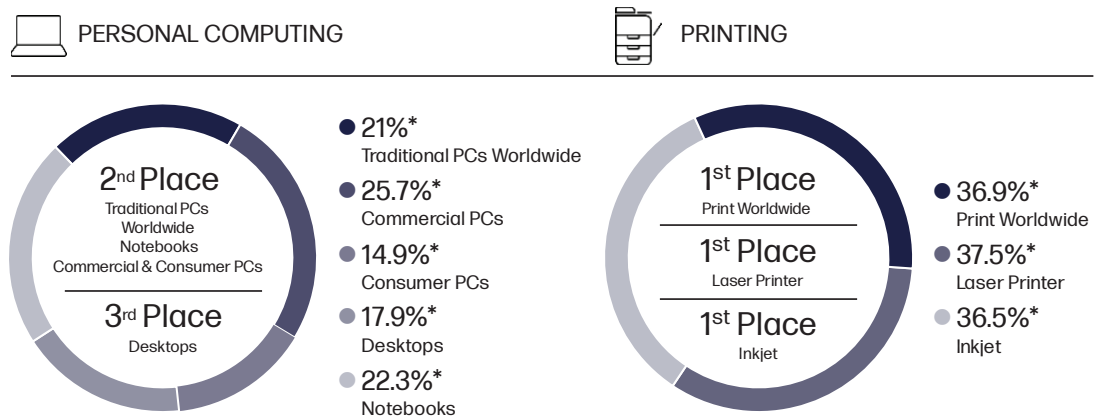


HP Differentiators

HP has succeeded over time not just because of our products, but because of our willingness to become long-term partners with our higher education customers. As an industry leader in technology solutions, HP's position is based on corporate stability, a broad portfolio of products and services, and years of experience serving technology markets. HP is the right choice for The System for the following reasons:

- HP delivers extensive experience and expertise in serving the technology industry, and we offer a wide range of solutions to meet almost any business and IT environment's needs from end-to-end. HP also gives customers the tools to plan, implement, and maintain new capabilities as business grows and technology changes.
- Market share is a valuable indicator of the supportability and longevity of a vendor's products. Products that command large and sustained market share do so because they are proven winners among customers.

HP holds competitive market share rankings in many key product segments across the IT industry. The following charts summarize HP's position by product segment.



Sources: * IDC Quarterly PCD Tracker, Q1 2023 (Desktop and Notebook incl Workstation excl Detachable and Tablet), IDC HCP Tracker, Q1 2023 (IDC Technology = Ink&Laser)

- HP Wolf Security is a new breed of endpoint security. HP's portfolio of hardware-enforced security and endpoint-focused security services is designed to help organizations safeguard PCs, printers and people from circling cyber-predators. HP Wolf Security provides the most comprehensive suite of hardware, software and services in the market, across both PC and printing.
- HP consistently ranks number one in quality and overall customer support. HP is a market leader in ensuring customer satisfaction before and after making a technology purchase. Through a variety of programs, HP helps customers choose the right technology, set up IT infrastructure, recycle products, upgrade equipment, and protect investments.
- HP remains committed to innovation as a key element of our culture. We look at emerging trends to understand where our industry—and our world—is headed, invest in a forward-looking, ambitious research agenda for tomorrow, and build a pipeline to fuel the next generation of HP products, services and solutions. Research and development expenditures were \$1.6 billion in fiscal 2023 and have consistently



exceeded \$1.5 billion annually for the past five years. We anticipate continued significant research and development expenditures in the future to support the design and development of innovative, high-quality products and services to maintain and enhance our competitive position.

Next Steps

HP can offer The System world-class, competitive PC, Imaging and Print solutions to fit The System's unique technology needs—including products, support services, and pricing initiatives that can reduce costs, increase productivity, and meet business goals. HP is committed to creating strong relationships with its customers and would like to partner with The System. The HP account team looks forward to meeting with The System to discuss the benefits and details that HP's products and services can offer.



General Requirements and Specifications

3.1 Acceptance of Conditions Governing the Procurement

Vendor must indicate their acceptance of the Conditions Governing the Procurement section in the letter of transmittal. Submission of a bid constitutes acceptance of the Evaluation Factors contained in this RFB. Vendor must also include ISO 9001 certification as required by the State Code governing Joint Purchase Agreements. According to Alabama law, any companies, or contractors whose affiliates, subdivisions, subsidiaries, or departments have ISO 9001 certification can bid on the information technology to be jointly purchased by educational institutions. ISO 9001 certification is only required for vendors who are providing hardware.

Response:

HP accepts items 2.1 through 2.1.9 of the Conditions Governing the Procurement, which is also confirmed in our Letter of Transmittal.

HP Inc. operates a Quality Management System that complies with the requirements of BS EN ISO 9001:2015. HP Inc. holds a global certificate with locations listed in pages 2-10 of *HP Attachment 3*.

HP Inc. ISO 9001 Certificate

No: FM 639901

Registered by: BSI, The British Standards Institution

Scope: Design, development, marketing, procurement, sales order management, supply chain management, and support of personal systems and printers.

ISO Registrar Contact Information

Alex Philpott, Global Accounts Manager, British Standards Inc.

Alex.Philpott@bsigroup.com

+44 1908815229

Website: <https://www.bsigroup.com/en-US/our-services/Management-system-certification/Certificate-and-Client-Directory-Search/>

3.2 Incurring Cost

Any cost incurred by the vendor in preparation, transmittal, and presentation of any material submitted in response to this RFB shall be borne solely by the vendor.

Response:

HP has read and acknowledged.

3.3 Vendor Responsibility

The selected vendor(s) shall be solely responsible for fulfillment of the responsibilities under the terms and conditions of the contract. The procuring entities will issue purchase orders and make payments to only the named vendor(s).



Response:

HP has read and acknowledged.

3.4 Serving Sub-Contractors

The System recognizes the fact that the potential vendors have different business models for the delivery of support services. Whereas one potential vendor may provide support services through a wholly owned subsidiary, another may provide support services through a local business partner, certified education partner or qualified organization herein referred to as a servicing subcontractor. Therefore, vendors may propose the use of servicing subcontractors for the performance of local marketing, maintenance, or technical support services in accordance with the terms and conditions of the contract. Servicing subcontractors may not directly accept purchase orders or payments for products or services from procuring entities under the terms and conditions of the contract.

Response:

HP has read and acknowledged. One of HP's strengths in the Public Sector market is our Service Provider model. This model allows customers to benefit from a direct relationship with HP as the manufacturer, while also receiving value-added service support from an HP-designated Service Partner.

While orders are submitted directly to HP, we do have local HP-Authorized Service Providers. The service subcontractors provide The System with an extra layer of local support, yet HP is fully responsible for the performance of the contract and all orders are fulfilled directly through HP.

3.5 Amended Bids

A vendor may submit an amended bid before the deadline for receipt of bids. Such amended bids must be complete replacements for a previously submitted bid and must be clearly identified as such in the transmittal letter. The Evaluation Committee will not merge, collate, or assemble bid materials.

Response:

HP has read and acknowledged.

3.6 Vendors' Rights to Withdraw Bid

Vendors will be allowed to withdraw their bids at any time prior to the deadline for receipt of bids. The vendor must submit a written withdrawal request signed by the vendor's duly authorized representative addressed to the representative listed above.

The right is reserved to waive informalities, select alternatives, and reject any or all responses, in the event such appears to be in the best interest of the System.

Response:

HP has read and acknowledged.



3.7 Bid Offer Firm

Responses to this RFB, including prices, will be considered firm for ninety (90) days after the due date for receipt of bids.

Response:

HP has read and acknowledged.

3.8 Disclosure of Bid Contents

The bids will be kept confidential until the contracts are awarded. At that time, all bids and documents pertaining to the bids will be open to the public.

All responses become a matter of public record at award. The System accepts no responsibility for maintaining confidentiality of any information submitted with any response whether labeled confidential or not.

Response:

HP has read and acknowledged.

3.9 No Obligation

This RFB in no manner obligates Alabama Community College System or any authorized entity to the lease or purchase of any products or services offered until a contract is awarded and vendor receives a valid purchase order from an authorized procuring entity.

The System has the right to cancel any contract, for cause, including, but not limited to, the following: (1) failure to deliver within the terms of contract; (2) failure of the product or service to meet specifications, conform to sample quality, or to be delivered in good condition; (3) misrepresentation by the vendor, (4) fraud, collusion, conspiracy, or other unlawful means of obtaining any contract with the state; (5) conflict of contract provisions with constitutional or statutory provisions of state or federal law; and (6) any other breach of contract.

Termination - the System reserves the right, for its convenience and without cause or penalty, to terminate any agreement with 30 days' written notice.

Response:

HP has read and acknowledged.

3.10 Legal Review

The System requires that all vendors agree to be bound by the General Requirements contained in this RFB. Any vendor concerns must be promptly brought to the attention of Alabama Community College System.

Response:

HP agrees to be bound by our responses to the General Requirements as contained in this proposal.



3.11 Governing Law

The vendor shall observe, perform, and comply with or require compliance with all federal, state, and local laws, ordinances, rules and regulations and all amendments thereto which in any manner may affect the operation of vendor's activities undertaken pursuant to this Agreement. The vendor shall also comply with all state and local building, fire, health, zoning laws, codes and/or regulations that affect or that are applicable to vendor's activities and operations hereunder. This RFB and the final agreement shall be governed and construed in accordance with the laws of the State of Alabama without giving effect to any choice-or-conflict-of-laws, provision, or rules (whether of the State of Alabama or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Alabama.

Response:

HP has read and acknowledged.

3.12 Basis for Bid

Only information supplied by the System in writing or in this RFB should be used as the basis for the preparation of vendor responses.

Response:

HP has read and acknowledged.

3.13 Agreement Terms and Conditions

The agreement between the System and the vendor will follow the format specified and contain the terms and conditions outlined in this request. However, Alabama Community College System reserves the right to negotiate with a successful vendor provision in addition to those contained in this RFB. This RFB, as revised and/or supplemented, and the successful vendor's response will be incorporated into and become part of the agreement.

Vendors are encouraged to submit specific alternate language to the terms and conditions, that vendor believes would enhance the efficient administration of the agreement or result in lower product prices or both. The System may or may not accept the alternative language. General references to the vendor's terms and conditions or attempts at complete substitutions are not acceptable and will result in disqualification of the vendor's response.

Response:

HP has endeavored to include in this proposal the information, materials, and pricing that is reliable and believed to be relevant for the purpose of evaluation by The System. If HP is fortunate to be selected as one of the awarded vendors, we anticipate that a contract will include The System's RFB, and HP's complete proposal, which includes ***HP's Supplemental Provisions*** included as ***HP Attachment 4*** These terms are particularly relevant to the sale of products, services, support, and maintenance services, and the license of software contemplated by this procurement, and are not enumerated in or conflict with the RFB. Upon award, if The System issues an award letter without further negotiations, HP understands this means that The System has accepted the terms of



HP's proposal, which shall then govern all purchases hereunder, and no other terms and conditions shall take precedence, including any purchase order pre-printed terms.

For any content that The System wishes to discuss, HP is committed to negotiating, in good faith, to arrive at a final agreement that meets the best interests of both The System and HP.

3.14 Vendor Qualifications

The Evaluation Committee may make such investigations as necessary to determine the ability of the vendor to adhere to the requirements specified within the RFB. The Evaluation Committee will reject the bid of any vendor who is not a responsible bidder or fails to submit a responsive offer as defined.

Response:

HP has read and acknowledged.

3.15 Change in Vendor Representatives

The System reserves the right to require a change in vendor representatives if the assigned representatives are not meeting its needs adequately.

Response:

HP has read and acknowledged.

3.16 Equipment and Services Schedules

The vendor may offer only those products and services that are included on the Equipment and Services Schedule (ESS). Vendors shall keep the schedule current and correct on an Internet website maintained by the vendor and shall reflect changes in technology in accordance with the terms and conditions of the contract.

Response:

Please refer to HP's response to Section 3.24.

3.17 Benefit of Cost Reduction

The System is to be given the benefit of any reduction in price below the quoted price during the term of this contract. Examples include, but are not limited to, manufacturer price reductions and special promotional offerings.

Response:

HP has read and acknowledges that quoted price reductions are applied to invoices for purchase orders received and processed, applying the lower contract price prior to order shipment. For example, if a procuring entity makes a purchase for a product at the contract price and those prices had list price reduction the day before shipment, the procuring entity will be invoiced the lower reduced contract price.

HP special promotions called Smart Buys are available for selection at the time of quoting to offer the procuring entity special promotional offerings. HP's online site provides users a side-by-side comparison to make their final selection.



3.18 Bid Terms

By submitting a response, the vendor agrees that this contract is to be governed by the terms and conditions set forth in the bid. Any exceptions to the specifications must be clearly identified in the last section of the vendor’s response.

Response:

HP has read and acknowledged. In HP’s point-by-point responses included herein, we have detailed any proposed modifications and clarifications, which are also summarized in the “HP Clarifications and Modifications” under section 5.1 – Evaluation Process of this proposal.

3.19 Fiscal Funding

The continuation of the contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide the continuation of a contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

Response:

HP agrees to section 3.19, and further understands that The System will pay HP for all products shipped and support and services performed in accordance with the terms of the contract through the date of the beginning of the first fiscal year for which funds are not appropriated. The System will give written notice to HP of insufficient funding as soon as practicable after The System becomes aware of such insufficiency.

3.20 Insurance

The vendor shall bear the full and complete responsibility for all risk of damage or loss of equipment, products, or money resulting from any cause whatsoever and shall not penalize the System for any losses incurred in association with this agreement. Any insurance policy or policies shall cover the entire travel service operation at the System including all areas that may in the future be placed under the control or use of the vendor. The vendor shall maintain, during the life of this contract, the following minimum insurance:

KIND OF INSURANCE	MINIMUM LIMITS OF LIABILITY
Worker’s Compensation	Statutory - Alabama
Employer’s Liability	\$2,000,000 (each employee, each accident and policy limit)
Commercial General Liability:	\$2,000,000
Each Occurrence	\$2,000,000
Personal and Advertising Injury	\$2,000,000
Products/Completed Operations	\$3,000,000
General Aggregate	
Automobile Liability	\$2,000,000 each accident - combined single limit

These policies shall contain a thirty- (30) day written notice to the System before cancellation, reduction, or other modification of any kind to the required coverage.



The vendor, at its cost, must provide acceptable evidence of compliance with the worker’s compensation insurance requirements of the State of Alabama. In the event the vendor fails to maintain and keep in force, all Insurance and Worker’s Compensation coverage listed above, the System shall have the right to terminate this contract. The System and vendor shall each be listed as the named insured in said policy (ies) so that each is independently protected to the face amount of the policy.

Upon notification of award and prior to issuance of contract, the vendor shall provide the System with certification of insurance with the required kinds of insurance and minimum liabilities specified, issued by an insurance company licensed to do business in the State of Alabama and carrying an AM Best rating of A- or better, signed by an authorized agent. In the event of cancellation, material change or intent not to renew any of the insurance requirements specified, thirty (30) days written notice shall be given to the System by the party initiating any revision.

Response:

HP agrees to provide the coverage required above, with the following modifications:

~~The vendor shall bear the full and complete responsibility for all risk of damage or loss of equipment, products, or money resulting from any cause whatsoever and shall not penalize the System for any losses incurred in association with this agreement. Any insurance policy or policies shall cover the entire travel service operation at the System including all areas that may in the future be placed under the control or use of the vendor. The vendor shall maintain, during the life of this contract, the following minimum insurance:~~

KIND OF INSURANCE	MINIMUM LIMITS OF LIABILITY
Worker’s Compensation	Statutory - Alabama
Employer’s Liability	\$2,000,000 (each employee, each accident and policy limit)
Commercial General Liability:	\$2,000,000
Each Occurrence	\$2,000,000
Personal and Advertising Injury	\$2,000,000
Products/Completed Operations	\$3,000,000
General Aggregate	
Automobile Liability	\$2,000,000 each accident - combined single limit

~~These policies shall contain a thirty- (30) day written notice to the System before cancellation, reduction, or other modification of any kind to the required coverage.~~

~~The vendor, at its cost, must provide acceptable evidence of compliance with the worker’s compensation insurance requirements of the State of Alabama. In the event the vendor fails to maintain and keep in force, all Insurance and Worker’s Compensation coverage listed above, the System shall have the right to terminate this contract. The System and vendor shall each be listed as the named insured in said policy (ies) so that each is independently protected to the face amount of the policy.~~

~~Upon notification of award and prior to issuance of contract, the vendor shall provide the System with certification of insurance with the required kinds of insurance and minimum liabilities specified, issued by an insurance company licensed to do business in the State of Alabama and carrying an AM Best rating of A- or better, signed by an authorized agent. In the event of cancellation, material change or intent not to renew any of the insurance~~



requirements specified, thirty (30) days written notice shall be given to the System by the party initiating any revision.

Please refer to **HP Attachment 5** for HP's Certificate of Liability Insurance.

3.21 New Products

Unless specifically called for in this request, all products for purchase must be new, never previously used, and the current model and/or packaging. No remanufactured, demonstrator, used, or irregular product will be considered for purchase unless otherwise specified in the request. The manufacturer's standard warranty will apply unless otherwise specified in the request. All equipment should be supplied complete, ready to be installed, including all cabling and connectors where applicable.

Response:

HP has read and acknowledged. Please note the following from the Federal Acquisition Regulation (FAR); Subpart 11.3 - Acceptable Material:

"11.301 (2): When acquiring commercial items, the contracting officer must consider the customary practices in the industry for the item being acquired."

In accordance with industry customary practices, some newly manufactured HP products may contain remanufactured parts, which are equivalent to new in performance. Spare parts may be new or equivalent-to-new. Such products and parts are warranted as new.

Specifications

This section contains specifications and relevant information vendors should use for the preparation of their responses.

Vendors should respond as described to each specification. The responses along with the required supporting material will be evaluated and awarded points accordingly.

Response:

HP has read and acknowledged.

3.22 Product and Services Delivery Overview

Vendors must describe their ability to provide professional services, technology equipment including related products and support services to the System and the various authorized entities. The response to this requirement should, at a minimum, include a map with an indication of the locations where products may be delivered plus the number and type of support personnel or other resources that may be employed to service procuring entity purchase orders (a very basic example map for a fictitious company is provided in Appendix B). The narrative in response to this specification should include, at a minimum, a general overview of the proposed services and an overview of how the services are to be provided in the locations indicated.

Response:

HP has the capabilities and breadth of coverage to serve customers in every region of the world in support of technology equipment, imaging and printing related products, and



all levels of support services related to the product to cover The System's needs and requirements. The System will benefit from the depth of solutions experience HP offers and our broad range of services expertise. Below, HP has included a map of our distribution locations for technology products and services supporting The System in Alabama.

A basic overview of HP services includes HP standard and custom/project Services (provided by HP directly or an HP-authorized service provider) tied to or bundled with Device (purchase or lease), Installation/de-installation, maintenance, support, training, migration, and optimization of products offered or supplied under the awarded contract. These types of services may include, but are not limited to: managed services, warranty services, maintenance services, installation, de-installation, factory integration (software or equipment components), asset management, recycling/disposal, training and certification, pre-implementation design, disaster recovery planning and support, service desk/helpdesk, and any other directly related to the product and/or technical support service required for the effective operation of a product offered or supplied.

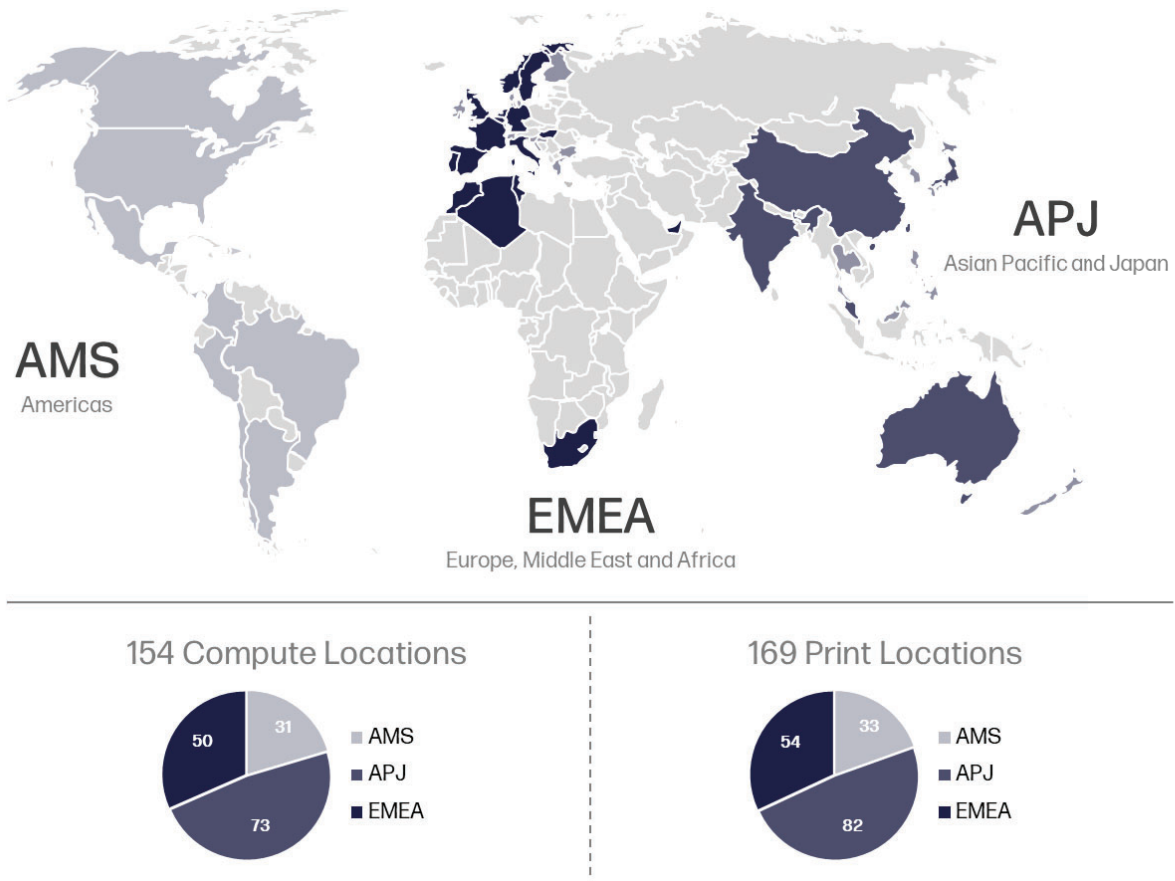
HP offers thousands of industry-leading products and a broad portfolio of services that includes custom configuration, bulk assembly, aggregation and integration. HP's state-of-the-art configuration, distribution, and order management capabilities are complemented by dedicated customer service and technical support resources that provide world-class support before, during, and after the sale. Account-specific solution design teams make solution recommendations based upon customer requirements. Once the design is finalized, a dedicated HP customer services team and dedicated customer services representative are engaged to provide presales support and solidify the customer relationship. These teams provide end-to-end order management support and are the main points of contact for day-to-day order fulfillment issues.

Manufacturing and Customization

HP's world-class manufacturing and customization facilities can assemble systems precisely to customer specifications using proven quality control procedures to make sure that every system is functioning as required. Regardless of the complexity of the configuration, HP's ISO 9001 certified facilities can produce machines that are ready to plug and play, including such in-factory services as imaging and asset tagging.

HP has manufacturing facilities strategically located around the globe and numerous regional distribution centers designed to serve both local demand and multinational customers. HP has 13 internal manufacturing sites, including 2 dedicated to compute and 11 dedicated to print. Our manufacturing facilities are located in China, India, Israel, Malaysia, Puerto Rico, Singapore and the US. Additionally, HP has numerous regional distribution centers that are designed to serve local demand as well as the diverse needs of multinational customers. Facilities are strategically located to minimize duties and transport times.

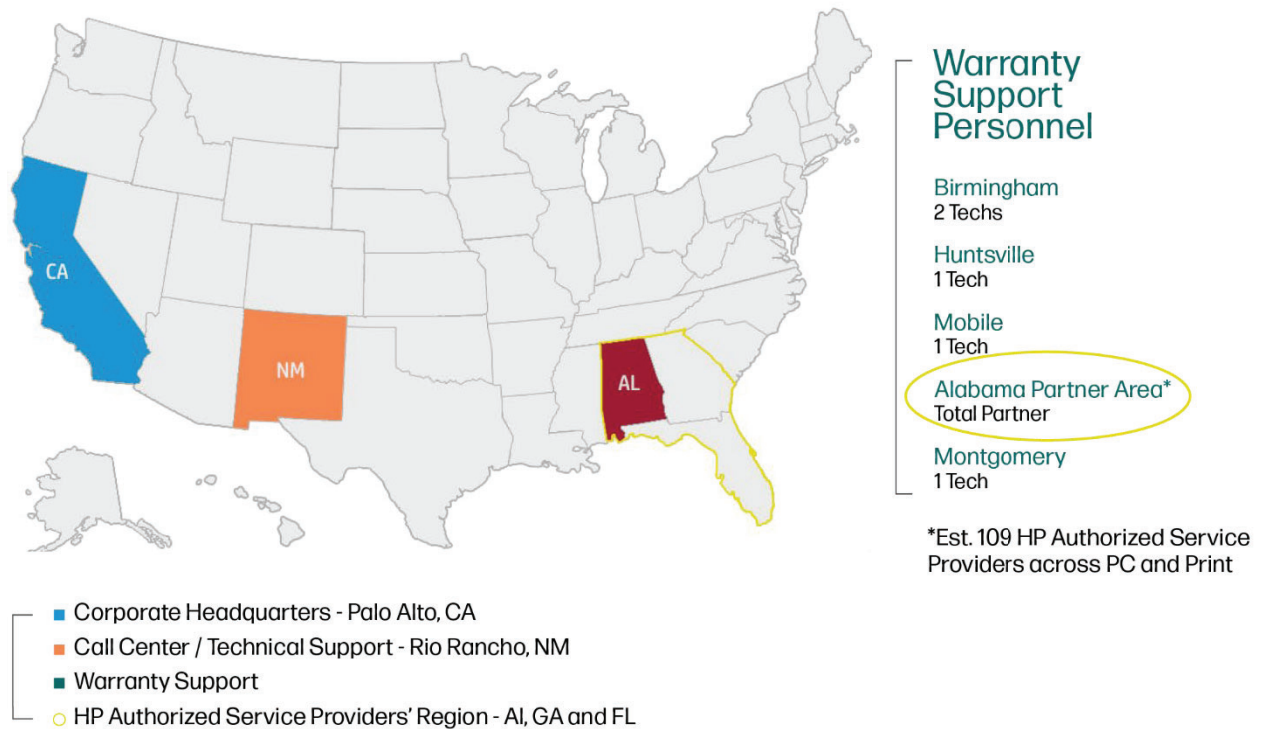
Figure 1. HP has 154 computing facilities and 169 printing facilities strategically located across the globe to minimize duties and transport times.



Note: All products are not necessarily manufactured in all locations. Map locations are not drawn to scale and are only representative of HP manufacturing, distribution, and service sites.



Figure 2. HP Warranty Support Personnel



HP has established the world's largest and most efficient network of HP-authorized Service Providers (ASP) located in Alabama that deliver HP hardware repair services. These ASPs have the required HP training, certifications, and experience to meet HP's stringent repair guidelines and policies. The System may contact any HP-authorized Service Providers directly or the HP Global Customer Experience Center when service is required.

Vendors must thoroughly describe their procedures for resolving customer problems and complaints including timelines and escalation measures.

Response:

The System's procuring entities can escalate to the HP-assigned Sales Account Manager, Boz Bell and/or the Director of Contract Sales Management, Debra Lee, assigned to support an awarded contract. Once engaged, service escalations are reported to the Delivery Manager/Delivery Director with typical resolutions estimated within 24 hours, and a call to the procuring entity within hours of escalation request. Invoicing and billing issues are escalated to the Order Management and the Credit Manager for resolution. We encourage any of The System Universities that goes through the standard process outlined below and is not completely satisfied to reach out to these two individuals. These team members have a goal to achieve ensure your satisfaction throughout the term of an awarded contract for items within our control.

Most problems are readily resolved before escalation is necessary. For instances where problems cannot be so quickly resolved, HP follows the formal escalation procedures described below for order management.

A Customer Service Representative (CSR) assigned to The System account oversees the Direct order fulfillment activities from the point of order entry and acceptance, to invoicing and delivery. They are focused on customer satisfaction and resolving any issues that The System may have during the deployment. The CSR is responsible for



identifying and escalating any issues or potential issues to prevent deployment delays and will see problems through to resolution. Customer Service Representatives are required to adhere to the following standard service levels (in business hours):

Table 1. Customer Service Representative’s Standard Service Levels

Standard Service Levels	
Order Activities	Timeframe
PO Receipt to CSR order entry	4 business hours
PO Receipt to clean (executable) order	8 business hours
Confirmation sent to customer/sales/management that order has been placed and provide order number and ETA if available	4 business hours
Estimated Ship Date upon order entry (provided to customer as requested or as part of regularly scheduled open order report)	Estimate based on best information available, with follow-ups as new information becomes available
Updates to Estimated Ship Date (provided to customer as requested or as part of regularly scheduled open order report)	As new information becomes available
Call back/email response to customer from CSR (from point customer leaves voicemail/email to point CSR calls customer back or responds to email request)	4 business hours
RMA request (from time CSR receives to RMA being generated)	12–24 business hours

For additional order escalation requirements, CSRs work with the Business Operations Team which serves as a liaison between IT, Supply Chain, and other OM support groups. Examples of support provided by this team include:

- Facilitating product allocation and process management
- Managing reserved/protected order approvals (holding orders and pre-builds)
- Order transfers, Constrain queue management
- Drop ship order management (cancel/change), manual drop ship invoicing
- Monitoring order fallout activity
- Order management assistance for internal procurement
- Facilitating break-fix order solutions in an effort to get order moving through the system (i.e. support with business process, order routing or system related issues)
- Root cause analysis of hard-to-fix order processing issues and assistance with opening IT help desk tickets in an effort to drive long-term resolution.
- Month/Quarter/Year End activities
- Other non-technical support

In addition, HP is committed to customer satisfaction and values our relationship with The System along with State and Local Government and Education Customers. To show our commitment, HP provides a goodwill right to return, or exchange of unused products within 30 days from receipt of the product. HP does not charge a restocking or handling



fee for products returned within 30 days. Please refer to *HP Attachment 6 - HP State and Local Government and Education Customer Return Policy*, for the complete policy.

Technical Escalation Management Process

The Customer Problem Resolution (CPR) process is the primary process for resolving technical issues within The System's computing environments. If the standard CPR process is not meeting their needs or if their ability to do business is impacted, The System's should contact their local Service Delivery Manager or the Solution Center manager for assistance. Actions will be taken to address the current situation through the Solution Center and the Field Delivery organization and, if required, they can initiate the escalation process for additional assistance.

The Technical Escalation Management Process augments the standard technical remedial process. A technical escalation should be considered when issues have significant business impact and there is no resolution plan or progress towards identifying root cause.

The Technical Escalation Management organization provides a consistent worldwide escalation delivery model for solving technical and complex problems quickly and efficiently. This is accomplished through leadership, effective resource management, collaboration, and clear concise communication.

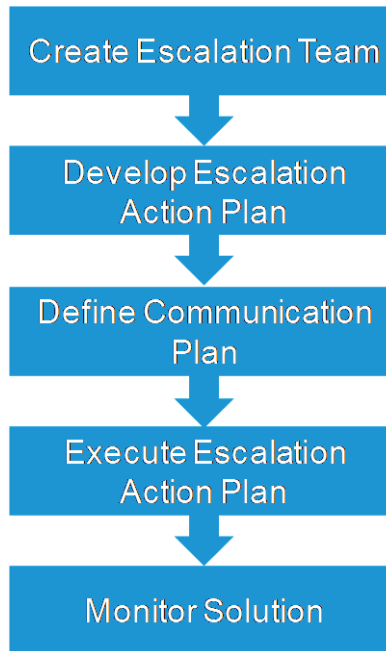
Technical Escalation Process Benefits

- Formal, structured communication
- Defined roles and responsibilities for Escalation Team members
- The System's business requirements and expectations actively managed throughout the process
- Solution monitored for agreed period until The System and HP are satisfied that the problem is resolved
- Delivers consistent results anywhere in the world

Technical Escalation Management Process Summary

Figure 3. Formal Approach to Issue Resolution

HP takes a five-step approach to Technical Escalation Management. This process provides a clearly defined framework for issue resolution.



The Technical Escalation Team

Management and technical members from HP and The System form the Technical Escalation Team. Each team member has a specific role and responsibilities during the escalation. Members of the Technical Escalation Team often include:

- **Technical Escalation Manager**—leads the Escalation Management team, communicates the Technical Escalation Action Plan, and is the focal point for communication between HP and The System
- **Technical Expert** —develops and coordinates the technical aspects of the Technical Escalation Action Plan
- **Customer Management Contact**—primary contact for management issues with The System’s organization
- **Customer Technical Contact**—primary contact for technical issues with The System’s organization
- **Additional Resources**—may be added for specific product knowledge and can include the following:
 - Engineering
 - Delivery Partners
 - HP Management and Executives



Technical Escalation Action Plan Development

Action planning is central to the successful resolution of serious customer situations. Developing a Technical Escalation Action Plan to resolve the issue at hand is the Technical Escalation Team's primary objective. The plan includes the following actions:

- Actions required to mitigate and solve the problem for The System
- Named individual responsible for each action
- Deadline and expected outcome for each action
- Contingency plan if the desired results are not achieved
- Defined communication plan, including frequency and method of communication
- Criteria for success describing when escalated issue will be regarded as solved

Vendors must submit customer satisfaction statistics or survey results concerning the quality of the products and/or services offered.

Response:

HP Customer Feedback

HP believes that customers define quality based on their expectations and how well those expectations are met through their total experience with the company.

HP employs numerous formal customer feedback vehicles to assess Total Customer Experience (TCE). These vehicles include surveys, customer programs and panels, and a clearly defined escalation process for handling dissatisfaction.

Figure 4. HP Customer Feedback Vehicles



- *TCE surveys*
- *Account Relationship surveys*
- *Executive Briefing Program*
- *Industry surveys*
- *Customer escalation feedback*
- *User Groups*
- *Advisory councils*

Additionally, HP management, sales, and support personnel continually gather informal customer feedback in their daily business interactions with customers. The focus on understanding customers starts with HP senior management. Top company executives frequently meet with customers to solicit feedback on how well HP products and services are meeting their critical business needs.

Customer Experience Research

HP funds four (4) types of TCE research and measurement instruments. Our objectives are to measure what matters most to customers, evaluate progress, and set improvement goals that move HP ahead of the competition.



Level 1: End-to-End Customer Experience Surveys

The Level 1 Competitive Loyalty (CL NPS) survey is a blind, semi-annual worldwide survey for primarily measuring HP's performance against our competitors. Key metrics from this survey provide an overall end-to-end NPS score. The CL NPS survey is not designed to be "actionable" or prescriptive, but rather as a competitive diagnostic benchmark. However, the CL NPS survey can be actionable when used along with Level 2, 3, or 4 studies.

Level 2: Lifecycle Phase/Category Surveys

Level 2 surveys provide details that can be used to perform a high-level diagnosis of TCE problems in one or more subsets of the customer experience. For example, Level 2 surveys typically provide more information about a product or service category. They may also provide insight into HP's relationships with specific customer segments, such as corporate accounts or channel partners. Finally, they may provide details about a specific aspect of the TCE lifecycle, such as the consumer experience in the first 90 days of receiving a product.

Level 3: Transaction/Touchpoint Surveys

Triggered by an event or transaction, the purpose of touchpoint surveys is twofold: rapid problem resolution and diagnosis of potential systemic problems that can be addressed by operational improvements. Examples of Level 3 Touchpoint surveys include rating the purchase experience after an online or retail shopping experience or rating the support experience after a support interaction.

Level 4: Operational Metrics

Level 4 TCE analytics involve tracking ongoing metrics for key internal processes that impact the customer experience. Examples include the percentage of out-of-stock repair parts or the percentage of missed customer commitments. Level 4 measures are often early warning signals of issues that may escalate to become customer dissatisfaction problems. Attention to these measures can ensure corrective action of small problems before they become large.

Within the worldwide HP Customer Experience and Quality function, a Customer Experience Insights team is responsible for the overall research and measurement architecture. This team is also responsible for executing Level 1, Level 2, and Level 3 research.

Level 4 measurements are conducted within the Business Groups and their corresponding Global Business Units and geographies. Selected Level 3 and Level 4 metrics from the business groups are also compiled at a company-wide level to provide an overall operational picture of the total customer experience.

Additional Customer Feedback Systems and Programs

In addition to the TCE research and measurement instruments described above, HP also employs a variety of other customer feedback vehicles that provide valuable insights into trends, information, and issues. The knowledge gained from these feedback mechanisms can contribute to significant improvements in product quality and process performance.



Account Relationship Assessment Process

The Account Relationship Assessment (ARA) helps HP examine and improve its relationships with major customers. ARA is a series of structured, face-to-face interviews and/or Internet-based questionnaires conducted with selected customer representatives by an experienced HP assessment team. The results are returned to the customer in summary form, along with an action plan, for the customer sponsor to validate and prioritize. ARA systematically builds relationships while collecting valuable data. It helps participants develop high-touch relationships characterized by best practice sharing, executive dialogs and programs, technology-learning exchange, and joint strategic planning sessions.

Executive Briefing Program

The HP Executive Briefing Program is a peer-to-peer forum in which HP shares, plans, and receives feedback from customer executives. The program allows HP to consider customers' strategic business requirements and to propose ways in which it can best meet them.

Industry Surveys

HP participates in many industry-wide customer satisfaction surveys that provide statistically significant data with which HP can compare its performance against competitors. Individual HP entities also conduct surveys and collect product feedback cards to assess customer preferences and issues.

Survey results help drive HP priorities and resource allocations across all divisions and the field. HP has a process in place to address any customer concerns revealed during these surveys.

Customer Escalation Feedback

HP has a structured escalation process designed to resolve critical customer problems quickly and effectively. Following problem resolution, an escalation team conducts formal post-mortem sessions, first internally and then with customers. These reviews assess a customer's overall satisfaction with HP escalation management. Typically, the reviews result in feature set enhancement or improved quality of the escalation process.

User Groups and Social Media Presence

HP user groups serve as both well-established advocacy vehicles to HP and comprehensive sources of HP-related information. HP also maintains a very active social media presence on Facebook, Twitter, YouTube, and the HP Support forums to monitor and respond to customer comments and issues posted online. Major HP users groups include:

HP Online Support Forum Community

HP Experts Group is a group of the top members who respond to issues on the HP Support Forum. HP hosts Expert Events throughout the world that bring these experts together for learning, feedback, and engagement with HP management.

Dscoop for users of HP Graphic Arts solutions

HP users' groups survey their members to identify the most pressing business relationship and strategic issues faced by information technology managers. Survey



results assist the user groups in focusing on and prioritizing their advocacy efforts with HP.

Customer Advisory Councils

In a customer-focused organization such as HP, advisory councils are an important tool used for encouraging and understanding the voice of the customer. For example, the HP Global Advisory Council, which includes executives from 35 top HP customers around the world, explores technology leadership and customer value definition issues. Members attend semi-annual meetings where they share questions and insights with their peers and HP executives. The council helps HP learn about its customers' specific information technology requirements while providing HP with direction and input for future investment, research, and development priorities.

HP also sponsors a Partner Advisory Board comprised of 21 key resellers. This Council meets semi-annually with HP executives to provide feedback on how HP can improve products, programs, and channel engagement.

Customers who participate in advisory councils benefit in numerous ways. They learn about HP's strategic directions, meet with division executives in a focused setting, provide product and strategy feedback important to their business direction, and learn more about our commitment to their future enterprise requirements. Attending HP managers are assigned the responsibility for tracking and following-up on any resulting customer issues and feedback.

Customer Input to HP Business Planning and R&D

HP planning teams maintain an ongoing relationship with a select set of customers. As plans develop and requirements are rolled out, the planning team communicates with accounts to resolve any issues. Customer visits to HP factory and division sites give the account, field, and R&D teams the opportunity to discuss ideas for new products, resolve problems, and review the status of the current set of products

Responding to Customer Feedback—A Success Story

One example of how HP proactively listens to its customers and responds is its implementation of a new call management system. Based on surveys and feedback from customers, HP realized that customers were being excessively transferred or did not know what group or person to call. A call management task force was established to design a new call management system, resulting significantly reduced wait times, fewer transfers and more satisfied customers.

An outside company periodically conducts a survey simulating customer calls to HP entities. The results provide a measure of how well customer calls are being handled. The HP Call Management Task Force continually explores new ways to improve processes and use technology to handle customer calls more professionally.

Customer Experience & Net Promoter Score

The Net Promoter System (NPS) is an end-to-end system used to measure, track, and improve the customer experience. The NPS score is the primary customer loyalty metric that results from this system. It is used to track a customers' willingness to recommend HP based on experiences across the entire customer lifecycle.

Customers are asked, “Based on your experience, how likely are you to recommend HP to a friend or colleague?” They provide an answer using a 0-10 scale, with 10 being extremely likely to recommend and 0 being not at all likely to recommend.

Figure 5. Customer feedback is used to calculate a Net Promoter Score, which is the result of the percentage of Promoters (scores of 9 or 10) minus the percentage of Detractors (scores 0-6).

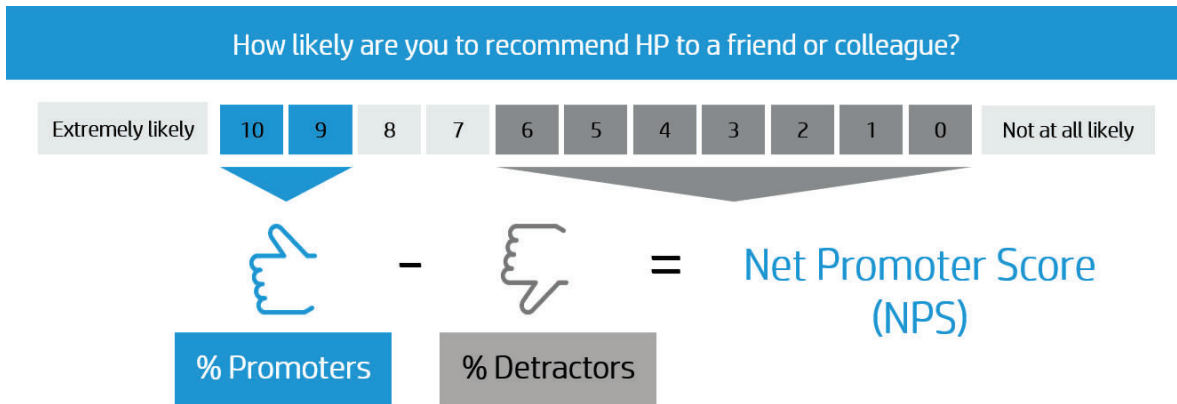
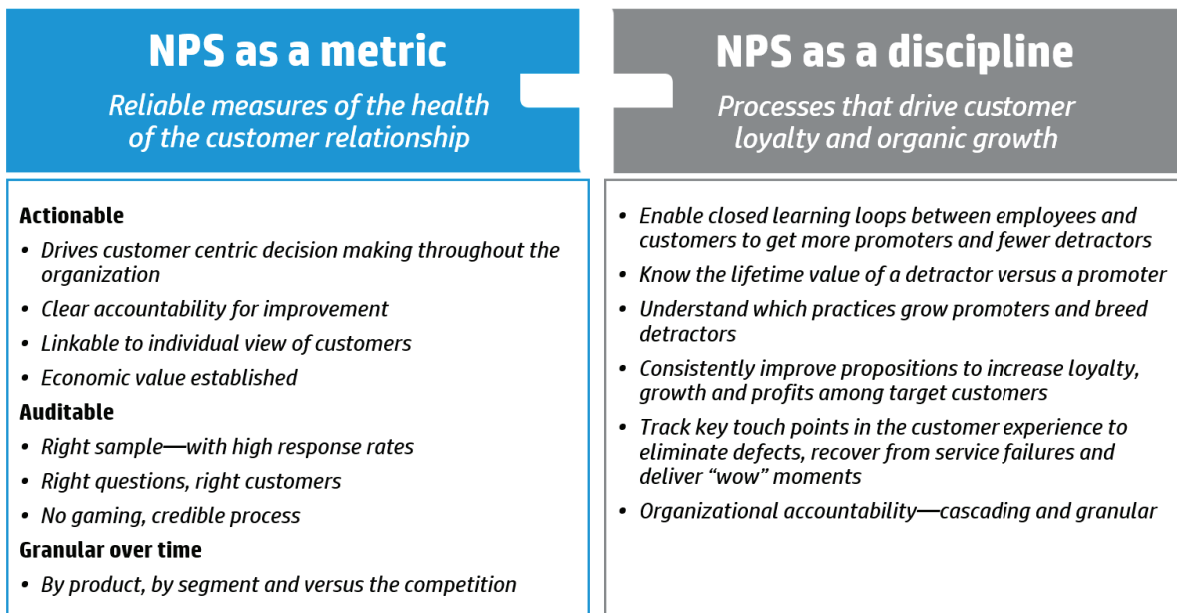


Figure 6. As an entire system, NPS is used to drive customer loyalty and improve the customer experience throughout the customer lifecycle, from pre-purchase to post-purchase.



To do this, HP conducts customer surveys to determine how we are performing against service level metrics, to identify potential areas for improvement, and to assess overall customer satisfaction. By taking strategic action at the business, function, and regional levels, we continue to improve the customer experience.

Vendors must thoroughly describe their ability to provide value added technical services including installation, training or directly related optional services and the geographic area where the services may be provided. Vendors should provide a map with an indication of the locations where each type of value-added service may be provided.



Response:

Installation/De-Installation

This service includes collection of the units from the customer's premises, installation of the unit at the designated location and removal of the packaging material from the work area. HP will remove assets and move them to an on-premise, customer-designated location.

Staging/Deployment

These services can be ordered in tandem with installation services, data migration, and PC deployment project management. You can deploy HP hardware on your terms. You pick the day, including non-standard working days for your delivery.

Training

HP is committed to offering a broad range of quality product training to our customers. Through need analysis discussions with the procuring entity, we can ascertain the type of training best suited for your particular situation. We are then able to customize our offerings to best meet their needs.

HP can provide worldwide technical and end-user training in a variety of venues including classroom (instructor-led), self-paced materials, distance-learning (Web-based), as well as programs customized to meet specific procuring entity requirements. Training is delivered directly by HP or through our worldwide training partners to meet your wide-ranging needs.

HP Optional Services

HP Personal System Services support the business-critical work of IT. With deep expertise, insights, and solutions, we give IT enhanced capabilities to support the evolving workplace. HP provides best-in-class endpoint services that deliver value and improve employee experiences, both at work and at home. This includes Lifecycle Services that empower a connected workforce and accelerate business transformation with end-to-end lifecycle services that help modernize IT and make a greater impact on business.

Please note, the HP Optional Services outlined below are provided at the customer location, therefore a map was not included.

The following link provides The System with easy access to warranty service providers, software and product drivers, diagnostics, warranty look up and much more:
<https://support.hp.com/us-en/service-center>

Deployment Services

- Data Migration
- Deployment Project Management
- Installation and Logistics Services

Care Pack Services

- Hardware Support Exchange
- Hardware Support Offsite Return
- Hardware Support Onsite



- Post Warranty Services
- Additional Protection Coverage
- Helpdesk Services (vary by market)

Fix Services

Fix Services resolve employee device issues with minimal impact on your IT teams with services that bring rapid repair or replacement to wherever they are needed most.

- HP Active Care
- HP Smart Support
- HP Priority Services

Configuration and Setup Services

Configuration and Setup Services help you deliver great device experiences for your employees starting on day one, with services for seamless configuration, deployment, and zero-touch set-up.

- Custom System Settings
- Device Provisioning Services
- Dynamic Configuration
- Image and Application Services
- Integration and Packaging
- Asset Labeling and Tagging

Protect Services

Protect Services fortify the first line of defense for your business with HP Wolf endpoint security solutions that safeguard your people, your devices, and your data.

- HP Wolf Enterprise Security
- HP Wolf Pro Security Service
- HP Wolf for Business: HP Wolf Protect and Trace

Managed Services

Managed Services, a global services practice with unmatched global capabilities that creates outcome-based solutions to enable workforce, workplace and workflow transformations by optimizing productivity, enhancing employee engagement and enabling a secure and sustainable device ecosystem. Optimize Services use artificial intelligence and automation to give you more visibility and control into endpoint device issues and employee sentiment before they impact your business. Powered by TechPulse:

- HP Proactive Insights
- HP Adaptive Endpoint Management

Collaborate Services

Collaborate Services help your employees avoid unexpected tech problems during meetings with proactive visibility into the health of audio and video conferencing tools. Powered by TechPulse:

- HP Conferencing Services



- HP Presence Manager
- HP Presence Insights - World's **most** advanced conferencing service

Renew Services

Renew Services helps IT phase out end-of-use devices securely and responsibly with services that provide options that benefit the business and the environment.

- HP Deinstallation Services
- HP Device Recovery Service
- HP Digital Services and cloud-based software that increase IT insight and flexibility to enable secure, personalized digital experiences for employees through new computer models.

Professional Services

Professional Services that provide strategic guidance, planning, and outcome-based architectures to drive adoption, productivity, and employee engagement, while optimizing technology investments.

- Consulting Services
- Image and Provisioning Services
- Modern Management Services
- OS Migration Services
- Application Readiness Services
- Security Services
- Collaboration Services

Device as a Service (DaaS)

DaaS reduces the cost and complexity of device lifecycle management, improves the employee experience, and provides endpoint protection. By combining hardware, services and analytics into a predictable payment with flexible terms, HP helps you free up, optimize, and redirect your cash flow.

Repair Services

HP's best-in-class repair services combined with cutting-edge, predictive analytics helps you reduce costs on IT maintenance. With the included analytics, your employees experience increased productivity and satisfaction due to decreased employee downtime, faster discovery of device issues and repair services that provide quicker resolution to keep your employees up and running. With reduced IT costs and time spent remediating devices, you can focus on more strategic business objectives.

Work From Home

First available in the US in late 2020, the HP Work From Home will soon be expanded to additional markets around the world and was designed to help you empower your employees from wherever they are, with essential hardware and services needed to be most successful and productive in the office or at home.



3.23 Reporting

Vendors must agree to provide quarterly utilization reports to the System based upon the schedule and minimum content as described in this request. Quarterly reports must be submitted to The System Office by email to JPA-Notification@accs.edu. The electronic copy must be in the form of a PDF file. Vendors must describe their ability and commitment to meet this requirement and include a sample quarterly report with the bid response. The required report must be compiled and forwarded to the Joint Purchase Agreement Initiative Administrator within two weeks of the end of each quarter. Vendors may count quarters either from the calendar (i.e., the end of March will be the end of the first quarter) or from the time we awarded you the bid (i.e., May 1 will be the end of the first quarter). An example of the required reporting format is included in Appendix C. Failure to provide the required report in the specified format could result in removal from the contract.

Vendors are encouraged to describe and include additional sample reports. Vendors are encouraged to describe other reporting capabilities such as electronic delivery of reports or direct access to the Internet or other databases that may be used to administer the agreements or support marketing.

Response:

HP agrees to provide a quarterly utilization report to The System email as noted in Section 3.23 Reporting. The electronic copy can be in a .PDF file format or, if ever requested, HP can provide it in a Microsoft Excel file format to allow The System to filter the data.

The System will also have access to a web-based application that provides accurate and up-to-date information on customer orders placed directly with HP from the time of order validation through final delivery. The reports will be generated automatically (or pulled ad hoc 24x7), or it can be generated based on a scheduled frequency (daily, weekly, or monthly) as mentioned in each report's description. Standard reports are pre-defined to meet common customer requirements such as spend, location spend, quantity ordered, and quantity shipped. Standard reports may also be customized to meet The System's requirements, providing the flexibility to select from over 130 data fields pulled directly from HP's order management system.

Sample reports are included in HP's response to ***Section 6.3, Appendix C - Example Required Usage Report.***

3.24 Electronic Commerce

Vendors must describe their ability to provide and maintain, at a minimum, an Internet website that contains the complete ESS as well as product specifications and options. Vendors are encouraged to describe an existing capability or commitment to implement a website that would provide procuring entities guidance and assistance with product selection, purchase order tracking, reporting or other relevant capabilities. The ability or commitment to accept and process purchase orders electronically should be thoroughly described. Internet URL's may be provided which reference sites that demonstrate the desired functionality.



Response:

HP has read and acknowledged. HP will create a redirect URL www.hp.com/buy/accs upon award. We commit to accept and process purchase orders electronically through this site. The HP WSIPC www.hp.com/buy/wsipc and State of Alabama at www.hp.com/buy/al are examples of reference sites.

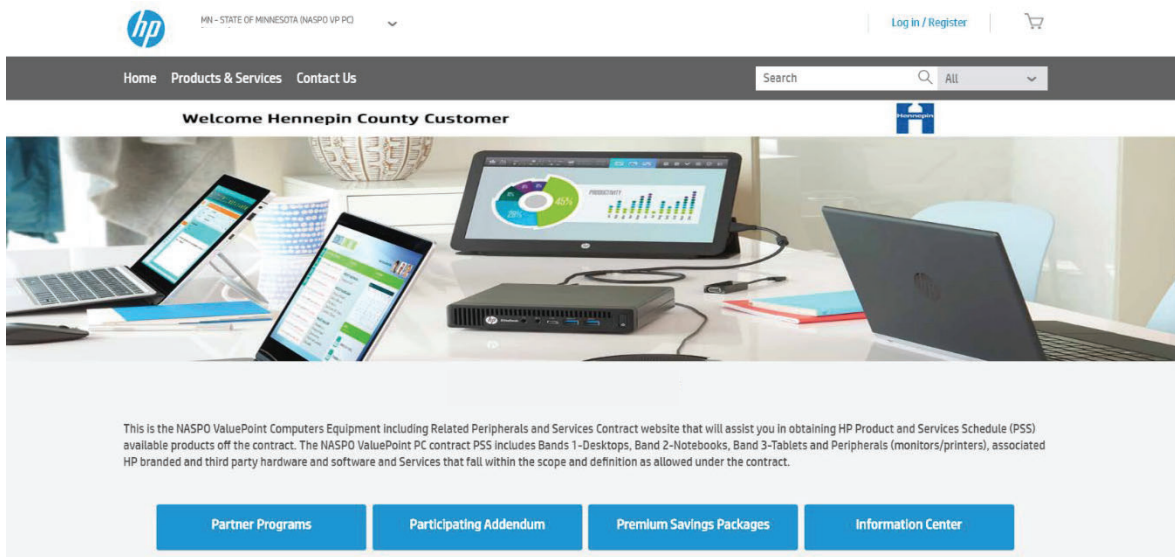
Please note, for custom maintenance services in support of the imaging and printing products offered under a cost per copy or cartridge billing model, a contact name will be listed to obtain quotes based on the not to exceed price or lower.

The System URL website will be custom tied to the product and pricing per the contract requirements. Our customized websites include a packaged set of electronic capabilities which give our customers the most comprehensive and straightforward way to procure with HP. HP's eCommerce tools address a variety of critical procurement requirements. Our solutions are flexible with the ability to adapt to unique needs or changing business conditions.

The custom ordering sites allow customers to search for and customize configurations. The Standards link allows users to create public or private custom bundles to be displayed on the site as frequently purchased products, saving time and controlling purchasing behavior. The View Price List link allows users to print or download price lists associated with their contract. The Add feature allows users to simply add a part number and quantity from the price list directly to the Shopping Cart without the need to search for their items. The Shopping Cart contents may be saved and retrieved for up to 90 days, and any products that have been discontinued in that time will be flagged upon retrieval.

Once an order is entered, users enter/select their billing information, shipping information, secure payment information (credit cards, purchase orders, financing or leasing), and confirm the Order Details before final submission and completion of the order. A final invoice total with an Order Number is returned. This number can be used later to track the status of the order. The Order Status and Order History links on the sites offer comprehensive order reporting capabilities. With visibility into business trends and events, The System is better equipped to make informed purchasing and supplier management decisions, and reporting encompasses all procurement activities regardless of the purchasing method (online, fax or email). Order change notification is also available via email and can be customized to meet organizational needs.

Table 2. Sample HP.com Website Page



The key benefits of a Custom contract website are in the Security, Customization and Control of the solution:

Security

Customers are provided with their own secure website. End users must login if they wish to check order status, save a quote, view order history, or submit an order.

Customization

Customers set forth their own guidelines that determine product offerings, standard configurations, pricing, and other customizable features including the ability to specify an HP Agent via their HP customized website. The store front contains image links to the HP product lines and information determined by the customer.

Control

Customers may restrict users to selecting from set standards or allow them to purchase from the entire HP product line. Customers may further control purchasing by monitoring activity through an online approval process prior to order submission. The custom HP2B web tool allows a designated purchasing authority to be notified via email when there are orders pending their approval.

eProcurement Integration

Many of our customers are at the forefront of implementing eProcurement solutions and have their own eCommerce ordering tools. HP Business to Business Integration (B2Bi) has developed a set of integration capabilities which allow HP to partner with these customers who closely match our typical HP Public Sector Integration profile:

- Installed ERP system
- Single contract purchasing
- Single payment method
- Single Influencer ID
- Annual purchasing minimums (\$1M)
- Twelve (12) or more invoices per month



Key benefits and features of a B2Bi Integration include:

- 24x7 quoting/ordering
- Contract and open market pricing
- Order status information
- Utilization of open standards
- Utilization of United Nations Standard Products and Services Code (UNSPSC)
- Integration with customer's procurement software

Program Summary

HP offers The System more than just a convenient online shopping experience. The built-in reliability, flexibility, and innovation of HP's B2Bi actively supports the continuous improvement of purchasing and procurement management functions. All the HP2B tools and capabilities work collaboratively to improve resource planning and budgeting processes. HP2B is a user-driven solution ranging from an easy-to-use simple website solution to a customized procurement site and even to eProcurement integration capabilities.

3.25 Breadth of Offering

Vendors must, at a minimum, offer products or services in at least one of the following categories:

Client Computers (Workstations, Desktops, Terminals, Laptops, Tablet, Notebook, Handheld Devices)

Servers

Printers

Monitors

Storage

Networking Equipment

Audio and Video Conferencing Equipment

Multimedia Hardware

VOIP/Unified Communications Solutions

Video Surveillance Solutions

Key and Access Control Equipment

Software

Professional Services

Other

Response:

HP has read and acknowledged.

Vendors must provide a comprehensive list of the models or variations available in each of the following categories for which a vendor offers products:



Client Computers (Workstations, Desktops, Terminals, Laptops, Tablet, Notebook, Handheld Devices)

Servers

Printers

Monitors

Storage

Networking Equipment

Audio and Video Conferencing Equipment

Multimedia Hardware

VOIP/Unified Communications Solutions

Video Surveillance Solutions

Key and Access Control Equipment

Software

Other

The narrative that is submitted in support of the list should provide the Evaluation Committee with a clear indication of the breadth of the product line flexibility and performance.

Response:

HP has read and acknowledged. HP offers to provide a variety of solutions to The System and its qualifying institutions in the following product categories, as outlined in the ESS Price List ***HP Attachment 12*** and Discount Schedule in ***HP Attachment 7***, and Imaging and Printing Maintenance Services not-to-exceed cost per copy pricing in ***HP Attachment 8***.

- Poly Audio and Video Conferencing Equipment
- HyperX PC Accessories
- OMEN eSports/Gaming Equipment
- Printers (Printers, Multi-function, Large Format, Scanners and associated options)
- Monitors (Displays and associated options)
- Multimedia Hardware
- Software
- Other (Related Services)
- Other (Project Custom Services related to the product)
- Client Computers (Workstations, Desktops, All-in-Ones (AIO), Retail System Terminals (RPOS), Thin Clients, Laptops, Tablet, Notebooks and associated options)

Vendors must provide, at a minimum, a licensed operating system with each type of processor, where applicable. Vendors must provide a list of the operating systems for each of the following categories of processors:

Client Computers (Workstations, Desktops, Terminals, Laptops, Tablet, Notebook, Handheld Devices).

Servers

Networking Equipment



Audio and Video Conferencing Equipment

VOIP/Unified Communications Solutions

Key and Access Control Equipment

Other

The narrative that is submitted in support of the list should provide the Evaluation Committee with a clear indication of the number and type of operating systems that are proposed.

Response:

Because of the breadth of products, HP is offering The System a choice of Operating Systems (OS) dependent upon the platform that is selected.

HP Workstations

- Windows 11 Home
- Windows 11 Pro
- Windows 11 Pro for Workstations
- HP Linux® Ready
- Red Hat® Enterprise Linux® (RHEL) Workstation
- Ubuntu 20.04 LTS

HP Business Desktop PCs

Depending upon the model, The System can configure proposed HP business desktops with the following OS options:

- Windows 11 Home
- Windows 11 Pro
- Google Chrome™ OS
- FreeDOS

HP Business Laptop PCs

Depending upon the model, The System can configure proposed HP business laptops with the following OS options:

- Windows 11 Home
- Windows 11 Pro
- Google Chrome™ OS
- FreeDOS

HP Thin Clients

HP offers the following OS support on these thin clients:

- HP ThinPro, including HP/Smart Zero Core
Windows 10 IoT Enterprise LTSC 2019

Vendors may propose and provide a wide range of general-purpose software products. Vendors may provide a summarized list of the general-purpose software that is proposed for each of the following categories of processors:



Client Computers (Workstations, Desktops, Terminals, Laptops, Tablet, Notebook, Handheld Devices).

Servers

Networking Equipment

Audio and Video Conferencing Equipment

VOIP/Unified Communications Solutions

Video Surveillance solutions

Key and Access Control Equipment

Other

The narrative that is submitted in support of the list should provide the Evaluation Committee with a clear indication of the number and type of general-purpose software products that are proposed.

Response:

HP offers the following range of general software in support of PC and/or Imaging and Print as identified below:

HP PC Software

- HP Support Assistant
- HP Image Assistant
- HP Desktop Support Utility
- HP Documentation
- HP Notifications
- HP PC Hardware Diagnostics UEFI
- HP PC Hardware Diagnostics Windows
- My HP
- HP Noise Cancellation Software
- Touchpoint Customizer for Commercial
- HP Smart Support

Manageability Features:

- HP Smart Support
- HP Manageability Integration Kit Gen
- HP Driver Packs
- HP BIOSphere Gen6
- HP Drive Lock & Automatic Drive Lock
- HP LAN-Wireless Protection
- HP Connection Optimizer



- HP Hotkey Support
- HP Privacy Settings
- HP Wireless Button Driver
- HP Power Manager
- Tile App
- HP Client Management Script Library
- HP Image Assistant
- HP Proactive Insights
- HP Tech Pulse

Thin Client Management Tools:

- HP Device Manager
- HP ThinUpdate
- HP Easy Tools
- HP Smart Zero Client Services
- Microsoft SCCM/EDM agent
- HP USB Port Manager
- HP Easy Shell
- HP Write Manager

Security Management:

- HP Sure Click
- HP Sure Start
- HP Sure Run
- HP Sure Sense
- HP Sure Recover
- HP Sure Admin
- HP Pro Wolf Security
- HP Secure Erase
- Absolute Persistence Module
- HP Fingerprint Sensor
- HP Wolf Security Sure Click Enterprise

Client Security Software:

- HP Client Security Manager
- HP Power On Authentication



- HP Notifications

HP Imaging and Printing Software

Integrated Solutions:

- HP Advance

Management:

- HP Web Jetadmin
- HP Universal Print Driver
- HP Insights

Workflow:

- HP Capture and Route
- HP Immersive Analytics Service
- HP Workpath apps

Security:

- HP Access Control
- HP Data Protection
- Authentication - Card Readers
- HP Security Manager
- HP Printing Security Advisory Services
- HP Secure Print

Mobile Print:

- HP Roam for Business

Vendors may propose and provide a wide range of the technical services including installation, training and technical support:

Client Computers (Workstations, Desktops, Terminals, Laptops, Tablet, Notebook, Handheld Devices)

Servers

Printers

Monitors

Storage

Networking Equipment

Audio and Video Conferencing Equipment

Multimedia Hardware

VOIP/Unified Communications Solutions

Video Surveillance solutions



Key and Access Control Equipment

Other

The narrative that is submitted in support of the list should provide the Evaluation Committee with a clear indication of the number and type of technical support services that are proposed.

Response:

HP has read and acknowledged. Please see HP's response to Section 3.22 for a description of the types of technical services proposed.

3.26 Primary Account Representative

Vendors must identify by name and location both the proposed primary account representative and the marketing supervisor who will be responsible for the performance of the agreement. Any changes to this information must be immediately sent to the Joint Purchase Agreement Administrator.

Response:

Primary Sales Contact:

Boz Bell
Alabama Education Account Manager
Sandy Springs, Georgia
boz.bell@hp.com
505-239-9081

Primary Contract Management Contact:

Debra Lee
Contract Sales Management
Deerfield, Illinois
debra.lee@hp.com
(847) 537-0344

3.27 References

Vendors must submit three (3) references of entities of like size and complexity, and/or entities that have or are currently receiving similar products and services to those proposed by the vendor for this procurement. Each reference must include the name of the contact person, address, telephone number and description of products and services provided.

Response:

1. Tuscaloosa City Schools
Chris Jenks, CETL
Director of Technology
205-759-3512 (w)
205-614-7880 (m)

HP currently provides laptops, desktops, printers, Care Packs, and break-fix services.

2. Alabama State University
Damian Clarke, Ph.D.



VP, Technology Services
915 S. Jackson Street
Montgomery, AL 36104
334-229-5150

HP provides Alabama State University with HP desktops, laptops, and PC related services to include extended warranties and accidental damage protection. We are also working with them to provide enhanced services leveraging predictive analytics and other modern management tools.

3. Northeast Alabama Community College
Patricia Falk
Education Technology Direct
138 AL Hwy. 35
Rainsville, AL 35986
256-228-6001 ext. 2212

HP currently provides printers, maintenance and managed print services including all related supplies and automatic toner replenishment, and security management software.

3.28 Pricing Level and Guarantee

Vendors must submit with their responses a narrative that describes the baseline (published) pricing and the initial pricing level discount that is proposed, by product class or category in the ESS. The response to this specification is expected to be in the form of a percentage discount from a published, baseline price listing. Vendors must describe the baseline pricing and provide information where the baseline pricing may be accessed and verified.

Firm Price - Initial quoted discount levels must remain constant throughout the term of this agreement, subject only to subsequent increased discount amounts.

Response:

HP is proposing the pricing level discounts off of HP's current US Commercial List price published publicly at <https://hp2b.hp.com/webapp/wcs/stores/servlet/en-US/hp2bfed/hplistprice>

The guaranteed pricing level discounts outlined in ***HP Attachment 7 - HP Discount Schedule*** will remain firm and constant throughout the life of the contract. The breakdown seen in ***HP Attachment 7*** (Discount Schedule) including the system category name alongside each sub-category. For example, Client Computer has a sub-category for Desktop Low End, Desktop Medium end, Desktop High End, Desktop Configure to Order (CTO modules) and associated option subcategory.

HP also provides promotions, referred to as Smart Buys. These promotional items are based on a specific configuration at a set promotional fixed price, that may not be subject to further discounts. These promotional items carry a reduced price created from an overall company perspective available to the System and may be offered for a limited time period and are subject to availability.

HP is including Imaging and Printing Maintenance Services not-to-exceed cost per copy pricing in ***HP Attachment 8***.



3.29 Oral Presentation and Demonstration

If selected as a finalist, vendors agree to provide the Evaluation Committee with the opportunity to meet with and question the proposed primary account representative at the oral presentation (if deemed necessary by the Evaluation Committee). The proposed primary account manager is expected to conduct the presentation. Vendors will be required to demonstrate their Internet-based reporting and electronic commerce capabilities to the Evaluation Committee.

Response:

HP has read and acknowledged. HP will conduct this on-site presentation at the request of the Evaluation Committee, and will engage other team members as appropriate to participate. HP will be prepared to demonstrate the internet e-commerce capabilities and reporting site established for The System's awarded contract. This demonstration may also take place remotely if desired.

3.30 Equipment and Services Schedule

Vendors must submit with their responses a complete Equipment and Services Schedule including all the products and services offered, at the initial pricing level stated in response to section 3.25.

The ESS may be submitted in a single file, PDF format on a compact disc, USB drive, or made available via a website.

Response:

HP has read and acknowledged. The complete Equipment and Services Schedule (ESS) Price list is noted in Attachment X and the Price Level Discount Schedule in Attachment X and provided in .PDF format on USB as requested.

3.31 Scope of Work

The vendor shall deliver computing system products and services to procuring entities in accordance with the terms of this agreement. Accordingly, the vendor shall provide products or services only upon the issuance and acceptance by vendor of valid "purchase orders". Purchase orders will be issued to purchase the license for software or to purchase or lease products listed on the ESS. A procuring entity may purchase any quantity of product or service listed in the ESS at the prices stated therein. For large orders, the procuring entity may negotiate quantity price discounts below the ESS price(s) for a given purchase order. Vendor may offer authorized educational institutions educational price discounts that result in prices below the ESS listed prices.

Response:

HP has read and acknowledged. Large Order Volume pricing may be provided based on the System Universities estimated technology purchase request within a 30-, 60- or 90-day period or longer, as mutually agreed by both parties. This would provide the System Universities the option to obtain the greatest savings for the full benefit of your budget dollars. Most Universities need the flexibility to cut multiple purchase orders at different quantities and still retain the volume savings not just per Purchase Order, but for the full estimated large volume expected in mutually agreed timeframe.



Due to the wide array of products, large volume pricing varies product to product and may change over time especially given the volatility of the technology market. Therefore, additional discounts or fixed pricing for Large Volume quote are provided at the time of the request.

3.32 Title Passage

Title to equipment shall pass to the procuring entity upon acceptance of equipment.

Response:

HP agrees that title to hardware will pass to the procuring entity upon delivery to the procuring entity or its designee.

3.33 Quantity Guarantee

This agreement is not an exclusive agreement. Procuring entities may obtain computing system products and services from other contract awarded vendors during the agreement term.

Response:

HP has read and acknowledged.

3.34 Order of Precedence

Each purchase order that is accepted by the vendor will become a part of the agreement as to the products and services listed on the purchase order only; no additional terms or conditions will be added to this agreement as the result of acceptance of a purchase order. In the event of any conflict among these documents, the following order of precedence shall apply:

- A. the terms and conditions of this RFB
- B. exhibits to this agreement
- C. the list of products and services contained in the purchase order
- D. vendor's response

Response:

HP proposes the following order of precedence:

- A. exhibits to and all sections of this agreement
- B. the list of products and services contained in the purchase order
- C. vendor's response
- D. the terms and conditions of this RFB

3.35 Payment Provisions

All payments under this agreement are subject to the following provisions:

- A. Acceptance

The procuring entity shall determine whether all products delivered to it meet the vendor's published specifications. No payment shall be made for any products until the products have been accepted by the procuring entity.



Unless otherwise agreed upon between the procuring entity and the vendor, within thirty (30) days from the date the procuring entity receives written notice from the vendor that payment is requested for services or within thirty (30) days from the receipt of products, the procuring entity shall accept or reject the products or services.

Response:

HP agrees that the procuring entity shall determine whether all hardware products delivered to it meet HP's published specifications. Procuring entities shall make every effort to notify HP within five (5) business days following delivery, of its non-acceptance of a product. In the event HP has not been notified within five (5) business days from the hardware product delivery date, the product will be deemed accepted on the sixth (6th) business day after hardware product delivery. Further, with regard to defects discovered after acceptance, that affected hardware products will be subject to remedy in accordance with the applicable warranty purchased for that product.

B. Payment of Invoice

Payments shall be submitted to the vendor at the address shown on the invoice. Payment shall be tendered to the vendor within thirty (30) days from acceptance.

In the event an order is shipped incomplete (partial), the procuring entity must pay for each shipment as invoiced by the vendor unless the procuring entity has clearly specified "No Partial Shipments" on each purchase order.

Response:

HP generates an invoice after the product ships for complete or partial shipped orders to the designated contact on the PO via the U.S. mail or email.

HP's standard process is to ship product as soon as it is available, especially given the current supply demands. Both partial orders and complete orders will reference the procuring entity's PO number. Partial orders will generate multiple invoices, although each invoice will reference the original PO number, allowing the procuring entity to tie them together and ease reconciliation.

The procuring entity will pay all HP invoiced amounts within thirty (30) days of HP's invoice date, unless otherwise provided by Alabama state law applicable to The System.

C. Invoices

Invoices shall be submitted to the procuring entity.

Response:

HP has read and acknowledged, and will submit all invoices to the procuring entity's "Bill To" address, which must be indicated on the purchase order and noted in online orders at the time of order submission.

3.36 Shipment and Risk of Loss

Vendor must ship all products F.O.B. destination regardless of price discounts. Risk of loss or damage to the products shall pass to the procuring entity upon delivery to the procuring entity. Vendor agrees to assist the procuring entity with the processing of claims for such loss or damage and to expedite the processing of claims for such loss or damage and to expedite replacement of lost or damaged products. Destination charges shall be included in the product price on the ESS.



3.37 Warranties

At a minimum, the products shall be covered under the manufacturer's warranties in effect at the time the products are delivered or the warranties in effect at the time of contract award, whichever is most beneficial to the procuring entity.

Response:

HP-branded products shall be covered by the Manufacturer's warranties purchased with the products, which are in effect at the time of invoice or delivery, as outlined in the Manufacturer warranty.

3.38 Price Guarantees

The procuring entity shall pay the lower of the prices contained in the ESS or an announced promotion price, educational discount price, general price reduction or large order negotiated price. Only general price reduction decreases will apply to all subsequent orders accepted by vendor after the date of the issuance of the revised prices. Vendor agrees to maintain ESS product prices in accordance with the volume price discount guarantees filed. Prices set forth in the ESS are subject to decrease without prior notice. Special pricing discounts offered by successful bidders after the award of bids shall remain in effect for a minimum of 30 days.

Response:

Please see HP's response to sections 3.28 and 3.31.

3.39 Technical Support

The vendor agrees to maintain a toll-free technical support telephone line. The line shall be accessible to procuring entity personnel who wish to obtain competent technical assistance regarding the installation or operation of products supplied by the vendor.

Response:

HP has read and acknowledged. For product technical support, The System's procuring entity may contact HP by dialing the HP toll-free number 800-334-5144 or via the online chat support available 24x7 at <http://www.hp.com/support>. HP technical resources are available to answer technical questions as well as provide troubleshooting for technical incidents.

For maintenance and managed services support, The System's procuring entity can contact HP 24x7 by dialing the toll-free number 800-745-2025 or via email at cmps-servicerequest@hp.com.

3.40 Product Delivery

Vendor agrees to deliver products to procuring entities within 30 days after receipt of a valid purchase order unless otherwise negotiated with procuring entity.

Response:

HP will use commercially reasonable efforts to deliver products within thirty (30) business days after receipt of a valid order from the eligible procuring entity, unless



otherwise mutually agreed by the parties. HP will not be responsible for delivery delays caused by component shortages or default for any reason beyond HP's control including, without limitation, Force Majeure Events.

3.41 Impracticality of Performance

A party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

Response:

HP has read and acknowledged. HP understands the "force majeure" events described above and would suggest the inclusion of, without limitation, the follow events: changes in controlling law, regulations, orders, or the requirements of any governmental entity, severe weather conditions, natural disasters, fire, pandemics, endemics, quarantines, Federal- or state-declared emergencies, and delays in delivery due to industry-wide component shortages, or region-wide transportation delays.

3.42 Records and Audit

Vendor agrees to maintain detailed records pertaining to the price of services rendered and products delivered for a period of three years from the date of acceptance of each purchase order. These records shall be subject to inspection by the procuring entity and appropriate governmental authorities with the state of Alabama. The procuring agency shall have the right to audit billings either before or after payment. Payment under this agreement shall not foreclose the right of the procuring entity to recover excessive or illegal payments.

Response:

HP agrees to the procuring entities' and the state of Alabama's right to audit. Additionally, we propose the following revisions to this section 3.42, which are consistent with HP standard terms:

Vendor agrees to maintain detailed records pertaining to the price of services rendered and products delivered for a period of three years from the termination of the resultant contract ~~date of acceptance of each purchase order~~. These records shall be subject to inspection during the contract term by the procuring entity and appropriate governmental authorities with the state of Alabama, at their cost. The procuring agency shall have the right to audit billings either before or after payment. Payment under this agreement shall not foreclose the right of the procuring entity to recover ~~excessive or~~ illegal payments or overpayments. Such audits may be conducted only in accordance with the following:

- Once every twelve (12) months during the term of the contract, and provided Alabama/procuring entity gives ten (10) business days' written notice, Alabama/procuring entity may request and HP will provide access to files or records directly pertinent to this Agreement specific to any charges paid or payable by



procuring entity hereunder during the previous twelve months for the purposes of determining if such charges are accurate.

- If the Alabama/procuring entity wishes to select a nationally recognized third-party auditor to perform such audit, such auditor shall sign a confidentiality agreement reasonably agreeable to HP prior to commencement of the audit, and the result of the audit shall be subject to such confidentiality agreement.
- These files and records shall not include any personnel-related information, product or labor cost data, or proprietary data relating to HP's products or services.
- Audits shall be performed at Alabama/procuring entity's expense during normal business hours in a manner to minimize disruption to HP's business, and Alabama/procuring entity shall promptly provide HP with a copy of the results of the audit.

3.43 Use of Subcontractors

The vendor may subcontract installation, training, warranty, or maintenance services. However, the vendor shall remain solely responsible for the performance of this agreement. All procuring entity payments for products or services shall be made directly to the vendor. If subcontractors are to be used, the name of the authorized subcontractor(s) shall be identified in the applicable participating addendum(s).

Response:

HP has read and acknowledged. Upon contract award, HP's Service Delivery organization will evaluate any circumstances where it is in the best interest of The System to use a subcontractor to supplement HP's own engineers and support personnel. HP will notify The System in the event that this unlikely situation arises.

HP has the necessary personnel and technical resources to successfully support most IT equipment and peripherals using in-house capabilities. In the event it becomes necessary to subcontract highly specialized work tasks, or use contract personnel, HP assumes responsibility for such personnel—and their work—as a matter of corporate policy.

Local HP Authorized Service Providers

Under the terms and pricing offered to The System from HP Direct in this proposal, an authorized HP reseller may be enlisted by the member school to assist with necessary services on a local basis. Under this HP direct / agent program, the associate school will issue all purchase orders to HP Direct but indicate the reseller with whom they wish to work by noting the partner's authorized HP outlet ID on the purchase order. This in no way changes the pricing offered by HP to The System or its associated schools in this response. For assistance in selecting a local HP authorized reseller should there be a need, the system or member school can contact the HP Account Manager.

Continuing Quality Assessment

A fundamental part of HP's Supplier Evaluation and Review process is the annual Review Meeting with each key supplier or subcontractor. The Review Meeting is used as an opportunity to do the following:

- Share with the supplier HP's evaluation of the supplier's performance.



- Address and correct potential problems with the supplier.
- Discuss new ideas and ways of improving the relationship.
- Identify any new developments within the supplier's organization that might impact the relationship.

During this process, any issues raised by a customer in terms of the service being provided by a subcontractor are immediately identified and addressed. If the subcontractor is unable to correct such issues to the satisfaction of the customer, HP will intervene and correct the problem, or will assume responsibility for locating an alternate supplier.

Contingency Plan

HP has existing relationships with specialty subcontractors throughout the world, each prequalified in terms of the experience and expertise of personnel, service capabilities, certifications, and track record for meeting service level commitments. If for any reason the subcontractor of choice is unable to provide the designated services, an equally qualified organization will be selected to ensure that all customer commitments are met.

3.44 Indemnification

The vendor shall indemnify and hold harmless the System from any loss, cost or expense suffered or incurred in connection with any claim, suit or proceeding brought against the System so far as it is based on defects in products provided to the System.

The vendor hereby covenants and agrees, at its sole cost and expense during the term of this agreement, to indemnify and hold harmless the System and its officers, agents and employees against and from any and all claims or demands by or on behalf of any person, firm, corporation or governmental authority, arising out of, attributable to or in connection with the use, occupation, possession, conduct or management of the vendor concerning the equipment or services performed and rendered hereunder, including, but without limitation, any and all claims for injury or death to persons or damage to property or any and all claims for Patent, Trademark, Copyright, Intellectual Property, or Trade Secret Infringement. The vendor also covenants and agrees, at its sole cost and expense, to hold the System and its officers, agents, and employees from and against all judgments, costs, counsel fees, expense and liabilities incurred in connection with any such claim and any action or proceeding brought thereon, and in case any action is brought against the System or against any of its officers, agents, or employees, by reason of any such claim, the vendor upon notice from the System will resist and defend such action or proceeding by qualified counsel. However, the provisions of this Section shall not apply to any claims arising from the negligent or willfully wrongful acts or omissions of the System, or its officers, agents, or employees.

For the purposes of paragraph 3.44, the term, the System, shall include all entities listed in Appendix A or any subsequent revision thereof and their respective officers, directors, employees, agents, and assigns.

Response:

HP agrees to indemnify The System for third-party claims and proposes the following modifications to this section 3.44, which reflect HP standard terms.

The vendor shall defend and settle, indemnify and hold harmless The System from any third party claims for injury or death to persons or damage to tangible property, loss,



reserves the right to furnish a copy of any resulting contract to the State of Alabama Ethics Commission as directed in the Code of Alabama, Section 36-25-11, within ten (10) days of award.

System employees are not allowed to accept personal gifts or gratuities.

Response:

HP has read and acknowledged.

HP Stock and Investment Information

HP Inc. common shares are traded on the New York Stock Exchange under the ticker symbol HPO. HP does not issue preferred stock, nor does HP have a direct purchase program. HP stock is available for purchase from most brokerage firms, including discount and online brokerage services.

HP certifies that it has no knowledge of any owner, officer, partner, board of director member, or employee, that holds more than 5% of the fair market value of HP, or that any member of their households is a public official or public employee (including The System) as defined by the Code of Alabama Section 36-25-1.

HP's top institutional shareholders are included below.

Top Institutional Shareholders

Holder	Shares	% Out	Value ¹	Reported
Berkshire Hathaway, Inc	120,952,818	12.27%	4,035,590,975	March 30, 2023
Blackrock Inc.	92,440,460	9.38%	3,084,276,103	March 30, 2023
Vanguard Group Inc	91,521,188	9.28%	3,053,604,591	March 30, 2023
Dodge & Cox Inc	51,619,005	5.24%	1,722,268,188	March 30, 2023
State Street Corporation	45,910,357	4.66%	1,531,799,138	March 30, 2023
Primecap Management Company	21,539,285	2.18%	718,658,280	March 30, 2023
Geode Capital Management, LLC	19,387,223	1.97%	646,854,727	March 30, 2023
Lsv Asset Management	13,203,670	1.34%	440,540,471	March 30, 2023
Dimensional Fund Advisors LP	13,172,980	1.34%	439,516,499	March 30, 2023
Northern Trust Corporation	11,014,541	1.12%	367,500,178	March 30, 2023

¹Value shown is computed using the security's price on the report date given

Investor Relations

The HP Investor Relations website can be found at <https://investor.hp.com/resources/contact-ir/default.aspx>.

The website provides online access to company financial reports, including HP Annual Reports, quarterly results, and SEC filings. It also offers a financial calendar, answers to frequently asked questions, stock split and dividend histories, and other investor resources.

3.47 Replacement Parts

Replacement parts may be refurbished with the agreement of the procuring entity.



Response:

HP uses new or reconditioned parts to service equipment covered under service contracts. Such use of new and reconditioned parts is an industry standard solution, and the product life of all replacement parts will be the same as the original component.

HP's expectation is that replacement components will be provided as part of any OEM warranty. In other cases, HP uses its internal standards to ensure that reconditioned parts meet or exceed OEM standards of functionality and reliability.

All HP parts, whether new or reconditioned, carry a 90-day warranty or the remainder of the warranty period of the CPU, whichever is longer.

3.48 FCC Certification

The vendor agrees that hardware supplied by the vendor meets all applicable FCC Certifications. Improper, falsely claimed, or expired FCC certifications are grounds for contract termination.

Response:

HP has read and acknowledged. FCC certifications are listed on the product label and in the technical specifications for each product, which are available at <http://h71069.www7.hp.com/quickspecs/overview.html>.

3.49 Site Preparation

A procuring entity shall prepare and maintain its site in accordance with written instructions furnished by the vendor prior to the scheduled delivery date of any equipment or service and shall bear the costs associated with the site preparation.

Response:

HP has read and acknowledged.

3.50 Assignment

The vendor shall not assign nor transfer any interest in this agreement or assign any claims for money due or to become due under this agreement without prior written approval from the procuring entity.

Response:

HP has read and acknowledged.

3.51 Survival

Certain paragraphs of this agreement including but not limited to Patent, Copyright, Trademark, and Trade Secret Indemnification; Indemnification; and Limit of Liability shall survive the expiration of this agreement. Software licenses, lease, warranty, and service agreements that were entered into under the terms and conditions of this agreement shall survive this agreement.

Response:

HP has read and acknowledged.



3.52 Lease Agreements

Vendor may lease equipment to procuring entities in accordance with terms and conditions approved by the appropriate governing authority for the procuring entity.

Response:

HP has included draft versions of the two (2) lease agreements as outlined below, available to The System through a third-party leasing company, Hewlett-Packard Financial Services Company (HPFS). Leasing agreements for The System's procuring entities provide an option to finance their purchase and any subsequent lease agreement is between the procuring entity and HPFS, who is providing the financing.

- Fair Market Value True lease (FMV)
- Tax Exempt Installment Sale (TEIS)
- TechRefresh lease

Please refer to the following leasing documents:

- *HP Attachment 9 - Lease Option Overview*
- *HP Attachment 10 - HPFS Sample State and Local Government Master Operating Lease Agreement*
- *HP Attachment 11 - HPFS Sample State and Local Government Master Lease Purchase Agreement*

3.53 Vendor Disclosure Statement

Act 2001-955 requires the disclosure statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of \$5,000. In circumstances where a contract is awarded by competitive bid, the disclosure statement shall be required only from the person receiving the contract and shall be submitted within ten (10) days of the award.

Upon being awarded the contract, Alabama State Law requires that the vendor must complete a Vendor Disclosure Statement. The 2-page form and the instructions are available online as noted per Appendix D. The form is required by the vendor and covers the duration of the bid.

Vendor agrees, for the duration of the agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama in compliance with the Beason-Hammon Alabama Taxpayer & Citizen Protection Act (Act 2011- 535). Upon being awarded the contract, Alabama State Law requires that the vendor must complete the Business Entity Employer Contractor Compliance form as proof that the vendor has enrolled in the E-Verify program as required by state law. The form and the instructions are available online as noted per Appendix D. E-Verify documentation, which is unavailable due to the Federal Government shutdown, will be deferred until such documentation may be obtained from any federal agency.

It is further agreed that the terms and commitments contained herein shall not constitute a debt of the State of Alabama in violation of Section 213 of the Constitution of Alabama of 1901, as amended by Amendment Number 26. If any provision of the agreement



contravenes any statute or constitutional provision, either now in effect or which may be enacted during the term of this agreement, then the conflicting provision of this agreement shall be deemed null and void. Vendor understands, acknowledges, and agrees that its sole and exclusive remedy for any claim which may arise for or relate to this agreement is to file a claim with the Board of Adjustment of the State of Alabama.

In compliance with Act 2016-312, the vendor hereby certifies it is not currently engaged in, and will not engage in, the boycott of a person or an entity based in or doing business with a jurisdiction with which this state can enjoy open trade.

Response:

The executed Vendor Disclosure Statement is included in HP's response to Section 6.4.



Remainder of RFP



Introduction

1.1 Purpose of This Request for Bid

The Alabama Community College System (ACCS) is partnering with other Alabama Higher Education entities to request bids from technology equipment manufacturers and/or dealers on behalf of the System institutions and other authorized entities. The ACCS is comprised of twenty-three (23) community colleges, two (2) technical colleges, one (1) military institution, and the Alabama Technology Network (Appendix A). Any institutions or programs that may be acquired or added to the ACCS during the life of this contract will automatically be added as entities eligible to procure products from the contract. Any four-year institution or K-12 district/system which wishes to join during the life of this contract may be added as an eligible entity. Additionally, the public K-12, two, and four-year institutions listed in Appendix A and the website are also eligible to purchase from this contract.

Each entity will generate its own purchase orders, payments, etc., and delivery must be made according to the instructions on the purchase order. The intent of this request is to establish an annual contract for technology-related equipment to be purchased on an as-needed basis for the listed entities as needs arise during the contract period.

The purpose of this Request for Bid (RFB) is to establish a contract on a competitive basis with qualified technology equipment suppliers, distributors, and/or manufacturers who shall directly supply technology equipment and value-added professional services, including software and peripherals, and maintenance and support services to qualified purchasers.

This RFB is not designed to meet the E-Rate requirements specified by the Universal Service Administrative Company. The Alabama Community College System shall not negotiate on behalf of any party with a Letter of Agency. The System shall not certify an FCC Form 470, nor receive and evaluate bids, nor negotiate with service providers of E-Rate products and services.

The Alabama Community College System reserves the right to negotiate with vendors for a product or product line that was not available at the time of the Request for Bid.

The thrust of the RFB is to obtain greater volume price discounts by combining the volume of purchases from participating entities within the State of Alabama with administrative savings that will result from the maintenance of a single, comprehensive contract for each selected vendor.

This RFB is prepared under the authority of ACT No. 2003-392.

This procurement will result in a multiple source award.

Term - Bid awards issued under this Request for Bids shall be for an initial period of one year to renew automatically for one additional year if not canceled by The System prior to the one-year anniversary date of the award letter. The System shall have the option to extend awards for an additional (third) year by giving notice of such extension prior to the two-year anniversary of the award letter.

Response:

HP has read and acknowledged.



1.2 Summary Scope of Work

The selected vendor(s) shall accept purchase orders from and deliver technology equipment, including general- purpose software and peripherals, to authorized procuring entities. Vendors are required to provide maintenance services on equipment that is purchased. Optionally, vendors may provide installation, training and support services directly related to the efficient use or operation of the purchased equipment.

Response:

HP has outlined our maintenance services in Section 3.39. Technical Support.

1.3 Scope of Procurement

The scope of procurement includes a wide range of manufacturer supplied technology equipment, including peripherals, general-purpose software, maintenance, professional consulting services, and support services. Vendors shall not provide any form of application development services under the terms and conditions of the contract. Educational offerings including special purpose educational software and hardware configurations are included.

Response:

HP Has read and acknowledged.

1.4 Definition of Terminology

This section contains definitions that are used throughout this procurement document, including appropriate abbreviations.

“Contract” means an agreement for the procurement of items of tangible personal property or services.

“Desirable” includes terms such as “may”, “can”, “should”, “preferably”, or “prefers” to identify a sought- after, but discretionary, item or factor.

“Equipment” refers to all technology-related equipment, including but not limited to desktop and laptop computers, servers, workstations, printers, displays, peripherals, LAN hardware, video-conferencing systems, multimedia and computer related hardware components and spare parts.

“Evaluation Committee” means a body appointed to perform the evaluation of vendor responses.

“Finalist” is defined as a vendor who meets all the mandatory specifications of the Request for Bid and whose score on evaluation factors is sufficiently high to qualify that vendor for further consideration by the Evaluation Committee.

“General purpose” includes, but is not limited to, the following classes of software: operating systems, report generators, spreadsheets, word processing, workgroup management, database, project management, messaging and electronic mail, graphics construction and presentation, publishing, data communications, statistical and/or analysis, imaging, compilers and interrupters, utilities, programmer productivity tools, office productivity tools. Educational software designed for System usage is included.



“Local-Area-Network” (LAN) refers to a high-speed communications system optimized for connecting information-processing equipment within a building or group of buildings. The communications devices that are required to transmit data between buildings via a public or private network are included.

“Mandatory” includes terms “must”, “shall”, “will”, “is required”, or “are required” to identify a compulsory item or factor. Failure to meet a mandatory item or factor will result in the rejection of the vendor’s bid.

“Manufacturer” means the company that designs, assembles and/or markets technology equipment including servers, workstations, desktop and/or laptop personal computers.

“Vendor” is a technology equipment manufacturer who chooses to submit a bid.

“Request for Bid” or “RFB” means all documents, including those attached or incorporated by reference, used for soliciting bid.

“Responsible vendor” means a company who submits a responsive bid furnishing, when required, information and data to prove that financial resources, production or service facilities, personnel service reputation and experience are adequate to make satisfactory delivery of the services or items of tangible personal property described in the bid.

“System” means any and all entities comprising the Alabama Community College System or any other eligible entity.

“Universal Resource Locator” or “URL” means a standardized addressing scheme for accessing hypertext documents and other services using the WWW browser.

Response:

HP has read and acknowledged.



Conditions Governing the Procurement

2.1 Explanation of Events

The following paragraphs describe the activities listed in the sequence of events.

2.1.1 Issue of RFB

This RFB is being issued by Alabama Community College System (the "System").

2.1.2 Clarification and Responses

Potential vendors may submit written requests (letter or email) as to the intent or clarity of the RFB. Requests for clarification are to be addressed to the Joint Purchase Agreement Administrator as follows:

Alabama Community College System
Attn: ITS Division - Tokrica Mack
P.O. Office Box 302130 Montgomery, AL 36130-2130
Email: jpa-notification@accs.edu or Tokrica.mack@accs.edu
Phone: 334-293-4507

2.1.3 Deadline to Submit Written Questions

Potential vendors may submit written questions as to the intent or clarity of the RFB until close of business on February 2nd, 2024.

2.1.4 Response to Written Questions/RFB Amendments

Written responses to written questions and any RFB amendments will be posted online at: <https://www.accs.edu/vendors/>

2.1.5 Submission of Bid

Two (2) paper copies and an electronic copy (USB drive) of the bid responses are required with a completed Evaluation Submission form (Appendix E). The electronic copy of the bid response should be a single PDF file that mirrors the bound, paper copies. Each copy of the response should be placed in a single volume where practical. All documents submitted with the response should be in that single volume. One copy "must" be marked as "original" with the company officer's signature.

Vendors may attend the bid opening, but no information or opinions concerning the ultimate contract award will be given at the bid opening or during the evaluation process. The results will not be available to vendors until after an award is made. Bid results and tabulations will not be made available by telephone or mail. Information pertaining to complete files may be secured by visiting the System Office of the Alabama Community College System during normal working hours.



The bid opening will be held on Monday, February 12th, 2024, at 10:00 AM CST in the Presidents Conference Room at the System Office of the Alabama Community College System (135 South Union Street, 3rd Floor, Montgomery, Alabama 36104).

Sealed bids are to be addressed to the physical mailing address in the following manner:

Alabama Community College System
Attn: Joint Purchase Agreement Initiative
135 South Union Street Suite #158
Montgomery, Alabama 36104

It is expected that this request will be complete and unambiguous. However, vendors seeking clarification to this request should deliver inquiries in writing to the Administrator as noted per section 2.1.3.

Written replies of general significance will be posted online. Prospective vendors acknowledge that no other source is authorized to provide information concerning this request.

All information shall be entered in ink or typewritten in the appropriate space on the bid. Mistakes may be crossed out, corrected and initialed in ink by a company representative. An authorized individual must sign all bids in ink; failure to do so will result in rejection of response.

2.1.6 Bid Evaluation

An Evaluation Committee will perform the evaluation of bids.

2.1.7 Selection of Finalists

The Evaluation Committee will select finalists. Only finalists will be invited to participate in the subsequent steps of the procurement. The schedule for the oral presentations or equipment demonstrations will be determined at this time (if deemed necessary).

2.1.8 Clarification from Finalists

Finalists may be asked to submit clarification to their bids (if deemed necessary).

2.1.9 Contract Award

After review of the Evaluation Committee, the System will award contracts to the most advantageous vendors.

Bids that are deemed most advantageous, taking into consideration the evaluation factors set forth in the RFB will be selected for award. No minimum or maximum number of awards has been predetermined. The System shall make reference to prices quoted by successful vendors on the Alabama State Department of Education Joint Purchase Agreement to determine the reasonableness of prices quoted in response to this Request for Bids.

Response:

HP has read and acknowledged.



Bid Format and Organization

4.1 Bid Format

All bids must be typewritten on standard 8 ½ x 11 paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within a binder with tabs delineating each section.

Response:

HP has read and acknowledged.

4.1.1 Bid Organization

The bid response must be organized and indexed in the following format and must contain, as a minimum, all listed items in the sequence indicated.

- A. Letter of Transmittal
- B. Evaluation Submission Form
- C. Table of Contents
- D. Bid Summary (optional)
- E. Response to General Requirements and Specifications

Within each section of the bid, vendors should address the items in the order in which they appear in this RFB.

Any bid that does not adhere to these requirements may be deemed non-responsive and rejected on that basis. A bid summary may be included by vendor to provide the Evaluation Committee with an overview of the technical and business features of the response; however, this material will not be used in the evaluation process unless specifically referenced from other portions of the vendor's response.

Response:

HP has read and acknowledged.

4.1.2 Letter of Transmittal

Each response must be accompanied by a letter of transmittal. The letter of transmittal MUST:

- A. Identify the submitting organization
- B. Identify the name and title of the person authorized by the organization to contractually obligate the organization
- C. Identify the name, title and telephone number of the person authorized to negotiate the contract on behalf of the organization
- D. Identify the names, titles, and telephone numbers of persons to be contacted for clarification
- E. Explicitly indicate acceptance of the Conditions Governing the Procurement
- F. Be signed by the person authorized to contractually obligate the organization
- G. Acknowledge receipt of any and all amendments to this RFB.



Response:

Please refer to the Letter of Transmittal on pages 2-3 of this proposal.

4.1.3 Financial Documentation

(See Forms & Examples 6.4 Appendix)

Each response MUST be accompanied with the following documentation:

1. State of Alabama Disclosure Statement (Notarized)
2. Certificate of Compliance
3. Immigration Status Form
4. Current W-9
5. E-Verify Memorandum of Understanding with Articles (13 Pages)
6. Vendor Setup Form and Certification Regarding Debarment Form

Response:

For HP's completed forms, please refer to Section 6.4 Appendix D of this proposal.



Evaluation

5.1 Evaluation Process

All responses will be reviewed for compliance with the mandatory requirements stated within the RFB.

Bids deemed non-responsive will be eliminated from further consideration.

The System may contact the vendor for clarification of the response.

The Evaluation Committee may use other sources of information to perform the evaluation.

Responsive bids will be evaluated on factors that have been assigned a point value. The responsible vendor(s) with the highest scores will be selected as finalist(s) based upon the bids submitted. The responsible vendors, whose bids are most advantageous, taking into consideration the evaluation factors, will be recommended for award. Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score. This procurement is expected to result in a multiple source award. The right to reject any or all bids, or any portions thereof, is reserved.

Response:

HP has read and acknowledged.

HP Clarifications and Modifications

In HP’s point-by-point responses throughout this proposal, we have detailed any proposed clarifications and modifications, which are also summarized below.

Section	Section Title	Summary
E. Response to General Requirements and Specifications		
3.10	Legal Review	HP agrees to be bound by its responses to the General Requirements as contained in this proposal.
3.13	Agreement Terms and Conditions	Please refer to HP Attachment 4, HP Supplemental Provisions , which are particularly relevant to the sale of products, services, maintenance services, and support and the license of software contemplated by this procurement, which are not enumerated in or conflict with the RFB.
3.19	Fiscal Funding	HP is to be paid for all products shipped and support and services performed in accordance with the terms of the contract through the date of the beginning of the first fiscal year for which funds are not appropriated.
3.20	Insurance	Modification, deletions, and changes are based upon HP standard coverage.



Section	Section Title	Summary
3.21	New Products	In accordance with FAR Subpart 11.3(2) - Acceptable Material and industry customary practices, some newly manufactured HP products may contain remanufactured parts which are equivalent to new in performance and spare parts may be new or equivalent-to-new, both of which are warranted an new.
3.32	Title Passage	Title to hardware passes at delivery.
3.34	Order of Precedence	Alternate Order of precedence ALTERNATE proposed.
3.35	Payment Provision, A. Acceptance	Procuring entities shall make every effort to notify HP within five (5) business days following delivery, of its non-acceptance of a product. The product will be deemed accepted on the sixth (6th) business day delivery if HP does not receive notification otherwise.
3.35	Payment Provision, B. Payment of Invoice	The procuring entity will pay all HP invoiced amounts within thirty (30) days of HP's invoice date, unless otherwise provided by Alabama state law applicable to The System.
3.36	Shipment and Risk of Loss	Risk of loss or damage to the hardware passes to the procuring entity or its designee at delivery. Non-warranty returns are in accordance with HP's State and Local Government and Education Customer Return Policy, included as HP Attachment 6 .
3.40	Product Delivery	HP will make commercially reasonable efforts to deliver products within thirty (30) business days after receipt of a valid purchase order or as mutually agreed with the procuring entity.
3.41	Impracticality of Performance	HP understands the "force majeure" events described in section 3.41 and suggests the inclusion of, without limitation, changes in controlling law, regulations, orders, or the requirements of any governmental entity, severe weather conditions, natural disasters, fire, pandemics, endemics, quarantines, Federal- or state-declared emergencies, and delays in delivery due to industry-wide component shortages, or region-wide transportation delays.
3.42	Records and Audit	HP's standard policy is that audits are limited to orders from procuring agencies to HP for products and services, including invoices and procuring agencies' payment records associated with such orders.
3.44	Indemnification	Uncapped indemnification is provided for third-party claims for injury or death to persons or damage to tangible property.
3.47	Replacement Parts	HP utilizes new or reconditioned parts to service equipment covered under service contracts, which all carry a 90-day warranty or the remainder of the warranty period of the CPU, whichever is longer.



Section	Section Title	Summary
3.53	Vendor Disclosure Statement	HP understands the jurisdiction of the Board of Adjustment is limited to claims, which are not within the jurisdiction of a court (see http://www.bdadj.alabama.gov/Default.aspx).



Appendices

6.1 Appendix A – Alabama Community College System Institutions and Other MOU Participants

Community Colleges

Bevill State Community College, Sumiton, AL
Bishop State Community College, Mobile, AL
John C. Calhoun Community College, Decatur, AL
Central Alabama Community College, Alexander City, AL
Chattahoochee Valley Community College, Phenix City, AL
Coastal Alabama Community College Bay Minnette, AL
Enterprise Community College, Enterprise, AL
Gadsden State Community College, Gadsden, AL
Jefferson State Community College, Birmingham, AL
J.F. Drake State Community and Technical College, Huntsville, AL
T.A. Lawson State Community College, Birmingham, AL
Lurleen B. Wallace Community College, Andalusia, AL
Northeast Alabama Community College, Rainsville, AL
Northwest-Shoals Community College, Muscle Shoals, AL
Shelton State Community College, Tuscaloosa, AL
Snead State Community College, Boaz, AL
Southern Union State Community College, Wadley, AL
H. Council Trenholm State Community College, Montgomery, AL
George C. Wallace Community College, Dothan, AL
Wallace State Community College, Hanceville, AL
George Corley Wallace State Community College, Selma, AL

Technical Colleges

J.F. Ingram State Technical College, Deatsville, AL
Reid State Technical College, Evergreen, AL

Military Academy

Marion Military Institute, Marion, AL

Statewide Development Training

Alabama Technology Network (ATN), Montgomery, AL

Other Participating Public Institutions of Higher Education

AIDT (Alabama Industrial Development Training)
Alabama Fire College, Tuscaloosa, AL
Alabama State University, Montgomery, AL
Athens State University, Athens, AL
Auburn University, Auburn, AL
Auburn University-Montgomery, Montgomery, AL
Jacksonville State University, Jacksonville, AL



Troy University, Troy, AL
University of Alabama Birmingham - Birmingham, AL
University of Alabama Huntsville - Huntsville, AL
University of North Alabama, Florence, AL
University of West Alabama, Livingston, AL

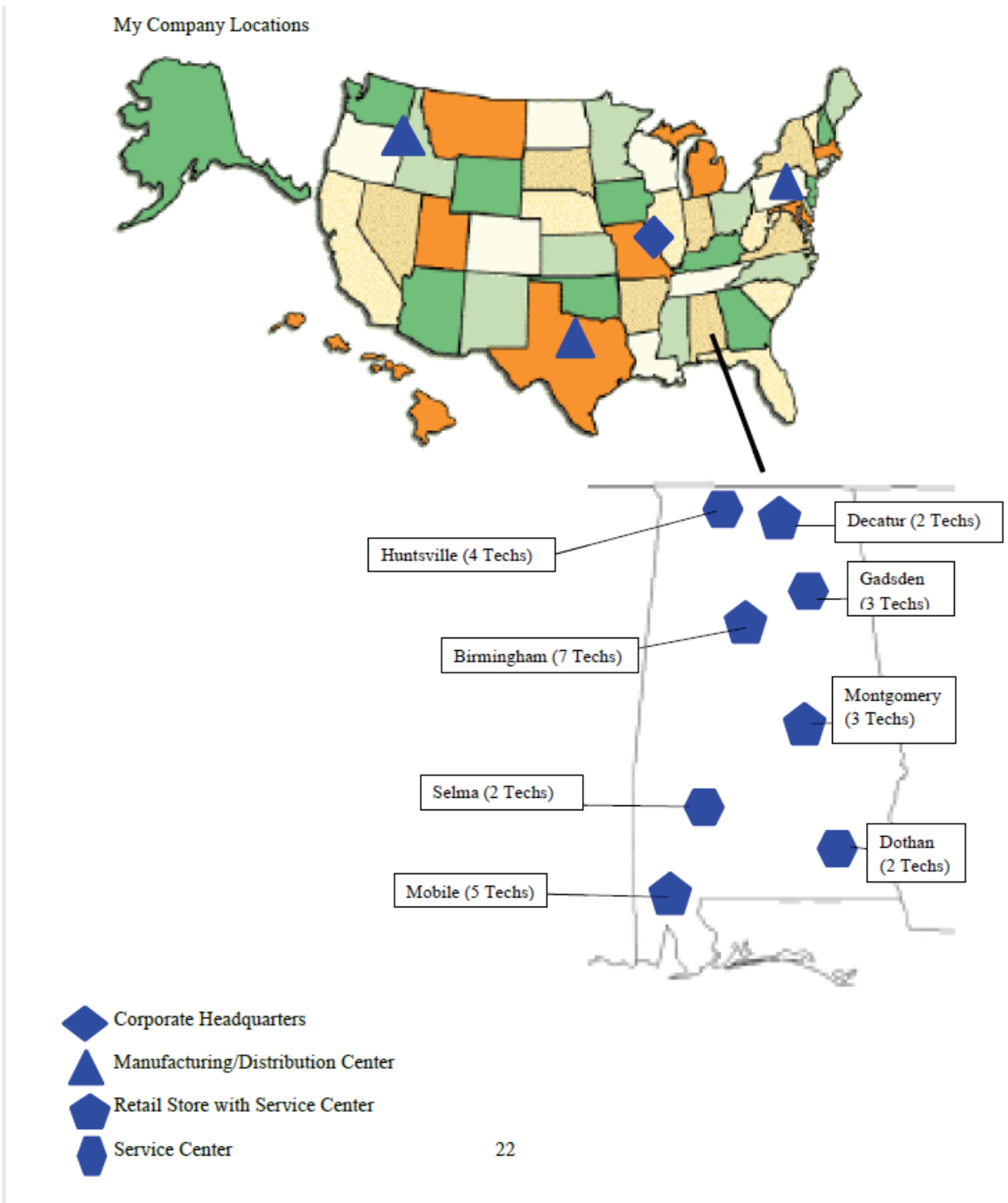
Other Participating Public Institutions K-12

Alabaster City Schools
Birmingham City Schools
Crenshaw County Schools
Cullman Commission on Education
Fort Payne City Schools
Pelham City Schools
Pike County Board of Education
Troy City Schools
Tuscaloosa County School System

Response:

HP has read and acknowledged.

6.2 Appendix B – Example Map My Company Locations



Response:

HP has read and acknowledged.



6.3 Appendix C – Example Required Usage Report

This example contains the minimum information provided. Vendors are encouraged to submit their own report data in their own format.

Company Name		
Quarterly Usage Report		
First Quarter		Jan 2022-Mar 2022
		Contract#: ACCSA2022-99T
Procuring Entity Name 1		\$ 999,999,999
Category 1	\$999,999	
Category 2	\$999,999	
Category 3	\$999,999	
Category n	\$999,999	
Procuring Entity Name 2		\$ 999,999,999
Category 1	\$999,999	
Category 2	\$999,999	
Category 3	\$999,999	
Category n	\$999,999	
Procuring Entity Name n		\$ 999,999,999
Category 1	\$999,999	
Category 2	\$999,999	
Category 3	\$999,999	
Category n	\$999,999	
GRAND TOTAL		\$ 999,999,999

Response:

HP has read and acknowledged. Sample HP reports are included on the following pages.



6.4 Appendix D – Vendor Disclosure, Immigration Compliance and Financial Forms

Vendor Setup, State of Alabama Vendor Disclosure Statement, Certificate of Compliance (Beason-Hammon),

Certification Regarding Debarment and Tax Certification and Immigration Status Forms are included in the

RFB below:

E-Verify MOU: (While this is not an attached form, we require a copy of the complete E-Verify Document with electronic signature from Homeland Security (this document will be approximately 13-17 pages) available at

this link: <https://www.e-verify.gov/mye-verify>.

First Time E-Verify Enrollment at this link: <https://www.e-verify.gov/employers>

1. Select E-Verify Enrollment
2. For first time enrollment, please complete the enrollment process
3. For all enrolled employers, please update any information and submit the updated documentation.

W-9 Form: (While this is not an attached form, we require a copy of the complete W-9 form available at this link) <https://www.irs.gov/pub/irs-pdf/fw9.pdf>

*Vendor Setup Form: If you do not wish to receive ACH payments, please complete the Vendor portion of the form, and leave the Financial Institution blank or “N/A”.

**Alabama Disclosure Statement: Must be notarized.

***Note: these forms are a requirement for all State Agencies to collect for contractual obligations.

Response:

HP has read and acknowledged. HP has completed the required forms, which are included on the following pages.

6.4 Appendix D - Vendor Disclosure, Immigration Compliance and Financial Forms

Vendor Setup, State of Alabama Vendor Disclosure Statement, Certificate of Compliance (Beason-Hammon), Certification Regarding Debarment and Tax Certification and Immigration Status Forms are included in the RFB below:

E-Verify MOU: (While this is not an attached form, we require a copy of the complete E-Verify Document with electronic signature from Homeland Security (this document will be approximately 13-17 pages) available at this link: <https://www.e-verify.gov/mye-verify>.

First Time E-Verify Enrollment at this link: <https://www.e-verify.gov/employers>

1. Select E-Verify Enrollment
2. For first time enrollment, please complete the enrollment process
3. For all enrolled employers, please update any information and submit the updated documentation.

W-9 Form: (While this is not an attached form, we require a copy of the complete W-9 form available at this link) <https://www.irs.gov/pub/irs-pdf/fw9.pdf>

*Vendor Setup Form: If you do not wish to receive ACH payments, please complete the Vendor portion of the form, and leave the Financial Institution blank or "N/A".

**Alabama Disclosure Statement: Must be notarized.

***Note: these forms are a requirement for all State Agencies to collect for contractual obligations.



6.5 Appendix E – Evaluation Submission Form

Response:

HP has included Appendix E in Section B of this response.



HP Attachments

HP has included the following attachments on the subsequent pages:

- HP Attachment 1 - HP Signature Authorization
- HP Attachment 2 - Acknowledgement of Amendment
- HP Attachment 3 - HP ISO 9001 Certificates
- HP Attachment 4 - HP Supplemental Provisions
- HP Attachment 5 - HP Certificate of Liability Insurance
- HP Attachment 6 - HP State and Local Government and Education Customer Return Policy
- HP Attachment 7 - HP Discount Schedule
- HP Attachment 8 - HP Imaging and Printing Maintenance Services Not-to-Exceed Cost Per Copy Pricing
- HP Attachment 9 - Lease Option Overview
- HP Attachment 10 - HPFS Sample State and Local Government Master Operating Lease Agreement
- HP Attachment 11 - HPFS Sample State and Local Government Master Lease Purchase Agreement
- HP Attachment 12 - HP ESS Price List



HP Attachment 1 – HP Signature Authorization

HP's signature authorization is included on the subsequent pages.



Written Delegation of Signature Authority for NACCO Contracts Specialists and Contracts Negotiator

I, Deb Bigler, Manager, Proposal Services and Contracts Operations, based upon the attached HP Inc. Designation of Authority dated December 6, 2018, grant the North America Contracts Specialists and Contracts Negotiator listed below, full signature authority to sign on behalf of HP Inc., up to the Delegation Amount noted.

	Delegation Amount	Effective Date	Expiry Date
Deborah Kaiser	Unlimited	January 10, 2024	January 10, 2025
Colleen Lively	\$100,000,000	January 10, 2024	January 10, 2025
Rick Mendoza	\$100,000,000	January 10, 2024	January 10, 2025
Barbara Aceves	\$100,000,000	January 10, 2024	January 10, 2025
Valeria Marquez	\$100,000,000	January 10, 2024	January 10, 2025
Fernanda Cazares	\$100,000,000	January 10, 2024	January 10, 2025

Contracts Negotiator	Delegation Amount	Effective Date	Expiry Date
Mily Buendia	\$100,000,000	January 10, 2024	January 10, 2025

This delegation is granted for the following purposes: to individually sign bids, quotations, leases, bonds and contracts with customers and government agencies in the U.S., in accordance with HP Inc.'s U.S. Signature Policy.

This delegation of signature authority is valid through January 10, 2025, and may be revoked at any time prior thereto for any reason without notice. This Delegation shall be automatically revoked for a Contracts Specialist or Contracts Negotiator that has a change in position within HP Inc. or ceases to be employed by HP Inc.

Signed this 10th day of January 2024.

 Deb Bigler
 Manager, Proposal Services and Contracts Operations
 HP Inc.



HP INC.

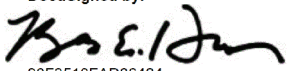
DELEGATION OF AUTHORITY

I, Rick E. Hansen, SVP, Deputy General Counsel, Corporate and Corporate Secretary of HP Inc., a corporation duly organized and existing under the laws of the State of Delaware, United States of America (“HP”), being duly authorized to represent HP individually, hereby authorize Deb Bigler, as Manager, Proposal Services and Contracts Operations, the individual authority, to sign and approve actions on behalf and in the name of HP relating to signing bids, quotations, leases and contracts with customers and government agencies, up to the appropriate value level of authority determined by HP, including such bids and bonds as may be required in connection with such documents.

Furthermore, I hereby authorize that Deb Bigler is individually empowered to establish a list of employees of HP and/or its affiliates that are located in the United States of America, Canada or Mexico to sign bids, quotations, leases and contracts on behalf of and at the direction of HP pursuant to HP standards and signature authorities.

This delegation may be revoked at any time for any reason without notice. This delegation shall be automatically revoked with respect to Ms. Bigler should she cease to be employed by HP or any of its subsidiaries or affiliates.

Signed this 16 day of November, 2023.

DocuSigned by:

90F3510FAD86424...

Rick E. Hansen
SVP, Deputy General Counsel, Corporate and Corporate
Secretary



HP Attachment 2 – Acknowledgement of Amendment

HP has not received any RFB amendments. As of the print date of HP's proposal, February 6, 2024, there have been no RFB amendments or written responses to written questions posted to <https://www.accs.edu/vendors/>.



HP Attachment 3 – HP ISO 9001 Certificates

HP's ISO 9001 certificates are included on the subsequent pages.



HP Attachment 4 – HP Supplemental Provisions

HP's Supplemental Provisions are included on the subsequent pages.



HP SUPPLEMENTAL PROVISIONS

The following provisions are relevant and necessary for the sale of products, services, and support and the license of software contemplated by this procurement, though are not enumerated in the RFB. To our knowledge, these provisions do not conflict with RFB requirements or applicable state laws.

A. PRODUCT AND RELATED SERVICES PURCHASES

1. **Parties.** HP Inc.'s ("HP") proposal in response to Alabama Community College System's Request for Bid number ACCS-2024-01 for Manufacturer Supplied Technology Equipment with Peripherals, Software, Networking, Equipment, Maintenance and Professional Support Services, includes these Supplemental Provisions for product purchases (collectively the "Proposal"), which governs the purchase of products and services (excluding Maintenance Services) from the HP by the Alabama Community College System procuring entities ("The System").
2. **Orders.** "Order" means the accepted order including any supporting material which the parties identify as incorporated either by attachment or reference ("Supporting Material"). Supporting Material may include (as examples) product lists, hardware or software specifications, standard or negotiated service descriptions, data sheets and their supplements, and statements of work ("SOW"), published warranties and service level agreements, and may be available to The System in hard copy or by accessing a designated HP website.
3. **Scope and Order Placement.** These terms may be used by The System either for a single Order or as a framework for multiple Orders.
4. **Order Arrangements.** The System may place orders with HP through our website, customer-specific portal, or by letter, fax or e-mail. Where appropriate, orders must specify a delivery date. If The System extends the delivery date of an existing Order beyond ninety (90) days, which is not due to an HP backorder, then it will be considered a new order. The System may cancel a hardware Order at no charge up to five (5) business days prior to shipment date.
5. **Prices and Taxes.** Prices will be as quoted in writing by HP or, in the absence of a written quote, as set out on our website, customer-specific portal, or the contract price at the time an order is submitted to HP. Prices are exclusive of taxes, duties, and fees (including installation, shipping, and handling) unless otherwise quoted. If a withholding tax is required by law, please contact the HP order representative to discuss appropriate procedures.
6. **Payment.** HP may suspend or cancel performance of open Orders or services if The System fails to make payments when due.
7. **Products and Warranty.**
 - (a) **Security Interest.** Where permitted by law, HP retains a security interest in products sold until full payment is received.
 - (b) **Delivery.** HP will use all commercially reasonable efforts to deliver products in a timely manner. HP may elect to deliver software and related product/license information by electronic transmission or via download.
 - (c) **Installation.** If HP is providing installation with the product purchase, HP's site guidelines (available upon request) will describe The System requirements. HP will conduct its standard installation and test procedures to confirm completion.
 - (d) **Product Performance.** All HP-branded hardware products are covered by HP's limited warranty statements that are provided with the products or otherwise made available. Hardware warranties begin on the date of delivery or if applicable, upon completion of HP installation, or (where The System delays HP installation) at the latest 30 days from the date of delivery. Non-HP branded products receive warranty coverage as provided by the relevant third party supplier.
 - (e) **Product Warranty Claims.** When we receive a valid warranty claim for an HP hardware or software product, HP will either repair the relevant defect or replace the product. If HP is unable to complete the repair or replace the product within a reasonable time, The System will be entitled to a full refund



upon the prompt return of the product to HP (if hardware) or upon written confirmation by The System that the relevant software product has been destroyed or permanently disabled. HP will pay for shipment of repaired or replaced products to The System and The System will be responsible for return shipment of the product to HP.

8. Software.

- (a) License Grant. HP grants The System a non-exclusive license to use the version or release of the HP-branded software listed in the Order. Permitted use is for internal purposes only (and not for further commercialization), and is subject to any specific software licensing information that is in the software product or its Supporting Material. For non-HP branded software, the third party's license terms will govern its use.
- (b) Updates. The System may order new software versions, releases or maintenance updates ("Updates"), if available, separately or through an HP software support agreement. Additional licenses or fees may apply for these Updates or for the use of the software in an upgraded environment. Updates are subject to the license terms in effect at the time that HP makes them available to The System.
- (c) License Restrictions. HP may monitor use/license restrictions remotely and, if HP makes a license management program available, The System agrees to install and use it within a reasonable period of time. The System may make a copy or adaptation of a licensed software product only for archival purposes or when it is an essential step in the authorized use of the software. The System may use this archival copy without paying an additional license only when the primary system is inoperable. The System may not copy licensed software onto or otherwise use or make it available on any public external distributed network. Licenses that allow use over The System's intranet require restricted access by authorized users only. The System will also not modify, reverse engineer, disassemble, decrypt, decompile or make derivative works of any software licensed to The System under the contract unless permitted by statute, in which case The System will provide HP with reasonably detailed information about those activities.
- (d) License Term and Termination. Unless otherwise specified, any license granted is perpetual, provided however that if The System fails to comply with the terms of the contract, HP may terminate the license upon written notice. Immediately upon termination, or in the case of a limited-term license, upon expiration, The System will either destroy all copies of the software or return them to HP, except that The System may retain one copy for archival purposes only.
- (e) License Transfer. The System may not sublicense, assign, transfer, rent or lease the software or software license except as permitted by HP. HP-branded software licenses are generally transferable subject to HP's prior written authorization and payment to HP of any applicable fees. Upon such transfer, The System's rights shall terminate and The System shall transfer all copies of the software to the transferee. Transferee must agree in writing to be bound by the applicable software license terms. The System may transfer firmware only upon transfer of associated hardware.
- (f) License Compliance. HP may audit The System compliance with the software license terms. Upon reasonable notice, HP may conduct an audit during normal business hours (with the auditor's costs being at HP's expense). If an audit reveals underpayments then The System will pay to HP such underpayments. If underpayments discovered exceed five (5) percent of the contract price, The System will reimburse HP for the auditor costs.
- (g) Software Performance. HP warrants that its branded software products will conform materially to their specifications and be free of malware at the time of delivery. HP warranties for software products will begin on the date of delivery and unless otherwise specified in Supporting Material, will last for ninety (90) days. HP does not warrant that the operation of software products will be uninterrupted or error-free or that software products will operate in hardware and software combinations other than as authorized by HP in Supporting Material.
- (h) US Federal Government Use. If software is licensed to The System for use in the performance of a US Government prime contract or subcontract, The System agrees that consistent with FAR 12.211 and 12.212, commercial computer software, documentation and technical data for commercial items are licensed under HP's standard commercial license.

9. Services.

- a. Professional Services. HP will deliver any ordered IT consulting, training or other services as described in the applicable Supporting Material.



- b. Professional Services Acceptance. The acceptance process (if any) will be described in the applicable Supporting Material, will apply only to the deliverables specified, and shall not apply to other products or services to be provided by HP.
 - c. Services Performance. Services are performed using generally recognized commercial practices and standards. The System agrees to provide prompt notice of any such service concerns and HP will re-perform any service that fails to meet this standard.
 - d. Services with Deliverables. If Supporting Material for services defines specific deliverables, HP warrants those deliverables will conform materially to their written specifications for 30 days following delivery. If The System notifies HP of such a non-conformity during the 30 day period, HP will promptly remedy the impacted deliverables or refund to The System the fees paid for those deliverables and The System will return those deliverables to HP.
 - e. Dependencies. HP's ability to deliver services will depend on The System's reasonable and timely cooperation and the accuracy and completeness of any information from The System needed to deliver the services.
 - f. Expenses. HP will charge separately for reasonable out-of-pocket expenses, such as travel expenses incurred in providing professional services.
 - g. Change Orders. We each agree to appoint a project representative to serve as the principal point of contact in managing the delivery of services and in dealing with issues that may arise. Requests to change the scope of services or deliverables will require a change order signed by both parties.
- 10. Support Services.** HP's support services will be described in the applicable Supporting Material, which will cover the description of HP's offering, eligibility requirements, service limitations and The System responsibilities, as well as the systems of The System that are supported.
- 11. Eligibility.** HP's service, support and warranty commitments do not cover claims resulting from:
- (a) improper use, site preparation, or site or environmental conditions or other non-compliance with applicable Supporting Material;
 - (b) Modifications or improper system maintenance or calibration not performed by HP or authorized by HP;
 - (c) failure or functional limitations of any non-HP software or product impacting systems receiving HP support or service;
 - (d) malware (e.g. virus, worm, etc.) not introduced by HP; or
 - (e) abuse, negligence, accident, fire or water damage, electrical disturbances, transportation by The System, or other causes beyond HP's control.
- 12. Remedies.** These terms and HP's Proposal state all remedies for warranty claims. To the extent permitted by law, HP disclaims all other warranties.
- 13. Intellectual Property Rights.** No transfer of ownership of any intellectual property will occur under the contract. The System grants HP a non-exclusive, worldwide, royalty-free right and license to any intellectual property that is necessary for HP and its designees to perform the ordered services. If deliverables are created by HP specifically for The System and identified as such in Supporting Material, HP hereby grants The System a worldwide, non-exclusive, fully paid, royalty-free license to reproduce and use copies of the deliverables internally.
- 14. Intellectual Property Rights Infringement.** HP will defend and/or settle any claims against The System that allege that an HP-branded product or service as supplied under the contract infringes the intellectual property rights of a third party. HP will rely on The System's prompt notification of the claim and cooperation with our defense. HP may modify the product or service so as to be non-infringing and materially equivalent, or we may procure a license. If these options are not available, we will refund to The System the amount paid for the affected product in the first year or the depreciated value thereafter or, for support services, the balance of any pre-paid amount or, for professional services, the amount paid. HP is not responsible for claims resulting from any unauthorized use of the products or services. This section shall also apply to deliverables identified as such in the relevant Support Material except that HP is not responsible for claims resulting from deliverables content or design provided by The System.
- 15. Confidentiality.** Information exchanged under the contract will be treated as confidential if identified as such at disclosure or if the circumstances of disclosure would reasonably indicate such



treatment. Confidential information may only be used for the purpose of fulfilling obligations or exercising rights under the contract, and shared with employees, agents or contractors with a need to know such information to support that purpose. Confidential information will be protected using a reasonable degree of care to prevent unauthorized use or disclosure for 3 years from the date of receipt or (if longer) for such period as the information remains confidential. These obligations do not cover information that: i) was known or becomes known to the receiving party without obligation of confidentiality; ii) is independently developed by the receiving party; or iii) where disclosure is required by law or a governmental agency.

16. **Personal Data.** Each party shall comply with their respective obligations under applicable data protection and privacy laws and regulations. To the extent that HP is processing any personal data to which it has access on behalf of Customer, HP's Customer Data Processing Addendum shall apply. HP's Customer Data Processing Addendum is available on www.hp.com/privacy or upon request.
17. **Limitation of Liability.** HP's liability to The System under the contract is limited to the greater of \$1,000,000 or the amount payable by The System to HP for the relevant Order (per occurrence). Neither The System nor HP will be liable for lost revenues or profits, downtime costs, loss or damage to data or indirect, special or consequential costs or damages. This provision does not limit either party's liability for: unauthorized use of intellectual property, death or bodily injury caused by their negligence; acts of fraud; willful repudiation of the Agreement; nor any liability which may not be excluded or limited by applicable law.
18. **Termination.** Either party may terminate this Agreement on written notice if the other fails to meet any material obligation and fails to remedy the breach within a reasonable period after being notified in writing of the details. If either party becomes insolvent, unable to pay debts when due, files for or is subject to bankruptcy or receivership or asset assignment, the other party may terminate this Agreement and cancel any unfulfilled obligations.
19. **General.**
 - (a) Entire Agreement. The resultant contract, which shall incorporate HP's proposal and attachments thereto represents the parties' entire understanding with respect to its subject matter and supersedes any previous communication or agreements that may exist.
 - (b) Amendments. Modifications to the contract or HP's Proposal will be made only through a written amendment signed by both parties.
 - (c) Disputes. If The System is dissatisfied with any products or services purchased under these terms and disagrees with HP's proposed resolution, we both agree to promptly escalate the issue to a Vice President (or equivalent executive) in our respective organizations for an amicable resolution without prejudice to the right to later seek a legal remedy.
 - (d) Force Majeure. Except for payment obligations, a party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination. "Force Majeure" events also include, without limitation, changes in controlling law, regulations, orders, or the requirements of any governmental entity, severe weather conditions, natural disasters, fire, pandemics, epidemics, quarantines, Federal- or state-declared emergencies, and delays in delivery due to industry-wide component shortages, or region-wide transportation delays.
 - (e) Global Trade Compliance. Products and services provided under these terms are for The System's internal use and not for further commercialization. If The System exports, imports or otherwise transfers products and/or deliverables provided under these terms, The System will be responsible for complying with applicable laws and regulations and for obtaining any required export or import authorizations. HP may suspend its performance under the contract to the extent required by laws applicable to either party.
 - (f) Survival. Any terms in the resultant contract, which by their nature extend beyond termination or expiration of the Agreement will remain in effect until fulfilled and will apply to both parties' respective successors and permitted assigns.

- B. **MANAGED PRINT MAINTENANCE SERVICES**
HP standard terms are included on the following pages.



HP MANAGED PRINT SERVICES AND SUPPORT SCHEDULE

February 2, 2024
ACCS-**USDYNAMIC**

This Managed Print Maintenance Services and Support Schedule ("Schedule") defines the activities to be provided by the HP entity named below ("HP") to the customer named below ("Customer") and applies to the Customer's purchases of and HP's provision of managed print maintenance services (the "Services"). This Schedule describes the Statement of Work for the Services including Exhibits A through B, and the HP – Alabama Community College System ("ACCS") **Contract Number XXXX** for Manufacturer Supplied Technology Equipment with Peripherals, Software, Networking, Equipment, Maintenance, and Professional Support Services, which collectively constitute the agreement (the "Agreement") between the parties. This Schedule is not effective until signed by Customer and accepted by HP ("Effective Date"). The parties agree that this Agreement and any Change Order or other ancillary agreement can be completed and executed with electronic signatures or as otherwise required by law. Capitalized terms not defined herein are defined in the Agreement. In case of conflicts between terms of this Schedule, Exhibit A, and the Agreement, the provisions of this Schedule shall prevail to the extent of the conflict.

TERM: **XX** MONTHS

SUPPORT PROGRAMS ("PROG")

Managed Print Services ("MPS"): Full Managed Print Services - Includes toner and ink cartridges, maintenance kits, parts, and repairs.

For devices that have reached their End of Service Life (EOSL) date, HP provides two options of support:

Essential Support ("ES"): Toner Only - Includes toner and ink cartridges drop shipped to Customer's dock. No break/fix/maintenance service is included.

Extended Service Support Devices ("MPS") - Full MPS including toner and ink cartridges, maintenance kits, parts, and repairs.

NOTE: Devices past EOSL date are subject to the Device Obsolescence Section below.

HP WILL PROVIDE SUPPORT WHICH INCLUDES THE FOLLOWING:

- Toner and Ink Cartridges
- Phone triage to maximize first time fix
- Maintenance Items for MPS Program
- Toner and Ink Cartridge Disposal
- Repair Services for devices in MPS Program
- Location Specific Response Times
- Phone and Online Support for MPS Program
- Client Manager**
- Strategic Business Reviews
- Assigned Account Manager
- Remote Monitoring Software
- HP JetAdvantage Insights**

PRICING SCHEDULE

SUPPORT RATES FOR THE CURRENT DEVICES ARE AS FOLLOWS:

MODEL	TYPE	RATE	PROG	MODEL	TYPE	RATE	PROG
HP	Black	\$0.0000	MPS	HP	Color	\$0.0000	MPS
HP	Mono	\$0.0000	ES	HP	Mono	\$0.0000	ES

Service requests can be made twenty-four (24) hours a day, seven (7) days a week by calling HP's toll-free number (1-800-745-2025) and leaving a voice mail or through the online portal (www.hp.com/go/mpsservice). Upon receipt of any supplies provided by HP under this Schedule, Customer shall be responsible for their safekeeping and shall reimburse HP, at the then-current retail list price, for any supplies that are lost, stolen or damaged. Supplies provided by HP under this Schedule may only be used on devices covered under this Schedule. At the end of the Term, unused supplies provided by HP under this Schedule shall be returned to HP and are the property of HP at all times unless otherwise specified. HP encourages Customer to use HP's free cartridge return program for empty laser and ink cartridge disposal. See www.hp.com/recycle for details. Except to the extent that a specific requirement is set out in this Schedule, HP will manage the method and provision of the support programs in its sole discretion.

DEVICE OBSOLESCENCE

A manufacturer may choose to no longer support a device, at which time replacement parts and/or supplies are in short supply or no longer available for that device model/series, HP will make reasonable commercial efforts to continue to provide Service for the device, but if HP is unable to procure repair parts or supplies for that device, HP reserves the right to discontinue providing Services on the respective device and potentially all like devices. It is Customer's responsibility to replace or retire devices that are no longer supported by HP.

SERVICE LEVEL DEFINITIONS

MPS Response Times: HP offers two (2) response times depending on locations:

HP Priority – Priority 4 Hour Response, toner and ink drop ship

HP Advantage – Next Business Day Response, toner and ink drop ship

HP Extended Reach – Depending on location, it may be greater than Next Business Day Response, toner and ink drop ship

Response times under each of these service levels begin once a case is created in HP's system, which includes an initial customer triage (phone-based if customer submits ticket via phone call; online-prompted if customer submits through service portal). Additionally, each service level includes drop-ship, automated toner and/or ink replenishment (ATR).

MPS Response Times will only be measured during HP normal business hours and only apply to devices supported by the MPS program. Location specific MPS Response Times can be found in Exhibit B, attached hereto. All Response Times are determined by the ZIP codes listed in Exhibit B, therefore, if a location is listed with an incorrect ZIP code, then the Response Time may be incorrect and will be corrected by way of a Change Order.

CLIENT MANAGEMENT

HP will provide Customer with an Client Manager ("CM") that will perform the following services for the Term of the Schedule: (1) Serve as the single point of contact responsible for the delivery of the Services, Customer relationship, Customer satisfaction, and manage escalated issues and corrective actions



until resolution; (2) Jointly develop with Customer a documented plan ("Delivery Plan") designed to promote delivery consistency and track topics for scheduled strategic reviews; (3) Coordinate and manage Change Orders; (4) Summarize HP standard fleet tracking and utilization reports for discussion during scheduled strategic reviews; (5) Provide a statistical analysis of fleet performance during scheduled strategic reviews; and (6) Track and report service level commitment performance in an HP-defined format.

HP will perform all activities remotely. In coordination with the assigned Account Manager, the CM will schedule and lead annual remote strategic reviews to discuss: (1) the summary of HP's performance against the Schedule, (2) the Delivery Plan, (3) the fleet management analysis (fleet utilization), and (4) recommendations for optimization.

ENHANCED ACCOUNT MANAGEMENT

HP will provide Customer with an Account Manager ("AM") that will perform the following services for the Term of the Schedule: (1) Serve as the single point of contact responsible for the delivery of the Services, Customer relationship, Customer satisfaction, and manage escalated issues and corrective actions until resolution; (2) Assist with coordinating and managing Change Orders; (3) the fleet management analysis (fleet utilization), and (4) recommendations for optimization.

HP will perform all activities remotely.

TERM, TERMINATION & RENEWAL

The term of this Schedule will begin on the Schedule Effective Date and will continue for the Term indicated above. This Schedule will automatically renew for successive twelve (12) month terms unless (i) HP is notified, in writing, of Customer's intention not to renew at least sixty (60) days before the Term expiration; or (ii) HP notifies Customer of its intent not to renew. Rates listed in the Pricing Schedule above are fixed for the initial Term of this Schedule. HP reserves the right to increase the rates at each renewal.

Customer may terminate this Schedule in the event of HP's uncured material breach of this Schedule. HP will have thirty (30) days from Customer's written notice to cure such breach. If HP fails to cure such breach within the thirty (30) day period, this Schedule will terminate, with no Termination Fee, ninety (90) days after the written notice was received.

In the event of any early termination of this Schedule by Customer for any reason other than HP's material breach, HP, in its sole discretion, may assess and invoice Customer the number of impressions estimated to be remaining for the term of this Schedule based on the most recent historical impression counts ("Termination Fee"). Upon termination of this Schedule, Customer will pay HP for all Services performed, and all charges and expenses then due HP under this Schedule, including any applicable Termination Fee.

HP reserves the right to terminate this Schedule with thirty (30) days' notice.

DEVICES COVERED UNDER THIS SCHEDULE

The impression rates listed in the Pricing Schedule above and the terms contained herein are offered based on supporting all eligible devices within Customer's supportable locations listed in Exhibit B and Customer keeping the remote monitoring software active and reporting. All devices of a similar model/series must be enrolled in the support program and covered under this Schedule unless a specific written exception is granted. Devices can only be removed from the support program if they are taken out of service and permanently removed from a supportable location. Additional devices may be added at any time if HP currently provides support for that model/series. Supportable devices that are added at a later date that are not currently included in the Pricing Schedule will be added at the then current rate. To add a device to or remove a device from the Schedule, Customer must submit a request to HP at www.hp.com/go/pmps-imacd using a form to be provided by HP. Such requests must be submitted by an account manager or executive employed by Customer, or an employee authorized by the account manager or executive.

Devices must be in a working condition prior to being enrolled in this program.

In order to be enrolled for support, a device must be stickered with an HP Support sticker ("Entitlement"). This sticker assigns the device with a unique ID number that HP will use to order service and/or supplies for that device.

DEVICE ENTITLEMENT

1. Devices that are not new. If an HP authorized service technician goes to the Customer site to do a printer health check on a device that is not new and determines that repairs are required, HP will notify Customer and, with Customer's approval, will provide those parts and repairs at HP's standard parts and service rates. If in HP's determination a device is not in working order, HP reserves the right not to entitle the device.
2. Self-Entitlement. If HP sends stickers to a Customer for self-entitlement an HP Authorized Service Technician will not perform a health check on the device. HP assumes the added device is supportable and in good functioning order. If, in HP's determination, the condition of an added device does not meet this criteria, HP reserves the right to remove the device from service; or, if service is required within the first thirty (30) days after Entitlement, HP may charge Customer for repairs and labor performed.
3. If a device is discovered that was not initially entitled with the rest of the fleet or is added later, HP at its discretion may a.) send out an HP Authorized Service Technician to entitle the device as in Section 1, above, or b.) send a sticker to the Customer for self-entitlement as in Section 2 above.

Customer agrees to follow correct device operation guidelines as specified by the manufacturer for all devices covered under this Schedule.

In the event that a device reaches defined end of service-life or if HP cannot acquire spare parts with commercially reasonable efforts, HP may terminate Services for the respective device and potentially all like devices.

HOURS OF SERVICE

HP's normal business hours are Monday through Friday, 8:00 a.m. through 5:00 p.m. local time. HP does not provide Services during the following holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day



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- Christmas Day

HP does not provide office support, but does provide technician support during the following holidays:

- Martin Luther King Day
- Presidents' Day
- Juneteenth
- Friday following Thanksgiving
- Christmas Eve
- HP company-wide shut down between Christmas Day and New Year's Day

PRICING

Customer will be billed at the per impression rates by device model/series as listed in the Pricing Schedule. One (1) 8 ½" x 11" (A4) print will be charged as one (1) impression. One (1) 8 ½" x 14" (legal) print will be charged as one point three (1.3) impressions. One 11" x 17" (A3) size print will be charged as two (2) impressions. A duplex print will be charged as two (2) times the number of impressions that would be charged for a one-sided print. All other page sizes will be charged as reported by the device. If no purchase order is issued then, by signing this Schedule, Customer authorizes HP to provide the Services and will not contest payment. HP reserves the right to change credit or payment terms due to adverse changes in Customer's financial condition or payment history.

CUSTOMER REQUIREMENTS

HP requires the Customer to assist in the timely installation of the HP authorized remote monitoring software and for keeping the remote monitoring software active. Customer understands that if the remote monitoring software is de-activated, HP will not be able to receive "Toner Low" or "Service Alert" messages from devices and HP will not be held to the response time commitments listed in Exhibit B. Upon either notice or discovery of a non-reporting device, Customer shall promptly return the device to a reporting condition. Customer will be responsible for manually reporting impression counts for non-networked devices or for non-reporting devices to ensure current and accurate data for billing and reporting purposes. Customer acknowledges that Customer has no ownership of software provided by HP, including the remote monitoring software. Subject to the terms of this Schedule and the Agreement, Customer agrees to allow HP the right to collect and use data through the remote monitoring software.

Non-Reporting Devices: Device(s) subject to remote monitoring software (for example, a Data Collection Agent ("DCA") or other automated data collection tool provided by HP) that stops reporting data for at least two consecutive reporting cycles are considered non-reporting Device(s) ("Non-Reporting Device"). Customer shall support HP in locating and returning all such Non-Reporting Devices to a reporting condition and to a designated location within sixty (60) days of receiving a Non-Reporting Device notice from HP.

If, within sixty (60) days following receipt of Non-Reporting Device notification, Customer fails to return the device to a reporting status or manually report impression counts as described above, HP may take the following actions to help assure uninterrupted service and billing:

- (i) HP or its authorized representative may obtain page counts from the device(s) at the customer site for a fee per device (fee to be communicated by HP to Customer at the time of service), chargeable to Customer. Customer agrees in advance to provide HP an on-site point of contact and access to the Customer site and devices.
- (ii) HP may choose to implement alternate billing models for this account.
- (iii) HP may remove the device from the Schedule, cease provision of services to the device, and bill the Customer for any unbilled pages reported from the device.

Manual Reporting Devices: For each device designated as a manual reporting device (i.e. a device that is incapable of automated data reporting), Customer shall provide to HP usage reports thirty (30) calendar days after Entitlement and every thirty (30) calendar days thereafter. If at any point in time Customer stops timely reporting such data, such device shall be deemed a Non-Reporting Device and Customer remains liable for payment of all charges and fees for such Non-Reporting Devices as defined above.

HP JETADVANTAGE INSIGHTS

HP JetAdvantage Insights is included as a part of this Schedule, the Customer agrees to the terms and conditions with respect to HP JetAdvantage Insights located at <https://www.insights.hpondemand.com/files/SaaS/JAISPaaS11302016.pdf>.

TONER AND INK COVERAGE

HP regularly reviews toner and ink consumption. If it is discovered that there are devices that are printing with greater than four and two tenths percent (4.2%) toner or ink coverage for monochrome, and sixteen and eight tenths percent (16.8%) toner or ink coverage for color, HP will notify the Customer in writing. HP will work with Customer to correct this problem by making recommendations that may include but are not limited to print policy changes, workflow changes, and device changes. If after sixty (60) days, Customer has not or will not make changes to reduce toner or ink coverage below these limits, HP may increase the rates to account for the increase in coverage. Those increased rates will remain in place until the next annual review.

UNIT REPLACEMENT POLICY

HP defines the Unit Replacement Policy based on the age of the device and its warranty status. HP will offer unit replacements as defined below:

1. If a device is still within its HP Limited Hardware Warranty, subject to the following conditions:
 - a. Dead On Arrival ("DOA") – if the device fails and cannot be repaired less than thirty (30) days from date of purchase, HP will replace the device
 - b. If the device fails more than thirty (30) days from date of purchase HP will attempt repair. If unable to repair HP will replace the device according to the HP Limited Hardware Warranty.
2. If a device is outside of the HP Limited Hardware Warranty but still within the HP service life window as determined within HP's sole discretion (typically 5-7 years after model introduction), and the device fails and HP is unable to repair it and bring it back to a usable condition, HP may, at its discretion, replace that device with a like or comparable model at no charge to Customer.



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3. If a device is aged beyond the HP service life window as determined within HP's sole discretion (typically greater than 5-7 years after model introduction), Customer is responsible for retiring or replacing that device at Customer's sole expense.

ITEMS NOT COVERED

The following items are not covered under the Services: paper, staples, font cartridges, third-party SIMM or DIMMs, third-party accessories, and all external interface cards. Special note on Firmware Upgrades: HP will only perform Firmware Upgrades if the manufacturer has announced the Firmware Upgrade resolves a known service issue.

REMOVAL OF CONFIDENTIAL INFORMATION

In the event that Customer requests that HP repair or replace a device or upon termination of the Schedule, Customer shall have completed final data disposition of any confidential or proprietary Customer information, including Personally Identifiable Information (PII) and Protected Health Information (PHI), on such device, e.g. encryption, overwriting or degaussing, prior to the repair and/or delivery of such device to HP. Customer remains fully responsible for the protection and privacy of the data residing on such device and HP is not responsible for any of Customer's confidential or proprietary information contained in the device which is delivered to HP.

SCHEDULE REVISIONS

If the assumptions and/or circumstances used to create the Pricing Schedule are found to be incorrect or misstated or to have substantially changed, then HP and Customer shall meet and in good faith negotiate equitable changes to the Schedule, which may include, but is not limited to, adjusting rates and/or service level commitments. Any changes will only have effect for the future without any retroactive effect on any rates or charges that have already been invoiced. HP will not be liable for failure to meet any obligations in this Schedule to the extent such failure is due to delayed, false, or inaccurate information provided by Customer.

ASSIGNMENT

Neither this Schedule nor any right or obligation hereunder shall be assigned or delegated, in whole or part, by either party without the prior written consent of the other party, not to be unreasonably withheld.

PUBLICITY

HP may use Customer's name and identification of this engagement in connection with general lists of customers and experience.

INVOICING

HP will invoice monthly in arrears, based on the impressions made during the previous month. Invoice terms are Net 30.



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HP and Customer agree by application of their duly authorized representative's respective signatures below that this Schedule should become effective as of the Schedule Effective Date. Customer also warrants that signature of this Schedule authorizes HP to provide the Services and that Customer will pay for all Services provided under this Schedule. This Schedule must be signed within ninety (90) days from the date listed in the header of this Schedule. The Parties also agree that this Schedule and any subsequent amendments or change orders are binding upon HP and Customer.

SCHEDULE EFFECTIVE DATE: _____

HP INC.	CUSTOMER NAME
Signature:	Signature:
Printed Name:	Printed Name:
Title:	Title:
Date:	Date:
Address: 11361 Chinden Blvd. Boise, ID 83714	Address:
Contact Name:	Contact Name:
Contact Email:	Contact Email:
Contact Phone:	Contact Phone:



EXHIBIT A: HP CUSTOMER TERMS – SUPPORT AGREEMENT

1. Parties. These terms represent the agreement (“**Agreement**”) that governs the purchase of support services from the HP Inc. entity identified in the signature section above (“**HP**”) by the Customer entity identified above (“**Customer**”). HP and Customer may be individually referred to as “**Party**”, and collectively as the “**Parties**”.

2. Orders. “**Order**” means the signed HP Managed Print Services and Support Schedule including any supporting material which the Parties identify as incorporated either by attachment or reference (“**Supporting Material**”). Supporting Material may include (as examples) support product lists, hardware or software specifications, standard or negotiated service descriptions, data sheets and their supplements, and statements of work (SOWs), published warranties and service level agreements.

3. Prices and Taxes. Initial prices will be as quoted in writing by HP. Prices are exclusive of taxes, duties, and fees (including installation) unless otherwise quoted. If a withholding tax is required by law, please contact the HP order representative to discuss appropriate procedures.

4. Invoices and Payment. Customer agrees to pay all invoiced amounts within thirty (30) days of HP’s invoice date. HP may suspend or cancel performance of open Orders or services if Customer fails to make payments when due.

5. Support Services. HP’s support services will be described in the Order and any applicable Supporting Material, which will cover the description of HP’s offering, eligibility requirements, service limitations and Customer responsibilities, as well as the Customer devices supported.

6. Eligibility. HP’s service, support and warranty commitments do not cover claims resulting from: (1) improper use, site preparation, or site or environmental conditions or other non-compliance with applicable Supporting Material; (2) Modifications or improper system maintenance or calibration not performed by HP or authorized by HP; (3) failure or functional limitations of any non-HP software or product impacting systems receiving HP support or service; (4) malware (e.g. virus, worm, etc.) not introduced by HP; or (5) abuse, negligence, accident, fire or water damage, electrical disturbances, transportation by Customer, or other causes beyond HP’s control.

7. Dependencies. HP’s ability to deliver services will depend on Customer’s reasonable and timely cooperation and the accuracy and completeness of any information from Customer needed to deliver the services.

8. Change Orders. Both Parties agree to appoint a project representative to serve as the principal point of contact in managing the delivery of services and in dealing with issues that may arise. Requests to add additional service locations or new device models, or to modify current service locations, must be submitted to HP for review and will require a Change Order. Any move, change, add, or remove to the Schedule or service requested on an account will require the Customer to provide device or model details such as model name, model number, serial number, IP address, and address to be added or modified. Additional models/series of devices not currently priced on the Order will be added at the then-current rates.

9. Services Performance. Services are performed using generally recognized commercial practices and standards. Customer agrees to provide prompt notice of any such service concerns and HP will re-perform any service that fails to meet this standard.

10. Intellectual Property Rights. No transfer of ownership of any intellectual property will occur under this Agreement. Customer grants HP a non-exclusive, worldwide, royalty-free right and license to any intellectual property that is necessary for HP and its designees to perform the ordered services.

11. Intellectual Property Rights Infringement. HP will defend and/or settle any claims against Customer that allege that an HP-branded product or service as supplied under this Agreement infringes the intellectual property rights of a third party. HP will rely on Customer’s prompt notification of the claim and cooperation with our defense. HP may modify the product or service so as to be non-infringing and materially equivalent, or HP may procure a license. If these options are not available, HP will refund to Customer the amount paid for the affected product in the first year or the depreciated value thereafter or, for support services, the balance of any pre-

paid amount or, for professional services, the amount paid. HP is not responsible for claims resulting from any unauthorized use of the products or services.

12. Confidentiality. Information exchanged under this Agreement will be treated as confidential if identified as such at disclosure or if the circumstances of disclosure would reasonably indicate such treatment. Confidential information may only be used for the purpose of fulfilling obligations or exercising rights under this Agreement, and shared with employees, agents or contractors with a need to know such information to support that purpose. Confidential information will be protected using a reasonable degree of care to prevent unauthorized use or disclosure for 3 years from the date of receipt or (if longer) for such period as the information remains confidential. These obligations do not cover information that: i) was known or becomes known to the receiving Party without obligation of confidentiality; ii) is independently developed by the receiving Party; or iii) where disclosure is required by law or a governmental agency.

13 Personal Data. Each party shall comply with their respective obligations under applicable data protection and privacy laws and regulations. To the extent that HP is processing any personal data to which it has access on behalf of Customer, HP’s Customer Data Processing Addendum shall apply. HP’s Customer Data Processing Addendum is available on www.hp.com/privacy or upon request.

14. Global Trade compliance. Services provided under these terms are for Customer’s internal use and not for further commercialization. HP may suspend its performance under this Agreement to the extent required by laws applicable to either Party.

15. Limitation of Liability. HP’s liability to Customer under this Agreement is limited to the greater of \$1,000,000 or the amount payable by Customer to HP for the relevant Order. Neither Customer nor HP will be liable for lost revenues or profits, downtime costs, loss or damage to data or indirect, special or consequential costs or damages. This provision does not limit either Party’s liability for: unauthorized use of intellectual property, death or bodily injury caused by their negligence; acts of fraud; willful repudiation of the Agreement; nor any liability which may not be excluded or limited by applicable law.

16. Disputes. If Customer is dissatisfied with any services purchased under these terms and disagrees with HP’s proposed resolution, both parties agree to promptly escalate the issue to a Director (or equivalent executive) in our respective organizations for an amicable resolution without prejudice to the right to later seek a legal remedy.

17. Force Majeure. Neither Party will be liable for performance delays or for non-performance due to causes beyond its reasonable control, except for payment obligations.

18. Termination. Either Party may terminate this Agreement on written notice if the other fails to meet any material obligation and fails to remedy the breach within a reasonable period after being notified in writing of the details. If either Party becomes insolvent, unable to pay debts when due, files for or is subject to bankruptcy or receivership or asset assignment, the other Party may terminate this Agreement and cancel any unfulfilled obligations. Any terms in the Agreement which by their nature extend beyond termination or expiration of the Agreement will remain in effect until fulfilled and will apply to both Parties’ respective successors and permitted assigns.

19. General. This Agreement represents our entire understanding with respect to its subject matter and supersedes any previous communication or agreements that may exist. Modifications to the Agreement will be made only through a written amendment signed by both Parties. The Agreement will be governed by the laws of the country of HP or the HP Affiliate accepting the Order and the courts of that locale will have jurisdiction, however, HP or its Affiliate may, bring suit for payment in the country where the Customer Affiliate that placed the Order is located. Customer and HP agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply. Claims arising or raised in the United States will be governed by the laws of the state of California, excluding rules as to choice and conflict of law.



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EXHIBIT B: SLAs by LOCATION

Address	City	State	ZIP	Response Time*
11361 Chinden Blvd	Boise	ID	83713	HP Advantage

***Special note for devices supported under the ES Program.** The Response Time listed above in Exhibit B does not apply to those devices supported under the ES program. HP will drop ship toner and ink cartridges via a common carrier to a Customer's location in a timely manner and as requested by the Customer.

SERVICE LEVEL DEFINITIONS

MPS Response Times: HP offers two (2) response times depending on locations:

HP Priority – Priority 4 Hour Response, toner and ink drop ship

HP Advantage – Next Business Day Response, toner and ink drop ship

HP Extended Reach – Depending on location, it may be greater than Next Business Day Response, toner and ink drop ship

Response times under each of these service levels begin once a case is created in HP's system, which includes an initial customer triage (phone-based if customer submits ticket via phone call; online-prompted if customer submits through service portal). Additionally, each service level includes drop-ship, automated toner and/or ink replenishment (ATR).

All Response Times are determined by the ZIP codes listed above, therefore, if a location is listed with an incorrect ZIP code, then the Response Time may be incorrect and will be corrected by way of a Change Order.



HP Attachment 5 - HP Certificate of Liability Insurance

HP's Certificate of Liability Insurance is included on the subsequent pages.



HP Attachment 6 - HP State and Local Government and Education Customer Return Policy

Coverage: These guidelines apply only to returns initiated by State and Local Government or Education customers purchasing HP branded product direct from HP Inc. (HP) or a customer purchase under one of HP's State and Local Government or Education direct contracts. A direct contract is defined as a contract by and between HP and a State, Local, or Education end user. This return policy does not apply to resellers purchasing directly from HP Direct under a contract held by and between the reseller and the end user. This return policy does not apply to loaners, early marketing units, or employee purchases administered as internal HP orders.

Products Not Eligible

- **Factory Express Services**—Products that require a custom image load, asset tagging, and/or special packaging are not eligible unless the products are damaged, customer received an overage, or HP incorrectly configured, ordered, or shipped product (HP error).
- **Refurbished products**—HP/Compaq branded refurbished products are not eligible.
- **Consumable products**—Printer cartridges, paper, open box software, etc. cannot be returned to HP.
- **Third Party Options**—Items where returns are otherwise governed by the original manufacturer cannot be returned to HP.

Note: The original manufacturer may provide its own warranties; the guidelines should be confirmed with the customer support representative when requesting a Return Good Authorization (RGA).

- **Product not purchased from HP directly**—Product purchased from another source, such as a reseller, distributor, etc. not covered under an HP Direct held contract.

Return of Products

Defective Product

For product that is defective on arrival, it is recommended that customers call Technical Support at 1-800-334-5144 to determine if the product can be corrected. Or, the customer may utilize the 30-day goodwill return policy and return the product by calling the Order Management Customer Service Representative at 1-800-888-3224, Option 2, Option 2.

Carrier Related Loss or Damaged Shipments

Customers should note damages or shortages on the Bill of Lading at the time of delivery. Within a reasonable time or not later than 30 days from delivery, notify the HP Customer Service team and provide a copy of the Bill of Lading/Packing Slip.

Concealed damage(s) or shortage(s) (where the box is in good condition, but product is missing or damaged) is an exception and should be reported as soon as practical after delivery in order for HP to establish the claim with the carrier.



HP is committed to customer satisfaction and values our relationship with State and Local Government and Education Customers. To show our commitment, HP is providing a goodwill right to return, or exchange of unused products within 30 days from receipt of the product. HP does not charge a restocking or handling fee for products returned within 30 days. It is at HP's sole discretion to accept return products after 30 days. If a product return is accepted after 30 days, a restocking fee may apply.

Procedures for Returns

The State or Local Government Customer should contact the assigned Customer Service Representative by calling 800-727-2472 to coordinate returns or replacements within 30 days from receipt of product. At that time, the customer will be issued an RGA number that will remain valid for a period of 15 calendar days from the date of issuance. All materials must be received within the RGA validation period.

The HP Customer Service Representative will schedule the pickup for returns and forward an email to the person requesting the return. Faxes can also be forwarded in place of an email. The email will include all the information regarding the return, including the RGA and carrier name and date of pickup. The Customer Service Representative will assist the customer on any other details or specifics regarding returns, credits, and refunds.

HP reserves the right to refuse any return that does not meet the requirements stated below:

- Product must be returned in the original shipping packaging. In the event the packaging is not available or unusable, it must be noted when requesting an RGA.
- If possible, remove all mailing labels on the outside of the box that reference the customer address, or mark out the mailing labels address with a marker. The customer will either receive a mailing label via email that should be attached to the return products and/or will be provided a label by the carrier. Be sure to mark your RGA number on the box.
- If product for more than one RGA is being returned in the same box, make sure that all RGA numbers are listed on both the mailing label and packing list. If products are received at the Returns Center without valid RGA numbers on the mailing label, your credit may be delayed and proof of delivery or other supporting documentation may be required.
- The RGA number(s) must appear clearly on the box, as returns will not be accepted without an RGA number.
- Returns must be 100% complete, unused, and in original and re-sellable condition, with all original packaging, manuals, registration card(s), software, cabling, and accessories. If, after the product has been returned and inspected, it is discovered that components are missing from the return, HP reserves the right not to issue an RGA for the return of the missing components. If it is determined that there are missing components when the product is returned, and the customer has received a credit, the customer will be issued an invoice for the missing component. Missing components may include, but are not limited to, keyboard, mouse, software, speakers, accessories, drives, memory, microprocessors, and processor boards.
- RGA numbers that have been open for greater than 15 days may be cancelled and the customer subsequently invoiced for the unreturned product. Another RGA can be



requested as long as it is within 30 days of receipt of the product. Please note that all returned products must be credited against the account and order from which the product was originally invoiced.

All products must be returned to the address provided by the HP Customer Service Representative via email or by the carrier:

HP Returns
425 New Sanford Road
Dock Door 64
LaVergne, TN 37086
RGA XXXXXXXX

Note: HP reserves the right to change any part of its return guidelines.



HP Attachment 7 – HP Discount Schedule

HP's Discount Schedule is included on the subsequent pages.



HP Attachment 8 - HP Imaging and Printing Maintenance Services Not-to-Exceed Cost Per Copy Pricing

HP's Imaging and Printing Maintenance Services Cost Per Copy Pricing is included on the subsequent pages.



HP Attachment 9 – Lease Option Overview

HPFS's Lease Option Overview is included on the subsequent pages.



Lease Option Overview

Hewlett-Packard Financial Services Company provides global leasing and financial asset management solutions which include cost-effective leasing offers, trade-in programs, asset management, and asset recovery. Hewlett-Packard Financial Services Company was incorporated in 1997 and is based in Berkley Heights, New Jersey. Hewlett-Packard Financial Services Company operates as a subsidiary of Hewlett Packard Enterprise Company and is Hewlett Packard Inc.'s primary financial services partner under HP Integrated Financial Solutions.

HPFS' Public Sector unit specializes in customized financing plans tailored to meet the needs of educational and governmental customers in the United States. Our familiarity with the needs of public sector customers enables us to offer viable leasing and financing plans for customers like you.

There are variations and options with each major lease plan. The plans presented are examples of what we can offer, and can be adapted to address your specific needs. For example, we can structure a customized leasing or financing plan based on factors such as your budgetary requirements, equipment delivery and installation cycles, and the anticipated period of use to help maximize the benefits to you.

Leasing options and how rates are determined are presented below.

Fair Market Value/True Lease

Customers that want to lower their cost of using the equipment and retain maximum flexibility at the end of the lease, HPFS offers a fair market value lease (also known as a true lease). This "pay-as-you-go" structure helps you stretch your budget dollars to get the technology you need today. At the end of the lease term, you have several options: 1) return the equipment without penalty; 2) renew the lease for a specified renewal term at a negotiated lease payment amount; 3) purchase the equipment at its then fair market value; or 4) extend the original term and continue to make the same periodic lease payments until you are ready to exercise one of the three previously listed options. This plan may help customers avoid technology obsolescence and asset disposition costs.

HPFS does allow our customers to enter into a month to month extension at the end of each lease agreement if they find it necessary to maintain their existing leased equipment for longer than the original lease timeframe. We also have a package and shipping service that can be incorporated into the lease contract



upfront for returns of equipment at lease end. This service can be very valuable when budgeting for your technology costs.

Tax Exempt Installment Sale (Lease Purchase)

In a Tax-exempt Installment Sale structure, payments consist of both principal and interest, with the interest being excludable from the Lessor's gross income for Federal income tax purposes. During the term of the Lease the Concluding Payment – primarily consisting of unpaid principal – declines as each Lease Payment is made and applied. Under this structure Title typically passes to the Lessee at the Lease Acceptance and the Lessor files a security interest in the equipment. Once the original base Lease Payments are made the Lessee owns the equipment free and clear.

Tax Exempt Tech Refresh

Tech Refresh is structured as a Tax-Exempt Installment Sale with an option on the last payment to return the equipment (and acquire new) or make the payment and own the equipment outright. Our standard offer calls for payments to be made annually in advance, though additional structures may be tailored to accommodate budget restrictions. The final (or option) payment is a set amount of the original purchase price of the equipment and is our estimate of the wholesale value of the equipment at the time of the option. The balance of the cost is amortized over the term. The benefit is that an entity is not locked into any one particular deal; it can purchase the equipment or return it and get new technology.

Other important elements of the Tech Refresh structure:

- There is only one refresh opportunity during the lease
- Lessee must be committed to acquire and lease similar equipment prior to exercising the option
- Tech Refresh is offered only as a Tax-Exempt Installment Sale structure
- The option cannot be exercised if an event of default has occurred and is continuing
- Lessee must provide an irrevocable written election of notice of its intent to refresh or purchase 3 months prior to the refresh period. On the 48-month term the refresh point is month 36 which requires notification at month 33. On



the 60-month term the refresh point is month 48 which requires notification at month 45. Sample buyout goes into effect if refresh option is not exercised.

Customize your IT retirement

HPEFS Asset Upcycling Services delivers a flexible, consistent process for retiring IT equipment. We can help you build a customized plan for your business' unique needs and navigate the 160+ pieces of legislation for environmentally responsible IT removal and recycling.

We work with you to manage each stage of the process, including transit, tracking, processing, security and resale or recycling. Our programs extend globally, providing you with the same high level of integrity, process control and expert support regardless of where your assets may be located.

We are committed to maintaining your brand's credibility and security. We do this by:

- Ensuring governance of business processes and data security
- Managing global scope and capabilities with quality and consistency
- Driving revenue through monetizing no longer useful owned assets
- Delivering global reach and expertise with presence in over 50 countries
- Flexibility to handle a range of requirements for your networking and data center

Let us help streamline your IT asset recovery process. As your partner, we help you help minimize the effort required to refresh IT infrastructure when your business demands innovation, putting you in control of your IT asset management strategy.



HP Attachment 10 – HPFS Sample State and Local Government Master Operating Lease Agreement

HPFS's Sample State and Local Government Master Operating Lease Agreement is included on the subsequent pages.

STATE AND LOCAL GOVERNMENT MASTER OPERATING LEASE AGREEMENT

This State and Local Government Master Operating Lease Agreement (together with Exhibits A and B attached hereto and hereby made a part hereof, (this "Master Agreement"), dated as of [REDACTED], is entered into by and between Hewlett-Packard Financial Services Company,¹ a Delaware corporation ("Lessor"), and [REDACTED], [REDACTED], an agency, department or political subdivision of the State of [REDACTED] ("Lessee"). Capitalized terms used in this Master Agreement without definition have the meanings ascribed to them in Section 30.

1. PURPOSE OF MASTER AGREEMENT. The purpose of this Master Agreement is to set forth the general terms and conditions upon which Lessor shall lease to Lessee, and Lessee shall lease from Lessor, items of Hardware, Software or both (such Hardware and Software being collectively referred to as "Equipment").

2. COMMENCEMENT PROCEDURES. Subject to the other terms and conditions contained in this Master Agreement and the applicable Schedule, Lessee shall enter into individual Leases (hereinafter defined) with Lessor as follows:

(a) Execution of Schedule. Lessor and Lessee mutually agree to enter into a Lease by executing a Schedule in the form of Exhibit A with such changes as Lessor and Lessee shall have agreed to as conclusively evidenced by their execution thereof. Each such Schedule shall specifically identify (by serial number or other identifying characteristics) the items of Equipment to be leased under such Schedule (other than items of System Software, which shall be deemed to be items of Software leased under the Schedule pursuant to which the related items of Hardware are leased). Each Schedule, when executed by both Lessee and Lessor, together with this Master Agreement, shall constitute a separate and distinct lease ("Lease"), enforceable according to its terms. In the event of any conflict between the terms of this Master Agreement and such Schedule, the provisions of the Schedule shall govern.

(b) Acceptance: Initial Term of Leases. Lessee shall accept the Equipment subject to a Lease in accordance with Section 3. The Initial Term of each Lease shall begin on the Acceptance Date of the Equipment subject to such Lease and shall continue for the period described in the applicable Schedule unless a Nonappropriation shall have occurred.

(c) Adjustments to Schedule. Lessee acknowledges that the Total Cost of Equipment and the related Rent payments set forth in any Schedule may be estimates, and if the final invoice from the Seller attached to the related Acceptance Certificate(s) specifies a Total Cost that is less than the estimated Total Cost set forth in the Schedule, Lessee hereby authorizes Lessor to reduce the applicable Total Cost and Rent payment on the Schedule by up to ten percent (10%) to reflect such final invoice amount (the "Final Invoice Amount"). All references in this Master Agreement and any Schedule to Total Cost and Rent shall mean the amounts thereof specified in the applicable Schedule, as adjusted pursuant to this paragraph.

(d) Payment by Lessor. Within 30 days after Lessee's delivery to Lessor of a properly completed and executed Acceptance Certificate and all other documentation necessary to establish Lessee's acceptance of such Equipment under the related Lease and Lessor's acceptance of such Acceptance Certificate, Lessor shall pay for the Equipment. Lessor shall not accept the Acceptance Certificate until it has received from Lessee (1) evidence of insurance with respect to the Equipment in compliance with Section 13 hereof, (2) an opinion of Lessee's counsel, if required by Lessor, in form and substance reasonably satisfactory to Lessor and (3) any other documents or items reasonably required by Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to pay for the Equipment if a Lessee Default has occurred or an event has occurred and is continuing that with the passage of time or provision of notice would constitute a Lessee Default.

3. ACCEPTANCE OF EQUIPMENT. (a) Inspection of Equipment. Lessee agrees to inspect all Equipment as soon as reasonably practicable after the delivery thereof to Lessee.

(b) Acceptance Certificate. Upon the satisfactory inspection of the Equipment by Lessee, or if acceptance requirements for such Equipment are specified in the applicable Purchase Documents, as soon as such requirements are met, Lessee shall unconditionally and irrevocably accept the Equipment by executing and delivering to Lessor a properly completed Acceptance Certificate in substantially the form of Exhibit B.

4. LESSEE'S END-OF-LEASE-TERM OPTIONS; AUTOMATIC EXTENSION. Lessee shall have the following options in respect of each Lease at the end of each of the Initial Term, any Renewal Term and any optional extension of the Initial Term or any Renewal Term:

a. Purchase Option. Lessee may elect, by delivering to Lessor an End-of-Term Notice at least 90 days prior to the expiration of the Initial Term, any Renewal Term or any optional extension of the Initial Term or any Renewal Term, to purchase any or all Units of Equipment then subject to such Lease (other than items of Software that may not be sold by Lessor under the terms of any applicable License Agreement) for an amount equal to the Fair Market Value of such Units of Equipment as of the end of the Then Applicable Term, provided no Lessee Default shall have occurred and be continuing. In the event of such an election, Lessee shall pay such

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

amount to Lessor, in immediately available funds, on or before the last day of the Then Applicable Term. If Lessee shall have so elected to purchase any of the Units of Equipment, shall have so paid the applicable purchase price and shall have fulfilled the terms and conditions of this Master Agreement, then on the last day of the Then Applicable Term (1) the Lease with respect to such Units of Equipment shall terminate and, except as provided in Section 26, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to such Units of Equipment, and (2) Lessor shall transfer all of its interest in such Units of Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event Lessor and Lessee are unable to agree on the Fair Market Value of any Units of Equipment, Lessor shall, at Lessee's expense, select an independent appraiser to conclusively determine such amount.

b. Renewal Option. Lessee may elect, by delivering to Lessor an End-of-Term Notice at least 90 days prior to the expiration of the Initial Term, any Renewal Term, or any optional extension of the Initial Term or any Renewal Term, to renew the Lease with respect to any or all Units of Equipment then subject to such Lease (other than items of Software that may not be re-released by Lessor under the terms of any applicable License Agreement) for an amount equal to the Fair Rental Value of such Units of Equipment as of the end of the Then Applicable Term. In the event of such an election, Lessee shall enter into a mutually agreeable renewal agreement with Lessor ("Renewal Agreement") on or before the last day of the Then Applicable Term confirming the Units of Equipment as to which the Lease is to be renewed, the period for which the Lease is to be renewed (the "Renewal Term"), and the amount of Rent and the times at which such Rent is to be payable during the Renewal Term. In the event Lessor and Lessee are unable to agree on the Fair Rental Value of any Units of Equipment, Lessor shall, at Lessee's expense, select an independent appraiser to conclusively determine such amount.

c. Return. Lessee may elect, by delivering to Lessor an End-of-Term Notice at least 90 days prior to the expiration of the Initial Term, any Renewal Term or any optional extension of the Initial Term or any Renewal Term, to return any or all of the Units of Equipment then subject to such Lease in accordance with Section 10 of this Master Agreement.

d. Optional Extension. Lessee may elect, by omitting to deliver to Lessor an End-of-Term Notice at least 90 days prior to the expiration of the Initial Term or any Renewal Term, to extend the Initial Term or such Renewal Term, as the case may be. In that event, the Initial Term or such Renewal Term shall, without any additional notice or documentation, be automatically extended for successive calendar months with respect to all items of Equipment then subject to such Lease through the end of the calendar month falling at least 90 days after the date Lessee shall have delivered to Lessor an End-of-Term Notice with respect to such Lease. For each calendar month that the Then Applicable Term of such Lease is so extended, Lessee shall pay to Lessor Rent in an amount equal to the monthly Rent payment in effect immediately prior to such extension (or the appropriate pro rata portion of the Rent payment then in effect in the case of Rent payable other than on a monthly basis), and all other provisions of this Master Agreement and the applicable Schedule shall continue to apply.

IF LESSEE SHALL HAVE DELIVERED TO LESSOR AN END-OF-TERM NOTICE BY THE DATE SET FORTH HEREIN WITH RESPECT TO A LEASE, BUT SHALL HAVE SUBSEQUENTLY FAILED TO COMPLY WITH ITS OBLIGATIONS ARISING FROM ITS ELECTIONS SPECIFIED THEREIN (E.G., LESSEE SHALL HAVE FAILED, ON OR BEFORE THE LAST DAY OF THE THEN APPLICABLE TERM (1) TO PAY LESSOR THE PURCHASE PRICE FOR EQUIPMENT TO BE PURCHASED IN ACCORDANCE WITH SECTION 4(A) ABOVE, (2) TO EXECUTE A RENEWAL AGREEMENT WITH RESPECT TO EQUIPMENT AS TO WHICH THE LEASE IS TO BE RENEWED IN ACCORDANCE WITH SECTION 4(B) ABOVE, OR (3) TO RETURN TO LESSOR EQUIPMENT TO BE RETURNED IN ACCORDANCE WITH SECTION 4(C) ABOVE), THEN THE THEN APPLICABLE TERM OF SUCH LEASE SHALL, WITHOUT ANY ADDITIONAL NOTICE OR DOCUMENTATION, BE AUTOMATICALLY EXTENDED FOR SUCCESSIVE CALENDAR MONTHS WITH RESPECT TO ALL ITEMS OF EQUIPMENT AS TO WHICH LESSEE SHALL HAVE SO FAILED TO COMPLY WITH ITS OBLIGATIONS THROUGH THE END OF THE CALENDAR MONTH IN WHICH LESSEE SHALL HAVE COMPLIED WITH SUCH OBLIGATIONS. FOR EACH CALENDAR MONTH THAT THE THEN APPLICABLE TERM OF ANY LEASE IS SO EXTENDED, LESSEE SHALL PAY TO LESSOR RENT IN AN AMOUNT EQUAL TO THE MONTHLY RENT PAYMENT IN EFFECT IMMEDIATELY PRIOR TO SUCH EXTENSION (OR THE APPROPRIATE PRO RATA PORTION OF THE RENT PAYMENT THEN IN EFFECT IN THE CASE OF RENT PAYABLE OTHER THAN ON A MONTHLY BASIS), AND ALL OTHER PROVISIONS OF THIS MASTER AGREEMENT AND THE APPLICABLE SCHEDULE SHALL CONTINUE TO APPLY. NOTWITHSTANDING ANY OF THE PROVISIONS OF THIS SECTION 4 TO THE CONTRARY, IF ANY LESSEE DEFAULT SHALL HAVE OCCURRED AND BE CONTINUING AT ANY TIME DURING THE LAST 90 DAYS OF THE THEN APPLICABLE TERM OF ANY LEASE, LESSOR MAY CANCEL ANY RENEWAL TERM OR OPTIONAL OR OTHER AUTOMATIC EXTENSION OF THE THEN APPLICABLE TERM IMMEDIATELY UPON WRITTEN NOTICE TO LESSEE.

5. RENT; LATE CHARGES. As rent ("Rent") for the Equipment under any Lease, Lessee agrees to pay the amounts specified in the applicable Schedule on the due dates specified in the applicable Schedule. Lessee agrees to pay Lessor interest on any Rent payment or other amount due hereunder that is not paid within 10 days of its due date, at the rate of 1-1/2% per month (or such lesser rate as is the maximum rate allowable under applicable law). Lessee will make provision for such payments in budgets submitted to its governing body for the purpose of obtaining funding for the payments.

6. LEASES NON-CANCELABLE; NET LEASES; WAIVER OF DEFENSES TO PAYMENT. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT EACH LEASE HEREUNDER SHALL BE NON-CANCELABLE (EXCEPT AS SET FORTH IN SECTION 7 HEREOF), AND THAT EACH LEASE HEREUNDER IS A NET LEASE (SO THAT AMONG OTHER THINGS LESSEE SHALL PAY IN ADDITION TO THE RENT, TAXES, INSURANCE AND MAINTENANCE CHARGES RELATED TO THE EQUIPMENT). LESSEE AGREES THAT IT HAS AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE. LESSEE HEREBY WAIVES ANY RECOUPMENT, CROSS-CLAIM, COUNTERCLAIM OR ANY OTHER DEFENSE AT LAW OR IN EQUITY TO ANY RENT OR OTHER AMOUNT DUE WITH RESPECT TO ANY LEASE, WHETHER ANY SUCH DEFENSE ARISES OUT OF THIS MASTER AGREEMENT, ANY SCHEDULE, ANY CLAIM BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNEES OR SUPPLIER OR OTHERWISE. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE OR INTEGRATE AS REPRESENTED OR WARRANTED BY SUPPLIER OR IS UNSATISFACTORY FOR ANY REASON

WHATSOEVER, LESSEE WILL MAKE ANY CLAIM ON ACCOUNT OF THOSE ISSUES SOLELY AGAINST SUPPLIER AND WILL NEVERTHELESS PAY ALL SUMS DUE WITH RESPECT TO EACH LEASE.

7. NONAPPROPRIATION. Notwithstanding anything contained in this Master Agreement to the contrary, in the event that sufficient funds are not appropriated and budgeted by Lessee's governing body or are not otherwise available from other legally available sources in any fiscal period for the payment of Rent and other amounts due under any Lease, the Lease shall terminate on the last day of the fiscal period for which appropriations were received or other amounts are available to pay amounts due under the Lease without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Rent payments or other amounts herein agreed upon for which funds shall have been appropriated or are otherwise available. Lessee will immediately notify the Lessor or its assignee of such occurrence. In the event of such termination, Lessee shall immediately cease all use of the Equipment, and shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure, and return the Equipment subject to such Lease to Lessor (all in accordance with Section 10 of this Master Agreement). Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by this Lease, shall be free and clear of any liens (except Lessor's lien) and shall comply with all applicable laws and regulations. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor or evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. At Lessor's request, Lessee shall promptly provide supplemental documentation as to such Non-Appropriation satisfactory to Lessor. Lessee's exercise of its rights pursuant to this Section 7 shall not affect the survival of any indemnity and other provisions (other than the obligation to lease the Equipment and pay amounts due under the Lease) which survive the termination of the Lease.

8. ASSIGNMENT OF PURCHASE DOCUMENTS. Lessee assigns to Lessor all of Lessee's right, title and interest in and to (a) the Equipment described in each Schedule, and (b) the Purchase Documents relating to such Equipment. Such assignment of the Purchase Documents is an assignment of rights only; nothing in this Master Agreement shall be deemed to have relieved Lessee of any obligation or liability under any of the Purchase Documents, except that, as between Lessee and Lessor, Lessor shall pay for the Equipment in accordance with Section 2(d) hereof. Lessee represents and warrants that it has reviewed and approved the Purchase Documents. In addition, if Lessor shall so request, Lessee shall deliver to Lessor a document acceptable to Lessor whereby Seller acknowledges and provides any required consent to such assignment. For the avoidance of doubt, Lessee covenants and agrees that it shall at all times during the Total Term of each Lease comply in all respects with the terms of any License Agreement relating to any Equipment leased thereunder. **IT IS ALSO SPECIFICALLY UNDERSTOOD AND AGREED THAT NEITHER SUPPLIER NOR ANY SALESPERSON OF SUPPLIER IS AN AGENT OF LESSOR, NOR ARE THEY AUTHORIZED TO WAIVE OR ALTER ANY TERMS OF THIS MASTER AGREEMENT OR ANY SCHEDULE.**

9. ASSIGNMENT OF SUPPLIER WARRANTIES. To the extent permitted, Lessor hereby assigns to Lessee, for the Total Term of any Lease, all Equipment warranties provided by any Supplier in the applicable Purchase Documents. Lessee shall have the right to take any action it deems appropriate to enforce such warranties provided such enforcement is pursued in Lessee's name and at its expense. In the event Lessee is precluded from enforcing any such warranty in its name, Lessor shall, upon Lessee's request, take reasonable steps to enforce such warranty. In such circumstances, Lessee shall, promptly upon demand, reimburse Lessor for all expenses incurred by Lessor in enforcing the Supplier warranty. Any recovery resulting from any such enforcement efforts shall be divided among Lessor and Lessee as their interests may appear.

10. EQUIPMENT RETURN REQUIREMENTS. At any time Lessee is required to return Equipment to Lessor under the terms of this Master Agreement or any Schedule, Lessee shall (a) 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, and (b) pack the Equipment to be returned to Lessor in accordance with the manufacturer's guidelines and deliver such Equipment to Lessor at any destination within the continental United States designated by Lessor. In the case of any item of Software or License Agreement subject to a Schedule, at the time of the occurrence of a Non-Appropriation or a Lessee Default, Lessee shall also be automatically deemed to have reassigned any License Agreement, and shall immediately de-install and deliver to Lessor all Software, together with the original certificate of authenticity issued by the licensor of such Software, if any. All dismantling, packaging, transportation, in-transit insurance and shipping charges shall be borne by Lessee. All Equipment shall be returned to Lessor in the same condition and working order as when delivered to Lessee, reasonable wear and tear excepted, and except in the case of PC Equipment and Software, shall qualify for maintenance service by the Supplier at its then standard rates for Equipment of that age, if available. Lessee shall be responsible for, and shall reimburse Lessor promptly on demand for the cost of returning the Equipment to good working condition or, in the case of Equipment other than PC Equipment and Software, qualifying the Equipment for the Supplier's maintenance service, if available.

11. EQUIPMENT USE, MAINTENANCE, AND ADDITIONS. Lessee is solely responsible for the selection, installation, operation and maintenance of the Equipment and all costs related thereto, including shipping charges. Lessee shall at all times operate and maintain the Equipment in good working order, repair, condition and appearance, and in accordance with the manufacturer's specifications and recommendations. On reasonable prior notice to Lessee, Lessor and Lessor's agents shall have the right, during Lessee's normal business hours and subject to Lessee's reasonable, standard security procedures, to enter the premises where the Equipment is located for the purpose of inspecting the Equipment and observing its use. If Lessor shall have provided to Lessee any tags or identifying labels, Lessee shall, at its expense, affix and maintain in a prominent position on each item of Equipment such tags or labels to indicate Lessor's ownership of the Equipment. Except in the case of PC Equipment and Software, Lessee shall, at its expense, enter into and maintain and enforce at all times during the Total Term of each Lease a maintenance agreement to service and maintain the related Equipment, upon terms and with a provider reasonably acceptable to Lessor. Lessee shall make no alterations or additions to the Equipment, except those that (a) will not void any warranty made by the Supplier of the Equipment, result in the creation of any

security interest, lien or encumbrance on the Equipment or impair the value or use of the Equipment either at the time made or at the end of the Term of the applicable Lease, and are readily removable without damage to the Equipment ("Optional Additions"), or (b) are required by any applicable law, regulation or order. All additions to the Equipment or repairs made to the Equipment, except Optional Additions, become a part of the Equipment and Lessor's property at the time made; Optional Additions which have not been removed in the event of the return of the Equipment shall become Lessor's property upon such return.

12. EQUIPMENT OWNERSHIP; LIENS; LOCATION. As between Lessor and Lessee, Lessor is the sole owner of the Equipment and has sole title thereto, Lessee shall not make any representation to any third party inconsistent with Lessor's sole ownership of the Equipment. Lessee covenants with respect to each Lease that: (i) it will not pledge or encumber the Equipment or Lessor's interest in the Equipment in any manner whatsoever nor create or permit to exist any levy, lien or encumbrance thereof or thereon except those created by or through Lessor; (ii) the Equipment shall remain personal property whether or not affixed to realty and shall not become a fixture or be made to become a part of any real property on which it is placed without Lessor's prior written consent; and (iii) Lessee shall maintain the Equipment so that it does not become essential to and may be removed from any building in which it is placed without any damage to the building or the Equipment. Lessee may permit use of the Equipment by its affiliates or independent contractors at the Equipment Location provided it does not relinquish possession and control of the Equipment. Provided Lessee remains in possession and control of the Equipment, Lessee may relocate any Equipment from the Equipment Location specified in the applicable Schedule to another of its locations within the State of the Equipment Location upon prior written notice to Lessor specifying the new Equipment Location or to another of its locations within the United States after receiving the written consent of Lessor to such relocation. Lessee shall not locate or relocate any Equipment such that any third party comes into possession or control thereof without Lessor's prior written consent; provided, however, that Lessor shall not unreasonably withhold its consent to the location or relocation of Equipment to a third party co-location or hosting facility if such third party shall have executed and delivered to Lessor a waiver agreement in form and substance acceptable to Lessor pursuant to which, among other things, such third party shall have waived any rights to the Equipment and agreed to surrender the Equipment to Lessor in the event of a Lessee Default under this Master Agreement. Notwithstanding the foregoing, Lessor agrees that computer equipment usable outside of a fixed office environment, such as laptops, notebooks or similar PC Equipment (collectively, "Mobile PC Equipment") may be relocated on a non-permanent basis from the Equipment Location originally specified in the applicable Schedule without Lessor's prior written consent, provided that (i) such relocation is made by Lessee's primary employee in the custody and control of such Mobile PC Equipment; (ii) the primary employee remains in possession and control of the Mobile PC Equipment, and (iii) the primary employee's principal office is the Equipment Location. For purposes of this Master Agreement and any applicable Schedule, the term Equipment shall be deemed to include all Mobile PC Equipment.

13. RISK OF LOSS AND INSURANCE. Lessee assumes any and all risk of loss or damage to the Equipment from the time such Equipment is delivered to Lessee until such Equipment is returned to and is received by Lessor in accordance with the terms and conditions of this Master Agreement. Lessee agrees to keep the Equipment insured at Lessee's expense against all risks of loss from any cause whatsoever, including without limitation, loss by fire (including extended coverage), theft and damage. Lessee agrees that such insurance shall name Lessor as a loss payee and cover not less than the replacement value of the Equipment. Lessee also agrees that it shall carry commercial general liability insurance in an amount not less than \$2,000,000 total liability per occurrence and cause Lessor and its affiliates and its and their successors and assigns, to be named additional insureds under such insurance. Each policy shall provide that the insurance cannot be canceled without at least 30 days' prior written notice to Lessor, and no policy shall contain a deductible in excess of \$25,000. Upon Lessor's prior written consent, in lieu of maintaining insurance obtained by third party insurance carriers, Lessee may self insure against such risks, provided that Lessor's 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. Lessee shall provide to Lessor (a) on or prior to the Acceptance Date for each Lease, and from time to time thereafter, certificates of insurance evidencing such insurance coverage throughout the Total Term of each Lease, and (b) upon Lessor's request, copies of the insurance policies. If Lessee fails to provide Lessor with such evidence, then Lessor will have the right, but not the obligation, to purchase such insurance protecting Lessor at Lessee's expense. Lessee's expense shall include the full premium paid for such insurance and any customary charges, costs or fees of Lessor. Lessee agrees to pay such amounts in substantially equal installments allocated to each Rent payment (plus interest on such amounts at the rate of 1-1/2% per month or such lesser rate as is the maximum rate allowable under applicable law).

14. CASUALTY LOSS. Lessee shall notify Lessor of any Casualty Loss or repairable damage to any Equipment as soon as reasonably practicable after the date of any such occurrence but in no event later than 30 days after such occurrence. In the event any Casualty Loss shall occur, on the next Rent payment date Lessee shall (a) at Lessee's option provided no Lessee Default has occurred nor an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing or (b) at Lessor's option if a Lessee Default has occurred or an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing (1) subject to Section 7 hereof, pay Lessor the Stipulated Loss Value of the Equipment suffering the Casualty Loss, or (2) substitute and replace each item of Equipment suffering the Casualty Loss with an item of Substitute Equipment. If Lessee shall pay the Stipulated Loss Value of the Equipment suffering a Casualty Loss, upon Lessor's receipt in full of such payment the applicable Lease shall terminate as it relates to such Equipment and, except as provided in Section 26, Lessee shall be relieved of all obligations under the applicable Lease as it relates to such Equipment. If Lessee shall replace Equipment suffering a Casualty Loss with items of Substitute Equipment (i) the applicable Lease shall continue in full force and effect without any abatement of Rent with such Substitute Equipment thereafter being deemed to be Equipment leased thereunder, and (ii) Lessee shall deliver to Lessor a bill of sale or other documentation, in either case in form and substance satisfactory to Lessor, in which Lessee shall represent and warrant that it has transferred to Lessor good and marketable title to all Substitute Equipment, free and clear of all liens, encumbrances and claims of others. Upon Lessor's receipt of such payment of Stipulated Loss Value in full, or such bill of sale or other documentation, as the case may be, Lessor shall transfer to Lessee all of Lessor's interest in the Equipment suffering the Casualty

Loss "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event of any repairable damage to any Equipment, the Lease shall continue with respect to such Equipment without any abatement of Rent and Lessee shall, at its expense, from insurance proceeds or other funds legally available, promptly cause such Equipment to be repaired to the condition it is required to be maintained pursuant to Section 11.

15. TAXES. Lessor shall report and pay all Taxes now or hereafter imposed or assessed by any governmental body, agency or taxing authority upon the purchase, ownership, delivery, installation, leasing, rental, use or sale of the Equipment, the Rent or other charges payable hereunder, or otherwise upon or in connection with any Lease, whether assessed on Lessor or Lessee, other than any such Taxes required by law to be reported and paid by Lessee. Lessee shall promptly reimburse Lessor for all such Taxes paid by Lessor, together with any penalties or interest in connection therewith attributable to Lessee's acts or failure to act, excluding (a) Taxes on or measured by the overall gross or net income or items of tax preference of Lessor, (b) as to any Lease the related Equipment, Taxes attributable to the period after the return of such Equipment to Lessor, and (c) Taxes imposed as a result of a sale or other transfer by Lessor of any portions of its interest in any Lease or in any Equipment except for a sale or other transfer to Lessee or a sale or other transfer occurring after and during the continuance of any Lessee Default.

16. GENERAL INDEMNITY. Lessee, to the extent permitted by law, shall indemnify and hold harmless Lessor and assignees, from and against any and all Claims arising directly or indirectly out of or in connection with any matter involving this Master Agreement, the Equipment or any Lease, including but not limited to the selection, manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, maintenance, use (including any patent, trademark or copyright infringement), condition, return or operation of any Equipment or the enforcement of Lessor's rights under any Lease. Notwithstanding the foregoing, Lessee shall have no obligation to indemnify or defend against any Claim arising solely as a result of Lessor's gross negligence or willful misconduct.

17. COVENANT OF QUIET ENJOYMENT. So long as no Lessee Default exists, and no event shall have occurred and be continuing which, with the giving of notice or the passage of time or both, would constitute a Lessee Default, neither Lessor nor any party acting or claiming through Lessor, by assignment or otherwise, will disturb Lessee's quiet enjoyment of the Equipment during the Total Term of the related Lease.

18. DISCLAIMERS AND LESSEE WAIVERS. LESSEE LEASES THE EQUIPMENT FROM LESSOR "AS IS, WHERE IS". IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT (A) EXCEPT AS EXPRESSLY SET FORTH IN SECTION 17, LESSOR MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY, OPERATION, OR CONDITION OF ANY EQUIPMENT (OR ANY PART THEREOF), THE MERCHANTABILITY OR FITNESS OF EQUIPMENT FOR A PARTICULAR PURPOSE, OR ISSUES REGARDING PATENT INFRINGEMENT, TITLE AND THE LIKE; (B) LESSOR SHALL NOT BE DEEMED TO HAVE MADE, BE BOUND BY OR LIABLE FOR, ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY THE SUPPLIER OF ANY EQUIPMENT (EVEN IF LESSOR IS AFFILIATED WITH SUCH SUPPLIER); (C) LESSOR SHALL NOT BE LIABLE FOR ANY FAILURE OF ANY EQUIPMENT OR ANY DELAY IN THE DELIVERY OR INSTALLATION THEREOF; (D) LESSEE HAS SELECTED ALL EQUIPMENT WITHOUT LESSOR'S ASSISTANCE; AND (E) LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT. IT IS FURTHER AGREED THAT LESSOR SHALL HAVE NO LIABILITY TO LESSEE, LESSEE'S CUSTOMERS, OR ANY THIRD PARTIES FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS MASTER AGREEMENT OR ANY SCHEDULE OR CONCERNING ANY EQUIPMENT, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT LIABILITY OR LESSOR'S NEGLIGENCE; PROVIDED, HOWEVER, THAT NOTHING IN THIS MASTER AGREEMENT SHALL DEPRIVE LESSEE OF ANY RIGHTS IT MAY HAVE AGAINST ANY PERSON OTHER THAN LESSOR. LESSOR AND LESSEE AGREE THAT THE LEASES SHALL BE GOVERNED BY THE EXPRESS PROVISIONS OF THIS MASTER AGREEMENT AND THE OTHER FUNDAMENTAL AGREEMENTS AND NOT BY THE CONFLICTING PROVISIONS OF ANY OTHERWISE APPLICABLE LAW. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE WAIVES ANY RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC (INCLUDING, BUT NOT LIMITED TO, LESSEE'S RIGHTS, CLAIMS AND DEFENSES UNDER UCC SECTIONS 2A-303 AND 2A-508 THROUGH 2A-522) AND THOSE RIGHTS NOW OR HEREAFTER CONFERRED BY STATUTE OR OTHERWISE, IN EITHER CASE THAT ARE INCONSISTENT WITH OR THAT WOULD LIMIT OR MODIFY LESSOR'S RIGHTS SET FORTH IN THIS MASTER AGREEMENT.

19. LESSEE WARRANTIES. Lessee represents, warrants and covenants to Lessor with respect to each Lease that: (a) Lessee is an agency or department of, or a political subdivision of the state in which it is located; (b) Lessee has the power and authority to enter into each of the Fundamental Agreements; (c) all Fundamental Agreements are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their terms and do not violate or create a default under any instrument or agreement binding on Lessee; (d) there are no pending or threatened actions or proceedings before any court or administrative agency that could reasonably be expected to have a material adverse effect on Lessee or any Fundamental Agreement, unless such actions have been disclosed to Lessor and consented to in writing by Lessor; (e) Lessee shall comply in all material respects with all laws and regulations the violation of which could have a material adverse effect upon the Equipment or Lessee's performance of its obligations under any Fundamental Agreement; (f) each Fundamental Agreement shall be effective against all creditors of Lessee under applicable law, including fraudulent conveyance and bulk transfer laws, and shall raise no presumption of fraud; (g) all financial statements, certificates or summaries relating to Lessee's financial condition, fiscal budget or the assessment and collection of taxes and other related information furnished by Lessee shall be prepared in accordance with generally accepted accounting principles in the United States in effect at that time and shall fairly present Lessee's financial position as of the dates given on such statements; (h) since the date of the most recent annual financial statement, there has been no material adverse change in the financial condition of, or the level of assessment or collection of taxes by, the Lessee; (i) the Equipment, subject to the Lease, is essential to the immediate performance of a governmental or

proprietary function by Lessee within the scope of its authority and will be used during the Term of the Lease only by Lessee and only to perform such function; (j) Lessee intends to use the Equipment for the entire Term of the Lease and all Equipment will be used for business purposes only and not for personal, family or household purposes; (k) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with the Lease and the acquisition of the Equipment; (l) there has been no material change in the budget for Lessee's current Fiscal Period since its adoption; (m) Lessee's obligations to pay Rent and any other amounts due under the Lease constitute a current expense and not a debt of Lessee under applicable state law; (n) no provision of the Lease constitutes a pledge of the tax or general revenues of Lessee; (o) Lessee does not export, re-export, or transfer any Equipment, Software, system software or 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 government and other applicable governments; (p) Lessee does not use any Equipment, Software or system 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 wherever located, without prior authorization from the United States and other applicable governments; and (q) Lessee is not an entity designated by the United States government or any other applicable government with which transacting business without the prior consent of such government is prohibited.

20. DEFAULT. Any of the following shall constitute a default by Lessee (a "Lessee Default") under this Master Agreement and all Leases: (a) Lessee fails to pay any Rent payment or any other amount payable to Lessor under this Master Agreement or any Schedule within 10 days after its due date; or (b) Lessee defaults on or breaches any of the other terms and conditions of any Material Agreement, and fails to cure such breach within 10 days after written notice thereof from Lessor; or (c) any representation or warranty made by Lessee in any Material Agreement proves to be incorrect in any material respect when made or reaffirmed; or (d) any change occurs in relation to Lessee's financial condition that, in Lessor's opinion, would have a material adverse effect on Lessee's ability to perform its obligations under this Master Agreement or under any Schedule; or (e) Lessee becomes insolvent or fails generally to pay its debts as they become due; or (f) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency or receivership law is filed by or against Lessee (and if such proceeding is involuntary, it is not dismissed within 60 days after the filing thereof) or Lessee takes any action to authorize any of the foregoing matters; or (g) any letter of credit or guaranty issued in support of a Lease is revoked, breached, canceled or terminated (unless consented to in advance by Lessor); or (h) any Equipment is levied against, seized or attached.

21. REMEDIES. If a Lessee Default occurs, Lessor may, in its sole discretion, exercise one or more of the following remedies: (a) declare all amounts due and to become due during Lessee's current fiscal year under any or all Leases to be immediately due and payable; or (b) terminate this Master Agreement or any Lease; or (c) take possession of, or render unusable, any Equipment wherever the Equipment may be located, without demand or notice and without any court order or other process of law in accordance with Lessee's reasonable security procedures, and no such action shall constitute a termination of any Lease; or (d) require Lessee to deliver the Equipment to a location specified by Lessor; or (e) declare the Stipulated Loss Value for any or all Equipment to be due and payable as liquidated damages for loss of a bargain and not as a penalty and in lieu of any further Rent payments under the applicable Lease or Leases; or (f) proceed by court action to enforce performance by Lessee of any Lease and/or to recover all damages and expenses incurred by Lessor by reason of any Lessee Default; or (g) terminate any other agreement that Lessor may have with Lessee; or (h) exercise any other right or remedy available to Lessor at law or in equity. Also, Lessee shall pay Lessor (i) all costs and expenses that Lessor may incur to maintain, safeguard or preserve the Equipment, and other expenses incurred by Lessor in enforcing any of the terms, conditions or provisions of this Master Agreement (including reasonable legal fees and collection agency costs) and (ii) all costs incurred by Lessor in exercising any of its remedies hereunder (including reasonable legal fees). Upon repossession or surrender of any Equipment, Lessor will lease, sell or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice and at public or private sale, and apply the net proceeds thereof to the amounts owed to Lessor under this Master Agreement; provided, however, that Lessee will remain liable to Lessor for any deficiency that remains after any sale or lease of such Equipment. Any proceeds of any sale or lease of such Equipment in excess of the amounts owed to Lessor under this Master Agreement will be retained by Lessor. Lessee agrees that with respect to any notice of a sale required by law to be given, 10 days' notice will constitute reasonable notice. With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment or other Collateral securing Lessee's obligations under any Schedule, Lessee acknowledges and agrees as follows: (i) Lessor shall have no obligation, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the Equipment or any other Collateral for disposition, (ii) Lessor may comply with any applicable state or federal law requirements in connection with any disposition of the Equipment or other Collateral, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any such disposition, and (iii) Lessor may convey the Equipment and any other Collateral on an "AS IS, WHERE IS" basis, and without limiting the generality of the foregoing, may specifically exclude or disclaim any and all warranties, including any warranty of title or the like with respect to the disposition of the Equipment or other Collateral, and no such conveyance or such exclusion or such disclaimer of any warranty shall be deemed to have adversely affected the commercial reasonableness of any such disposition. These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

22. PERFORMANCE OF LESSEE'S OBLIGATIONS. If Lessee fails to perform any of its obligations hereunder, Lessor may perform any act or make any payment that Lessor deems reasonably necessary for the maintenance and preservation of the Equipment and Lessor's interests therein; provided, however, that the performance of any act or payment by Lessor shall not be deemed a waiver of, or release Lessee from, the obligation at issue. All sums so paid by Lessor, together with expenses (including legal fees and costs) incurred by Lessor in connection therewith, shall be paid to Lessor by Lessee immediately upon demand.

23. TRUE LEASE; SECURITY INTEREST; MAXIMUM RATE. Each Lease is intended to be a "Finance Lease" as defined in Article 2A of the UCC, and Lessee hereby authorizes Lessor to file a financing statement to give public notice of Lessor's ownership of the Equipment. The parties' intent that each Lease be a "Finance Lease" within the meaning of Article 2A and the UCC shall have no effect on the characterization of any Lease for accounting purposes, which characterization shall be made by each party independently on the basis of generally accepted accounting principles in the United States in effect at the time. Lessee, by its execution of each Schedule, acknowledges that Lessor has informed it that (a) the identity of Seller is set forth in the applicable Schedule, (b) Lessee is entitled under Article 2A of the UCC to the promises and warranties, including those of any third party, provided to Lessor in connection with, or as a part of, the applicable Purchase Documents, and (c) Lessee may communicate with Seller and receive an accurate and complete statement of the promises and warranties, including any disclaimers and limitations of them or of remedies. If (1) notwithstanding the express intention of Lessor and Lessee to enter into a true lease, any Lease is ever deemed by a court of competent jurisdiction to be a lease intended for security, or (2) Lessor and Lessee enter into a Lease with the intention that it be treated as a lease intended as security by so providing in the applicable Schedule, then to secure payment and performance of Lessee's obligations under this Master Agreement and all Leases, Lessee hereby grants Lessor a purchase money security interest in the related Equipment and in all attachments, accessories, additions, substitutions, products, replacements, rentals and proceeds (including, without limitation, insurance proceeds) thereto as well as a security interest in any other equipment financed pursuant to this Master Agreement or any other agreement between Lessor and Lessee (collectively, the "Collateral"). In any such event, notwithstanding any provisions contained in this Master Agreement or in any Schedule, neither Lessor nor any Assignee shall be entitled to receive, collect or apply as interest any amount in excess of the maximum rate or amount permitted by applicable law. In the event Lessor or any Assignee ever receives, collects or applies as interest any amount in excess of the maximum amount permitted by applicable law, such excess amount shall be applied to the unpaid principal balance and any remaining excess shall be refunded to Lessee. In determining whether the interest paid or payable under any specific contingency exceeds the maximum rate or amount permitted by applicable law, Lessor and Lessee shall, to the maximum extent permitted under applicable law, characterize any non-principal payment as an expense or fee rather than as interest, exclude voluntary prepayments and the effect thereof, and spread the total amount of interest over the entire term of this Master Agreement and all Leases.

24. ASSIGNMENT. Lessor shall have the unqualified right to sell, assign, grant a security interest in or otherwise convey any part of its interest in this Master Agreement, any Lease or any Equipment, in whole or in part, without prior notice to or the consent of Lessee. If any Lease is sold, assigned, or otherwise conveyed, Lessee agrees that Lessor's purchaser, assignee or transferee, as the case may be ("Assignee") shall (a) have the same rights, powers and privileges that Lessor has under the applicable Lease, (b) have the right to receive from Lessee all amounts due under the applicable Lease; and (c) not be required to perform any obligations of Lessor, other than those that are expressly assumed in writing by such Assignee. Lessee agrees to execute such acknowledgements to such assignment as may be reasonably requested by Lessor or the Assignee. Lessee further agrees that, in any action brought by such Assignee against Lessee to enforce Lessor's rights hereunder, Lessee will not assert against such Assignee any set-off, defense or counterclaim that Lessee may have against Lessor or any other person. Unless otherwise specified by Lessor and the Assignee, Lessee shall continue to pay all amounts due under the applicable Lease to Lessor; provided, however, that upon notification from Lessor and the Assignee, Lessee covenants to pay all amounts due under the applicable Lease to such Assignee when due and as directed in such notice. Lessee further agrees that any Assignee may further sell, assign, grant a security interest in or otherwise convey its rights and interests under the applicable Lease with the same force and effect as the assignment described herein. Lessee may not assign, transfer, sell, sublease, pledge or otherwise dispose of this Master Agreement, any Lease, any Equipment or any interest therein.

25. FURTHER ASSURANCES. Lessee agrees to promptly execute and deliver to Lessor such further documents and take such further action as Lessor may require in order to more effectively carry out the intent and purpose of this Master Agreement and any Schedule. Without limiting the generality of the foregoing, Lessee agrees (a) to furnish to Lessor from time to time, its certified financial statements, officer's certificates and appropriate resolutions, opinions of counsel and such other information and documents as Lessor may reasonably request, and (b) to execute and timely deliver to Lessor such documents that Lessor deems necessary to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. It is also agreed that Lessor or Lessor's agent may file as a financing statement, any lease document (or copy thereof, where permitted by law) or other financing statement that Lessor deems appropriate to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. Upon demand, Lessee will promptly reimburse Lessor for any filing or recordation fees or expenses (including legal fees and costs) incurred by Lessor in perfecting or protecting its interests in any Collateral. Lessee represents and warrants that Lessee's name as set forth in the signature block below is Lessee's full and accurate legal name and that the information set forth on the first page hereof regarding its organization number, tax identification number and location is true and correct as of the date hereof. Lessee further agrees to provide Lessor advance written notice of any change in the foregoing.

26. TERM OF MASTER AGREEMENT; SURVIVAL. This Master Agreement shall commence and be effective upon the execution hereof by both parties and shall continue in effect until terminated by either party by 30 days prior written notice to the other, provided that the effective date of the termination is after all obligations of Lessee arising hereunder and pursuant to any Schedule have been fully satisfied. Notwithstanding the foregoing, all representations, warranties and covenants made by Lessee hereunder shall survive the termination of this Master Agreement and shall remain in full force and effect. All of Lessor's rights, privileges and indemnities under this Master Agreement or any Lease, to the extent they are fairly attributable to events or conditions occurring or existing on or prior to the expiration or termination of such Lease, shall survive such expiration or termination and be enforceable by Lessor and Lessor's successors and assigns.

27. WAIVER OF JURY TRIAL. LESSEE AND LESSOR HEREBY EXPRESSLY WAIVE ANY RIGHT TO DEMAND A JURY TRIAL WITH RESPECT TO ANY ACTION OR PROCEEDING INSTITUTED BY LESSOR OR LESSEE IN CONNECTION WITH THIS MASTER AGREEMENT OR ANY FUNDAMENTAL AGREEMENT.

28. NOTICES. All notices, requests, demands, waivers and other communications required or permitted to be given under this Master Agreement or any other Fundamental Agreement shall be in writing and shall be deemed to have been received upon receipt if delivered personally or by a nationally recognized overnight courier service, or by confirmed facsimile transmission, or 3 days after deposit in the United States mail, certified, postage prepaid with return receipt requested, addressed as follows (or such other address or fax number as either party shall so notify the other):

If to Lessor:

Hewlett-Packard Financial Services Company
200 Connell Drive, Suite 5000
Berkeley Heights, NJ 07922
Attn: Director of Operations North America
Fax: (908) 898-4109

If to Lessee:

«Name_of_Lessee»
«Customer_HQ_address_1and2»
«Customer_HQ_city»«Customer_HQ_state»«Customer_HQ_zip_code»
Attn: _____ (“Authorized Lessee Representative”)
Fax: _____

29. MISCELLANEOUS

(a) Governing Law. THIS MASTER AGREEMENT AND EACH LEASE SHALL BE GOVERNED BY THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF EQUIPMENT LOCATION.

(b) Credit Review. Lessee consents to a reasonable credit review by Lessor for each Lease.

(c) Captions and References. The captions contained in this Master Agreement and any Schedule are for convenience only and shall not affect the interpretation of this Master Agreement or any Lease. All references in this Master Agreement to Sections and Exhibits refer to Sections hereof and Exhibits hereto unless otherwise indicated.

(d) Entire Agreement; Amendments. This Master Agreement and all other Fundamental Agreements executed by both Lessor and Lessee constitute the entire agreement between Lessor and Lessee relating to the leasing of the Equipment, and supersede all prior agreements relating thereto, whether written or oral, and may not be amended or modified except in a writing signed by the parties hereto.

(e) No Waiver. Any failure of Lessor to require strict performance by Lessee, or any written waiver by Lessor of any provision hereof, shall not constitute consent or waiver of any other breach of the same or any other provision hereof.

(f) Lessor Affiliates. Lessee understands and agrees that Hewlett-Packard Financial Services Company or any affiliate or subsidiary thereof may, as lessor, execute Schedules under this Master Agreement, in which event the terms and conditions of the applicable Schedule and this Master Agreement as it relates to the lessor under such Schedule shall be binding upon and shall inure to the benefit of such entity executing such Schedule as lessor, as well as any successors or assigns of such entity. Lessee agrees that Lessor may disclose any information provided by Lessee to Lessor or created by Lessor in the course of administering the Material Agreements to any parent or affiliate of Lessor.

(g) Invalidity. If any provision of this Master Agreement or any Schedule shall be prohibited by or invalid under 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 Master Agreement or such Schedule.

(h) Counterparts. This Master Agreement may be executed in counterparts, which collectively shall constitute one document.

(i) Lessor Reliance. Lessor may act in reliance upon any instruction, instrument or signature reasonably believed by Lessor in good faith to be genuine. Lessor may assume that any employee of Lessee who executes any document or gives any written notice, request or instruction has the authority to do so.

30 DEFINITIONS. All capitalized terms used in this Master Agreement have the meanings set forth below or in the Sections of this Master Agreement referred to below:

“Acceptance Certificate” means an Acceptance Certificate in substantially the form of Exhibit B executed by Lessee and delivered to Lessor in accordance with Section 3.

“Acceptance Date” means, as to any Lease, the date Lessee shall have accepted the Equipment subject to such Lease in accordance with Section 3.

“Authorized Lessee Representative” has the meaning specified in Section 28.

“Assignee” means any assignee of all or any portion of Lessor’s interest in this Master Agreement, any Schedule or any Equipment, whether such assignee received the assignment of such interest from Lessor or a previous assignee of such interest.

“Casualty Loss” means, with respect to any Equipment, the condemnation, taking, loss, destruction, theft or damage beyond repair of such Equipment.

“Casualty Value” means, as to any Equipment, an amount determined as of the date of the Casualty Loss or Lessee Default in question (“Calculation Date”) pursuant to a “Table of Casualty Values” attached to the applicable Schedule or, if no “Table of Casualty Values” is attached to the applicable Schedule, an amount equal to the sum of (a) the present value (as of the Calculation Date and discounted at the Discount Rate compounded monthly) of all Rent payments payable after the Calculation Date through the scheduled date of expiration of the Then Applicable Term, plus (b) an amount determined by multiplying the applicable casualty percentage specified below by the Total Cost of such Equipment. The “Discount Rate” shall mean a rate equal to the 2 year inter-bank swap rate quoted by Bloomberg L.P. (or, where not available, such other 2 year inter-bank swap rate quoted by a commercially available publication reasonably designated by us) at the Acceptance Date of the applicable Lease. The applicable casualty percentage will be 50% for Equipment having an Initial Term of less than 24 months; 40% for Equipment having an Initial Term of 24 months or greater,

but less than 36 months; 30% for Equipment having an Initial Term of 36 months or greater, but less than 48 months; and 25% for Equipment having an Initial Term of 48 months or greater.

"Claims" means all claims, actions, suits, proceedings, costs, expenses (including, without limitation, court costs, witness fees and attorneys' fees), damages, obligations, judgments, orders, penalties, fines, injuries, liabilities and losses, including, without limitation, actions based on Lessor's strict liability in tort.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" has the meaning specified in Section 23.

"Daily Rent" means, as to any Lease, an amount equal to the per diem Rent payable under the applicable Schedule (calculated on the basis of a 360 day year and 30 day months).

"End-of-Term Notice" means, as to any Lease, a written notice delivered by Lessee to Lessor at least 90 days prior to the end of the Initial Term, any Renewal Term or any optional extension of the Initial Term or any Renewal Term setting forth Lessee's elections pursuant to Section 4 with respect to the Equipment subject to such Lease. Each End-of-Term Notice shall specify on a line item basis and in the same format as the Equipment is described in the applicable Schedule (or if different, in the applicable Acceptance Certificate) the Units of Equipment to be purchased by Lessee (if any), as to which the Lease is to be renewed (if any) and that are to be returned to Lessor (if any).

"Equipment" has the meaning specified in Section 1.

"Equipment Location" means, as to any Equipment, the address at which such Equipment is located from time to time, as originally specified in the applicable Schedule and as subsequently specified in a notice delivered to Lessor pursuant to Section 12, if applicable.

"Fair Market Value" means the total price that would be paid for any specified Equipment in an arm's length transaction between an informed and willing buyer (other than a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell. Such total price shall not be reduced by the costs of removing such Equipment from its current location or moving it to a new location.

"Fair Rental Value" means the amount of periodic rent that would be payable for any specified Equipment in an arm's length transaction between an informed and willing lessee and an informed and willing lessor, neither under compulsion to lease. Such amount shall not be reduced by the costs of removing such Equipment from its current location or moving it to a new location.

"Final Invoice Amount" has the meaning set forth in Section 2(c).

"First Payment Date" means, as to any Lease, the date the first Rent payment with respect to the Initial Term of such Lease is due, as determined pursuant to the terms of the applicable Schedule.

"Fiscal Period" shall mean the fiscal year of Lessee, as it may be more particularly described in a Schedule.

"Fundamental Agreements" means, collectively, this Master Agreement, each Schedule and Acceptance Certificate and all other related instruments and documents.

"Hardware" means items of tangible equipment and other property.

"Initial Term" means, as to any Lease, the initial term thereof as specified in the related Schedule.

"Lease" has the meaning specified in Section 2(a).

"Lessee" has the meaning specified in the preamble hereof.

"Lessee Default" has the meaning specified in Section 20.

"Lessor" has the meaning specified in the preamble hereof.

"License Agreement" means any license agreement or other document granting the purchaser the right to use Software or any technical information, confidential business information or other documentation relating to Hardware or Software, as amended, modified or supplemented by any other agreement between the licensor and Lessor.

"Master Agreement" has the meaning specified in the preamble hereof.

"Material Agreements" means, collectively, all Fundamental Agreements, all other material agreements by and between Lessor and Lessee, and any application for credit, financial statement, or financial data required to be provided by Lessee in connection with any Lease.

"Mobile PC Equipment" has the meaning specified in Section 12 hereof.

"Non-Appropriation" has the meaning specified in Section 7.

"Optional Additions" has the meaning specified in Section 11.

"PC Equipment" means, collectively, personal computers (e.g., workstations, desktops and notebooks) and related items of peripheral equipment (e.g., monitors, printers and docking stations).

"Purchase Documents" means, as to any Equipment, any purchase order, contract, bill of sale, License Agreement, invoice and/or other documents that Lessee has, at any time, approved, agreed to be bound by or entered into with any Supplier of such Equipment relating to the purchase, ownership, use or warranty of such Equipment.

"Renewal Agreement" has the meaning specified in Section 4.

"Renewal Term" has the meaning specified in Section 4.

"Rent" has the meaning specified in Section 5.

"Schedule" means, unless the context shall otherwise require a Schedule executed by Lessor and Lessee pursuant to Section 2(a).

"Seller" means, as to any Equipment, the seller of such Equipment as specified in the applicable Schedule.

"Software" means copies of computer software programs owned or licensed by Lessor, and any disks, CDs, or other media on which such programs are stored or written.

"State" means any of the states of the United States, its territories and possessions.

"Stipulated Loss Value" means, as to any Equipment, an amount equal to the sum of (a) all Rent and other amounts due and owing with respect to such Equipment as of the date of payment of such amount, plus (b) the Casualty Value of such Equipment.

"Substitute Equipment" means, as to any item of Hardware or Software subject to a Lease, a substantially equivalent or better item of Hardware or Software having equal or greater capabilities and equal or greater Fair Market Value manufactured or licensed by the same manufacturer or licensor as such item of Hardware or Software subject to a Lease. The determination of whether any item of Equipment is substantially equivalent or better than an item of Equipment subject to a Lease shall be based on all relevant facts and

circumstances, but shall minimally require, in the case of a computer, that each of processor, hard-drive, random access memory and CD ROM drive, if applicable, be equivalent or better.

“**Supplier**” means as to any Equipment, the Seller and the manufacturer or licensor of such Equipment collectively, or where the context requires, any of them.

“**System Software**” means an item of Software that is pre-loaded on an item of Hardware purchased by Lessor for lease hereunder for which the relevant Purchase Documents specify no purchase price separate from the aggregate purchase price specified for such items of Hardware and Software.

“**Taxes**” means all license and registration fees and all taxes (local, state and federal), fees, levies, imposts, duties, assessments, charges and withholding of any nature whatsoever, however designated (including, without limitation, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) other than taxes measured by Lessor’s income.

“**Term**” means the term thereof as specified in the related Schedule.

“**Then Applicable Term**” means, as to any Lease, the term of the Lease in effect at the time of determination, whether it be the Initial Term, any Renewal Term or any optional or other automatic extension of the Initial Term or any Renewal Term pursuant to Section 4.

“**Total Cost**” means as to any Lease, the total acquisition cost to Lessor of the Equipment subject to such Lease as set forth in the applicable Purchase Documents, including related delivery, installation, taxes and other charges which Lessor has agreed to pay and treat as a portion of such acquisition cost, if any.

“**Total Term**” means, as to any Lease, the aggregate term of such Lease, including the Initial Term, any Renewal Term and any optional or other automatic extension of the Initial Term or any Renewal Term pursuant to Section 4.

“**UCC**” means the Uniform Commercial Code as enacted and in effect in any applicable jurisdiction.

“**Unit of Equipment**” means, as to the Equipment leased pursuant to any Schedule (a) each individual item of PC Equipment leased pursuant to such Schedule, and (b) all Equipment taken as a whole leased pursuant to such Schedule other than PC Equipment taken as a whole.

IN WITNESS WHEREOF, LESSEE AND LESSOR HAVE EXECUTED THIS MASTER AGREEMENT ON THE DATES SPECIFIED BELOW.

LESSEE:

«Name_of_Lessee»

LESSOR:

HEWLETT-PACKARD FINANCIAL SERVICES COMPANY²

By: _____

By: _____

Name and Title

Name and Title

Date

Date

² Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

Master Agreement Number «Master_Agreement_Number»

Schedule Number «Schedule_Number»

COUNTERPART NO. _____ OF _____. TO THE EXTENT THAT THIS SCHEDULE CONSTITUTES CHATTEL PAPER (AS DEFINED ON THE UCC), NO SECURITY INTEREST IN THIS SCHEDULE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

STATE AND LOCAL GOVERNMENT MASTER OPERATING LEASE AGREEMENT SCHEDULE

Hewlett-Packard Financial Services Company³ ("Lessor") and «Name_of_Lessee», an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Operating Lease Agreement identified by the Master Agreement Number specified above (the "Master Agreement"). This Schedule (which shall be identified by the Schedule Number specified above) and the Master Agreement together comprise a separate Lease between the parties. The terms and conditions of the Master Agreement are hereby incorporated by reference into this Schedule. All capitalized terms used in this Schedule without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE.

A. Description of Items of Leased Equipment Total Cost \$ «Total_Cost_for_Leased_Items»

B. Initial Term: «Term_of_Lease» Months.

2. RENT: \$«Total_Rent»

RENT is payable: «Frequency» in «Advance_or_Arrears»

If the Rent is due in advance, then the first Rent payment shall be due on the Acceptance Date. If the Rent is due in arrears, then the first Rent payment shall be due at the end of the first payment frequency period as selected above.

3. LATEST COMMENCEMENT DATE: _____. Lessor's obligation to purchase and lease the Equipment is subject to the Acceptance Date being on or before the Latest Commencement Date.

4. EQUIPMENT LOCATION: «TableStart:EL»«Delivery_Address»«TableEnd:EL»

5. SELLER: «TableStart:SV»«Seller_Vendor»«TableEnd:SV»

6. APPROPRIATIONS: Monies for all Rent and other payments due under the Lease for the Fiscal Period ending _____ are available from Lessee's appropriated funds for such Fiscal Period and that appropriations and/or other funds have been encumbered or designated for the payment of all Rent and other payments that shall become due under the Lease in such Fiscal Period.

7. ADDITIONAL PROVISIONS:

8. FISCAL PERIOD: ___[Annual]_____

LESSOR AGREES TO LEASE TO LESSEE AND LESSEE AGREES TO LEASE FROM LESSOR THE EQUIPMENT DESCRIBED IN SECTION 1.A ABOVE. SUCH LEASE WILL BE GOVERNED BY THE MASTER AGREEMENT AND THIS SCHEDULE, INCLUDING THE IMPORTANT ADDITIONAL TERMS AND CONDITIONS SET FORTH ABOVE. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THIS SCHEDULE AND THE MASTER AGREEMENT, THE TERMS OF THIS SCHEDULE SHALL GOVERN. LESSEE HEREBY REPRESENTS AND WARRANTS THAT ON AND AS OF THE DATE HEREOF EACH OF THE

³ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

REPRESENTATIONS AND WARRANTIES MADE BY LESSEE IN THE MASTER AGREEMENT ARE TRUE, CORRECT AND COMPLETE.

LESSEE:
«Name_of_Lessee»

LESSOR:
HEWLETT-PACKARD FINANCIAL SERVICES COMPANY⁴

By: _____

By: _____

Name and Title

Name and Title

Date

Date

SAMPLE

⁴ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

Exhibit B to Master Agreement

Master Agreement Number «Master_Agreement_Number»

Schedule Number «Schedule_Number»

**STATE AND LOCAL GOVERNMENT MASTER OPERATING LEASE AGREEMENT
ACCEPTANCE CERTIFICATE**

Hewlett-Packard Financial Services Company⁵ (“Lessor”) and «Name_of_Lessee», an agency, department or political subdivision of the State of _____ (“Lessee”) are parties to the State and Local Government Master Operating Lease Agreement (the “Master Agreement”) and Schedule under such Master Agreement (the “Schedule”) identified by the Master Agreement Number and Schedule Number, respectively, specified above. The Master Agreement and Schedule together comprise a separate Lease that is being accepted and commenced pursuant to this Acceptance Certificate. All capitalized terms used in this Acceptance Certificate without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE ACCEPTANCE. Lessee hereby acknowledges that the Equipment described in Section 1 of the Schedule, or if different, the Equipment described in the attached invoice or other attachment hereto, has been delivered to the Equipment Location specified below, inspected by Lessee and found to be in good operating order and condition, and has been unconditionally and irrevocably accepted by Lessee under the Lease evidenced by the Master Agreement and the Schedule as of the Acceptance Date set forth below. Lessee authorizes Lessor to adjust the Rent payments on the Schedule to reflect the Final Invoice Amount set forth on the attached invoice(s) if such amount is different than the Total Cost on the Schedule.

2. LESSEE ACKNOWLEDGEMENTS. Lessee hereby agrees to faithfully perform all of its obligations under the Master Agreement and the Schedule and reaffirms, as of the date hereof, its representations and warranties as set forth in the Master Agreement. Lessee hereby acknowledges its agreement to pay Lessor Rent payments, as set forth in the Schedule, plus any applicable taxes, together with all other costs, expenses and charges whatsoever which Lessee is required to pay pursuant to the Master Agreement and the Schedule, in each instance at the times, in the manner and under the terms and conditions set forth in the Master Agreement and the Schedule, respectively.

3. EQUIPMENT LOCATION. The Equipment has been installed and is located at the following Equipment Location:
«TableStart:EL»«Delivery_Address»«TableEnd:EL»

4. REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants that on and as of the date hereof each of the representations and warranties made by Lessee in the Master Agreement are true, correct and complete.

«Name_of_Lessee»

By: _____

Name and Title

Acceptance Date: _____

⁵ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.



HP Attachment 11 – HPFS Sample State and Local Government Master Lease Purchase Agreement

HPFS's Sample State and Local Government Master Lease Purchase Agreement is included on the subsequent pages.

Lessee's Organization Number [REDACTED]
Lessee's Tax Identification Number «VAT_Tax_ID»
Lessee's UCC Section 9-307 Location [REDACTED]

STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT

This State and Local Government Master Lease Purchase Agreement (together with Exhibits A and B attached hereto and hereby made a part hereof, (this "Master Agreement"), dated as of _____, is entered into by and between Hewlett-Packard Financial Services Company,¹ a Delaware corporation ("Lessor"), and «Name of Lessee», an agency, department or political subdivision of the State of _____ ("Lessee"). Capitalized terms used in this Master Agreement without definition have the meanings ascribed to them in Section 31.

1. PURPOSE OF MASTER AGREEMENT. The purpose of this Master Agreement is to set forth the general terms and conditions upon which Lessor shall lease to Lessee, and Lessee shall lease from Lessor, items of Hardware, Software or both (the "Equipment"). In connection with its execution of this Master Agreement, Lessee shall deliver to Lessor an Officer's Certificate in form and substance acceptable to Lessor, executed by a duly authorized officer of Lessee and certifying as to, among other things, Lessee's authority to enter into this Master Agreement, and the authority of Lessee's officers or representatives specified therein to execute this Master Agreement and an opinion of Lessee's counsel in form and content satisfactory to Lessor.

2. COMMENCEMENT PROCEDURES. Subject to the other terms and conditions contained in this Master Agreement and the applicable Schedule, Lessee shall enter into individual Leases (hereinafter defined) with Lessor as follows:

(a) Execution of Schedule. Lessor and Lessee mutually agree to enter into a Lease by executing a Schedule in the form of Exhibit A with such changes as Lessor and Lessee shall have agreed to as conclusively evidenced by their execution thereof. Each such Schedule shall specifically identify (by serial number or other identifying characteristics) the items of Equipment to be leased under such Schedule. Each Schedule, when executed by both Lessee and Lessor, together with this Master Agreement, shall constitute a separate and distinct lease ("Lease"), enforceable according to its terms. In the event of any conflict between the terms of this Master Agreement and such Schedule, the provisions of the Schedule shall govern.

(b) Acceptance; Term of Leases. Lessee shall accept the Equipment subject to a Lease in accordance with Section 3. The Term of each Lease shall begin on the Acceptance Date of the Equipment subject to such Lease and shall continue for the period described in the applicable Schedule unless a Nonappropriation shall have occurred.

(c) Adjustments to Schedule. Lessee acknowledges that the Total Cost of Equipment and the related Rent payments set forth in any Schedule may be estimates, and if the final invoice from the Seller attached to the related Acceptance Certificate(s) specifies a Total Cost that is less than the estimated Total Cost set forth in the Schedule, Lessee hereby authorizes Lessor to reduce the applicable Total Cost and Rent payment on the Schedule by up to ten percent (10%) to reflect such final invoice amount (the "Final Invoice Amount"). All references in this Master Agreement and any Schedule to Total Cost and Rent shall mean the amounts thereof specified in the applicable Schedule, as adjusted pursuant to this paragraph.

(d) Payment by Lessor. Within 30 days after Lessee's delivery to Lessor of a properly completed and executed Acceptance Certificate and all other documentation necessary to establish Lessee's acceptance of such Equipment under the related Lease and Lessor's acceptance of such Acceptance Certificate, Lessor shall pay for the Equipment. Lessor shall not accept the Acceptance Certificate until it has received from Lessee (1) evidence of insurance with respect to the Equipment in compliance with Section 14 hereof, (2) a completed and executed original Form 8038-G or 8038-GC, as applicable, or evidence of filing thereof with the Internal Revenue Service in the manner required by Code Section 149(e), (3) an opinion of Lessee's counsel, if required by Lessor, in form and substance reasonably satisfactory to Lessor and (4) any other documents or items reasonably required by Lessor. Notwithstanding the foregoing, Lessor shall not be obligated to pay for the Equipment if a Lessee Default has occurred or an event has occurred and is continuing that with the passage of time or provision of notice would constitute a Lessee Default. Lessor and Lessee acknowledge that the date the Lessor pays for the Equipment shall be the issue date of the obligation for federal income tax purposes in accordance with the Code and no Rent shall accrue prior to such date.

3. ACCEPTANCE OF EQUIPMENT. (a) Inspection of Equipment. Lessee agrees to inspect all Equipment as soon as reasonably practicable after the delivery thereof to Lessee.

(b) Acceptance Certificate. Upon the satisfactory inspection of the Equipment by Lessee, or if acceptance requirements for such Equipment are specified in the applicable Purchase Documents, as soon as such requirements are met, Lessee shall unconditionally and irrevocably accept the Equipment by executing and delivering to Lessor a properly completed Acceptance Certificate in substantially the form of Exhibit B.

4. RENT; LATE CHARGES. As rent ("Rent") for the Equipment under any Lease, Lessee agrees to pay the amounts specified in the applicable Schedule on the due dates specified in the applicable Schedule. Lessee agrees to pay Lessor interest on any Rent payment or other amount due hereunder that is not paid within 10 days of its due date, at the rate of 1-1/2% per month (or such lesser rate as is

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

the maximum rate allowable under applicable law). Lessee will make provision for such payments in budgets submitted to its governing body for the purpose of obtaining funding for the payments.

5. TRANSFER OF EQUIPMENT ON EXPIRATION OF LEASE TERM. If Lessee has paid all Rent and all other amounts due under the Lease and has satisfied all other terms and conditions of the Lease, the Lease shall terminate and, except as provided in Section 28, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to the Equipment and Lessor shall transfer all of its interest in such Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor.

6. LEASES NON-CANCELABLE; NET LEASES; WAIVER OF DEFENSES TO PAYMENT. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT EACH LEASE HEREUNDER SHALL BE NON-CANCELABLE (EXCEPT AS SET FORTH IN SECTION 7 HEREOF), AND THAT EACH LEASE HEREUNDER IS A NET LEASE SO THAT AMONG OTHER THINGS LESSEE SHALL PAY IN ADDITION TO THE RENT, TAXES, INSURANCE AND MAINTENANCE CHARGES RELATED TO THE EQUIPMENT. LESSEE AGREES THAT IT HAS AN ABSOLUTE AND UNCONDITIONAL OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE. LESSEE HEREBY WAIVES ANY RECOUPMENT, CROSS-CLAIM, COUNTERCLAIM OR ANY OTHER DEFENSE AT LAW OR IN EQUITY TO ANY RENT OR OTHER AMOUNT DUE WITH RESPECT TO ANY LEASE, WHETHER ANY SUCH DEFENSE ARISES OUT OF THIS MASTER AGREEMENT, ANY SCHEDULE, ANY CLAIM BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNEES OR SUPPLIER OR OTHERWISE. IF THE EQUIPMENT IS NOT PROPERLY INSTALLED, DOES NOT OPERATE OR INTEGRATE AS REPRESENTED OR WARRANTED BY SUPPLIER OR IS UNSATISFACTORY FOR ANY REASON WHATSOEVER, LESSEE WILL MAKE ANY CLAIM ON ACCOUNT OF THOSE ISSUES SOLELY AGAINST SUPPLIER AND WILL NEVERTHELESS PAY ALL SUMS DUE WITH RESPECT TO EACH LEASE.

7. NONAPPROPRIATION. Notwithstanding anything contained in this Master Agreement to the contrary, in the event that sufficient funds are not appropriated and budgeted by Lessee's governing body or are not otherwise available from other legally available sources in any fiscal period for the payment of Rent and other amounts due under any Lease, the Lease shall terminate on the last day of the fiscal period for which appropriations were received or other amounts are available to pay amounts due under the Lease without penalty or expense to Lessee of any kind whatsoever, except as to the portions of Rent payments or other amounts herein agreed upon for which funds shall have been appropriated or are otherwise available. Lessee will immediately notify the Lessor or its assignee of such occurrence. In the event of such termination, Lessee shall immediately cease all use of the Equipment, and shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure, and return the Equipment subject to such Lease to Lessor (all in accordance with Section 10 of this Master Agreement). Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by this Lease, shall be free and clear of any liens (except Lessor's lien) and shall comply with all applicable laws and regulations. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor or evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment. Lessor will have all legal and equitable rights and remedies to take possession of the Equipment. At Lessor's request, Lessee shall promptly provide supplemental documentation as to such Non-Appropriation satisfactory to Lessor. Lessee's exercise of its rights pursuant to this Section 7 shall not affect the survival of any indemnity and other provisions (other than the obligation to lease the Equipment and pay amounts due under the Lease) which survive the termination of the Lease.

8. ASSIGNMENT OF PURCHASE DOCUMENTS. Lessee assigns to Lessor all of Lessee's right, title and interest in and to (a) the Equipment described in each Schedule, and (b) the Purchase Documents relating to such Equipment. Such assignment of the Purchase Documents is an assignment of rights only; nothing in this Master Agreement shall be deemed to have relieved Lessee of any obligation or liability under any of the Purchase Documents, except that, as between Lessee and Lessor, Lessor shall pay for the Equipment in accordance with Section 2(d) hereof. Lessee represents and warrants that it has reviewed and approved the Purchase Documents. In addition, if Lessor shall so request, Lessee shall deliver to Lessor a document acceptable to Lessor whereby Seller acknowledges and provides any required consent to such assignment. For the avoidance of doubt, Lessee covenants and agrees that it shall at all times during the Term of each Lease comply in all respects with the terms of any License Agreement relating to any Equipment leased thereunder. **IT IS ALSO SPECIFICALLY UNDERSTOOD AND AGREED THAT NEITHER SUPPLIER NOR ANY SALESPERSON OF SUPPLIER IS AN AGENT OF LESSOR, NOR ARE THEY AUTHORIZED TO WAIVE OR ALTER ANY TERMS OF THIS MASTER AGREEMENT OR ANY SCHEDULE.**

9. ASSIGNMENT OF SUPPLIER WARRANTIES. To the extent permitted, Lessor hereby assigns to Lessee all Equipment warranties provided by any Supplier in the applicable Purchase Documents. Lessee shall have the right to take any action it deems appropriate to enforce such warranties provided such enforcement is pursued in Lessee's name and at its expense. In the event Lessee is precluded from enforcing any such warranty in its name and to the extent Lessor retains title to the Equipment, Lessor shall, upon Lessee's request, take reasonable steps to enforce such warranty. In such circumstances, Lessee shall, promptly upon demand, reimburse Lessor for all expenses incurred by Lessor in enforcing the Supplier warranty. Any recovery resulting from any such enforcement efforts shall be divided between Lessor and Lessee as their interests may appear.

10. EQUIPMENT RETURN REQUIREMENTS. At any time Lessee is required to return Equipment to Lessor under the terms of this Master Agreement or any Schedule, Lessee shall (a) 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, and (b) pack the Equipment to be returned to Lessor in accordance with the manufacturer's guidelines and deliver such Equipment to Lessor at any destination within the continental United States designated by Lessor. In the case of any item of Software or License Agreement subject to a Schedule, at the time of the occurrence of a Non-Appropriation or a Lessee Default, Lessee shall also be automatically deemed to have reassigned any License Agreement, and shall immediately de-install and deliver to Lessor all Software, together with the original certificate of authenticity issued by the licensor of such Software, if any. All dismantling, packaging, transportation, in-transit insurance and shipping

charges shall be borne by Lessee. All Equipment shall be returned to Lessor in the same condition and working order as when delivered to Lessee, reasonable wear and tear excepted, and except in the case of PC Equipment and Software, shall qualify for maintenance service by the Supplier at its then standard rates for Equipment of that age, if available. Lessee shall be responsible for, and shall reimburse Lessor promptly on demand for, the cost of returning the Equipment to good working condition or, in the case of Equipment other than PC Equipment and Software, qualifying the Equipment for the Supplier's maintenance service, if available.

11. EQUIPMENT USE, MAINTENANCE AND ADDITIONS. Lessee is solely responsible for the selection, installation, operation and maintenance of the Equipment and all costs related thereto, including shipping charges. Lessee shall at all times operate and maintain the Equipment in good working order, repair, condition and appearance, and in accordance with the manufacturer's specifications and recommendations. On reasonable prior notice to Lessee, Lessor and Lessor's agents shall have the right, during Lessee's normal business hours and subject to Lessee's reasonable, standard security procedures, to enter the premises where the Equipment is located for the purpose of inspecting the Equipment and observing its use. Except in the case of PC Equipment and Software, Lessee shall, at its expense, enter into and maintain and enforce at all times during the Term of each Lease a maintenance agreement to service and maintain the related Equipment, upon terms and with a provider reasonably acceptable to Lessor. Lessee shall make no alterations or additions to the Equipment, except those that (a) will not void any warranty made by the Supplier of the Equipment, result in the creation of any security interest, lien or encumbrance on the Equipment or impair the value or use of the Equipment either at the time made or at the end of the Term of the applicable Lease, and are readily removable without damage to the Equipment ("Optional Additions"), or (b) are required by any applicable law, regulation or order. All additions to the Equipment or repairs made to the Equipment, except Optional Additions, become a part of the Equipment and Lessor's property at the time made; Optional Additions which have not been removed in the event of the return of the Equipment shall become Lessor's property upon such return.

12. EQUIPMENT OWNERSHIP; LIENS; LOCATION. Upon acceptance of the Equipment by Lessee hereunder, title to the Equipment will vest in Lessee; provided, however, that (i) in the event of termination of this Lease by Lessee pursuant to Section 7 hereof, or (ii) upon the occurrence of a Lessee Default as defined in Section 22 hereof, and as long as such Lessee Default is continuing, title to the Equipment (including Substitute Equipment) will immediately vest in Lessor or its assignee. Lessee covenants with respect to each Lease that: (i) it will not pledge or encumber the Equipment or Lessor's interest in the Equipment in any manner whatsoever nor create or permit to exist any levy, lien or encumbrance thereof or thereon except those created by or through Lessor; (ii) the Equipment shall remain personal property whether or not affixed to realty and shall not become a fixture or be made to become a part of any real property on which it is placed without Lessor's prior written consent; and (iii) Lessee shall maintain the Equipment so that it does not become essential to and may be removed from any building in which it is placed without any damage to the building or the Equipment. Provided Lessee remains in possession and control of the Equipment, Lessee may relocate any Equipment from the Equipment Location specified in the applicable Schedule to another of its locations within the State of the Equipment Location upon prior written notice to Lessor specifying the new Equipment Location or to another of its locations within the United States after receiving the written consent of Lessor to such relocation. Lessee shall not locate or relocate any Equipment such that any third party comes into possession or control thereof without Lessor's prior written consent; provided, however, that Lessor shall not unreasonably withhold its consent to the location or relocation of Equipment to a third party co-location or hosting facility if such third party shall have executed and delivered to Lessor a waiver agreement in form and substance acceptable to Lessor pursuant to which, among other things, such third party shall have waived any rights to the Equipment and agreed to surrender the Equipment to Lessor in the event of a Lessee Default under this Master Agreement. Notwithstanding the foregoing, Lessor agrees that computer equipment usable outside of a fixed office environment, such as laptops, notebooks or similar PC Equipment (collectively, "Mobile PC Equipment") may be relocated on a non-permanent basis from the Equipment Location originally specified in the applicable Schedule without Lessor's prior written consent, provided that (i) such relocation is made by Lessee's primary employee in the custody and control of such Mobile PC Equipment; (ii) the primary employee remains in possession and control of the Mobile PC Equipment, and (iii) the primary employee's principal office is the Equipment Location. For purposes of this Master Agreement and any applicable Schedule, the term Equipment shall be deemed to include all Mobile PC Equipment.

13. SECURITY INTEREST; MAXIMUM RATE. In order to secure all of its obligations hereunder, Lessee hereby, to the extent permitted by law and to secure payment and performance of Lessee's obligations under this Master Agreement and all Leases, grants Lessor a purchase money security interest in the related Equipment and in all attachments, accessories, additions, substitutions, products, replacements, rentals and proceeds (including, without limitation, insurance proceeds) thereto as well as a security interest in any other Equipment financed pursuant to this Master Agreement or any other agreement between Lessor and Lessee (collectively, the "Collateral"). In any such event, notwithstanding any provisions contained in this Master Agreement or in any Schedule, neither Lessor nor any Assignee shall be entitled to receive, collect or apply as interest any amount in excess of the maximum rate or amount permitted by applicable law. In the event Lessor or any Assignee ever receives, collects or applies as interest any amount in excess of the maximum amount permitted by applicable law, such excess amount shall be applied to the unpaid principal balance and any remaining excess shall be refunded to Lessee. In determining whether the interest paid or payable under any specific contingency exceeds the maximum rate or amount permitted by applicable law, Lessor and Lessee shall, to the maximum extent permitted under applicable law, characterize any non-principal payment as an expense or fee rather than as interest, exclude voluntary prepayments and the effect thereof, and spread the total amount of interest over the entire term of this Master Agreement and all Leases. Lessee agrees that Lessor may file this Lease as a financing statement evidencing such security interest or any other financing statement deemed necessary by Lessor and agrees to execute and deliver all certificates of title and other instruments necessary or appropriate to evidence such security interest.

14. RISK OF LOSS AND INSURANCE. Lessee assumes any and all risk of loss or damage to the Equipment from the time such Equipment is delivered to Lessee until such Equipment is returned to and is received by Lessor in accordance with the terms and conditions of this Master Agreement. Lessee agrees to keep the Equipment insured at Lessee's expense against all risks of loss from any cause whatsoever, including without limitation, loss by fire (including extended coverage), theft and damage. Lessee agrees that such insurance shall name Lessor as a loss payee and cover not less than the replacement value of the Equipment. Lessee also

agrees that it shall carry commercial general liability insurance in an amount not less than \$2,000,000 total liability per occurrence and cause Lessor and its affiliates and its and their successors and assigns, to be named additional insureds under such insurance. Each policy shall provide that the insurance cannot be canceled without at least 30 days' prior written notice to Lessor, and no policy shall contain a deductible in excess of \$25,000. Upon Lessor's prior written consent, in lieu of maintaining insurance obtained by third party insurance carriers, Lessee may self insure against such risks, provided that Lessor's 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. Lessee shall provide to Lessor (a) on or prior to the Acceptance Date for each Lease, and from time to time thereafter, certificates of insurance evidencing such insurance coverage throughout the Term of each Lease, and (b) upon Lessor's request, copies of the insurance policies. If Lessee fails to provide Lessor with such evidence, then Lessor will have the right, but not the obligation, to purchase such insurance protecting Lessor at Lessee's expense. Lessee's expense shall include the full premium paid for such insurance and any customary charges, costs or fees of Lessor. Lessee agrees to pay such amounts in substantially equal installments allocated to each Rent payment (plus interest on such amounts at the rate of 1-1/2% per month or such lesser rate as is the maximum rate allowable under applicable law).

15. CASUALTY LOSS. Lessee shall notify Lessor of any Casualty Loss or repairable damage to any Equipment as soon as reasonably practicable after the date of any such occurrence but in no event later than 30 days after such occurrence. In the event any Casualty Loss shall occur, on the next Rent payment date Lessee shall (a) at Lessee's option provided no Lessee Default has occurred nor an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing or (b) at Lessor's option if a Lessee Default has occurred or an event that with the passage of time or provision of notice would constitute a Lessee Default has occurred and is continuing, (1) subject to Section 7 hereof, pay Lessor the Stipulated Loss Value of the Equipment suffering the Casualty Loss, or (2) substitute and replace each item of Equipment suffering the Casualty Loss with an item of Substitute Equipment. If Lessee shall pay the Stipulated Loss Value of the Equipment suffering a Casualty Loss, upon Lessor's receipt in full of such payment the applicable Lease shall terminate as it relates to such Equipment and, except as provided in Section 28, Lessee shall be relieved of all obligations under the applicable Lease as it relates to such Equipment. If Lessee shall replace Equipment suffering a Casualty Loss with items of Substitute Equipment the applicable Lease shall continue in full force and effect without any abatement of Rent with such Substitute Equipment thereafter being deemed to be Equipment leased thereunder. Upon Lessor's receipt of such payment of Stipulated Loss Value in full or replacement of the Equipment suffering the Casualty Loss with Substitute Equipment, Lessor shall transfer to Lessee all of Lessor's interest in the Equipment suffering the Casualty Loss "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor. In the event of any repairable damage to any Equipment, the Lease shall continue with respect to such Equipment without any abatement of Rent and Lessee shall, at its expense, from insurance proceeds or other funds legally available, promptly cause such Equipment to be repaired to the condition it is required to be maintained pursuant to Section 11.

16. TAXES. Lessor shall report and pay all Taxes now or hereafter imposed or assessed by any governmental body, agency or taxing authority upon the purchase, ownership, delivery, installation, leasing, rental, use or sale of the Equipment, the Rent or other charges payable hereunder, or otherwise upon or in connection with any Lease, whether assessed on Lessor or Lessee, other than any such Taxes required by law to be reported and paid by Lessee. Lessee shall promptly reimburse Lessor for all such Taxes paid by Lessor, together with any penalties or interest in connection therewith attributable to Lessee's acts or failure to act, excluding (a) Taxes on or measured by the overall gross or net income or items of tax preference of Lessor, (b) as to any Lease the related Equipment, Taxes attributable to the period after the return of such Equipment to Lessor, and (c) Taxes imposed as a result of a sale or other transfer by Lessor of any portions of its interest in any Lease or in any Equipment except for a sale or other transfer to Lessee or a sale or other transfer occurring after and during the continuance of any Lessee Default.

17. GENERAL INDEMNITY. Lessee, to the extent permitted by law, shall indemnify and hold harmless Lessor and assignees, from and against any and all Claims arising out of or in connection with any matter involving this Master Agreement, the Equipment or any Lease, including but not limited to the selection, manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, maintenance, use (including any patent, trademark or copyright infringement), condition, return or operation of any Equipment or the enforcement of Lessor's rights under any Lease. Notwithstanding the foregoing, Lessee shall have no obligation to indemnify or defend against any Claim arising solely as a result of Lessor's gross negligence or willful misconduct.

18. TAX REPRESENTATIONS AND COVENANTS AND TAX PAYMENTS. (a) Lessee represents, covenants and warrants that: (i) Lessee is a political subdivision or agency or department of the State in which it is located; (ii) a portion of the Rent is interest based on the total Equipment cost as shown on a Schedule and such interest portion of the Rent shall be excluded from Lessor's gross income pursuant to Section 103 of the Code; (iii) Lessee will comply with the information reporting requirements of Section 149(e) of the Code, and such compliance shall include but not be limited to the execution of information statements requested by Lessor; (iv) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the Lease to be an arbitrage bond within the meaning of Section 148(a) of the Code; (v) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, this Lease to be a private activity bond within the meaning of Section 141(a) of the Code; (vi) Lessee will not do or cause to be done any act which will cause, or by omission of any act allow, the interest portion of the Rent payments to be or become includable in gross income for federal income taxation purposes under the Code; (vii) Lessee will be the only entity to own, use and operate the Equipment during the Lease Term; (viii) Lessee has never failed to appropriate funds for payment of any amount due pursuant to a lease purchase agreement, a conditional sales agreement or any similar type of obligation; and (ix) Lessee is not and has never been in default under any bond, note, lease purchase agreement or other type of financial obligation to which it has been a party.

(b) This Master Agreement has been entered into on the basis that Lessor or any Assignee of Lessor shall claim that the interest paid hereunder is exempt from federal income tax under Section 103(a) of the Code. Upon a breach by Lessee of any of its representations, warranties and covenants in Section 18(a) above and as a result thereof, the United States Government disallows, eliminates, reduces, recaptures, or disqualifies, in whole or in part, any benefits of such exemption, Lessee shall then pay to Lessor, at

Lessor's election, either: (i) supplemental payment(s) to Lessor during the remaining period of the Term(s) in an amount necessary to permit Lessor to receive (on an after tax basis over the full term of the Master Agreement) the same rate of return that Lessor would have realized had there not been a loss or disallowance of such benefits, together with the amount of any interest or penalty which may be assessed by the governmental authority with respect to such loss or disallowance; or (ii) a lump sum payable upon demand to Lessor which shall be equal to the amount necessary to permit Lessor to receive (on an after tax basis over the full term of the Master Agreement) the same rate of return that Lessor would have realized had there not been a loss or disallowance of such benefits together with the amount of any interest or penalty which may be assessed by the governmental authority with respect to such loss or disallowance.

19. COVENANT OF QUIET ENJOYMENT. So long as no Lessee Default exists, and no event shall have occurred and be continuing which, with the giving of notice or the passage of time or both, would constitute a Lessee Default, neither Lessor nor any party acting or claiming through Lessor, by assignment or otherwise, will disturb Lessee's quiet enjoyment of the Equipment during the Term of the related Lease.

20. DISCLAIMERS AND LESSEE WAIVERS. LESSEE LEASES THE EQUIPMENT FROM LESSOR "AS IS, WHERE IS." IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT (A) EXCEPT AS EXPRESSLY SET FORTH IN SECTION 19, LESSOR MAKES ABSOLUTELY NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY, OPERATION, OR CONDITION OF ANY EQUIPMENT (OR ANY PART THEREOF), THE MERCHANTABILITY OR FITNESS OF EQUIPMENT FOR A PARTICULAR PURPOSE, OR ISSUES REGARDING PATENT INFRINGEMENT, TITLE AND THE LIKE; (B) LESSOR SHALL NOT BE DEEMED TO HAVE MADE, BE BOUND BY OR LIABLE FOR, ANY REPRESENTATION, WARRANTY OR PROMISE MADE BY THE SUPPLIER OF ANY EQUIPMENT (EVEN IF LESSOR IS AFFILIATED WITH SUCH SUPPLIER); (C) LESSOR SHALL NOT BE LIABLE FOR ANY FAILURE OF ANY EQUIPMENT OR ANY DELAY IN THE DELIVERY OR INSTALLATION THEREOF; (D) LESSEE HAS SELECTED ALL EQUIPMENT WITHOUT LESSOR'S ASSISTANCE; AND (E) LESSOR IS NOT A MANUFACTURER OF ANY EQUIPMENT. IT IS FURTHER AGREED THAT LESSOR SHALL HAVE NO LIABILITY TO LESSEE, OR ANY THIRD PARTIES FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS MASTER AGREEMENT OR ANY SCHEDULE OR CONCERNING ANY EQUIPMENT, OR FOR ANY DAMAGES BASED ON STRICT OR ABSOLUTE TORT LIABILITY OR LESSOR'S NEGLIGENCE; PROVIDED, HOWEVER, THAT NOTHING IN THIS MASTER AGREEMENT SHALL DEPRIVE LESSEE OF ANY RIGHTS IT MAY HAVE AGAINST ANY PERSON OTHER THAN LESSOR. LESSOR AND LESSEE AGREE THAT THE LEASES SHALL BE GOVERNED BY THE EXPRESS PROVISIONS OF THIS MASTER AGREEMENT AND THE OTHER FUNDAMENTAL AGREEMENTS AND NOT BY THE CONFLICTING PROVISIONS OF ANY OTHERWISE APPLICABLE LAW. ACCORDINGLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSEE WAIVES ANY RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY STATUTE OR OTHERWISE, IN EITHER CASE THAT ARE INCONSISTENT WITH OR THAT WOULD LIMIT OR MODIFY LESSOR'S RIGHTS SET FORTH IN THIS MASTER AGREEMENT.

21. LESSEE WARRANTIES. Lessee represents, warrants and covenants to Lessor with respect to each Lease that: (a) Lessee has the power and authority to enter into each of the Fundamental Agreements; (b) all Fundamental Agreements are legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their terms and do not violate or create a default under any instrument or agreement binding on Lessee; (c) there are no pending or threatened actions or proceedings before any court or administrative agency that could have a material adverse effect on Lessee or any Fundamental Agreement, unless such actions have been disclosed to Lessor and consented to in writing by Lessor; (d) Lessee shall comply in all material respects with all laws and regulations the violation of which could have a material adverse effect upon the Equipment or Lessee's performance of its obligations under any Fundamental Agreement; (e) each Fundamental Agreement shall be effective against all creditors of Lessee under applicable law, including fraudulent conveyance and bulk transfer laws, and shall raise no presumption of fraud; (f) all financial statements, certificates or summaries relating to Lessee's financial condition, fiscal budget or the assessment and collection of taxes and other related information furnished by Lessee shall be prepared in accordance with generally accepted accounting principles in the United States in effect at that time and shall fairly present Lessee's financial position as of the dates given on such statements; (g) since the date of the most recent annual financial statement, there has been no material adverse change in the financial condition of, or the level of assessment or collection of taxes by, the Lessee; (h) the Equipment, subject to any Lease, is essential to the immediate performance of a governmental or proprietary function by Lessee within the scope of its authority and will be used during the Term of such Lease only by Lessee and only to perform such function; (i) Lessee intends to use the Equipment for the entire Term of such Lease and all Equipment will be used for business purposes only and not for personal, family or household purposes; (j) Lessee has complied fully with all applicable law governing open meetings, public bidding and appropriations required in connection with this Lease and the acquisition of the Equipment; (k) there has been no material change in the budget for Lessee's current Fiscal Period since its adoption; (l) Lessee's obligations to pay Rent and any other amounts due under this Lease constitute a current expense and not a debt of Lessee under applicable state law; (m) no provision of this Lease constitutes a pledge of the tax or general revenues of Lessee; (n) Lessee does not export, re-export, or transfer any Equipment, Software, system software or 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 government and other applicable governments; (o) Lessee does not use any Equipment, Software or system 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 wherever located, without prior authorization from the United States and other applicable governments; and (p) Lessee is not an entity designated by the United States government or any other applicable government with which transacting business without the prior consent of such government is prohibited.

22. DEFAULT. Any of the following shall constitute a default by Lessee (a "Lessee Default") under this Master Agreement and all Leases: (a) Lessee fails to pay any Rent payment or any other amount payable to Lessor under this Master Agreement or any Schedule within 10 days after its due date; or (b) Lessee defaults on or breaches any of the other terms and conditions of any Material Agreement, and fails to cure such breach within 10 days after written notice thereof from Lessor; or (c) any representation or warranty made by Lessee in any Material Agreement proves to be incorrect in any material respect when made or reaffirmed; or (d) any change occurs in relation to Lessee's financial condition that, in Lessor's opinion, would have a material adverse effect on Lessee's ability to perform its obligations under this Master Agreement or under any Schedule or (e) Lessee becomes insolvent or fails generally to pay its debts as they become due; or (f) a proceeding under any bankruptcy, reorganization, arrangement of debt, insolvency or receivership law is filed by or against Lessee (and, if such is proceeding is involuntary, it is not dismissed within 60 days after the thereof) or Lessee takes any action to authorize any of the foregoing matters; (g) any Equipment is levied against, seized or attached; or (h) any letter of credit or guaranty issued in support of a Lease is revoked, breached, canceled or terminated (unless consented to in advance by Lessor).

23. REMEDIES. If a Lessee Default occurs, Lessor may, in its sole discretion, exercise one or more of the following remedies: (a) declare all amounts due and to become due during Lessee's current fiscal year under any or all Leases to be immediately due and payable; or (b) terminate this Master Agreement or any Lease(s); or (c) take possession of, or render unusable, any Equipment wherever the Equipment may be located, without demand or notice and without any court order or other process of law in accordance with Lessee's reasonable security procedures, and no such action shall constitute a termination of any Lease; or (d) require Lessee to deliver the Equipment to a location specified by Lessor; or (e) declare the Stipulated Loss Value for any or all Equipment to be due and payable as liquidated damages for loss of a bargain and not as a penalty and in lieu of any further Rent payments under the applicable Lease or Leases; or (f) proceed by court action to enforce performance by Lessee of any Lease and/or to recover all damages and expenses incurred by Lessor by reason of any Lessee Default; or (g) terminate any other agreement that Lessor may have with Lessee; or (h) exercise any other right or remedy available to Lessor at law or in equity. Also, Lessee shall pay Lessor (i) all costs and expenses that Lessor may incur to maintain, safeguard or preserve the Equipment, and other expenses incurred by Lessor in enforcing any of the terms, conditions or provisions of this Master Agreement (including reasonable legal fees and collection agency costs) and (ii) all costs incurred by Lessor in exercising any of its remedies hereunder (including reasonable legal fees). Upon repossession or surrender of any Equipment, Lessor will lease, sell or otherwise dispose of the Equipment in a commercially reasonable manner, with or without notice and at public or private sale, and apply the net proceeds thereof to the amounts owed to Lessor under this Master Agreement; provided, however, that Lessee will remain liable to Lessor for any deficiency that remains after any sale or lease of such Equipment. Any proceeds of any sale or lease of such Equipment in excess of the amounts owed to Lessor under this Master Agreement will be retained by Lessor. Lessee agrees that with respect to any notice of a sale required by law to be given, 10 days' notice will constitute reasonable notice. With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment or other Collateral securing Lessee's obligations under any Schedule, Lessee acknowledges and agrees as follows: (i) Lessor shall have no obligation, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the Equipment or any other Collateral for disposition, (ii) Lessor may comply with any applicable state or federal law requirements in connection with any disposition of the Equipment or other Collateral, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any such disposition, and (iii) Lessor may convey the Equipment and any other Collateral on an "AS IS, WHERE IS" basis, and without limiting the generality of the foregoing, may specifically exclude or disclaim any and all warranties, including any warranty of title or the like with respect to the disposition of the Equipment or other Collateral, and no such conveyance or such exclusion or such disclaimer of any warranty shall be deemed to have adversely affected the commercial reasonableness of any such disposition. These remedies are cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

24. PERFORMANCE OF LESSEE'S OBLIGATIONS. If Lessee fails to perform any of its obligations hereunder, Lessor may perform any act or make any payment that Lessor deems reasonably necessary for the maintenance and preservation of the Equipment and Lessor's interests therein; provided, however, that the performance of any act or payment by Lessor shall not be deemed a waiver of, or release Lessee from, the obligation at issue. All sums so paid by Lessor, together with expenses (including legal fees and costs) incurred by Lessor in connection therewith, shall be paid to Lessor by Lessee immediately upon demand.

25. PURCHASE OPTIONS. Lessee may elect, by delivering to Lessor at least 30 days' prior written notice, to purchase on any Rent payment date not less than all Units of Equipment then subject to the Lease (other than items of Software that may not be sold by Lessor under the terms of any applicable License Agreement) for an amount equal to the sum of the Rent then due, all other amounts due under the Lease and the Concluding Payment for such Equipment as of the designated Rent payment date; provided no Lessee Default shall have occurred and be continuing or no event has occurred which with notice or lapse of time could constitute a Lessee Default. In the event of such an election, Lessee shall pay such amount to Lessor, in immediately available funds, on or before the designated Rent payment date. If Lessee shall have elected to purchase the Equipment, shall have so paid the purchase price and shall have fulfilled the terms and conditions of this Master Agreement and the related Schedule, then (1) the Lease with respect to such Equipment shall terminate on the designated Rent payment date and, except as provided in Section 28, Lessee shall be relieved of all of its obligations in favor of Lessor with respect to such Equipment, and (2) Lessor shall transfer all of its interest in such Equipment to Lessee "AS IS, WHERE IS," without any warranty, express or implied, from Lessor, other than the absence of any liens or claims by or through Lessor.

26. ASSIGNMENT. Lessor shall have the unqualified right to sell, assign, grant a security interest in or otherwise convey any part of its interest in this Master Agreement, any Lease or any Equipment, in whole or in part, without prior notice to or the consent of Lessee. If any Lease is sold, assigned, or otherwise conveyed, Lessee agrees that Lessor's purchaser, assignee or transferee, as the case may be ("Assignee") shall (a) have the same rights, powers and privileges that Lessor has under the applicable Lease, (b) have the right to receive from Lessee all amounts due under the applicable Lease; and (c) not be required to perform any obligations of Lessor, other than those that are expressly assumed in writing by such Assignee. Lessee agrees to execute such acknowledgements to such

assignment as may be reasonably requested by Lessor or the Assignee. Lessee further agrees that, in any action brought by such Assignee against Lessee to enforce Lessor's rights hereunder, Lessee will not assert against such Assignee any set-off, defense or counterclaim that Lessee may have against Lessor or any other person. Unless otherwise specified by Lessor and the Assignee, Lessee shall continue to pay all amounts due under the applicable Lease to Lessor; provided, however, that upon notification from Lessor and the Assignee, Lessee covenants to pay all amounts due under the applicable Lease to such Assignee when due and as directed in such notice. Lessee further agrees that any Assignee may further sell, assign, grant a security interest in or otherwise convey its rights and interests under the applicable Lease with the same force and effect as the assignment described herein. Lessee may not assign, transfer, sell, sublease, pledge or otherwise dispose of this Master Agreement, any Lease, any Equipment or any interest therein. Lessee shall 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 Section 149 of the Code, and regulations promulgated thereunder.

27. FURTHER ASSURANCES. Lessee agrees to promptly execute and deliver to Lessor such further documents and take such further action as Lessor may require in order to more effectively carry out the intent and purpose of this Master Agreement and any Schedule. Without limiting the generality of the foregoing, Lessee agrees (a) to furnish to Lessor from time to time, its certified financial statements, officer's certificates and appropriate resolutions, opinions of counsel and such other information and documents as Lessor may reasonably request, and (b) to execute and timely deliver to Lessor such documents that Lessor deems necessary to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. It is also agreed that Lessor or Lessor's agent may file as a financing statement, any lease document (or copy thereof, where permitted by law) or other financing statement that Lessor deems appropriate to perfect or protect Lessor's security interest in the Collateral or to evidence Lessor's interest in the Equipment. Upon demand, Lessee will promptly reimburse Lessor for any filing or recordation fees or expenses (including legal fees and costs) incurred by Lessor in perfecting or protecting its interests in any Collateral. Lessee represents and warrants that Lessee's name as set forth in the signature block below is Lessee's full and accurate legal name and that the information set forth on the first page hereof regarding its organization number, tax identification number and location is true and correct as of the date hereof. Lessee further agrees to provide Lessor advance written notice of any change in the foregoing.

28. TERM OF MASTER AGREEMENT; SURVIVAL. This Master Agreement shall commence and be effective upon the execution hereof by both parties and shall continue in effect until terminated by either party by 30 days' prior written notice to the other, provided that the effective date of the termination is after all obligations of Lessee arising hereunder and pursuant to any Schedule have been fully satisfied. Notwithstanding the foregoing, all representations, warranties and covenants made by Lessee hereunder shall survive the termination of this Master Agreement and shall remain in full force and effect. All of Lessor's rights, privileges and indemnities under this Master Agreement or any Lease, to the extent they are fairly attributable to events or conditions occurring or existing on or prior to the expiration or termination of such Lease, shall survive such expiration or termination and be enforceable by Lessor and Lessor's successors and assigns.

29. WAIVER OF JURY TRIAL. LESSEE AND LESSOR HEREBY EXPRESSLY WAIVE ANY RIGHT TO DEMAND A JURY TRIAL WITH RESPECT TO ANY ACTION OR PROCEEDING INSTITUTED BY LESSOR OR LESSEE IN CONNECTION WITH THIS MASTER AGREEMENT OR ANY FUNDAMENTAL AGREEMENT.

30. NOTICES. All notices, requests, demands, waivers and other communications required or permitted to be given under this Master Agreement or any other Fundamental Agreement shall be in writing and shall be deemed to have been received upon receipt if delivered personally or by a nationally recognized overnight courier service, or by confirmed facsimile transmission, or 3 days after deposit in the United States mail, certified, postage prepaid with return receipt requested, addressed as follows (or such other address or fax number as either party shall so notify the other):

If to Lessor:

Hewlett-Packard Financial Services Company
200 Connell Drive, Suite 5000
Berkeley Heights, NJ 07922
Attn: Director of Operations North America
Fax: (908) 898-4882

If to Lessee:

«Name_of_Lessee»
«Customer_HQ_address_1and2»
«Customer_HQ_city»«Customer_HQ_state»«Customer_HQ_zip_code»
Attn: _____ ("Authorized Lessee Representative")
Fax: «Customer_Fax»

31. MISCELLANEOUS

(a) Governing Law. THIS MASTER AGREEMENT AND EACH LEASE SHALL BE GOVERNED BY THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF EQUIPMENT LOCATION.

(b) Credit Review. Lessee consents to a reasonable credit review by Lessor for each Lease.

(c) Captions and References. The captions contained in this Master Agreement and any Schedule are for convenience only and shall not affect the interpretation of this Master Agreement or any Lease. All references in this Master Agreement to Sections and Exhibits refer to Sections hereof and Exhibits hereto unless otherwise indicated.

(d) Entire Agreement; Amendments. This Master Agreement and all other Fundamental Agreements executed by both Lessor and Lessee constitute the entire agreement between Lessor and Lessee relating to the leasing of the Equipment, and supersede all prior agreements relating thereto, whether written or oral, and may not be amended or modified except in a writing signed by the parties hereto.

(e) No Waiver. Any failure of Lessor to require strict performance by Lessee, or any written waiver by Lessor of any provision hereof, shall not constitute consent or waiver of any other breach of the same or any other provision hereof.

(f) Lessor Affiliates. Lessee understands and agrees that Hewlett-Packard Financial Services Company or any affiliate or subsidiary thereof may, as lessor, execute Schedules under this Master Agreement, in which event the terms and conditions of the

applicable Schedule and this Master Agreement as it relates to the lessor under such Schedule shall be binding upon and shall inure to the benefit of such entity executing such Schedule as lessor, as well as any successors or assigns of such entity. Lessee agrees that Lessor may disclose any information provided by Lessee to Lessor or created by Lessor in the course of administering the Material Agreements to any parent or affiliate of Lessor.

(g) Invalidity. If any provision of this Master Agreement or any Schedule shall be prohibited by or invalid under 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 Master Agreement or such Schedule.

(h) Counterparts. This Master Agreement may be executed in counterparts, which collectively shall constitute one document.

(i) Lessor Reliance. Lessor may act in reliance upon any instruction, instrument or signature reasonably believed by Lessor in good faith to be genuine. Lessor may assume that any employee of Lessee who executes any document or gives any written notice, request or instruction has the authority to do so.

32. DEFINITIONS. All capitalized terms used in this Master Agreement have the meanings set forth below or in the Sections of this Master Agreement referred to below:

“Acceptance Certificate” means an Acceptance Certificate in substantially the form of Exhibit B, executed by Lessee and delivered to Lessor in accordance with Section 3.

“Acceptance Date” means, as to any Lease, the date Lessee shall have accepted the Equipment subject to such Lease in accordance with Section 3.

“Assignee” means any assignee of all or any portion of Lessor’s interest in this Master Agreement, any Schedule or any Equipment, whether such assignee received the assignment of such interest from Lessor or a previous assignee of such interest.

“Authorized Lessee Representative” has the meaning specified in Section 30.

“Casualty Loss” means, with respect to any Equipment, the condemnation, taking, loss, destruction, theft or damage beyond repair of such Equipment.

“Casualty Value” means, as to any Equipment, an amount determined as of the date of the Casualty Loss or Lessee Default in question (“Calculation Date”) pursuant to a “Table of Casualty Values” attached to the applicable Schedule or, if no “Table of Casualty Values” is attached to the applicable Schedule, an amount equal to the sum of (a) the present value (as of the Calculation Date and discounted at the Discount Rate compounded monthly) of all Rent payments payable after the Calculation Date through the scheduled date of expiration of the Then Applicable Term, plus (b) an amount determined by multiplying the applicable casualty percentage specified below by the Total Cost of such Equipment. The “Discount Rate” shall mean a rate equal to the 2 year inter-bank swap rate quoted by Bloomberg L.P. (or, where not available, such other 2 year inter-bank swap rate quoted by a commercially available publication reasonably designated by us) at the Acceptance Date of the applicable Lease. The applicable casualty percentage will be 50% for Equipment having an Initial Term of less than 24 months; 40% for Equipment having an Initial Term of 24 months or greater, but less than 36 months; 30% for Equipment having an Initial Term of 36 months or greater, but less than 48 months; and 25% for Equipment having an Initial Term of 48 months or greater.

“Claims” means all claims, actions, suits, proceedings, costs, expenses (including, without limitation, court costs, witness fees and attorneys’ fees), damages, obligations, judgments, orders, penalties, fines, injuries, liabilities and losses, including, without limitation, actions based on Lessor’s strict liability in tort.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” has the meaning specified in Section 13.

“Concluding Payments” means the list of concluding payments on the attachment to the applicable Schedule.

“Daily Rent” means, as to any Lease, an amount equal to the per diem Rent payable under the applicable Schedule (calculated on the basis of a 360 day year and 30 day months).

“Equipment” has the meaning specified in Section 1.

“Equipment Location” means, as to any Equipment, the address at which such Equipment is located from time to time, as originally specified in the applicable Schedule and as subsequently specified in a notice delivered to Lessor pursuant to Section 12, if applicable.

“Fair Market Value” means the total price that would be paid for any specified Equipment in an arm’s length transaction between an informed and willing buyer (other than a used equipment dealer) under no compulsion to buy and an informed and willing seller under no compulsion to sell. Such total price shall not be reduced by the costs of removing such Equipment from its current location or moving it to a new location.

“Final Invoice Amount” has the meaning set forth in Section 2(c).

“First Payment Date” means, as to any Lease, the date the first Rent payment with respect to such Lease is due, as determined pursuant to the terms of the applicable Schedule.

“Fiscal Period” shall mean the fiscal year of Lessee, as it may be more particularly described in a Schedule.

“Fundamental Agreements” means, collectively, this Master Agreement, each Schedule and Acceptance Certificate and all other related instruments and documents.

“Hardware” means items of tangible equipment and other property.

“Lease” has the meaning specified in Section 2(a).

“Lessee” has the meaning specified in the preamble hereof.

“Lessee Default” has the meaning specified in Section 22.

“Lessor” has the meaning specified in the preamble hereof.

“License Agreement” means any license agreement or other document granting the purchaser the right to use Software or any technical information, confidential business information or other documentation relating to Hardware or Software, as amended, modified or supplemented by any other agreement between the licensor and Lessor.

“Master Agreement” has the meaning specified in the preamble hereof.

“**Material Agreements**” means, collectively, all Fundamental Agreements, all other material agreements by and between Lessor and Lessee, and any application for credit, financial statement, or financial data required to be provided by Lessee in connection with any Lease.

“**Mobile PC Equipment**” has the meaning specified in Section 12 hereof.

“**Non-Appropriation**” has the meaning specified in Section 7.

“**Optional Additions**” has the meaning specified in Section 11.

“**PC Equipment**” means, collectively, personal computers (e.g., workstations, desktops and notebooks) and related items of peripheral equipment (e.g., monitors, printers and docking stations).

“**Purchase Documents**” means, as to any Equipment, any purchase order, contract, bill of sale, License Agreement, invoice and/or other documents that Lessee has, at any time, approved, agreed to be bound by or entered into with any Supplier of such Equipment relating to the purchase, ownership, use or warranty of such Equipment.

“**Rent**” has the meaning specified in Section 4.

“**Schedule**” means, unless the context shall otherwise require a Schedule executed by Lessor and Lessee pursuant to Section 2(a).

“**Seller**” means, as to any Equipment, the seller of such Equipment as specified in the applicable Schedule.

“**Software**” means copies of computer software programs owned or licensed by Lessor, and any disks, CDs, or other media on which such programs are stored or written.

“**State**” means any of the states of the United States, its territories and possessions.

“**Stipulated Loss Value**” means, as to any Equipment, an amount equal to the sum of (a) all Rent (including the Daily Rent from the Rent payment date immediately preceding the date of the Casualty Loss or Lessee Default to the date of the Casualty Loss or Lessee Default) and other amounts due and owing with respect to such Equipment as of the date of payment of such amount, plus (b) the Casualty Value of such Equipment.

“**Substitute Equipment**” means, as to any item of Hardware or Software subject to a Lease, a substantially equivalent or better item of Hardware or Software having equal or greater capabilities and equal or greater Fair Market Value manufactured or licensed by the same manufacturer or licensor as such item of Hardware or Software subject to a Lease. The determination of whether any item of Equipment is substantially equivalent or better than an item of Equipment subject to a Lease shall be based on all relevant facts and circumstances, but shall minimally require, in the case of a computer, that each of processor, hard-drive, random access memory and CD ROM drive, if applicable, be equivalent or better.

“**Supplier**” means as to any Equipment, the Seller and the manufacturer or licensor of such Equipment collectively, or where the context requires, any of them.

“**System Software**” means an item of Software that is pre-loaded on an item of Hardware purchased by Lessor for lease hereunder for which the relevant Purchase Documents specify no purchase price separate from the aggregate purchase price specified for such items of Hardware and Software.

“**Taxes**” means all license and registration fees and all taxes (local, state and federal), fees, levies, imposts, duties, assessments, charges and withholding of any nature whatsoever, however designated (including, without limitation, any value added, transfer, sales, use, gross receipts, business, occupation, excise, personal property, real property, stamp or other taxes) other than taxes measured by Lessor’s income.

“**Term**” means the term thereof as specified in the related Schedule.

“**Total Cost**” means as to any Lease, the total acquisition cost to Lessor of the Equipment subject to such Lease as set forth in the applicable Purchase Documents, including related delivery, installation, taxes and other charges which Lessor has agreed to pay and treat as a portion of such acquisition cost, if any.

“**UCC**” means the Uniform Commercial Code as enacted and in effect in any applicable jurisdiction.

“**Unit of Equipment**” means, as to the Equipment leased pursuant to any Schedule (a) each individual item of PC Equipment leased pursuant to such Schedule, and (b) all Equipment taken as a whole leased pursuant to such Schedule other than PC Equipment taken as a whole.

IN WITNESS WHEREOF, LESSEE AND LESSOR HAVE EXECUTED THIS MASTER AGREEMENT ON THE DATES SPECIFIED BELOW.

LESSEE:
«Name_of_Lessee»

LESSOR:
HEWLETT-PACKARD FINANCIAL SERVICES COMPANY²

By: _____

By: _____

Name and Title

Name and Title

Date

Date

² Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

Master Agreement Number «Master_Agreement_Number»
Schedule Number «Schedule_Number»

COUNTERPART NO. _____ OF _____. TO THE EXTENT THAT THIS SCHEDULE CONSTITUTES CHATTEL PAPER (AS DEFINED ON THE UCC), NO SECURITY INTEREST IN THIS SCHEDULE MAY BE CREATED THROUGH THE TRANSFER OR POSSESSION OF ANY COUNTERPART OTHER THAN COUNTERPART NO. 1.

**STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT
SCHEDULE**

Hewlett-Packard Financial Services Company¹ ("Lessor") and «Name_of_Lessee», an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Lease Purchase Agreement identified by the Master Agreement Number specified above (the "Master Agreement"). This Schedule (which shall be identified by the Schedule Number specified above) and the Master Agreement together comprise a separate Lease between the parties. The terms and conditions of the Master Agreement are hereby incorporated by reference into this Schedule. All capitalized terms used in this Schedule without definition have the meanings ascribed to them in the Master Agreement.

1. **LEASE.**

A. Description of Items of Leased Equipment

Total Cost
\$ «Total_Cost_for_Leased_Items»

B. Term: «Term_of_Lease» Months.

2. **RENT.** See Attachment A.

ANNUAL RATE OF INTEREST _____

3. **LATEST COMMENCEMENT DATE:** «GPO_Pricing_Expiration_Date». Lessor's obligation to purchase and lease the Equipment is subject to the Acceptance Date being on or before the Latest Commencement Date.

4. **EQUIPMENT LOCATION:** «TableStart:EL»«Delivery_Address»«TableEnd:EL»

5. **SELLER:** «TableStart:SV»«Seller_Vendor»«TableEnd:SV»

6. **APPROPRIATIONS:** Monies for all Rent and other payments due under the Lease for the Fiscal Period ending _____ are available from Lessee's appropriated funds for such Fiscal Period and that appropriations and/or other funds have been encumbered or designated for the payment of all Rent and other payments that shall become due under the Lease in such Fiscal Period.

7. **NON-ASSIGNABILITY BY LESSOR:** Notwithstanding any other terms or conditions set forth in the Master Agreement to the contrary, Lessor hereby agrees that it shall not and will not sell, discount, factor, hypothecate or otherwise dispose of its interest in the Equipment or this Schedule or any Lease, except to a Lessor Affiliate in connection with a merger, reorganization, sale of assets or substantial portfolio sale.

8. **ADDITIONAL PROVISIONS:**

9. **FISCAL PERIOD:** _____

LESSOR AGREES TO LEASE TO LESSEE AND LESSEE AGREES TO LEASE FROM LESSOR THE EQUIPMENT DESCRIBED IN SECTION 1.A ABOVE. SUCH LEASE WILL BE GOVERNED BY THE MASTER AGREEMENT AND THIS SCHEDULE, INCLUDING THE IMPORTANT ADDITIONAL TERMS AND CONDITIONS SET FORTH ABOVE. IN THE EVENT OF ANY CONFLICT BETWEEN

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

THE TERMS OF THIS SCHEDULE AND THE MASTER AGREEMENT, THE TERMS OF THIS SCHEDULE SHALL GOVERN. LESSEE HEREBY REPRESENTS AND WARRANTS THAT ON AND AS OF THE DATE HEREOF EACH OF THE REPRESENTATIONS AND WARRANTIES MADE BY LESSEE IN THE MASTER AGREEMENT ARE TRUE, CORRECT AND COMPLETE.

LESSEE:

«Name_of_Lessee»

By: _____

Name and Title

Date

LESSOR:

HEWLETT-PACKARD FINANCIAL SERVICES COMPANY²

By: _____

Name and Title

Date

SAMPLE

² Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.

ATTACHMENT A

TO

SCHEDULE TO STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT

The first payment of Rent will be due [__ days after][on] the Acceptance Date and all payments will be due [monthly][quarterly][semi-annually][annually] thereafter.

Rent Payment No.	Rent	Interest	Principal	Principal Balance	Prepayment Premium	Concluding Payments
1						
2						
3						
4						
Totals						

Please note that the Prepayment Premium is 2 % of the Principal Balance, only payable in the case of early repayment of the lease.

Lessee Please Initial and date: _____



Master Agreement Number «Master_Agreement_Number»
Schedule Number «Schedule_Number»

**STATE AND LOCAL GOVERNMENT MASTER LEASE PURCHASE AGREEMENT
ACCEPTANCE CERTIFICATE**

Hewlett-Packard Financial Services Company¹ ("Lessor") and «Name_of_Lessee», an agency, department or political subdivision of the State of _____ ("Lessee") are parties to the State and Local Government Master Lease Purchase Agreement (the "Master Agreement") and Schedule under such Master Agreement (the "Schedule") identified by the Master Agreement Number and Schedule Number, respectively, specified above. The Master Agreement and Schedule together comprise a separate Lease that is being accepted and commenced pursuant to this Acceptance Certificate. All capitalized terms used in this Acceptance Certificate without definition have the meanings ascribed to them in the Master Agreement.

1. LEASE ACCEPTANCE. Lessee hereby acknowledges that the Equipment described in Section 1 of the Schedule, or if different, the Equipment described in the attached invoice or other attachment hereto, has been delivered to the Equipment Location specified below, inspected by Lessee and found to be in good operating order and condition, and has been unconditionally and irrevocably accepted by Lessee under the Lease evidenced by the Master Agreement and the Schedule as of the Acceptance Date set forth below. Lessee authorizes Lessor to reduce the Rent payments on the Schedule to reflect the Final Invoice Amount set forth on the attached invoice(s) if such amount is different than the Total Cost on the Schedule.

2. LESSEE ACKNOWLEDGEMENTS. Lessee hereby agrees to faithfully perform all of its obligations under the Master Agreement and the Schedule and reaffirms, as of the date hereof, its representations and warranties as set forth in the Master Agreement. Lessee hereby acknowledges its agreement to pay Lessor Rent payments, as set forth in the Schedule, plus any applicable taxes, together with all other costs, expenses and charges whatsoever which Lessee is required to pay pursuant to the Master Agreement and the Schedule, in each instance at the times, in the manner and under the terms and conditions set forth in the Master Agreement and the Schedule, respectively.

3. EQUIPMENT LOCATION. The Equipment has been installed and is located at the following Equipment Location:
«TableStart:EL»«Delivery_Address»«TableEnd:EL»

4. REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants that on and as of the date hereof each of the representations and warranties made by Lessee in the Master Agreement are true, correct and complete.

«Name_of_Lessee»
By: _____

Name and Title
Acceptance Date: _____

¹ Authorized to do business in the name of Hewlett-Packard Financial Services Company, Inc. in the states of Alabama and New York.
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HP Attachment 12 - HP ESS Price List

HP's Equipment and Services Schedule (ESS) Price List is included on the subsequent pages.