



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE: Lease agreement with Dell Computer Corporation to leverage pricing structures established by the County of Marin.

RECOMMENDED MOTION: Approve Purchase Requisition for Dell Computer Corporation to enter into an agreement that will allow the City of Sausalito to lease 20 Dell workstations for 36 months; leveraging the same discount structure that the County of Marin has negotiated with Dell.

SUMMARY

Dell Computer Corporation has provided pricing for a 3 year lease agreement for 20 computers (referred to in this report as hardware) representing 20 scheduled computer replacements for fiscal year 10/11. Under the terms of this agreement, the City of Sausalito will lease the hardware for 3 years, paying sales tax only on the 3 years we will have the hardware and will either return the hardware to Dell Computer Corporation at the end of 3 years or have the option to purchase the hardware at fair market value. It is the City of Sausalito's intention to return the hardware at end of the three year lease. This will relieve our burden of disposing of the hardware at the end of its practical lifecycle but will require that we consistently adhere to our plan to replace 1/3 of desktop computers each year and budget accordingly.

BACKGROUND

In 2006, the County of Marin met with Dell Computer Corporation and the City Managers with an offer to extend the same pricing that the County of Marin has negotiated with Dell, to the individual cities and agencies within Marin County. This would represent a significant savings for the City of Sausalito and represent a reduction in costs which we cannot possibly expect to negotiate on our own with our significantly smaller budget and buying power.

In Fiscal Year 06/07, the City of Sausalito entered into a 36 month lease agreement for 20 workstations, with the intention of doing the same each year to replace roughly 1/3 of our workstations within each 3 year or 36 month cycle. This staff report and the attached purchase requisition simply represent the most recent effort in that cycle.

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The City of Sausalito has been using Dell Computers since November 2001 with great success. Dell has consistently proven to have the lowest prices of any of the top tier computer manufacturers and has reliably provided excellent value and superior customer support.

ISSUES

This lease agreement does not represent a change of any kind in which vendors or productivity resources we are likely to employ. This agreement simply presents the City of Sausalito with an opportunity to acquire those resources at a significantly lower price.

FISCAL IMPACT

Below is a table illustrating the difference between the price the City of Sausalito could expect to pay without leveraging the Marin County pricing and what the cost will actually be, working with the Marin County negotiated pricing structure and roughly what we can expect to realize in terms of savings. *This table does not include leasing fees*

Product/Vendor	Without County of Marin pricing	with County of Marin pricing	We save:
Dell Optiplex 780 Price per unit	\$1,623	\$1,377.15	
Price for 20 units:	32,460	\$27,543	
Taxes & fees	\$2,921	\$2,478	
Totals	\$35,381.00	\$30,021.49	\$5,359.51

Cost budgeted for 1st fiscal year: **\$9,782.28**
 Cost to be budgeted for 2nd fiscal year: \$9,782.28
 Cost to be budgeted for 3rd fiscal year: \$9,782.28

FUNDS EMCUMBRANCE

The following steps have been completed before submitting this request to the Council in order to ensure that the item is budgeted and that the funds have been properly encumbered for this expenditure.

 X This expenditure is budgeted in Account 100-130-7000-760 for hardware.

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X Written quotes or formal bids have been obtained from the following vendors or service providers listed below: The County of Marin has already conducted a competitive bidding process with 3 or more vendors, finally choosing Dell Computer Corporation as the lowest bidder. As our agreement leverages the pricing negotiated by the County of Marin as a result of their bidding process and the volume of business they conduct with Dell Computer Company, this satisfies the City of Sausalito's purchasing policy requirements.

X Based on the bids or price quotes received, this expenditure has been reviewed by the Finance Director and the City Manager.

X A Purchase Requisition has been created in the City's Springbrook finance system, and a copy is attached to this report.

X All bid pricing and other supporting documentation and the committed Purchase Requisition has been submitted to the appropriate Finance staff member for review.

X The Finance Director's signature has been obtained on the Purchase Requisition as reviewed by Finance staff.

X An insurance certificate ___ is required / X is not required for this expenditure. If a certificate is required, it is attached to this report.

STAFF RECOMMENDATIONS

Approve the lease of 20 new Dell workstations and sign both the PO form from Dell and our own Purchase Requisition.

ATTACHMENTS

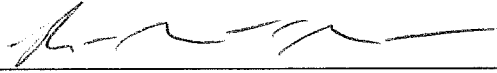
1. Quotes for pricing with and without County of Marin discount for 20 Dell workstations
2. City of Sausalito Purchase Requisition for first 12 months of the 36 month hardware lease with Finance Director authorization
3. Dell Lease document

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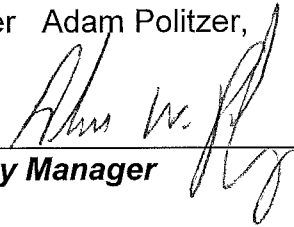
PREPARED BY:

REVIEWED & SUBMITTED BY:

Rhett Redelings-MacDermott, Technology Manager Adam Politzer,



Employee Name & Title



City Manager

Charlie Francis



Finance Director

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DELL**QUOTATION**

QUOTE #: 548259075

Customer #: 15521721

Contract #: WN95ABZ (Reflects Marin County discount)

Customer Agreement #: WNB27160

Quote Date: 7/9/10

Date: 7/9/10 2:26:27 PM

Customer Name: CITY OF SAUSALITO

TOTAL QUOTE AMOUNT:	\$30,021.49		
Product Subtotal:	\$27,543.00		
Tax:	\$2,158.49		
State Environmental Fee:	\$320.00		
Shipping & Handling:	\$0.00		
Shipping Method:	Ground	Total Number of System Groups:	1

GROUP: 1	QUANTITY: 20	SYSTEM PRICE: \$1,393.15	GROUP TOTAL: \$27,863.00
Base Unit:	OptiPlex 780 Minitower Base Standard PSU (224-6918)		
Processor:	OptiPlex 780, Core 2 Duo E8600 with VT/3.33GHz,6M,1333FSB (317-2460)		
Memory:	4GB,Non-ECC,1333MHz DDR3,2X2GB,Dell OptiPlex 580 (317-3555)		
Keyboard:	Dell USB Entry Keyboard, No Hot Keys, No Palmrest, English, OptiPlex (330-1987)		
Monitor:	Dell Professional 19 Inch Monitor P190S,HAS,USB,OptiPlex,Precision,Latitude,Enterprise (320-1090)		
Video Card:	256MB ATI RADEON HD 3450 Graphics Dual DVI and TV Out,Full Height,OptiPlex 780 Desktop and Minitower (320-1154)		
Hard Drive:	160GB SATA 3.0Gb/s and 8MB Data Burst Cache,Dell OptiPlex 780/580 (341-9792)		
Floppy Disk Drive:	Dell 19 in 1 Media Card Reader,OptiPlex 780 Minitower (341-9796)		
Operating System:	Windows 7 Professional Downgrade to XP Professional SP3, Media, Optiplex, English (421-2350)		
Operating System:	Windows 7 Downgrade RLOB (421-1993)		
Mouse:	Dell USB 2 Button Optical Mouse with Scroll,Black OptiPlex (330-2733)		
NIC:	Intel Core 2 with vPro Technology, Dell OptiPlex 780 (330-5896)		
TBU:	No RAID, Dell OptiPlex (341-8036)		
CD-ROM or DVD-ROM Drive:	Cyberlink Power DVD 8.3, No Media, Dell Relationship LOB (421-0537)		
CD-ROM or DVD-ROM Drive:	16X DVD+/-RW SATA,Data Only,Dell OptiPlex Desktop or Minitower (313-8645)		
CD-ROM or DVD-ROM Drive:	Roxio Creator Dell Edition 10.3, No Media, Dell RLOB (421-1190)		
Sound Card:	Heat Sink, Mainstream, Dell Optiplex 780 and 380 Mini Tower (330-8926)		
Speakers:	Internal Chassis Speaker Option,Dell OptiPlex Minitower (313-3350)		
Cable:	OptiPlex 780 Minitower Standard Power Supply (330-5860)		
Cable:	Dell Control Point for OptiPlex 780 (420-3276)		
Cable:	Enable Low Power Mode for EUP Compliance,Dell OptiPlex (330-7422)		
Documentation Diskette:	Documentation,English,Dell OptiPlex (330-1710)		
Documentation Diskette:	Power Cord,125V,2M,C13,Dell OptiPlex (330-1711)		
Factory Installed Software:	No Dell Energy Smart Power Management Settings,OptiPlex (467-3564)		
Feature	Resource DVD contains Diagnostics and Drivers for Dell OptiPlex 780 (313-8642)		
Service:	Dell Hardware Limited Warranty Plus Onsite Service Initial Year (905-3157)		
Service:	ProSupport for IT: Next Business Day Parts and Labor Onsite Response 2 Year Extended (905-3302)		
Service:	Dell Hardware Limited Warranty Plus Onsite Service Extended Year(s) (905-4578)		
Service:	ProSupport for IT: Next Business Day Parts and Labor Onsite Response Initial Year (906-0870)		

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Service:	ProSupport for IT: 7x24 Technical Support for certified IT Staff, 2 Year Extended (984-0002)
Service:	ProSupport for IT: 7x24 Technical Support for certified IT Staff, Initial (984-6640)
Service:	Thank you choosing Dell ProSupport. For tech support, visit http://support.dell.com/ProSupport or call 1-866-5 (989-3449)
Misc:	No Quick Reference Guide,Dell OptiPlex (310-9444)
Misc:	Shipping Material for System,Minitower,Dell OptiPlex 780/580 Minitower (330-6473)
	You have chosen a vPro System (310-9490)
	State Environmental Fee for display 15 inches, less than 35 inches (600-0040)

SALES REP:	Jennifer Coan	PHONE:	512-725-0104
Email Address:	Jennifer_Coan@Dell.com	Phone Ext:	

For shipments of certain products to California, a State Environmental Fee has been added to your quote.

Please review this quote carefully. If complete and accurate, you may place your order online at www.dell.com/qto (use quote number above). POs and payments should be made to *Dell Marketing L.P.*

If you do not have a separate agreement with Dell that applies to your order, please refer to www.dell.com/terms as follows:

If purchasing for your internal use, your order will be subject to *Dell's Terms and Conditions of Sale-Direct* including Dell's U.S. Return Policy, at www.dell.com/returnpolicy#total. If purchasing for resale, your order will be subject to *Dell's Terms and Condition of Sale for Persons or Entities Purchasing to Resell*, and other terms of Dell's PartnerDirect program at www.dell.com/partner. If your order includes services, visit www.dell.com/servicecontracts for service descriptions and terms.

Quote information is valid for U.S. customers and U.S. addresses only, and is subject to change. Sales tax on products shipped is based on "Ship To" address, and for downloads is based on "Bill To" address. Please indicate any tax-exempt status on your PO, and fax your exemption certificate, with seller listed as *Dell Marketing L.P.*, to Dell's Tax Department at 800-433-9023. Please include your Customer Number.

For certain products shipped to end-users in California, a State Environmental Fee will be applied. For Asset Recovery/Recycling Services, visit www.dell.com/assetrecovery.

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DELL FINANCIAL SERVICES LEASE PROPOSAL

City of Sausalito

July 9, 2010

LEASE PROGRAM:				Fair Market Value			
Dell Quote #	Equipment	Unit Price	Qty.	Total Amount Financed	Payment Frequency	Lease Term (months)	Lease Payments (Advance)
548259075	OptiPlex 780	\$1,393.15	20	\$27,863.00	Monthly Advance	36	\$793.82
Estimated Personal Property Tax					Monthly	36	\$21.37
Total:				\$27,863.00			\$815.19

LESSEE: City of Sausalito

LESSOR: Dell Financial Services LP, and/or its successors and assigns.

END OF LEASE OPTIONS:

Fair Market Value

Options available to lessee upon completion of the base lease term are as follows:

- 1) Exercise the option to purchase the products for its then fair market value.
- 2) Return all products to lessor at lessee's expense. Or 3) Renew the Lease on a fair market renewal basis.

LEASE QUOTE: The Lease Quote is **exclusive** of shipping costs, maintenance fees, filing fees, licensing fees, property or use taxes, insurance premiums and similar items which shall be for Lessee's account. Lessee will pay Payments and all other amounts without set-off, abatement or reduction for any reason whatsoever. Additionally, Lessee shall declare and pay all sales and personal property taxes to the appropriate taxing authorities. **If you are sales tax exempt, please fax a copy of your Exemption Certificate with the Lease Contract.**

PURCHASE ORDER: The Purchase Order will be made out to Dell Financial Services, One Dell Way, RR3 Box 8405, Round Rock, TX 78682. The Purchase Order will include the quote number, quantity and description of the equipment. Please be sure to indicate that the PO is for a lease order and shows the type of lease, the term length, and payment frequency. The date of the lease quote referenced should be included. Please be sure to include any applicable shipping costs as a line item. Please include your address as the SHIP TO destination.

INSURANCE: The risk of loss on the Equipment is borne solely by the Lessee. Lessee shall be required to purchase and maintain during the Term (i) comprehensive public liability insurance naming Lessor as additional insured; (ii) "all-risk" physical damage insurance in a minimum amount of the Purchase Price, naming Lessor as first loss payee; and, (iii) workmen's compensation insurance.

DOCUMENTATION: Duly executed Agreement and other appropriate documents, including, opinions of counsel, UCC financing statements, audited financials and such other documentation as is reasonably requested by Lessor.

PROPOSAL VALIDITY/APPROVALS: This is a proposal based upon current market conditions and is valid for 30 days, subject to final credit approval, review of the economics of the transaction, and execution of mutually acceptable documentation.

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DELL**QUOTATION**

QUOTE #: 548632911

Customer #: 15521721

Contract #: 70137

Customer Agreement #: Dell Std Terms

Quote Date: 7/13/10

Date: 7/13/10 11:15:12 AM

Customer Name: CITY OF SAUSALITO

TOTAL QUOTE AMOUNT:	\$35,381.00		
Product Subtotal:	\$32,460.00		
Tax:	\$2,601.00		
State Environmental Fee:	\$320.00		
Shipping & Handling:	\$0.00		
Shipping Method:	Ground	Total Number of System Groups:	1

GROUP: 1	QUANTITY: 20	SYSTEM PRICE: \$1,639.00	GROUP TOTAL: \$32,780.00
Base Unit:	OptiPlex 780 Minitower Base Standard PSU (224-6918)		
Processor:	OptiPlex 780, Core 2 Duo E8600 with VT/3.33GHz,6M,1333FSB (317-2460)		
Memory:	4GB,Non-ECC,1333MHz DDR3,2X2GB,Dell OptiPlex 580 (317-3555)		
Keyboard:	Dell USB Entry Keyboard, No Hot Keys, No Palmrest, English, OptiPlex (330-1987)		
Monitor:	Dell Professional 19 Inch Monitor P190S,HAS,USB,OptiPlex,Precision,Latitude,Enterprise (320-1090)		
Video Card:	256MB ATI RADEON HD 3450 Graphics Dual DVI and TV Out,Full Height,OptiPlex 780 Desktop and Minitower (320-1154)		
Hard Drive:	160GB SATA 3.0Gb/s and 8MB Data Burst Cache,Dell OptiPlex 780/580 (341-9792)		
Floppy Disk Drive:	Dell 19 in 1 Media Card Reader,OptiPlex 780 Minitower (341-9796)		
Operating System:	Windows 7 Professional Downgrade to XP Professional SP3, Media, Optiplex, English (421-2350)		
Operating System:	Windows 7 Downgrade RLOB (421-1993)		
Mouse:	Dell USB 2 Button Optical Mouse with Scroll,Black OptiPlex (330-2733)		
NIC:	Intel Core 2 with vPro Technology, Dell OptiPlex 780 (330-5896)		
TBU:	No RAID, Dell OptiPlex (341-8036)		
CD-ROM or DVD-ROM Drive:	Cyberlink Power DVD 8.3, No Media, Dell Relationship LOB (421-0537)		
CD-ROM or DVD-ROM Drive:	16X DVD+/-RW SATA,Data Only,Dell OptiPlex Desktop or Minitower (313-8645)		
CD-ROM or DVD-ROM Drive:	Roxio Creator Dell Edition 10.3, No Media, Dell RLOB (421-1190)		
Sound Card:	Heat Sink, Mainstream, Dell Optiplex 780 and 380 Mini Tower (330-8926)		
Speakers:	Internal Chassis Speaker Option,Dell OptiPlex Minitower (313-3350)		
Cable:	OptiPlex 780 Minitower Standard Power Supply (330-5860)		
Cable:	Dell Control Point for OptiPlex 780 (420-3276)		
Cable:	Enable Low Power Mode for EUP Compliance,Dell OptiPlex (330-7422)		
Documentation Diskette:	Documentation,English,Dell OptiPlex (330-1710)		
Documentation Diskette:	Power Cord,125V,2M,C13,Dell OptiPlex (330-1711)		
Factory Installed Software:	No Dell Energy Smart Power Management Settings,OptiPlex (467-3564)		
Feature	Resource DVD contains Diagnostics and Drivers for Dell OptiPlex 780 (313-8642)		
Service:	Dell Hardware Limited Warranty Plus Onsite Service Initial Year (905-3157)		
Service:	ProSupport for IT: Next Business Day Parts and Labor Onsite Response 2 Year Extended (905-3302)		
Service:	Dell Hardware Limited Warranty Plus Onsite Service Extended Year(s) (905-4578)		
Service:	ProSupport for IT: Next Business Day Parts and Labor Onsite Response Initial Year (906-0870)		

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Service:	ProSupport for IT: 7x24 Technical Support for certified IT Staff, 2 Year Extended (984-0002)
Service:	ProSupport for IT: 7x24 Technical Support for certified IT Staff, Initial (984-6640)
Service:	Thank you choosing Dell ProSupport. For tech support, visit http://support.dell.com/ProSupport or call 1-866-5 (989-3449)
Misc:	No Quick Reference Guide, Dell OptiPlex (310-9444)
Misc:	Shipping Material for System, Minitower, Dell OptiPlex 780/580 Minitower (330-6473)
	You have chosen a vPro System (310-9490)
	State Environmental Fee for display 15 inches, less than 35 inches (600-0040)

SALES REP:	Jennifer Coan	PHONE:	512-725-0104
Email Address:	Jennifer_Coan@Dell.com	Phone Ext:	

For shipments of certain products to California, a State Environmental Fee has been added to your quote.

Please review this quote carefully. If complete and accurate, you may place your order online at www.dell.com/qto (use quote number above). POs and payments should be made to *Dell Marketing L.P.*

If you do not have a separate agreement with Dell that applies to your order, please refer to www.dell.com/terms as follows:

If purchasing for your internal use, your order will be subject to *Dell's Terms and Conditions of Sale-Direct* including Dell's U.S. Return Policy, at www.dell.com/returnpolicy#total. If purchasing for resale, your order will be subject to *Dell's Terms and Condition of Sale for Persons or Entities Purchasing to Resell*, and other terms of Dell's PartnerDirect program at www.dell.com/partner. If your order includes services, visit www.dell.com/servicecontracts for service descriptions and terms.

Quote information is valid for U.S. customers and U.S. addresses only, and is subject to change. Sales tax on products shipped is based on "Ship To" address, and for downloads is based on "Bill To" address. Please indicate any tax-exempt status on your PO, and fax your exemption certificate, with seller listed as *Dell Marketing L.P.*, to Dell's Tax Department at 800-433-9023. Please include your Customer Number.

For certain products shipped to end-users in California, a State Environmental Fee will be applied. For Asset Recovery/Recycling Services, visit www.dell.com/assetrecovery.

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DELL FINANCIAL SERVICES LEASE PROPOSAL

City of Sausalito

July 13, 2010

LEASE PROGRAM:				Fair Market Value			
Dell Quote #	Equipment	Unit Price	Qty.	Total Amount Financed	Payment Frequency	Lease Term (months)	Lease Payments (Advance)
548632911	OptiPlex 780	\$1,639.00	20	\$32,780.00	Monthly Advance	36	\$933.90
Estimated Personal Property Tax					Monthly	36	\$25.14
Total:				\$32,780.00			\$959.04

LESSEE: City of Sausalito
LESSOR: Dell Financial Services LP, and/or its successors and assigns.

END OF LEASE OPTIONS:

Fair Market Value

Options available to lessee upon completion of the base lease term are as follows:

- 1) Exercise the option to purchase the products for its then fair market value.
- 2) Return all products to lessor at lessee's expense. Or 3) Renew the Lease on a fair market renewal basis.

LEASE QUOTE: The Lease Quote is **exclusive** of shipping costs, maintenance fees, filing fees, licensing fees, property or use taxes, insurance premiums and similar items which shall be for Lessee's account. Lessee will pay Payments and all other amounts without set-off, abatement or reduction for any reason whatsoever. Additionally, Lessee shall declare and pay all sales, use and personal property taxes to the appropriate taxing authorities. **If you are sales tax exempt, please fax a copy of your Exemption Certificate with the Lease Contract.**

PURCHASE ORDER: The Purchase Order will be made out to Dell Financial Services, One Dell Way, RR3 Box 8405, Round Rock, TX 78682. The Purchase Order will include the quote number, quantity and description of the equipment. Please be sure to indicate that the PO is for a lease order and shows the type of lease, the term length, and payment frequency. The date of the lease quote referenced should be included. Please be sure to include any applicable shipping costs as a line item. Please include your address as the SHIP TO destination.

INSURANCE: The risk of loss on the Equipment is borne solely by the Lessee. Lessee shall be required to purchase and maintain during the Term (i) comprehensive public liability insurance naming Lessor as additional insured; (ii) "all-risk" physical damage insurance in a minimum amount of the Purchase Price, naming Lessor as first loss payee; and, (iii) workmen's compensation insurance.

DOCUMENTATION: Duly executed Agreement and other appropriate documents, including, opinions of counsel, UCC financing statements, audited financials and such other documentation as is reasonably requested by Lessor.

PROPOSAL VALIDITY/APPROVALS: This is a proposal based upon current market conditions and **is valid for 30 days,** subject to final credit approval, review of the economics of the transaction, and execution of mutually acceptable documentation.

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LEASE NO: 001 - 008570903 - 005



RHETT REDELINGS
CITY OF SAUSALITO
420 LITHO ST
SAUSALITO, CA 94965

JULY 16, 2010 08:30:53 AM

Dear CITY OF SAUSALITO:

Thank you for choosing Dell Financial Services for your equipment leasing needs. We are enclosing the Lease and the Attachment A for your review. Once you have inspected the documents, please follow the five simple steps listed below:

Step ① Sign and Date the **YOU/LESSEE** section only on **Page 2 of 4** and print your **NAME** and **TITLE**.

~~Step ② If your name is **PRE-PRINTED**, please verify the Social Security #, **Sign and Date the Personal Guaranty** section on **Page 2 of 4** and provide your **HOME ADDRESS**.~~

Step ③ Provide your Federal Employer Identification (**FEI**) Number on **Page 2 of 4**.

Step ④ After completing steps 1 through 3, **FAX ALL PAGES (Including Attachment A)** to **512-283-9380** and keep the original for your records.

Step ⑤ **(Optional)** For the ease and convenience of **AUTOPAY**, please complete the enclosed form and fax it back with your Lease.

****NOTE: The Supplier cannot begin to build and/or ship the Products until ALL of these steps have been completed.**

Signing and returning this Lease Agreement constitutes an offer by you to lease the equipment described in Attachment A. The Lease Agreement is subject to acceptance by Dell Financial Services. Dell Financial Services may accept this Lease Agreement by authorizing the Supplier to release the applicable orders into production or by authenticating the Lease Agreement.

Thanks again for choosing Dell Financial Services. If you have any questions regarding the enclosed documentation, please feel free to call me.

800-955-3355 ext 723-7225

*******Helpful Information*******

Lease Related: Your DFS Lease Number is: **001 - 008570903-005**
Equipment Related: Your DELL Customer Number is: **15521721**
Equipment Related: For equipment support or questions call Dell Inc. at **(888) 560-8324**

View www.Dell.com/Support for your order status once your Lease paperwork is complete or call (800) 879-3355

The first invoice you receive once your Lease commences will include your **Monthly Rent Payment, any applicable taxes and/or fees** and the shipping charge to get the products to you if your Lease indicates that **SHIPPING** charges **ARE NOT** included in your Monthly Rent Payment in the Financing Terms section on page one of the Lease. **Subsequent invoices will only include your Monthly Rent Payments and any applicable taxes and/or fees.**

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LEASE NO: 001 - 008570903-005



Financial Services

Your Dell Customer Number is: 15521721



Company No: 83

THIS LEASE AGREEMENT ("LEASE") SETS FORTH YOUR RESPONSIBILITIES AND OBLIGATIONS WITH REGARD TO YOUR LEASE OF THE PRODUCTS. IF THIS LEASE HAS BEEN PROVIDED TO YOU ELECTRONICALLY AND YOU WISH TO ENTER INTO THIS LEASE ELECTRONICALLY, YOUR SIGNATURE ON THE ACCOMPANYING "ELECTRONIC SIGNATURE E-MAIL" WILL CONSTITUTE YOUR AGREEMENT TO DO BUSINESS AND RECEIVE ALL RELATED RECORDS ELECTRONICALLY. SAVE AND DOWNLOAD OR PRINT A COPY OF THE LEASE AND ACCOMPANYING E-MAILS AND RETAIN THEM FOR YOUR RECORDS.

THIS LEASE HAS BEEN WRITTEN IN "PLAIN ENGLISH". WHEN WE USE YOU AND YOUR IN THIS LEASE WE MEAN YOU, THE CUSTOMER WHO IS THE LESSEE INDICATED BELOW. WHEN WE USE WE, US AND OUR WE MEAN THE LESSOR, DELL FINANCIAL SERVICES L.L.C.

FULL LEGAL NAME OF LESSEE CITY OF SAUSALITO		LEASE TERM (MONTHS) 36	MONTHLY RENT PAYMENT^ \$793.82 <small>^Subject to Applicable Tax</small>	MONTHLY PERSONAL PROPERTY MGMT FEE^ \$21.36 <small>^Subject to Applicable Tax</small>	COMMENCEMENT DATE
DBA NAME (IF ANY)	TYPE OF BUSINESS Municipality	FINANCING TERMS Product Cost = \$27,863.00 (MONTHLY RENT PAYMENTS ARE DUE AND PAYABLE IN ADVANCE) **Charges to ship to you ARE NOT included in the Monthly Rental Payment, and WILL appear as a one time charge on your first invoice.			
BILLING ADDRESS: STREET, CITY, STATE, ZIP CODE 420 LITHO ST SAUSALITO CA 94965					
PRODUCT LOCATION SEE ATTACHMENT A		GENERAL PRODUCT DESCRIPTION/SUPPLIER SEE ATTACHMENT A			
GUARANTOR (IF ANY)	SOCIAL SECURITY NUMBER	END OF LEASE PURCHASE OPTION Fair Market Value			

TERMS AND CONDITIONS OF LEASE

1. NO WARRANTIES: WE ARE LEASING THE PRODUCTS TO YOU "AS-IS". YOU ACKNOWLEDGE THAT WE DO NOT MANUFACTURE OR SUPPLY THE PRODUCTS, WE DO NOT REPRESENT THE MANUFACTURER OR SUPPLIER AND YOU HAVE SELECTED THE PRODUCTS AND THE SUPPLIER BASED ON YOUR OWN JUDGMENT. WE MAKE NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE PRODUCT OR ANY SERVICES. PROVIDED NO EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING, WE HEREBY ASSIGN TO YOU FOR THE TERM OF THE LEASE ALL WARRANTIES MADE TO US BY SUPPLIER, MANUFACTURER, AND ANY SERVICE PROVIDER TO YOU, AND YOU AGREE THAT YOU WILL MAKE ALL CLAIMS OF ANY KIND RELATING TO THE PRODUCTS OR SERVICES AGAINST SUCH SUPPLIER, MANUFACTURER, AND/OR SERVICE PROVIDER.

2. ACCEPTANCE; ENTIRE AGREEMENT; DELIVERY; ELECTRONIC SIGNATURES AND RECORDS: BY SIGNING THIS LEASE: (a) YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED, READ, UNDERSTAND AND AGREE TO ALL OF THE TERMS AND CONDITIONS (SECTIONS NUMBERED 1-18, PAGES 1-4) AND ATTACHMENT A OF THIS LEASE; (b) YOU AGREE THAT THIS LEASE IS A NET LEASE AND YOU CANNOT TERMINATE OR CANCEL AND UPON ACCEPTANCE OF THE PRODUCTS YOU HAVE AN UNCONDITIONAL OBLIGATION TO MAKE ALL PAYMENTS UNDER THIS LEASE AND YOU CANNOT WITHHOLD, SETOFF OR REDUCE SUCH PAYMENTS FOR ANY REASON; (c) YOU AGREE THAT THE PRODUCTS WILL BE USED FOR BUSINESS PURPOSES ONLY AND NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES; (d) YOU CONFIRM THAT THE PERSON SIGNING THIS LEASE FOR YOU HAS THE AUTHORITY TO DO SO AND TO GRANT THE POWER OF ATTORNEY IN SECTION 6; (e) YOU AGREE THAT THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES AND TO THE EXTENT APPLICABLE, THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT AND YOU CONSENT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN THAT STATE AND YOU EXPRESSLY WAIVE THE RIGHT TO A TRIAL BY JURY; (f) YOU ACKNOWLEDGE AND AGREE THAT THIS LEASE IS SUBJECT TO THE ARBITRATION PROVISIONS SET FORTH IN SECTION 16 AND YOU UNDERSTAND AND AGREE THAT IN ARBITRATION: YOU GIVE UP RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; YOUR ABILITY TO COMPEL OTHER PARTIES TO PRODUCE DOCUMENTS OR BE EXAMINED IS MORE LIMITED THAN IN A LAWSUIT; AND, YOUR RIGHTS TO APPEAL OR CHANGE ANY ARBITRATION AWARD IN ANY COURT ARE STRICTLY LIMITED; AND (g) YOU CONFIRM THAT THE INFORMATION IN ANY CREDIT APPLICATION, STATEMENT, TRADE REFERENCE OR FINANCIAL REPORT SUBMITTED TO US IS TRUE AND CORRECT AND YOU UNDERSTAND THAT ANY MATERIAL MISREPRESENTATION SHALL CONSTITUTE A DEFAULT UNDER THE LEASE. YOU AGREE TO BE BOUND BY THIS LEASE BY SIGNING IT. IF THIS LEASE HAS BEEN PROVIDED TO YOU ELECTRONICALLY ALONG WITH AN ACCOMPANYING ELECTRONIC SIGNATURE E-MAIL AND YOU WISH TO ENTER INTO THIS LEASE ELECTRONICALLY, YOU MAY SIGN THIS LEASE BY COMPLETING THE ELECTRONIC ACCEPTANCE PROCEDURE IN THE ACCOMPANYING ELECTRONIC SIGNATURE E-MAIL, INCORPORATED HEREIN, AND FORWARDING THE COMPLETED ELECTRONIC SIGNATURE E-MAIL AND THIS LEASE TO US BY E-MAIL. OTHERWISE, YOU MUST SIGN THIS LEASE BY COMPLETING THE SIGNATURE BOX ON A PRINTED COPY OF THE LEASE AND RETURN IT TO US EITHER BY FACSIMILE TRANSMISSION OR BY U.S. MAIL. IF YOU DELIVER THIS SIGNED LEASE TO US BY FACSIMILE TRANSMISSION, AND WE DO NOT RECEIVE ALL OF THE PAGES TO THE LEASE, YOU AGREE THAT, EXCEPT FOR ANY PAGES WHICH REQUIRE YOUR SIGNATURE, WE MAY SUPPLY THE MISSING PAGES TO THE LEASE FROM OUR DATABASE WHICH CONFORMS TO THE VERSION NUMBER AT THE BOTTOM OF THE PAGE. IF YOU DELIVER THIS SIGNED LEASE TO US BY E-MAIL, FACSIMILE TRANSMISSION OR BY U.S. MAIL, YOU ACKNOWLEDGE THAT WE ARE



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RELYING ON YOUR REPRESENTATION THAT THIS LEASE HAS NOT BEEN ALTERED. YOU FURTHER AGREE THAT, NOTWITHSTANDING ANY RULE OF EVIDENCE TO THE CONTRARY, IN ANY HEARING, TRIAL OR PROCEEDING OF ANY KIND WITH RESPECT TO THIS LEASE, WE MAY PRODUCE A TANGIBLE COPY OF THE LEASE TRANSMITTED BY YOU TO US BY FACSIMILE OR E-MAIL WITH THE ELECTRONIC SIGNATURE PROCEDURE AND SUCH SIGNED COPY SHALL BE DEEMED TO BE THE ORIGINAL OF THIS LEASE. TO THE EXTENT (IF ANY) THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, THE AUTHORITATIVE COPY OF THE LEASE SHALL BE THE COPY DESIGNATED BY US OR OUR ASSIGNEE, FROM TIME TO TIME, AS THE COPY AVAILABLE FOR ACCESS AND REVIEW BY YOU AND US OR OUR ASSIGNEE. ALL OTHER COPIES ARE DEEMED IDENTIFIED AS COPIES OF THE AUTHORITATIVE COPY. IN THE EVENT OF INADVERTENT DESTRUCTION OF THE AUTHORITATIVE COPY, OR CORRUPTION OF THE AUTHORITATIVE COPY FOR ANY REASON OR AS THE RESULT OF ANY CAUSE, THE AUTHORITATIVE COPY MAY BE RESTORED FROM A BACKUP OR ARCHIVE COPY, AND THE RESTORED COPY SHALL BECOME THE AUTHORITATIVE COPY. AT OUR OPTION, THIS ELECTRONIC RECORD MAY BE CONVERTED INTO PAPER FORM. AT SUCH TIME, SUCH PAPER COPY WILL BE DESIGNATED OR MARKED AS THE AUTHORITATIVE COPY OF THE LEASE.

YOU/LESSEE: CITY OF SAUSALITO		US/LESSOR: (For DFS use only) Dell Financial Services L.L.C. Phone (800) 955-3355 99355 Collections Center Drive Fax (800) 934-4207 or Chicago, IL 60693 Fax (512) 246-2028	
AUTHORIZED SIGNATURE:		AUTHORIZED SIGNATURE: (For DFS use only)	
PRINT NAME AND TITLE:	DATE	PRINT NAME AND TITLE: (For DFS use only)	DATE

Step ①. Please sign and date the YOU/LESSEE section and print your name and Title.

PERSONAL AND CONTINUING GUARANTY OF LEASE NO. 001 - 008570903 - 005

This personal and continuing guaranty ("Guaranty") creates specific legal obligations. When we use the words you and your in this Guaranty we mean the personal guarantors indicated below. When we use the words we, us and our in the Guaranty we mean the Lessor indicated in the Lease. In consideration of our entering into the Lease, you unconditionally and irrevocably guarantee to us, our successors and assigns, the prompt payment and performance of all obligations of Lessee under the Lease regardless of any circumstance which might otherwise be a defense available to, or a discharge of, Lessee or you. You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against Lessee or the Products. You waive all defenses and notices, including those of protest, presentment and demand, notice of acceptance hereof and all other notices of any kind. You agree that we can renew, extend or otherwise modify the terms of the Lease without releasing you. You will pay all our expenses including attorneys' fees incurred by us in enforcing our rights against you. This is a continuing guaranty that will not be discharged or affected by your death and will bind your heirs, administrators and personal representatives. We may, without affecting your liability hereunder, compromise or release any rights against Lessee or the Products or you. You consent to the transfer, sale or any other disposition of the Products and the Lease. If more than one person has signed this Guaranty, each of you agrees that its liability is joint and several. This Guaranty may be enforced by any assignee or successor of ours to the same extent as we may enforce it. You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit and make other credit inquiries that we determine are necessary. THIS GUARANTY SHALL BE GOVERNED BY THE INTERNAL LAWS OF ILLINOIS, WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES AND TO THE EXTENT APPLICABLE, THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. YOU EXPRESSLY AGREE TO ARBITRATION AS PROVIDED IN PARAGRAPH 14.

Date: _____ (Date Signed)	_____ INDIVIDUAL GUARANTOR NAME (PRINTED)	_____ GUARANTOR SOCIAL SECURITY NUMBER
	By _____ SIGNATURE INDIVIDUAL GUARANTOR (NO TITLE)	_____ GUARANTOR HOME ADDRESS (STREET, CITY, STATE AND ZIP CODE)

Step ②. If your name is pre-printed, please SIGN and date the Personal Guaranty section and provide your home address.

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FEDERAL EMPLOYER IDENTIFICATION # (or SOCIAL SECURITY NUMBER for SOLE PROPRIETORS)

Step ③. If your FEI number is not pre-printed, you **MUST** provide it in the box above.

IF WE SEND THIS LEASE TO YOU BY AN E-MAIL AND YOU ARE COMPLETING THE ELECTRONIC ACCEPTANCE PROCEDURE OUTLINED IN THE E-MAIL, PLEASE DO NOT COMPLETE STEPS 1-3 ABOVE.

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3. Lease; Acceptance and Commencement; Term; Rent: We agree to lease to you and you agree to lease from us the products, services, and software (the "Products") described in Attachment A to this Lease on the terms and conditions shown in this Lease. With respect to services, we will only finance one-time charges for services rendered in connection with the Products. Services may include delivery and installation fees, or similar services ("Services"). The Products will be deemed irrevocably accepted for purposes of this Lease five (5) days after shipment from the Supplier (the "Acceptance Date"). This Lease will begin on the Commencement Date specified on the first page of this Lease, or if no date is specified, you give us the right to insert the Commencement Date as the 1st, 5th, 9th, 13th, 17th or 21st of the month following the Acceptance Date (the "Commencement Date"). When you receive the Products, you agree to inspect them promptly and advise us if they are not in good working order. If any of the Products are accepted for return by Dell Inc. ("Dell") under Dell's Return Policy, found at www.dell.com (the "Policy"), in the time, condition and manner required by Dell under the Policy, we will apply any payment we receive from Dell as a credit against the amounts owed under this Lease, however, you agree that you shall continue to owe all unpaid amounts. You are responsible for freight charges to deliver and return the Products under the Policy. Contact Dell for complete details regarding the Policy. If payments are due in arrears, the first Rent payment is due thirty (30) days after the Commencement Date. If payments are due in advance, the first Rent payment is due on the Commencement Date. Added to the first payment of Rent shall be a prorated portion of Rent calculated based on a 30-day month or 90-day quarter (as appropriate) for the period from the Acceptance Date to the Commencement Date. Subsequent payments of Rent are due on the same day of each subsequent month (or the following day of the subsequent month if there is no such day). You agree to pay us the Rent for the number of months of the Lease Term stated above. You will make all payments required under this Lease to us at the address we specify in writing. You authorize us to adjust the Rent amount (increase or decrease) listed above based on changes in the actual Product Cost (which is all amounts we have paid or will pay in connection with the purchase, delivery, and installation of the Products, including any trade-up and buyout amounts) provided that any increase in Rent amount will not result in more than a 15% increase to the Rent payment listed above. You agree to allow us to adjust the Rent amount above if the actual Product Cost varies from the Product cost shown above. If any payment of Rent or other amount payable to us is not paid within ten (10) days after the due date, you will pay us a late charge equal to the greater of (i) 1.50% of the late payment amount or (ii) \$5.00 for each late payment (or if less, the highest amount permitted by applicable law).

4. Selection and Ordering of Products: You select the type and quantity of the Products subject to this Lease. If you have entered into a purchase or supply contract ("Supply Contract") with any Supplier, you assign your rights but not your obligations (other than the obligation to pay for the Products if accepted by you under this Lease) effective prior to the passage of title by the Supplier to you.

5. Location; Use; Alterations; Inspection: You will use the Products solely at the location specified in the Lease, or if none is specified, at your billing address. Except for temporary relocation of notebook personal computers, you may not move the Products without our prior written consent, which shall not be unreasonably withheld. At your own expense, you will maintain the Products in good repair, condition and functional order (except for ordinary wear and tear) and will use them in compliance with all applicable laws. You will use all software in accordance with the end user license terms of the applicable software license agreement ("License"). You may make additions or improvements to the Products unless the addition or improvement would violate any License, decrease the value of Products, or impair their utility. You may remove any such addition or improvement at the end of the Lease if (i) you repair any damage to Products resulting from the removal; (ii) you restore the Products to their original and functional condition (excluding ordinary wear and tear); and, (iii) the removal does not violate any License or render the Products incapable of use or operation. All additions or improvements not removed will become our property at no cost to us. You agree that, we, our assignees, and agents, may inspect the Products at the premises where the Products are located at any reasonable time with prior notice.

6. Title; Quiet Enjoyment; Personal Property; Filing: Except for software that is subject to a separate License, we are the owner of and will hold title to the Products. You will keep the Products free from any and all liens, encumbrances and claims. So long as you are not in Default under the Lease, we will not interfere with your quiet use and enjoyment of the Products during the Lease Term or any renewal term. Unless the Purchase Option is \$1, you agree that this transaction is intended to be a true lease under UCC Article 2A. However, if this transaction is deemed to be a lease intended for security under UCC Article 9, you grant us a purchase money security interest in all of your rights and interest in and to the Products (including your right to use any software to the extent not prohibited by your License) and any replacements, substitutions, additions, attachments, and all proceeds thereof. You authorize us to file any financing statements or related filings as we may reasonably deem necessary or appropriate. You agree to pay a one-time Transaction Processing Fee to cover our costs for such filing and other documentation costs.

7. Loss or Damage: From the time the Products are delivered to a carrier for shipment to you until their return to us, you are responsible for any loss, theft, damage to or destruction of the Products ("Loss") from any cause at all, whether or not the Loss is covered by insurance. You are required to make all payments under the Lease even if there is a Loss. You must notify us immediately if there is any Loss. Then at our option, you will either (a) repair the Products so they are in good condition and working order to our satisfaction; or (b) replace the Products with like products in good condition and repair and of the same manufacture and equal or greater capacity and capability, with clear title thereto in us; or (c) pay us the "Stipulated Loss Value" which is the sum of: (i) all Rent payments for all the Products and other amounts past due (plus interest thereon) or currently owed to us under the Lease, including unpaid taxes; (ii) all future Rent payments that would accrue over the remaining Lease Term plus our estimated value of our residual interest of all of the Products at the end of the Lease Term, such sum to be discounted to present value at a discount rate equal to the Two-Year U.S. Treasury Constant Yield Maturity Rate in effect on the date you provide notice of the Loss ("Discount Rate") and (iii) any costs and expenses incurred as a result of this event. When you pay the amount of (c) above to us, we will transfer to you our interest in the Products, "**AS-IS-WHERE-IS**", without any warranty, express or implied, including warranty of merchantability or fitness for any particular purpose.

8. Insurance: For the Lease Term set forth above, you will provide and maintain, at your expense, (a) property insurance against the loss or theft of or damage to the Products, for their full replacement value naming us as loss payee and (b) public liability and third party property damage insurance naming us as an additional insured. All insurance shall be in a form and amount and with companies satisfactory to us and will provide that we will be given thirty (30) days written notice before cancellation or material change of the policy. At our request, you will deliver the policies or certificates of insurance to us. If you do not give us evidence of insurance acceptable to us we have the right, but not the obligation, to obtain such insurance covering our interest in the Products for the Lease Term. The cost for such insurance will be an additional amount due from you under the Lease.

9. Taxes: You will pay when due, either directly or to us on demand, all taxes (local, state and federal), fines or penalties which may now or hereafter be imposed or levied upon the Lease and the Products, excluding taxes on our net income. We do not have to contest any taxes, fines or penalties. You agree to pay a personal property tax management fee calculated by us and based on the cost of the annual property tax assessed on the Products during the Lease Term. This fee shall be payable with each installment of Rent.

10. Return: Unless the Lease is renewed or you purchase the Products in accordance with the terms of the Lease, you will immediately deliver the Products (including but not limited to cables, power cords, keys, etc.) in good repair, operable condition and able to qualify for the manufacturer's warranty service (ordinary wear and tear excepted) to any place in the continental United States that we direct. Upon your return of the Products, you agree that your license with respect to the operating system software terminates and you certify that you will either (i) return all copies of the manuals, printed material, certificates of authenticity and media (the "Operating System Software Kit") or (ii) destroy all copies of the Operating System Software Kit, leaving the original operating system installed and functional. You will pay all expenses for deinstalling, packing and shipping and you will insure the Products for the full replacement value during shipping. You will immediately pay us on demand the costs and expenses of all missing or damaged Products.

11. Purchase Option; Automatic Renewal: If no Default exists under the Lease, you will have the option at the end of the Lease Term to purchase all (but not less than all) of the Products for the amount of the Purchase Option price shown above which, if it is the then Fair Market Value of the Products ("FMV"), will be as determined by us, plus any applicable taxes. Unless the Purchase Option price is \$1, you must give us written notice at least ninety

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(90) days before the end of the Lease Term that you will purchase the Products or that you will return the Products to us. Unless you timely provide such written notice of intent and purchase the Products or return the Products to us on the last day of the Lease Term, this Lease will automatically renew on a continuing month-to-month basis until you give us thirty (30) days notice and deliver the Products to us. During such renewal terms, the Rent payment will remain the same. If the Fair Market Value Purchase Option has been selected we will use our reasonable judgment to determine the Products' in place value. If you do not agree with our determination, the fair market retail value will be determined for you at your expense by an independent appraiser selected by us and reasonably approved by you. Upon payment in full of the Purchase Option price and any amounts which may be due hereunder, we will transfer our interest in the Products to you "AS-IS-WHERE-IS", without any warranty whatsoever, and the Lease will terminate.

12. Assignment: YOU MAY NOT ASSIGN, SELL, TRANSFER, OR SUBLEASE THE PRODUCTS OR YOUR INTEREST IN THIS LEASE. We may, without notifying you, sell, assign or transfer the Lease and our rights in the Products. You agree that the transferee will have the same rights and benefits that we have now under this Lease, but not our obligations. The rights of the transferee will not be subject to any claim, defense, or setoff that you may have against us.

13. Default: Each of the following is a default ("Default") under the Lease: (a) you fail to pay any Rent or any other payment within 10 days of its due date; (b) you do not perform any of your obligations under the Lease or in any other agreement with us or with any of our affiliates and this failure continues for 10 days after we have notified you of it; (c) you become insolvent, you dissolve or are dissolved, you assign your assets for the benefit of your creditors or enter voluntarily or involuntarily any bankruptcy or other reorganization proceeding; (d) you or any Guarantor provide us incorrect or untrue information regarding any material matter in connection with your application for credit or entering into this Lease; or (e) if this Lease has been guaranteed by someone other than you, any guarantor of the Lease dies, does not perform its obligations under the Guaranty or becomes subject to one of the events listed in clause (c).

14. Remedies: If a Default occurs, we may do one or more of the following: (a) we may cancel or terminate the Lease or any agreements that we have entered into with you or withdraw any offer of credit; (b) we may require you to pay us, as compensation for loss of our bargain and not as a penalty, a sum equal to (i) the Stipulated Loss Value calculated under Section 7 plus (ii) any costs and expenses (including breakage fees) incurred as a result of the Default; (c) we may require you to deliver the Products to us as set forth in Section 10; (d) we or our agent may peacefully repossess the Products without court order and you will not make any claims against us for trespass, damages or any other reason and (e) we may exercise any other right at law or in equity. Further, with respect to software, if a Default occurs, you agree upon notice from us to (a) immediately cease using the software, (b) deinstall and delete all copies of the software from any computer systems you own or control or that are used for your benefit, and (c) provide us with a certificate signed by your authorized representative attesting to such cessation of use and maintenance, deinstallation, deletion and destruction. You agree to pay all of our costs of enforcing our rights against you, including reasonable attorney's fees. If we take possession of the Products we may sell or otherwise dispose of the Products, with or without notice, at public or private sale and apply the net proceeds (after we have deducted our costs related to the sale and disposition) to the amounts that you owe us. You agree that if notice of a sale is required by law to be given, 10 days notice will constitute reasonable notice. You will remain responsible for any amounts that are due after we have applied such net proceeds.

15. Indemnity: You are responsible for losses, damages, penalties, claims, costs (including attorneys' fees and expenses), actions, suits and proceedings of every kind, (collectively "Claims") whether based on a theory of strict liability or otherwise caused by or related to this Lease or the Products, (including any defects in the Products). You will reimburse us for, and if we request defend us against, any Claims.

16. Arbitration: Either party to this Lease may choose to have any dispute, claim, or controversy arising from or relating to this Lease, any prior agreement or lease between the parties, any application or advertisement related to this Lease or the validity of this arbitration clause or the entire Lease, resolved by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. If such rules conflict with this arbitration agreement, however, then the terms of this arbitration agreement shall control. This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act at 9 U.S.C. Section 1, *et seq.* Judgment upon the award rendered may be entered in any court having jurisdiction. Any arbitration award in excess of \$100,000 made pursuant to this arbitration agreement may be appealed by the party against which the award is made. Such appeal will be a de novo arbitration proceeding before three arbitrators. The parties agree and understand that they may choose arbitration instead of litigation to resolve disputes. The parties understand that they have a right or opportunity to litigate disputes in court, but may elect to resolve their disputes through arbitration as provided herein. The parties agree and understand that all disputes arising under case law, statutory law, and all other laws including, but not limited to, all contract, tort, and property disputes, may be subject to binding arbitration in accord with this Lease. No class action or request for relief may be brought under this arbitration agreement. You agree that you shall not have the right to participate in arbitration or in court proceedings as a representative or a member of any class of claimants pertaining to any claim arising from or relating to this Lease. The parties agree and understand that the arbitrator shall have all powers provided by law and this Lease, except for powers limited or prohibited by this Lease. Notwithstanding anything herein to the contrary, we retain an option to use judicial or non-judicial relief to recover the Products or to enforce our security interest in the Products, to enforce the monetary obligation secured by the Products or to foreclose on the Products. Such judicial relief would take the form of a lawsuit. The institution and maintenance of any action for judicial relief in a court to foreclose upon any Products, to obtain a monetary judgment or to enforce this Lease, shall not constitute a waiver of the right of any party to compel arbitration regarding any other dispute or remedy subject to arbitration in this Lease, including the filing of a counterclaim in a suit brought by us pursuant to this provision. **YOU UNDERSTAND AND AGREE THAT IN ARBITRATION: YOU GIVE UP RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL; YOUR ABILITY TO COMPEL OTHER PARTIES TO PRODUCE DOCUMENTS OR BE EXAMINED IS MORE LIMITED THAN IN A LAWSUIT; AND, YOUR RIGHTS TO APPEAL OR CHANGE ANY ARBITRATION AWARD IN ANY COURT ARE STRICTLY LIMITED.**

17. Finance Lease: You agree that if Article 2A of the Uniform Commercial Code applies to this Lease, this Lease will be considered a "finance lease" as defined by Article 2A and by signing this Lease you acknowledge that either (1) you have received, reviewed and approved the Supply Contract with the Supplier or (2) we have informed you of the identity of the Supplier, that you may have rights and warranties under the Supply Contract(s) for the Products and you may contact the Supplier of the Products for a description of those rights and warranties. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU HEREBY WAIVE ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OR ANY OTHER APPLICABLE LAW WITH RESPECT TO A DEFAULT BY LESSOR UNDER THIS LEASE.**

18. Miscellaneous: You agree that the terms and conditions of this Lease make up the entire agreement between you and us regarding the lease of the Products. Any change in the terms and conditions of the Lease must be in writing and signed by us. You agree, however, that we are authorized, without notice to you, to supply missing information or correct obvious errors in this Lease. All of our rights and remedies will survive termination of this Lease. All notices under this Lease will be given in writing and will be considered given when deposited in the U.S. mail, postage prepaid, facsimile or electronically transmitted, addressed to the respective address given above or to a substitute address specified in writing by one of us to the other. Any failure of ours to require strict performance by you or any waiver by us of any provision in this Lease will not be construed as a consent or waiver of any other breach of the same or any provision. If any portion of this Lease is deemed invalid, it will not affect the balance of this Lease. It is the express intent of both of us not to violate any usury laws, or to exceed the maximum amount of time price differential, or interest as applicable permitted to be charged, or collected under applicable law and any such excess payment will be applied to payments under the Lease in inverse order of maturity and the remaining payments will be refunded to you.

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Attachment A

Company No: 83

Attached hereto and made a part hereof Lease No: 001 - 008570903-005 between DELL FINANCIAL SERVICES L.L.C. as Lessor and CITY OF SAUSALITO as Lessee

Product Location	General Product Description/Supplier/Quantity	Quantity
420 LITHO ST SAUSALITO CA 94965	Dell Order #385430603	
	Description	
	OptiPlex 780 Minitower Standard Power Supply	20
	Dell Control Point for OptiPlex 780	20
	Enable Low Power Mode for EUP Compliance,Dell OptiPlex	20
	Documentation,English,Dell OptiPlex	20
	Power Cord,125V,2M,C13,Dell OptiPlex	20
	No Dell Energy Smart Power Management Settings,OptiPlex	20
	Resource DVD contains Diagnostics and Drivers for Dell	20
	OptiPlex 780	
	No Quick Reference Guide,Dell OptiPlex	20
	Shipping Material for System,Minitower,Dell OptiPlex 780/580	20
	Minitower	
	Dell Hardware Limited Warranty Plus Onsite Service Initial Year	20
	ProSupport for IT: Next Business Day Parts and Labor Onsite	20
	Response 2 Year Extended	
	Dell Hardware Limited Warranty Plus Onsite Service Extended	20
	Year(s)	
	ProSupport for IT: Next Business Day Parts and Labor Onsite	20
	Response Initial Year	
	ProSupport for IT: 7x24 Technical Support for certified IT Staff, 2	20
	Year Extended	
	ProSupport for IT: 7x24 Technical Support for certified IT Staff,	20
	Initial	
	Thank you choosing Dell ProSupport. For tech support, visit	20
	http://support.dell.com/ProSupport or call 1-866-516-3115	
	You have chosen a vPro System	20
	State Environmental Fee for display 15 inches, less than 35	20
	inches	
	OptiPlex 780 Minitower Base Standard PSU	20
	OptiPlex 780, Core 2 Duo E8600 with VT/3.33GHz,6M,1333FSB	20
	4GB,Non-ECC,1333MHz DDR3,2X2GB,Dell OptiPlex 580	20
	Dell USB Entry Keyboard, No Hot Keys, No Palmrest, English,	20
	OptiPlex	
	Dell Professional 19 Inch Monitor	20
	P190S,HAS,USB,OptiPlex,Precision,Latitude,Enterprise	
	256MB ATI RADEON HD 3450 Graphics Dual DVI and TV	20
	Out,Full Height,OptiPlex 780 Desktop and Minitower	
	160GB SATA 3.0Gb/s and 8MB Data Burst Cache,Dell OptiPlex	20
	780/580	
	Dell 19 in 1 Media Card Reader,OptiPlex 780 Minitower	20
	Windows 7 Professional Downgrade to XP Professional SP3,	20
	Media, Optiplex, English	

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Windows 7 Downgrade RLOB	20
Dell USB 2 Button Optical Mouse with Scroll,Black OptiPlex	20
Intel Core 2 with vPro Technology, Dell OptiPlex 780 No RAID, Dell OptiPlex	20
Cyberlink Power DVD 8.3, No Media, Dell Relationship LOB 16X DVD+/-RW SATA,Data Only,Dell OptiPlex Desktop or Minitower	20
Roxio Creator Dell Edition 10.3, No Media, Dell RLOB Heat Sink, Mainstream, Dell Optiplex 780 and 380 Mini Tower	20
Internal Chassis Speaker Option,Dell OptiPlex Minitower	20

All other terms and conditions of the Lease shall remain unchanged.



**AUTOPAY AUTHORIZATION FORM [405]
Business Accounts**

Financial Services

This is New AutoPay Change

With this service you have the option of continuing to receive a monthly invoice.

Yes, please continue to send a monthly invoice No, I do not require a monthly invoice

SECTION 1: DELL FINANCIAL SERVICES ACCOUNT INFORMATION

Please list the Lease and/or Loan Agreement number(s) for the account(s) that you would like to place on the AutoPay service:

Lease/Loan agreement no. (exactly as it appears on your account):

Name on the Bank Account to be debited (must match name of the Lessee/Borrower on the Lease/Loan): _____

Contact Name: _____ Fax #: _____

E-mail Address: _____ Phone: _____

SECTION 2: BANKING INFORMATION

The bank account must be a commercial account. If your business uses a non-commercial bank account or if the name on the account differs from that of the Lessee/Borrower, please contact Customer Service at <http://dfs.us.dell.com/Service/> or 877-577-3355.

Bank Name: _____

Bank Address: _____

Bank City: _____ Bank State: _____ Bank Zip: _____

Bank phone number: _____

ABA Routing #:
Account Number: _____
Please confirm with your bank.

SECTION 3: SIGNATURE

This Autopay service is established solely for your convenience and is offered at no additional cost to you. You authorize Dell Financial Services L.L.C., its agents and assigns (collectively "DFS"), to initiate debit entries in the bank account identified above for amounts due and owing under the Lease(s)/Loan(s), including Rent, Payment, applicable taxes, shipping charges, and in case of a default, the full amount due under the Lease(s)/Loan(s). You represent and warrant to DFS that the above account is a **commercial account established in connection with your business and not for personal, family or household purposes**. You remain responsible for making payments to DFS if the funds cannot be automatically debited from your bank account. In addition, if funds are not available when a payment is due, you agree to pay DFS any late charges due under the Lease(s)/Loan(s) as well as any expenses incurred for every unsuccessful debit attempt. The transactions made pursuant to this authorization form are initiated through the Automated Clearing House of the Federal Reserve and may be governed by the rules of the Automated Clearing House. These services may be terminated or modified by DFS at any time without notice. **THIS AUTHORIZATION WILL REMAIN IN FULL FORCE AND EFFECT UNTIL YOU PROVIDE WRITTEN NOTICE OF ITS TERMINATION TO DFS SO AS TO AFFORD DFS AND YOUR BANK A REASONABLE OPPORTUNITY TO ACT.**

Dated: _____

Customer Name

Signature of Authorized Representative

Printed Name and Title

SECTION 4: RETURN INSTRUCTIONS

If you received this AutoPay form with your new Lease/Loan Agreement, return this completed form, along with your other Lease/Loan documents, as instructed by your DFS Representative. **OR, if you are requesting AutoPay for an existing Lease/Loan, fax this completed form to Customer Service at (512) 283-1854.**

You should retain a copy of this form for your records.

Please note that DFS will not mail a monthly invoice if you have authorized this service.

If you have any questions, please contact Customer Service at <http://dfs.us.dell.com/Service/> or 877-577-3355.

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PUBLIC EDUCATION, STATE AND LOCAL GOVERNMENT RIDER

This Rider supplements the provisions of Lease No. 001 - 008570903-005 ("Lease") between you and us as identified below. This Rider is an integral part of the Lease. Capitalized terms used in this Rider that are not defined will have the meanings specified in the Lease. If there is any conflict between the Lease and this Rider, then this Rider will control and prevail.

1. Funding Intent: You reasonably believe that sufficient funds can be obtained to make all Rent payments and other payments during the Lease Term. You agree that your Chief Executive or Administrative Officer (or your administrative officer that has the responsibility of preparing the budget submitted to your governing body, as applicable) will provide appropriate funding for such payments in your annual budget request submitted to your governing body. If your governing body chooses not to appropriate funds for such payments, you agree that your governing body will evidence such nonappropriation by omitting funds for such payments due during the applicable fiscal period from the budget that it adopts. We agree that your obligation to make Rent payments under the Lease will be a current expense and will not be interpreted to be a debt in violation of applicable law or constitutional limitations or requirements. Nothing contained in the Lease will be interpreted as a pledge of your general tax revenues, funds or moneys.

2. Nonappropriations of Funds: If (a) sufficient funds are not budgeted or appropriated and budgeted by your governing body in any fiscal period for Rent payments or other payments and (b) you have exhausted all funds legally available for such payments, due under the Lease, then you will give us written notice and the Lease will terminate as of the last day of your fiscal period for which funds for Rent payments are available. Such termination is without any expense or penalty, except for the portions of the Rent payments and those expenses associated with your return of the Products in accordance with paragraph 10 of the Lease for which funds have been budgeted or appropriated or are otherwise legally available.

3. Essential Use: You represent that the use of the Products are essential to your proper, efficient and economic operation and that you shall be the only entity to lease, operate and use the Products.

4. Choice of Law: Regardless of any conflicting provision in the Lease, THE LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH YOU ARE LOCATED.

5. Authority and Authorization: You represent and agree that: (a) you are a state or a political subdivision or agency of a state; (b) the entering into and performance of the Lease is authorized under your state laws and Constitution and does not violate or contradict any judgment, law, order or regulation, or cause any default under any agreement to which you are a party; (c) you have complied with all public bidding requirements and, where necessary, have properly presented the Lease for approval and adoption as a valid obligation on your part; and (d) you have sufficient appropriated funds or other moneys available to pay all amounts due under the Lease for your current fiscal period. Upon our request, you agree to provide us with an opinion of counsel as to clauses (a) through (d) above, an incumbency or municipal certificate, and other documents that we request in a form satisfactory to us.

Lessee: City of Sausalito
By:
Name and Title:
Date:
Lessor: Dell Financial Services LLC.
By:
Name and Title:
Date:

CERTIFICATION

I, a resident of, in the State of, DO HEREBY CERTIFY that I am the, of the Lessee identified above, which is a educational, state or political subdivision or agency, duly organized and under the laws of the State of, that I have custody of the records of the Lessee, and, as of the date set forth below, is the of Lessee and is duly authorized to execute and deliver in the name of and on behalf of Lessee, the Lease (including this Rider) and all related documents.

IN WITNESS WHEREOF, I have hereto set my hand and affixed this seal of Lessee this day of, 20.

-seal- Certifier's Signature:

Handwritten initials or mark at the bottom right corner.

