

MASTER LEASE AGREEMENT



Lessor: VAR Technology Finance
2330 Interstate 30
Mesquite, TX 75150
Phone: (972) 755 8200
Fax: (972) 755-8210

Lessee (Leasing Customer): City of Missoula
Lessee's Chief Executive Office - Street: 435 Ryman St,
City, ST & Zip Code: Missoula, MT, 59802-4207

County: _____

Lessee Telephone: 406-552-6000

Tax ID#: _____

Signatures

Lessee has reviewed this page and the rest of this Lease

City of Missoula

Lessor has reviewed this page and the rest of this Lease

VAR Technology Finance (Lessor)

Authorized Signature

**Information Services
Manager**

Carl Horton

Print Name

Title

Date

Authorized Signature

Print Name

Title

Date

Terms and Conditions

In this Master Lease Agreement (this "Agreement"), the words "You" and "Your" mean the Lessee named above. "We," "Us" "Our" and "Lessor" mean VAR Technology Finance. "Supplier" means the equipment supplier supplying the Equipment (defined below) leased under a Schedule. "Schedule" means a schedule, in such form as We may accept in our sole discretion, that may be entered into from time to time by You and Us for a lease transaction pursuant to this Agreement. You acknowledge and agree that this Agreement and each Schedule represent the complete and exclusive agreement between You and Us regarding the subject matter herein and therein and supersedes any other oral or written agreements between You and Us regarding such matters. This Agreement and each Schedule can be changed only by a written agreement between You and Us. Other agreements not stated herein or in a Schedule (including, without limitation, those contained in any purchase order or service agreement between You and the Supplier) are not part of a Lease (defined below). This Agreement is not a commitment by Us to enter into any Schedule not currently in effect, and nothing in this Agreement shall impose, or be construed to impose, any obligation upon Us to enter into any proposed Schedule, it being understood that whether We enter into any proposed Schedule shall be a decision solely within Our discretion. To help the government fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify and record information that identifies each person (individuals or businesses) who opens an account. What this means for You: When You open an account or add any additional service, We will ask You for Your name, address, federal employer identification number and other information that will allow Us to identify You. We may also ask to see other identifying documents.

1. LEASE OF EQUIPMENT. Each Schedule executed by You represents Your agreement to lease from Us the personal property listed therein (together with all existing and future accessories, attachments, replacements and embedded software, the "Equipment") upon the terms stated in such Schedule and this Agreement. Each Schedule and the terms of this Agreement which are incorporated by reference into such Schedule shall constitute a separate and independent contract between You and Us and shall be referred to as a "Lease". In the event of any conflict between the provisions of this Agreement and the provisions of any Schedule, the provisions of the Schedule shall control. Each Schedule is binding on You as of the date You sign it. You agree that after You sign this Agreement or a Schedule, We may insert or correct any information missing in this Agreement or a Schedule, including Your proper legal name, serial numbers and any other information describing the Equipment, and change the Payment shown in a Schedule by up to 15% due to a change in the Equipment or its cost or a tax or payment adjustment.

2. TERM; RENEWAL. The term of each Lease will begin on the date that the related Schedule is accepted by Us or any later date that We designate (the "Commencement Date") and will continue for the number of months shown on such Schedule (the "Initial Term"). As used herein, "Term" means the term presently in effect at any time, whether it is the Initial Term or a Renewal Term (defined below). **With respect to each Lease, unless You have a \$1.00 Purchase Option as indicated in the related Schedule, You shall notify Us in writing at least 90 days but not more than 120 days before the end of a Term (the "Notice Period") that you intend to purchase or return the Equipment at the end of such Term or: (a) the applicable Lease will automatically renew for an additional three-month period (a "Renewal Term") and (b) all terms of such Lease will continue to apply.** If You do notify Us in writing within the Notice Period for a given Lease that You intend to purchase or return the related Equipment at the end of the Term of such Lease, then You shall (i) purchase the Equipment by paying the purchase option amount (and all other amounts due hereunder) within 10 days after the end of the Term, or (ii) return the Equipment pursuant to Section 12. For any "Fair Market Value" Purchase Option, the fair market value shall be determined by Us in Our sole but commercially reasonable judgment. **Each Lease is non-cancelable for the full Term.**

3. UNCONDITIONAL OBLIGATION. With respect to each Lease, You agree that: (i) You selected the Equipment and the Supplier based on Your own judgment; (ii) Your obligations under each Lease are absolute and unconditional and are not subject to cancellation, reduction or setoff for any reason whatsoever; (iii) If You are a party to any maintenance, supplies or other contract with the Supplier, such contract is NOT part of any Lease (even though We may, as a convenience to You and the Supplier, bill and collect monies owed by You to the Supplier); and (iv) If the Equipment is unsatisfactory or if the Supplier fails to provide any service or fulfill any other obligation to You, You shall continue to fully perform under each Lease.

4. ACCEPTANCE OF EQUIPMENT; PAYMENTS. With respect to each Schedule, You will inspect and test the operation of the Equipment upon its delivery and You will notify Us within ten (10) days of delivery if the Equipment is not satisfactory. **YOU AGREE THAT IF YOU FAIL TO NOTIFY US THAT THE EQUIPMENT IS NOT SATISFACTORY WITHIN TEN (10) DAYS OF DELIVERY THEN THE EQUIPMENT SHALL BE IRREVOCABLY AND**

UNCONDITIONALLY ACCEPTED BY YOU. If requested, You will sign a separate Equipment delivery and acceptance certificate for each Schedule. We may at Our discretion verify by telephone such information regarding delivery and acceptance of the Equipment as we deem appropriate and any such telephone verification of Your acceptance will have the same effect as a written delivery and acceptance certificate signed by You. With respect to each Lease, You agree to pay a prorated Payment for the period from the date the Equipment is delivered to You until the Commencement Date of such Lease. This prorated payment will be based on the Payment shown in the related Schedule prorated on a 30 day calendar month and will be added to Your first invoice. Each Payment Period for a given Lease, You agree to pay Us, by the due date set forth on Our invoice to You (i) the Payment due under the related Schedule, and (ii) applicable taxes and other charges provided for in the Lease. Restrictive endorsements on checks will not be binding on Us. All payments received will be applied to past due amounts and to the current amount due in such order as We determine. Any security deposit that You pay under a Lease is non-interest bearing, may be commingled with Our funds, may be applied by Us at any time to cure any default by You, and the unused portion will be returned to You after You have satisfied all of Your obligations under the applicable Lease. If We do not receive a payment in full on or before its due date, You shall pay a fee equal to the greater of 10% of the amount that is late or \$29.00 (or maximum amount permitted by law if less). You shall pay Us a returned check or non-sufficient funds charge of \$35.00 for any returned or dishonored check or draft.

5. INDEMNIFICATION. You shall indemnify and hold Us harmless from and against, any and all claims, actions, damages, liabilities, losses and costs (including but not limited to reasonable attorneys' fees) made against Us, or suffered or incurred by Us, arising directly or indirectly out of, or otherwise relating to, the delivery, installation, possession, ownership, use, loss of use, defect in or malfunction of the Equipment. This obligation shall survive the termination of each Lease. We shall not be liable to You for any damages of any kind, including any liability for consequential damages, arising out of the use of or the inability to use the Equipment.

6. NO WARRANTIES. WE ARE LEASING THE EQUIPMENT TO YOU "AS IS". WE HAVE NOT MADE AND HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, ARISING BY APPLICABLE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. The parties hereto agree that each Lease is, or shall be treated as, a "finance lease" under Article 2A of the Uniform Commercial Code (the "UCC"). You hereby waive any and all rights and remedies conferred upon You by Article 2A of the UCC. If any Lease is deemed to be a secured transaction, You hereby grant to Us a security interest in the Equipment and all proceeds thereof. You authorize Us to record UCC financing statements to protect Our interests in the Equipment. You may be entitled under Article 2A of the UCC to the promises and warranties (if any) provided to Us by the Supplier(s) in connection with or as part of the contract (if any) by which We acquire the Equipment, which warranty rights We assign to You for the applicable Term (provided You are not in default). You acknowledge that You are aware of the name of the Supplier of each item of Equipment and You may contact the Supplier(s) for an accurate and complete statement of those promises and warranties (if any), including any disclaimers and limitations of them or of remedies.

7. DELIVERY, LOCATION, OWNERSHIP; USE AND MAINTENANCE OF EQUIPMENT. We are not responsible for delivery or installation of the Equipment relating to any Schedule. You are responsible for Equipment maintenance. You will not remove the Equipment from the Equipment Location specified in a Schedule unless You first get Our permission. You shall give Us reasonable access to the Equipment Location so that We may inspect the Equipment, and You agree to pay Our costs in connection therewith. We will own and have title to the Equipment (excluding any software) during each Lease. If the Equipment includes any software: (i) We don't own the software, (ii) You are responsible for entering into any necessary software license agreements with the owners or licensors of such software, (iii) You shall comply with the terms of all such agreements, if any, and (iv) any default by You under any such agreements shall constitute a default by You under the applicable Lease. You agree that the Equipment is and shall remain personal property and without Our prior written consent, You shall not permit it to become (i) attached to real property, or (ii) subject to liens or encumbrances of any kind. You represent that the Equipment will be used solely for commercial purposes and not for personal, family or household purposes. You will use the Equipment in accordance with all laws, operation manuals, service contracts (if any) and insurance requirements, and shall not make any permanent alterations to it. At Your own cost, You will keep the Equipment in good working order and warrantable condition, ordinary wear and tear excepted ("Good Condition").

8. LOSS; DAMAGE; INSURANCE. You shall, at all times during each Lease, (i) bear the risk of loss and damage to the Equipment and shall continue performing all Your obligations to Us even if it becomes damaged or suffers a loss, (ii) keep the Equipment insured against

all risks of damage and loss ("Property Insurance") in an amount equal to its replacement cost, with Us named as sole "loss payee" (with a lender's loss payable endorsement if required by Lessor or its Assignee), and (iii) carry public liability insurance covering bodily injury and property damage ("Liability Insurance") in an amount acceptable to Us, with Us named as an additional insured thereunder. With respect to each Lease, You have the choice of satisfying these insurance requirements for a given Lease by providing Us with satisfactory evidence of Property and Liability Insurance ("Insurance Proof"), within 30 days of the Commencement Date of such Lease. Such Insurance Proof must provide for at least 30 days prior written notice to Us before it may be cancelled or terminated and must contain other terms satisfactory to Us. If you do not provide Us with Insurance Proof within 30 days of the Commencement Date of a Lease, or if such insurance terminates for any reason, then (a) You agree that We have the right, but not the obligation, to obtain such Property Insurance and/or Liability Insurance in such forms and amounts from an insurer of Our choosing in order to protect Our interests ("Other Insurance"), and (b) You agree that We may charge you a periodic charge for such Other Insurance. This periodic charge will include reimbursement for premiums advanced by Us to purchase Other Insurance, billing and tracking fees, charges for Our processing and related fees associated with the Other Insurance, and a finance charge of up to 18% per annum (or the maximum rate allowed by law if less) on any advances We make for premiums (collectively, the "Insurance Charge"). We and/or one or more of our affiliates and/or agents may receive a portion of the Insurance Charge, which may include a profit. We are not obligated to obtain, and may cancel, Other Insurance at any time without notice to You. Any Other Insurance need not name You as an insured or protect Your interests. The Insurance Charge may be higher than if You obtained Property and Liability Insurance on Your own.

9. ASSIGNMENT. You shall not sell, transfer, assign or otherwise encumber (collectively, "Transfer") this Agreement or any Lease, or Transfer or sublease any Equipment, in whole or in part, without Our prior written consent. We may, without notice to You, Transfer Our interests in the Equipment, this Agreement and/or any Lease, in whole or in part, to a third party (an "Assignee"), in which case the Assignee will, to the extent of such Transfer, have all of Our rights and benefits but will not have to perform Our obligations (if any). Any Transfer by Us will not relieve Us of Our obligations under this Agreement or any Lease. You agree not to assert against the Assignee any claim, defense or offset You may have against Us. You acknowledge that neither We nor the Supplier are agents of any Assignee.

10. TAXES AND OTHER FEES. You are responsible for all taxes (including, without limitation, sales, use and personal property taxes, excluding only taxes based on Our income), assessments, license and registration fees and other governmental charges relating to this Agreement, each Lease and/or the Equipment (collectively "Governmental Charges"). Sales or use taxes due upfront will be payable over the Initial Term of each Lease, with a finance charge. You authorize Us to pay any Governmental Charges as they become due, and You agree to reimburse Us promptly upon demand for the full amount. You agree to pay Us a fee for Our administration of taxes related to the Equipment leased under each Lease. With respect to each Lease, You also agree to pay Us upon demand (i) for all costs of filing, amending and releasing UCC financing statements, and (ii) a documentation/processing fee in the amount set forth in the related Schedule (or as otherwise agreed to). If You so request, and We permit the early termination of a Lease, You acknowledge that there may be a cost or charge to You for such privilege. In connection with the expiration or earlier termination of a Lease, You agree to pay Us any Governmental Charges accrued or assessed but not yet due and payable, or Our estimate of such amounts. You agree that the fees and other amounts payable under this Agreement and each Lease may include a profit to Us and/or the Supplier.

11. DEFAULT; REMEDIES. With respect to each Lease, You will be in default if (1) You fail to pay any amount due under any Lease within 15 days of the due date, (2) You breach or attempt to breach any other term, representation or covenant in this Agreement, any Lease or in any other agreement now existing or hereafter entered into with Us or any Assignee, (3) an event of default occurs under any obligation You may now or hereafter owe to any affiliate of Us or any Assignee, and/or (4) You and/or any guarantors or sureties of Your obligations under any Lease (i) go out of business, (ii) commence dissolution proceedings, (iii) merge or consolidate into another entity, (iv) sell all or substantially all of Your or their assets, or there is a change of control with respect to Your or their ownership, (v) become insolvent, admit Your or their inability to pay Your or their debts, (vi) make an assignment for the benefit of Your or their creditors (or enter into a similar arrangement), or (vii) file, or there is filed against You or them, a bankruptcy, reorganization or similar proceeding or a proceeding for the appointment of a receiver, trustee or liquidator. If You default under a Lease, We may do any or all of the following: (A) cancel such Lease, (B) require You to promptly return the Equipment pursuant to Section 12, (C) take possession of and/or render the Equipment (including any software) unusable (and for such purposes You hereby authorize Us and Our designees to enter Your premises, with or without prior notice or other process of law), and sell, lease or otherwise dispose of the Equipment on such terms and in such manner as We may in Our sole discretion determine, (D) require You to pay to Us, on demand, liquidated damages in an amount equal to the sum of (i) all Payments and other amounts then due and past due under such Lease, (ii) all remaining Payments for the remainder of the Term of such Lease discounted at a rate of 6% per annum, (iii) the residual value of the Equipment estimated by Us at the inception of such Lease (as shown in Our books and records), discounted at a rate of 6% per annum, (iv) interest on the amounts specified in clauses "i", "ii" and "iii" above from the date of demand to the date paid at the rate of 1.5% per month (or the maximum amount permitted by law if less), and (v) all other amounts that may thereafter become due under such Lease to the extent that We will be obligated to collect and pay such amounts to a third party (such amounts specified in sub-clauses "i" through "v" referred to below as the "Balance Due"), and/or (E) exercise any other remedy available to Us under law. You also agree to reimburse Us on demand for all reasonable expenses of enforcement (including, without limitation, reasonable attorneys' fees and other legal costs) and reasonable expenses of repossession, holding, preparing for disposition, and disposition ("Remarketing") of the Equipment, plus interest at the rate in sub-clause (iv) on the foregoing amounts from the date of demand to the date paid. In the event We are successful in Remarketing the Equipment, We shall give You a credit against the Balance Due in an amount equal to the present value of the proceeds received and to be received from Remarketing minus the above-mentioned costs (the "Net Proceeds"). If the Net Proceeds are less than the Balance Due, You shall be liable for such deficiency. Any delay or failure to enforce Our rights hereunder shall not constitute a waiver thereof. The remedies set forth herein are cumulative and may be exercised concurrently or separately.

12. RETURN OF EQUIPMENT. If You are required to return the Equipment under any Lease, You shall, at Your expense, send the Equipment to any location(s) that We may designate and pay Us a handling fee of \$250.00. The Equipment must be properly packed

for shipment, freight prepaid and fully insured, and must be received in Good Condition (defined in Section 7). All terms of the applicable Lease, including Your obligation to make Payments and pay all other amounts due thereunder shall continue to apply until the Equipment is received by Us in accordance with the terms of this Agreement. You are solely responsible for removing all data from any digital storage device, hard drive or other electronic medium prior to returning the Equipment or otherwise removing or allowing the removal of the Equipment from Your premises for any reason (and You are solely responsible for selecting an appropriate removal standard that meets Your business needs and complies with applicable laws). We shall not be liable for any losses, directly or indirectly arising out of, or by reason of the presence and/or use of any information, images or content retained by or resident in any Equipment returned to Us or repossessed by Us.

13. APPLICABLE LAW; VENUE; JURISDICTION; SEVERABILITY. This Agreement and each Lease shall be governed by, enforced and construed in accordance with the laws of the state of Our principal place of business, or, if We assign this Agreement or a Lease, the laws of the state of the Assignee's principal place of business, and any dispute concerning this Agreement or a Lease shall be adjudicated in a federal or state court in such state, or in any other court or courts having jurisdiction over You or Your assets, all at the sole election of Lessor or its Assignee. You hereby irrevocably submit generally and unconditionally to the jurisdiction of any such court so elected by Lessor or its Assignee in relation to such matters and irrevocably waive any defense of an inconvenient forum to the maintenance of any such action or proceeding. **YOU AND WE HEREBY WAIVE YOUR AND OUR RESPECTIVE RIGHTS TO A TRIAL BY JURY IN ANY LEGAL ACTION.** If any amount charged or collected under this Agreement or any Lease is greater than the amount allowed by law (an "Excess Amount"), then (i) any Excess Amount charged but not yet paid will be waived by Us and (ii) any Excess Amount collected will be refunded to You or applied to any other amount then due hereunder or thereunder. Each provision of this Agreement and each Lease shall be interpreted to the maximum extent possible to be enforceable under applicable law. If any provision of this Agreement or any Lease is construed to be unenforceable, such provision shall be ineffective only to the extent of such unenforceability without invalidating the remainder hereof or thereof.

14. DOLLAR PURCHASE. This Section only applies to Leases under which You have been granted a \$1.00 Purchase Option, as indicated on the related Schedule. With respect to any such Lease, at the end of the Initial Term, You shall purchase the Equipment "AS IS, WHERE IS" for one dollar (\$1.00); provided, however, We shall not be required to transfer Our interest in the Equipment to You until You have paid to Us all amounts then owing under such Lease, if any. You agree that prior to entering into any such Lease, You could have purchased the Equipment from the Supplier for a specific cash amount (the "Cash Price"), but instead You hereby choose and agree to purchase the Equipment by paying the Time Price (as defined herein) over the applicable Initial Term. The Time Price equals the sum of the Payments shown in the related Schedule, plus \$1.00. If the Time Price should be determined or adjudicated to include an interest component or finance charge, then you agree that (i) each Payment shall be deemed to include an amount of pre-computed interest, (ii) the total pre-computed interest scheduled to be paid over the Initial Term is to be calculated by subtracting the Cash Price from the Time Price, (iii) the annual interest rate deemed applicable to such Lease is the rate that will amortize Our Investment down to \$1.00 by applying all periodic Payments as payments, assuming that each periodic Payment is received by Us on the due date, and (iv) none of the other fees or costs We may charge You pursuant to such Lease (including but not limited to UCC filing fees, late fees, documentation or processing fees) shall be considered interest or a finance charge.

15. MISCELLANEOUS. You authorize Us or an Assignee to (a) obtain credit reports or make credit inquiries in connection with this Agreement or any Lease, and (b) provide Your credit application and information regarding Your account to credit reporting agencies, potential Assignees, the Supplier and parties having an economic interest in this Agreement, a Lease and/or the Equipment. This Agreement and any Schedules, exhibits and other related documents (each a "document") may be executed in counterparts manually or by electronic means, by either party and, when transmitted to Us by fax, electronic or other means, shall be binding on You for all purposes as if manually signed. No document requiring Our signature is binding on Us until We sign it. For purposes of perfection of a security interest in chattel paper under the UCC, only the counterpart of a document that bears Our manually-applied signature and is marked "Original" or with a similar designation by Us or by Our assignee shall constitute "chattel paper" for purposes of perfection by possession, provided that if any document is stored in an electronic medium qualifying as "electronic chattel paper", then the counterpart identified by Us as the single "Authoritative Copy" shall be chattel paper for purposes of perfection by control, and any paper counterpart shall be deemed a copy, except to the extent that a process has occurred by which the electronic record of the chattel paper has been permanently destroyed or identified as being the non-authoritative version and a tangible printed version produced that indicates that it is the sole authoritative version, in which case such tangible version shall constitute the "Original" for purposes of perfection. No security interest in a document can be perfected by possession of any counterpart that is not the "Original", if in tangible form, or by control of the "Authoritative Copy" if in electronic form. For purposes of removing doubt as to the intention of this paragraph, any counterpart marked "Duplicate" or with any other designation identifying it as not being the chattel paper original shall be deemed a copy and possession of such copy shall not perfect any security interest claimed by the person in possession. You waive notice of Our acceptance of the document and receipt of a copy of the originally signed document. Notwithstanding anything herein to the contrary, if You sign or transmit any document to Us electronically, We reserve the right to require You to sign any document manually and to deliver to Us an original of such document containing Your manual signature. Effective on the date that You enter into this Agreement and each Schedule, You hereby represent and warrant to Us that (a) this Agreement and each such Schedule is legally binding and enforceable against You in accordance with its terms and You acknowledge that this representation and warranty is a material inducement to Us to acquire the Equipment to be leased under this Agreement and each Schedule, and (b) You and any other person who You control, own a controlling interest in, or who owns a controlling interest in or otherwise controls You in any manner ("Customer Representatives") are and will remain in full compliance with all laws, regulations and government guidance concerning foreign asset control, trade sanctions, embargoes, and the prevention and detection of money laundering, bribery, corruption, and terrorism, and neither You nor any Customer Representative is or will be listed in any Sanctions-related list of designated persons maintained by the U.S. Department of Treasury's Office of Foreign Assets Control or successor or the U.S. Department of State.

Lessee has reviewed this page.

Lessee Initials

Addendum to Agreement # , between City of Missoula, as Customer and VAR Technology Finance, as Lessor. The words "you" and "your" refer to Customer. The words we, "us" and "our" refer to Lessor.

The parties wish to amend the above-referenced Agreement by adding the following language:

REPRESENTATIONS AND WARRANTIES OF CUSTOMER: You hereby represent and warrant to us that: (i) you have been duly authorized under the Constitution and laws of the applicable jurisdiction and by a resolution or other authority of your governing body to execute and deliver this Agreement and to carry out your obligations hereunder; (ii) all legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement; (iii) this Agreement is in compliance with all laws applicable to you, including any debt limitations or limitations on interest rates or finance charges; (iv) the Equipment will be used by you only for essential governmental or proprietary functions of you consistent with the scope of your authority, will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use, and your need for the Equipment is not expected to diminish during the term of this Agreement; (v) you have funds available to pay Payments until the end of your current appropriation period, and you intend to request funds to make Payments in each appropriation period, from now until the end of the term of this Agreement; and (vi) your exact legal name is as set forth on page one of this Agreement.

NON-APPROPRIATION OR RENEWAL: If either sufficient funds are not appropriated to make Payments or any other amounts due under this Agreement or (to the extent required by applicable law) this Agreement is not renewed either automatically or by mutual ratification, this Agreement shall terminate and you shall not be obligated to make Payments under this Agreement beyond the then-current fiscal year for which funds have been appropriated. Upon such an event, you shall, no later than the end of the fiscal year for which Payments have been appropriated or the term of this Agreement has been renewed, deliver possession of the Equipment to us. If you fail to deliver possession of the Equipment to us, the termination shall nevertheless be effective but you shall be responsible, to the extent permitted by law and legally available funds, for the payment of damages in an amount equal to the portion of Payments thereafter coming due that is attributable to the number of days after the termination during which you fail to deliver possession and for any other loss suffered by us as a result of your failure to deliver possession as required. You shall notify us in writing within seven days after (i) your failure to appropriate funds sufficient for the payment of the Payments or (ii) to the extent required by applicable law, (a) this Agreement is not renewed or (b) this Agreement is renewed by you (in which event this Agreement shall be mutually ratified and renewed), provided that your failure to give any such notice under clause (i) or (ii) of this sentence shall not operate to extend this Agreement or result in any liability to you.

TITLE TO THE EQUIPMENT: If the selected purchase option for this Agreement is \$1.00 or \$101.00, unless otherwise required by law, upon your acceptance of the Equipment, title to the Equipment shall be in your name, subject to our interest under this Agreement.

The parties wish to amend the above-referenced Agreement by restating the following language:

Any provision in the Agreement stating this Agreement supersedes any invoice and/or purchase order is hereby amended and restated as follows: "You agree that the terms and conditions contained in this Agreement, which, with the acceptance certification, is the entire agreement between you and us regarding the Equipment and which supersedes any purchase order, invoice, request for proposal, response or other related document."

Any provision in the Agreement stating that this Agreement shall automatically renew unless the Equipment is purchased, returned or a notice requirement is satisfied is hereby amended and restated as follows: "Unless the purchase option is \$1.00 or \$101.00, at the end of the initial term, this Agreement shall renew on a month-to-month basis under the same terms hereof unless you send us written notice at least 30 days before the end of any term that you want to purchase or return the Equipment, and you timely purchase or return the Equipment."

Any provision in the Agreement stating that we may assign this Agreement is hereby amended and restated as follows: "We may sell, assign, or transfer this Agreement without notice to or consent from you, and you waive any right you may have to such notice or consent."

Any provision in the Agreement stating that you grant us a security interest in the Equipment to secure all amounts owed to us under any agreement is hereby amended and restated as follows: "To the extent permitted by law, you grant us a security

interest in the Equipment to secure all amounts you owe us under this Agreement and any supplements hereto. You authorize and ratify our filing of any financing statement(s) and the naming of us on any vehicle title(s) to show our interest.”

Any provision in the Agreement stating that you shall indemnify and hold us harmless is hereby amended and restated as follows: “You shall not be required to indemnify or hold us harmless against liabilities arising from this Agreement. However, as between you and us, and to the extent permitted by law and legally available funds, you are responsible for and shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that you shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after you have surrendered possession of the Equipment in accordance with the terms of this Agreement to us or that arise directly from our gross negligence or willful misconduct.”

Any provision in the Agreement stating that a default by you under any agreement with our affiliates or other lenders shall be an event of default under the Agreement is hereby amended and restated as follows: “You will be in default if: (i) you do not pay any Payment or other sum due to us under this Agreement when due or you fail to perform in accordance with the covenants, terms and conditions of this Agreement; (ii) you make or have made any false statement or misrepresentation to us; or (iii) you dissolve, liquidate, terminate your existence or are in bankruptcy.”

Any provision in the Agreement stating that you shall pay our attorneys’ fees is hereby amended and restated as follows: “In the event of any dispute or enforcement of rights under this Agreement or any related agreement, you agree to pay, to the extent permitted by law and to the extent of legally available funds, our reasonable attorneys’ fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee.”

Any provision in the Agreement requiring you to pay amounts due under the Agreement upon the occurrence of a default, failure to appropriate funds or failure to renew the Agreement is hereby amended to limit such requirement to the extent permitted by law and legally available funds.

Any provision in the Agreement stating that the Agreement is governed by a particular state’s laws and you consent to such jurisdiction and venue is hereby amended and restated as follows: “This Agreement will be governed by and construed in accordance with the laws of the state where you are located. You consent to jurisdiction and venue of any state or federal court in such state and waive the defense of inconvenient forum.”

By signing this Addendum, Customer acknowledges the above changes to the Agreement and authorizes Lessor to make such changes. In the event of any conflict between this Addendum and the Agreement, this Addendum shall prevail. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remain binding on Customer.

VAR Technology Finance	City of Missoula
_____ Lessor	_____ Customer
_____ Signature	_____ X
_____ Title	_____ Signature
_____ Date	_____ Information Services Manager
	_____ Title Date



Exhibit A

Equipment Lease Schedule No. 1

This Equipment Lease Schedule (this “**Schedule**”) is made and entered into as this day _____ (Date Required) by and between **VAR Technology Finance** (hereinafter “**We**,” “**Us**” or “**Our**”) and **City of Missoula** (hereinafter “**You**” or “**Your**”). This Schedule is entered into subject to that certain Master Lease Agreement No. _____, dated on or about _____ between You and Us (the “**Master Agreement**”). All of the terms and conditions set forth in the Master Agreement are hereby reaffirmed and incorporated in and made part of this Schedule, as if fully set forth herein. In the event of a conflict between the terms of this Schedule and the terms of the Master Agreement, the terms of this Schedule shall govern. The Master Agreement together with this Schedule constitute a Lease (as defined in the Master Agreement) and represent the complete and exclusive agreement between You and Us regarding the leasing of the Equipment identified below. Any amendment to the Master Agreement subsequent to the date of this Schedule shall be ineffective as to this Schedule unless otherwise expressly stated in such amendment.

We hereby agree to lease to You, and You hereby agree to lease from Us, the following-described Equipment upon the terms and conditions set forth in this Schedule and in the Master Agreement:

Description of Equipment – **INCLUDE MAKE, MODEL AND SERIAL NUMBERS (ATTACH ADDITIONAL PAGE IF NECESSARY)**

See attached Schedule A

Equipment Supplier: VAR Technology Finance

Equipment Location Address: 435 Ryman St., Missoula, MT 59802-4207

Initial Term: 36 Months, 3 Annual payments, 60 days deferred

Commencement Date of this Lease: _____ (completed by Us following Our acceptance of this Schedule)

Payment*: \$60,813.00 (*Plus Applicable Taxes)

Payment Period: ☐ Month ☐ Quarter
☒ Year ☐ Other:

\$0.00 Payment(s) is(are) due at the time this Schedule is signed, which shall be applied to the:

☐ First Lease Payment ☐ First and Last Lease Payments ☒ Other: Zero advance payments

Security Deposit: \$ _____

Documentation/Processing Fee: \$95.00

Returned Check / Non-sufficient Funds Charge: \$35.00

Purchase Option at end of Original Term: ☐ None ☐ Fair Market Value as of end of Original Term
☒ One Dollar (\$1.00) ☐ Other:

The above equipment purchase options may be exercised by You **only** at the end of the Initial Term. If You are in default under the Master Agreement or this Schedule at the time You desire to exercise a purchase option, You must cure such default to Our satisfaction before having the right to exercise such option.

This Schedule is non-cancelable and may not be terminated early.

VAR Technology Finance

You: City of Missoula

By: X

By: X

Date: _____

Name (Print): Carl Horton

Title: Information Services Manager

Date Signed: _____

VAR Technology Finance
2330 Interstate 30
Mesquite, TX 75150

Phone (972) 755 8200
Fax (972) 755 8210
www.varnow.com



Schedule A

City of Missoula

Quantity	Manufacturer	Description
26100	Barracuda	Barracuda Total Email Protection - subscription license - 1user

Lessee: City of Missoula

Signature: _____

Title: Information Services Manager

VAR Technology Finance
2330 Interstate 30
Mesquite, TX 75150

Phone (972) 755 8200
Fax (972) 755 8210
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Addendum to Lease

The Lessee understands that the Equipment being leased includes software which is supplied by Barracuda ("the Supplier"). The Lessor intends to assign the lease for financing purposes. Assignee will not be responsible for the satisfactory operation or support of the software, and the Lessee must continue to make payments to the Lessor or its Assigns regardless of any claims the lessee may have against the Supplier regarding the software.

Dated: _____

Lessee: City of Missoula

By: _____

Title: Information Services Manager