



September 17, 2018

PEPPM Pennsylvania
Central Susquehanna Intermediate Unit (CSIU), #16
90 Lawton Lane
Milton, Pennsylvania 17847

RFP: PEPPM 2019 Product Line Bid – Pennsylvania
Electronic Bid Number: 528897

We are pleased to provide a response for the above referenced RFP for PEPPM.

When many organizations examine their TCO (total cost of ownership) for technology, they discover their habits may be costing them - the burden of maintaining older technology, reporting losses due to “upside-down” asset values, mid-life upgrades and productivity losses from downtime.

Dell Financial Services (DFS) has lease and financing options to help you free up capital, meet your equipment replacement goals and shift costs between capital and expense budgets. Your DFS financial specialist can find the right solution based upon your specific technology and budget needs.

We appreciate this opportunity and look forward to discussing this in further detail. Should you have any questions or need clarifications, please do not hesitate to contact me at 609-284-7367.

Sincerely,

Ed Maciejewski
Dell Financial Services L.L.C.
Account Executive- Education
Edward.Maciejewski@dell.com



Dell Financial Services Overview

DFS is a dedicated financial services entity focused on the financial and technology management needs of DellEMC's customers. Obtaining computer equipment is only the beginning. Information technology, its acquisition, management and disposition, is an emerging challenge that requires state of the art tools for successful administration. DFS in its mission to relate directly to the customer and the customer's individual needs is ready, willing and capable of assisting PEPPM –PA with the acquisition of information technology.

Over the past twenty-one years, DFS has originated over \$76 billion in leases, an unprecedented performance in the leasing industry. A direct result of this success is DFS' ability to structure the contractual leasing relationship in a fashion that is mutually satisfactory to the parties. DFS looks forward to meeting with you and establishing a leasing program, tailored around your specific needs.

DFS has grown by contributing to the success of our customers. By accessing DellEMC's online business model, we're able to offer complete technology acquisition and management solutions, featuring:

Helping your company get the technology it needs and expand acquisition opportunities within current budget allocations — that's our mission at DFS. You'll find a wide range of flexible programs all aimed at making acquisition easy and affordable, whether you're on a regular rotation program, unsure of your long-term plans or seeking an affordable method of financing equipment ownership. Founded with Dell customers in mind, DFS delivers a unique focus on the complete customer experience. At DFS we're with you every step of the way — from dedicated sales team introductions to an easy end-of-term process.

Here are just a few ways we are working to make your financing experience easier:

- **Dedicated Sales Team.** No phone queue to dial in. You have direct access to your DFS sales team members, from your DFS field executive to your end-of-lease coordinator.
- **DFS Online Services.** Dell customers can access DFS Online Services from their Premier portal, allowing virtually anytime access to critical information and an easy way to handle routine tasks to make asset management and your end-of-lease process more efficient.



The Lease vs. Own Decision

Conservation of capital

Leasing allows a company to conserve capital for investment in its business rather than in the infrastructure.

Payment flexibility

Provides payment flexibility tailored to specific cash flow or budgetary requirements.

Operational flexibility

Maximize your IT investments by matching your lease term to the useful life of the asset in your organization's environment.

Residual value risk

Help reduce the risk of ownership, liability and cost usually associated with asset disposal and re-marketing.

Proper equipment disposal

The requirement to properly dispose of surplus equipment, both for ethical and regulatory reasons, places the responsibility on the legal owner for its proper disposal.

No Escrow

DFS does not utilize escrow accounts for any of their lease options. Leasing with DFS alleviates concerns of sudden non-funding due to changes in the global economy that are out of your control. DFS guarantees payment to your vendors as long as your credit has no substantial changes and all documents have been received by DFS.

Lease Program Overview

DFS' leasing programs offer flexible end-of lease options designed to suit each entity's unique needs. Lease terms are generally from 24 through 60 months and are tailored to match the essential useful life of the leased equipment to the lease term. Lease payments can be billed monthly, quarterly, semi-annually or annual, in advance.

Master Lease Program

For large-scale acquisitions (in excess of \$250,000 in leased equipment over the next 12 months) and/or the ability to upgrade PC-related equipment continually, with minimal additional paperwork, the Master Lease Program is the most efficient choice.

Rotation Programs	Ideal for	Term	Advantages
Dell Flex	Customers on a Technology rotation program	Exercise the option to purchase the products at XX% (desktops and notebooks) or XX% (printers and servers) of the equipment's original value	<ul style="list-style-type: none"> • It allows you to migrate to the latest technology prior to the end of the lease term through a simple, streamlined process. • It provides your organization with an integrated asset disposal mechanism. This may eliminate property bidding which has an associated cost. • It provides you with a hedge against technology obsolescence.
Fair Market Value (FMV)		At the end of the lease term, return to upgrade on a new lease or purchase the equipment for its then current Fair Market Value.	<ul style="list-style-type: none"> • Maximizes useful life of equipment. • Helps reduce IT costs by ensuring regular equipment upgrades on a new lease. • Deferred payment option may apply for qualified customers.
Ownership Programs	Ideal for	Term	Advantages
Tax Exempt Lease Purchase (TELP)	Customers planning to keep their equipment but desire a lease financing solution	Purchase leased equipment at end of the lease term for \$1.	<ul style="list-style-type: none"> • The TELP is only available to states and their political subdivisions (most public K-12 and Higher Education institutions generally qualify). • Equipment may qualify for standard depreciation schedule (consult your tax advisor) • Deferred payment option may apply for qualified customers.
\$1 Buyout		Purchase leased equipment at end of the lease term for \$1.	<ul style="list-style-type: none"> • Offers end-of-lease ownership option with cost-effective solution for cash flow management • Equipment may qualify for standard depreciation schedule (consult your tax advisor) • Deferred payment option may apply for qualified customers.



Online Tools

At DFS, we know that acquiring Dell equipment is just one element of your extensive asset management program. So we have created DFS Online Services, the web-based asset management system that places access to information regarding your leased assets right at your fingertips.

With DFS Online Services, qualified customers will be able to search for contract and asset data, request location and cost center changes, accept lease schedules online and much more. Just access DFS Online Services through your Dell Premier site and you will be on your way to achieving greater control over your Dell leased assets program.

Review and Manage Your Contracts. We've given you one place to view your assets. You can search by contracts, contract number, commencement date or termination date. If you need more information, you can sort by a variety of fields, from equipment cost to payment amount to payment schedules. Most importantly, all information is available for download in either CSV or XML formats for easy import into your current asset management program.

Streamline End-of-Lease Tasks. No more phone calls when it comes to end-of-lease requests.² Packing slips, buyout quotes, early termination quotes and renewal/extension quotes can now be obtained online. Your request will be reviewed by our service representatives and posted on the Requested End-of-Lease Documents page.

Immediately Access Your Documents. Eliminate the paper chase. With DFS Online Services, the documents associated with your lease agreements are now online. Think of it as an online filing system. Through our Online Schedule Acceptance feature, you can access your lease schedules. Reviewing and accepting lease schedules has never been easier.

Generate Custom Reports. Perhaps the most important feature of DFS Online Services is your ability to create various reports and download them for later review and use.

- Active Asset Report – an overview of your assets by contract number or by date
- Disposed Asset Report – contract level detail on assets received by DFS and removed from our billing cycle
- Received Asset Report – confirm assets returned at the end of the lease
- Custom Report – build your own report from the wide range of lease asset fields

Reports are available for download and will be accessible for a period of seven days. You can check the status of your online requests easily by referring to the dashboard on the home page.



End of Lease

DFS recognizes that an ineffective end-of-term process can diminish the potential benefits of leasing. This is why DFS has incorporated direct customer feedback into our end-of-lease approach to deliver the best customer experience possible. Our relationship with Dell aligns our approach to technology refresh with your interest in taking advantage of the technological and financial benefits of replacing equipment on a timely basis. DFS understands that the elimination of obsolete systems promotes the continued mission of your business and the role of the technology department. Accordingly, your dedicated DFS sales team will work with you to provide the tools to help you make the right decisions at lease termination.

Following are some of the valuable benefits to our end-of-lease program.

No Lengthy Automatic Renewal Periods - Automatic lease renewals of 6 and 12 months can put a kink in the total cost of ownership savings you hoped to gain from leasing. Under our MLA, the automatic renewal period is simply month-to-month at the end-of-term until you are ready to make your decision to refresh, renew or purchase your existing leased assets.

End-of-Lease Administration - DFS feels that one of the keys to an efficient end-of-lease process is a clear customer understanding of the roles and responsibilities of the end-of-lease process. DFS maintains resources specifically to assist you with management of leased equipment coming out of the leasing cycle.

DFSOS - DFSOS helps reduce the time and costs associated with the lease process and it is user-friendly. This web-enabled tool will help you generate leased asset reports and end-of-lease requests. As a special feature, Dell customers can access DFSOS from their Premier portal, allowing anytime access to critical information and an easy way to handle routine tasks to make asset management and your end-of-lease process more efficient.

Fewer Damage Charge Categories - DFS offers a simple and easy returns process with only a limited number of missing, wrong, and damaged categories. We do not bill MWD in excess of a system's Fair Market Value and all charges below assume at least 80% of the items are returned without other damages or missing items. The following chart shows DFS' MWD categories and pricing.

DFS Missing, Wrong & Damage Charges	
Broken/ Damaged Latches	\$50.00
Excessive Physical Damage	\$150.00*
LCD Cracked Beyond Repair	\$150.00
Missing/Damaged Hard Drive	\$0.60/Gb
Missing/Damaged Memory	\$0.05/Mb
Missing/Damaged Keys (Notebook)	\$50.00
Failure to Boot	\$150.00



Lease Return Services

Packing and Transportation

Focused on improving your internal efficiencies, our Lease Return Services provide you with competitive pricing, and the ability to pre-pay costs. Below are just some of the benefits of choosing this service:

- Enjoy the convenience of having your packing materials and labor included at the pick-up
- Reduce your financial exposure with coverage for in-transit damage
- Spend less time arranging complex transportation logistics and more time focused on day-to-day activities

Data Wipe Certification

In today's environment, taking the right steps to help you protect data is paramount. Your company can use this service and receive a DFS Data Wipe Certification which will provide you with a certificate of data removal for your returned DFS leased assets that have reached lease conclusion.

Using our United States based asset returns facility, DFS will perform a three-pass overwrite of the data on the hard drive. The three-pass overwrite will remove drive partitions, drive partition tables, and master boot records. Hard drives that fail the three-pass process will be destroyed and disposed of to meet all applicable local, county and state regulatory laws and requirements. The chart below shows pricing for our data wipe service.

Data Wipe Certification Pricing	
Description	Charge
All Products (Dell and Non-Dell)	\$15.00

Minority Solution

Through a strategic arrangement with Pharos Financial Services L.P. (PFS), DFS can help facilitate ownership and rotation financing programs to customers desiring a Minority Business Enterprise (MBE) or Historically Underutilized Business (HUB) lessor. Available in the United States only.

These programs can benefit customers in a number of ways:

- Demonstrate public policy support
- May provide bidding advantages on government contracts
- Cultivate greater customer loyalty



The collaboration between PFS and DFS also offers a number of advantages:

- Access to DFS financing program benefits including customized payment structures, electronic invoicing, asset reporting and a flexible end-of-lease process
- Single-source contact for equipment and leasing needs
- One-stop shopping for service
- Speed to production and delivery
- Easy equipment upgrades and enhancements

Unlike a complete outsourcing solution, you remain in total control of key strategic decisions with PFS minority financing solutions.



Response to Specific RFP Provisions

Many of the terms and conditions presented in the RFP are applicable to straight procurement/purchase transactions and not to leasing. The leasing arrangement will establish a long-term (beyond net 30 days) financial relationship between DFS (the Lessor) and PEPPM's Eligible Entity (the Lessee). **Therefore, the terms and conditions of a mutually beneficial and duly executed DFS Lease Agreement shall take precedence over any other terms and conditions.**

DFS Sales Team

DFS Account Executive- Education for Pennsylvania		
Ed Maciejewski	Office Phone	609-284-7367
	Email	Edward.Maciejewski@Dell.com

DFS Financial Services Representative- Education and State and Local Government for Pennsylvania		
Cheryl Aldridge	Office Phone	512-724-3461
	Email	Cheryl.Aldridge@Dell.com



Dell Financial Services Master Lease Agreement



**EFFECTIVE DATE:
MASTER LEASE AGREEMENT NO.**

LESSOR: DELL FINANCIAL SERVICES L.L.C.	LESSEE:
<u>Payment Address:</u> Payment Processing Center 4319 Collection Center Dr. Chicago, IL 60693	<u>Principal Address:</u> _____ _____ _____
	Fax: _____ Attention: _____

This Master Lease Agreement (this "Agreement"), effective as of the Effective Date set forth above, is between the Lessor and Lessee named above. Capitalized terms have the meaning set forth in this Agreement.

1. LEASE.

(a) Lessor hereby leases to Lessee and Lessee hereby leases the equipment ("Products"), Software (defined below), and services or fees, where applicable, as described in any lease schedule ("Schedule"). Each Schedule shall incorporate by reference the terms and conditions of this Agreement and contain such other terms as are agreed to by Lessee and Lessor. Each Schedule shall constitute a separate lease of Products ("Lease"). In the event of any conflict between the terms of a Schedule and the terms of this Agreement, the terms of the Schedule shall prevail. Lessor reserves all rights to the Products not specifically granted to Lessee in this Agreement or in a Schedule. Execution of this Agreement does not create an obligation of either party to lease to or from the other.

2. ACCEPTANCE DATE; SCHEDULE.

(a) Subject to any right of return provided by the Product seller ("Seller") named on the Schedule, Products are deemed to have been irrevocably accepted by Lessee upon delivery to Lessee's ship to location ("Acceptance Date"). Lessee shall be solely responsible for unpacking, inspecting and installing the Products.

(b) Lessor shall deliver to Lessee a Schedule for Products. Lessee agrees to sign or otherwise authenticate (as defined under the Uniform Commercial Code, "UCC") and return each Schedule by the later of the Acceptance Date or five (5) days after Lessee receives a Schedule from Lessor. If the Schedule is not signed or otherwise authenticated by Lessee within the time provided in the prior sentence, then upon written notice from Lessor and Lessee's failure to cure within five (5) days of such notice, Lessor may require the Lessee to purchase the Products by paying the Product Cost charged by the Seller, plus any shipping charges, Taxes or Duties (defined below) and interest at the Overdue Rate accruing from the date the Products are shipped through the date of payment. If Lessee returns any leased Products in accordance with the Seller's return policy, it will notify Lessor. When Lessor receives a credit from the Seller for the returned Product, the Schedule will be deemed amended to reflect the return of the Product and Lessor will adjust its billing records and Lessee's invoice for the applicable Lease. In addition, Lessee and Lessor agree that a signed Schedule may be amended by written notice from Lessor to Lessee provided such notice is (i) to correct the serial (or service tag) number of Products or (ii) to adjust the related Rent (defined below) on the Schedule (any increase up to 15% or any decrease) caused by any change made by Lessee in Lessee's order with the Seller.

3. TERM.

The initial term (the "Primary Term") for each Lease shall begin on the date set forth on the Schedule as the Commencement Date (the

"Commencement Date"). The period beginning on the Acceptance Date and ending on the last day of the Primary Term, together with any renewals or extensions thereof, is defined as the "Lease Term. The Lease is non-cancelable by Lessee, except as expressly provided in Section 5.

4. RENT; TAXES; PAYMENT OBLIGATION.

(a) The rental payment amount ("Rent"), and the payment period for each installment of Rent ("Payment Period") shall be stated in the Schedule. A prorated portion of Rent calculated based on a 30-day month, 90-day quarter or 360-day year (as appropriate) for the period from the Acceptance Date to the Commencement Date shall be added to the first payment of Rent. All Rent and other amounts due and payable under this Agreement or any Schedule shall be paid to Lessor in lawful funds of the United States of America at the payment address for Lessor set forth above or at such other address as Lessor may designate in writing from time to time. Whenever Rent and other amounts payable under a Lease are not paid when due, Lessee shall pay interest on such amounts at a rate equal to the lesser of 1% per month or the highest such rate permitted by applicable law ("Overdue Rate"). Rent shall be due and payable whether or not Lessee has received an invoice showing such Rent is due. Late charges and reasonable attorney's fees necessary to recover Rent and other amounts owed hereunder are considered an integral part of this Agreement.

(b) EACH LEASE SHALL BE A NET LEASE. In addition to Rent, Lessee shall pay sales, use, excise, purchase, property, added value or other taxes, fees, levies or assessments lawfully assessed or levied against Lessor or with respect to the Products and the Lease ("collectively "Taxes"), and customs, duties or surcharges on imports or exports (collectively, "Duties"), plus all expenses incurred in connection with Lessor's purchase and Lessee's use of the Products, including but not limited to shipment, delivery, installation, and insurance. Unless Lessee provides Lessor with a tax exemption certificate acceptable to the relevant taxing authority prior to Lessor's payment of such Taxes, Lessee shall pay to Lessor all Taxes and Duties upon demand by Lessor. Lessor may, at its option, invoice Lessee for estimated personal property tax with the Rent Payment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Products.

(c) EXCEPT AS EXPRESSLY PROVIDED IN SECTION 5, LESSEE'S OBLIGATION TO PAY ALL RENT AND OTHER AMOUNTS WHEN DUE AND TO OTHERWISE PERFORM AS REQUIRED UNDER THIS AGREEMENT AND EACH SCHEDULE SHALL BE ABSOLUTE AND UNCONDITIONAL, AND SHALL NOT BE SUBJECT TO ANY ABATEMENT, REDUCTION, SET-OFF, DEFENSE, COUNTERCLAIM, INTERRUPTION, DEFERMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER WHETHER ARISING OUT OF ANY CLAIMS BY LESSEE AGAINST LESSOR, LESSOR'S ASSIGNS, THE SELLER, OR THE SUPPLIER OR MANUFACTURER OF THE PRODUCTS, TOTAL OR PARTIAL LOSS OF THE PRODUCTS OR THEIR USE OR POSSESSION, OR OTHERWISE. If any Product is unsatisfactory for any reason, Lessee shall make its claim solely against the Seller of such Product (or the Licensor in the case of Software, as defined

below) and shall nevertheless pay Lessor or its assignee all amounts due and payable under the Lease.

5. APPROPRIATION OF FUNDS.

(a) Lessee intends to continue each Schedule for the Primary Term and to pay the Rent and other amounts due thereunder. Lessee reasonably believes that legally available funds in an amount sufficient to pay all Rent during the Primary Term can be obtained and agrees to do all things lawfully within its power to obtain and maintain funds from which the Rent and other amounts due may be paid.

(b) Lessee may terminate a Schedule in whole, but not in part by giving at least sixty (60) days notice prior to the end of the then current Fiscal Period (as defined in the Lessee's Secretary/Clerk's Certificate provided to Lessor) certifying that: (1) sufficient funds were not appropriated and budgeted by Lessee's governing body or will not otherwise be available to continue the Lease beyond the current Fiscal Period; and (2) that the Lessee has exhausted all funds legally available for payment of the Rent beyond the current Fiscal Period. Upon termination of the Schedule, Lessee's obligations under the Schedule (except those that expressly survive the end of the Lease Term) and any interest in the Products shall cease and Lessee shall surrender the Products in accordance with Section 8. Notwithstanding the foregoing, Lessee agrees that, without creating a pledge, lien or encumbrance upon funds available to Lessee in other than its current Fiscal Period, it will use its best efforts to take all action necessary to avoid termination of a Schedule, including making budget requests for each Fiscal Period during each applicable Lease Term for adequate funds to meet its Lease obligations and to continue the Schedule in force.

(c) Lessor and Lessee intend that the obligation of Lessee to pay Rent and other amounts due under a Lease constitutes a current expense of Lessee and is not to be construed to be a debt in contravention of any applicable constitutional or statutory limitation on the creation of indebtedness or as a pledge of funds beyond Lessee's current Fiscal Period.

6. LICENSED MATERIALS.

Software means any operating system software or computer programs included with the Products (collectively, "Software"). "Licensed Materials" are any manuals and documents, end user license agreements, evidence of licenses, including without limitation, any certificate of authenticity and other media provided in connection with such Software, all as delivered with or affixed as a label to the Products. Lessee agrees that this Agreement and any Lease (including the sale of any Product pursuant to any purchase option) does not grant any title or interest in Software or Licensed Materials. Any use of the terms "sell," "purchase," "license," "lease," and the like in this Agreement or any Schedule with respect to Licensed Materials shall be interpreted in accordance with this Section 6.

7. USE; LOCATION; INSPECTION.

Lessee shall (a) comply with all terms and conditions of any Licensed Materials and (b) possess and operate the Products only (i) in accordance with the Seller's supply contract and any service provider maintenance and operating manuals, documentation and applicable laws; and (ii) for the business purposes of Lessee. Lessee agrees not to move Products from the location(s) specified in the Schedule without providing Lessor with at least 30 days prior written notice, and then only to a location within the continental United States and at Lessee's expense. Without notice to Lessor, Lessee may temporarily use laptop computers at other locations, including outside the United States, provided Lessee complies with the United States Export Control Administration Act of 1979 and the Export Administration Act of 1985, as those Acts are amended from time to time (or any successor or similar legislation). Provided Lessor complies with Lessee's reasonable security requirements, Lessee shall allow Lessor to inspect the premises where the Products are located from time to time during reasonable hours after reasonable notice in order to confirm Lessee's compliance with its obligations under this Agreement.

8. RETURN.

At the expiration or earlier termination of any Schedule, and except for Products purchased pursuant to any purchase option under the Lease, if any, Lessee will (a) remove all proprietary data from the Products; and (b) return

them to Lessor at a place within the contiguous United States designated by Lessor. Upon return of the Products, Lessee's right to the operating system Software in returned Products will terminate and Lessee will return the Products with the original certificate of authenticity (attached and unaltered) for the original operating system Software. Lessee agrees to deinstall and package the Products for return in a manner which will protect them from damage. Lessee shall pay all costs associated with the packaging and return of the Products and shall promptly reimburse Lessor for all costs and expenses for missing or damaged Products or operating system Software. If Lessee fails to return all of the Products at the expiration of the Lease Term or earlier termination (other than for non-appropriation) in accordance with this Section, the Lease Term with respect to the Products that are not returned shall continue to be renewed as described in the Schedule.

9. RISK OF LOSS; MAINTENANCE; INSURANCE.

(a) From the time the Products are delivered to Lessee's ship to location until the Products are returned to Lessor's designated return location or purchased by Lessee, Lessee agrees: (i) to assume the risk of loss or damage to the Products; (ii) to maintain the Products in good operating condition and appearance, ordinary wear and tear excepted, (iii) to comply with all requirements necessary to enforce all warranty rights; and (iv) to promptly repair any repairable damage to the Products. For the Lease Term, Lessee shall ensure that the Products are covered by a manufacturer approved maintenance agreement or, with Lessor's prior consent, are self-maintained in accordance with the standards set forth herein. At all times, Lessee shall provide the following insurance: (x) casualty loss insurance for the Products for no less than the Stipulated Loss Value (defined below) naming Lessor as a loss payee; (y) liability insurance with respect to the Products for no less than an amount as required by Lessor, with Lessor named as an additional insured; and (z) such other insurance as may be required by law which names Lessee as an insured and Lessor as an additional insured. Upon Lessor's prior written consent, Lessee may provide this insurance pursuant to Lessee's existing self insurance policy or as provided for under state law. Lessee shall provide Lessor with either an annual certificate of third party insurance or a written description of its self insurance policy or relevant law, as applicable. The certificate of insurance will provide that Lessor shall receive at least ten (10) days prior written notice of any material change to or cancellation of the insurance policy or Lessee's self-insurance program, if previously approved by Lessor. If Lessee does not give Lessor evidence of insurance in accordance with the standards herein, Lessor has the right, but not the obligation, to obtain such insurance covering Lessor's interest in the Products for the Lease Term, including renewals. If Lessor obtains such insurance, Lessor will add a monthly, quarterly or annual charge (as appropriate) to the Rent to reimburse Lessor for the insurance premium and Lessor's then current insurance administrative fee.

(b) If the Products are lost, stolen, destroyed, damaged beyond repair or in the event of any condemnation, confiscation, seizure or expropriation of such Products ("Casualty Products"), Lessee shall promptly (i) notify Lessor of the same and (ii) pay to Lessor the Stipulated Loss Value for the Casualty Products. The Stipulated Loss Value is an amount equal to the sum of (a) all Rent and other amounts then due and owing (including interest at the Overdue Rate from the due date until payment is received) under the Lease, plus (b) the present value of all future Rent to become due under the Lease during the remainder of the Lease Term, plus (c) the present value of the estimated in place Fair Market Value of the Product at the end of the Primary Term as determined by Lessor; plus (d) all other amounts to become due and owing during the remaining Lease Term. Unless priced as a tax-exempt Schedule, each of (b) and (c) shall be calculated using the federal funds rate target reported in the Wall Street Journal on the Commencement Date of the applicable Schedule. The discount rate applicable to tax-exempt Schedules shall be federal funds rate target reported in the Wall Street Journal on the Commencement Date of the applicable Schedule less 100 basis points.

10. ALTERATIONS.

Lessee shall, at its expense, make such alterations to the Products during the Lease Term as are legally required or provided at no charge by Seller. Lessee may make other alterations, additions or improvements to the Products provided that any alteration, addition or improvement shall be readily removable and shall not materially impair the value or utility of the Products. Upon the return of any Product to Lessor, any alteration, addition or improvement that is not removed by Lessee shall become the property of

Lessor free and clear of all liens and encumbrances.

11. REPRESENTATIONS AND WARRANTIES OF LESSEE.

Lessee represents, warrants and covenants to Lessor and will provide to Lessor at Lessor's request all documents deemed necessary or appropriate by Lessor, including Certificates of Insurance, financial statements, Secretary or Clerk Certificates, essential use information or documents (such as affidavits, notices and similar instruments in a form satisfactory to Lessor) and Opinions of Counsel (in substantially such form as provided to Lessee by Lessor and otherwise satisfactory to Lessor) to the effect that, as of the time Lessee enters into this Agreement and each Schedule that:

(a) Lessee is an entity duly organized and existing under and by virtue of the authorizing statute or constitutional provisions of its state and is a state or political subdivision thereof as described in Section 103(a) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder as in effect and applicable to the Agreement or any Schedule, with full power and authority to enter into this Agreement and any Schedules and perform all of its obligations under the Leases;

(b) This Agreement and each Schedule have been duly authorized, authenticated and delivered by Lessee by proper action of its governing board at a regularly convened meeting and attended by the requisite majority of board members, or by other appropriate official authentication, as applicable, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement against Lessee;

(c) This Agreement and each Schedule constitute the valid, legal and binding obligations of Lessee, enforceable in accordance with their terms;

(d) No other approval, consent or withholding of objection is required from any federal, state or local governmental authority or instrumentality with respect to the entering into or performance by Lessee of the Agreement or any Schedule and the transactions contemplated thereby;

(e) Lessee has complied with such public bidding requirements and other state and federal laws as may be applicable to the Agreement and any Schedule and the acquisition by Lessee of the Products;

(f) The entering into and performance of the Agreement or any Schedule will not (i) violate any judgment, order, law or regulation applicable to Lessee; (ii) result in any breach of, or constitute a default under, any instrument to which the Lessee is a party or by which it or its assets may be bound; or (iii) result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee or on the Products, other than those created pursuant to this Agreement;

(g) There are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting Lessee, nor to the best of Lessee's knowledge and belief is there any basis therefor, which if determined adversely to Lessee will have a material adverse effect on the ability of Lessee to fulfill its obligations under the Agreement or any Schedule;

(h) The Products are essential to the proper, efficient and economic operation of Lessee or to the services which Lessee provides to its citizens. Lessee expects to make immediate use of the Products, for which it has an immediate need that is neither temporary nor expected to diminish during the applicable Lease Term. The Products will be used for the sole purpose of performing one or more of Lessee's governmental or proprietary functions consistent within the permissible scope of Lessee's authority; and

(i) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds to make all Rent payments and other obligations under this Agreement and any Schedule during the current Fiscal Period, and such funds have not been expended for other purposes.

12. WARRANTY ASSIGNMENT; EXCLUSION OF WARRANTIES; LIMITATIONS ON LIABILITY; FINANCE LEASE.

(a) Provided no Event of Default has occurred and is continuing, Lessor assigns to Lessee for the Lease Term the benefit of any Product warranty and right of return provided by any Seller.

(b) LESSEE ACKNOWLEDGES THAT LESSOR DID NOT SELECT,

MANUFACTURE, SUPPLY OR LICENSE ANY PRODUCT AND THAT LESSEE HAS MADE THE SELECTION OF PRODUCTS BASED UPON ITS OWN JUDGMENT AND EXPRESSLY DISCLAIMS ANY RELIANCE ON STATEMENTS MADE BY LESSOR OR ITS AGENTS. LESSOR LEASES THE PRODUCTS AS-IS AND MAKES NO WARRANTY, EXPRESS, IMPLIED, OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF DESIGN, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR OR ITS ASSIGNEE FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY OR WITH RESPECT TO ANY PRODUCTS.

(c) IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY ACTUAL, SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY SCHEDULE OR THE SALE, LEASE OR USE OF ANY PRODUCTS EVEN IF LESSOR IS ADVISED IN ADVANCE OF THE POSSIBILITY OR CERTAINTY OF SUCH DAMAGES AND EVEN IF LESSEE ASSERTS OR ESTABLISHES A FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED IN THIS AGREEMENT.

(d) Lessee agrees that it is the intent of both parties that each lease qualify as a statutory finance lease under Article 2A of the UCC. Lessee acknowledges either (i) that Lessee has reviewed and approved any written supply contract covering the Products purchased from the Seller for lease to Lessee or (ii) that Lessor has informed or advised Lessee, in writing, either previously or by this Agreement, that Lessee may have rights under the supply contract evidencing the purchase of the Products and that Lessee should contact the Seller for a description of any such rights. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, LESSEE HEREBY WAIVES ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC.

13. EVENTS OF DEFAULT.

It shall be an event of default hereunder and under any Schedule ("Event of Default") if:

(a) Lessee fails to pay any Rent or other amounts payable under this Agreement or any Schedule within 15 days after the date such payment is due;

(b) Any representation or warranty made by Lessee to Lessor in connection with this Agreement, any Schedule or any other Documents is at the time made materially untrue or incorrect;

(c) Lessee fails to comply with any other obligation or provision of this Agreement or any Schedule and such failure shall have continued for 30 days after notice from Lessor;

(d) Lessee (i) is generally not paying its debts as they become due or (ii) takes action for the purpose of invoking the protection of any bankruptcy or insolvency law, or any such law is invoked against or with respect to Lessee or its property and such petition is not dismissed within 60 days;

(e) Any provision of this Agreement ceases to be valid and binding on Lessee, is declared null and void, or its validity or enforceability is contested by Lessee or any governmental agency or authority whereby the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee denies any further liability or obligation under this Agreement; or

(f) Lessee is in default under any other lease, contract, or obligation now existing or hereafter entered into with Lessor or Seller or any assignee of Lessor.

14. REMEDIES; TERMINATION.

(a) Upon an Event of Default under any Schedule, all of Lessee's rights (including its rights to the Products), but not its obligations thereunder, shall automatically be canceled without notice and Lessor may exercise one or more of the following remedies in its sole discretion:

(i) require Lessee to return any and all such Products in accordance with Section 8, or if requested by Lessor, to assemble the Products in a single location designated by Lessor and to grant Lessor the right to enter the premises where such Products are located (regardless of where assembled) for the purpose of repossession;

(ii) sell, lease or otherwise dispose of any or all Products (as agent and attorney-in-fact for Lessee to the extent necessary) upon such terms and in such manner (at public or private sale) as Lessor deems advisable in its sole discretion ("Disposition");

(iii) declare immediately due and payable as a pre-estimate of liquidated damages for loss of bargain and not as a penalty, the Stipulated Loss Value of the Products in lieu of any further Rent, in which event Lessee shall pay such amount to Lessor within 10 days after the date of Lessor's demand; or

(iv) proceed by appropriate court action either at law or in equity (including action for specific performance) to enforce the performance by Lessee or recover damages associated with such Event of Default or exercise any other remedy available to lessor in law or in equity.

(b) Lessee shall pay all costs and expenses arising or incurred by Lessor, including reasonable attorney fees, in connection with or related to an Event of Default or the repossession, transportation, re-furbishing, storage and Disposition of any or all Products ("Default Expenses"). In the event Lessor recovers proceeds (net of Default Expenses) from its Disposition of the Products, Lessor shall credit such proceeds against the owed Stipulated Loss Value. Lessee shall remain liable to Lessor for any deficiency. With respect to this Section, to the extent the proceeds of the Disposition (net of Default Expenses) exceed the Stipulated Loss Value owed under the Lease, or Lessee has paid Lessor the Stipulated Loss Value, the Default Expenses and all other amounts owing under the Lease, Lessee shall be entitled to such excess and shall have no further obligations with respect to such Lease. All rights of Lessor are cumulative and not alternative and may be exercised by Lessor separately or together.

15. QUIET ENJOYMENT.

Lessor shall not interfere with Lessee's right to possession and quiet enjoyment of Products during the relevant Lease Term, provided no Event of Default has occurred or is continuing. Lessor represents and warrants that as of the Commencement Date of the applicable Schedule, Lessor has the right to lease the Products to Lessee.

16. INDEMNIFICATION.

Without waiving the doctrines of sovereign immunity and immunity from suit, and to the extent allowed by the laws and Constitution of the State of Texas, Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to any Products and for injury to or death of any person, or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others, which is proximately caused by the negligent conduct of Lessee, its officers or employees.

17. OWNERSHIP; LIENS AND ENCUMBRANCES; LABELS.

As between Lessor and Lessee, title to the Products (other than the Licensed Materials) is and shall remain with Lessor. Products are considered personal property and Lessee shall, at Lessee's expense, keep the Products free and clear of liens and encumbrances of any kind (except those arising through the acts of Lessor) and shall immediately notify Lessor if Lessor's interest is subject to compromise. Lessee shall not remove, cover, or alter plates, labels, or other markings upon Products by Lessor, Seller or any other supplier.

18. NON-PERFORMANCE BY LESSEE.

If Lessee shall fail to perform any of its obligations hereunder or under any Schedule, Lessor shall have the right but not the obligation to effect such performance and Lessee shall promptly reimburse Lessor for all out of pocket and other reasonable expenses incurred in connection with such performance, with interest at the Overdue Rate.

19. NOTICES.

All notices shall be given in writing and, except for billings and communications in the ordinary course of business, shall be delivered by overnight courier service, delivered personally or sent by certified mail, return receipt requested, and shall be effective on the date of receipt unless mailed, in which case the effective date will be four (4) Business Days after the date of mailing. Notices

to Lessor by Lessee shall be sent to: Dell Financial Services L.P., Legal Department, One Dell Way, Round Rock, TX 78682, or such other mailing address designated in writing by Lessor. Notice to Lessee shall be to the address on the first page of this Agreement or such other mailing address designated in writing by Lessee.

20. ASSIGNMENT.

(a) LESSEE MAY ASSIGN THIS AGREEMENT OR ANY SCHEDULE, OR SUBLEASE ANY PRODUCT(S) WITH THE PRIOR WRITTEN CONSENT OF LESSOR (SUCH CONSENT NOT TO BE UNREASONABLY WITHHELD). LESSOR, AT ITS SOLE DISCRETION, MAY ASSESS AN ADMINISTRATIVE FEE FOR ANY APPROVED ASSIGNMENT OR SUBLEASE. No assignment or sublease shall in any way discharge Lessee's obligations to Lessor under this Agreement or Schedule.

(b) Lessor may at any time without notice to Lessee, but subject to the rights of Lessee, transfer, assign, or grant a security interest in any Product, this Agreement, any Schedule, or any rights and obligations hereunder or thereunder in whole or in part. Lessee hereby consents to such assignments, agrees to comply fully with the terms thereof, and agrees to execute and deliver promptly such acknowledgments, opinions of counsel and other instruments reasonably requested to effect such assignment.

(c) Subject to the foregoing, this Agreement and each Schedule shall be binding upon and inure to the benefit of Lessor, Lessee and their successors and assigns.

21. GOVERNING LAW; JURISDICTION AND VENUE; WAIVER OF JURY TRIAL; STATE CLAIMS PROCESS.

(a) THIS AGREEMENT AND EACH SCHEDULE SHALL BE GOVERNED BY TEXAS LAW WITHOUT REGARD TO ITS CONFLICTS OF LAW PRINCIPLES AND, TO THE EXTENT APPLICABLE, THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. EXCEPT FOR LESSEES TO WHOM SECTION 21(b) HEREIN APPLIES, LESSEE CONSENTS TO THE JURISDICTION OF ANY FEDERAL COURT LOCATED IN DALLAS COUNTY, TEXAS AND WAIVES ANY OBJECTION TO VENUE IN SUCH COURT, AND FURTHER WAIVES ANY RIGHT TO A TRIAL BY JURY.

(b) This sub-section applies only to Lessees designated a State, agency, department, commission, bureau, board, office, council, court, or other entity that is in any branch of state government and that is created by the constitution or a statute of the State of Texas, including a university system or institution of higher education.

(1) To the extent that Chapter 2260 of the *Texas Government Code*, as it may be amended from time to time ("Chapter 2260"), is applicable to this Agreement and is not preempted by other applicable law, the dispute resolution process provided for in Chapter 2260 shall be used, as further described herein, by the Lessee and Lessor to attempt to resolve any claim for breach of contract made by Lessor:

(A) Lessor's claims for breach of this Agreement that the parties cannot resolve pursuant to other provisions of this Agreement or in the ordinary course of business shall be submitted to the negotiation process provided in subchapter B of Chapter 2260. To initiate the process, Lessor shall submit written notice, as required by subchapter B of Chapter 2260, to Lessee in accordance with the notice provisions in this Agreement. Lessor's notice shall specifically state that the provisions of subchapter B of Chapter 2260 are being invoked, the date and nature of the event giving rise to the claim, the specific contract provision that Lessee allegedly breached, the amount of damages Lessor seeks, and the method used to calculate the damages. Compliance by Lessor with subchapter B of Chapter 2260 is a required prerequisite to Lessor's filing of a contested case proceeding under subchapter C of Chapter 2260. The chief business officer of Lessee, or such other officer of Lessee as may be designated from time to time by Lessee by written notice thereof to Lessor in accordance with the notice provisions in this Agreement, shall examine Lessor's claim and any counterclaim and negotiate with Lessor in an effort to resolve such claims.

(B) If the parties are unable to resolve their disputes under subparagraph (A) of this subsection, the contested case process provided in subchapter C of Chapter 2260 is Lessor's sole and exclusive

process for seeking a remedy for any and all of Lessor's claims for breach of this Agreement by Lessee.

(C) Compliance with the contested case process provided in subchapter C of Chapter 2260 is a required prerequisite to seeking consent to sue from the Legislature under Chapter 107 of the Texas Civil Practices and Remedies Code. The parties hereto specifically agree that (i) neither the execution of this Agreement by Lessee nor any other conduct, action or inaction of any representative of Lessee relating to this Agreement constitutes or is intended to constitute a waiver of Lessee's or the State's sovereign immunity to suit and (ii) Lessee has not waived its right to seek redress in the courts.

(2) (A) If the Lessee against whom Lessor makes a claim does not have rulemaking authority, the submission, processing and resolution of Lessor's claim is governed by the published rules adopted by the Office of the Attorney General pursuant to Chapter 2260, Government Code as currently effective, hereafter enacted or subsequently amended.

(B) If the Lessee against whom Lessor makes a claim has rulemaking authority, and has adopted rules governing the alternative dispute resolution process, the submission, processing and resolution of Lessor's claim shall be governed by such rules, as such rules are then effective, hereafter enacted or subsequently amended. If the Lessee against whom Lessor makes a claim has rulemaking authority, but has not yet adopted rules governing the alternative dispute resolution process, Lessee's claim shall be governed by the rules adopted by the Office of the Attorney General pursuant to Subsection 2260.052 (c), Subchapter B, Government Code.

(3) Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of a claim constitute grounds for the suspension of performance by Lessor, in whole or in part. Lessee and Lessor agree that any periods set forth in this Agreement for notice and cure of defaults are not waived, delayed, or suspended by Chapter 2260 or this subsection.

22. MISCELLANEOUS .

(a) The headings used in this Agreement are for convenience only and shall have no legal effect. This Agreement shall be interpreted without any strict construction in favor of or against either party.

(b) The provisions of Sections 6, 8, 11, 12(b), 12(c), 12(d), 16, 21 and 22 shall continue in full force and effect even after the termination or expiration of this Agreement or any Schedule.

(c) Failure of Lessor at any time to require Lessee's performance of any obligation shall not affect the right to require performance of that obligation. No term, condition or provision of this Agreement or any Schedule shall be waived or deemed to have been waived by Lessor unless it is in writing and signed by a duly authorized representative of Lessor. A valid waiver is limited to the specific situation for which it was given.

(d) Lessee shall furnish such financial statements of Lessee (prepared in accordance with generally accepted accounting principles) and other information as Lessor may from time to time reasonably request.

(e) If any provision(s) of this Agreement is deemed invalid or unenforceable to any extent (other than provisions going to the essence of this Agreement) the same shall not in any respect affect the validity, legality or enforceability (to the fullest extent permitted by law) of the remainder of this Agreement and the parties shall use their best efforts to replace such illegal, invalid or unenforceable provision with an enforceable provision approximating, to the extent possible, the original intent of the parties.

(f) Unless otherwise provided, all obligations hereunder shall be performed or observed at the respective party's expense.

(g) Lessee shall take any action reasonably requested by Lessor for the purpose of fully effectuating the intent and purposes of this Agreement or any Schedule. If any Lease is determined to be other than a true lease, Lessee hereby grants to Lessor a first priority security interest in the Products and all proceeds thereof. Lessee acknowledges that by signing this Agreement,

Lessee has authorized Lessor to file any financing statements or related filings as Lessor may reasonably deem necessary or appropriate. Lessor may file a copy of this Agreement or any Schedule in lieu of a financing statement.

(h) This Agreement and any Schedule may be signed in any number of counterparts each of which when so executed or otherwise authenticated and delivered shall be an original but all counterparts shall together constitute one and the same instrument. To the extent each Schedule would constitute chattel paper as that term is defined in the UCC, no security interest may be created through the transfer or control or possession, as applicable, of a counterpart of a Schedule other than the original in Lessor's possession marked by Lessor as either "original" or "Counterpart Number 1".

(i) This Agreement and the Schedules hereto between Lessor and Lessee set forth all of the understandings and agreements between the parties and supersede and merge all prior written or oral communications, understandings, or agreements between the parties relating to the subject matter contained herein. Except as permitted herein, this Agreement and any Schedule may be amended only by a writing duly signed or otherwise authenticated by Lessor and Lessee.

(j) If Lessee delivers this Agreement, a signed Schedule, amendment or other document related to the Master Lease or a Schedule (each a "Document") to Lessor by facsimile transmission, and Lessor does not receive all of the pages of that Document, Lessee agrees that, except for any pages which require a signature, Lessor may supply the missing pages to the Document from Lessor's database which conforms to the version number at the bottom of the page. If Lessee delivers a signed Document to Lessor as an e-mail attachment, facsimile transmission or by U.S. mail, Lessee acknowledges that Lessor is relying on Lessee's representation that the Document has not been altered. Lessee further agrees that, notwithstanding any rule of evidence to the contrary, in any hearing, trial or proceeding of any kind with respect to a Document, Lessor may produce a tangible copy of the Document transmitted by Lessee to Lessor by facsimile or as an e-mail attachment and such signed copy shall be deemed to be the original of the Document. To the extent (if any) that the Document constitutes chattel paper under the Uniform Commercial Code, the authoritative copy of the Document shall be the copy designated by Lessor or its assignee, from time to time, as the copy available for access and review by Lessee, Lessor or its 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 Lessor's 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 Document.

EXECUTED by the undersigned on the dates set forth below, to be effective as of the Effective Date.

"Lessee"
BY: _____
NAME: _____
TITLE: _____

DELL FINANCIAL SERVICES L.L.C.
"Lessor"
BY: _____
NAME: _____
TITLE: _____

Lease Schedules:

Fair Market Value Lease

\$1 Out Purchase Option Lease

Tax Exempt Lease Purchase Lease



**TRUE LEASE SCHEDULE NO.
MASTER LEASE AGREEMENT SCHEDULE NO.**

THIS SCHEDULE IS SUBJECT TO AND INCORPORATES THE TERMS AND CONDITIONS OF MASTER LEASE AGREEMENT NO. ("Agreement") DATED BETWEEN DELL FINANCIAL SERVICES L.L.C. ("Lessor") AND ("Lessee").

Lessor hereby agrees to lease and/or make available to Lessee subject to the terms, conditions and provisions set forth in this Schedule and in the Agreement, the Products described below. Any capitalized term used herein and not defined herein shall have the meaning ascribed to it in the Agreement.

PRODUCT DESCRIPTION AND LOCATION: See below or Exhibit "A" attached to and made a part hereof.

PRODUCT SELLER:

<u>Product Description</u>	<u>Product Location</u>	<u>Lessee Purchase Order No.</u>	<u>Rent*</u>	<u>Primary Term (Mos.)</u>	<u>Commencement Date**</u>
See Exhibit 'A'	See Exhibit 'A'				

Total Product Acquisition Cost:

Rent is payable: in

Payment Period:

*Lessee is responsible for applicable taxes, shipping and other amounts as described in the Agreement, and, with the first payment of Rent, any prorated Rent if applicable. Such amounts are further described in Exhibit "A".

**The Commencement Date may be extended for one Payment Period until the Schedule is returned in accordance with the terms in the Agreement. Lessor may charge Lessee prorated Rent accruing from the Acceptance Date to the Commencement Date, as such date is finally determined.

TRUE LEASE PROVISIONS

The following provisions shall apply with respect to this Schedule in addition to those provisions in the Agreement:

1. **TRUE LEASE:** The parties intend for this lease to constitute a true lease of Products under the UCC and all applicable laws. If this Lease is determined to be a lease intended as security, in no event shall Lessee be obligated to pay any time price balance differential in excess of the maximum amount permitted by applicable law (as specified herein or the state where the Products are located, whichever law permits the greater amount). In the event Lessor shall receive anything of value under a Lease that is deemed interest which would exceed the maximum amount of interest allowed under the law, the excess amount shall be applied to the reduction of the unpaid time price balance or shall be refunded to Lessee. In order to reduce the unpaid time price balance, any amount deemed interest shall, to the fullest extent permitted by applicable law, be amortized and spread uniformly throughout the Lease Term."

2. **END OF LEASE OPTIONS.**

(a) Provided that no Event of Default has occurred and is continuing, and at least 90 days but no more than 180 days prior to the expiration of the Primary Term (the "Expiration Date"), Lessee will give irrevocable written notice to Lessor of its intention to either:

- (i) purchase all of the Products at the Fair Market Value (as defined below);
- (ii) renew the Lease Term for a minimum of six (6) months at a rate and for a term agreed upon by both parties; or
- (iii) return all of the Products in accordance with the Agreement.

(b) If Lessee exercises the option to purchase the Products then, upon receipt of payment of the "Fair Market Value" (defined below), plus applicable taxes, Lessor will sell the Products to Lessee AS IS-WHERE IS, WITHOUT

WARRANTY OR RECOURSE, EXPRESS, IMPLIED OR OTHERWISE, INCLUDING ANY WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR AGAINST INFRINGEMENT. The Fair Market Value purchase price shall be paid on or before the last day of the Primary Term. "Fair Market Value" means the price of the Products, installed, in use and in the condition required by the Agreement as determined by Lessor in its reasonable judgment. If Lessee disagrees with the Fair Market Value, Lessee shall notify Lessor in writing within 60 days prior to the Expiration Date and, upon Lessee's request, and within ten (10) days after receipt of Lessee's notice, Lessor shall appoint a qualified appraiser reasonably acceptable to Lessee to appraise the retail value of the Products. The amount determined by such appraiser shall be the final Fair Market Value. Lessor and Lessee shall share the expense of such appraisal equally.

(c) If Lessee desires to renew a lease, Lessee and Lessor shall enter into a supplement to this Schedule describing the length of the renewal Lease Term and the renewal Rent provided, however, all other terms of this Schedule and the Agreement shall remain in full force and effect.

(d) Whether or not Lessee has given Lessor notice of its intent as described above, if Lessee does not return or purchase the Products or renew the Lease as required above, the Lease Term shall automatically extend on a month-to-month basis at the Rent in effect on the Expiration Date (prorated on a monthly basis if the Payment Period was other than monthly during the Primary Term). Such extension shall continue until Lessee: (i) provides thirty (30) days prior written notice of its intention to return or purchase the Products (to take effect on the next Rent payment date that is at least 30 days after the notice is received by Lessor) and (ii) either returns or purchases all of the Products in accordance with the End of Lease options above. Payments of Rent during the month-to-month extension are due and payable monthly as specified in Lessor's invoice. If Lessee fails to return or purchase any Products, the Schedule and associated Rent for the Products that have not been returned or purchased shall extend on a month-to-month basis in accordance with the prior sentence.

3. COMPLETION OF SCHEDULE. Lessee hereby authorizes Lessor to insert or update the serial numbers of the Products from time to time if necessary.

If Lessee delivers this signed Schedule, any amendment or other document related to this Schedule or the Master Lease (each a "Document") to Lessor by facsimile transmission, and Lessor does not receive all of the pages of that Document, Lessee agrees that, except for any pages which require a signature, Lessor may supply the missing pages to the Document from Lessor's database which conforms to the version number at the bottom of the page. If Lessee delivers a signed Document to Lessor as an e-mail attachment, facsimile transmission or by U.S. mail, Lessee acknowledges that Lessor is relying on Lessee's representation that the Document has not been altered. Lessee further agrees that, notwithstanding any rule of evidence to the contrary, in any hearing, trial or proceeding of any kind with respect to a Document, Lessor may produce a tangible copy of the Document transmitted by Lessee to Lessor by facsimile or as an e-mail attachment and such signed copy shall be deemed to be the original of the Document. To the extent (if any) that the Document constitutes chattel paper under the Uniform Commercial Code, the authoritative copy of the Document shall be the copy designated by Lessor or its assignee, from time to time, as the copy available for access and review by Lessee, Lessor or its 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 Lessor's 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 Document.

By signing below, each of the parties hereto agrees to be bound by the terms of the Agreement, this Schedule and the attached Exhibit "A".

"Lessee"	DELL FINANCIAL SERVICES L.L.C. "Lessor"
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____



**LEGAL COMPANY NAME
LEASE PURCHASE SCHEDULE NO. CONTRACT NUMBER
TO MASTER LEASE AGREEMENT NO. MLA NUMBER**

THIS SCHEDULE IS SUBJECT TO AND INCORPORATES THE TERMS AND CONDITIONS OF MASTER LEASE AGREEMENT NO. MLA NUMBER ("Agreement") DATED MLA EFFECTIVE DATE BETWEEN DELL FINANCIAL SERVICES L.L.C. ("Lessor") AND LEGAL COMPANY NAME ("Lessee").

Lessor hereby agrees to lease and/or make available to Lessee subject to the terms, conditions and provisions set forth in this Schedule and in the Agreement, the Products described below. Any capitalized term used herein and not defined herein shall have the meaning ascribed to it in the Agreement.

PRODUCT DESCRIPTION AND LOCATION: See below or Exhibit "A" attached to and made a part hereof.

PRODUCT SELLER:

<u>Product Description</u>	<u>Product Location</u>	<u>Lessee Purchase Order No.</u>	<u>Primary Term (Mos.)</u>	<u>Commencement Date*</u>
See Exhibit 'A'	See Exhibit 'A'	TBD	TERM	TBD

Rent is payable: in Advance

Payment Period:

*The Commencement Date may be extended for one Payment Period until the Schedule is returned in accordance with the terms in the Agreement. Lessor may charge Lessee prorated Rent accruing from the Acceptance Date to the Commencement Date, as such date is finally determined.

LEASE PURCHASE PROVISIONS

The following provisions shall apply with respect to this Schedule in addition to those provisions in the Agreement:

1. SECTION 4. RENT; TAXES; PAYMENT OBLIGATION.

Insert as a new last sentence to subsection (a) the following:

"For the purposes of this Schedule, the Rent and Purchase Price (as of the applicable Purchase Date) are shown in the chart below or on Exhibit "B", attached to and made a part hereof.

<u>Payment Number</u>	<u>Purchase Date</u>	<u>Rent</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Purchase Price</u>
See Exhibit 'B'					

2. PURCHASE OPTION.

Provided that no Event of Default has occurred and is continuing, and at least 60 days but no more than 180 days before the purchase date ("Purchase Date") selected by Lessee, Lessee will give irrevocable written notice to Lessor of its intention to:

- (i) purchase the Products for \$1.00 at the end of the Primary Term;
- (ii) purchase the Products at the Purchase Price as stated in Paragraph (i) above or as listed on Exhibit B, so long as all other amounts due on the Purchase Date have been paid in full; or
- (iii) return the Products in accordance with the Agreement for a fee agreed upon by both parties.

Upon satisfaction by Lessee of such conditions, Lessee shall be entitled to Lessor's interest in the Products, AS IS, WHERE IS, WITHOUT WARRANTY OR RECOURSE, EXPRESS, IMPLIED OR OTHERWISE, BY OR AGAINST LESSOR,

INCLUDING ANY WARRANTIES OF DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR AGAINST INFRINGEMENT, other than the absence of any liens by, through, or under Lessor.

As continuing security for Lessee's obligations hereunder, Lessee hereby grants to Lessor, a first-priority security interest in all of Lessee's rights and interest in and to the Products and all proceeds thereof, free and clear of all security interests, liens or encumbrances whatsoever.

3. **COMPLETION OF SCHEDULE.** Lessee hereby authorizes Lessor to insert or update the serial numbers of the Products from time to time as necessary.

By signing below, each of the parties hereto agrees to be bound by the terms of the Agreement, this Schedule and the attached Exhibits "A" and "B".

LEGAL COMPANY NAME
"Lessee"

DELL FINANCIAL SERVICES L.L.C.
"Lessor"

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



**SAMPLE
LEASE PURCHASE SCHEDULE NO.
TO MASTER LEASE AGREEMENT SCHEDULE NO.**

THIS SCHEDULE IS SUBJECT TO AND INCORPORATES THE TERMS AND CONDITIONS OF MASTER LEASE AGREEMENT NO. _____ ("Agreement") DATED _____ BETWEEN DELL FINANCIAL SERVICES L.L.C. ("Lessor") AND _____ ("Lessee").

Lessor hereby agrees to lease and/or make available to Lessee subject to the terms, conditions and provisions set forth in this Schedule and in the Agreement, the Products described below. Any capitalized term used herein and not defined herein shall have the meaning ascribed to it in the Agreement.

PRODUCT DESCRIPTION AND LOCATION: See below or Exhibit "A" attached to and made a part hereof.

PRODUCT SELLER:

<u>Product Description</u>	<u>Product Location</u>	<u>Lessee Purchase Order No.</u>	<u>Primary Term (Mos.)</u>	<u>Commencement Date</u>
See Exhibit 'A'	See Exhibit 'A'			

Rent is payable: in

Payment Period:

LEASE PURCHASE PROVISIONS

The following provisions shall apply with respect to this Schedule in addition to those provisions in the Agreement:

1. SECTION 4. RENT; TAXES; PAYMENT OBLIGATION.

Insert as a new last sentence to subsection (a) the following:

"For the purposes of this Schedule, the Rent, as well as the principal and interest portions of each Rent payment and the Purchase Price as of the applicable Purchase Date are shown in the chart provided on Exhibit "B", attached to and made a part hereof.

Add as a new last sentence to subsection (b) the following:

"Because the Products will be used for a governmental or proprietary purpose of Lessee, they are exempt from all sales, use and property taxes."

2. SECTION 11. REPRESENTATIONS AND WARRANTIES OF LESSEE.

For purposes of this Schedule, add paragraphs (j) through (t) as follows:

(j) Lessee will comply with the information reporting requirements of Section 149(e) of the Code, including but not limited to, the execution and delivery to Lessor of information statements requested by Lessor;

(k) Lessee will not do, cause to be done or fail to do any act if such act or failure to act will cause this Agreement, or any transaction hereunder, to be an Arbitrage Bond within the meaning of Section 148 of the Code or a Private Activity Bond within the meaning of Section 141 of the Code;

(l) The total cost of the Products listed in this Schedule will not be less than the total Principal Portion of the Rent listed in this Schedule; :

(m) The Products listed in this Schedule have or will be ordered within six months of the date hereof in order to commence such Schedule;

(n) The Products listed in this Schedule are expected to be delivered and installed, and the Seller fully paid, within one year from the date hereof;

(o) No fund or account which secures or otherwise relates to the Rent has been established;

(p) Lessee will not sell, encumber or otherwise dispose of any property comprising this Schedule prior to the final maturity or termination of such Schedule without a written opinion of nationally recognized bond counsel to the effect that any such disposition will not adversely affect the exclusion of interest on the Rent from gross income for federal income tax purposes;

(q) Lessee agrees to execute, deliver and provide Lessor with satisfactory evidence of the filing of such documentation, as may be required for the purposes of properly reporting this Schedule, including, without limitation, IRS forms 8038-G or 8038-GC, as required under the Code;

(r) It is expected that Rent under this Schedule will be paid from periodic appropriations of the Lessee deposited into the general fund of the Lessee, that such appropriations will equal the Rent due during each Fiscal Period of Lessee, and that all amounts paid for Rent will be from an appropriation made by the Lessee during the Fiscal Period in which such Rent is made;

(s) To the best of Lessee's knowledge, information and belief, the above expectations are reasonable; and

(t) Lessee will comply with all applicable provisions of the Code, including without limitation Sections 103, 141 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rent from gross income for purposes of federal income taxation.

Without limiting the generality of the foregoing, Lessor hereby gives notice to Lessee that, upon execution of this Schedule by Lessor, Lessor shall assign all of its right, title and interest in, to and under this Schedule, including all Products and all payments owing under such Schedule, to Dell Equipment Funding L.P. ("DEF") pursuant to a purchase agreement between the Lessor and DEF. Lessee hereby acknowledges and consents to such assignment and shall keep, or cause to be kept, a complete and accurate record of all such assignments in a manner and form necessary to comply with Section 149(a) of the Code and the Treasury Regulations promulgated thereunder. Lessor hereby directs Lessee to continue to make any and all payments required to be made under this Schedule directly to Lessor, as servicing agent for DEF, at the same address to which Lessee is currently making payments unless and until Lessor is directed by DEF to make such payments to a different address or payee."

TO THE EXTENT PERMITTED BY LAW, AND IN ADDITION TO LESSEE'S OBLIGATION UNDER SECTION 16 OF THE AGREEMENT AND ANY AMENDMENTS THERETO, LESSEE HEREBY ASSUMES LIABILITY FOR, AND SHALL PAY WHEN DUE, AND SHALL DEFEND LESSOR AND ITS SUCCESSORS AND ASSIGNS AGAINST, ANY AND ALL LIABILITIES, LOSSES, DAMAGES, CLAIMS AND EXPENSES (INCLUDING REASONABLE ATTORNEY FEES) RELATING TO OR ARISING OUT OF LESSEE'S BREACH OF ANY OF ITS REPRESENTATIONS, WARRANTIES, OR COVENANTS CONTAINED IN SECTION 11 OF THE AGREEMENT AS SUPPLEMENTED HEREIN.

3. SECTION 12. WARRANTY ASSIGNMENT; EXCLUSION OF WARRANTIES; LIMITATIONS ON LIABILITY; FINANCE LEASE.

For purposes of this Schedule, delete "FINANCE LEASE" in the title of this Section and delete the first and last sentences of paragraph (d).

4. SECTION 17. OWNERSHIP; LIENS AND ENCUMBRANCES; LABELS.

Insert at the end of this paragraph the following: "Notwithstanding the first sentence of this Section, upon Lessee's acceptance of the Products under this Schedule, title to the Products shall vest in Lessee subject to Lessor's rights under the Agreement; provided that, upon an Event of Default or any termination of this Schedule, other than by Lessee's purchase of the Products, title to the Products shall immediately and without any action by either party vest in Lessor, and Lessee shall immediately surrender possession of the Products to Lessor. Any such transfer of title shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer.

5. PURCHASE OPTION.

Provided that no Event of Default has occurred and is continuing, and upon satisfaction of all payment obligations herein by Lessee, Lessee shall be entitled to Lessor's interest in the Products, AS IS, WHERE IS, WITHOUT WARRANTY OR RECOURSE, EXPRESS, IMPLIED OR OTHERWISE, BY OR AGAINST LESSOR, INCLUDING ANY WARRANTIES OF

DESIGN, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR AGAINST INFRINGEMENT, other than the absence of any liens by, through, or under Lessor.

As continuing security for Lessee's obligations hereunder, Lessee hereby grants to Lessor, a first-priority security interest in all of Lessee's rights and interest in and to the Products and all proceeds thereof, free and clear of all security interests, liens or encumbrances whatsoever.

6. COMPLETION OF SCHEDULE: Lessee hereby authorizes Lessor to insert or update the serial numbers of the Products from time to time as necessary.

If Lessee delivers this signed Schedule, any amendment or other document related to this Schedule or the Master Lease (each a "Document") to Lessor by facsimile transmission, and Lessor does not receive all of the pages of that Document,

By signing below, each of the parties hereto agrees to be bound by the terms of the Agreement, this Schedule and the attached Exhibits "A" and "B".

"Lessee"
By: _____
Name: _____
Title: _____
Date: _____

DELL FINANCIAL SERVICES L.L.C.
"Lessor"
By: _____
Name: _____
Title: _____
Date: _____

Ancillary Documents:

Validity Opinion

8038G

8038GC

**SAMPLE OPINION LETTER
TO BE EXECUTED ON COUNSEL'S LETTERHEAD**

To: Dell Financial Services L.L.C.
One Dell Way
Round Rock, TX 78682

Ladies and Gentlemen:

We are counsel to the _____ (the "Lessee") and, in that capacity, we have examined Master Lease Agreement No. _____ dated as of _____ 2018, and the Lease Purchase Schedule No. _____ to Master Lease Agreement No. _____ thereto, dated as of _____, 2018 (collectively the "Agreement"), between the Lessee and Dell Financial Services L.L.C. (the "Lessor").

Based on our examination of the Agreement and such other examinations as we have deemed appropriate, we are of the opinion as follows:

(a) The Lessee is an entity duly organized and existing under and by virtue of the authorizing statute or constitutional provisions of the State of _____ and is a state or political subdivision thereof as described in Section 103(a) of the Internal Revenue Code of 1986, as amended, with full power and authority to enter into the Agreement and the transactions contemplated thereby and to perform all of its obligations thereunder;

(b) The Agreement has been duly authorized, executed and delivered by _____*, _____ of the Lessee by proper action of its governing board at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of the Agreement against the Lessee;

(c) The Agreement constitutes the valid, legal and binding obligation of the Lessee, enforceable in accordance with its terms;

(d) No approval, consent or withholding of objection is required from any federal, state or local governmental authority or instrumentality with respect to the entering into or performance by the Lessee of the Agreement and the transactions contemplated thereby;

(e) Lessee has complied with any applicable public bidding requirements and other applicable state and federal laws in connection with the Agreement and the transactions contemplated thereby;

(f) The entering into and performance of the Agreement will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, any instrument to which the Lessee is a party or by which it or its assets may be bound, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee or on the Products, other than those created by the Agreement;

(g) The Products are tangible personal property and when subject to use by the Lessee will not be or become fixtures or real property under the laws of the State of _____;

(h) There are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting, nor to the best of our knowledge and belief is there any basis therefor, which, if determined adversely to Lessee, will have a material adverse effect on the ability of the Lessee to fulfill its obligations under the Agreement; and

(i) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for Lessee's current Fiscal Period to make the Rent payments scheduled to come due during Lessee's current Fiscal Period and to meet its other obligations under the Agreement for the current Fiscal Period, and such funds have not been expended for other purposes.

This opinion is delivered to the addressee for its benefit and the benefit of its assigns for the purpose contemplated by the Agreement.

Very truly yours,

*Authorized Signatory of Lessee under the Agreement.

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.
Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.		
11 Education		11
12 Health and hospital		12
13 Transportation		13
14 Public safety		14
15 Environment (including sewage bonds)		15
16 Housing		16
17 Utilities		17
18 Other. Describe ►		18
19 If obligations are TANs or RANs, check only box 19a	<input type="checkbox"/>	
If obligations are BANs, check only box 19b	<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box	<input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)		
22 Proceeds used for accrued interest		22
23 Issue price of entire issue (enter amount from line 21, column (b))		23
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to currently refund prior issues	27	
28 Proceeds used to advance refund prior issues	28	
29 Total (add lines 24 through 28)		29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a		
b Enter the final maturity date of the GIC ▶ _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool obligation ▶ _____			
c Enter the EIN of the issuer of the master pool obligation ▶ _____			
d Enter the name of the issuer of the master pool obligation ▶ _____			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box			<input type="checkbox"/>
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box			<input type="checkbox"/>
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box			<input type="checkbox"/>
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box			<input type="checkbox"/>
44 If the issuer has established written procedures to monitor the requirements of section 148, check box			<input type="checkbox"/>
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____			
b Enter the date the official intent was adopted ▶ _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	▶ _____ Signature of issuer's authorized representative	Date	▶ _____ Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ▶ _____			Firm's EIN ▶ _____
	Firm's address ▶ _____			Phone no. _____

**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**

▶ **Under Internal Revenue Code section 149(e)**

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority Check box if **Amended Return**

1 Issuer's name		2 Issuer's employer identification number (EIN)	
3 Number and street (or P.O. box if mail is not delivered to street address)			Room/suite
4 City, town, or post office, state, and ZIP code		5 Report number (For IRS Use Only)	
6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information		7 Telephone number of officer or legal representative	

Part II Description of Obligations Check one: a single issue or a consolidated return

8a Issue price of obligation(s) (see instructions)	8a	
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶		
9 Amount of the reported obligation(s) on line 8a that is:		
a For leases for vehicles	9a	
b For leases for office equipment	9b	
c For leases for real property	9c	
d For leases for other (see instructions)	9d	
e For bank loans for vehicles	9e	
f For bank loans for office equipment	9f	
g For bank loans for real property	9g	
h For bank loans for other (see instructions)	9h	
i Used to refund prior issue(s)	9i	
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j	
k Other	9k	
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box ▶		<input type="checkbox"/>
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) ▶		<input type="checkbox"/>
12 Vendor's or bank's name:	
13 Vendor's or bank's employer identification number:	

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

Signature of issuer's authorized representative _____ Date _____ Type or print name and title _____

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶			
Firm's address ▶	Phone no.			

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions, at www.irs.gov/form8038. Information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, if the issue is a construction issue, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* next.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For a tax-exempt governmental obligation with an issue price of \$100,000 or more, use Form 8038-G.

Rounding to Whole Dollars

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions

Obligations. This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to

multiple tax-exempt governmental obligations if the form is used for consolidated reporting.

Tax-exempt obligation. This is any obligation including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1-1/2% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date of issue. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the "Amended Return" box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new corrected information. Attach an explanation of the reason for the amended return and write across the top "Amended Return Explanation."

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Lines 3 and 4. Enter the issuer's address or the address of the designated contact person listed on line 6. If the issuer wishes to use its own address and the issuer receives its mail in care of a third party authorized representative (such as an accountant or attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box. Include the suite, room, or other unit number after the street address. If the post office does not deliver mail to the street address and the issuer has a P.O. box, show the box number instead of the

street address. If a change in address occurs after the return is filed, use Form 8822, Change of Address, to notify the IRS of the new address.

Note. The address entered on lines 3 and 4 is the address the IRS will use for all written communications regarding the processing of this return, including any notices. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual listed on line 6, whose address is entered on lines 3 and 4 and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Part II—Description of Obligations

Check the appropriate box designating this as a return on a single issue basis or a consolidated return basis.

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue (for example, 03/15/2010 for a single issue issued on March 15, 2010), generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the first day of the calendar year during which the obligations were issued (for example, for calendar year 2010, enter 01/01/2010).

Lines 9a through 9h. Complete this section if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also complete this section if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal.

Do not complete lines 9a through 9d if the proceeds of an obligation are received in the form of cash even if the term "lease" is used in the title of the issue. For lines 9a through 9d, enter the amount on the appropriate line that represents a lease or installment purchase. For line 9d, enter the type of item that is leased. For lines 9e through 9h, enter the amount on the appropriate line that represents a bank loan. For line 9h, enter the type of bank loan.

Lines 9i and 9j. For line 9i, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Several lines may apply to a particular obligation. For example, report on lines 9i and 9j obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 9k. Enter on line 9k the amount on line 8a that does not represent an obligation described on lines 9a through 9j.

Line 10. Check this box if the issuer has designated any issue as a "small issuer exception" under section 265(b)(3)(B)(i)(III).

Line 11. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Line 12. Enter the name of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Line 13. Enter the employer identification number of the vendor or bank who is a party to the installment purchase agreement, loan, or financial lease. If there are multiple vendors or banks, the issuer should attach a schedule.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-GC and any applicable certification. Also print the name and title of the person signing Form 8038-GC. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that has been designated in this form.

Note. If the issuer authorizes in line 6 the IRS to communicate with a person other than an officer or other employee of the issuer, (such authorization shall include contact both in writing regardless of the address entered in lines 3 and 4, and by telephone) by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized representative of the issuer filled in its return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return. A paid preparer cannot use a social security number in the *Paid Preparer Use Only* box. The paid preparer must use a preparer tax identification number (PTIN). If the paid preparer is self-employed, the preparer should enter his or her address in the box.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

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Additional Leasing Information:

End of Lease Guide

Dell Financial Services Online Services Guide (DFSOS)

Dell Financial Services
End-of-Lease
Guide



End-of-Lease Guide

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Introduction

As the end of your lease approaches, Dell Financial Services (DFS) wants to thank you for being a valued customer.

At DFS, we understand how important a successfully executed end of lease decision is to our customers. With that in mind, the End-of-Lease Guide is designed to provide you with the necessary information to assist you in preparing for your lease expiration.

This guide will walk you through the following:

- Roles and Responsibilities
- End-of-Lease Timeline
- End-of-Lease Options
- Returning your Equipment
- End-of-Lease Services
- Frequently Asked Questions

Again, we want to thank you for utilizing DFS, for your leasing and financing needs and we look forward to your continued business.

Roles and Responsibilities

At DFS, we feel that one of the keys to an efficient end-of-lease process is a clear customer understanding of the process. To facilitate this understanding, we have developed the following “Roles & Responsibilities” matrix. The following definitions will provide you with the necessary information so that we may deliver a positive end-of-lease experience.

Dell Financial Services

- Provide timely and accurate renewal and/or buyout information.
- Provide timely and accurate return shipping information.
- Provide timely and accurate invoicing for missing and/or damaged items.
 - Offer and explain the benefits of DFS value added service programs (e.g., Return Logistics).

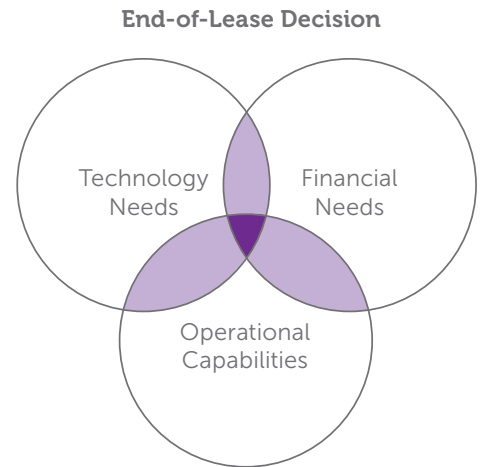
Customer

- Provide DFS notice of end-of-lease plans by agreed upon date in Master Lease Agreement and/or Lease Schedule. Must notify DFS prior to return of any product to avoid delays in receiving.
- If you decide to return your equipment, prepare and return your equipment to DFS by the lease expiration date:
 - Arrange for Dell’s replacement equipment to be delivered to your location.
 - Migrate information to replacement equipment.
 - Remove proprietary information and tags from all systems.
 - Arrange for transportation to DFS returns processing center. *NOTE: COD deliveries will not be accepted.*
 - Erase and destroy sensitive data located on hard drives. *NOTE: If you remove the hard drive to perform a data wipe, please be sure to reinstall to avoid being charged for a missing hard drive.*
- Package equipment properly to guard against in-transit damage. *NOTE: See packaging guidelines detailed later in this guide.*
- Ensure equipment arrives at DFS processing center by Lease Schedule termination date.

Note that the information contained in this guide is intended to help create a more effective and efficient relationship between DFS and your company. However, it does not change or supplement the terms and conditions of your lease agreement. In the event of a conflict, the terms and conditions of your lease agreement shall control.

End-of-Lease Timeline

DFS recommends, as a “best practice”, to begin end-of-lease planning at least 90 days prior to your required lease notification date. To establish your end-of-lease strategy, consider your specific technology needs, financial needs and operational capabilities. To help guide you through this process, we have provided a timeline below detailing specific activities and questions that will help facilitate your decision making process. Since each customer’s environment is unique, we encourage you to involve all stakeholders in the decision making process.



Account Planning (T-180 days)

During the account planning process, you should begin to consider:

Equipment Location and Condition

- Can the equipment be located?
- Is it in good working condition?

Equipment Viability

- Does it still satisfy end-user needs?

Organizational Characteristics?

- Do you want to continue using the equipment?
- How long do you need for a technology transition?

Notification Date (T-90 days)

Date customer must notify DFS of their end-of-lease intention. (Generally 90 days before the end of the lease)

For items you have notified us that you will be returning, DFS will mail a “packing” slip of items to be returned and the return location information. As a best practice, we recommend that you reconcile the packing slip with your records.

You should plan returned equipment arrival at the DFS specified location on or before the end-of-lease date to avoid additional rental or fees.

End-of-Lease (T: Term Date)

Lease reconciliation period

Upon receipt of equipment by DFS, we will audit the equipment for the following:

- Receipt of all items
- Cosmetic damage
- Functionality
- Configuration

DFS will invoice for missing or damaged items in accordance with your lease agreement. Reconciliation is generally completed within 30 days of receiving equipment.

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End-of-Lease Options

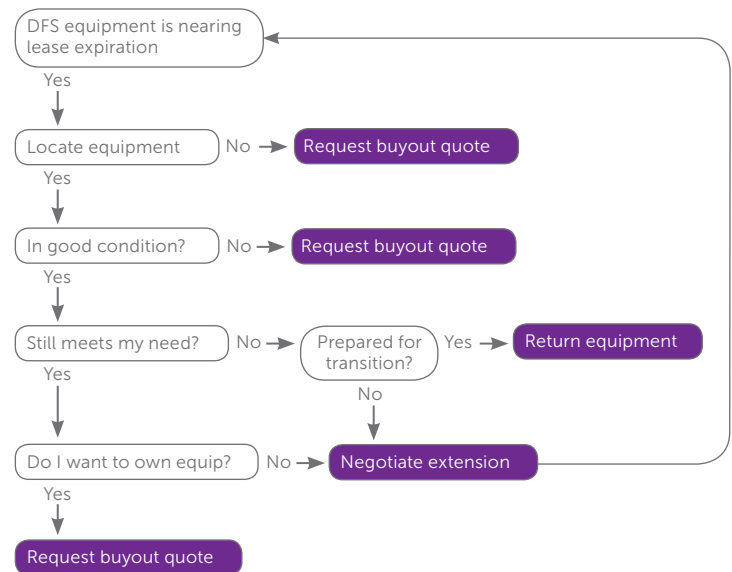
Our Fair Market Value Program generally offers three (3) end-of-lease options to meet the needs of your organization's unique structure, capabilities, and needs.

Renew or Extend your Lease

If you are not ready to make a decision when your lease expires or wish to continue using the equipment, you can choose to renew month-to-month or extend for a fixed term renewal rate. Either renewal option provides the benefit of continued use of equipment while maintaining the built in disposal capability provided by leasing.

When renewing your lease on a month-to-month basis, we will continue to invoice you at your contracted amount for use of the equipment until you notify us that you intend to purchase or return and do so.

Fixed Term Extension requires written end-of-lease notification and a signed extension addendum. Contact your end-of-lease Coordinator for fixed extended terms and prices. *NOTE: Unless otherwise stated in your Master Lease Agreement, partial lease schedule renewal requests require purchase or return of the non-renewal equipment before the renewal will be processed.*



Purchase the Equipment

If your technology environment does not require upgraded equipment for the next 12 to 24 months, purchasing equipment may be the best choice. The purchase price is generally determined by your specific lease, but is typically the equipment's current fair market value at end-of-lease or a fixed buyout amount that was negotiated at lease inception. Contact your end-of-lease Coordinator for details.

Return the Equipment

If all or a part of your leased equipment is no longer meeting your technology needs, contact your DFS end-of-lease Coordinator to help guide you through this process. DFS provides packing and transportation services at a reasonable cost to help alleviate many of the administrative issues associated with returning leased equipment. *NOTE: Contact your end-of-lease coordinator for details and to request a quote.*

Tip: Monitors generally have a long useful life. Purchasing existing monitors may save you money on the return freight and purchase of new monitors.

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Returning Your Equipment

With our Fair Market Value leases, DFS makes a financial investment in your leased equipment that may not be fully recovered through your lease payments. We make this investment with the understanding that the equipment will be returned in good working and cosmetic condition for remarketing purposes. Our ability to remarket and recover our up front financial investment in the leased equipment is critical to our ability to offer competitive future lease rates. We understand that even though our customers may use best efforts to maintain their equipment, "Normal Wear & Tear" does occur. It is not DFS' intention to invoice customers for "Normal Wear & Tear" damage to equipment. Below is information that will help you in determining what is considered "Normal Wear & Tear".

Normal Wear & Tear¹

Normal "Wear and Tear" describes the expected cosmetic wear that may generally appear on a system used under Normal Circumstances during the lease term.

- Faded lettering on keyboards
- Minor surface scratches on plastics or metal base
- Slight plastic color fading
- Faded manufacturer's logo
- Removable labels and stickers

Beyond Normal Wear & Tear²

- Removal of OEM serial number identification, FCC product tags, or Microsoft COA
- Cracked and/or chipped plastics
- Bent metal frames
- Broken and/or missing hinges and latch catches
- Scratched monitor glass and/or LCD panels
- Missing keycaps from keyboards
- Broken and/or missing panels, cover plates or media doors
- Batteries that do not hold an electrical charge
- Character burns in monitors or LCD panels
- Systems' passwords that prohibit diagnostic level program execution or testing
- Major equipment discoloration, blood or radioactive substances requiring more than light cleaning for safe handling and process for resale

Cosmetic Condition Descriptions

Broken/Damaged Latches: A broken or damaged latch that holds the CRU devices in place on a notebook. Examples: Battery, Floppy Drive, CD/DVD Drive

LCD: LCD cracked beyond repair

Keys: Missing or damaged keys on a notebook

Excessive Physical Damage: Extensive physical damage that prevents the system from being remarketed

¹ DFS Reserves the right, in its' sole discretion to determine what constitutes "Normal Wear & Tear".

² This information is intended as an example and may not be reflective of all items considered to be "Beyond Normal Wear & Tear". Additionally, items listed under "Normal Wear & Tear" may be considered "Beyond Normal Wear & Tear" based on severity.

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Functional Testing Descriptions

System Failed to Boot: Occurs when system is completely inoperable and will not boot from the floppy disk drive or network drive.

Missing/Damaged Hard Drive: Occurs when hard drive is missing, inoperable or has any portion of damaged sectors. All hardware incryption password locks must be removed prior to return of the asset.

Missing/Damaged Memory: Occurs when memory is inoperable or missing in any denomination below what was present at lease inception.

As the lessee, you are responsible for returning your leased equipment to DFS unless you have purchased our Equipment Return Services. This responsibility includes packing, shipping and adherence to DFS Packing Guidelines (described below). When you notify DFS of your intention to return equipment, we will generate a Returns Material Authorization (RMA) on your behalf and send you a packing slip of items to be returned. Typically, one RMA will constitute one returning lease schedule.

DFS Packing Guidelines

- Ensure only those items related to the specific terminating Lease or Lease Schedule are returned to DFS.
 - Due to automated processing and remarketing, DFS may not be able to return to you items shipped to us in error.
- Every box must be identifiable to a specific customer in case of box separation or pallet breakdown
 - All peripheral items (keyboards, mice, cords, adapters, docking stations, etc.) may be returned together within the same box(es). *NOTE: Monitors are not peripheral items.*
 - Failure to comply with these guidelines may result in an irreconcilable RMA and related billings for missing items.
- Affix the Return Materials Authorization (RMA) Number on the outside of each box (the RMA will be found on the packing slip provided by DFS).
- Pack your equipment in a manner that will avoid in-transit damage.
 - Container and packaging materials are left to your discretion, however you will be invoiced for any damaged items outside of "Normal Wear and Tear".
 - See "Suggested Packing Guidelines". *NOTE: Do not double stack pallets.*
- Carrier must come in a truck with standard dock height of 48 inches (4 feet).

Tip: Inquire about DFS' Equipment Return Services. You could save money and time on packaging and logistics.

We recommend following these suggested guidelines when returning equipment to reduce or eliminate in-transit damage.

Packing Systems

Notebooks/Laptops

Single Pack:

Use a sturdy box large enough to surround the unit with packing material. Double wrap completely with 1/2" or larger bubble wrap to protect the system and it's components. If returning a leased notebook bag, use this for your bubble wrap. This gives an added measure of protection. Include all peripheral items such as the mouse, keyboard, power cords, adapters, docking stations etc. Fill in gaps with packing paper or crumpled newspaper. *NOTE: Packaging peanuts are not suitable.*

Multi-pack:

1. Always transport vertically using a sturdy box & pallet.
2. Place box on pallet.
3. Double wrap each notebook completely with 1/2" or larger bubble wrap to protect the system and it's components.
4. Place in box on its edge.
5. Place a corrugated cardboard between layers.
6. Do not stack more than 2 layers high.
7. Seal box with tape.
8. Shrink wrap to pallet.

Desktop CPU

Single Pack:

Use a sturdy box large enough to surround the unit with packing material. Double wrap completely with 1/2" or larger bubble wrap to protect the system and it's components. Be sure to include peripheral items such as mice, keyboards, cords etc. These can be packed loosely in the box with the CPU, as long as the CPU is completely wrapped and will not rub against the components. Fill in gaps with packing paper or crumpled newspaper. *NOTE: Packaging peanuts are not suitable.*

Desktop CPU

Multi-pack:

1. Use a sturdy pallet. Damaged pallets can break in transit.
2. Place a layer of corrugated cardboard on pallet.
3. Double wrap each CPU with 1/2" or larger bubble wrap to protect the system and it's components.
4. Lay flat on pallet making sure CPUs do not hang off the sides of the pallet.
5. Stack no more than 60" high to avoid potential pallet tipping & weight damage to the systems on the lower levels.
6. Use corrugated cardboard or foam sheets between layers.
7. Shrink wrap to pallet to prevent movement of desktops on the pallet.
8. Use banding whenever possible.
9. Return all peripheral items i.e. mouse, keyboard, power cords, etc.

Flat Panel Monitors

Single Pack:

Use a sturdy box large enough to surround the monitor with packing material. Double wrap monitor with 1/2" or larger bubble wrap. Insert in box lying on its side (not on its base/pedestal). Make sure base is securely attached. Wrap video & power cords around the monitor base. Fill in gaps with packing paper or crumpled newspaper. *NOTE: Packaging peanuts are not suitable.*

Multi-pack:

1. Use a sturdy pallet. Damaged pallets can break in transit.
2. Place a layer of corrugated cardboard on pallet.
3. Place two layers of large bubble wrap at the bottom of the pallet to minimize damage to LCD screen.
4. Wrap video & power cords around the monitor base making sure base is securely attached.
5. Double wrap each monitor with 1/2" or larger bubble wrap.
6. Lay monitor face down with the base towards the outside of the pallet.
7. Make sure monitors do not hang off the side of the pallet.
 - a. 15 & 17" monitor
 - i. Standard size pallet can hold 6 monitors per level
 - ii. Do not stack more than 3 layers high
 - b. 19" monitor & larger
 - i. Standard size pallet can hold 4 monitors per level
 - ii. Do not stack more than 2 layers high
8. Place one layer of corrugated cardboard & 2 layers of large bubble wrap between layers.
9. Shrink wrap to pallet to prevent movement on the pallet.

CRT Monitors

Single Pack:

Use a sturdy box large enough to surround the monitor with packing material. Double wrap monitor with 1/2" or larger bubble wrap. Insert in box lying on its side (not on its base/ pedestal). Make sure base is securely attached. Wrap video & power cords around the monitor base. Fill in gaps with packing paper or crumpled newspaper. *NOTE: Packaging peanuts are not suitable.*

Multi-pack:

1. Use a sturdy pallet. Damaged pallets can break in transit.
2. Place a layer of corrugated cardboard on pallet.
3. Wrap video & power cords around the monitor base making sure base is securely attached.
4. Double wrap each monitor with 1/2" or larger bubble wrap to protect the monitor & screen.
5. Lay monitor on its side making sure they do not hang off the sides of the pallet.
 - a. 15 & 17" monitor
 - i. Standard size pallet can hold 6 monitors per level
 - ii. Do not stack more than 3 layers high
 - b. 19 inch monitor & larger
 - i. Standard size pallet can hold 4 monitors per level
 - ii. Do not stack more than 2 layers high
6. Use corrugated cardboard between layers.
7. Shrink wrap to pallet to prevent movement on the pallet.

Printers

Single Pack:

Use a sturdy box large enough to surround the printer with packing material. Remove toner/ink cartridge, place in a plastic bag & seal. Use tape to secure paper drawers/trays and other door openings. Double wrap printer with 1/2" or larger bubble wrap. Place in box with video and power cables. Fill in gaps with packing paper or crumpled newspaper. *NOTE: Packaging peanuts are not suitable. Seal box & ship.*

Multi-pack:

1. Use a sturdy pallet. Damaged pallets can break in transit.
2. Place a layer of corrugated cardboard at bottom of pallet.
3. Remove toner/ink cartridges. Place each in its own plastic bag and seal.
4. Double wrap each printer with 1/2" or larger bubble wrap and include the video and power cables.
5. Place printers of the same size on pallets evenly distributing the weight.
6. Make sure product does not overhang off the sides of the pallet.
7. Place corrugated cardboard between layers.
8. Do not stack more than 3 layers.
9. Shrink wrap to pallet to prevent movement.
10. Use banding whenever possible.

Projectors

Single Pack:

Use a sturdy box large enough to surround the projector with packing material. Double wrap with 1/2" or larger bubble wrap. Place in box with projector bag, remote, video and power cables. Fill in gaps with packing paper or crumpled newspaper. *NOTE: Packaging peanuts are not suitable. Seal box & ship.*

Multi-pack:

1. Use a sturdy pallet. Damaged pallets can break in transit.
2. Place a layer of corrugated cardboard at bottom of pallet.
3. Return with projector bag, remote, video and power cables.
4. Double wrap each projector with 1/2" or larger bubble wrap.
5. Place projectors evenly distributing the weight on the pallet.
6. Make sure product does not overhang off the sides of the pallet.
7. Place corrugated cardboard between layers.
8. Do not stack more than 6 layers.
9. Shrink wrap to pallet to prevent movement.
10. Use banding whenever possible.

Servers, Rack Servers, Racks, Storage

Floor or Free Standing Servers and Storage Devices:

- Floor standing servers should be palletized.
- Wrapped in bubble wrap or some protective material to prevent damaged during transportation.
- They may be stacked 2 high if they are the same size.
- Use triple layer cardboard and bubble wrap between the layers to prevent damage.
- Banding to the pallet is preferred to prevent moving and falling off the pallet during transportation.
- Shrink wrap the entire pallet insuring the equipment is wrapped to the pallet.
- Insure that there is no overhang to prevent any damages.

Rack Mounted Servers and Storage Devices:

- Rack mounted servers and storage devices must be removed from the racks
- Rails may be left on the servers as long as they do not protrude past the pallet edge.
- Servers and storage devices should be wrapped with bubble wrap to prevent damages.
- Devices may be stacked on a pallet insuring there is no overhang to prevent damages.
- Use triple layer cardboard and bubble wrap between the layers to prevent damage.
- They may be stacked up to 4 feet high with no over hang of the pallet. (weight limits for handling must be considered).
- Banding to the pallet is preferred to prevent moving and falling off the pallet during transportation.
- Shrink wrap the entire pallet insuring the equipment is wrapped to the pallet securely.

Server Racks:

- Everything, including UPS devices, switches and routers should be removed from the racks and shipped separately.
- Wrap the rack in some protective bubble wrap or other protective wrap to prevent damage.
- Empty racks should be placed on a pallet and banded to the pallet to prevent falling over during transportation.
- Shrink wrap the entire pallet insuring the rack is wrapped to the pallet securely.

Blade and Brick Servers:

- Blade and/or Brick servers should be removed from the Enclosure.
- Enclosures must be removed from the Rack.
- Blade and Brick individual servers can be reinstalled into the enclosure before palletizing.
- Palletize but, do not stack.
- Wrap each unit with bubble wrap or other protective wrap to prevent damage.
- Banding to the pallet is preferred to prevent moving during transportation.
- Shrink wrap the entire pallet insuring the equipment is wrapped to the pallet securely.

Large Self Contained Storage Equipment:

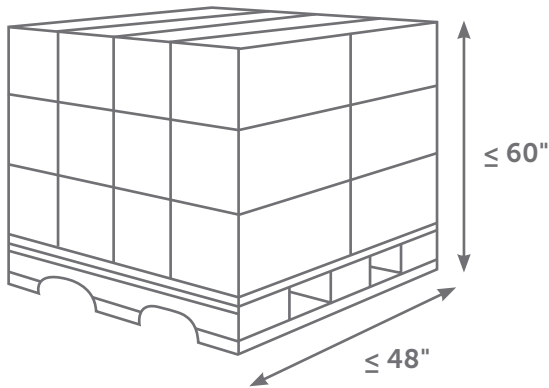
(Examples: EMC Symmetrix, EMC Clarion, Dell Power Vault 160T, Teradata, etc.)

- These are self contained complete units and may be left together.
- Special handling and special transportation equipment is required for these units.
- They must be wrapped extensively to prevent damage during transportation.
- They must be securely strapped inside the truck when transporting to prevent damage.

Follow these guidelines when palletizing your returning equipment.

When to Palletize

- When pieces fit squarely within the edges of a pallet.
- When height and width of shipment pieces are similar.
- When individual pieces in a load exceed 100 lbs.
- When individual pieces are less than 60" high.
- Do not stack pallets.
- Place equipment on pallets for transportation whenever possible to minimize in-transit damage and processing delays.




How to correctly Palletize

- Place lighter pieces toward the top of the pallet or on the top layer of the pallet secured by shrink-wrap to eliminate or reduce movement.
- Shrink-wrap containers to eliminate or reduce movement when a shipment is not large enough to fill the surface of a pallet.
- Place items on pallet so that the sides of the containers do not overhang the sides of the pallet.
- Do not stack pallets.
- Ensure that the pallet is balanced and properly weighted to eliminate or reduce chances of pallet tipping over during transit.
- Vertically align the edges of boxes.
- Make sure the top is flat.
- Secure items by shrink wrapping to pallet and use banding whenever possible.

Building your Pallet

- Avoid pre-used, old or moisture-exposed fiberboard cartons.
- Do not nail into the end grain of lumber.
- Use three-way locking corners and diagonals to help form a structurally sound open-frame crate.

A Packing Slip will be provided to you once you notify DFS of your intent to return your equipment. The Packing Slip contains the Returns Material Authorization Number (RMA), which is required to assure quick reconciliation of your equipment.

		Financial Services		Packing Slip		MM/DD/YY	
				Ship To		Dell Financial Services Processing Center Street Address1 Street Address2 City, State, Zip Code	
RMA Number		XXXX		Contract Number		001XXXXXX001	
Expected Return Date		MM/DD/YYYY					
Order Number	Customer PO Number	Service Tag	Item Number	Description	Quantity	Substitute Tag	
160431334	PF111222	GGQQ7	220-2815	550K GX1/T+INT NIC BASE W/512	1		
			310-0019	MICROSOFT SYSTEM MOUSE			
			310-0038	KYBD, PERFORMANCE MECH, 10			
			310-2268	REDUCED DOCUMENTATION, GX1			
			311-0513	129MB ECC, SDRAM, 100MHZ, 1 DIMM			
			311-0519	128MB, ECC, RAM, 100 MHZ, 1DIMM, GX			
			311-0555	17/40x, EIDE, CD, GX1 M/T W/INTSN			
			340-0701	3.5 1.44 MB, FACT, MT			
			340-0740	6.4 GB, IDE, 5400 RPM, GX1, M/T 350			
			340-0746	6.4 GB, EIDE, GX1 M/T, 350+ MHZ, 2N			
			365-1000	DPW, ING SVC, STAND, TAG OPTI			
			420-0387	NT4 SERVICE PACK 4, OPTIPLEX, EN			
			430-0118	7 SLOT RISER, FX 1T, WOL, ACTIVE, F			
			67020-52	2940 CONTROLLER KIT PNP PCI-	1		
					Number of Tags	1	
					Number of Items	2	

Lease Return Services

Packing and Transportation

Focused on improving your internal efficiencies, our Lease Return Services provide you with competitive pricing, and the ability to pre-pay costs. Enjoy the convenience of having your packing materials and labor included at the pick-up. Reduce your financial exposure with coverage for in-transit damage.* Spend less time arranging complex transportation logistics and more time focused on your day-to-day activities.

Data Wipe Certification

In today's environment, taking the right steps to help protect data is paramount. Choosing Dell Financial Services' (DFS) Data Wipe Certification will provide you with a certificate of data removal for your returned DFS leased assets which have reached lease conclusion. Using our U.S. based asset returns facility, DFS will perform a three-pass overwrite of the data on the hard drive,** removing drive partitions, drive partition tables, and master boot records. Hard drives that fail the 3x process will be destroyed and disposed in such a manner as to meet all applicable local, country and state regulatory laws and requirements.

Contact your DFS representative to learn more or visit us at www.dell.com/financenow

All rights, obligations, representations and warranties regarding any and all Lease Return Services will be contained in an agreement between the customer and Dell Financial Services L.L.C. Such agreement will set forth the full and final agreement between the parties. Leasing and financing provided by Dell Financial Services L.L.C. to qualified US Public and Large Enterprise customers. All terms subject to credit approval and availability and can change without notice. Dell and the Dell logo are trademarks of Dell Inc.

*DFS performs visual inspection of equipment at pick-up. Customer remains responsible for pre-existing damage to equipment prior to pick-up.

**No data wipe process leaves a hard drive as free from unreadable residual data as a comparable new hard drive. DFS makes no (i) recommendations regarding the customer's data removal requirements or (ii) representations regarding the effectiveness of one method of data removal over another. All representations and warranties regarding the data wipe process will be contained in a Data Wipe Services Agreement between the customer and DFS. Such Agreement will set forth the full and final agreement between the parties.

FAQ's

These most frequently asked questions should help guide you through a successful end-of-lease process.

Please refer to your Lease agreement for specific lease information.

Q What happens at end of my lease?

A At the end of your lease term, you generally have three end-of-lease options. You may:

- Purchase the equipment for the purchase option price in your Lease;
- Return the equipment; or
- Renew your Lease.

Q When do I notify DFS of my End-of-Lease intent?

A A 90-day written notification prior to your lease expiration date is required unless otherwise specified in your Lease agreement.

Q Where do I send my written notice of intent?

A Mail to:	Contact:	Call:
Dell Financial Services L.L.C.	DFS EOL Coordinator	1.800.955.3355 and reference
Attention: CSG-End-of-Lease	For e-mail address or	your lease schedule and
One Dell Way, MS 5300	fax number	company's name
Austin, TX 78728		

Q What if I cannot make an End-of-Lease decision by my lease expiration?

A DFS will continue to bill you monthly (or your applicable billing period) at your current rent payment until we receive written end-of-lease notification as required by your lease agreement and the equipment is returned.

Q What is my purchase price at end-of-lease?

A Depending on the type of Lease agreement signed and its terms, you may be eligible to purchase your equipment at its Fair Market Value (FMV), a pre-determined fixed purchase amount (usually 10% of original equipment cost) or \$1.00 (full payout lease purchase).

Q How do I receive my End-of-Lease purchase or renewal price?

A In order to obtain your end-of-lease purchase or renewal price, forward your request to your End-of-Lease Coordinator.

Q How do I return my equipment?

A To return your equipment, contact your End-of-Lease Coordinator. Your coordinator will provide you with a Returns Material Authorization (RMA) number, packing instructions and return address. To avoid additional rental invoices, your equipment must be received at the specified DFS return location on or before your lease expiration date.

Q What happens if the asset cannot be located?

A If you cannot locate an asset that is to be returned to DFS, please consult your Lease agreement for your specific information regarding this event. Most Lease agreements contain a Stipulated Loss table or definition outlining your required obligation.

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Q Who will pay for return shipping?

A You are responsible for the cost of shipping the equipment back to DFS.

Q Do I need to keep the original boxes?

A Keeping the original boxes is not required.

Q What if items are missing with the returned equipment?

A You will be invoiced for the fair market value for any items damaged or not returned at end-of-lease.

Q Can DFS arrange for the return of equipment?

A Yes, in most cases. DFS offers fee-based equipment return services that include the packing of the equipment and shipping back to DFS. Contact your End-of-Lease Coordinator for an Equipment Return Services quote.

Note that the information contained in this guide is intended to help create a more effective and efficient relationship between DFS and your company. However, it does not change or supplement the terms and conditions of your lease agreement. In the event of a conflict, the terms and conditions of your lease agreement shall control.

Leasing and financing provided by Dell Financial Services, L.L.C. to qualified customers. All terms are subject to credit approval and availability. Contact your DFS representative for further details. Terms are subject to change without notice. Valid for qualified Dell customers in the United States only. Dell and the DELL logo are trademarks of Dell Inc.

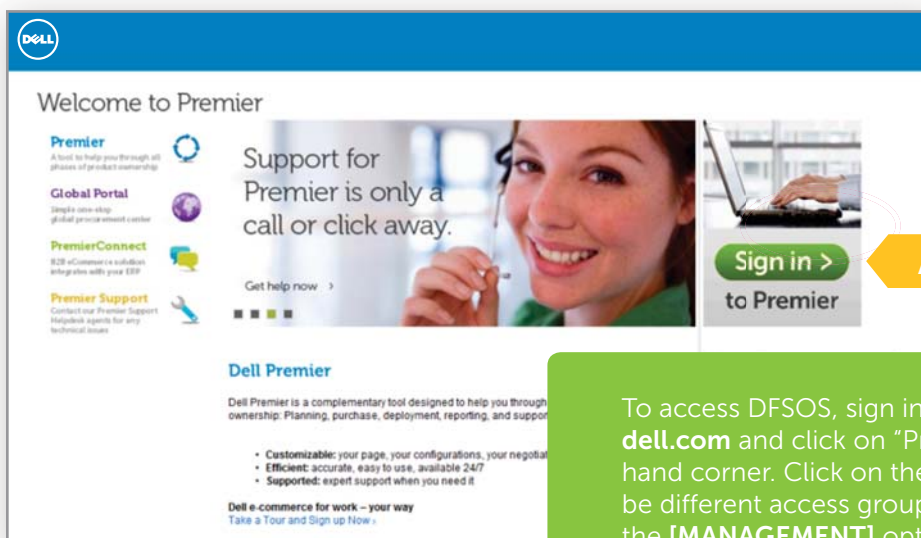


DFS Online Services offers access to lease management information anytime, anywhere.

Welcome to Dell Financial Services Online Services (DFSOS), a web-based asset management system that puts information about your leased assets at your fingertips. DFSOS provides you with quick access to information through your Dell Premier site so that you can more effectively manage all phases of your IT product ownership, including asset management, document administration and reporting. With DFSOS, qualified customers will be able to search for contract and asset data, request location changes, accept lease schedules online and much more.¹

DFSOS Quick Reference Guide

Gaining access to DFSOS starts with your Premier page. If you do not have a Premier page, please contact your Dell sales representative. In the meantime, take a test drive of our DFSOS demo available at http://dfsos.us.dell.com/dfsosdemo/tutorial/setup_html.htm to experience how easily and efficiently you can manage your IT assets online.

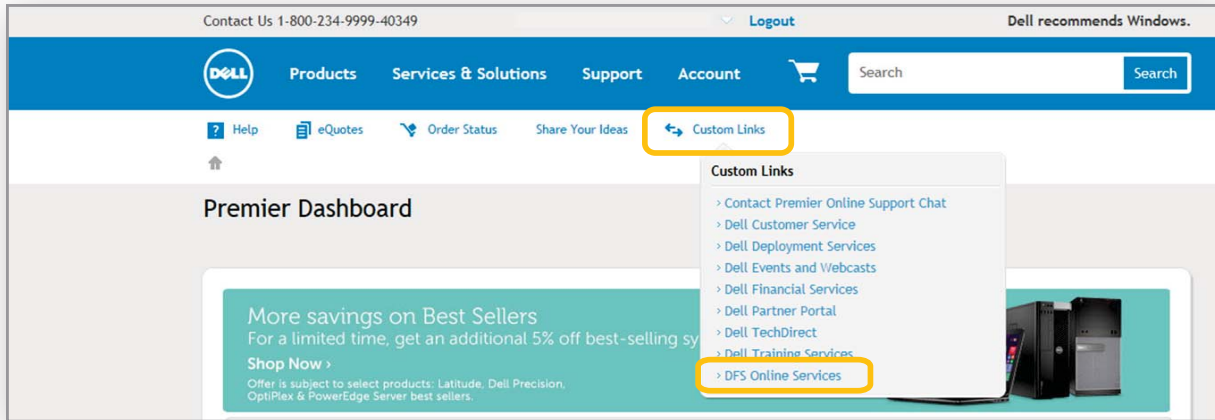


Access DFSOS

To access DFSOS, sign in to premier.dell.com or go to dell.com and click on "Premier Login" in the upper right hand corner. Click on the green "Sign in" link. There may be different access groups available to you. If so, select the **[MANAGEMENT]** option which gives the appropriate level of access to view DFSOS.

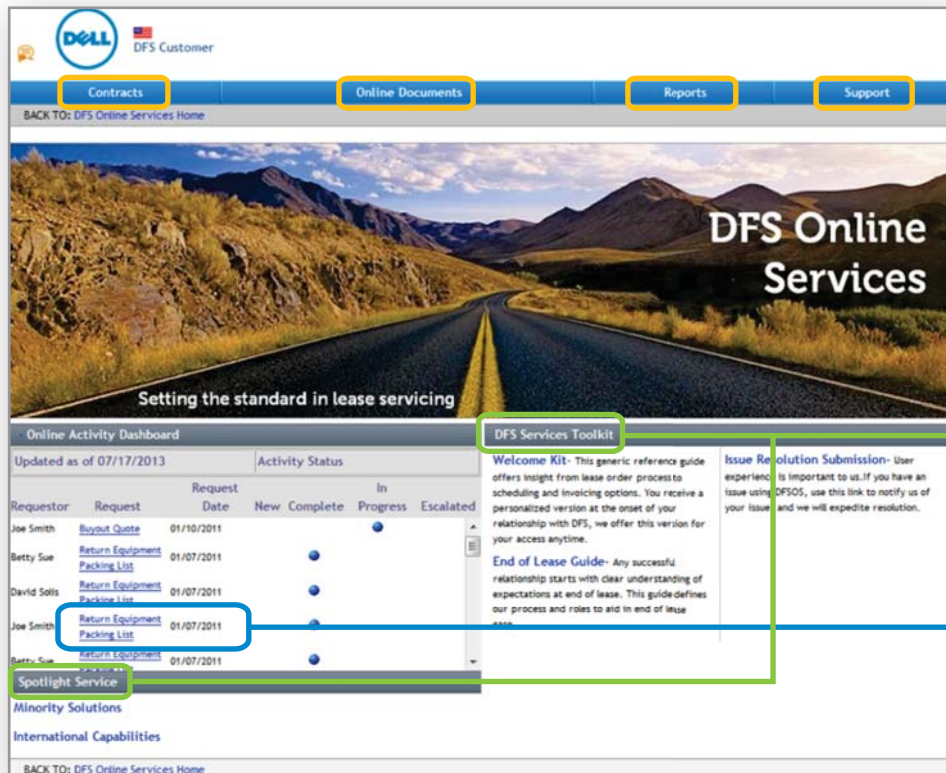
¹In order to accept lease schedules online, customers must have a valid DFS Master Lease Agreement and have signed the accompanying Electronic Lease Order Agreement.

Premier Home Page



From your Dell Premier home page, navigate to the "Custom Links" menu. Click on "DFS Online Services", which is listed at the bottom of the menu.

Your DFSOS experience begins here.



Navigation

The navigation toolbar at the top of the home page is divided into four key functional topics.

You can also find links to additional DFS information and services under the Toolkit and Spotlight sections.

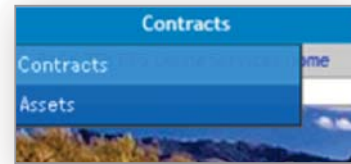
The Online Activity Dashboard feature allows you to easily check the status of your online requests.

Let's take a look at each of the functional topics in greater detail.

Contracts

Under the **Contracts Option** you can:

- Browse all your contracts and search for a specific contract by Contract Number, Commencement Date, Termination Date or Purchase Order
- Identify specific contracts or assets to easily perform the following online tasks:



See more detailed information regarding your contract



Print the page being viewed



Download the results in Excel²

Results Per Page: 10 | 25 | 50 | 100 | 500 (Items 1 - 10 of 10) Data as of: 07/24/2013

Details	Customer Bill to Name	Contract Number ▲	Commencement Date	Term	Termination Date	Assets	Equipment Cost	Contract Tasks
	Company A	099-030-025	07/24/2011	48	07/24/2015	2	\$1,910.00	
	Company B	199-131-125	03/10/2012	24	07/24/2014	2	\$1,450.00	
	Company A	299-232-225	08/14/2011	48	07/24/2015	2	\$3,080.00	
	Company B	399-333-325	08/08/2012	24	07/24/2014	2	\$3,910.00	
	Company A	499-434-425	10/04/2011	48	07/24/2015	2	\$3,180.00	
	Company B	599-535-525	02/19/2012	24	07/24/2014	2	\$2,430.00	
	Company A	699-636-625	07/07/2011	48	07/24/2015	2	\$2,760.00	
	Company B	799-737-725	09/01/2012	24	07/24/2014	2	\$2,910.00	
	Company A	899-838-825	07/19/2011	48	07/24/2015	2	\$2,910.00	
	Company B	999-939-925	05/15/2012	24	07/24/2014	2	\$4,220.00	

BACK TO: DFS Online Services Home > End of Lease Documents > Custom Invoices > Contracts



Open a window with a tutorial to help guide you through the page



View the assets for an individual contract in order to make asset level requests



Submit end of lease requests for an individual contract



Request an update to the billing address of the selected contract

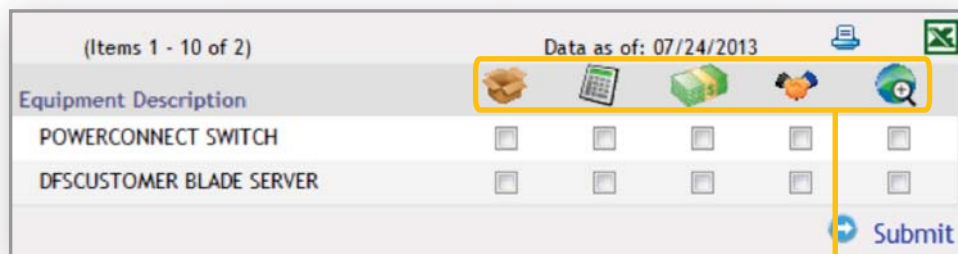


View invoice statements for the selected contract

²Excel and the logo are registered trademarks of the Microsoft Corporation.

Under the **Assets Option** you can:

- Browse all your leased assets and search for **specific assets** by Asset ID, Contract Number, Service Tag, Dell Order Number, Purchase Order, Cost Center or Equipment Location Zip Code
- Identify **specific assets** to easily submit an online form for the following end-of-lease requests³:



Select **Packing Slip** for assets you want to return



Request a **Buyout Quote** for assets you want to keep



Select **Early Termination Quote** for assets that are lost, stolen or damaged during the lease



Select **Renewal/Extension** for assets you want to continue using after the lease expires



Select **Change Asset Location** to change the address on specific service tags

Online Documents

Under the **Online Documents** tab, you can:

- Access, review and accept your lease schedules electronically via **Online Schedule Acceptance (OSA)**⁴. It is also a depository for your previously accepted schedules
- Request **Autopay**, which provides you with documentation to set up electronic payments
- Retrieve **Requested End of Lease (EOL) Documents**, including packing slips and quotes for buyout, early termination and renewal/extension options



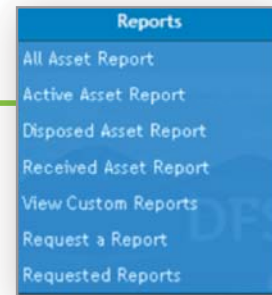
³End of Lease Request features do not replace any written notification required pursuant to the terms and conditions of your Master Lease Agreement.

⁴Customers must first sign DFS's Electronic Lease Order Agreement to take advantage of Online Schedule Acceptance. This option is not available for governmental entities.

Reports

Under the **Reports Tab**, you can:

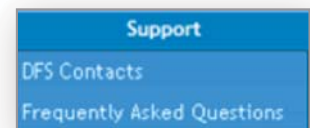
- Access and customize reports in .CSV or .XML formats for easy import into your current asset management system (reports are available for download for 14 days)
- Create an **All Asset Report** including active, disposed and received assets
- Pull an **Active Asset Report** (aka Leased Asset Report or LAR) that provides an overview of your active leased assets by contract and date including assets in renewal or month-to-month
- Run a **Disposed Asset Report** with details of disposed assets for the last three years
- Obtain a **Received Asset Report** to confirm returned assets were received at end of lease
- Build your own **Custom Report** from a wide range of available data fields
 - To position the data in the order you desire, simply select **Add Custom** within the All, Active, Disposed, or Received Asset Reports menus
 - Schedule a report to be run on a regular basis by selecting **Add Schedule** and choosing the time frame, search criteria and format you prefer
- View **Custom Reports** you previously scheduled after receiving email notification of its availability
- Request Account Reconciliation or Personal Property Tax reports from the **Request a Report** option
- View the **Requested Report** (available for viewing/download for seven days) after receiving email notification that the report is posted



Support

Under the **Support Tab**, you can:

- Find your DFS Account Team's contact information by clicking on the **DFS Contacts** option
- Review answers to **Frequently Asked Questions** regarding Online Schedule Acceptance, Senate Bill 20 and End of Lease options



With DFS Online Services, DFS has put the power of managing your leased assets right at your fingertips. From simple tasks such as reviewing your assets, to more complex tasks such as getting information regarding your end-of-lease options, DFS Online Services makes your job easier.

For more information on how DFSOS can work for you, contact your DFS representative today.



Note that the information contained in this guide is intended to help create a more effective and efficient relationship between DFS and your organization. However, it does not change or supplement the terms and conditions of your lease agreement. In the event of a conflict, the terms and conditions of your Master Lease Agreement shall control.

Thank you for considering

