



**Master Lease Agreement (Municipal)**

Master Lease Number:	Customer's Federal Tax ID#:
Customer Name: <b>Transylvania County Schools</b>	Customer's Address (principal place of business):
Customer's d/b/a (if any):	Customer's Main Business Phone Number:

In this Master Lease Agreement, as it may be amended from time to time (the "Master Agreement"), the words "You" and "Your" mean the Customer named above. "We," "Us" and "Our" mean Sharp Leasing USA Corporation ("SLUSA"). "Schedule" means a document, in the form attached hereto as **Exhibit A** or such other form as We may accept in Our sole discretion, to be entered into between You and Us for each individual transaction entered into between You and Us pursuant to this Master Agreement. "Sharp" means Sharp Electronics Corporation (either directly or through one of its branch dealers), the supplier of the Equipment to You. **This Master Agreement, each Schedule and the other documents executed or delivered by Us in connection herewith and therewith represent the final and only agreement between You and Us regarding the subject matter herein and therein and shall supersede any other oral or written agreements between You and Us. This Master Agreement can be changed only by a written agreement between You and Us. Other agreements not stated herein (including, without limitation, those contained in any purchase agreement or other agreement between You and Sharp) are not binding on Us.** This Master Agreement and each Schedule may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute the same document. You acknowledge that You have received a copy of this Master Agreement and agree that a facsimile or other copy containing Your faxed or copied signature shall be as enforceable as the original executed Master Agreement. You hereby represent that this Master Agreement is legally binding and enforceable against You in accordance with its terms.

**1. LEASE OF EQUIPMENT - GENERAL.** Each Schedule executed by You (and to be executed by You in the future) represents your agreement to lease from Us the personal property listed therein (together with all existing and future accessories, attachments, replacements, additions and embedded software, the "Equipment"), upon the terms stated in such Schedule and this Master Agreement, the terms and conditions of which are incorporated by reference into the Schedule (collectively, a "Lease"). Each Schedule, including the terms and conditions incorporated therein by reference, shall be considered a separate and independent Lease. If the Equipment includes any software, You agree that (i) We don't own the software, (ii) You are responsible for entering into any necessary software license agreements with the owners or licensors of such software, (iii) You shall comply with the terms of all such agreements, if any, and (iv) any default by You under any such agreements shall also constitute a default by You under this Master Agreement and the related Schedule. The initial term of each Lease will begin on a date designated by Us after We accept it (the "Commencement Date") and will continue for the number of months shown on such Schedule ("Initial Term"). You promise to pay to Us the periodic payments shown on each Schedule in accordance with the payment schedule set forth therein, plus all other amounts stated herein and therein. Each Schedule is binding on You as of the date You sign it. After You sign a Schedule, We may (i) insert the Schedule or contract number thereon and any other information missing in such Schedule, and (ii) change the payment amount by not more than 15% due to a change in the Equipment configuration, cost or tax amount, or a payment miscalculation.

**2. NON-CANCELABLE TERM; AUTOMATIC RENEWAL.** As used herein, "Present Term" means the term presently in effect at any time with respect to a Lease, whether it is the Initial Term or a Renewal Term (as defined below). With respect to each Lease, **unless You notify Us in writing at least 30 days before the end of the Present Term (the "Notice Period") that You intend to return the Equipment at the end of such Present Term, then: (a) such Lease will automatically renew for an additional one-month period** (each, a "Renewal Term"), and (b) the payment amount and other terms of such Lease will continue to apply. If You do notify Us in writing within the Notice Period that You intend to return the Equipment at the end of the Present Term, then, promptly upon the expiration of such Present Term, You shall return the Equipment pursuant to Section 13 below. **Each Lease is non-cancelable during the Initial Term and any Renewal Term. Either Party may cancel payments for a specific piece of Equipment not working or for a failure to pay, if, after sufficient period of time (at least 30 days) has passed and the other party has been notified of such Breach, and the Breach has not been cured by the Breaching Party. The Agreement may not be cancelled except as related to that specific piece of Equipment.**

**3. UNCONDITIONAL OBLIGATIONS.** With respect to each Lease, You agree that: (a) We are a separate and independent company from Sharp, the manufacturer and any other vendor (collectively, "Vendors"), and the Vendors are NOT Our agents; (b) no statement, representation or warranty by any Vendor is binding on Us, and no Vendor has authority to waive or alter any term of this Master Agreement or any Schedule; (c) You, not We, selected all Equipment and the Vendors based on Your own judgment; (d) Your duty to perform Your obligations under this Master Agreement and each Schedule is unconditional and irrevocable despite any failure of any Equipment, the existence of any law restricting the use of any Equipment, or any other adverse condition; (e) if You are a party to any maintenance, service, supplies or other contract with any Vendor, We are NOT a party thereto, such contract is NOT part of this Master Agreement or any Schedule (even though We may, as a convenience to You and a Vendor, bill and collect monies owed by You to such Vendor), We have no obligations to You under such contract, and no breach by any Vendor will excuse You from performing Your obligations to Us under this Master Agreement or any Schedule; and (f) if the Equipment is unsatisfactory or if any Vendor fails to provide any service or fulfill any other obligation to You, You shall not make any claim against Us and shall continue to perform all of Your obligations to Us.

**4. PAYMENTS.** The payments due pursuant to each Schedule, plus applicable taxes and other charges provided for herein and in the Schedule, shall be due and payable by the due date set forth in Our invoice to You. The payments due under a Schedule may include additional copy charges at the "Overage Copy Charge" rate specified in the Schedule for copies in excess of the Monthly Copy Allowance provided in the Schedule. You agree that We may increase the "Overage Copy Charge" but not more than once each year during the Initial Term and once each year for any Renewal Term (if any), by an amount not to exceed 10%. You agree to (a) provide Us or Sharp by telephone or facsimile with the actual meter readings whenever You are requested to do so, (b) allow Us or Sharp to attach an automatic meter reading device to the Equipment, which meter reading device You will not remove or alter without approval from Us or Sharp, and/or (c) give Us or Sharp access to the Equipment to obtain meter readings or audit the meter reading device. If We or Sharp request You to provide meter readings and You fail to do so within 7 days of the date of such request, then (i) the number of copies used by You may be estimated by Us or Sharp and We will invoice You accordingly, and (ii) We will adjust the estimated charge for excess copies upon receipt of actual meter readings. Restrictive endorsements on checks will not be binding on Us. All payments received will be applied to past due amounts and to the current amount due in such order as We determine. Any security deposit or estimated future Governmental Charge (as defined in Section 10 below) that You pay with respect to a Lease is non-interest bearing, may be commingled with Our funds, may be applied by Us at any time to past-due amounts, and the unused portion will be returned to You within 90 days after the end of this Lease. If We do not receive a payment in full on or before its due date, You shall pay (i) a fee equal to the greater of 10% of the amount that is late or \$29.00, plus (ii) interest on the part of the payment that is late in the amount of 1.5% per month ("Time-Value Interest") from the due date to the date paid. If any check is dishonored, You shall pay Us a fee of \$20.00. Promptly following Our request, from time to time, You shall furnish Us with current financial statements.

**THE TERMS OF THIS MASTER AGREEMENT ARE CONTINUED ON THE REVERSE SIDE / NEXT PAGE. DO NOT SIGN THIS CONTRACT BEFORE YOU READ AND UNDERSTAND IT. PLEASE SEEK LEGAL COUNSEL BEFORE SIGNING IF YOU HAVE QUESTIONS.**

<b>Customer:</b> By: <b>X</b> _____ Date: ____ / ____ / ____ Print name: _____ Title: _____	Accepted by <b>Sharp Leasing USA Corp.</b> , Montvale, New Jersey By: _____ Acceptance Date: ____ / ____ / ____ (to be filled in by Sharp Leasing USA Corp.)
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**5. NO WARRANTIES. WE ARE LEASING ALL EQUIPMENT TO YOU "AS IS".** We have not made and we hereby disclaim any and all warranties, express or implied, arising by applicable law or otherwise, including without limitation, the implied warranties of merchantability and fitness for a particular purpose. We hereby transfer to You, without recourse to Us, all automatically transferable warranties, if any, made to Us by the Vendor(s) of the Equipment. To the extent permitted by law, You hereby waive any and all rights and remedies conferred upon You under UCC Sections 2A-303 and 2A-508 through 522. You may be entitled under Article 2A of the UCC to the promises and warranties (if any) provided to Us by some or all of the Vendor(s) in connection with or as part of the contracts (if any) by which We acquire Equipment from such Vendor(s). You may contact such Vendor(s) for an accurate and complete statement of those promises and warranties (if any), including any disclaimers and limitations of them or of remedies. If it is determined that any Lease is a lease intended as security and/or the related Schedule grants to You a \$1.00 purchase option, then **You hereby grant to Us a security interest in the related Equipment and all proceeds thereof.** You authorize Us to record UCC financing statements to protect Our interests in the Equipment.

**6. DELIVERY, LOCATION, OWNERSHIP, USE, MAINTENANCE OF EQUIPMENT.** Sharp will install (and, with Our prior consent, remove) the Equipment in accordance with Sharp's service policies. You are responsible for all Equipment maintenance. You shall not remove any Equipment from the Equipment location specified in the related Schedule unless You first get Our permission. You shall give Us access to each Equipment location so that We may inspect the Equipment, and You agree to pay Our costs in connection therewith, whether performed prior to or after the Commencement Date of the related Lease. Unless otherwise stated in the related Schedule or as provided by law, **We will own and have title to all Equipment (excluding any software) during each Lease.** You agree that all Equipment is and shall remain personal property. Without Our prior written consent, You will not permit it to become (i) attached to real property or (ii) subject to any liens or encumbrances. **You represent that all Equipment will be used solely for commercial purposes and not for personal, family or household purposes.** You shall use all Equipment in accordance with all laws, operation manuals, any service contracts and insurance requirements, and shall not make any permanent alterations to it. At Your cost, You shall keep all Equipment in good working order and warrantable condition, ordinary wear and tear excepted ("**Good Condition**").

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

**8. ASSIGNMENT.** You shall not sell, transfer, assign or otherwise encumber (collectively, "**Transfer**") this Master Agreement or any Schedule, or Transfer or sublease any Equipment, in whole or in part. We may, without notice to You, Transfer Our interests in any Equipment and/or this Master Agreement or any Schedule, in whole or in part, to a third party ("**New Owner**"), and if so, the New Owner will, to the extent of the Transfer, have all of Our rights and benefits but will not have to perform Our obligations (if any). You agree not to assert against the New Owner any claim or defense You may have against Us or any predecessor in interest.

**9. TAXES AND OTHER FEES.** You are responsible for all taxes (including, without limitation, sales and personal property taxes, and excluding only taxes based on Our income), levies, assessments, license and registration fees and other governmental charges relating to this Master Agreement, each Schedule and/or the related Equipment (collectively "**Governmental Charges**"). You agree to promptly pay Us, on demand, estimated future Governmental Charges. You authorize Us to pay any Governmental Charges as they become due, and You agree to reimburse Us promptly upon demand for the full amount (less any estimated amounts previously paid by You). You agree to pay Us a fee for preparing and filing personal property tax returns, and You agree not to file any personal property tax returns. You also agree to pay Us upon demand (i) for all costs of filing, amending and releasing UCC financing statements, and (ii) a processing fee of \$75.00 (or as otherwise agreed) per Lease to cover Our investigation and other administrative costs in originating such transaction. You also agree to pay Us a fee, in accordance with Our current fee schedule, which may change from time to time, for additional services We may provide to You at Your request. **You agree that the fees set forth in this Master Agreement may include a profit.**

**10. SAVINGS CLAUSE.** If any amount charged or collected under this Master Agreement or any Lease is greater than the amount allowed by law, including, without limitation, any amount that exceeds applicable usury limits (an "**Excess Amount**"), then (i) any Excess Amount charged but not yet paid will be waived by Us and (ii) any Excess Amount collected will be refunded to You or applied to any other amount then due hereunder.

**11. DEFAULT.** With respect to each Lease, You will be in default if You (1) fail to pay any amount due within 15 days of the due date, (2) breach or attempt to breach any other term, representation or covenant set forth herein, the related Schedule or in any other agreement between You and Us, (3) die (if You are an individual), go out of business or commence dissolution proceedings, (4) become insolvent, admit Your inability to pay Your debts, make an assignment for the benefit of Your creditors (or enter into a similar arrangement), file (or there is filed against You) a bankruptcy, reorganization or similar proceeding or a proceeding for the appointment of a receiver, trustee or liquidator, or (5) suffer an adverse change in Your financial condition and, as a result thereof or for any other reason, We deem Ourselves insecure. If You default, We may do any or all of the following with respect to any one or more Schedules: (A) cancel the related Lease, (B) require You to return the Equipment pursuant to Section 13 below, (C) take possession of and/or render the Equipment (including any software) unusable, and for such purposes You hereby authorize Us and Our designees to enter Your premises, with or without prior notice or other process of law, (D) require You to pay to Us, on demand, an amount equal to the sum of (i) all payments and other amounts then due and past due, (ii) **all remaining payments for the remainder of the then Present Term thereof** discounted at a rate of 6% per annum, (iii) the residual value of the Equipment estimated by Us at the inception of the Lease (as shown in Our books and records), discounted at a rate of 6% per annum, (iv) Time-Value Interest on the amounts specified in clauses "i", "ii" and "iii" above from the date of demand to the date paid, and (v) all other amounts that may thereafter become due hereunder to the extent that We will be obligated to collect and pay such amounts to a third party (such amounts specified in sub-clauses "i" through "v" referred to below as the "**Balance Due**"), and/or (E) exercise any other remedy available to Us under law. You also agree to reimburse Us on demand for all reasonable expenses of enforcement (including, without limitation, reasonable attorneys' fees and other legal costs) and reasonable expenses of repossessing, holding, preparing for disposition, and disposition ("**Remarketing**") of Equipment, plus Time-Value Interest on the foregoing amounts from the date of demand to the date paid. In the event We are successful in Remarketing the Equipment, We shall give You a credit against the Balance Due in an amount equal to the present value of the proceeds received and to be received from Remarketing minus the above-mentioned costs (the "**Net Proceeds**"). **If the Net Proceeds are less than the Balance Due, You shall be liable for such deficiency.** Any delay or failure to enforce Our rights under a Lease shall not constitute a waiver thereof. If We are holding any money belonging to You at any time during a Lease, You agree We may retain and utilize such money to cure any default by You under any Lease.

**12. RETURN OF EQUIPMENT.** If You are required to return any Equipment pursuant to the terms hereof, You shall, at Your expense, promptly upon demand, send the Equipment to a location(s) designated by Us. The Equipment must be received in Good Condition (as defined in Section 6). If the Equipment is not received within 15 days of the date of demand, You agree to continue paying the scheduled payments and all other amounts due pursuant to the related Schedule until it is received by Us. You will be responsible for any loss or damage to the Equipment during the return.

**13. APPLICABLE LAW; VENUE; JURISDICTION.** The parties agree that the Master Agreement was entered into in the State of North Carolina and that the laws of North Carolina shall govern the Agreement, as to interpretation and performance. It is further agreed that the place of this Agreement, its situs and forum, will be in Transylvania County. The Parties agree that the proper venue for any claims bought hereunder is Transylvania County, North Carolina.

**14. NON-APPROPRIATION OF FUNDS.** You hereby represent, warrant and covenant unto Us that: (a) You intend, subject only to the provisions of this Section 14, to remit to Us all sums due and to become due under each Lease for the full Present Term; (b) Your governing body has appropriated sufficient funds to pay all payments and other amounts due under each Lease during the first fiscal period applicable thereto; (c) You reasonably believe that legally available funds in an amount sufficient to make all payments for the full Present Term of each Lease can be obtained; and (d) You intend to do all things lawfully within Your power to obtain and maintain funds from which payments may be made, including making provision for such payments to the extent necessary in each budget or appropriation request submitted and adopted in accordance with applicable law. Notwithstanding the foregoing, the decision whether or not to budget and appropriate funds is within the discretion of Your governing body. In the event Your governing body fails to appropriate sufficient funds to pay all payments and other amounts due and to become due in Your next fiscal period, You may, subject to the terms hereof, terminate the applicable Lease as of the last day of the fiscal period for which the appropriations were received (an "Event of Non-appropriation"). You agree to deliver notice of an Event of Non-appropriation at least 30 days prior to the end of Your then-current fiscal period, or if an Event of

Non-appropriation has not occurred by that date, promptly upon the occurrence of any such Event of Non-appropriation and to return the Equipment pursuant to Section 12 above on or before the effective date of termination. You and We understand and intend that Your obligation to pay lease payments and other amounts due under each Lease shall constitute a current expense and shall not in any way be construed to be a debt in contravention of any applicable constitutional or statutory limitations or requirements concerning Your creation of indebtedness, nor shall anything contained herein constitute a pledge of Your general tax revenues, funds or monies.

**15. ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS.** In addition to the other representations, warranties and covenants made by You as set forth in this Master Agreement, You hereby represent, warrant and covenant unto Us that: (a) You have the power and authority under applicable law to enter into this Master Agreement and each Lease and the transactions contemplated hereby and thereby and to perform all of Your obligations hereunder and thereunder, (b) You have duly authorized the execution and delivery of this Master Agreement and each Lease by appropriate official action of Your governing body and You have obtained such other authorizations, consents and/or approvals as are necessary to consummate this Master Agreement and each Lease, and (c) all legal and other requirements have been met, and procedures have occurred, to render this Master Agreement and each Lease enforceable against You in accordance with their respective terms, and You have complied with such public bidding requirements as may be applicable to this Master Agreement and each Lease and the transactions contemplated hereby and thereby. **You hereby acknowledge that each of the representations, warranties and covenants made by You in Section 15 and 16 and elsewhere in this Master Agreement are being materially relied upon by Us in purchasing the Equipment and entering into each Lease.**

**ADDITIONAL TERMS AND CONDITIONS**

**16.** The Master Agreement is fully integrated and represents the entire understanding between the Parties. The Master Agreement may be modified or amended only by written instruments signed by both Parties. Unless explicitly stated in the Master Agreement, nothing contained in the Master Agreement is intended to benefit any third party. The Master Agreement shall be deemed to have been drafted by both Parties and any ambiguities in the construction of the Master Agreement shall not be construed solely against the Board.

**17.** The Master Agreement is severable and if any provisions of the Master Agreement are deemed invalid or illegal by a court of competent jurisdiction, the other remaining provisions of this Master Agreement shall remain valid and enforceable.

**18.** Notwithstanding any other term or provision in the Master Agreement, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity or other State or federal constitutional or statutory provision or principle that otherwise would be available to Customer under applicable law.

**19.** By acceptance of this Master Agreement, Sharp affirms that it is not listed on the Final Divestment List and Parent and Subsidiary List, which was created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58, Iran Divestment Act.

**Customer's Initials** \_\_\_\_\_