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Armonk, New York 10504

International Business Machines Corporation

Installment Payment Agreement
(State and Local Government)

91 JAN -3 A8 05
Reference Agreement No.: G7E5257

Name and Address of Customer:
DOUGLAS COUNTY
DATA PROCESSING DEPT.
8TH & ESMERALDA
MINDEN, NV. 89423

Reference Supplement Dated: 10/2/90
CLERK

BY W. Gordon Agency No.: G7E5257

IBM Branch Office Address:
50 W. LIBERTY ST. SU. 500
RENO, NV. 89501

IBM Branch Office No.: WM5

Customer No.:

International Business Machines Corporation (IBM) and the Customer agree that this Installment Payment Agreement supplements and amends the referenced Agreement for Purchase of IBM Machines and its referenced Supplement with respect to the following IBM machines, features, model upgrades, machine elements and/or accessories (hereinafter called "Machines" unless the context requires individual reference).

Qty.	Machine Type	IBM Plant Order or Serial Number (*)	Model or Feature	Description	Purchase Price \$ (Net Unit Price)	Amount \$
19	3476	SJKNTX	EG3	INFOWINDOW DISP.	971.00	18,449.00
		THRU				
		2JKNTV				
1	3477	2JKNVV	FG3	INFOWINDOW DISP.	1,238.00	1,238.00
2	3477	2JKNVW	FC3	INFOWINDOW DISP.	1,548.00	3,096.00
		2JKNVX				

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-- OTHER CHGS --

(*) An "*" Indicates Machine Serial Number.

TOTAL: \$

Statement of Transaction

1. Cash Price (if this were a cash sale)	\$ 22,783.00
2. Trade-In Allowance Credit (from IBM trade-in agreement)	\$ N/A
3. Cash Down Payment	\$ -0-
4. Total Down Payment (Sum of Items 2 and 3)	\$ -0-
5. Unpaid Balance of Cash Price (Item 1 minus Item 4)	\$ 22,783.00
6. State and Local Taxes, if applicable	\$ -0-
7. Amount to be Financed (Sum of Items 5 and 6)	\$ 22,783.00
8. FINANCE CHARGE (Time Price Differential on Item 7). Finance Charge consists of interest at an ANNUAL PERCENTAGE RATE OF 8.53 %	\$ 898.04
9. Tax on Finance Charge, if applicable (payable on first installment)	\$ N/A
10. Total Amount of Remaining Payments (Sum of Items 7, 8 and 9)	\$ 23,681.04
11. Total Time Sale Price (Sum of Items 4 and 10)	\$ 23,681.04

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Payments

The Customer agrees to pay the Cash Down Payment, if any, (a) upon the Date of Installation of the Machines or (b) with respect to installed Machines, on the Effective Date of Purchase, and agrees to pay the Total Amount of Remaining Payments in consecutive Periodic Payments, including Finance Charge, for the Fiscal Periods as set forth below in either Payment Plan I or Payment Plan II.

PAYMENT PLAN I

Fiscal Period	Periodic Payment (Annual) (Biennial)	Finance Charge (Included in Payment)
1		
2		
3		
4		
5		
6		

PAYMENT PLAN II

Fiscal Period	Periodic Payment (Total of Monthly Payments for Fiscal Period)	Monthly Payment	Total Finance Charge for Fiscal Period (Included in Payments)
1	15,787.36	1973.42	759.71
2	7,893.68	1973.42	138.33
3			
4			
5			
6			

The Periodic Payment for Period 1, which includes the Tax on Finance Charge, if applicable, is due on the first business day of the month following the Date of Installation or the Effective Date of Purchase, and the Periodic Payments for Periods 2 through 2 are due on the first business day of each succeeding Fiscal Period. If Payment Plan I has been chosen, payments must be made in full on the due dates. If Payment Plan II has been chosen, payments must be made in equal consecutive monthly installments, except that the first installment will include the Tax on Finance Charge, if applicable, beginning on the due dates and continuing on the corresponding day of each month of each Fiscal Period until fully paid. Payments include Finance Charge in the appropriate amount indicated above.

The Customer having been offered the choice of financing by cashing at the foregoing Cash Price (plus applicable State and Local Taxes) or at the Total Time Sale Price has elected to purchase at such Total Time Sale Price.

The Customer may, at any time, pay in advance the full amount due hereunder and the Finance Charge will be adjusted by IBM to reflect the shorter payment period.

All remittances are to be made to the IBM Branch Office address listed herein unless otherwise requested by IBM.

Assignments

This Installment Payment Agreement is not assignable by the Customer, nor may the Customer sell, transfer, substantially modify, relocate or dispose of any or all of the Machines without prior written permission of IBM. In no event may the Machines be relocated outside the United States. Any attempted assignment or transfer by the Customer of any of the rights, duties or obligations of this Installment Payment Agreement is void.

Customer's Covenants

The Customer covenants and agrees that (a) it will not create, assume, or voluntarily suffer to exist, without giving IBM at least 15 calendar days' prior written notice, any mortgage, pledge, encumbrance, security interest, lien or charge of any kind upon any or all of the Machines; (b) it will keep the Machines in good repair and operating condition; (c) it will promptly pay all taxes, interest and other charges when levied or assessed upon the Machines or their operation or use, or upon IBM, exclusive of taxes based on IBM's net income, in connection with this Installment Payment Agreement; (d) it will promptly satisfy all liens against the Machines; and (e) there are no mortgages, pledges, encumbrances, security interests, liens or charges of any kind by any party other than IBM or assigns upon the machines on which features, model upgrades, machine elements or accessories will be installed subject to this Installment Payment Agreement.

Insurance

The Customer further agrees to procure and maintain fire insurance with extended coverage against loss, theft, damage to or destruction of the Machines for the full insurable value thereof for the duration of this Installment Payment Agreement, the policy for such insurance being endorsed to show loss payable to IBM and assigns as respective interests may appear. Upon request, a certificate of such insurance will be furnished to IBM or assigns. Any proceeds received directly by IBM under such insurance shall be credited to the payment required from the Customer pursuant to the Section entitled "Casualty Occurrences."

Casualty Occurrences

A Casualty Occurrence shall be deemed to exist if any of the Machines shall be lost, stolen, irreparably damaged or destroyed or otherwise rendered permanently unfit for use from any cause whatsoever prior to the payment in full of the Total Time Sale Price. To the extent permitted by law, the Customer shall promptly pay to IBM a sum equal to the aggregate Casualty Value of such Machines.

The Casualty Value of each Machine suffering a Casualty Occurrence shall be the sum of the unpaid balances of the State and Local Taxes, Unpaid Balance of Cash Price and Finance Charge at the time of such Casualty Occurrence and attributable to such Machine. The Finance Charge shall be adjusted by IBM to reflect the shorter payment period. Any money so paid shall be applied by IBM to reduce installments thereafter falling due so that such installments represent only the payments due for the remaining Ma-

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chines. Any excess insurance payments received by IBM shall be credited to the Customer.

Events of Default

Any one or more of the following are Events of Default: (a) the Customer fails to pay when due any amount required to be paid by the Customer hereunder and such failure shall continue for a period of seven days after the due date, except as provided in the Section entitled "Funding"; (b) the Customer fails to procure and maintain insurance as required in this Installment Payment Agreement; (c) the Customer fails to perform any other provisions hereunder or violates any of the covenants or agreements made by the Customer hereunder, and such failure or breach shall continue for a period of 15 days after written notice is received by the Customer from IBM; or (d) any insolvency proceedings of any character, voluntary or involuntary, shall be instituted by or against the Customer.

Any failure of IBM to require strict performance by the Customer or any waiver by IBM of any provision of this Installment Payment Agreement shall not be construed as a consent or waiver of any other breach of the same or of any other provision.

Remedies

If an Event of Default shall have occurred and be continuing, IBM or assigns may, to the extent permitted by law, (a) recover from the Customer any and all amounts then due and to be become due; (b) take possession of any or all of the Machines, wherever located, without demand or notice and without any court order or other process of law, or render them unusable, and retain all prior payments as partial compensation for their use and depreciation; (c) require the Customer to assemble the Machines and make them available to IBM, freight prepaid, at any place in the continental United States specified by IBM; and/or (d) incur reasonable attorney's fees and legal expenses in exercising any of its rights and remedies upon default which the Customer hereby agrees to pay. Upon repossession of such Machines, IBM may sell, lease or otherwise dispose of any or all of the Machines in a commercially reasonable manner, with or without notice and by public or private proceedings, and apply the net proceeds thereof towards the amounts due under this Installment Payment Agreement after deducting the reasonable expenses of retaking, holding and preparing for such disposition and deducting

reasonable attorney's fees and legal expenses. IBM will pay to the Customer any portion of the net proceeds in excess of the unpaid Total Time Sale Price.

In the event IBM repossesses and removes a feature, model upgrade, machine element or accessory, it shall be the Customer's responsibility to restore any remaining information processing equipment to good working order. The Customer agrees that IBM shall have no liability for damages caused by the repossession of such a feature, model upgrade, machine element or accessory or by the Customer's failure to fulfill such responsibilities. Further, IBM shall have no obligation to reimburse the Customer, user or any other secured party for the cost of repair resulting from such removal.

IBM may pursue any other remedy available at law or in equity, including, but not limited to, seeking damages, specific performance and an injunction. No right or remedy is exclusive of any other provided herein or permitted by law or equity. All such rights and remedies shall be cumulative and may be enforced concurrently or individually from time to time.

Funding

Since the Customer intends to request the appropriation of funds periodically to be paid for the Machines, if funds are not appropriated for the Customer for such Periodic Payment for any future Fiscal Period, the Customer will not be obligated to pay the remainder of the Total Time Sale Price due beyond the end of the then current Fiscal Period. Such event will not constitute an Event of Default. The Customer agrees to notify IBM in writing of such nonappropriation at the earliest possible time.

In the event that funds are not appropriated as provided above and the Customer is unable to make further payments due under this Installment Payment Agreement beyond the end of the then current Fiscal Period, IBM will, within a reasonable time after the end of such Period, enter and take the Machines from the Customer's premises and will retain all sums previously paid by the Customer to IBM as partial compensation for machine use and depreciation; provided, however that upon the Customer's request, the Customer may, prior to such repossession, retain the Machines during a reasonable period agreed to by IBM at a monthly charge designated by IBM, beginning on the first day following the last Fiscal Period for which payment has been made hereunder.

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Security Interest and Location of Machines

To secure the payment of the Total Time Sale Price, IBM reserves a purchase money security interest in each of the Machines, and the Customer hereby grants a security interest in any substitutions, replacements, accessions, and additions thereto and the proceeds thereof. Such interest shall be satisfied by payment in full of the Total Time Sale Price. A copy of this Installment Payment Agreement may be filed with appropriate state and local authorities, at any time after signature by the Customer, as a financing statement in order to perfect IBM's security interest. Such filing does not constitute acceptance of this Installment Payment Agreement by IBM. The Customer also shall execute from time to time, alone or with IBM, any financing statements or other documents and do such other act or acts considered by IBM to be necessary or desirable to perfect or protect the security interests hereby created. The Machines shall remain personal property, not become fixtures to real property, and be kept at:

8TH & ESERALDA
(Street address)
MINDEN DOUGLAS NEVADA
(City) (County) (State)

where IBM may inspect them at any reasonable time.

General

If the Net Unit Price for any Machine is adjusted as provided in the referenced Agreement, or the trade-in allowance for any trade-in equipment is adjusted as provided in an applicable IBM trade-in agreement, Items No. 1 through 11 in the Statement of Transaction and the Payments herein agreed to be paid shall be adjusted, and this Installment Payment Agreement shall be deemed to be amended accordingly.

The terms and conditions of this Installment Payment Agreement shall prevail notwithstanding any variance with the terms and conditions of the referenced Agreement.

Should this Installment Payment Agreement and/or the referenced Agreement be held by the courts to be invalid or

unenforceable, the parties agree that the Machines shall be deemed to have been installed under IBM's State and Local Government Lease Plan pursuant to the terms and conditions of IBM's applicable agreement and/or amendment at IBM's applicable Lease Plan Monthly Charges, commencing with the Date of Installation or the Effective Date of Purchase of the Machines. For the period prior to such holding, IBM shall credit to the applicable Lease Plan Monthly Charges the amounts paid by the Customer to IBM under this Installment Payment Agreement and amounts paid by the Customer for maintenance, property taxes and insurance. Any excess credits will be refunded to the Customer, and any deficiency shall be due to IBM; but in no event shall any amount be due to IBM in excess of funds appropriated. In the event that the affected Machines are not available from IBM under a lease or rental agreement, at the time of such holding, the Customer and IBM will agree upon a fair and equitable Lease Plan Monthly Charge for the period prior to and following such holding and, otherwise, the provisions of this Section shall apply.

If any provision or provisions of this Installment Payment Agreement shall be held to be invalid, illegal or unenforceable, and the preceding paragraph does not apply, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. **THE CUSTOMER ACKNOWLEDGES THAT THE CUSTOMER HAS READ THIS AGREEMENT, UNDERSTANDS IT, AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS, AND BY THE CUSTOMER'S SIGNATURE BELOW, ACKNOWLEDGES THAT THE CUSTOMER IS LEGALLY AUTHORIZED TO ENTER INTO THIS AGREEMENT. FURTHER, THE CUSTOMER AGREES THAT THIS INSTALLMENT PAYMENT AGREEMENT, THE REFERENCED AGREEMENT AND SUPPLEMENT AND ANY APPLICABLE IBM TRADE-IN AGREEMENT CONSTITUTE A SINGLE AGREEMENT AND THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE CUSTOMER AND IBM, WHICH SUPERSEDES ALL PROPOSALS OR PRIOR AGREEMENTS, ORAL OR WRITTEN, AND ALL OTHER COMMUNICATIONS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF.**

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Received by IBM at RENO/WM5
Branch Office Name/Number
 By [Signature]
Manager's Signature
JAN JAROSZ 10/8/90
Name (Type or Print) Date

[Signature] 11-15-90
H.A. EDICK
 MANAGER - IPA ADMIN.

Accepted by:
International Business Machines Corporation
 By [Signature]
Authorized Signature
C. G. TOWNSEND
Name (Type or Print) Date

DOUGLAS COUNTY 04:01 61 100 06
Customer
 By [Signature]
Authorized Signature
W F JONES 10/17/90
Name (Type or Print) Date
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PLEASE PRESS FIRMLY WITH BALL POINT PEN ON A HARD SURFACE FOR MAXIMUM LEGIBILITY.

COPY

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

SEAL

DATE: January 3, 1997
By Bred Clerk of the 9th Judicial Court
of the State of Nevada, in and for the County of Douglas.
By Jordie Cordova Deputy

REQUESTED BY
DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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SUZANNE BEAUREAU
RECORDER

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\$ 0 PAID K12 DEPUTY

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