

FULL LEGAL NAME AND ADDRESS OF LESSOR

NAME OF LESSOR: Metro Sales Inc.	
ADDRESS: 250 N River Ridge Cir	
CITY/ZIP: Burnsville, MN 55337-1612	PHONE: (612) 861-4000

FULL LEGAL NAME AND ADDRESS OF LESSEE

NAME OF LESSEE: CITY OF NEW PRAGUE	
ADDRESS: 507 Ne 12th Street	
CITY/ZIP: New Prague, MN 56071	PHONE: (952) 758-1144

RENTAL PAYMENT TERMS

39	Payments of	\$75.00	(plus applicable taxes)
Rental Payment Period is Monthly Unless Otherwise Indicated.			

QUANTITY	EQUIPMENT DESCRIPTION	MODEL NO.	SERIAL NO.
1	Ricoh IM C400F	IMC400F-RS	3910P101496

NAME AND ADDRESS OF SUPPLIER

NAME OF SUPPLIER: Metro Sales Inc.	
ADDRESS: 250 N River Ridge Cir	
CITY/ZIP: Burnsville, MN 55337-1612	PHONE: (612) 861-4000

BILLING ADDRESS OF LESSEE

NAME OF LESSEE:	
ADDRESS:	
CITY/ZIP:	PHONE:

ADVANCE RENTAL PAYMENTS

1st	Last	month(s) due
Received, plus		Security Deposit

TERMS AND CONDITIONS

1. Lease: Lessee agrees to lease from Lessor the Equipment listed above and on any attached schedule. This agreement shall commence upon Lessor's payment to Supplier and shall continue for the number of months shown above. Any transition billing shall be prorated from the monthly Rental Payment Amount set forth above, you agree to pay us a transitional payment equal to 1/30th of the Payment, multiplied by the number of days between the date the Equipment is delivered to you and the designated start date, as shown on the first invoice. **LESSEE'S OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL, AND ARE NOT SUBJECT TO CANCELLATION, REDUCTION, SETOFF OR COUNTERCLAIM.** Security deposits are non-interest-bearing and may be applied by Lessor to cure a Lease default and/or to offset the cost of any required repairs, maintenance or cleaning after the Equipment is returned to Lessor. Subject to these terms, if Lessee is not in default at the time of termination, Lessor will then return the balance of the security deposit to Lessee without interest. In the event Lessee fails to make any payment when due, Lessee agrees to pay a late charge of 10% of each such late payment or \$20, whichever is greater. Lessor may charge Lessee a fee of \$25 for any check that is returned. You authorize us to insert or correct missing information of this Lease, including your proper legal name, serial numbers and any other information describing the Equipment. If you so request, and we permit the early termination of this Lease, you agree to pay a fee for such privilege.

2. Title: Title to the Equipment shall at all times remain in Lessor. Lessee at its expense shall protect and defend Lessor's title to the equipment and keep it free of all claims and liens other than the rights of Lessee hereunder and claims and liens created by or arising through Lessor and Lessee agrees to keep the Equipment only at the address shown above, and Lessee agrees not to move it unless Lessor agrees. The Equipment shall remain personal property regardless of its attachment to realty, and Lessee agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment as a result of its attachment to realty. Lessor may inspect the Equipment at any time during Lessee's regular business hours.

3. Equipment Use, Maintenance and Warranties: Lessee agrees that it is leasing the Equipment "AS-IS" AND LESSOR DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE AND ANY LIABILITY FOR CONSEQUENTIAL AND/OR INCIDENTAL DAMAGES ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE EQUIPMENT. Lessor hereby assigns to Lessee any manufacturer warranties. Lessee shall, at Lessee's cost, keep the Equipment in good working condition and pay for all necessary supplies and repairs.

4. Assignment: Lessee agrees not to transfer, sell, sublease, assign, pledge or encumber either the Equipment or Lessee's rights under this Lease without Lessor's prior written consent. Lessee agrees that Lessor may sell, assign, or transfer the Lease and the new owner will have the same rights and benefits Lessor now has and the new owner will not have to perform any of Lessor's obligations here under thereafter and the rights of the new owner will not be subject to any claims, defenses, or setoffs that Lessee may have against Lessor.

5. Risk of Loss and Insurance: Lessee is responsible for all risks of loss or damage to the Equipment and if any loss occurs Lessee is required to satisfy all of its Lease obligations. Lessee will keep the Equipment insured against all risks of loss or damage for an amount equal to its replacement cost. Lessee will list Lessor as the sole loss payee for the insurance and provide Lessor with written proof of the insurance. If the Lessee does not provide such insurance Lessee agrees that Lessor shall have the right, but not the obligation, to obtain such insurance and add the cost of such insurance (and an insurance fee on which Lessor may earn a profit) to the amount due from Lessee or Lessor may bill Lessee and Lessee will pay monthly a property damage surcharge of up to .0035 of the total stream of payments as a result of Lessor's administrative costs, credit risk and other costs. Lessor may make a profit on this program.

6. Taxes: Lessee agrees to pay when due, either directly or as reimbursement to Lessor, all taxes (i.e., sales, use and personal property) and charges in connection with ownership and use of the Equipment. Lessee will indemnify Lessor on an after-tax basis against the loss of any tax benefits anticipated at the Rent Commencement Date arising out of Lessee's acts or omissions.

7. End of Lease Options: Lessee shall have the following options at the end of the term of this Lease, provided the Lease has not terminated early and no event of default under the Lease has occurred and is continuing: a) purchase the Equipment for its fair market value; b) renew the Lease; or c) return the Equipment at your expense in proper working order and as provided in Paragraph 8 of this Lease.

8. End of Lease Notice: Lessee will give Lessor at least 30 days written notice (to Lessor's address above) before the expiration of the initial Lease term (or any renewal term) of Lessee's intention to renew the Lease or to purchase or return the Equipment. If Lessee fails to notify Lessor in the time period provided, or having provided notice fails to return the Equipment, this Lease will automatically renew on the same terms for consecutive 30-day periods until terminated by either party upon thirty (30) days prior written notice. Lessee is solely responsible for removing any data that may reside in the Equipment Lessee returns, including but not limited to hard drives, disk drives or any other form of memory.

9. Default and Remedies: Lessee is in default on this Lease if: a) Lessee's failure to pay any rent or other sum due Lessor or other party, as herein provided, on the due date thereof; b) Lessee files bankruptcy, dissolution, becomes insolvent, or ceases operations; c) Lessee's failure to observe, keep or perform any other term, covenant or condition of this Lease, or any other agreement with Lessor, and such failure continues after the due date. In the event of a default, Lessor may: a) declare the entire balance of unpaid Rent payments for the full Lease term immediately due and payable; b) receive the Equipment's anticipated end of Lease fair market value plus reasonable collection and attorney fees and costs; c) charge interest on all monies due at the rate of 18% per year (or the highest interest rate allowed by law) from the date of default; d) require that Lessee immediately return the Equipment to Lessor or Lessor may peaceably repossess it, and e) exercise all other legal and equitable remedies available to Lessor including repossessing the Equipment under a writ of replevin. Any return or repossession will not be considered a termination or cancellation of the Lease.

If the Equipment is returned or repossessed Lessor may sell or re-rent the Equipment on terms acceptable to Lessor, with or without notice to Lessee, and apply the net proceeds (after deducting any related expenses, including attorney fees and costs) to Lessee's obligations. Lessee shall remain liable for any deficiency.

10. Indemnity: Lessee is responsible for all losses, damage, claims, infringement claims, injuries and attorneys' fees and costs ("Claims"), incurred or asserted by any person, in any manner relating to the Equipment, including its use, condition or possession. Lessee shall defend and indemnify Lessor against all Claims. This indemnity shall continue beyond the termination of this Lease, for all acts or omissions that occurred during the Term of this Lease and thereafter until the date the Equipment is returned to Lessor or its agent.

11. JURY WAIVER; Miscellaneous: Lessee agrees the Lease is a Finance Lease as defined in Article 2A of the Uniform Commercial Code ("UCC"). Lessee agrees to waive any and all rights and remedies granted under Sections 2A-508 through 2A-522 of the UCC. This Lease and any guaranty of this Lease shall be governed and construed in accordance with the laws of Minnesota (other than its rules governing conflicts of law). Lessee and any Guarantor consent to personal jurisdiction in Minnesota. For any action arising out of or relating to this Lease or the Equipment, **LESSOR AND LESSEE WAIVE ALL RIGHTS TO A TRIAL BY JURY.** Lessee agrees that the Equipment will only be used for business purposes and not for personal, family or household use. This Lease may be executed in counterparts (manually or by electronic means) and transmitted to us by facsimile or other electronic means. When a copy of such Lease containing your signature is signed by us (manually or electronically) and is in our possession, then such copy shall constitute the sole original document for all purposes (including the Uniform Commercial Code). This Agreement constitutes the entire agreement between Lessor and Lessee and supersedes all prior oral and written representations or agreements, communication, or understanding between them. No purported modification, release, or waiver of any provision of this Agreement shall be binding unless in writing and signed by Lessor and Lessee. TO HELP THE GOVERNMENT FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, FEDERAL LAW REQUIRES ALL FINANCIAL INSTITUTIONS TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES EACH PERSON WHO OPENS AN ACCOUNT. WHAT THIS MEANS TO YOU: WHEN YOU OPEN AN ACCOUNT, WE WILL ASK FOR YOUR NAME, ADDRESS AND OTHER INFORMATION THAT WILL ALLOW US TO IDENTIFY YOU. WE MAY ALSO ASK TO SEE IDENTIFYING DOCUMENTS.

Metro Sales, Inc.

LESSOR

Signature _____ Date _____

Print Name _____ Title _____

CITY OF NEW PRAGUE

LESSEE (FULL LEGAL NAME - SAME AS ABOVE)

Signature of Authorized Signer _____ Date _____

Print Name _____ Title _____

DELIVERY AND ACCEPTANCE CERTIFICATE

The undersigned hereby certifies that all the equipment described in the equipment lease between Lessor and the undersigned, dated below, has been furnished, that delivery and installation of the equipment has been fully completed as required, with the delivery date being the date of this certificate, and that it has been accepted by the undersigned as satisfactory. Further, all conditions, and terms of said equipment lease have been reviewed and acknowledged.

Date of Delivery: _____

CITY OF NEW PRAGUE

Lessee

Signature _____ Title _____