

Certified by Presiding Officer	Certified by Clerk
<p>Mayor's Action</p> <p><i>See Authentication Page Attachment</i></p>	

A RESOLUTION BY FINANCE/EXECUTIVE COMMITTEE AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO APPROPRIATE CONTRACTUAL AGREEMENTS AND DOCUMENTS WITH IBM CREDIT LLC, ON BEHALF OF THE CITY OF ATLANTA, TO FINANCE A HARDWARE LEASE AGREEMENT WITH INTERNATIONAL BUSINESS MACHINES CORPORATION (“IBM”) FOR THE CITY OF ATLANTA TOTAL SOLUTION ENTERPRISE RESOURCE PLANNING SYSTEM (“CATS ERP”) REFRESH PROJECT, FOR A TERM OF FOUR (4) YEARS IN AN AMOUNT NOT TO EXCEED EIGHT HUNDRED THIRTY-FIVE THOUSAND, ONE HUNDRED SEVENTY-TWO DOLLARS AND SIXTEEN CENTS (\$835,172.16), SUBJECT TO ACCRUED INTEREST AT A RATE NOT TO EXCEED ONE AND NINETY-SEVEN HUNDREDTHS PERCENT (1.97%); AND ALSO AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE AN ELECTRONIC DEBIT TRANSACTION AUTHORIZATION TO FACILITATE REPAYMENT OF SAID LOAN AGREEMENTS; ALL CONTRACTED REPAYMENTS TO BE CHARGED TO AND PAID FROM THE FUNDING NUMBERS LISTED HEREIN; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta Total Solution Enterprise Resource Planning System (“CATS ERP”) is a critical business system used by the City of Atlanta (“City”); and

WHEREAS, the CATS ERP system is a consolidation of multiple, disconnected structures from the areas of Procurement, Finance, HR, and Payroll, into a single, tightly integrated solution utilizing an Oracle platform; and

WHEREAS, International Business Machines Corporation (“IBM”) hardware is a key component of the CATS ERP system and as such, requires continuous support services in order to maintain all system functions; and

WHEREAS, critical CATS ERP system applications are residing on end-of-life/ legacy hardware that will need to be replaced in order to improve system functions, minimize down-time, and increase productivity; and

WHEREAS, IBM has the capability to provide the City with the required hardware via lease agreement; and

WHEREAS, the Department of Finance and the Department of Information Technology determined that it is in the City’s best interest to finance the IBM hardware lease agreement for the CATS ERP refresh project through IBM Credit LLC (“IBM Credit”) for an amount not to exceed Eight Hundred Thirty-Five Thousand, One Hundred Seventy-Two Dollars And Sixteen Cents (\$835,172.16), bearing an interest rate not to exceed One And Ninety-Seven Hundredths Percent (1.97%) for a term of four (4) years.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor or his designee be authorized to enter into appropriate contractual agreements and documents with IBM Credit to finance a hardware lease agreement with IBM for the CATS ERP refresh project.

BE IT FURTHER RESOLVED, that said IBM Credit finance agreement shall have a term of four (4) years, an interest rate not to exceed One And Ninety-Seven Hundredths Percent (1.97%), and a loan total in an amount not to exceed Eight Hundred Thirty-Five Thousand, One Hundred Seventy-Two Dollars And Sixteen Cents (\$835,172.16).

BE IT FURTHER RESOLVED, per the IBM Credit finance agreement Amortization Schedule, attached hereto as Exhibit 1, said finance terms will require the City to make forty-eight (48) monthly payments in an amount not to exceed Seventeen Thousand, Four Hundred Thirty-Five Dollars and Fifty-Nine Cents (\$17,435.59) per month, commencing on the date of acceptance of the leased property, as agreed upon by the City (“the Lessee”) and IBM Credit (“the Lessor”).

BE IT FURTHER RESOLVED, that the Mayor or his designee is also authorized to execute an electronic debit transaction authorization to facilitate repayment of said loan agreements.

BE IT FURTHER RESOLVED, that all contracted Principal and Interest repayments shall be charged to and paid from the following Fund, Department Organization, Account, and Function Activity (“FDOA”) sources and for other purposes:

CoA Dept/ Division	Fund #	Department Organization #	Account #	Function Activity #
DIT	1001 (General Fund)	050212 (DIT IT Server Management)	5223202 (Operating Lease/ Rental-Equipment)	1535000 (Data Processing/ Management Information System)

BE IT FURTHER RESOLVED, that the Chief Financial Officer or his designee, in consultation with the City Attorney, be hereby directed to prepare the appropriate contractual agreements and documents for execution by the Mayor or his designee.

BE IT FINALLY RESOLVED, that said contractual agreements shall not become binding upon the City, and the City shall incur no liability upon the same until such contract is approved by the City Attorney or her designee as to form, executed by the Mayor or his designee, attested to by the Municipal Clerk, and delivered to the contracting parties.

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: CANDACE L. BYRD

Dept.'s Legislative Liaison: Kieva Morrison

Contact Number: 404-330-6264 / 404-546-7753

Originating Department: Department of Information Technology

Committee(s) of Purview: Finance/ Executive Committee

Chief of Staff Deadline: Friday, January 10, 2014

Anticipated Committee Meeting Date(s): Wednesday, January 29, 2014

Anticipated Full Council Date: Monday, February 3, 2014

Legislative Counsel's Signature: [Signature]

Commissioner's Signature: [Signature]

Chief Financial Officer: [Signature]

Chief Information Officer Signature (for IT Procurements) N/A

Chief Procurement Officer Signature: N/A

CAPTION

**A RESOLUTION
BY FINANCE/EXECUTIVE COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO APPROPRIATE CONTRACTUAL AGREEMENTS AND DOCUMENTS WITH IBM CREDIT LLC, ON BEHALF OF THE CITY OF ATLANTA, TO FINANCE A HARDWARE LEASE AGREEMENT WITH INTERNATIONAL BUSINESS MACHINES CORPORATION ("IBM") FOR THE CITY OF ATLANTA TOTAL SOLUTION ENTERPRISE RESOURCE PLANNING SYSTEM ("CATS ERP") REFRESH PROJECT, FOR A TERM OF FOUR (4) YEARS IN AN AMOUNT NOT TO EXCEED EIGHT HUNDRED THIRTY-FIVE THOUSAND, ONE HUNDRED SEVENTY-TWO DOLLARS AND SIXTEEN CENTS (\$835,172.16), SUBJECT TO ACCRUED INTEREST AT A RATE NOT TO EXCEED ONE AND NINETY-SEVEN HUNDREDTHS PERCENT (1.97%); AND ALSO AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE AN ELECTRONIC DEBIT TRANSACTION AUTHORIZATION TO FACILITATE REPAYMENT OF SAID LOAN AGREEMENTS; ALL CONTRACTED REPAYMENTS TO BE CHARGED TO AND PAID FROM THE FUNDING NUMBERS LISTED HEREIN; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT: (if any) \$0.00

Mayor's Staff Only

Received by CPO: _____
(date)

Received by LC from CPO: _____
(date)

Received by Mayor's Office: 1.10.14 [Signature]
(date)

Reviewed by: _____
(date)

Submitted to Council: _____ (date)

Attachment: IBM Credit legislation_financing CATS ERP hw lease (14-R-3142 : Resolution to execute IBM Credit Financing Agreement, CATS

Part II: Legislative White Paper:

(This portion of the Legislative Request Form will be shared with City Council members and staff)

A. Committee of Purview: FINANCE/EXECUTIVE**Caption:**

**A RESOLUTION
BY FINANCE/EXECUTIVE COMMITTEE**

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Council Meeting Date: Monday, February 3, 2014

Requesting Dept: Information Technology

FAC confirmed by: Merien Rouse & Kimberly Tallon

B. To be completed by the department:**1. Please provide a summary of the purpose of this legislation (Justification Statement).**

DIT would like Council to authorize the execution of appropriate contractual agreements and documents with IBM Credit LLC ("IBM Credit") to finance a hardware lease agreement with IBM for the CATS ERP refresh project.

The finance agreement shall have a term of four (4) years, an interest rate not to exceed 1.97%, and a loan total in an amount not to exceed \$835,172.16.

Per the finance agreement Amortization Schedule, attached hereto as Exhibit 1, said finance terms will require the City to make forty-eight (48) monthly payments in an amount not to exceed \$17,435.59 per month, commencing on the date of acceptance of the leased property, as agreed upon by the City ("the Lessee") and IBM Credit ("the Lessor").

2. Please provide background information regarding this legislation.**Background / Justification**

The City of Atlanta Total Solution Enterprise Resource Planning System ("CATS ERP") is a critical business system used by the City of Atlanta ("City").

The CATS ERP system is a consolidation of multiple, disconnected structures from the areas of Procurement, Finance, HR, and Payroll, into a single, tightly integrated solution utilizing an Oracle platform.

IBM hardware is a key component of the CATS ERP system and as such, requires continuous support services in order to maintain all system functions.

Critical CATS ERP system applications are residing on end-of-life/ legacy hardware that will need to be replaced in order to improve system functions, minimize downtime, and increase productivity.

IBM has the capability to provide the City with the required hardware via lease agreement.

Recommendation

The Department of Finance and the Department of Information Technology determined that it is in the City's best interest to finance the IBM hardware lease agreement for the CATS ERP refresh project through IBM Credit for an amount not to exceed \$835,172.16, bearing an interest rate not to exceed 1.97% for a term of four (4) years.

3. If Applicable/Known:

- (a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**
Professional services (financing agreement)
- (b) **Source Selection:** N/A
- (c) **Bids/Proposals Due:**
- (d) **Invitations Issued:**
- (e) **Number of Bids:**
- (f) **Proposals Received:**
- (g) **Bidders/Proponents:**
- (h) **Term of Contract:** A term not to exceed four (4) years.

4. Fund Account: 1001 (General Fund).

5. Source of Funds:

CoA Dept/ Division	Fund #	Department Organization #	Account #	Function Activity #
DIT	1001 (General Fund)	050212 (DIT IT Server Management)	5223202 (Operating Lease/ Rental-Equipment)	1535000 (Data Processing/ Management Information System)

6. Fiscal Impact: \$0.00

7. Method of Cost Recovery: N/A

This Legislative Request Form Was Prepared By: Kieva Morrison, DIT Legislative Analyst

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BY FINANCE/ EXECUTIVE COMMITTEE**

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EXHIBIT 1 Payment Schedule

Re: Lease/Purchase Supplement No. <<SUPP NUM>> to Lease/Purchase Master Agreement between IBM Credit LLC and CITY OF ATLANTA.

Commencement Date

The Commencement Date shall be the date of acceptance of the Property as set forth in the Acceptance Certificate executed by the Lessee and filed with the Lessor.

Payment Schedule

Total Principal Amount: \$804,129.74
Schedule Interest Rate: 1.97%
Prepayment Fee Rate: 0.00%

Payment No	Payment Due Dates	Lease Payments	Principal Component	Interest Component	Prepayment Price (After making prmt for said Due Date)
1	2/1/2014	\$17,435.59	\$16,088.72	\$1,346.87	\$788,041.00
2	3/1/2014	\$17,435.59	\$16,243.50	\$1,192.09	\$771,798.00
3	4/1/2014	\$17,435.59	\$16,142.88	\$1,292.71	\$755,655.00
4	5/1/2014	\$17,435.59	\$16,210.78	\$1,224.81	\$739,444.00
5	6/1/2014	\$17,435.59	\$16,197.07	\$1,238.52	\$723,247.00
6	7/1/2014	\$17,435.59	\$16,263.31	\$1,172.28	\$706,983.00
7	8/1/2014	\$17,435.59	\$16,251.44	\$1,184.15	\$690,732.00
8	9/1/2014	\$17,435.59	\$16,278.66	\$1,156.93	\$674,453.00
9	10/1/2014	\$17,435.59	\$16,342.39	\$1,093.20	\$658,111.00
10	11/1/2014	\$17,435.59	\$16,333.30	\$1,102.29	\$641,778.00
11	12/1/2014	\$17,435.59	\$16,395.36	\$1,040.23	\$625,382.00
12	1/1/2015	\$17,435.59	\$16,388.11	\$1,047.48	\$608,994.00
13	2/1/2015	\$17,435.59	\$16,415.56	\$1,020.03	\$592,579.00
14	3/1/2015	\$17,435.59	\$16,539.18	\$896.41	\$576,039.00
15	4/1/2015	\$17,435.59	\$16,470.76	\$964.83	\$559,569.00
16	5/1/2015	\$17,435.59	\$16,528.61	\$906.98	\$543,040.00
17	6/1/2015	\$17,435.59	\$16,526.03	\$909.56	\$526,514.00
18	7/1/2015	\$17,435.59	\$16,582.18	\$853.41	\$509,932.00

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**EXHIBIT 1
Payment Schedule - Page 2**

Payment No	Payment Due Dates	Lease Payments	Principal Component	Interest Component	Prepayment Price (After making prmt for said Due Date)
19	8/1/2015	\$17,435.59	\$16,581.49	\$854.10	\$493,350.00
20	9/1/2015	\$17,435.59	\$16,609.26	\$826.33	\$476,741.00
21	10/1/2015	\$17,435.59	\$16,662.86	\$772.73	\$460,078.00
22	11/1/2015	\$17,435.59	\$16,664.99	\$770.60	\$443,413.00
23	12/1/2015	\$17,435.59	\$16,716.88	\$718.71	\$426,696.00
24	1/1/2016	\$17,435.59	\$16,720.90	\$714.69	\$409,976.00
25	2/1/2016	\$17,435.59	\$16,748.91	\$686.68	\$393,227.00
26	3/1/2016	\$17,435.59	\$16,819.49	\$616.10	\$376,407.00
27	4/1/2016	\$17,435.59	\$16,805.13	\$630.46	\$359,602.00
28	5/1/2016	\$17,435.59	\$16,852.72	\$582.87	\$342,749.00
29	6/1/2016	\$17,435.59	\$16,861.51	\$574.08	\$325,888.00
30	7/1/2016	\$17,435.59	\$16,907.37	\$528.22	\$308,980.00
31	8/1/2016	\$17,435.59	\$16,918.07	\$517.52	\$292,062.00
32	9/1/2016	\$17,435.59	\$16,946.40	\$489.19	\$275,116.00
33	10/1/2016	\$17,435.59	\$16,989.66	\$445.93	\$258,126.00
34	11/1/2016	\$17,435.59	\$17,003.24	\$432.35	\$241,123.00
35	12/1/2016	\$17,435.59	\$17,044.76	\$390.83	\$224,078.00
36	1/1/2017	\$17,435.59	\$17,060.27	\$375.32	\$207,018.00
37	2/1/2017	\$17,435.59	\$17,088.85	\$346.74	\$189,929.00
38	3/1/2017	\$17,435.59	\$17,148.28	\$287.31	\$172,781.00
39	4/1/2017	\$17,435.59	\$17,146.19	\$289.40	\$155,635.00
40	5/1/2017	\$17,435.59	\$17,183.33	\$252.26	\$138,451.00
41	6/1/2017	\$17,435.59	\$17,203.69	\$231.90	\$121,248.00
42	7/1/2017	\$17,435.59	\$17,239.06	\$196.53	\$104,009.00
43	8/1/2017	\$17,435.59	\$17,261.38	\$174.21	\$86,747.00
44	9/1/2017	\$17,435.59	\$17,290.29	\$145.30	\$69,457.00
45	10/1/2017	\$17,435.59	\$17,323.01	\$112.58	\$52,134.00
46	11/1/2017	\$17,435.59	\$17,348.27	\$87.32	\$34,786.00
47	12/1/2017	\$17,435.59	\$17,379.21	\$56.38	\$17,406.00
48	1/1/2018	\$17,435.59	\$17,406.44	\$29.15	\$0.00

Lessee:	CITY OF ATLANTA
By:	
Name:	
Title:	

DRAFT

IBM
6303 Barfield Rd NE
Atlanta, GA 30328-4233

12/31/2013

ORIGINAL
ORIGINAL

ATTN: Kathleen Lane
IT Contract Administrator
55 Trinity Avenue
Atlanta, GA 30303

To Whom It May Concern -

IBM Global Finance is a wholly-owned subsidiary of IBM Corporation and all IBM Global Finance employees are IBM-badged employees and under the operations of IBM Corporation Human Resources. As such, IBM Global Finance operates under the corporate umbrella of IBM with the Department of Homeland Security and the E-Verify number for IBM Corporation covers IBM Corporation and IBM-owned organizations, such as IBM Global Finance.

Signed~

Paul Armistead
IBM Client Executive
pearmist@us.ibm.com
404-277-4108

IBM Corporation
6303 Barfield Rd
Atlanta, GA 30328

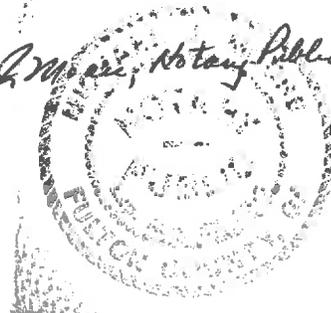
Notary:

Executed on December 31, 2013 in Alpharetta, GA

I hereby declare under penalty of perjury that the foregoing is true and correct.

[Signature]
Paul Armistead

Michael J. Moore, Notary Public 12/31/2013



Attachment: IBM Credit_legislation_financing CATS ERP hw lease (14-R-3142 : Resolution to execute IBM Credit Financing Agreement, CATS

Subcontractor Affidavit under O.C.G.A. § 13-10-91(b)(3)

By executing this affidavit, the undersigned subcontractor verifies its compliance with O.C.G.A. § 13-10-91, stating affirmatively that the individual, firm or corporation which is engaged in the physical performance of services under a contract with Prosys Information Systems on behalf of City of Atlanta has registered with, is authorized to use and uses the federal work authorization program commonly known as E-Verify, or any subsequent replacement program, in accordance with the applicable provisions and deadlines established in O.C.G.A. § 13-10-91. Furthermore, the undersigned subcontractor will continue to use the federal work authorization program throughout the contract period and the undersigned subcontractor will contract for the physical performance of services in satisfaction of such contract only with sub-subcontractors who present an affidavit to the subcontractor with the information required by O.C.G.A. § 13-10-91(b). Additionally, the undersigned subcontractor will forward notice of the receipt of an affidavit from a sub-subcontractor to the contractor within five business days of receipt. If the undersigned subcontractor receives notice that a sub-subcontractor has received an affidavit from any other contracted sub-subcontractor, the undersigned subcontractor must forward, within five business days of receipt, a copy of the notice to the contractor. Subcontractor hereby attests that its federal work authorization user identification number and date of authorization are as follows:

130871985
Federal Work Authorization User Identification Number

5/14/2007
Date of Authorization

IBM Corporation
Name of Subcontractor

IBM Infrastructure for Oracle Project
Name of Project

IBM City of Atlanta
Name of Public Employer

I hereby declare under penalty of perjury that the foregoing is true and correct.

Executed on Sept. 9, 2013 in Alph (city), GA (state).

[Signature]
Signature of Authorized Officer or Agent

Printed Name and Title of Authorized Officer or Agent

SUBSCRIBED AND SWORN BEFORE ME
ON THIS THE 9 DAY OF Sept., 2013.

Carol Haskins
NOTARY PUBLIC

My Commission Expires:

Notary Public, Fulton County, Georgia
My Commission Expires Oct. 19, 2015

COPY

Attachment: IBM Credit legislation_financing CATS ERP hw lease (14-R-3142 : Resolution to execute IBM Credit Financing Agreement, CATS

IBM Credit LLC

Term Lease Master Agreement

Name and Address of Lessee:

Agreement No.: _____

IBM Office Address:

DRAFT

Customer No.: _____

The Lessor under this Term Lease Master Agreement ("Agreement") is: a) IBM Credit LLC; b) a partnership in which IBM Credit LLC is a partner; or c) a business enterprise for which IBM Credit LLC is acting as agent ("Lessor"). The "Lessee" is the business entity indicated on the signature line below. Any Parent, Subsidiary or Affiliate of Lessee may enter into a Lease and/or Financing Transaction (each as defined below) under this Agreement by signing a Term Lease Supplement ("Supplement") referencing this Agreement and so will be bound to the terms and conditions of this Agreement as Lessee. For the purposes of this Agreement, "Parent" shall mean a business entity that owns or controls a majority interest of Lessee; "Subsidiary" shall mean a business entity a majority interest of which is owned or controlled by Lessee; and "Affiliate" shall mean a business entity under common majority control with Lessee. A Lease or Financing Transaction under this Agreement shall be effective when a Supplement listing equipment to be leased ("Equipment") and software program licenses, maintenance, services, and other one-time charges to be financed ("Financed Items") is signed by both parties. Equipment includes any internal programming that is integral to the Equipment's functioning ("Licensed Internal Code"). Lessee may acquire Equipment and Financed Items from International Business Machines Corporation "IBM", Lessor, or any other manufacturer, vendor or provider ("Lessee's Supplier"). The terms of (a) the Supplement; (b) any applicable attachments; and (c) this Agreement; each as may be amended by addenda, shall constitute the lease for the Equipment ("Lease") and financing transaction for the Financed Items ("Financing Transaction") listed in the applicable Supplement. Some Leases or Financing Transactions may have additional terms that will be specified in attachments or addenda. Terms in a Supplement and related attachments or addenda will apply only to the Lease and/or Financing Transaction represented by that Supplement. The headings of the Paragraphs are inserted for convenience only.

1. **OPTIONS.** Each Supplement shall constitute a single Lease and/or Financing Transaction but for each line item listed there will be a Lease or Financing Transaction option indicated. The various options are described in the "Option Codes" table on the Supplement.

2. **CREDIT REVIEW.** For each Lease or Financing Transaction, Lessee consents to a reasonable credit review by Lessor.

3. **AGREEMENT TERM.** This Agreement shall be effective when signed by both parties and may be terminated by either party upon one (1) month prior written notice. Each Lease or Financing Transaction then in effect, however, shall remain subject to the terms and conditions of this Agreement until its expiration or termination.

4. **LESSOR CHANGES.** Lessor may, with at least three (3) months prior written notice to Lessee, change the terms of this Agreement. Such changes will apply only to Leases and Financing Transactions that begin after the effective date specified in the notice, and only if Lessee does not notify Lessor that it does not agree to the changes.

5. **SURVIVAL OF OBLIGATIONS.** Lessor's and Lessee's obligations under this Agreement, which by their nature would continue beyond the expiration or termination of a Lease or Financing Transaction, will survive the expiration or termination of a Lease or Financing Transaction.

6. **SELECTION AND USE OF EQUIPMENT, PROGRAMMING AND LICENSED PROGRAM MATERIALS.** Lessee agrees that it did not rely on the Lessor, nor is the Lessor responsible, for the selection, use of, and results obtained from the Equipment or Financed Items. Nothing in this

Agreement is intended to limit any rights Lessee may have with respect to Lessee's Supplier or the Equipment manufacturer.

7. **ASSIGNMENT TO LESSOR.** Lessee assigns to Lessor, effective upon Lessor signing the Supplement, its right to purchase from and its obligation to pay its Supplier. All other rights and obligations as defined in the agreement between Lessee and Lessee's Supplier governing the purchase of the Equipment ("Purchase Agreement") shall remain with Lessee. Lessee represents that it has reviewed and approved the Purchase Agreement. Lessor will not modify or rescind the Purchase Agreement.

8. **LEASE NOT CANCELLABLE; LESSEE'S OBLIGATIONS ABSOLUTE.** Once the Term of any Lease or Financing Transaction has begun, as described in Paragraphs 13 and 14, Lessee's commitments hereunder become irrevocable and independent of acceptance of the Equipment. Lessee's obligation to pay all Rent and other amounts required to be paid by Lessee under this Agreement is absolute and unconditional and shall not be affected by any right of set-off or defense of any kind whatsoever, including any failure of the Equipment or a Financed Item to perform, or any representations by Lessee's Supplier. Lessee shall make any claim solely against Lessee's Supplier, the Equipment manufacturer or other third party if the Equipment or a Financed Item is unsatisfactory for any reason.

9. **WARRANTIES.** Lessor passes through to Lessee, to the extent permitted, all applicable warranties made available by Lessee's Sup-

THIS AGREEMENT, AND ANY APPLICABLE SUPPLEMENT, ATTACHMENTS OR ADDENDA ARE THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT REGARDING EACH LEASE OR FINANCING TRANSACTION. THESE DOCUMENTS SUPERSEDE ANY PRIOR ORAL OR WRITTEN COMMUNICATIONS BETWEEN THE PARTIES. IF THERE IS A CONFLICT OF TERMS AMONG THE DOCUMENTS, THE ORDER OF PRECEDENCE WILL BE AS FOLLOWS: (a) ATTACHMENTS OR ADDENDA TO A SUPPLEMENT, (b) SUPPLEMENT, (c) ATTACHMENTS OR ADDENDA TO THIS AGREEMENT, (d) THIS AGREEMENT. DELIVERY OF AN EXECUTED COPY OF ANY OF THESE DOCUMENTS BY FACSIMILE OR ANY OTHER RELIABLE MEANS SHALL BE DEEMED TO BE AS EFFECTIVE FOR ALL PURPOSES AS DELIVERY OF A MANUALLY EXECUTED COPY. LESSEE ACKNOWLEDGES THAT LESSOR MAY MAINTAIN A COPY OF THESE DOCUMENTS IN ELECTRONIC FORM AND AGREES THAT A COPY REPRODUCED FROM SUCH ELECTRONIC FORM OR ANY OTHER RELIABLE MEANS (FOR EXAMPLE, PHOTOCOPY, IMAGE OR FACSIMILE) SHALL IN ALL RESPECTS BE CONSIDERED EQUIVALENT TO AN ORIGINAL. IF INDICATED HERE, THE FOLLOWING ATTACHMENTS SHALL APPLY TO AND BE INCORPORATED BY REFERENCE IN THIS AGREEMENT.

Lessee may not modify or change the terms of this Agreement without the Lessor's prior written consent.

Accepted By:
IBM Credit LLC

Lessee:

By _____
Authorized Signature

By _____
Authorized Signature

Name (Type or Print) Date

Name (Type or Print) Date

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plier and/or by the Equipment manufacturer in the Purchase Agreement. Lessor represents and warrants that neither Lessor, nor anyone acting or claiming through Lessor, by assignment or otherwise, will interfere with Lessee's quiet enjoyment of the Equipment so long as no event of default by Lessee or anyone acting or claiming through Lessee shall have occurred and be continuing. During the Term of the Lease, Lessor assigns to Lessee all the rights that Lessor may have to be defended by Lessee's Supplier and/or by the Equipment manufacturer under any patent and copyright provisions in the Purchase Agreement. EXCEPT AS EXPRESSLY PROVIDED ABOVE, LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AS TO LESSOR, LESSEE LEASES THE EQUIPMENT AND TAKES ANY FINANCED ITEM "AS IS". IN NO EVENT SHALL LESSOR HAVE ANY LIABILITY FOR, NOR SHALL LESSEE HAVE ANY REMEDY AGAINST LESSOR FOR, CONSEQUENTIAL DAMAGES, ANY LOSS OF PROFITS OR SAVINGS, LOSS OF USE, OR ANY OTHER COMMERCIAL LOSS. This shall in no way affect Lessee's rights and remedies against Lessee's Supplier and/or the Equipment manufacturer.

10. **LESSEE AUTHORIZATION.** Lessee is authorized to act on Lessor's behalf concerning delivery and installation of the Equipment and any warranty service for the Equipment, including any programming services. Lessor represents and warrants that it has the right to grant the authorization and rights to Lessee referred to in this Paragraph.

11. **DELIVERY AND INSTALLATION.** Lessee is responsible for the delivery, installation and acceptance of the Equipment and any Financed Item and shall pay any delivery and installation charges not paid by Lessee's Supplier. Lessor shall not be liable for any delay in, or failure of, delivery of the Equipment or Financed Items unless provided by Lessor.

12. **USED EQUIPMENT LEASES.** For used Equipment supplied by Lessor, the following provisions apply: The Equipment is subject to prior disposition at any time prior to Lessor's acceptance of a signed Supplement. The Equipment is provided "as is", without any warranty whatsoever by Lessor, in accordance with Paragraph 9. However, provided that the Equipment is unmodified since the date of delivery; has been manufactured and assembled by or for IBM; and has been installed and maintained by IBM, Lessor guarantees Lessee's satisfaction with the quality of the Equipment for three (3) months following the "Release Date" indicated on the face of the Supplement. If Lessee is dissatisfied with the Equipment for any reason, Lessee may notify Lessor within three (3) months of the Release Date and, at Lessor's option, the Equipment will either be (a) replaced with equivalent Equipment or (b) returned to Lessor and the Lease terminated and any Rent payments made to Lessor refunded to Lessee. If Lessee cancels its commitment to Lease the Equipment after Lessor signs the applicable Supplement but before the Equipment is delivered and accepted by Lessee, then Lessee shall be liable to Lessor for three (3) months Rent as liquidated damages. Lessor shall bear the risk of loss or damage to the Equipment during transit from the pickup location to Lessee's location, provided the Equipment is transported by a carrier designated by Lessor.

13. **RENT COMMENCEMENT DATE.** Unless otherwise stated on the applicable Supplement, the Rent Commencement Date shall be (a) for Equipment supplied by IBM, the day following the date of installation of the Equipment as provided for in the Purchase Agreement; (b) for Equipment supplied by Lessor, the earlier of the date of installation or fourteen (14) days after the Release Date as specified in the Supplement; (c) for Equipment supplied by Lessee's Supplier, the date Lessee designates on a certificate of acceptance; or, (d) for Financed Items, the date Lessor makes funds available to Lessee or Lessee's Supplier.

14. **LEASE TERM.** The Lease or Financing Transaction shall be effective when the Supplement is signed by both parties. The initial Term of the Lease or Financing Transaction shall begin on the Rent Commencement Date and shall expire at the end of the number of months specified as "Term" in the Supplement. Except for Equipment supplied by Lessor, if Lessee cancels its order with Lessee's Supplier prior to installation or discontinues any Financed Item prior to the date Lessor makes funds available, the Lease or Financing Transaction with respect to that item shall terminate without penalty.

15. **RATE PROTECTION.** The Rates stated on the Supplement are not subject to change provided the Supplement is signed and returned to Lessor by the date indicated on the Supplement and the Equipment is installed by the end of the month of the Estimated Commencement Date stated on the Supplement.

16. **RENT.** During the initial Term, Lessor shall invoice and Lessee shall pay Rent for each Payment Period as specified in the Supplement. Lessee's obligation to pay shall begin on the Rent Commencement Date. When the Rent Commencement Date is not on the first day of a calendar month and/or when the initial Term does not expire on the last day of a calendar month, the applicable Rent for the first and last payment will be prorated on the basis of 30-day months.

17. **RENEWAL.** Lessee may, upon at least one (1) month prior written notice to Lessor, renew the Lease with respect to any line item of

Equipment provided Lessee is not then in default. Lessor shall offer a renewal Term of the (1) year. It may, if requested, offer different renewal Terms. For Equipment line items with a fair market value end-of-Lease renewal option, the renewal Rent shall be the projected fair market rental value of the Equipment as of the commencement of such renewal Term. For Equipment line items with a pre-stated end-of-Lease renewal option, the renewal Rent shall be one-half of the pre-stated Purchase Percent multiplied by the Unit Purchase Price stated in the Supplement and such renewal Rent payments will be annual and payable in advance.

18. **PURCHASE OF EQUIPMENT.** Lessee may, upon at least one (1) month prior written notice to Lessor, purchase any line item of Equipment upon expiration of the Lease provided Lessee is not then in default. For Equipment line items with a fair market value end-of-Lease purchase option, the purchase price shall be the projected fair market sales value of the Equipment as of such expiration date. For Equipment line items with a pre-stated purchase option, the purchase price shall be specified in the Supplement. If the Lessee purchases any Equipment, Lessee shall, on or before the date of purchase, pay: (a) the purchase price, (b) any applicable taxes, (c) all Rent due through the day preceding the date of purchase, and (d) any other amounts due under the Lease. Lessor shall, on the date of purchase, transfer to Lessee by bill of sale provided upon Lessee's request, without recourse or warranty of any kind, express or implied, all of Lessor's right, title and interest in and to such Equipment on an "AS IS, WHERE IS" basis, except that Lessor shall warrant title free and clear of all liens and encumbrances created by or through Lessor.

19. **OPTIONAL EXTENSION.** If, at the expiration of the Term, Lessee has not elected to renew the Lease, purchase or return the Equipment in accordance with Paragraph 25, and as long as Lessee is not in default under the Lease, the Lease will be extended for each unreturned item of Equipment unless (a) Lessee notifies Lessor in writing, not less than one (1) month prior to Lease expiration, that Lessee does not want the extension, or (b) the Equipment is returned to and received by Lessor within fourteen (14) days after the expiration of the Term. The extension will be under the same terms and conditions then in effect, including current Rent (but for Equipment line items with a fair market value purchase option, not less than fair market rental value as determined by Lessor at the expiration of the Term) and will continue on a day-to-day basis until the earlier of termination by either party upon one (1) month prior written notice, or six (6) years after expiration of the initial Term. For purposes of this Paragraph, current Rent shall be calculated as the sum of the Lease payments over the initial Term divided by the initial Term of the Lease.

20. **INSPECTION; MARKING; FINANCING STATEMENT.** Upon reasonable advance request, Lessee agrees to allow Lessor to inspect the Equipment and its maintenance records during Lessee's normal business hours, subject to Lessee's reasonable security procedures. Lessee will affix to the Equipment any identifying labels supplied by Lessor indicating ownership. The filing of any Uniform Commercial Code financing statements in connection with a Lease or Financing Transaction shall be governed by the terms and conditions of the applicable Supplement and any Supplement addendum.

21. **EQUIPMENT USE.** Lessee agrees that Equipment will be used for business purposes and not primarily for personal, family or household purposes and that it will be used in accordance with applicable laws and regulations.

22. **MAINTENANCE.** Lessee shall, at its expense, on its own or through third parties, keep the Equipment in a suitable environment as specified by the Equipment manufacturer, and in good condition and working order, ordinary wear and tear excepted.

23. **ALTERATIONS; MODIFICATIONS; PARTS.** For the purposes of this Agreement, a "Part" is any component or element of the Equipment; a "Modification" is any upgrade, feature or other change to the Equipment which is or has been offered for sale by the Equipment manufacturer and which contains no Part which has been changed or altered since its original manufacture; an "Alteration" is any change to the Equipment which is not a Modification. Lessee may modify or alter the Equipment only upon prior written notice to Lessor. Lessee may obtain new or used Alterations or Modifications from any supplier and may finance them with sources other than Lessor provided no security interest is created that encumbers or conflicts with Lessor's ownership of the Equipment. Any Lessor-owned Parts that Lessee removes shall remain Lessor's property and Lessee shall not make such Parts available for sale, transfer, exchange or other disposition without Lessor's prior written consent.

Before returning the Equipment to Lessor, Lessee agrees to remove any Alteration and may remove any Modification not owned by Lessor. If removed, Lessee agrees to, at its expense, restore the Equipment to its original condition using the removed Parts, normal wear and tear excepted. If Lessor had previously consented to the disposition of removed Parts, the restoration must be with Parts Lessor owns or supplies, or those supplied by a source approved by Lessor. If not removed, such Modifications shall become the property of Lessor, without charge, free of any liens or encumbrances.

Changes or additions made to items of Equipment in connection with maintenance or warranty services, including repairs, changes, utilizing manufacturer's genuine parts, are exempt from the terms of this Paragraph, and any Parts installed in connection with such services shall become the property of Lessor.

24. LEASES FOR MODIFICATIONS. At Lessee's request, and subject to satisfactory credit review, Lessor will lease or finance new Modifications, used Modifications from Lessor's inventory, and Financed Items associated with the Modifications. Leases for Modifications will be at then current terms and conditions and must be coterminous with the underlying Equipment Lease.

25. RETURN OF EQUIPMENT. Lessee will return the Equipment to Lessor upon expiration or termination of the Lease. Upon return, the Equipment must be in good condition and working order, normal wear and tear excepted and qualified for the manufacturer's maintenance service, if available. Lessee will return the Equipment to the nearest consolidation and refurbishment center designated by Lessor for that type of Equipment located in the contiguous United States. Unless otherwise agreed, Lessee is responsible for: (a) deinstallation, packing and return of the Equipment and any associated costs; and (b) any cost to qualify the Equipment for the manufacturer's maintenance service, or, if not available, the cost to return the Equipment to good working condition. The return of the Equipment shall constitute a full release by Lessee of any leasehold rights or possessory interest in the Equipment.

26. CASUALTY INSURANCE; LOSS OR DAMAGE. Lessor will maintain, at its own expense, insurance covering loss of or damage to the Equipment (excluding any Modifications or Alterations not subject to a Lease under this Agreement) with a \$5,000 deductible per occurrence. If any item of Equipment shall be lost, stolen, destroyed or irreparably damaged for any cause whatsoever ("Casualty Loss") before the Rent Commencement Date, the Lease with respect to that item shall terminate. If any item of Equipment suffers Casualty Loss, or shall be otherwise damaged, on or after the Rent Commencement Date, Lessee shall promptly inform Lessor. To claim a Casualty Loss Lessee must file a police or fire department report or other appropriate documentation substantiating the Casualty Loss. If Lessor determines that the item can be economically repaired, Lessee shall place the item in good condition and working order and Lessor will promptly reimburse Lessee the reasonable cost of such repair, less the deductible. If not so repairable, Lessee shall pay Lessor the lesser of \$5,000 or the fair market sales value of the Equipment immediately prior to the Casualty Loss. Upon Lessor's receipt of payment the Lease with respect to that item shall terminate and Lessee's obligation to pay Rent for the Equipment will be deemed to have ceased as of the date of the Casualty Loss. For purposes of this Paragraph, Lessor will consider the manufacturer's charge for such repair to be the reasonable cost of repair.

27. TAXES. Lessee shall promptly reimburse Lessor, as additional Rent, for all taxes, charges, and fees levied by any governmental body or agency upon or in connection with this Agreement, excluding, however, all taxes on or measured by the net income of Lessor.

28. LESSOR'S PAYMENT. If Lessee fails to pay taxes as required under this Agreement, discharge any liens or encumbrances on the Equipment (other than those created by or through Lessor), or otherwise fails to perform any other provision Lessee is required to perform under this Agreement, Lessor shall have the right to act in Lessee's stead so as to protect Lessor's interests, in which case, Lessee shall pay Lessor the cost thereof.

29. TAX INDEMNIFICATION. Solely for Leases entered into on the basis that Lessor is the owner of the Equipment for tax purposes, Lessor and Lessee agree that Lessor shall be entitled to certain federal and state tax benefits available to an owner of Equipment, including, under the Internal Revenue Code of 1986, as amended (the "Code"), the maximum Modified Accelerated Cost Recovery System deductions for 5-year property and deductions for interest expense incurred to finance the purchase of the Equipment ("Tax Benefits"). Lessee represents and warrants that: (a) at no time will Lessee take or omit to take any action which would result in a loss, reduction, disallowance, recapture or other unavailability ("Loss") to Lessor (or the consolidated group with which Lessor files tax returns) of the Tax Benefits, and (b) Lessee will take no position inconsistent with the assumption that Lessor is the owner of the Equipment for federal income tax purposes. Upon Lessor's written notice to Lessee that a Loss of Tax Benefits has occurred, Lessee shall reimburse Lessor an amount that shall make Lessor's after-tax rate of return and cash flows ("Financial Returns") over the Term of the Lease equal to the expected Financial Returns that would have been otherwise available. Lessee shall have no obligation to reimburse Lessor for a Loss of Tax Benefits resulting from: (i) a determination that a Lease does not constitute a true lease for federal income tax purposes, provided such determination is not the result of an act of Lessee, or (ii) a change in the tax law after the applicable Rent Commencement Date.

30. GENERAL INDEMNITY. Each Lease under this Agreement is a net lease. Lessee indemnifies Lessor against any third party claims whatsoever which arise in connection with this Agreement or Lessee's possession and use of the Equipment or a Financed Item hereunder in-

~~cluding all related reasonable costs and expenses, and legal fees incurred by Lessor. Lessee shall not be liable for any claim resulting from the sole negligence or willful misconduct of Lessor. Lessee agrees that upon written notice by Lessor of the assertion of any claim, Lessee shall assume full responsibility for the defense of such claim. Lessor shall cooperate as may be reasonably required in such defense.~~

31. LIABILITY INSURANCE. ~~Lessee shall obtain and maintain commercial general liability insurance, in the amount of at least \$1,000,000 or more for each occurrence, with an insurer having a "Best Policyholders" rating of B+ or better. The policy shall name Lessor as an additional insured as Lessor's interests may appear and shall contain a clause requiring the insurer to give Lessor at least one (1) month prior written notice of the cancellation, or any material alteration in the terms of the policy. Lessee shall furnish to Lessor, upon request, evidence that such insurance coverage is in effect.~~

32. SUBLEASE AND RELOCATION OF EQUIPMENT; ASSIGNMENT BY LESSEE. Upon one (1) month prior written notice to Lessor, Lessee may relocate the Equipment to another of its business locations provided that Lessee remains the end user of the Equipment. Any other relocation requires Lessor's prior written consent. Upon Lessor's prior written consent, which will not be unreasonably withheld, Lessee may sublease the Equipment to another end user. No sublease or relocation shall relieve Lessee of its obligations under the Lease and Lessee will be responsible for all costs and expenses associated with any relocation or sublease of the Equipment, including additional taxes or any Tax Loss incurred by Lessor. In no event shall Lessee remove or allow the Equipment to be removed from the United States. Lessee shall not assign, transfer or otherwise dispose of any Lease or Financing Transaction, any Equipment, or any interest therein, or create or suffer any levy, lien or encumbrance thereof except those created by or through Lessor.

33. ASSIGNMENT BY LESSOR. Lessee acknowledges and understands that the terms and conditions of the Leases and Financing Transactions have been fixed to enable Lessor to sell and assign its interest or grant a security interest or interests in the Leases and Financing Transactions and the Equipment, individually or together, in whole or in part, for the purpose of securing loans to Lessor or otherwise. Lessee shall not assert against any such assignee any setoff, defense or counterclaim that Lessee may have against Lessor or any other person. Lessor shall not be relieved of its obligations hereunder as a result of any such assignment unless Lessee expressly consents thereto, nor shall any rights or obligations of Lessee be changed except as described herein.

34. FINANCING. Any one-time charge (indicated on the Supplement as the "Amount Financed") for a Financed Item will be paid by Lessor to Lessee's Supplier or directly to Lessee. Any other charges which may be owed or due to Lessee's Supplier shall be paid directly to Lessee's Supplier by Lessee. Lessee's obligation to pay Rent for the Financed Item shall not be affected by any discontinuance, return or destruction of any Financed Item on or after the date Lessor makes funds available. If Lessee discontinues any of the Financed Items in accordance with the terms of the applicable agreement with Lessee's Supplier prior to the date Lessor makes funds available, then the Financing Transaction with respect to the affected one-time charge shall be cancelled.

35. FINANCING PREPAYMENT (Does Not Apply For Items of Equipment). Lessee may terminate a Financing Transaction (but not a Lease with respect to an item of Equipment) by prepaying its remaining Rent. Lessee shall provide Lessor with at least one (1) month prior written notice of the intended prepayment date. Lessor may, depending on market conditions at the time, reduce the remaining Rent to reflect such prepayment and shall advise the Lessee of the balance to be paid. If prior to Lease expiration, Lessee purchases Equipment on Lease or if a Lease is terminated, Lessee shall at the same time prepay any related line items of Financing Transactions.

36. DELINQUENT PAYMENTS. If any amount to be paid to Lessor is not paid on or before its due date, Lessee shall pay Lessor two percent (2%) of the unpaid amount for each month or part thereof from the due date until the date paid or, if less, the maximum allowed by law.

37. DEFAULT NO WAIVER. Lessee shall be in default under this Agreement upon the occurrence of any of the following events: (a) Lessee fails to pay any amount when due under this Agreement and such failure shall continue for a period of seven (7) days after the due date; (b) Lessee subleases, relocates, assigns or makes any transfer in violation of the terms of this Agreement; (c) Lessee fails to perform any other obligations or violates any of its covenants or representations under a Lease or Financing Transaction, or Lessee fails to perform any of its obligations under any other agreement it may have with Lessor, and such failure or breach shall continue for a period of fifteen (15) days after written notice is received by Lessee from Lessor; (d) Lessee or any guarantor of Lessee's obligations under this Agreement makes a misrepresentation in any application for credit or other financial data required to be provided by Lessee in connection with a Lease or Financing Transaction; (e) Lessee or a guarantor makes an assignment for the benefit of creditors, or consents to the appointment of a trustee

or receiver, or if either shall be appointed for Lessee or guarantor or for a substantial part of its property without its consent; (f) any petition or proceeding is filed by or against Lessee or a guarantor under any Federal or State bankruptcy or insolvency code or similar law, and if such petition is involuntary, it is not dismissed within sixty (60) days after filing thereof; (g) Lessee or a guarantor sells or disposes in all or substantially all of its assets (and Lessor does not consent to the same) or ceases doing business; or (h) a guarantor or the provider of any other credit enhancement under this Agreement breaches, terminates without Lessor's consent or contests any guaranty or other credit enhancement document of which Lessor is a beneficiary.

Lessor shall be in default under this Agreement upon the occurrence of any of the following events: (i) Lessor breaches Lessee's right of quiet enjoyment (except in an instance where Lessee is in default under the applicable Lease or Financing Transaction), and Lessor is unable to remedy such breach within fifteen (15) days of Lessee's written notice to Lessor thereof; (ii) Lessor fails to perform any other provisions or violates any of its covenants or representations under a Lease or Financing Transaction and such failure or breach shall continue for a period of fifteen (15) days after written notice is received by Lessor from Lessee; (iii) Lessor makes an assignment for the benefit of creditors, or consents to the appointment of a trustee or receiver, or if either shall be appointed for Lessor or for a substantial part of its property without its consent; or (iv) any petition or proceeding is filed by or against Lessor under any Federal or State bankruptcy or insolvency code or similar law and, if such petition is involuntary, it is not dismissed within sixty (60) days after filing thereof.

Any failure of either party to require strict performance by the other party or any waiver by either party of any provision in a Lease, Financing Transaction or this Agreement shall not be construed as a consent or waiver of any other breach of the same or of any other provision.

38. REMEDIES. If Lessee is in default under this Agreement, all amounts due and to become due under each Lease and Financing Transaction shall be immediately due and payable, without further notice from Lessor, and Lessor shall have the right, in its sole discretion, to exercise any one or more of the following remedies in order to protect its interests, reasonably expected profits and economic benefits under this Agreement. Lessor may: (a) declare any Lease or Financing Transaction entered into pursuant to this Agreement to be in default; (b) terminate in whole or in part any Lease or Financing Transaction; (c) recover from Lessee any and all amounts then due and to become due; (d) take possession of any or all items of Equipment, wherever located, without demand or notice, without any court order or other process of law, in accordance with Lessee's reasonable security procedures; and (e) demand that Lessee return any or all such items of Equipment to Lessor in accordance with Paragraph 25 and, for each day that Lessee shall fail to return any item of Equipment, Lessor may demand an amount equal to the current Rent, prorated on the basis of a 30-day month. Upon repossession or return of any item of Equipment, Lessor shall sell, lease or otherwise dispose of such item in a commercially reasonable manner, with or without notice and on public or private bid, and apply the net proceeds thereof towards the amounts due under the Lease but only after deducting: (i) in the case of sale, the estimated fair market sales value of such item as of the scheduled expiration of the Lease; or (ii) in the case of any replacement lease, the rent due for any period beyond the scheduled expiration of the Lease for such item; and (iii) in either case, all reasonable and necessary expenses, including reasonable legal fees, incurred in connection therewith. Any excess net proceeds are to be retained by Lessor. Lessor may pursue any other remedy available at law or in equity. 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.

If Lessor is in default under this Agreement, Lessee's exclusive and sole remedy shall be: (x) to terminate the applicable Lease or Financing Transaction and return the applicable items of Equipment to Lessor; and (y) to recover damages arising out of such default from Lessor, and all reasonable and necessary expenses, including reasonable legal fees, incurred in connection therewith.

39. LESSOR'S EXPENSE. Lessee shall pay Lessor all reasonable costs and expenses, including reasonable legal and collection fees, incurred by Lessor in enforcing the terms, conditions or provisions of this Agreement.

40. OWNERSHIP; PERSONAL PROPERTY; LICENSED PROGRAM MATERIALS. The Equipment under Lease is and shall be the property of Lessor. Lessee shall have no right, title or interest therein except as set forth in the Lease. The Equipment is, and shall at all times be and remain, personal property and shall not become a fixture or realty. Licensed programs that Lessee acquires and finances with Lessor remain the property of their licensor. Ownership of licensed programs is governed by the license agreement between the licensor and Lessee, and is not affected by this Agreement.

41. NOTICES; ADMINISTRATION. Service of all notices under the Agreement shall be sufficient if delivered personally or mailed to Lessee at its address specified in the Supplement or to IBM Credit LLC as Lessor in care of the IBM location specified in the Supplement or invoice. Notices by mail will be effective on receipt or three (3) days after being deposited in the United States mail, duly addressed and with postage prepaid, whichever is earlier. Notices of default will be sent certified mail, or registered mail, or delivered in person and will be effective when received by the party. Notices, consents and approvals from or by Lessor will be given by Lessor or on its behalf by IBM and all payments will be made to IBM until Lessor notifies Lessee otherwise.

42. LESSEE REPRESENTATION. Lessee represents and warrants that, as of the date it enters into any Lease or Financing Transaction under this Agreement: (a) Lessee is a legal entity, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and in each jurisdiction where Equipment and Financed Items will be located, with full power to enter into this Agreement and any transactions contemplated herein; (b) this Agreement and any Lease or Financing Transaction hereunder have been duly authorized and executed by Lessee and constitute valid, legal and binding agreements, enforceable in accordance with their terms; (c) the execution and performance by Lessee of its obligations under this Agreement and any Lease or Financing Transaction will not violate any judgment, order, law or governmental regulation affecting Lessee or any provision of Lessee's documents of organization, or result in a breach or default of any instrument or agreement to which Lessee is a party or to which Lessee may be bound.

43. GENERAL. Lessee agrees to take such further action and to execute such additional documents, instruments and financing statements as Lessor shall reasonably request to complete any Lease or Financing Transaction under this Agreement or to protect Lessor's interest in the Equipment or Financed Items.

This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which together shall constitute but one and the same document.

44. APPLICABLE LAW; SEVERABILITY. This Agreement will be governed by and construed in accordance with the laws of the State of ~~New York~~ ~~New York~~. If any provision of this Agreement is held to be invalid or unenforceable, all other provisions shall remain in effect.

IBM Credit LLC

Term Lease Master Agreement
Attachment for State & Local Government

Name and Address of Lessee:

Agreement No.:

Customer No.:

IBM Office Address:

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These terms and conditions modify those in the IBM Credit Term Lease Master Agreement and cover any Equipment and Financed Item(s) obtained by State and Local Governments and their political subdivisions as defined under Section 103 of the Internal Revenue Code of 1986, as amended. This attachment is incorporated by reference into the Term Lease Master Agreement executed by Lessee.

The following paragraphs are deleted in their entirety - 29, 36, 39 and 42.

Paragraph 8 - LEASE NOT CANCELLABLE; LESSEE'S OBLIGATIONS ABSOLUTE - add the following at the end of paragraph:

Lessee agrees to duly request the appropriation of funds for all payment amounts specified in the Supplement. If the funds Lessee requests for a fiscal year are not appropriated, Lessee will not be obligated to pay amounts due beyond the end of the last funded fiscal year. If a nonappropriation of this kind occurs, Lessee will promptly notify Lessor, the Lease and/or Financing Transaction will terminate at the end of the last fiscal year for which funds were appropriated and Lessee will not be in default. Lessee may retain the Equipment and/or Financed Items for a reasonable period of time beyond the termination and at a monthly charge, determined by Lessor. At the conclusion of such period of time, Lessor will remove the Equipment and/or Financed Items from Lessee's location and retain all sums paid as partial payment for their use and depreciation.

Paragraph 17 - RENEWAL - after the second sentence add the following:

Lessee may renew the Lease with respect to a line item of Equipment with a fair market value purchase option one or more times but any renewal term may not extend beyond five (5) years from the date of installation of the Equipment.

Paragraph 18 - PURCHASE OF EQUIPMENT - at the end of the paragraph add the following:

Beginning with the second anniversary of the Lease Term, Lessee may also purchase any line item of Equipment with a pre-stated purchase option. Lessee must notify Lessor of Lessee's intent to purchase at least one (1) month prior to the transaction. Purchase price is available upon request.

Paragraph 19 - OPTIONAL EXTENSION - replace the second sentence with the following:

The extension will be under the same terms and conditions then in effect, including current Rent (but for Equipment line items with a fair market value purchase option, not less than fair market rental value as determined by Lessor at the expiration of the Term) and will continue on

a day-to-day basis until the earlier of termination by either party upon one (1) month prior written notice or five (5) years from the date of installation of the Equipment.

Paragraph 20 - INSPECTION; MARKING; FINANCING STATEMENTS - delete the last sentence and add the following to the end of the paragraph:

Any provisions relating to financing statements, that may be contained in the Supplement are hereby deleted in their entirety.

Paragraph 26 - CASUALTY INSURANCE; LOSS OR DAMAGE - at the end of the paragraph add the following:

Notwithstanding the above, Lessor hereby waives the \$5000 deductible for a Casualty Loss as provided for in this paragraph.

Paragraph 27 - TAXES - replace the entire paragraph with the following:

All taxes on or measured by the net income of Lessor, any taxes arising under the Purchase Agreement, and any property taxes shall be for the account of Lessor. All other taxes of any description attendant to transactions under a Lease or Financing Transaction shall be for the account of Lessee, either by reimbursement of Lessor, or, at Lessor's request, directly paid by Lessee to the taxing authority.

Paragraph 30 - GENERAL INDEMNITY- replace the entire paragraph with the following:

All Leases under this Agreement shall be strictly net leases. Consequently unless specifically provided otherwise in this Agreement or a Lease hereunder, claims, costs and expenses of any description arising out of this Agreement shall be for the sole account of Lessee, except that Lessor shall bear responsibility, to the extent of its fault, for claims for personal injury or real and tangible personal property damage caused by Lessor's negligence.

Paragraph 37 - DEFAULT - subsection (g) is deleted in its entirety.

Paragraph 43 - GENERAL - delete the first sentence.

Paragraph 44 - APPLICABLE LAW; SEVERABILITY - replace the first sentence with the following:

Lessee's state laws shall govern this Agreement and any Leases and Financing Transactions hereunder.

Date Prepared:

TERM LEASE SUPPLEMENT

Customer No.:
Customer Address

Installed at Location

Supplement Number
IBM CSO Location:
IBM CSO Location Address

Term Lease Master Agreement No.:
Associated Supplement No.:

Amendment Nos.:
Addendum Nos.:
Quote Letter No.:

Customer Reference:

Line No.	Location/ Lessor Customer No. State	Installed	Leased or Financed Item Type Model/Feature Description	Plant Order or MES No.	Serial No.	Option (*)	Purchase Option (*)	Term (*)	Unit Purchase Price/ Amount Financed	Rate \$/1000	Rent	Estimated Commencement Release Date
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DRAFT

Supplier Name	Supplier Customer No.		(*) Security Deposit		Total Amount Financed (this page)	(*) Minimum Rent Applies	Total Rent (this page) Taxes may apply	Total Rent (all pages) Taxes may apply	Payment Period	Payment Commencement Date
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(*) See Additional Terms and Conditions page. (**) First of the month following the Date of Installation.
[] Conventional Pay Authorization is required.
RATE VALIDITY DATE:.

THE TERM LEASE MASTER AGREEMENT (THE "AGREEMENT") REFERENCED ABOVE, IS HEREBY INCORPORATED BY REFERENCE AND LESSEE HEREBY UNDER SHALL BE BOUND TO THE TERMS AND CONDITIONS OF THE AGREEMENT AS LESSEE. THE AGREEMENT, THIS SUPPLEMENT AND ANY APPLICABLE ATTACHMENTS OR ADDENDA ARE THE COMPLETE AND EXCLUSIVE STATEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREIN. THESE DOCUMENTS SUPERSEDE ANY PRIOR ORAL OR WRITTEN COMMUNICATIONS BETWEEN THE PARTIES BY SIGNING BELOW, LESSEE REPRESENTS AND WARRANTS THAT LESSEE'S NAME AS SET FORTH IN THE SIGNATURE BLOCK BELOW IS LESSEE'S EXACT LEGAL NAME, AND THE INFORMATION IDENTIFYING LESSEE'S STATE OR ORGANIZATION IS TRUE, ACCURATE AND COMPLETE IN ALL RESPECTS. BY SIGNING BELOW, BOTH PARTIES AGREE TO THE TERMS REPRESENTED BY THIS SUPPLEMENT AS IT MAY BE AMENDED OR MODIFIED. IF AGREED TO IN WRITING BY LESSEE, LESSEE AUTHORIZES LESSOR TO CHANGE THE AMOUNT FINANCED AND/OR THE RENT, LESSEE FURTHER AUTHORIZES LESSOR TO INSERT MACHINE SERIAL NUMBERS ON THIS SUPPLEMENT AS THEY BECOME AVAILABLE, WITHOUT FURTHER AUTHORIZATION FROM LESSEE. DELIVERY OF AN EXECUTED COPY OF ANY OF THE DOCUMENTS REFERENCED ABOVE BY FACSIMILE OR OTHER RELIABLE MEANS SHALL BE DEEMED TO BE AS EFFECTIVE FOR ALL PURPOSES AS DELIVERY OF A MANUALLY EXECUTED COPY. LESSEE ACKNOWLEDGES THAT LESSOR MAY MAINTAIN A COPY OF THESE DOCUMENTS IN ELECTRONIC FORM AND AGREES THAT A COPY REPRODUCED FROM SUCH ELECTRONIC FORM OR BY ANY OTHER RELIABLE MEANS (FOR EXAMPLE, PHOTOCOPY, IMAGE OR FACSIMILE) SHALL IN ALL RESPECTS BE CONSIDERED EQUIVALENT TO AN ORIGINAL. IF INDICATED HERE, THE FOLLOWING ATTACHMENTS SHALL APPLY TO AND BE INCORPORATED BY REFERENCE:

Accepted by:
IBM Credit LLC
For or as Lessor:

Leasec

By: _____
Authorized Signature

By: _____
Authorized Signature

Name (Type or Print) _____ Date _____

Name (Type or Print) _____ Date _____

Z125-3319-27 (05-09)

State of Organization: _____

(Do Not Write Above This Line)

A RESOLUTION BY FINANCE EXECUTIVE COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO APPROPRIATE CONTRACTUAL AGREEMENTS AND DOCUMENTS WITH IBM CREDIT LLC ON BEHALF OF THE CITY OF ATLANTA, TO FINANCE A HARDWARE LEASE AGREEMENT WITH INTERNATIONAL BUSINESS MACHINES CORPORATION ("IBM") FOR THE CITY OF ATLANTA TOTAL SOLUTION ENTERPRISE RESOURCE PLANNING SYSTEM ("CATS ERP") REFRESH PROJECT, FOR A TERM OF FOUR (4) YEARS IN AN AMOUNT NOT TO EXCEED EIGHT HUNDRED THIRTY-FIVE THOUSAND, ONE HUNDRED SEVENTY-TWO DOLLARS AND SIXTEEN CENTS (\$835,172.16), SUBJECT TO ACCRUED INTEREST AT A RATE NOT TO EXCEED ONE AND NINETY-SEVEN HUNDREDS PERCENT (1.97%), AND ALSO AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE AN ELECTRONIC DEBIT TRANSACTION AUTHORIZATION TO FACILITATE REPAYMENT OF SAID LOAN AGREEMENTS; ALL CONTRACTED REPAYMENTS TO BE CHARGED TO AND PAID FROM THE FUNDING NUMBERS LISTED HEREIN, AND FOR OTHER PURPOSES.

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1ST ADOPT 2ND READ & REFER
- PERSONAL PAPER REFER

Date Referred: _____
 Referred To: _____
 Date Referred: _____
 Referred To: _____
 Date Referred: _____
 Referred To: _____

First Reading
 Committee _____
 Date _____
 Chair _____
 Referred To _____
 Committee _____

Date _____
 Chair _____
 Action Fav, Adv, Hold (see rev. side) _____
 Other _____
 Members _____
 Refer To _____

Date _____
 Chair _____
 Action Fav, Adv, Hold (see rev. side) _____
 Other _____
 Members _____
 Refer To _____

Committee _____
 Date _____
 Chair _____
 Action Fav, Adv, Hold (see rev. side) _____
 Other _____
 Members _____
 Refer To _____

Committee _____
 Date _____
 Chair _____
 Action Fav, Adv, Hold (see rev. side) _____
 Other _____
 Members _____
 Refer To _____

FINAL COUNCIL ACTION
 2nd Reading
 1st & 2nd Reading
 3rd Reading
 Consent
 V Vote
 RRC Vote

CERTIFIED

MAYOR'S ACTION