



FLOYD COUNTY BOARD OF EDUCATION  
 Anna Whitaker Shepherd, Superintendent  
 442 KY RT 550  
 Eastern, KY 41622  
 Telephone (606) 886-2354 Fax (606) 886-4550  
 www.floyd.kyschools.us

Linda C. Gearheart, Board Chair - District 1  
 William Newsome, Jr., Vice-Chair - District 3  
 Dr. Chandra Varia, Member- District 2  
 Keith Smallwood, Member - District 4  
 Steve Slone, Member - District 5

**Consent Agenda Item (Action Item):** Duff-Allen Central Elementary is requesting approval to enter an agreement with Pro Source for copiers for 60 months which includes no late fees or monthly overage charges.

**Applicable State or Regulations:** Policy 9:33 and 4:312, KRS 158.290 General Powers and Duties of the Board

**Fiscal/Budgetary Impact:** Title and Section 6 funds will be used to pay the monthly payment for the 60-month lease and the standard monthly service contract.

**History/Background:** Copiers are needed for the day to day operations of the school.

**Recommended Action:** Approve the agreement to lease copiers from Pro Source.

**Contact Person(s):** Nikki Gearheart, Principal  
 606-358-9420

Nikki Gearheart      Rachel Crick      Anna W. Shepherd  
 Principal                      Director                      Superintendent

**Date:**  
 2/14/23



source

Office Equipment | Document Automation | Technology Solutions

EQUIPMENT SOLUTION

## Duff-Allen Central Elementary

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### Toshiba 4528A (2)

- 45 Pages Printed Per Minute in B/W
- Print, Copy & Scan Ability
- Dual Document Scan (Scans front and back of document simultaneously)
- Dual 550 Sheet Paper Drawers
- Inner Finisher (Sorts & Staples Documents)
- 10.1" Tablet Style Touch Screen
- *This device would replace the copier in the library and the B/W copier on the 2<sup>nd</sup> floor*

### Toshiba 4525AC (1)

- 45 Pages Printed Per Minute in B/W & Color
- Print, Copy & Scan Ability
- Dual Document Scan (Scans front and back of document simultaneously)
- Dual 550 Sheet Paper Drawers
- Inner Finisher (Sorts & Staples Documents)
- 10.1" Tablet Style Touch Screen
- *This device would replace the color copier on the 2<sup>nd</sup> floor*

### Toshiba 5518A (1)

- 55 Pages Printed Per Minute in B/W
- Print, Copy, Scan & Fax Ability
- Dual Document Scan (Scans front and back of document simultaneously)
- 2,500 Sheet Large Capacity Paper Drawer
- Hole Punch Unit
- Inner Finisher (Sorts & Staples Documents)
- *This device would replace the copier in the office*

### SERVICE ANALYSIS

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#### Full Flex Service

- Guaranteed on-site maintenance within 4 hours of call.
- Technical support & ongoing training included.
- FM Audit – Automated toner replenishment & monthly volume reports included.
- Parts, labor, and supplies (excluding paper) included.
- No late fees or monthly overages.
- **100% customer satisfaction or you do not pay your monthly service bill!**

Alex Garner

agarner@totalprosource.com

(606) 305-7102

**SPECIAL EDUCATIONAL PRICING:**

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**Total Purchase Price / 60-Month Fair Market Value Lease**

- Total purchase price: \$33,998.19 OR 60-month FMV lease: \$750

**Standard Monthly Service Contract (Includes Toner, Training & Maintenance)**

- Up to 22,000 B/W image allowance per month at a quarterly overage rate of \$0.0077
- Up to 750 Color image allowance per month at a quarterly overage rate of \$0.047
- The standard total monthly service contract equals \$204.65

**Financial Summary**

- 60-month FMV lease + standard monthly service contract = \$954.65 monthly payment.
- Prosource will never send late fee charges or monthly overage charges.
- Prosource will return your \$204.65 standard monthly payment if our customer support is not 100% satisfactory.
- 60-month FMV lease payment and service contract are at a fixed rate.

If you agree to the terms of the proposal, please sign for official sales order documentation:

X

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**SALES ORDER**

SHIP TO				BILL TO			
Name <b>Duff-Allen Central Elementary</b>				Name <b>SAME</b>			
Address <b>183 Rebel Lane</b>				Address			
Address				Address			
City <b>Eastern</b>		State <b>KY</b>	Zip <b>41622</b>	City		State	Zip
Phone <b>(606) 358-0110</b>		Fax <b>606</b>		Phone		Fax	
PRIMARY CONTACTS							
Primary <b>Nikki Gearheart</b>				Title <b>Principal</b>			
Email <b>nikki.gearheart@floyd.kyschools.us</b>				Phone <b>(606) 358-0110</b>			
IT				Title			
Email				Phone			
Accounting				Title			
Email				Phone			
EQUIPMENT / SOLUTIONS							
<input checked="" type="checkbox"/> See Schedule A							
ADDITIONAL INFORMATION							
60-month fair market value lease of \$750 for Toshiba 4528A (2), 4525AC, and 5518A.							
Automated toner replenishment, maintenance, and ongoing training included in service agreement.							
Standard total monthly payment is \$954.65 (60-month FMV lease + service agreement).							
PURCHASE SUMMARY							
<b>SALES PRICE (PLUS APPLICABLE TAXES)   \$</b>							
SERVICE AGREEMENT							
MFP / PRINTER							
Agreement is valid for one year and covers all parts, labor and supplies except paper and staples.							
BLACK: Bills at \$ <u>169.40</u> per quarter. Includes <u>22,000</u> copies per quarter. Excess at \$ <u>0.00770</u> per copy.							
COLOR: Bills at \$ <u>35.25</u> per quarter. Includes <u>750</u> copies per quarter. Excess at \$ <u>0.04700</u> per copy.							
Excess charges bill: <input type="radio"/> Monthly <input checked="" type="radio"/> Quarterly							
ORDER ACCEPTANCE							
Prosource Representative						Date	
Customer Authorized Signer						Date	
Print Name of Authorized Signer						Purchase Order	

THE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE HEREOF ARE INCORPORATED IN AND MADE PART OF THIS AGREEMENT AND SUPERSEDES ALL OTHER DOCUMENTATION PERTAINING TO THE SALE AND/OR MAINTENANCE OF THE ABOVE ITEMS.

Corporate Headquarters: 4720 Glendale Milford Rd, Cincinnati, OH 45242 | 513.769.0606 | Fax: 513.769.0080 | www.totalprosource.com

Rev 07/2022

## TERMS AND CONDITIONS

Customer hereby agrees to the following terms and conditions.

1. This Agreement shall become binding once approved and accepted by Prosource. This Agreement is not a sale on approval or trial basis. Provisions of this Agreement, once accepted by Prosource, constitute the entire Agreement between Customer and Prosource and supersede all other written or oral communication between the parties. Prosource is specifically not bound by any oral or written representations made by its employees or salespersons to Customer which do not appear herein in writing. This Agreement may not be cancelled or altered after acceptance without Prosource's written consent.
2. All rights, title or interest to the equipment or supplies described herein shall remain the property of Prosource (or its leasing agent) until paid in full.
3. Customer shall pay all federal, state and local sales, use, property, excise or other taxes imposed on or with respect to the equipment.
4. Prosource makes no warranty, expressed or implied, of fitness for a particular use or merchantability.
5. All invoices are due and payable within fifteen (15) days from the date of invoice and Customer agrees to pay interest at a rate of 1 1/2% per month on any amounts not paid within those fifteen (15) days. Customer shall pay Prosource's costs in the collection of any amount due hereunder, in the recovery of any property pursuant hereto or in the enforcement of its rights against Customer, including attorney's fees whether or not suit be brought. Prosource reserves the right to hold service in the event customer's account balance is delinquent. If an account balance is delinquent, Prosource can declare any and all Agreements with the customer delinquent and hold service or supplies accordingly. If payment is not received by Prosource in accordance with payment terms, Prosource, at its option, may require a physical inspection of the equipment prior to acceptance of a new Service Agreement, with all costs incurred billed to the Customer.
6. Prosource shall not be liable for failure to deliver or for delays due to causes beyond our control, including without limitation, strikes, non-delivery, or delays by shippers, carriers or others, accidents, or government acts.
7. Customer hereby jointly and severally releases, acquits, forgives and discharges Prosource from any actions, claims, demands, suits, Agreements, judgments, liabilities, and proceedings, whether arising in equity or in law, as relates to this Agreement, and arising from the pick-up and disposal of Trade-In equipment. This release shall remain binding upon all successors in interest and personal representatives of the contracting parties, to the extent permitted by law.
8. Customer agrees that Prosource shall not incur any liability to Customer for any loss of business, loss of products, loss of data, expenses, or any other damage, direct, indirect or consequential, arising out of or in connection with the use or performance of this equipment.
9. All correspondence, notices, and inquiries should be directed to: Prosource, Attn: Customer Service, 4720 Glendale-Milford Rd., Cincinnati, Ohio 45242 or by email: customerservice@totalprosource.com.

## SERVICE AGREEMENT

1. This Agreement is NON-CANCELLABLE for the term of the Agreement. Prosource may terminate this Agreement in the event equipment is modified, altered or serviced by personnel other than those employed by Prosource or its authorized servicing partners. This Agreement is non-refundable and will be renewed at the end of the contract period unless notification in writing is received within thirty (30) days prior to the renewal date. The Agreement is subject to annual increases not to exceed 15%. In the event Prosource cannot offer a regular Service Agreement because normal maintenance and parts replacement can no longer keep the equipment in satisfactory operating condition, at the sole discretion of Prosource, a Conditional Service Agreement may be offered. Customer shall not assign or transfer this Agreement or any interest herein to a third party without the prior written permission of Prosource. This Service Agreement is transferable to new equipment purchased from Prosource.
2. Prosource agrees to provide on-site service availability Monday through Friday, excluding holidays, from 8:00 A.M. to 5:00 P.M., and to keep the equipment in good working order while operated in accordance with published specifications while the equipment is located within Prosource's area of responsibility. Customer shall provide electrical service to the Equipment, and shall provide an environment that is reasonably free of dust, humidity, hazardous chemicals or erratic temperature changes. Failure to provide a suitable Equipment Environment may negate the terms of this Agreement. Customer agrees to provide full and free physical access during the on-site hours in this Agreement. Service rendered under the Service Agreement excludes any: (a) service or parts required by damage caused by accident, neglect, misuse, altering the equipment, unfavorable environmental conditions, electric current fluctuations, work performed by other than a representative of Prosource, or any force of nature, (b) service required due to the use of supplies not approved by Prosource, (c) service connected with the unauthorized relocation of equipment. In the event that the equipment is moved from the location set forth in this Agreement, at Prosource's option, this Agreement may be terminated and/or additional service charges may be made. Prosource agrees to provide toner in sufficient quantity appropriate to the Customer's usage and the manufacturer's published yields which are based on the industry standards of 80% coverage black and white and 20% coverage full color. In the event that the Customer's actual yield varies from the manufacturer's published yields by more than 20%, Prosource reserves the right to remedy this variance by either adjusting the amount of toner provided or adjusting the rate(s) of this Agreement or invoicing Customer for excess toner used. Prosource may charge a freight fee with your service contract.
3. Remote device configuration and connectivity support is included as a part of your equipment installation fee and Service Agreement. Installation includes, as necessary, the installation of drivers on up to 5 local computers. Print Server and Print Queue installation is the responsibility of the Customer. Additional on-site connectivity and networking support beyond device connection and device configuration settings is not included and will be provided at the Prosource prevailing rates.
4. Customer agrees to the installation of the Prosource Device Monitoring Agent for the purposes of collecting use, supply, and device performance data. The Customer agrees to provide the use (meter readings) for all devices that cannot be monitored by the agent. For the purposes of billing, if readings are unavailable, Prosource will estimate the reading based on the available history of use. If readings are not provided for two consecutive months, Prosource reserves the right to move the non-reporting device to a flat rate per month adequate to cover the anticipated use. The rate will be based upon the 6-month history reading of the device, and if that data is not available, the Business Equipment Index (BEI) average monthly use for the device. Prosource has the right to withhold service and supply replenishment for the withholding or manipulation of meter counts. Customer agrees to provide notification to Prosource of system upgrades that may impact performance of the monitoring agent or covered devices, and any restriction or hazard to physical access which will impede the delivery of service and support under this Agreement. Customer agrees to remote access to the Equipment via Prosource Device Monitoring Agent 24 hours a day.
5. Customer agrees that Service Agreement invoices will be for a minimum of \$50.00, and that Prosource, at its sole discretion, may adjust the billing frequency to cause invoices to reach or exceed the \$50.00 minimum.





Lease Agreement

APPLICATION NO.

AGREEMENT NO.

The words "Lessee," "you" and "your" refer to Customer. The words "Lessor," "we," "us" and "our" refer to the company listed below in the Lessor Acceptance.

CUSTOMER INFORMATION

Customer information form with fields for Full Legal Name, Street Address, City, State, ZIP, Phone, Fax, Billing Name, Billing Street Address, City, State, ZIP, E-Mail, and Equipment Location.

EQUIPMENT DESCRIPTION

Equipment description table with columns for Make / Model / Accessories and Serial No. Lists four Toshiba copiers.

See attached Schedule A

TERM AND PAYMENT INFORMATION

Term and payment information form with fields for number of payments (60), amount (\$750.00), and exemption certificate checkbox.

END OF TERM OPTION

Text describing the end of term option, including purchase or return of equipment.

Upon acceptance of the Equipment, THIS AGREEMENT IS NONCANCELABLE, IRREVOCABLE AND CANNOT BE TERMINATED.

LESSOR ACCEPTANCE

Lessor acceptance form for U.S. Bank Equipment Finance, with signature and title fields.

CUSTOMER ACCEPTANCE

Text stating that by signing below, the customer certifies they have reviewed and agree to all terms and conditions.

Customer acceptance form for Duff-Allen Central Elementary, with signature and title fields.

FEDERAL TAX I.D. # and PRINT NAME fields.

DELIVERY & ACCEPTANCE CERTIFICATE

Text certifying that all equipment listed above has been received, installed, inspected, and accepted.

Delivery and acceptance certificate form for Duff-Allen Central Elementary, with signature and acceptance date fields.

1. **AGREEMENT:** You agree to lease from us the goods, together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries ("Equipment") and, if applicable, finance certain software, software license(s), software components and/or professional services in connection with software (collectively, the "Financed Items," which are included in the word "Equipment" unless separately stated) from software licensor(s) and/or supplier(s) (collectively, the "Supplier"), all as described in this Agreement and in any attached schedule, addendum or amendment hereto ("Agreement"). You represent and warrant that you will use the Equipment for business purposes only. You agree to all of the terms and conditions contained in this Agreement, which, with the acceptance certification, is the entire agreement between you and us regarding the Equipment and which supersedes any purchase order, invoice, request for proposal, response or other related document. This Agreement becomes valid upon execution by us. The term shall start on the date we pay Supplier. Interim rent/due date adjustments will be in an amount equal to 1/30th of the Payment, multiplied by the number of days between the Agreement start date and the first Payment due date. If any provision of this Agreement is declared unenforceable, the other provisions herein shall remain in full force and effect to the fullest extent permitted by law.

2. **OWNERSHIP; PAYMENTS; TAXES AND FEES:** We own the Equipment, excluding any Financed Items. Ownership of any Financed Items shall remain with Supplier thereof. You will pay all Payments, as adjusted, when due, without notice or demand and without abatement, set-off, counterclaim or deduction of any amount whatsoever. If any part of a Payment is more than 5 days late, you agree to pay a late charge of 10% of the Payment which is late or, if less, the maximum charge allowed by law. The Payment may be adjusted proportionately upward or downward: (i) if the shipping charges or taxes differ from the estimate given to you; and/or (ii) to comply with the tax laws of the state in which the Equipment is located. You shall pay all applicable taxes, assessments and penalties related to this Agreement, whether levied or assessed on this Agreement, on us (except on our income) or you, or on the Equipment, its lease, sale, ownership, possession, use or operation. If we pay any taxes or other expenses that are owed hereunder, you agree to reimburse us when we request. You agree to pay us a yearly processing fee of up to \$50 for personal property taxes we pay related to the Equipment. You agree to pay us a fee of up to \$50 for filing and/or searching costs required under the Uniform Commercial Code ("UCC") or other laws. You agree to pay us an origination fee of \$75 for all closing costs. We may apply all sums received from you to any amounts due and owed to us under the terms of this Agreement. If for any reason your check is returned for insufficient funds, you will pay us a service charge of \$30 or, if less, the maximum charge allowed by law. We may make a profit on any fees, estimated tax payments and other charges paid under this Agreement.

3. **EQUIPMENT; SECURITY INTEREST:** At your expense, you shall keep the Equipment: (i) in good repair, condition and working order, in compliance with applicable laws, ordinances and manufacturers' and regulatory standards; (ii) free and clear of all liens and claims; and (iii) at your address shown on page 1, and you agree not to move it unless we agree in writing. You grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement or any other agreement with us ("Other Agreements"), except amounts under Other Agreements which are secured by land and/or buildings. You authorize and ratify our filing of any financing statement(s) to show our interest. You will not change your name, state of organization, headquarters or residence without providing prior written notice to us. You will notify us within 30 days if your state of organization revokes or terminates your existence.

4. **INSURANCE; COLLATERAL PROTECTION; INDEMNITY; LOSS OR DAMAGE:** You agree to keep the Equipment fully insured against all risk, with us named as lender's loss payee, in an amount not less than the full replacement value of the Equipment until this Agreement is terminated. You also agree to maintain commercial general liability insurance with such coverage and from such insurance carrier as shall be satisfactory to us and to include us as an additional insured on the policy. You will provide written notice to us within 10 days of any modification or cancellation of your insurance policy(s). You agree to provide us certificates or other evidence of insurance acceptable to us. If you do not provide us with acceptable evidence of property insurance within 30 days after the start of this Agreement, we may, at our sole discretion, to do so as provided in either (A) or (B) below, as determined in our discretion: (A) We may secure property loss insurance on the Equipment from a carrier of our choosing in such forms and amounts as we deem reasonable to protect our interests. If we place insurance on the Equipment, we will not name you as an insured and your interests may not be fully protected. If we secure insurance on the Equipment, you will pay us an amount for the premium which may be higher than the premium that you would pay if you placed the insurance independently and an insurance fee which may result in a profit to us through an investment in reinsurance; or (B) We may charge you a monthly property damage surcharge of up to .0035 of the Equipment cost as a result of our credit risk and administrative and other costs, as would be further described on a letter from us to you. We may make a profit on this program. **NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF RESPONSIBILITY FOR LIABILITY INSURANCE ON THE EQUIPMENT.** We are not responsible for, and you agree to hold us harmless and reimburse us for and to defend on our behalf against, any claim for any loss, expense, liability or injury caused by or in any way related to delivery, installation, possession, ownership, leasing, manufacture, use, condition, inspection, removal, return or storage of the Equipment. You will indemnify us on an after-tax basis against the loss or unavailability of any tax benefits anticipated at the start date arising out of your acts or omissions. All indemnities will survive the expiration or termination of this Agreement. You are responsible for any loss, theft, destruction or damage to the Equipment ("Loss"), regardless of cause, whether or not insured. You agree to promptly notify us in writing of any Loss. If a Loss occurs and we have not otherwise agreed in writing, you will promptly pay to us the unpaid balance of this Agreement, including any future Payments to the end of the term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. Any proceeds of insurance will be paid to us and credited against the Loss. You authorize us to sign on your behalf and appoint us as your attorney-in-fact to endorse in your name any insurance drafts or checks issued due to a Loss.

5. **ASSIGNMENT: YOU SHALL NOT SELL, TRANSFER, ASSIGN, ENCUMBER, PLEDGE OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT, without our prior written consent.** You shall not consolidate or merge with or into any other entity, distribute, sell or dispose of all or any substantial portion of your assets other than in the ordinary course of business, without our prior written consent, and the surviving, or successor entity or the transferee of such assets, as the case may be, shall assume all of your obligations under this Agreement by a written instrument acceptable to us. No event shall occur which causes or results in a transfer of majority ownership of you while any obligations are outstanding hereunder. We may sell, assign, or transfer this Agreement without notice to or consent from you. You agree that if we sell, assign or transfer this Agreement, our assignee will have the same rights and benefits, including the rights to all payments hereunder, that we have now and will not have to perform any of our obligations. You agree that our assignee will not be subject to any claims, defenses, or offsets that you may have against us. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

6. **DEFAULT AND REMEDIES:** You will be in default if: (i) you do not pay any Payment or other sum due to us or you fail to perform in accordance with the covenants, terms and conditions of this Agreement or any other agreement with us or any of our affiliates or fail to perform or pay under any material agreement with any other entity; (ii) you make or have made any false statement or misrepresentation to us; (iii) you or any guarantor dies, dissolves, liquidates, terminates existence or is in bankruptcy; (iv) you or any guarantor suffers a material adverse change in its financial, business or operating condition; or (v) any guarantor defaults under any guaranty for this Agreement. If you are ever in default, at our option, we can cancel this Agreement and require that you pay the unpaid balance of this Agreement, including any future Payments to the end of term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. We may recover default interest on any unpaid amount at the rate of 12% per year. Concurrently and cumulatively, we may also use any remedies available to us under the UCC and any other law and we may require that you immediately stop using any Financed Items. If we take possession of the Equipment, you agree to pay the costs of repossession, moving, storage, repair and sale. The net proceeds of the sale of any Equipment will be credited against what you owe us under this Agreement and you will be responsible for any deficiency. In the event of any dispute or enforcement of our rights under this Agreement or any related agreement, you agree to pay our reasonable attorneys' fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee. **WE SHALL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES FOR ANY DEFAULT, ACT OR OMISSION BY ANYONE.** Any delay or failure to enforce our rights under this Agreement will not prevent us from enforcing any rights at a later time. You agree that this Agreement is a "Finance Lease" as defined by Article 2A of the UCC and your rights and remedies are governed exclusively by this Agreement. You waive all rights under sections 2A-506 through 522 of the UCC. If interest is charged or collected in excess of the maximum lawful rate, we will refund such excess to you, which will be your sole remedy.

7. **INSPECTIONS AND REPORTS:** We have the right, at any reasonable time, to inspect the Equipment and any documents relating to its installation, use, maintenance and repair. Within 30 days after our request (or such longer period as provided herein), you will deliver all requested information (including tax returns) which we deem reasonably necessary to determine your current financial condition and faithful performance of the terms hereof. This may include: (i) compiled, reviewed or audited annual financial statements (including, without limitation, a balance sheet, a statement of income, a statement of cash flow, a statement of changes in equity and notes to financial statements) within 120 days after your fiscal year end, and (ii) management-prepared interim financial statements within 45 days after the requested reporting period(s). Annual statements shall set forth the corresponding figures for the prior fiscal year in comparative form, all in reasonable detail without any qualification or exception deemed material by us. Unless otherwise accepted by us, each financial statement shall be prepared in accordance with generally accepted accounting principles consistently applied and shall fairly and accurately present your financial condition and results of operations for the period to which it pertains. You authorize us to obtain credit bureau reports for credit and collection purposes and to share them with our affiliates and agents.

8. **END OF TERM:** Unless the purchase option is \$1.00, at the end of the initial term, this Agreement shall renew for successive 3-month renewal term(s) under the same terms hereof unless you send us written notice between 60 and 120 days before the end of the initial term or at least 30 days before the end of any renewal term that you want to purchase or return the Equipment, and you timely purchase or return the Equipment. You shall continue making Payments and paying all other amounts due until the Equipment is purchased or returned. As long as you have given us the required written notice, if you do not purchase the Equipment, you will return all of the Equipment to a location we specify, at your expense, in retail re-salable condition, full working order and complete repair. **YOU ARE SOLELY RESPONSIBLE FOR REMOVING ANY DATA THAT MAY RESIDE IN THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO HARD DRIVES, DISK DRIVES OR ANY OTHER FORM OF MEMORY.**

9. **USA PATRIOT ACT NOTICE; ANTI-TERRORISM AND ANTI-CORRUPTION COMPLIANCE:** 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 customer who opens an account. When you enter into a transaction with us, we ask for your business name, address and other information that will allow us to identify you. We may also ask to see other documents that substantiate your business identity. You and any other person who you control, own a controlling interest in, or who owns a controlling interest in or otherwise controls you in any manner ("Representatives") are and will remain in full compliance with all laws, regulations and government guidance concerning foreign asset control, trade sanctions, embargoes, and the prevention and detection of money laundering, bribery, corruption, and terrorism, and neither you nor any of your Representatives is or will be listed in any Sanctions-related list of designated persons maintained by the U.S. Department of Treasury's Office of Foreign Assets Control or successor or the U.S. Department of State. You shall, and shall cause any Representative to, provide such information and take such actions as are reasonably requested by us in order to assist us in maintaining compliance with anti-money laundering laws and regulations.

10. **MISCELLANEOUS:** Unless otherwise stated in an addendum hereto, the parties agree that: (i) this Agreement and any related documents hereto may be authenticated by electronic means; (ii) the "original" of this Agreement shall be the copy that bears your manual, facsimile, scanned or electronic signature and that also bears our manually or electronically signed signature and is held or controlled by us; and (iii) to the extent this Agreement constitutes chattel paper (as defined by the UCC), a security interest may only be created in the original. You agree not to raise as a defense to the enforcement of this Agreement or any related documents that you or we executed or authenticated such documents by electronic or digital means or that you used facsimile or other electronic means to transmit your signature on such documents. Notwithstanding anything to the contrary herein, we reserve the right to require you to sign this Agreement or any related documents hereto manually and to send to us the manually signed, duly executed documents via overnight courier on the same day that you send us the facsimile, scanned or electronic transmission of the documents. You agree to execute any further documents that we may request to carry out the intents and purposes of this Agreement. Whenever our consent is required, we may withhold or condition such consent in our sole discretion, except as otherwise expressly stated herein. From time to time, Supplier may extend to us payment terms for Equipment financed under this Agreement that are more favorable than what has been quoted to you or the general public, and we may provide Supplier information regarding this Agreement if Supplier has assigned or referred it to us. All notices shall be mailed or delivered by facsimile transmission or overnight courier to the respective parties at the addresses shown on this Agreement or such other address as a party may provide in writing from time to time. By providing us with a telephone number for a cellular phone or other wireless device, including a number that you later convert to a cellular number, you are expressly consenting to receiving communications, including but not limited to pre-recorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system, from us and our affiliates and agents at that number. This express consent applies to each such telephone number that you provide to us now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from your cellular provider. You authorize us to make non-material amendments (including completing and conforming the description of the Equipment) on any document in connection with this Agreement. Unless stated otherwise herein, all other modifications to this Agreement must be in writing and signed by each party or in a duly authenticated electronic record. This Agreement may not be modified by course of performance.

11. **WARRANTY DISCLAIMERS: WE ARE LEASING THE EQUIPMENT TO YOU "AS-IS." YOU HAVE SELECTED SUPPLIER AND THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. SUPPLIER IS NOT AN AGENT OF OURS AND WE ARE NOT AN AGENT OF SUPPLIER, AND NOTHING SUPPLIER STATES OR DOES CAN AFFECT YOUR OBLIGATIONS HEREUNDER. YOU WILL MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST ANY SUPPLIER, LICENSOR OR MANUFACTURER, AND ANY FAILURE OF A SERVICE PROVIDER TO PROVIDE SERVICES WILL NOT EXCUSE YOUR OBLIGATIONS TO US UNDER THIS AGREEMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, OF, AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, QUALITY, ADEQUACY, TITLE, DATA ACCURACY, SYSTEM INTEGRATION, FUNCTION, DEFECTS, INFRINGEMENT OR ANY OTHER ISSUE IN REGARD TO THE EQUIPMENT, ANY ASSOCIATED SOFTWARE AND ANY FINANCED ITEMS. SO LONG AS YOU ARE NOT IN DEFAULT UNDER THIS AGREEMENT, WE ASSIGN TO YOU ANY WARRANTIES IN THE EQUIPMENT GIVEN TO US.**

12. **LAW; JURY WAIVER:** This Agreement will be governed by and construed in accordance with the law of the principal place of business of Lessor or its assignee. You consent to jurisdiction and venue of any state or federal court in the state the Lessor or its assignee has its principal place of business and waive the defense of inconvenient forum. For any action arising out of or relating to this Agreement or the Equipment, **BOTH PARTIES WAIVE ALL RIGHTS TO A TRIAL BY JURY.**





Lease Agreement

APPLICATION NO.

AGREEMENT NO.

The words "Lessee," "you" and "your" refer to Customer. The words "Lessor," "we," "us" and "our" refer to the company listed below in the Lessor Acceptance.

CUSTOMER INFORMATION

Customer information form including fields for Full Legal Name, Street Address, City, State, ZIP, Phone, Fax, Billing Name, Billing Street Address, City, State, ZIP, E-mail, and Equipment Location.

EQUIPMENT DESCRIPTION

Equipment description table with columns for Make / Model / Accessories and Serial No. Lists four Toshiba copiers.

See attached Schedule A

TERM AND PAYMENT INFORMATION

Term and payment information including number of payments (60), amount (\$750.00), and tax information.

END OF TERM OPTION

You will have the following option, which you may exercise at the end of the term, provided that no event of default under this Agreement has occurred and is continuing.

Upon acceptance of the Equipment, THIS AGREEMENT IS NONCANCELABLE, IRREVOCABLE AND CANNOT BE TERMINATED.

LESSOR ACCEPTANCE

Lessor acceptance signature line for U.S. Bank Equipment Finance, a division of U.S. Bank National Association.

CUSTOMER ACCEPTANCE

BY SIGNING BELOW OR AUTHENTICATING AN ELECTRONIC RECORD HEREOF, YOU CERTIFY THAT YOU HAVE REVIEWED AND DO AGREE TO ALL TERMS AND CONDITIONS OF THIS AGREEMENT ON THIS PAGE AND ON PAGE 2 ATTACHED HERETO.

Customer acceptance signature line for Duff-Allen Central Elementary.

Federal Tax I.D. # and Print Name fields.

DELIVERY & ACCEPTANCE CERTIFICATE

You certify and acknowledge that all of the Equipment listed above: 1) has been received, installed and inspected; and 2) is fully operational and unconditionally accepted.

Delivery and acceptance certificate signature line for Duff-Allen Central Elementary.

1. **AGREEMENT:** You agree to lease from us the goods, together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries ("Equipment") and, if applicable, finance certain software, software license(s), software components and/or professional services in connection with software (collectively, the "Financed Items," which are included in the word "Equipment" unless separately stated) from software licensor(s) and/or supplier(s) (collectively, the "Supplier"), all as described in this Agreement and in any attached schedule, addendum or amendment hereto ("Agreement"). You represent and warrant that you will use the Equipment for business purposes only. You agree to all of the terms and conditions contained in this Agreement, which, with the acceptance certification, is the entire agreement between you and us regarding the Equipment and which supersedes any purchase order, invoice, request for proposal, response or other related document. This Agreement becomes valid upon execution by us. The term shall start on the date we pay Supplier. Interim rent/due date adjustments will be in an amount equal to 1/30th of the Payment, multiplied by the number of days between the Agreement start date and the first Payment due date. If any provision of this Agreement is declared unenforceable, the other provisions herein shall remain in full force and effect to the fullest extent permitted by law.

2. **OWNERSHIP; PAYMENTS; TAXES AND FEES:** We own the Equipment, excluding any Financed Items. Ownership of any Financed Items shall remain with Supplier hereof. You will pay all Payments, as adjusted, when due, without notice or demand and without abatement, set-off, counterclaim or deduction of any amount whatsoever. If any part of a Payment is more than 5 days late, you agree to pay a late charge of 10% of the Payment which is late or, if less, the maximum charge allowed by law. The Payment may be adjusted proportionately upward or downward: (i) if the shipping charges or taxes differ from the estimate given to you; and/or (ii) to comply with the tax laws of the state in which the Equipment is located. You shall pay all applicable taxes, assessments and penalties related to this Agreement, whether levied or assessed on this Agreement, on us (except on our income) or you, or on the Equipment, its lease, sale, ownership, possession, use or operation. If we pay any taxes or other expenses that are owed hereunder, you agree to reimburse us when we request. You agree to pay us a yearly processing fee of up to \$50 for personal property taxes we pay related to the Equipment. You agree to pay us a fee of up to \$50 for filing and/or searching costs required under the Uniform Commercial Code ("UCC") or other laws. You agree to pay us an origination fee of \$75 for all closing costs. We may apply all sums received from you to any amounts due and owed to us under the terms of this Agreement. If for any reason your check is returned for insufficient funds, you will pay us a service charge of \$30 or, if less, the maximum charge allowed by law. We may make a profit on any fees, estimated tax payments and other charges paid under this Agreement.

3. **EQUIPMENT; SECURITY INTEREST:** At your expense, you shall keep the Equipment: (i) in good repair, condition and working order, in compliance with applicable laws, ordinances and manufacturers' and regulatory standards; (ii) free and clear of all liens and claims; and (iii) at your address shown on page 1, and you agree not to move it unless we agree in writing. You grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement or any other agreement with us ("Other Agreements"), except amounts under Other Agreements which are secured by land and/or buildings. You authorize and ratify our filing of any financing statement(s) to show our interest. You will not change your name, state of organization, headquarters or residence without providing prior written notice to us. You will notify us within 30 days if your state of organization revokes or terminates your existence.

4. **INSURANCE; COLLATERAL PROTECTION; INDEMNITY; LOSS OR DAMAGE:** You agree to keep the Equipment fully insured against all risk, with us named as lender's loss payee, in an amount not less than the full replacement value of the Equipment until this Agreement is terminated. You also agree to maintain commercial general liability insurance with such coverage and from such insurance carrier as shall be satisfactory to us and to include us as an additional insured on the policy. You will provide written notice to us within 10 days of any modification or cancellation of your insurance policy(s). You agree to provide us certificates or other evidence of insurance acceptable to us. If you do not provide us with acceptable evidence of property insurance within 30 days after the start of this Agreement, we may, at our sole discretion, to do so as provided in either (A) or (B) below, as determined in our discretion: (A) We may secure property loss insurance on the Equipment from a carrier of our choosing in such forms and amounts as we deem reasonable to protect our interests. If we place insurance on the Equipment, we will not name you as an insured and your interests may not be fully protected. If we secure insurance on the Equipment, you will pay us an amount for the premium which may be higher than the premium that you would pay if you placed the insurance independently and an insurance fee which may result in a profit to us through an investment in reinsurance; or (B) We may charge you a monthly property damage surcharge of up to .0035 of the Equipment cost as a result of our credit risk and administrative and other costs, as would be further described on a letter from us to you. We may make a profit on this program. **NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF RESPONSIBILITY FOR LIABILITY INSURANCE ON THE EQUIPMENT.** We are not responsible for, and you agree to hold us harmless and reimburse us for and to defend on our behalf against, any claim for any loss, expense, liability or injury caused by or in any way related to delivery, installation, possession, ownership, leasing, manufacture, use, condition, inspection, removal, return or storage of the Equipment. You will indemnify us on an after-tax basis against the loss or unavailability of any tax benefits anticipated at the start date arising out of your acts or omissions. All indemnities will survive the expiration or termination of this Agreement. You are responsible for any loss, theft, destruction or damage to the Equipment ("Loss"), regardless of cause, whether or not insured. You agree to promptly notify us in writing of any Loss. If a Loss occurs and we have not otherwise agreed in writing, you will promptly pay to us the unpaid balance of this Agreement, including any future Payments to the end of the term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. Any proceeds of insurance will be paid to us and credited against the Loss. You authorize us to sign on your behalf and appoint us as your attorney-in-fact to endorse in your name any insurance drafts or checks issued due to a Loss.

5. **ASSIGNMENT: YOU SHALL NOT SELL, TRANSFER, ASSIGN, ENCUMBER, PLEDGE OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT,** without our prior written consent. You shall not consolidate or merge with or into any other entity, distribute, sell or dispose of all or any substantial portion of your assets other than in the ordinary course of business, without our prior written consent, and the surviving, or successor entity or the transferee of such assets, as the case may be, shall assume all of your obligations under this Agreement by a written instrument acceptable to us. No event shall occur which causes or results in a transfer of majority ownership of you while any obligations are outstanding hereunder. We may sell, assign, or transfer this Agreement without notice to or consent from you. You agree that if we sell, assign or transfer this Agreement, our assignee will have the same rights and benefits, including the rights to all payments hereunder, that we have now and will not have to perform any of our obligations. You agree that our assignee will not be subject to any claims, defenses, or offsets that you may have against us. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

6. **DEFAULT AND REMEDIES:** You will be in default if: (i) you do not pay any Payment or other sum due to us or you fail to perform in accordance with the covenants, terms and conditions of this Agreement or any other agreement with us or any of our affiliates or fail to perform or pay under any material agreement with any other entity; (ii) you make or have made any false statement or misrepresentation to us; (iii) you or any guarantor dies, dissolves, liquidates, terminates existence or is in bankruptcy; (iv) you or any guarantor suffers a material adverse change in its financial, business or operating condition; or (v) any guarantor defaults under any guaranty for this Agreement. If you are ever in default, at our option, we can cancel this Agreement and require that you pay the unpaid balance of this Agreement, including any future Payments to the end of term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. We may recover default interest on any unpaid amount at the rate of 12% per year. Concurrently and cumulatively, we may also use any remedies available to us under the UCC and any other law and we may require that you immediately stop using any Financed Items. If we take possession of the Equipment, you agree to pay the costs of repossession, moving, storage, repair and sale. The net proceeds of the sale of any Equipment will be credited against what you owe us under this Agreement and you will be responsible for any deficiency. In the event of any dispute or enforcement of our rights under this Agreement or any related agreement, you agree to pay our reasonable attorneys' fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee. **WE SHALL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES FOR ANY DEFAULT, ACT OR OMISSION BY ANYONE.** Any delay or failure to enforce our rights under this Agreement will not prevent us from enforcing any rights at a later time. You agree that this Agreement is a "Finance Lease" as defined by Article 2A of the UCC and your rights and remedies are governed exclusively by this Agreement. You waive all rights under sections 2A-508 through 522 of the UCC. If interest is charged or collected in excess of the maximum lawful rate, we will refund such excess to you, which will be your sole remedy.

7. **INSPECTIONS AND REPORTS:** We have the right, at any reasonable time, to inspect the Equipment and any documents relating to its installation, use, maintenance and repair. Within 30 days after our request (or such longer period as provided herein), you will deliver all requested information (including tax returns) which we deem necessary to determine your current financial condition and faithful performance of the terms hereof. This may include: (i) compiled, reviewed or audited annual financial statements (including, without limitation, a balance sheet, a statement of income, a statement of cash flow, a statement of changes in equity and notes to financial statements) within 120 days after your fiscal year end, and (ii) management-prepared interim financial statements within 45 days after the requested reporting period(s). Annual statements shall set forth the corresponding figures for the prior fiscal year in comparative form, all in reasonable detail without any qualification or exception deemed material by us. Unless otherwise accepted by us, each financial statement shall be prepared in accordance with generally accepted accounting principles consistently applied and shall fairly and accurately present your financial condition and results of operations for the period to which it pertains. You authorize us to obtain credit bureau reports for credit and collection purposes and to share them with our affiliates and agents.

8. **END OF TERM:** Unless the purchase option is \$1.00, at the end of the initial term, this Agreement shall renew for successive 3-month renewal term(s) under the same terms hereof unless you send us written notice between 60 and 120 days before the end of the initial term or at least 30 days before the end of any renewal term that you want to purchase or return the Equipment, and you timely purchase or return the Equipment. You shall continue making Payments and paying all other amounts due until the Equipment is purchased or returned. As long as you have given us the required written notice, if you do not purchase the Equipment, you will return all of the Equipment to a location we specify, at your expense, in retail re-saleable condition, full working order and complete repair. **YOU ARE SOLELY RESPONSIBLE FOR REMOVING ANY DATA THAT MAY RESIDE IN THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO HARD DRIVES, DISK DRIVES OR ANY OTHER FORM OF MEMORY.**

9. **USA PATRIOT ACT NOTICE; ANTI-TERRORISM AND ANTI-CORRUPTION COMPLIANCE:** 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 customer who opens an account. When you enter into a transaction with us, we ask for your business name, address and other information that will allow us to identify you. We may also ask to see other documents that substantiate your business identity. You and any other person who you control, own a controlling interest in, or who owns a controlling interest in or otherwise controls you in any manner ("Representatives") are and will remain in full compliance with all laws, regulations and government guidance concerning foreign asset control, trade sanctions, embargoes, and the prevention and detection of money laundering, bribery, corruption, and terrorism, and neither you nor any of your Representatives is or will be listed in any Sanctions-related list of designated persons maintained by the U.S. Department of Treasury's Office of Foreign Assets Control or successor or the U.S. Department of State. You shall, and shall cause any Representative to, provide such information and take such actions as are reasonably requested by us in order to assist us in maintaining compliance with anti-money laundering laws and regulations.

10. **MISCELLANEOUS:** Unless otherwise stated in an addendum hereto, the parties agree that: (i) this Agreement and any related documents hereto may be authenticated by electronic means; (ii) the "original" of this Agreement shall be the copy that bears your manual, facsimile, scanned or electronic signature and that also bears our manually or electronically signed signature and is held or controlled by us; and (iii) to the extent this Agreement constitutes chattel paper (as defined by the UCC), a security interest may only be created in the original. You agree not to raise as a defense to the enforcement of this Agreement or any related documents that you or we executed or authenticated such documents by electronic or digital means or that you used facsimile or other electronic means to transmit your signature on such documents. Notwithstanding anything to the contrary herein, we reserve the right to require you to sign this Agreement or any related documents hereto manually and to send to us the manually signed, duly executed documents via overnight courier on the same day that you send us the facsimile, scanned or electronic transmission of the documents. You agree to execute any further documents that we may request to carry out the intents and purposes of this Agreement. Whenever our consent is required, we may withhold or condition such consent in our sole discretion, except as otherwise expressly stated herein. From time to time, Supplier may extend to us payment terms for Equipment financed under this Agreement that are more favorable than what has been quoted to you or the general public, and we may provide Supplier information regarding this Agreement if Supplier has assigned or referred it to us. All notices shall be mailed or delivered by facsimile transmission or overnight courier to the respective parties at the addresses shown on this Agreement or such other address as a party may provide in writing from time to time. By providing us with a telephone number for a cellular phone or other wireless device, including a number that you later convert to a cellular number, you are expressly consenting to receiving communications, including but not limited to pre-recorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system, from us and our affiliates and agents at that number. This express consent applies to each such telephone number that you provide to us now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from your cellular provider. You authorize us to make non-material amendments (including completing and conforming the description of the Equipment) on any document in connection with this Agreement. Unless stated otherwise herein, all other modifications to this Agreement must be in writing and signed by each party or in a duly authenticated electronic record. This Agreement may not be modified by course of performance.

11. **WARRANTY DISCLAIMERS: WE ARE LEASING THE EQUIPMENT TO YOU "AS-IS." YOU HAVE SELECTED SUPPLIER AND THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. WE DO NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. SUPPLIER IS NOT AN AGENT OF OURS AND WE ARE NOT AN AGENT OF SUPPLIER, AND NOTHING SUPPLIER STATES OR DOES CAN AFFECT YOUR OBLIGATIONS HEREUNDER. YOU WILL MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST ANY SUPPLIER, LICENSOR OR MANUFACTURER, AND ANY FAILURE OF A SERVICE PROVIDER TO PROVIDE SERVICES WILL NOT EXCUSE YOUR OBLIGATIONS TO US UNDER THIS AGREEMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, OF, AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, QUALITY, ADEQUACY, TITLE, DATA ACCURACY, SYSTEM INTEGRATION, FUNCTION, DEFECTS, INFRINGEMENT OR ANY OTHER ISSUE IN REGARD TO THE EQUIPMENT, ANY ASSOCIATED SOFTWARE AND ANY FINANCED ITEMS. SO LONG AS YOU ARE NOT IN DEFAULT UNDER THIS AGREEMENT, WE ASSIGN TO YOU ANY WARRANTIES IN THE EQUIPMENT GIVEN TO US.**

12. **LAW; JURY WAIVER:** This Agreement will be governed by and construed in accordance with the law of the principal place of business of Lessor or its assignee. You consent to jurisdiction and venue of any state or federal court in the state the Lessor or its assignee has its principal place of business and waive the defense of inconvenient forum. For any action arising out of or relating to this Agreement or the Equipment, **BOTH PARTIES WAIVE ALL RIGHTS TO A TRIAL BY JURY.**

# FISCAL FUNDING ADDENDUM

<b>CUSTOMER</b>	Full Legal Name <b>Duff-Allen Elementary School</b>	DBA Name (If Any) _____		
	Billing Address <b>183 Rebel Lane</b>	_____		Phone Number <b>606-874-2165</b>
	City <b>Eastern</b>	County <b>Floyd</b>	State <b>KY</b>	Zip Code <b>41622</b>
	Agreement Number _____	Agreement Date _____		

Customer warrants that it has funds available to pay all rents (the "Payments") payable under the above identified Agreement until the end of Customer's current appropriation period. If Customer's legislative body or other funding authority does not appropriate funds for Payments for any subsequent appropriation period and Customer does not otherwise have funds available to lawfully pay the Payments (a "Non-Appropriation Event") Customer may, subject to the conditions herein and upon prior written notice to Company (the "Non-Appropriation Notice"), effective sixty (60) days after the later of Company's receipt of same or the end of the Customer's current appropriation period (the "Non-Appropriation Date"), terminate the Agreement and be released of its obligation to make all Payments due Company coming due after the Non-Appropriation Date. As a condition to exercising its rights under this Addendum, Customer shall (1) provide in the Non-Appropriation Notice a certification of a responsible official that a Non-Appropriation Event has occurred, (2) deliver to Company an opinion of Customer's counsel (addressed to Company) verifying that the Non-Appropriation Event as set forth in the Non-Appropriation Notice has occurred, (3) return the equipment/system subject to the Agreement (the "Equipment/System") on or before the Non-Appropriation Date to Company or a location designated by Company in the condition required by, and in accordance with the return provisions of the Agreement and at Customer's expense, and (4) pay Company all sums payable to Company under the Agreement up to the Non-Appropriation Date.

In the event of any Non-Appropriation Event, Company shall retain all sums paid hereunder or under the Agreement by Customer, including the Security Deposit (if any) specified in the Agreement.

Customer further represents, warrants and covenants for the benefit of Company that:

- (a) Customer is a municipal corporation and political subdivision duly organized and existing under the constitution and laws of the State.
- (b) Customer is authorized under the constitution and laws of the State, and has been duly authorized to enter into the Agreement and the transaction contemplated hereby and to perform all of its obligations thereunder.
- (c) The Agreement constitutes the legal, valid and binding obligation of Customer enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.
- (d) Customer has complied with such public bidding requirements as may be applicable to the Agreement.
- (e) The Equipment/System described in the Agreement is essential to the function of Customer or to the service Customer provides to its citizens. Customer has an immediate need for, and expects to make immediate use of, substantially all the Equipment/System, which need is not temporary or expected to diminish in the foreseeable future.
- (f) Customer has never failed to appropriate or otherwise make available funds sufficient to pay rental or other payments coming due under any lease, lease purchase, installment sale or other similar agreement.

This Addendum is not intended to permit Customer to terminate the Agreement (1) at will or for convenience or (2) in order to acquire any other equipment/software/support or obtain funds directly or indirectly to perform essentially the same application for which the Equipment/System is intended.

CUSTOMER AGREE THAT A FACSIMILE COPY OR OTHER ELECTRONIC TRANSMISSION OF THIS DOCUMENT WITH FACSIMILE AND/OR ELECTRONIC SIGNATURES MAY BE TREATED AS AN ORIGINAL AND WILL BE ADMISSIBLE AS EVIDENCE IN A COURT OF LAW.

<b>CUSTOMER SIGNATURE</b>	Signature X _____ <small>(MUST BE SIGNED BY AUTHORIZED REPRESENTATIVE OR OFFICER OF GOVERNMENT ENTITY)</small>
	Print Name _____
	Title _____ Date _____
	Name of Government Entity _____

<b>ACCEPTED BY COMPANY</b>	Signature X _____
	Print Name _____
	Title _____ Date _____
	Name of Corporation or Partnership _____

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