

SCHOOL BOARD OF BREVARD COUNTY
OFFICE OF PURCHASING SERVICES
2700 JUDGE FRAN JAMIESON WAY
VIERA, FL 32940-6601

ITN #09004/CH – Document Production and Management Solution – Educational Technology

VENDOR RECOMMENDED FOR AWARD

Vendor Name

Estimated
Amount Awarded

Vendor # V0000212326
Canon Business Solutions, Inc.

Indeterminate

SOLICITATION SUMMARY

| | | | |
|-------------------|----------------------------|-------------------------|-----------|
| Date Solicited: | February 12, 2009 | Number of Items/Groups: | <u>1</u> |
| Date Opened: | March 18, 2009 | No. Firms Solicited: | <u>49</u> |
| Present to Board: | <u>May 26, 2009</u> | No. Firms Responded: | <u>7</u> |

CONTRACT TERM

Five years from date of award.

RECOMMENDATION: (Posted 5/13/09 @ 3:00 p.m.)

It is the recommendation of Mr. Steve Muzzy, Assistant Superintendent, Office of Educational Technology and the Selection Team after a proper evaluation of submittals that the School Board approve award to the #1 ranked firm.

ACTION BY BOARD

_____ Approved Recommendation(s) Above & Awarded

Meeting Date: _____

_____ Other _____

Lynda Jones,
Director of Purchasing and Warehouse Services

Failure to file a protest within the time prescribed in s. 120.57(3), Florida Statutes, shall constitute a waiver of proceedings under Chapter 120, Florida Statutes.

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| AGREEMENT NUMBER |
|------------------|

| | | |
|---------------------------|-----------------------|-------|
| NAME (COMPANY LEGAL NAME) | DBA | PHONE |
| BILLING ADDRESS | CITY COUNTY STATE ZIP | |
| EQUIPMENT ADDRESS | CITY COUNTY STATE ZIP | |

Customer Contact for Meter Readings _____ Phone _____
If units at different locations, attach Schedule. _____ Fax _____

| Make / Model / Accessory | Serial Number | Start Meter (Black & White) | Start Meter (Color) | Covered Images Included in Base Charge (Black & White) | Covered Images Included in Base Charge (Color) | Per Image Charge in Excess of Covered Images * (Black & White) | Per Image Charge in Excess of Covered Images * (Color) | Monthly Base Charge * | Meter Method |
|--------------------------|---------------|-----------------------------|---------------------|--|--|--|--|-----------------------|--------------|
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| | | | | | | | | | |
| Term: _____ Months | TOTALS | | | | | | | | |

Guaranteed Copy Plan: Individual Fleet (Totals only required) * Plus Applicable Taxes

| | | | |
|---|---|--|-------------------|
| Service/Supplies Included <input type="checkbox"/> Service including drums and toner <input type="checkbox"/> Service including drums <input type="checkbox"/> Other | Meter Reading Frequency <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly | Payments held as "Security Deposit": \$ _____ (Due at Signing) | Service Provider: |
|---|---|--|-------------------|

Automated Clearing House ("ACH") Authorization: By providing the below information, Customer hereby authorizes CFS to automatically withdraw from the bank account described below the full amount due for each billing period, including any applicable taxes and fees, on the due date. This authorization shall continue until this Agreement expires unless revoked in writing.

ACH YES NO ; ;

If Yes, enter information in boxes above: Bank Routing Code and Customer's Account Number from bottom of check.
THIS AGREEMENT IS EFFECTIVE ONLY UPON SIGNING BY BOTH PARTIES. THIS AGREEMENT IS NON-CANCELABLE BY CUSTOMER. CUSTOMER REPRESENTS THAT ALL ACTION REQUIRED TO AUTHORIZE THE EXECUTION OF THIS AGREEMENT ON BEHALF OF THE CUSTOMER BY THE FOLLOWING SIGNATORIES HAS BEEN TAKEN.

| | |
|--|---|
| <p align="center">ACCEPTED</p> <p>CANON FINANCIAL SERVICES, INC.</p> <p>By: _____</p> <p>Title: _____</p> <p>Date: _____</p> | <p align="center">AUTHORIZED CUSTOMER SIGNATURE</p> <p>By: X _____ Title: _____</p> <p>Printed Name: _____</p> <p>Tax ID #: _____ If proprietor, DOB: _____</p> <p>By: X _____ Title: _____</p> <p>Printed Name: _____</p> |
|--|---|

ACCEPTANCE CERTIFICATE

To: Canon Financial Services, Inc. ("CFS")
The Customer certifies that (a) the Equipment referred to in the above Agreement has been received, (b) installation has been completed, (c) the Equipment has been examined by Customer and is in good operating order and condition and is, in all respects, satisfactory to the Customer, and (d) the Equipment is irrevocably accepted by the Customer for all purposes under the Agreement. Accordingly, Customer hereby authorizes billing under this Agreement.

Signature: X _____ Printed Name: _____
Title (if any): _____ Date: _____

TERMS AND CONDITIONS

1. **AGREEMENT:** CFS rents to Customer, a _____ organized under the laws of the State of _____, with its chief executive office at _____ and Customer rents from CFS, with its place of business at 158 Gaither Drive, Suite 200, Mount Laurel, New Jersey 08054, all the equipment described above, together with all replacement parts and substitutions for and additions to such equipment (the "Equipment"), upon the terms and conditions set forth in this Rental Agreement ("Agreement").

2. **AGREEMENT PAYMENTS:** Customer agrees to pay to CFS, during the term of this Agreement, (a) the Monthly Base Charge and any Per Image Charges described herein, and (b) such other amounts permitted hereunder as invoiced by CFS ("Payments"). Once in each twelve (12) month period following the first anniversary of this Agreement, the Service Provider whose name and address is indicated herein has the right to increase both (i) the Monthly Base Charge and (ii) the Per Image Charge in an amount not to exceed fifteen percent (15%) of such charges which were in effect immediately prior to such price increase. Customer's obligation to pay all charges due under this Agreement and all other obligations hereunder shall be absolute and unconditional and is not subject to any abatements, set-off, defense, or counter claim for any reason whatsoever.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS. **Continued »**

PERSONAL GUARANTY

The undersigned, (whether one or more are specified, the "Guarantor(s)"), in consideration of CANON FINANCIAL SERVICES INC. ("CFS") entering into an Agreement (together with any schedules or supplements thereto, the "Agreement") with Customer identified above ("Customer") irrevocably and unconditionally, jointly and severally, guarantee to CFS, and its successors and assigns, the payment when due of all amounts owed under the Agreement (whether at maturity or upon the occurrence of an event of default or otherwise) and the performance by Customer of all promises, obligations and terms of the Agreement and any other financial transaction between Customer and CFS (collectively, the "Liabilities"). If Customer shall fail to pay or perform all or any part of the Liabilities when due, the Guarantors agree, upon demand, to pay any amounts which may be due from Customer and to take any action required of Customer under the Agreement. The Guarantors agree that this is an absolute and continuing guaranty and that their liability under this Guaranty is primary and will not be affected by any settlement, extension, renewal or modification of the Agreement or any discharge or release of Customer's obligations whether or not by operation of law.

If any payment applied by CFS to the Liabilities is thereafter set aside, recovered or required to be returned for any reason (including without limitation the bankruptcy, insolvency or reorganization of Customer or any other person), the Liabilities to which such payment was applied shall for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty shall be enforceable as to such Liabilities as fully as if such application had never been made. This Guaranty may be terminated only upon 60 days prior written notice to CFS, and such termination shall be effective only as to Liabilities arising under Schedules, supplements, or agreements entered into after the effective date of termination and shall not affect CFS's rights under this Guaranty arising out of the Agreement or other agreements entered into prior to such date.

The Guarantors waive all damages, demands, presentments and notices of every kind and nature, any rights of set-off, and any defenses available to a guarantor (other than the defense of payment and performance in full) under applicable law. The Guarantors further waive any (i) notice of the incurring of indebtedness by Customer and the acceptance of this Guaranty, (ii) right to require suit against Customer or any other party before enforcing this Guaranty and (iii) right of subrogation to CFS's rights against Customer until Customer's indebtedness is paid in full and Customer's other obligations have been fully performed. The Guarantors consent and agree that any (i) renewals and extensions of time of payment, (ii) release, substitution or compromise of or realization upon the Equipment, other guaranties or any collateral security and (iii) exercise of any other right under this or any other agreement between CFS and Customer or any third party, may be made, granted and effected by CFS without notice to the Guarantors and without in any manner affecting the Guarantors' liability under this Guaranty.

The Guarantors agree to pay all expenses (including attorney's fees and legal expenses) paid or incurred by CFS in endeavoring to collect the Liabilities, or any part thereof and in enforcing the Guaranty. THIS GUARANTY SHALL FOR ALL PURPOSES BE DEEMED A CONTRACT ENTERED INTO IN THE STATE OF NEW JERSEY. THE RIGHTS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN THE GUARANTORS AND CFS SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN OR BURLINGTON, NEW JERSEY, OR AT CFS' SOLE OPTION, IN THE STATE WHERE THE CUSTOMER OR THE EQUIPMENT IS LOCATED. THE GUARANTORS, BY THEIR EXECUTION AND DELIVERY HEREOF, IRREVOCABLY WAIVE OBJECTIONS TO THE JURISDICTION OF SUCH COURTS AND OBJECTIONS TO VENUE AND CONVENIENCE OF FORUM. THE GUARANTORS, BY THEIR EXECUTION AND DELIVERY HEREOF, AND CFS, BY ITS ACCEPTANCE HEREOF, HEREBY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.

The Guarantors agree that CFS may accept a facsimile or other electronic transmission of this Guaranty as an original, and that facsimile or electronically transmitted copies of the Guarantor's signatures will be treated as an original for all purposes.

Printed Name: _____ Signature: X _____ (No Title) Date: _____
Address: _____ Phone: _____
Printed Name: _____ Signature: X _____ (No Title) Date: _____
Address: _____ Phone: _____

3. APPLICATION OF PAYMENTS; METER READING: All Payments received by CFS from Customer under the Agreement will be applied to amounts due and payable hereunder chronologically, based on the date of the CFS' charge shown on the invoice for each such amount and among amounts having the same date in such order as CFS, in its discretion, may determine. CFS is responsible for providing the services and supplies described in the book entitled "Service/Supplies Included" above. The Service Provider shall act for CFS as provided in this Agreement. Customer agrees to advise the Service Provider of the meter readings for the Equipment upon request. CFS will invoice Per Image Charges monthly or less frequently at its sole discretion.

4. TERM OF AGREEMENT: The term of this Agreement shall commence on the date the Equipment is delivered to Customer, provided Customer executes CFS' Acceptance Certificate or otherwise accepts the Equipment as specified herein. After acceptance of the Equipment, Customer shall have no right to cancel this Agreement during the term hereof. The term of this Agreement shall end, unless sooner terminated by CFS when all amounts required to be paid by Customer under this Agreement have been paid as provided and either (a) Customer has purchased the Equipment in accordance with the terms hereof or (b) the Equipment has been returned at the end of the scheduled term or renewal term in accordance with the terms hereof. Customer has no right to return the Equipment to CFS prior to the end of the scheduled term for any reason whatsoever, including, without limitation, payment of all amounts due under the Agreement prior to the end of the scheduled term.

5. SECURITY DEPOSIT: CFS may apply, but shall not be obligated to apply, any "Security Deposit" specified above to clear any default of Customer, in which event, Customer shall promptly restore to CFS any amount so applied. In no event shall any Security Deposit earn interest except where required by applicable law. No portion of any Security Deposit will be refunded to Customer until all of Customer's obligations have been fully performed as expressly provided in this Agreement.

6. NO CFS WARRANTIES: CUSTOMER ACKNOWLEDGES THAT CFS IS NOT A MANUFACTURER, DEALER, OR SUPPLIER OF THE EQUIPMENT. CUSTOMER AGREES THAT THE EQUIPMENT IS RENTED "AS IS" AND IS OF A SIZE, DESIGN, AND CAPACITY SELECTED BY CUSTOMER. CFS HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE SUITABILITY OR DURABILITY OF THE EQUIPMENT, THE ABSENCE OF ANY CLAIM OF INFRINGEMENT OR THE LIKE, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Any warranty with respect to the Equipment made by the supplier or manufacturer is separate from, and is not a part of, this Agreement and shall be for the benefit of CFS, Customer, and CFS's purchaser or assignee, if any. So long as Customer is not in breach or default of this Agreement, CFS assigns to Customer, solely for the purpose of making and prosecuting any such claim, the rights, if any, which CFS may have against the supplier, dealer, or manufacturer for breach of warranty or other representation respecting any item of Equipment. CUSTOMER ACKNOWLEDGES AND AGREES THAT NEITHER THE SUPPLIER NOR ANY DEALER IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OF THIS AGREEMENT, OR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THIS AGREEMENT OR THE EQUIPMENT ON BEHALF OF CFS.

7. ACCEPTANCE; DELIVERY: Customer's execution of the Acceptance Certificate, or Customer's provision to CFS of other confirmation of its acceptance of the Equipment, shall conclusively establish that the Equipment has been delivered to and accepted by Customer for all purposes of this Agreement and Customer may not for any reason revoke that acceptance; however, if Customer has not, within ten (10) days after delivery of the Equipment, delivered to CFS written notice of non-acceptance of any of the Equipment, specifying the reasons therefore and specifically referencing this Agreement, Customer shall be deemed to have irrevocably accepted the Equipment. CFS is the owner of the Equipment and has rented the Equipment to Customer under this Agreement. As between CFS and Customer, this Agreement shall supersede any Customer purchase order in its entirety. Customer agrees to hold CFS harmless from damages if for any reason the Equipment is not delivered as ordered, if the Equipment is unsatisfactory, or if CFS does not execute this Agreement. Customer agrees that any delay in delivery of the Equipment shall not affect the validity of this Agreement.

8. LOCATION; LIENS; NAMES; OFFICES: Customer shall not move the Equipment from the location specified herein except with the prior written consent of CFS. Customer agrees that it will keep the Equipment free and clear of all claims and liens other than those created as a result of this Agreement. Customer's legal name (as set forth in its constituent documents filed with the appropriate governmental office or agency) is set forth herein. Upon request, Customer will deliver to CFS a good standing certificate and/or state certified constituent documents. The jurisdiction of organization of Customer is as set forth herein. The chief executive office of Customer is located at the address set forth herein. Customer will not change its name, the location of its executive office or its corporate structure (including, without limitation, its jurisdiction of organization) unless CFS has been given at least 30 days prior written notice thereof and Customer has executed and delivered to CFS such financing statements and other instruments required or appropriate.

9. USE; FINANCING STATEMENTS: Customer shall comply with all laws or regulations relating to the use or maintenance of the Equipment. Customer shall put the Equipment only to the use contemplated by the manufacturer of such Equipment. Customer authorizes CFS (and any third party filing service designated by CFS) to execute and file (a) financing statements evidencing the interest of CFS in the Equipment, (b) continuation statements in respect thereof, and (c) amendments (including forms containing a broader description of the Equipment than the description set forth herein), and Customer irrevocably waives any right to notice thereof.

10. INDEMNITY: Customer agrees to reimburse CFS for and to defend CFS against any claim for losses or injury caused by the Equipment. This Section shall survive termination of this Agreement.

11. MAINTENANCE: Service will be performed by the Service Provider in accordance with the Service Provider's terms and conditions which Customer acknowledges receipt of. Customer agrees to use reasonable care in handling and operation of the Equipment. CFS shall have the right to substitute equivalent Equipment at any time during the term of this Agreement.

12. TAXES; OTHER FEES AND CHARGES: CUSTOMER SHALL PAY AND DISCHARGE WHEN DUE ALL LICENSE AND REGISTRATION FEES, ASSESSMENTS, SALES, USE, PROPERTY AND OTHER TAXES, AND OTHER EXPENSES AND CHARGES, together with any applicable penalties, interest, and administrative fees now or at any time imposed upon any item of the Equipment, the Payments payable under this Agreement, or Customer's performance or non-performance of its obligations hereunder, whether payable by or assessed to CFS or Customer. If Customer fails to pay any fees, assessments, taxes, expenses or charges as required by the Agreement, CFS shall have the right but not the obligation to pay those fees, assessments, taxes, expenses or charges. If such payments are made by CFS, Customer shall promptly reimburse CFS, upon demand, for all such payments made plus administration fees and costs, if any. Customer acknowledges that where required by law, CFS will file any notices and pay personal property taxes levied on the Equipment. Customer shall reimburse CFS for the expense of personal property taxes as invoiced by CFS and pay CFS a processing fee not to exceed \$50 per year per item of Equipment which is subject to such tax. Customer agrees that CFS has not, and will not, render tax advice to Customer and that the payment of such taxes is an administrative act. ON THE DATE OF THE FIRST SCHEDULED PAYMENT AND THE DATE OF THE FIRST SCHEDULED PAYMENT AFTER THE ADDITION OF ANY EQUIPMENT, CUSTOMER SHALL PAY TO CFS AN ADMINISTRATIVE FEE, IN THE AMOUNT OF \$65, TO REIMBURSE CFS FOR ITS ADMINISTRATIVE AND RECORDING COSTS.

13. INSURANCE: Customer, at its sole cost and expense, shall obtain, maintain and pay for (a) insurance against the loss, theft, or damage to the Equipment, for the full replacement value thereof and (b) comprehensive public liability and property damage insurance. All such insurance shall provide for a deductible not exceeding \$5,000 and be in form and amount, and with companies satisfactory to CFS. Each insurer providing such insurance shall name CFS as additional insured and loss payee and provide CFS thirty (30) days written notice before the policy in question shall be materially altered or canceled. Customer shall pay the premiums for such insurance, shall be responsible for all deductible portions thereof, and shall deliver certificates or other evidence of insurance to CFS. The proceeds of such insurance, at the option of CFS, shall be applied to (a) replace or repair the Equipment, or (b) pay CFS the "Remaining Rental Balance." For purposes of this Agreement, the "Remaining Rental Balance" shall be the sum of: (i) all amounts then owed by Customer to CFS under this Agreement; (ii) the present value of all remaining Payments for the full term of the Agreement; (iii) the "Asset Value," and the "Asset Value" shall be the Fair Market Value of the Equipment as defined herein; plus (iv) any applicable taxes, expenses, charges, and fees. For purposes of determining present value under this Agreement, Payments shall be discounted at 6% per year. Customer hereby appoints CFS as Customer's attorney-in-fact to make claim for, and receive payment of, and execute and endorse all documents, checks, or drafts for any loss or damage under any such insurance policy. If within ten (10) days after CFS's request, Customer fails to deliver satisfactory evidence of such insurance to CFS, then CFS shall have the right, but not the duty, to obtain insurance with respect to the Equipment satisfactory to CFS, at the expense of Customer. Customer hereby agrees that CFS shall be entitled to retain any fees earned by it in connection with any insurance obtained under this Agreement.

14. LOSS; DAMAGE: Customer assumes and shall bear the entire risk of loss, theft, or damage to the Equipment from any cause whatsoever, effective upon delivery to Customer. No such loss, theft, or damage shall relieve Customer of any obligation under this Agreement. In the event of damage to any item of Equipment, Customer shall immediately repair such damage at Customer's expense. If any item of Equipment is lost, stolen, or damaged beyond repair, Customer, at the option of CFS, will (a) replace the same with like equipment in a condition acceptable to CFS and convey clear title to such equipment to CFS (such equipment will become "Equipment," subject to the terms of this Agreement), or (b) pay CFS the Remaining Rental Balance. Upon CFS's receipt of the Remaining Rental Balance, Customer shall be entitled to whatever interest CFS may have in the Equipment, in its then condition and location, without warranties of any kind.

15. DEFAULT: Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) if Customer defaults in the payment when due of any indebtedness of Customer to CFS, whether or not arising under this Agreement, without notice or demand by CFS; (b) if Customer or any Guarantor ceases doing business as a going concern; (c) if Customer or any Guarantor becomes insolvent or makes an assignment for the benefit of creditors; (d) if a petition or proceeding is filed by or against Customer or any Guarantor under any bankruptcy or insolvency law; (e) if a receiver, trustee, conservator, or liquidator is appointed for Customer, any Guarantor, or any of their property; (f) if any statement, representation or warranty made by Customer or any Guarantor to CFS is incorrect in any material respect; (g) if Customer or any Guarantor defaults under any loan or credit agreement; or (h) if Customer or any Guarantor who is a natural person dies.

16. REMEDIES: Upon the happening of any one or more Events of Default, CFS shall have the right to exercise any one or all of the following remedies (which shall be cumulative), simultaneously or serially and in any order: (a) to declare all unpaid Payments and other amounts due and payable under this Agreement with CFS retaining title to the Equipment; (b) to terminate any and all agreements with Customer; (c) with or without notice, demand or legal process, to retake possession of any or all of the Equipment (and Customer authorizes and empowers CFS to enter upon the premises wherever the Equipment may be found) and (d) retain such Equipment and all Payments and other sums paid under this Agreement; (ii) re-rent the Equipment and recover from Customer the amount by which the Remaining Rental Balance exceeds the value attributed to the Equipment by CFS for purposes of calculating the payments under the new agreement, or (iii) sell the Equipment and recover from Customer the amount by which the Remaining Rental Balance exceeds the net amount received by CFS from such sale, or (d) to pursue any other remedy permitted at law or in equity. CFS (i) may dispose of the Equipment in its then present condition or following such preparation and processing as CFS deems commercially reasonable; (ii) shall have no duty to prepare or pursue the Equipment prior to sale; (iii) may disclaim warranties of title, possession, quiet enjoyment and the like; and (iv) may comply with any applicable state or federal law requirements in connection with a disposition of the Equipment and none of the foregoing actions shall be deemed to adversely affect the commercial reasonableness of the disposition of the Equipment. In the event the Equipment is not available for sale, the Customer shall be liable for the Remaining Rental Balance and any other amounts due under this Agreement.

17. LATE CHARGES; EXPENSES OF ENFORCEMENT: If Customer fails to pay any sum to be paid by Customer to CFS under this Agreement on or before the applicable due date, Customer shall pay CFS, upon demand, an amount equal to ten percent (10%) of each such delayed Payment or ten dollars (\$10) whichever is greater for each billing period or portion of a billing period such Payment is delayed to the extent permitted by law. The amounts specified above shall be paid as liquidated damages and as compensation for CFS's internal operating expenses incurred in connection with such late payment. In addition, Customer shall reimburse CFS for all of its out-of-pocket costs and expenses incurred in exercising any of its rights or remedies under this Agreement or in enforcing any of the terms or provisions of this Agreement, including, without limitation, reasonable attorney's fees and expenses and fees and expenses of collection agencies, whether or not suit is brought. If CFS should bring court action, Customer and CFS agree that attorney's fees equal to twenty five percent (25%) of the total amount sought by CFS shall be deemed reasonable for purposes of this Agreement.

18. ASSIGNMENT: CUSTOMER SHALL NOT ASSIGN OR PLEDGE THIS AGREEMENT IN WHOLE OR IN PART, NOR SHALL CUSTOMER SUBLET OR LEND ANY ITEM OF EQUIPMENT WITHOUT PRIOR WRITTEN CONSENT OF CFS. CFS may pledge or transfer this Agreement. Customer agrees that if CFS transfers this Agreement, the new owner will have the same rights and benefits that CFS has now and will not have to perform any of CFS's obligations which CFS or its designees will continue to perform. Customer agrees that the rights of the new owner will not be subject to any claims, defenses, or set-offs that Customer may have against CFS. If Customer is given notice of any such transfer, Customer agrees, if so directed therein, to pay directly to the new owner all or any part of the amounts payable hereunder.

19. RENEWAL; RETURN: This Agreement shall automatically renew on a month to month basis at the same Payment amount and frequency unless Customer, at least sixty (60) days before the end of the scheduled term or any renewal term, sends to CFS written notice that Customer does not want to renew this Agreement, and at the end of such term returns the Equipment as provided below. CFS may cancel the automatic renewal by, at least sixty (60) days before the end of any term, sending Customer written notice that CFS does not want the Agreement to renew. Unless the Agreement automatically renews or Customer purchases the Equipment as provided in this Agreement, Customer shall, at the termination of this Agreement, return the Equipment, at its sole cost and expense, in good operating condition, ordinary wear and tear resulting from proper use excepted, to a location specified by CFS. If for any reason Customer shall fail to return the Equipment to CFS as provided in this Agreement by the last day of the applicable term, Customer shall pay to CFS upon demand one billing period's Payment for each billing period or portion thereof that such delivery is delayed.

20. PURCHASE OPTION: Customer may, at any time, upon sixty (60) days irrevocable written notice purchase all (but not less than all) the Equipment at a price equal to the sum of all remaining Payments plus the Fair Market Value, plus any applicable taxes, expenses, charges and fees. For purposes of this Agreement, "Fair Market Value" shall be CFS's retail price at the time Customer notifies CFS of its intent to purchase the Equipment, but not less than 20% of the total cost of the Equipment. Equipment purchases shall not be available to Customer if a default hereunder has occurred and is continuing. Upon proper notice and payment by Customer of the amounts specified above, CFS shall transfer the Equipment to Customer "AS-IS WHERE-IS" without any representation or warranty whatsoever, except for title, and this Agreement shall terminate.

21. WARRANTY OF BUSINESS PURPOSE: Customer represents and warrants that the Equipment will not be used for personal, family, or household purposes.

22. PERSONAL PROPERTY: The Equipment shall remain personal property regardless of whether it becomes affixed to real property or permanently rests upon any real property or any improvement to real property.

23. MAXIMUM INTEREST; RECHARACTERIZED AGREEMENT: No Payment is intended to exceed the maximum amount of time price differential or interest, as applicable, permitted to be charged or collected by applicable laws, and any such excess Payment will be applied to payments due under this Agreement, in inverse order of maturity, and thereafter shall be refunded. If this Agreement is recharacterized as a conditional sale or loan, Customer hereby grants to CFS, its successors and assigns, a security interest in the Equipment to secure payment and performance of Customer's obligations under this Agreement.

24. UCC - ARTICLE 2A: CUSTOMER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS INTENDED AS A "FINANCE LEASE" AS THAT TERM IS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE AND THAT CFS IS ENTITLED TO ALL THE BENEFITS, PRIVILEGES AND PROTECTIONS OF A LESSOR UNDER A FINANCE LEASE.

25. NOTICES: All notices required or permitted under this Agreement shall be sufficient if delivered personally, sent via facsimile or other electronic transmission, or mailed to such party at the address set forth in this Agreement, or at such other address as such party may designate in writing from time to time. Any notice from CFS to Customer shall be effective three days after it has been deposited in the mail, duly addressed. All notices to CFS from Customer shall be effective after it has been received via U.S. Mail, express delivery, facsimile or other electronic transmission.

26. ELECTRONIC ACCEPTANCE: Customer agrees that CFS may accept a facsimile or other electronic transmission of this Agreement or any Acceptance Certificate as an original, and that facsimile or electronically transmitted copies of Customer's signature will be treated as an original for all purposes.

27. NON-WAIVER: No waiver of any of Customer's obligations, conditions or covenants shall be effective unless contained in a writing signed by CFS. Failure to exercise any remedy which CFS may have shall not constitute a waiver of any obligation with respect to which Customer is in default.

28. MISCELLANEOUS: If there should be more than one party executing this Agreement as Customer, all obligations to be performed by Customer shall be the joint and several liability of all such parties. The Customer's representations, warranties, and covenants under this Agreement shall survive the delivery and return of the Equipment. Any provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement. No such prohibition or unenforceability in any jurisdiction shall invalidate or render unenforceable such provision in any other jurisdiction. Customer agrees that CFS may insert missing information or correct other information on this Agreement including the Equipment's description, serial number, and location, otherwise, this Agreement contains the entire arrangement between Customer and CFS and no modifications of this Agreement shall be effective unless in writing and signed by the parties.

29. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL: THIS AGREEMENT HAS BEEN EXECUTED BY CFS IN, AND SHALL FOR ALL PURPOSES BE DEEMED A CONTRACT ENTERED INTO IN THE STATE OF NEW JERSEY. THE RIGHTS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN CUSTOMER AND CFS SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN OR BURLINGTON, NEW JERSEY, OR AT CFS' SOLE OPTION, IN THE STATE WHERE THE CUSTOMER OR THE EQUIPMENT IS LOCATED. CUSTOMER, BY ITS EXECUTION AND DELIVERY HEREOF, IRREVOCABLY WAIVES OBJECTIONS TO THE JURISDICTION OF SUCH COURTS AND OBJECTIONS TO VENUE AND CONVENIENCE OF FORUM. CUSTOMER, BY ITS EXECUTION AND DELIVERY HEREOF, AND CFS, BY ITS ACCEPTANCE HEREOF, HEREBY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.

| | | |
|--|------------------|---|
| Contract Date: | Contract Number: | Agreement Number: |
| Customer: School Board of Brevard County | | |
| Address: | | |
| Term of Agreement: months | No. of Payments: | Payment Amount: \$ plus tax |
| Equipment Description: | | |

WHEREAS, Canon Financial Services, Inc. ("CFS") and the above-described Customer ("Customer") have determined that it is for their mutual benefit to enter into this Addendum ("Addendum") to the above-referenced Cost Per Copy Rental Agreement ("CPC Rental Agreement" and, collectively with the Addendum, the "Agreement").

NOW, THEREFORE, for good and valuable consideration, intending to be legally bound, the parties hereby agree as follows:

1. Notwithstanding any provision in the CPC Rental Agreement to the contrary, and subject to all of the terms and conditions set forth in this Addendum, the terms and conditions of the CPC Rental Agreement shall be modified as follows:

(a) The following documents are hereby incorporated by reference into the CPC Rental Agreement: (i) Customer's Invitation to Negotiate dated February 11, 2009 (ITN #09004/CH – Document Production and Management Solution) (hereinafter "Customer's ITN"); and (ii) the response of Canon Business Solutions, Inc. ("CBS") to Customer's ITN dated March 18, 2009 ("Canon's Response") including without limitation the accompanying "Clarifications and Concerns" submission. In the event of a conflict or inconsistency between the terms and conditions of the Agreement and those of the incorporated documents, the following order of precedence shall apply: (i) this Addendum, (ii) Canon's Response, (iii) Customer's ITN, and (iv) CPC Rental Agreement.

(b) For purposes of this Addendum, the following terms shall refer to the particular Equipment so identified in Exhibit A hereto: *Canon Management Software, Data Center, Fleet, Print Shop, and Printers.*

(c) Notwithstanding provisions in the CPC Rental Agreement to the contrary, Customer may terminate the Agreement for convenience, specifically as provided in the Customer's ITN but subject to the terms of Canon's Response, and in particular Clarifications and Concerns Section 1.13. Note that the buyout payment to be tendered by CBS with respect to Customer's existing competitive leases shall be in the total amount of \$362,402, and that the "unamortized balance" referenced in Clarifications and Concerns Section 1.13 shall be calculated on a straight-line basis, i.e., in a manner that spreads the buyout payment equally over the term. In the event of a proposed termination by Customer due to a default by CBS, CBS shall first be provided with a 30 day opportunity to cure such default.

(d) Equipment delivery shall commence within fifteen (15) days following award and final execution of this Agreement. Satisfactory background checks must be performed with respect to all CBS employees performing Equipment installation and networking services on Customer premises.

(e) Pricing for this engagement shall be as set forth in Exhibit A hereto. Customer may tender payment electronically by means of approved Visa credit card. Notwithstanding any provision in Exhibit A or elsewhere to the contrary, no payments will be made by Customer, particularly with respect to Printers and Fleet equipment, during the calendar months of June and July. Charges for such copies and prints made during June and July shall be reconciled and paid in full by Customer during the calendar month of August, with the understanding that such charges shall be based upon the applicable "overage" charges set forth in Exhibit A hereto. Furthermore and particularly with respect to Equipment located in Customer's Print Shop and Data Center, reconciliation for possible overage charges associated with this Equipment shall be performed on an annual basis, commencing on the first anniversary of this Agreement.

(f) Two (2) backup toner cartridges shall be included with each delivered multifunction device.

(g) CBS will arrange for reasonably requested on-site training at no additional charge.

(h) Particularly with respect to printers to be provided by CBS hereunder, Customer may obtain such printers following the commencement of this Agreement by submitting appropriate purchase orders to CBS. The first one hundred (100) printers so ordered by Customer shall be provided to Customer on a "co-terminous" basis, provided that such orders are received by CBS by no later than May 26, 2010 (the earlier to occur of May 26, 2010 and CBS's receipt of 100 printer orders hereinafter the "Co-Terminous Cut-Off Date"). Orders for printers received by CBS after the Co-Terminous Cut-Off Date shall not be entitled to co-terminous treatment, except with respect to the first ten (10) printers so ordered by Customer (unless less than 100 printers have been ordered by Customer as of May 26, 2010, in which case co-terminous treatment shall be afforded only with respect to that number of printers which equates to 10% of the total number of printers ordered by Customer as of May 26, 2010).

(i) Customer may, particularly with respect to Fleet multifunction devices to be provided by CBS hereunder, upgrade, downgrade, add and/or cancel a total of 10% of the originally installed base of such Fleet multifunction devices over the term of the Agreement, without penalty and with the understanding that any Fleet multifunction devices that are added as a result of such activities shall be co-terminous with the originally installed base of such Fleet multifunction devices (subject to the 10% cap). Customer understands and agrees that (i) CBS has the right to place used Equipment for purposes of co-terminous Equipment upgrades, downgrades, or additions, and (ii) if Customer seeks to add Equipment on a co-terminous basis following Customer's exhaustion of the 10% cap, Customer will be charged CBS's then-current co-terminous rates. Absent a proper termination of this Agreement in full by Customer, and notwithstanding Customer's rights in the event of an inability by Customer to obtain necessary fiscal funding or in the event of a Customer facility closure (see section (j) below), at no time shall the cumulative total of cancelled Fleet multifunction devices exceed 10% of the originally installed base of such Fleet multifunction devices.

(j) In addition to Customer's other termination rights, Customer may terminate this Agreement, in whole or in part, in the event that Customer is unable to obtain necessary fiscal funding for this Agreement. In order to exercise this "fiscal funding" termination right, Customer must first establish, to CBS's reasonable satisfaction, that (i) necessary funding was in fact requested and actively sought by Customer, (ii) the necessary funding was in fact denied, and (iii) no similar equipment and/or services will be obtained by Customer from any other vendor for a period of one (1) year following Customer's termination. In addition, in the event that a Customer facility is closed during the term of the Agreement, Customer may terminate this Agreement particularly with respect to Equipment located at the closed facility, upon written notice of such closure and identification of such Equipment to CBS, but provided that Customer has first exercised commercially reasonable efforts to relocate the affected Equipment to a different Customer facility.

(k) Notwithstanding any provision in the Agreement or elsewhere to the contrary, CBS's obligations with respect to Equipment uptime, service response time, and chronic Equipment downtime shall be specifically and solely as follows:

Uptime

CBS will commit to a fleet average uptime of 98% over the 4 fixed quarterly intervals per year. Downtime is calculated from the time a service call is placed with CBS's dispatch department until the time the technician completes the repair. Uptime criteria is calculated between 8:00am and 5:00pm, Monday through Friday, excluding CBS holidays, and exceptions outlined in the following sentence(s). Uptime requirements will not include preventative maintenance service calls, calls which could have been prevented by key operator functions outlined in unit's operation manual, calls created by user mishandling, units which are running outside the manufacturer's optimum performance volume, or units which need to be over-hauled as a result of reaching useful life, in the opinion of CBS's service department.

Failure to meet the above commitment will result in the penalty outlined below. For any unit which does not meet the 98% uptime minimum for the quarter, CBS, upon written request from customer, will credit the customer 5% for each individual machine for maintenance click charges, for the month(s) that it fell below the performance minimum of 98%.

The calculation for this would be total clicks produced for the month on the unit multiplied by the average click rate multiplied by 5%. No more than one penalty per unit during one given interval shall be assessed. All penalties will be handled as credits against future service billing.

Response Time

CBS will commit to a fleet average response of 2 hours, over 4 fixed quarterly intervals per year. Response time shall be calculated from the time the customer call is placed with CBS's dispatch department, until the time the technician arrives at the individual location. Response times are calculated between 8:00am and 5:00pm, Monday through Friday, excluding CBS holidays. For the individual location which has multiple machines and active service calls, the technician's arrival shall stop the response time calculation for all open service calls at that location.

Failure to meet the above commitment will result in the penalty outlined below. For any machine that does not meet an average 2 hour response time for an individual month, during a quarterly period, upon Customer's written request, CBS will issue a 5% reduction for maintenance click charges which will be credited against the bill for the individual machine, for the individual month(s). **The calculation for this would be total clicks produced for the month on the unit multiplied by the average click rate multiplied by 5%. No more than one penalty per unit during one given interval shall be assessed.** All penalties will be handled as credits against future service billing.

Chronic Downtime

During the initial Term of the Agreement (as defined on the cover page of the CPC Rental Agreement), and in the event of chronic performance and service issues with respect to newly installed Canon brand Equipment, CBS will at Customer's written request, replace such Equipment with a like unit if Customer meets the following three conditions: (1) the Equipment is continuously and exclusively serviced by CBS service technicians from and including the date of original installation, (2) Customer fulfills all terms of this Agreement, and (3) before requesting a replacement unit, Customer gives CBS the opportunity to cure any and all service problems which Customer may have with the Equipment.

(l) Procurement of Equipment may be made by Customer through the issuance of a properly detailed Customer purchase order, which specifically references the terms and conditions of this Agreement. The parties understand and agree that the terms and conditions of any such Customer purchase orders (whether pre-printed or otherwise) shall be null and void, other than with respect to requested Equipment quantities and requested delivery dates.

(m) The parties shall meet on an annual basis during the term of the Agreement to review any Equipment performance and/or Customer satisfaction issues that may have arisen during the preceding year, in an effort to explore possible changes or improvements to this Agreement, but with the understanding that neither party shall be liable to the other party in the event that such discussions fail to result in amendments or modifications to this Agreement.

(n) Pursuant to Customer's ITN Section 2.5.1, and if so requested by Customer, the parties shall negotiate in good faith the terms of CBS's possible provision of maintenance and repair services with respect to Customer's current line of printer products. If the provision of such services is so requested by Customer, the parties will enter a separate "Managed Print Services Agreement" memorializing the terms and conditions of such services and the parties' respective rights and obligations.

(o) Section 10 of the CPC Rental Agreement ("Indemnity") shall be deleted in its entirety.

(p) Section 17 of the CPC Rental Agreement ("Late Charges; Expenses of Enforcement") shall apply only to the extent consistent with and permitted under applicable Florida State law.

(q) Section 29 of the CPC Rental Agreement ("Governing Law; Venue; Waiver of Jury Trial") shall be deleted in its entirety and replaced with the following: "This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Florida."

2. It is expressly agreed by the parties that this Addendum is supplemental to the CPC Rental Agreement, and that the provisions thereof, unless specifically modified herein, shall remain in full force and effect unless and until subsequently modified by written addendum or amendment properly executed by authorized representatives of both parties.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed on the date set forth below.

Canon Financial Services, Inc.

Customer

By: _____

By: _____

Printed Name: _____

Printed Name: Richard A. DiPatri, Ed.D.

Date: _____

Date: _____

Brevard County Schools Final Solution

EXHIBIT A

"FLEET" EQUIPMENT

- ✦ **(70) Canon imageRUNNER 3225** 1,500 impressions @ \$0.0553 per imp. Overage @ \$0.0045
 - ✓ DADF (*Auto-duplexing document feeder*)
 - ✓ Cabinet P1 (*Storage for supplies*)
 - ✓ Post Script Printer Kit
 - ✓ Universal Send & PCL Package
 - ✓ Additional 512 MB Memory
 - ✓ OPTIONAL: Fax Board \$379.00

- ✦ **(194) Canon imageRUNNER 3235i** 6,000 impressions @ \$0.0224 per imp. Overage @ \$0.0045
 - ✓ Cassette Feeding Unit
 - ✓ Finisher S1
 - ✓ OPTIONAL: Fax Board \$379.00

- ✦ **(110) Canon imageRUNNER 5050N** 20,000 impressions @ \$0.0105 per imp. Overage @ \$0.0045
 - ✓ Multi PDL / Post Script Printer Kit
 - ✓ Universal Send
 - ✓ OPTIONAL: Fax Board \$379.00


- ✦ **(29) Canon imageRUNNER 7086** 60,000 impressions @ \$0.0085 per imp. Overage @ \$0.0045
 - ✓ Multi PDL / Post Script Printer Kit
 - ✓ Universal Send
 - ✓ Finisher V1

"DATA CENTER" EQUIPMENT




- ✦ **(2) Canon imageRUNNER 7086** 150,000 impressions @ \$0.0083 per imp. Overage @ \$0.0045
 - ✓ Paper Deck (2,700 sheet)
 - ✓ Fiery S2 Print Controller
 - ✓ DADF
 - ✓ Finisher
 - ✓ Planet Press
 - ✓ Planet Watch

- ✦ **(2) HP 2055DN Troy MICR Printers** 2,000 impressions @ \$0.058 per imp. Overage @ \$0.0445


“CANON MANAGEMENT SOFTWARE”

-  **Canon Management Software** \$2,387.00 /mo operational fee
- ✓ uniFLOW Output Manager Professional, Enterprise Edition
 - ✓ uniFLOW Rule Based Routing Module
 - ✓ uniFLOW Internet Gateway Module
 - ✓ uniFLOW Statistics Module
 - ✓ uniFLOW Web Queue Management Module with PDF Workflow Plug-in
 - ✓ uniFLOW Desktop Accountant Module
 - ✓ PrePress prodigy plug in
 - ✓ Maintenance & Support for Term
 - ✓ Annual uniFLOW Maintenance after year 5 is \$6,900.00 a year based on original configuration above

“PRINT SHOP” EQUIPMENT

-  **(1) Canon imagePRESS 1125P** 1,200,000 impressions @ \$0.0099 per imp. Overage @ \$0.0039
- ✓ Color Image Reader w/ DADF
 - ✓ Paper POD
 - ✓ Fiery J200 Print Controller
 - ✓ Saddle Stitch Finisher
 - ✓ Booklet Face Trimmer
 - ✓ Document Insertion Unit
 - ✓ Professional Puncher Unit
-  **(1) Canon imageRUNNER PRO 7150VP**
- ✓ Paper Supply Module
 - ✓ Auxiliary PSM UG Kit
 - ✓ AP Print Software V7.0
 - ✓ PCL Interpreter
 - ✓ Perfect Binder
 - ✓ Stacker Unit w/ Removable Dolly
-  **(1) Canon Color imagePRESS 6000VP** 75,000 impressions @ \$0.085 per imp. Overage @ \$0.05
B&W imp. @ \$0.012
- ✓ Saddle Stitch Finisher
 - ✓ Perfect Binder
 - ✓ Face Trimmer
 - ✓ A2100 Fiery Print Controller
 - ✓ Additional Paper Pod
 - ✓ Color Image Reader w/ DADF
 - ✓ Universal Send

"PRINTERS"

 **HP B&W 3005N**
"DN"

\$18.53 per month; imps. @ \$0.01239 per print
\$25.73 per month

 **HP Color 4005N**
"DN"

\$28.18 per month; imps. @ \$0.09561 per print
\$43.80 per month