

# REQUEST FOR BOARD ACTION / CONTRACT CONTROL FORM

**Tracking Number:** 12.

**Date of Request:** December 28, 2007

**Date Request Received:** December 28, 2007

**Board Meeting Date Requested:** January 22, 2008

**Board Meeting Date Assigned:** January 22, 2008

**Short Title:** Resolution Authorizing Addendum To Coeco Contract For Copy And Print Services, A New Five (5) Year Rental Agreement For Wide Format Copier/Printer/Scanner For Planning- \$363/Mo., And The Purchase Of A Color Printer For Dss - \$1,900

- Request Status:**
- Request is proceeding to Board of Commissioners
  - More information is needed – see attached
  - Request on hold – no further information needed
  - Other:

**Background:** : On November 7, 2005, the Board approved a contract with COECO for the term of December 31, 2005 to December 31, 2010. Under this contract, COECO provided all County Offices with new, state-of-the-art, Kyocera and Sharp copy/printing equipment. Under this arrangement, the County pays only for the copies that are actually made on a cost per copy basis ranging from .04 to .0094 cents per copy for black and white, and 8.5 cents per copy for color prints. This cost includes all toner and service calls and eliminates the need for the County's I.T. Department to be involved with printer and copier support issues. COECO is a "partner" with the County in this arrangement and as such, works with all departments as their needs change. With the opening of the new Jail Administration Building comes the need for equipment in that new location, Planning requires a color printer that can produce 11 x 17 sized prints, and DSS is in need of a color printer for investigative services. DSS has grant funding available to purchase the printer. COECO will charge 8.5 cents per copy to supply and service the machine and they will count the number of color copies toward the overall minimums we are required to pay each month. These minimums are increased as equipment is added to allow COECO to recapture the cost of new equipment amortized over the remaining contract period. As a separate rental matter Planning requires a large format copier/printer/Scanner. COECO will assimilate the various increased costs to the departments responsible and incorporate them into the existing billing cycle. Additional funds to cover these additional costs have been identified within the affected departments. The costs associated with the equipment covered under the addendum will be co-terminus with the December 31, 2010 contract ending date. The Rental Agreement for the Wide Format will be a five (5) year contract beginning Feb 1, 2008.

(Administrative Use Only)

## CONTRACT TYPE

- Renewal
- For Service(s)
- Intergovernmental – County as Grantee
  - Federal Grantor
  - State Grantor
  - Grant or
- County as Grantor
  - County Funds
  - Other Funds:
- Revision
- For Equipment

**PURCHASING** Budgeted Item:  Yes  No  
Date Rec'd:  Reviewed and Approved  
 Comments on Reverse

Date Sent: Signed:

**ATTORNEY**  Reviewed and Approved  
Date Rec'd:  Legal Problem(s)  
 Comments on Reverse

Date Sent: Signed:

**FINANCE** Sufficient Funds  Available  
Date Rec'd  Not Available  
 Budget Amendment Necessary  
 Budgeted Amendment is Attached  
 Comments on Reverse

Date Sent: 11/8/08 Signed: J. M. Cull

**CLERK** Signature(s) Required:  
 Board Chairman/County Manager  
 Other:

Date Rec'd Approved by Board:  Yes  No  
At meeting on

**Specific Action Requested:** The Board of Commissioners is requested to approve an Addendum to the existing Contract with COECO and a new rental agreement for a Large Format Copier/Printer

Requested by: Erik Harvey  
Department: Pender County I.T.  
Title: Director  
Contact Phone: 910.259.0222  
Contact Fax: 910.259.1530

**MANAGER'S RECOMMENDATION:**

Respectfully Recommend Approval.

\_\_\_\_\_  
Initials

**RESOLUTION: NOW THEREFORE BE IT RESOLVED** by the Board of Commissioners the following expenditures are authorized:

- Addendum to the COECO copy/print contract increasing the minimum number of copies to be billed by 1500 copies (at four cents each) to cover the addition of a Kyocera Mita-1820 multi function printer/scanner/copier for the Jail Administration Building.  
Account # 510030-404500
- Addendum to the COECO copy/print contract increasing the minimum number of color copies to be billed by 7,500 copies (at 8.5 cents each) to cover the addition of a FS-8100, color for Planning.  
Account # 653-404500
- Rental Agreement and purchase order in the amount of \$363 per month for the rental and \$500 per year for all supplies and maintenance of a wide format copier for Planning (60 month rental agreement beginning January 1, 2008).  
Account # 653-404500
- Purchase Order in the amount of \$1,900 to COECO for the purchase of an FS-C5025N color printer for DSS and addendum to COECO copy/print contract to allow all service and supplies of this machine to come under the existing contract, with no additional increase in the monthly minimums, at a cost of 8.5 cents per copy.  
Account # 100-404500

The County Manager/Chairman is authorized to execute any and all documentation necessary to implement this resolution

**AMENDMENTS:**

MOVED \_\_\_\_\_ SECONDED \_\_\_\_\_

APPROVED \_\_\_\_\_ DENIED \_\_\_\_\_ UNANIMOUS

YEA VOTES: Williams \_\_\_ Tate \_\_\_ Blanchard \_\_\_ Brown \_\_\_ Rivenbark \_\_\_

\_\_\_\_\_  
J. David Williams, Jr., Chairman

01/22/08  
Date

\_\_\_\_\_  
Attest

01/22/08  
Date

# **COECO OFFICE SYSTEMS**

January 15, 2008

## *A Business Proposal*

*Prepared For*

**Pender County**

*Prepared by:*

Marna Flynn  
Senior Account Representative



**SHARP**

***A Business Proposal Prepared for*****Planning**

November 28, 2007

**Wide Format Digital Imaging System**

- All in One System – Copy, Print & Scan
- Compact Design
- (2) 500 Foot Paper Rolls
  - 24 inch and 36 inch

**60 Mo. FMV Lease****\$363.00****Service**

\$500.00 includes 2,000 Meters or 1 Year, whichever comes first.

**Supplies**

Toner – 7,874 Feet

\$ 438.00

Drum – 118,000 Feet

\$1,580.00

**SHARP.**

*Pricing does not include any applicable Taxes, is confidential and expires in 45 days.*

***A Business Proposal Prepared for*****Pender County**

January 15, 2008

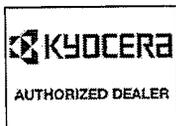
**Kyocera FS-C5025N****\$1,900**

- Full Color Printer
- 22 Images per Minute
- 500 Sheet Paper Drawer
- 100 Sheet Bypass
- 600 x 600 dpi
- Network Printing

**Service & Supply Information**

Falls under the existing contract with the County.

- .0094 for Black & White
- .085 for Color

**SHARP**

*Pricing does not include any applicable Taxes, is confidential and expires in 45 days.*



# EQUIPMENT PURCHASE AGREEMENT

**SELECTION OF EQUIPMENT:** Buyer has requested equipment of the type and quality set out in the Schedule of Equipment and has satisfied itself that such equipment is satisfactory and adequate for the use intended by the Buyer. In the event said equipment is not in stock at the time of the execution of this agreement, Buyer hereby authorizes Seller to add to this contract the Serial Number of each item of equipment so delivered and the Seller shall use its best efforts to obtain prompt delivery thereof; however, in no event shall the Seller be liable for damages for failure to deliver said equipment or for delays in such delivery beyond the control of the Seller. Any delay in such delivery shall not affect the validity of this agreement.

**WARRANTIES:** It is agreed that no warranties, representations, or agreements have been made by the Seller in connection with this Contract except those expressly contained herein, and that no representation as to fitness of any equipment sold hereby for any particular purpose has been made. No defect or unfitness of the equipment shall relieve the Buyer of any obligation under this Contract. All warranties, if any, which may be made by the manufacturer of the equipment covered hereby may be enforced by the Buyer against such manufacturer, but the Seller herein makes no express or implied warranties as to any matter whatsoever except those expressly written herein.

**PAYMENTS:** Buyer agrees to pay the payments herein provided for, all payments to be due and payable at the office of the Seller in Greenville, Pitt County, NC.

**LOCATION:** The equipment shall be delivered and thereafter kept, until the Contract is paid in full at the Buyer's address as above set forth and shall not be removed therefrom for any reason whatsoever without prior written consent.

**USE:** Buyer shall use the equipment in a careful manner and shall comply with all laws relating to its possession, use and maintenance.

**ALTERATIONS:** Until all of the terms of this Contract are satisfied, the Buyer shall not, without prior written consent of the Seller, make any alterations, additions or improvements to the equipment.

**LOSS AND DAMAGE:** Buyer shall bear the entire risk of loss, theft, damage or destruction of the equipment from any cause whatsoever, and no loss, theft, damage or destruction of the equipment shall relieve the Buyer of any other obligation under this Contract. In the event of damage to any item of equipment, Buyer shall immediately place same in good repair. If any item of equipment is lost, stolen, destroyed or damaged beyond repair, Buyer shall immediately pay to Seller in cash all amounts then owed to Buyer under this contract. Upon Seller's receipt of such payment, Buyer shall be entitled to whatever interest the Seller may have in such stolen, damaged, or destroyed item, in its then condition and location, without any warranty, express or implied.

**LIENS AND TAXES:** Buyer shall keep the equipment free and clear of all levies, liens and encumbrances. Buyer shall pay all charges and taxes (local, state and federal) which may now or hereafter be imposed upon the ownership, sale, purchase, possession or use of the equipment. If Buyer fails to pay said charges and taxes, Seller shall have the right, but shall not be obligated, to treat such failure as a default, or pay said charges and taxes. In that event, Buyer shall repay to Seller the cost thereof with the next payment due hereunder.

**ASSIGNMENT:** Without Seller's prior written consent, Buyer shall not (a) assign, transfer, pledge, hypothecate or otherwise dispose of this Contract or any interest therein, or (b) lease or lend the equipment or permit it to be used by anyone other than the Buyer or Buyer's employees.

**LATE CHARGES AND INTEREST:** Should Buyer fail to pay any part of any sum required to be paid hereunder, within ten (10) days after the due date thereof, Buyer shall pay unto Seller a late charge of One Dollar (\$1.00) for each month or part thereof for which said sum shall be delinquent, plus interest on such delinquent payment from the due date thereof until paid, at the rate of eighteen percent (18%) per annum.

**DEFAULT:** Should Buyer fail to pay said indebtedness or any part thereof, or breach of this contract, or in case of any misrepresentation or false statement made by the Buyer or Buyers accompanying credit statement, or in case the buyer violates any of the conditions of this agreement, or if any execution or writ be levied on any Buyer's property, or a receiver thereof be appointed, or if a petition in bankruptcy be filed by or against Buyer, Seller at its option and without notice to Buyer, may declare the whole amount unpaid hereunder immediately due and payable, or Seller may, without notice or demand, by process of law or otherwise, take possession of said chattels wherever located in the event of such repossession, Seller may, without notice to Buyer, declare all of Buyer's rights under this contract terminated and retain all monies paid thereon for the reasonable use of said chattels or Seller may resell the property at public auction or private sale and apply the proceeds, after deducting expenses, and liens, to the payment of said amount due hereunder and pay to Buyer the surplus, if any, or in case of a delinquency, Buyer agrees to pay Seller the same at once.

Buyer waives all claims, damages and demands against Seller arising out of repossession, retention, reparation and sale as aforesaid. Nothing herein contained shall be construed to prevent the Seller, in the event of non-payment of said purchase price or any installment thereof without repossession or otherwise resorting to said property, from suing for and recovering the whole unpaid purchase price. In case of any default hereunder, Buyer agrees to pay Seller a reasonable attorney fee incurred by the Seller in the repossession of said property or in the enforcement of any of the obligations of the Buyer or in the protection or enforcement of any of its rights hereunder.

**NOTICES:** Any written notice or demand under this Agreement may be given to a party by mailing it to the party at its address set forth above, or at such address as the party may provide in writing from time to time. Notice or demand so mailed shall be effective when deposited in the United States mail, duly addressed, and with postage paid.

**MULTIPLE PARTIES:** If more than one Buyer is named in this Contract the liability of each shall be joint and several.

**CHOICE OF LAW:** This Contract shall be governed by and construed in accordance with the law of the State of North Carolina.

**OWNERSHIP:** Until this Contract is fully satisfied and performed by the Buyer, the equipment is, and shall at all times remain, the property of the Seller, and Buyer shall have no right, title or interest therein or thereto except as expressly set forth in this Contract.

**ENTIRE AGREEMENT - WAIVER:** This instrument constitutes the entire agreement between the Seller and the Buyer, and no agent or employee of the Seller is authorized to bind the Seller to this Contract, to waive or alter any term or condition printed herein or add any provision hereto. Waiver by the Seller of any provisions hereof in one instance shall not constitute a waiver as to any other instance. Time is of the essence in this agreement, and it is understood and agreed that each of the provisions hereof shall be performable in Pitt County, NC.

**BINDING EFFECT:** This agreement shall be binding upon the parties hereto, their heirs, successors and assigns.

# CUSTOMER SERVICE AGREEMENT



Rocky Mount, Wilmington  
Raleigh, Greenville, Fayetteville  
Greensboro, Virginia Beach

<b>Bill to:</b>		<b>Ship to:</b>	
Name: <u>County of Perdue</u>		Name:	
Address: <u>807 S. WALKER ST.</u>		Address:	
City: <u>BURGAW</u>	State: <u>NC</u>	Zip: <u>28425</u>	City: _____ State: _____ Zip: _____
Phone: <u>259-1200</u>	Fax: _____	Phone: _____	Fax: _____
Contact: _____		Contact: _____	

Effective Date: From \_\_\_\_\_ To \_\_\_\_\_ Billing Frequency: Monthly Quarterly Annually

MODEL	SERIAL #/ID#	BEGINNING METER	AGREEMENT PRICE/OPC	COPIES INCLUDED	OVERAGE RATE	B/W TONER INCLUDED	COLOR TONER INCLUDED	TOTAL
<u>3650</u>			<u>\$500.00</u>	<u>2000 meters</u>	<u>N/A</u>	<u>NO</u>	<u>N/A</u>	
<u>8100DN</u>			<u>INCLUDED IN</u>	<u>RENTAL</u>	<u>MINIMUM</u>			
<u>1870</u>			<u>INCLUDED IN</u>	<u>RENTAL</u>	<u>MINIMUM</u>			
<u>5025</u>			<u>INCLUDED IN</u>	<u>RENTAL</u>	<u>MINIMUM</u>			
Comments:							Total Price	
							% Tax	
							Net Price	

**LIABILITY:**  
We understand that COECO's liability with respect to any property damage or injury (including death) to persons arising out of or connected with service performed under this agreement is limited to that imposed by law and that there is no contract imposing any greater degree of liability on COECO. This instrument must have the final approval of COECO management and contains the entire agreement between both parties and there are no promises, representations and/or warranties, express or implied, other than set forth herein.

COECO agrees with the undersigned customer to provide service and supplies (if included) for the unit(s) listed above subject to the terms, descriptions and conditions set forth on the reverse side hereof.

**CUSTOMER ACCEPTANCE:**

**COECO OFFICE SYSTEMS:**

A  
\_\_\_\_\_  
Authorized Signature Title

\_\_\_\_\_  
Salesperson

\_\_\_\_\_  
Print Name Date

\_\_\_\_\_  
COECO Service Manager Date

# CUSTOMER SERVICE AGREEMENT

**DESCRIPTION:** COECO agrees to provide all service calls reasonably requested by the customer at no additional charge for labor and travel. Service is to be performed during normal working hours (8:30 AM to 4:30 PM daily) excluding Saturday, Sunday and Holidays declared by COECO.

**COVERAGE:** There will be no additional charge for normal replacement parts. Parts will be replaced on an exchange basis and will be new, rebuilt, or used, at the discretion of COECO. Replaced parts will be the property of COECO.

**SUPPLIES:** If checked on the front of this agreement, all supplies needed to produce the specified number of copies are included. These supplies include: toner, developer, drums, masters/photoconductors, etc. All paper, transparencies, toner collection bottles, staples, etc are not included in this agreement. Toner yields are guaranteed as long as they fall within 25% of the manufacturer's estimated yields which are based on the industry standard of 6% density coverage. Excessive toner consumption will be subject to a surcharge to the customer.

**TERMS AND CONDITIONS:** This agreement begins at the effective date and meter reading stated on the front of this document, provided COECO has received payment. In the case of early termination of this agreement by the customer, no refund will be paid. If, in the opinion of COECO, the customer's usage exceeds normal and expected patterns we may terminate the agreement and provide a prorated refund based on either time or usage at our discretion. This agreement shall remain in force for the entire contract period and will be renewed automatically unless the customer notifies COECO in writing within thirty days of the renewal invoice date. Should a cancellation occur within that thirty day period, COECO will invoice for service performed, parts, supplies, and copies made during that period. Extra supplies, left at customer's site, are the property of COECO and will be returned upon cancellation of the contract for any reason. Prices are subject to change without notice. Customer agrees to pay the current rate at the beginning/renewal of each agreement. Preventative Maintenance calls (PM's) will be scheduled at the discretion of COECO. This agreement is not transferable to a third party.

**SERVICES NOT COVERED:** The following are not covered by this agreement:

1. Performance of normal operator functions
2. Increased service due to neglect by customer.

3. Rebuilding or major overhauls of equipment.
4. After hours service calls.
5. Damage to equipment or down-time caused by any act/acts of God.
6. Damage to equipment or down-time caused by improper power supply or electrical service.
7. The addition or removal of optional accessories.
8. The moving of equipment to different physical locations.
9. Abuse, accident, theft, fire, or vandalism damage to the equipment due to repairs by someone other than an authorized COECO representative.
10. The use of supplies or accessories that do not meet the equipment manufacturer's specifications.
11. Inability to provide service calls due to strikes, accidents, embargoes, or any other event beyond the control of COECO.

**RELOCATION OF EQUIPMENT:** The moving of equipment is not covered under this agreement and is the responsibility of the customer. Moving equipment to a new location within COECO service territory will not void the contract but may require an adjustment to the price, depending on the current service zone rates. There will be no refund of money paid if equipment is moved outside of COECO service territory. If equipment is moved by someone other than an authorized COECO representative, any damage resulting therefrom will not be covered under the agreement and the agreement shall become void until such time as equipment has been repaired to COECO specifications.

**CUSTOMER RESPONSIBILITIES:** The customer agrees to:

1. Provide meter readings upon request.
2. Provide key operators on each shift for all covered units.
3. Provide power source for covered equipment that meets Original Equipment Manufacturer standards.
4. Provide free and easy access to all covered equipment and supplies to COECO personnel in order to clean, repair, update, and inspect said equipment.
5. Pay any applicable taxes hereafter imposed by state, local, or federal authorities.

**BREACH OF CONTRACT:** If customer defaults for any reason, and default remains for more than thirty days, customer agrees to pay for any services rendered by COECO that have not been invoiced or paid. COECO reserves the right to terminate any agreement which remains unpaid.

**COECO Office Systems**

**Rental Agreement**  
 PHONE: (800) 735-3273  
 FACSIMILE: (800) 776-2329

<b>CUSTOMER</b>	Full Legal Name <b>COUNTY OF PENNSYLVANIA</b>	Phone Number <b>(910) 259-1200</b>
	Address <b>807 S. WALKER ST. BURGAW NC 28425</b>	City State Zip <b>BURGAW NC 28425</b>
	Billing Address <b>(SAME)</b>	Purchase Order/Requisition Number
	DBA Name (if any)	Send Invoice to Attention of

<b>INDIVIDUAL METER OPTION</b>	Make/Model/Accessories	Serial #	Base Monthly Rental	Monthly Copy Allowance	Cost-Per-Copy Additional Copies	Initial Meter Reading	Meter Reading Frequency
	1	<b>XEROX KM 3650W(A)</b>		<b>\$ 363.00</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
2							<input type="checkbox"/> Monthly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually
3							<input type="checkbox"/> Monthly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually
4							<input type="checkbox"/> Monthly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually

BILLING PREFERENCE:  Each unit invoiced separately (include all billing locations on Information Schedule)  All units on one invoice (with individual unit reports)  Each unit invoiced separately to one billing location

FOR ADDITIONAL UNITS ATTACH SCHEDULE A

<b>CONSOLIDATED BILLING OPTION</b>	Make/Model/Accessories	Serial #	Initial Meter Reading	Make/Model/Accessories	Serial #	Initial Meter Reading
	1				5.	
2				6.		
3				7.		
4				8.		

ALL UNITS LISTED ABOVE ARE CONSOLIDATED UNDER THIS PLAN

BILLING PREFERENCE:  Consolidated units with individual meter option above on one invoice  Consolidated units separate from individual meter option above

FOR ADDITIONAL UNITS ATTACH SCHEDULE A

Base Monthly Rental	Monthly Copy Allowance	Cost-Per-Copy Additional Copies	Meter Reading Frequency
			<input type="checkbox"/> Monthly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Annually

<b>TERM IN MONTHS:</b>	<b>FIRST RENTAL PAYMENT</b>	<b>(PLUS)</b>	<b>SECURITY DEPOSIT</b>	<b>(PLUS)</b>	<b>SALES TAX</b>	<b>(EQUALS)</b>	<b>TOTAL PAYMENT ENCLOSED</b>
<b>60</b>		<b>+</b>		<b>+</b>		<b>=</b>	<b>0</b>

**SALES TAX OPTIONS**

Each payment is subject to sales tax of **6.75** % or amounts or percentages that may be in effect by location.

Exempt - Exemption Certificate Attached

<b>CUSTOMER SIGNATURE</b>	YOU AGREE TO ALL OF THE TERMS AND CONDITIONS CONTAINED ON THE REVERSE SIDE OF THIS AGREEMENT, AND IN ANY ATTACHMENTS TO SAME, ALL OF WHICH ARE INCLUDED BY REFERENCE AND BECOME PART OF THIS AGREEMENT. YOU ACKNOWLEDGE TO HAVE READ AND AGREE TO ALL THE TERMS AND CONDITIONS AND UNDERSTAND THAT THIS IS A NON-CANCELABLE AGREEMENT FOR THE FULL TERM SHOWN ABOVE.		<b>DELIVERY AND ACCEPTANCE</b>	You acknowledge that the Equipment set forth above has been received, has been put in use, is in good working order and is satisfactory and acceptable.	
	You acknowledge that the Equipment is: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED	Signature: <b>X</b>		Date:	
	Signature: <b>X</b> Print Name:	Print Name:		Title:	
Legal Name of Corporation or Partnership			Legal Name of Corporation or Partnership:		

**GUARANTY**

TO INDUCE OWNER TO ENTER INTO THE WITHIN RENTAL AGREEMENT, THE UNDERSIGNED UNCONDITIONALLY GUARANTEES TO OWNER THE PROMPT PERFORMANCE WHEN DUE OF ALL THE USER'S OBLIGATIONS TO OWNER UNDER THE AGREEMENT. OWNER SHALL NOT BE REQUIRED TO PROCEED AGAINST CUSTOMER OR THE EQUIPMENT OR ENFORCE ANY OTHER REMEDY BEFORE PROCEEDING AGAINST THE UNDERSIGNED. THE UNDERSIGNED WAIVES NOTICE OF ACCEPTANCE HEREOF AND ALL OTHER NOTICES OR DEMAND OF ANY KIND TO WHICH THE UNDERSIGNED MAY BE ENTITLED. THE UNDERSIGNED CONSENTS TO ANY EXTENSIONS OR MODIFICATION GRANTED TO USER AND THE RELEASE AND/OR COMPROMISE OF ANY OBLIGATIONS OF USER OF AN OTHER OBLIGORS AND GUARANTORS WITHOUT IN ANY WAY RELINQUISHING THE UNDERSIGNED FROM HIS OR HER OBLIGATIONS HEREUNDER. THIS IS A CONTINUING GUARANTEE AND SHALL NOT BE DISCHARGED OR AFFECTED BY DEATH OF THE UNDERSIGNED; SHALL BIND THE HEIRS, ADMINISTRATORS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS OF UNDERSIGNED AND MAY BE ENFORCED BY OR FOR THE BENEFIT OF ANY ASSIGNEE OF SUCCESSOR OF OWNER. THIS GUARANTY IS GOVERNED BY AND CONSTITUTED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA AND I CONSENT TO NON-EXCLUSIVE JURISDICTION IN ANY STATE OR FEDERAL COURT IN PENNSYLVANIA.

Signature	Date	Signature	Date
<b>X</b>		<b>X</b>	
Print Name		Print Name	
Home Address		Home Address	
City	State	Zip	
City	State	Zip	
Social Security Number	Phone	Social Security Number	Phone

**RENTAL TERMS AND CONDITIONS**

The words "YOU" and "YOUR" mean the Customer. The words "WE", "US", and "OUR" mean COECO Office Systems, the Owner of the Equipment.

**1. RENTAL AGREEMENT ("AGREEMENT"):** WE agree to rent to YOU and YOU agree to rent from US the Equipment listed in the "Individual Meter Option" and/or "Consolidated Billing Option" section of this Agreement and/or in any attached schedules ("Equipment"). YOU promise to pay US A-BASE MONTHLY RENTAL PAYMENT ("RENTAL PAYMENT"), plus the Cost-Per-Copy Additional Copies ("Additional Copy Charge") on copies in excess of the Monthly Copy Allowance. In accordance with the terms and conditions herein. The Additional Copy Charge will be involved at the end of each meter reading period set forth on the face of this Agreement. YOU authorize US to insert in this Agreement the serial numbers of the Equipment when WE so determine them.

**2. TERM:** This Agreement is effective on the date that it is accepted and signed by US, and the term of this Agreement begins on that date or any later date that WE designate (the "Commencement Date") and continues thereafter for the number of months designated as "Term in Months". Rental Payments are due as invoiced by US. As YOU will have possession of the Equipment from the date of its delivery, if WE accept and sign this Agreement YOU will pay US interim rent for each day from the date the Equipment is delivered to YOU until the Commencement Date, calculated on the Rental Payment amount, the number of days in that period, and a year of 360 days. WE will apply the first Rental Payment to the first month of the term on the Commencement Date or any later date designated by US. The second Rental Payment is due on the date set forth in the invoice with subsequent payments due on the same day of each successive month thereafter until the balance of the Rental Payments and any Additional Copy Charges or expenses chargeable to YOU under this Agreement have been paid in full.

YOU agree to provide accurate and timely meter readings on the forms or other alternative means specified by US. If meter readings are not received in a timely manner, charges may be estimated by US. YOUR obligation to pay the Rental Payments, Additional Copy Charges, and other obligations hereunder shall be absolute and unconditional. This Agreement is NON-CANCELABLE.

WE have the right to increase the Rental Payment and the Additional Copy Charge on an annual basis, in an amount not to exceed ten percent (10%) of the Rental Payment or the Additional Copy Charge in effect at the end of the prior annual period.

**3. LATE CHARGES/DOCUMENTATION FEES:** Whenever any Rental Payment or Additional Copy Charge is not made when due, YOU agree to pay US, within one month, a late charge of five percent (5%) for each delayed payment, with a minimum of \$10.00, but only to the extent permitted by law. YOU agree to pay US a fee of \$59.95 plus 1/10th of one percent (1%) of the original Equipment cost in excess of \$50,000 to reimburse OUR expenses for preparing financial statements, other documentation costs, and all ongoing administration costs during the term of this Agreement. If the Equipment is located in more than one location, YOU agree to pay US an additional fee of \$10.00 for each additional filing required for each additional location.

**4. DELIVERY AND ACCEPTANCE:** YOU are responsible, at YOUR own cost, to arrange for the delivery and installation of the Equipment (unless such costs are included in the cost of the Equipment to US). If requested, YOU will sign a separate Equipment delivery and acceptance certificate. WE may at OUR discretion confirm by telephone that YOU have accepted the Equipment, and this telephone verification of YOUR acceptance of the Equipment shall have the same effect as a signed delivery and acceptance certificate.

**5. USE, MAINTENANCE, REPAIR, SUPPLIES AND WARRANTIES:** YOU have selected the Equipment and the related maintenance program and supplies as described in a separate maintenance agreement with the Equipment dealer ("Dealer"). WE are not the manufacturer of the Equipment and WE are renting the Equipment to YOU "AS IS". WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WE transfer to YOU for the term of this Agreement all warranties, if any, made by manufacturer.

YOU ALSO ACKNOWLEDGE THAT NO ONE IS AUTHORIZED TO WAIVE OR CHANGE ANY TERM, PROVISION OR CONDITION OF THIS AGREEMENT AND EXCEPT FOR THE MANUFACTURER WARRANTIES, MAKE ANY REPRESENTATION OR WARRANTY ABOUT THIS AGREEMENT OR THE EQUIPMENT. WE SHALL NOT BE LIABLE FOR SPECIAL, RESULTING OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFIT OCCASIONED BY ANY BREACH OF WARRANTY OR REPRESENTATION OR RESULTING FROM THE USE OR PERFORMANCE OF ANY UNIT OF EQUIPMENT. YOUR OBLIGATION TO PAY IN FULL ANY AMOUNT DUE UNDER THIS AGREEMENT SHALL NOT BE AFFECTED BY ANY DISPUTE, CLAIM, COUNTERCLAIM, DEFENSE OR OTHER RIGHT WHICH YOU MAY HAVE OR ASSERT AGAINST THE DEALER OR THE EQUIPMENT MANUFACTURER.

**6. TITLE, PERSONAL PROPERTY, LOCATION AND INSPECTION:** Except for Agreements with a \$1.00 purchase option, we will have title to the Equipment. If you have a \$1.00 purchase option or this Agreement is deemed to be a security agreement, you grant us a security interest in the Equipment and all proceeds therefrom. YOU have the right to use the Equipment for the full term provided YOU comply with the terms and conditions of this Agreement. The Equipment is personal property even though the Equipment may become attached to any real estate. YOU agree not to permit a lien to be placed upon the Equipment or to remove the Equipment without OUR prior written consent. WE also have the right, at reasonable times, to inspect the Equipment.

**7. ASSIGNMENT:** YOU AGREE NOT TO TRANSFER, SELL, SUBRENT, ASSIGN, PLEDGE OR ENCUMBER EITHER THE EQUIPMENT OR ANY RIGHTS UNDER THIS AGREEMENT WITHOUT OUR PRIOR WRITTEN CONSENT. WE may sell, assign or transfer this Agreement. YOU agree that if WE sell, assign or transfer this Agreement, the new owner will have the same rights and benefits that WE have now and will not have to perform any of OUR obligations. YOU agree that the right of the new owner will not be subject to any claims, defenses, or set-offs that YOU may have against US.

**8. REDELIVERY AND RENEWAL:** Upon at least ninety (90), but not more than (180), days written notice to US prior to the expiration of the initial term of this Agreement, YOU shall advise US of YOUR intention to return the Equipment to US at the end of the initial term of this Agreement. Provided YOU have given such timely notice, YOU shall return the Equipment, freight and insurance prepaid, to US in good repair, condition and working order, ordinary wear and tear excepted, in a manner and to a location designated by US. If YOU fail to so notify US, or having notified US, YOU fail to return the Equipment as provided herein, this Agreement shall renew for additional terms of twelve (12) months each with Rental Payments and Additional Copy Charges equal to 100% of the Rental Payments and Additional Copy Charges at the expiration of the initial term of this agreement.

**9. LOSS OR DAMAGE:** YOU are responsible for the risk of loss or destruction of, or damage to the Equipment. No such loss or damage relieves YOU from any obligation under this Agreement.

**10. INDEMNITY:** WE are not responsible for any losses or injuries caused by the installation or use of the Equipment. YOU agree to reimburse US for and to defend US against any claim for losses or injuries caused by the Equipment. This indemnity will continue even after the termination of this Agreement.

**11. TAXES:** YOU agree to pay all license and registration fees, sale and use taxes, personal property taxes and all other taxes and charges, relating to the ownership, leasing, rental, sale, purchase, possession or use of the Equipment as part of the Rental Payment or as billed by US. YOU agree that if WE pay any taxes or charges on YOUR behalf, YOU shall reimburse US for all such payments and shall pay US interest and a late charge (as calculated in Section 3) on such payments with the next Rental Payment, plus a fee for OUR collecting and administering any taxes, assessments or fees and remitting them to the appropriate authorities. YOU agree that WE have the right each year to estimate the yearly personal property taxes that will be due for the Equipment and that YOU will pay US 1/12th of the estimated taxes on each Rental Payment. YOU will indemnify US on

an after-tax basis against the loss of any tax benefits anticipated at the Commencement Date arising out of YOUR acts or omissions.

**12. INSURANCE:** During the term of this Agreement, YOU will keep the Equipment insured against all risks of loss or damage in an amount not less than the replacement cost of the Equipment, without deductible and without co-insurance. YOU shall also obtain and maintain for the term of this Agreement, comprehensive public liability insurance covering both personal injury and property damage of at least \$100,000 per person and \$300,000 per occurrence for bodily injury and \$50,000 for property damage. WE shall be the sole named loss payee on the property insurance and shall be named as an additional insured on the public liability insurance. YOU will pay all premiums for such insurance and shall deliver proof of insurance coverage satisfactory to US. If YOU do not provide such insurance, YOU agree that WE have the right, but not the obligation, to obtain such insurance, and add an insurance fee to the amount due from you, on which we make a profit.

**13. DEFAULT:** YOU are in default of this Agreement if any of the following occurs: (a) YOU fail to pay any Rental Payment or other sum when due; (b) YOU breach any warranty or other obligation under this Agreement, or any other agreement with US; (c) YOU, any partner or any guarantor dies; YOU become insolvent or unable to pay YOUR debts when due; YOU stop doing business as a going concern; YOU merge, consolidate, transfer all or substantially all of YOUR assets; YOU make an assignment for the benefit of creditors; YOU undergo a substantial deterioration in YOUR financial condition; or (d) YOU, any guarantor or any partner, shall voluntarily file or have filed against it (voluntarily or petition for liquidation, reorganization, adjustment of debt or similar relief under the Federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law; or a trustee, receiver or liquidator shall be appointed of it for a substantial part of its assets.

**14. REMEDIES:** WE have the following remedies if a default should occur:  
 a) Upon written notice, declare the entire balance of the unpaid Rental Payments for the full term immediately due and payable, sue for and receive all Rental Payments and any other payments then accrued or accelerated under this Agreement or any other Agreement plus the estimated fair market value of the Equipment at the end of the originally scheduled Term, with all accelerated Rental Payments and the estimated fair market value of the Equipment at the end of the originally scheduled Term discounted at the lesser of (i) a per annum interest rate equivalent to that of a U.S. Treasury constant maturity obligation (as reported by the U.S. Treasury Department) that would have a prepayment term equal to the remaining term of the Agreement; all as reasonably determined by US, or (ii) 3 percent (3%) per annum.  
 b) Charge YOU interest on all monies due US at the rate of eighteen percent (18%) per year from the date of default until paid, but in no event more than the maximum rate permitted by law;  
 c) Charge YOU a return check or non-sufficient funds charge ("NSF Charge") of \$25.00 for a check that is returned for any reason; and  
 d) Require that YOU return the Equipment to US and in the event YOU fail to return the Equipment, enter upon the premises peacefully with or without legal process where the Equipment is located and repossess the Equipment. Such return or repossession of the Equipment shall not constitute a termination of this Agreement unless WE expressly notify YOU in writing. In the event the Equipment is returned or repossessed by US and unless WE have terminated this Agreement, WE will sell or re-rent the Equipment to such persons and upon such terms as WE may determine, at one or more public or private sales and with or without notice to YOU and apply the net proceeds after deducting the costs and expenses of such sale or re-rent, to YOUR obligations with YOU remaining liable for any deficiency and with any excess being retained by YOU. The credit for any sums to be received by US from any such rental shall be discounted to the date of the rental agreement at six percent (6%) per year.

YOU are also required to pay (i) all expenses incurred by US in connection with the enforcement of any remedies, including all expenses of processing, storing, shipping, repairing and selling the Equipment, and (ii) reasonable attorney's fees.

**15. SECURITY DEPOSIT:** WE will retain any required security deposit as security for YOUR performance of YOUR obligations. Any security deposit is non-interest bearing. WE may apply any security deposit to cure any default by YOU, in which event YOU will promptly restore any amount so applied. If YOU are not in default, any security deposit will be returned to YOU at the termination of this Agreement.

**16. WARRANTIES:** YOU hereby warrant and represent that the Equipment will be used for business purposes, and not for personal, family or household purposes.

**17. UCC FILINGS AND FINANCIAL STATEMENTS:** YOU authorize US to file a financing statement with respect to the Equipment and grant US the right to sign such financing statement on YOUR behalf, if WE feel it is necessary. YOU agree to submit financial statements (audited if available) on a quarterly basis.

**18. UCC-ARTICLE 2A PROVISIONS:** YOU agree that this Agreement is a Finance Lease as that term is defined in Article 2A of the Uniform Commercial Code ("UCC"). YOU acknowledge that WE have given YOU the name of the supplier of the Equipment. WE hereby notify YOU that YOU may have rights under the contract with the Supplier and YOU may contact the supplier for a description of any rights or warranties that YOU may have under this supply contract. YOU also waive any and all rights and remedies granted by Sections 2A-508 through 2A-522 of the UCC.

**19. CHOICE OF LAW:** This Agreement has been made in Wayne, Pennsylvania and, except for local filing requirements, is governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. YOU consent to and agree that non-exclusive jurisdiction, personal or otherwise, over YOU and the Equipment shall be with the Courts of the Commonwealth of Pennsylvania or the Federal District Court for the Eastern District of Pennsylvania solely at OUR option with respect to any provision of this Agreement. YOU ALSO AGREE TO WAIVE YOUR RIGHT TO A TRIAL BY JURY.

**20. ENTIRE AGREEMENT; SEVERABILITY; WAIVERS:** This Agreement contains the entire agreement and understanding. No agreements or understandings are binding on the parties unless set forth in writing and signed by the parties. Any provision of this Agreement which for any reason may be held unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective without invalidating the remaining provisions of this Agreement. It is further agreed that the rights and remedies of the parties are governed by this Agreement.

**21. FACSIMILE DOCUMENTATION:** YOU agree that a facsimile copy of the Agreement with facsimile signatures may be treated as an original and will be admissible as evidence of the Agreement.

<b>OWNER ACCEPTANCE</b>	Signature	Date
	Print Name	Title
<b>COECO OFFICE SYSTEMS</b>		

# Consolidated Meter Option Co-Terminous Rental Addendum

## USER INFORMATION

Rental Agreement No. \_\_\_\_\_ Customer No. \_\_\_\_\_  
 Full Legal Name: COUNTY OF PENDER  
 Billing Address: 807 S. WALKER ST INFORMATION-SCHEDULE MUST BE COMPLETED IF ADDRESS NOT THE SAME.  
 City: BURGAW County: PENDER State: NC Zip: 28425  
 Fed. Tax I.D. \_\_\_\_\_ Phone: 910-259-1200 Fax \_\_\_\_\_  
 Send Invoice to Attention of \_\_\_\_\_ DBA Name (If Any) \_\_\_\_\_

## BILLING INFORMATION

	Base Monthly Rental	Monthly Copy Allowance	Cost-Per-Copy Over Monthly Allowance	Meter Reading Frequency
Original	<u>\$7000.00</u>	<u>175,000 B+W</u>	<u>.02 B+W</u>	Meter Reading Frequency Must Remain As Documented on Original Agreement
Revised	<u>\$8547.50</u>	<u>176,500 B+W</u>	<u>.02 B+W</u>	
		<u>17,500 Color</u>	<u>.085 Color</u>	

## EQUIPMENT ADDED/UPGRADED/REMOVED

	Make/Model/Accessories	Serial #	Added	Initial Meter Reading	Installation Date	Removed	Last Meter Reading
1.	<u>LYOCOMA FS-CB100DN</u>		<input checked="" type="checkbox"/>			<input type="checkbox"/>	
2.	<u>LYOCOMA KM-1820</u>		<input checked="" type="checkbox"/>			<input type="checkbox"/>	
3.			<input type="checkbox"/>			<input type="checkbox"/>	
4.			<input type="checkbox"/>			<input type="checkbox"/>	

For additional units, attach Schedule A.

## TERM

34 Mo. Balance of remaining original term.  
 (Termination date of the Addendum coincides with the termination date set forth in the Rental Agreement.)

## TERMS & CONDITIONS

1. You have requested this addendum to the Rental Agreement as set forth above. You agree that this Addendum is supplemental to the Rental Agreement and except for the specific provisions set forth above and herein, this Addendum shall be subject to the terms and conditions set forth in the original Rental Agreement. (continued on reverse side)

## DELIVERY & ACCEPTANCE

You hereby acknowledge that the equipment set forth above has been received, has been put in use, is in good working order and is satisfactory and acceptable.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Print Name \_\_\_\_\_ For \_\_\_\_\_  
(Legal Name of Corporation or Partnership)

## CUSTOMER SIGNATURE

Signature X  
 Print Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_  
 For \_\_\_\_\_  
(Legal Name of Corporation or Partnership)

## ACCEPTED BY OWNER

Signature \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_  
 For \_\_\_\_\_

**TERMS & CONDITIONS (CONTINUED FROM REVERSE SIDE)**

2. The amount of each additional monthly payment and/or revised monthly payment ("Additional/Revised Payment") is based on the supplier's best estimate of the cost of the additional equipment described above ("Additional Equipment") including (if applicable) installation and other related costs and the estimated sales or use tax. The Additional/Revised Payment will be adjusted proportionately, upward or downward, if the actual total cost of the Additional Equipment or sales or use tax is more or less than the estimate and in that event, you authorize us to adjust the Additional/Revised Payment by up to fifteen percent (15%).

3. If we have not accepted this Addendum within 30 days from the date your credit was approved by us, you authorize us to reduce the number and increase the amount of Additional/Revised Payment to be made by you to maintain the rate of return reflected by the above-described payment schedule and to reflect that the termination date of this Addendum coincides with the termination date of the Rental Agreement.

4. If we have not accepted this Addendum within 30 days from the date your credit was approved by us, you further authorize us to increase the Additional/Revised Payment to increase the implicit rate of the Additional/Revised Payment to us in an amount equal to any increase in the rate of two year Treasury Notes, from the date your credit was approved to the date we accept this Addendum.

5. You also agree to pay a fee of \$49.50 to reimburse our documentation costs.

6. You agree that we may combine the Additional/Revised Payment and sales tax with the current Rental Payment and invoice you for the combined payment.

**GUARANTY**

To induce us to enter into this Co-Terminous Addendum, the undersigned unconditionally guarantees the prompt payment of all the Customer's obligations under the Co-Terminous Addendum. We are not required to proceed against the Customer of the Equipment or to enforce other remedies before proceeding against the undersigned. The undersigned waives notice of acceptance and all other notices of demand of any kind which the undersigned may be entitled. The undersigned consents to any extensions or modifications granted to the Customer and the release and/or compromise of any obligations of the Customer or any other guarantors without releasing the undersigned from his or her obligations. This is a continuing guaranty and will remain in effect in the event of the death of the undersigned and will bind the heirs, administrators, representatives, successors and assigns of the undersigned and may be enforced by or for the benefit of any assignee or successor of ours. This guaranty is governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

Signature \_\_\_\_\_  
Print Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
Social Security No. \_\_\_\_\_  
Phone No. \_\_\_\_\_

Signature \_\_\_\_\_  
Print Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
Social Security No. \_\_\_\_\_  
Phone No. \_\_\_\_\_