



TO: BOARD OF DIRECTORS

FROM: KEVIN PLAMBECK, DIRECTOR OF CAREER AND TECHNICAL EDUCATION

SUBJECT: COPIER LEASE AGREEMENT - CAREER & TECHNICAL EDUCATION

DATE: JANUARY 3, 2017

TYPE: ACTION REQUIRED

Attached is a lease agreement with Kelley Imaging for the replacement of a copy machine in the Career & Technical Education Program at Stanwood High School. This contract is similar to those used in the recent past with other schools. The monthly lease payments will be paid from the Career & Technical Education program budget. The district has the option to purchase the copier at fair market value at the end of the lease term. The lease and maintenance payments are fixed for the lease term.

Recommendation:

We recommend the board move to approve the lease agreement with Kelley Imaging as attached for the Career & Technical Education program at Stanwood High School.



MASTER AGREEMENT

AGREEMENT NO.:

CUSTOMER ("YOU" OR "YOUR")

FULL LEGAL NAME: Stanwood Camano School District
ADDRESS: 26920 Pioneer Hwy, Stanwood, WA 98292-0000
CONTACT NAME: Gary Platt PHONE#: (360) 629-1200 FEDERAL TAX ID#:

EQUIPMENT AND PAYMENT TERMS

Table with columns: MAKE, MODEL NUMBER & INCLUDED ACCESSORIES, SERIAL NO., NOT FINANCED UNDER THIS AGREEMENT, BEGINNING METER READING (B&W, COLOR), MONTHLY IMAGE ALLOWANCE PER MACHINE (IF NOT CONSOLIDATED) (B&W, COLOR), EXCESS PER IMAGE CHARGE (PLUS TAX) (B&W, COLOR). Includes items like Estudio 6508a, 50 Page stapler, etc.

MONTHLY BASE PAYMENT AMOUNT: \$743.00 (PLUS TAX) TERM IN MONTHS: 60 METER FREQUENCY: Annually
SECURITY DEPOSIT: ADVANCE PAYMENT: (PLUS TAX) to be applied to first Payment due
ORIGINATION FEE: SUPPLY FREIGHT FEE: \$ METER FEE: \$
EQUIPMENT LOCATION: 26920 Pioneer Hwy, Stanwood, WA 98292-0000 SEE ATTACHED SCHEDULE

END OF LEASE OPTIONS

By checking a box and initialing below, you may choose one of the following options to apply at the end of the original term, provided that no event of default under this Agreement has occurred and is continuing.
[X] FMV: 1) Purchase all but not less than all the Equipment for the Fair Market Value per paragraph 1, 2) Renew the Agreement per paragraph 1, or 3) Return the Equipment per paragraph 3.
\$1.00 Purchase: 1) Purchase the Equipment for \$1.00, or 2) Return the Equipment per paragraph 3.

THIS AGREEMENT IS NON-CANCELABLE AND IRREVOCABLE. IT CANNOT BE TERMINATED. PLEASE READ CAREFULLY BEFORE SIGNING. CUSTOMER'S AUTHORIZED SIGNATURE BY SIGNING.

CUSTOMER'S AUTHORIZED SIGNATURE

BY SIGNING THIS PAGE, YOU REPRESENT TO US THAT YOU HAVE RECEIVED, READ, AND ACKNOWLEDGED THE ADDITIONAL TERMS AND CONDITIONS APPEARING ON THE SECOND PAGE OF THIS TWO-PAGE AGREEMENT. THIS AGREEMENT IS BINDING UPON OUR ACCEPTANCE HEREOF.

Stanwood Camano School District CUSTOMER SIGNATURE PRINT NAME & TITLE DATE

LESSOR ("WE", "US", "OUR")

Kelley Imaging Systems LESSOR SIGNATURE PRINT NAME & TITLE DATE
22710 72nd Ave S Kent, WA 98032

UNCONDITIONAL GUARANTY

The undersigned, jointly and severally if more than one, unconditionally guarantee(s) that the Customer will timely perform all obligations, including all and any debts, liabilities, and obligations of every nature or form, now existing or hereafter arising or acquired, under the Agreement or any supplements hereto.

SIGNATURE: X INDIVIDUAL: DATE:
SIGNATURE: X INDIVIDUAL: DATE:

CERTIFICATE OF DELIVERY AND ACCEPTANCE

The Customer hereby certifies that all the Equipment: 1) has been received, installed, and inspected, and 2) is fully operational and unconditionally accepted.
SIGNATURE: X NAME AND TITLE: DATE:

ADDITIONAL TERMS AND CONDITIONS

- 1. AGREEMENT:** For business purposes only, you agree to lease from us the goods, together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries (the "Equipment") and/or to finance certain licensed software and services ("Financed Items", which are included in the word "Equipment" unless separately stated), all as described on page 1 of this Agreement, excluding equipment marked as not financed under this Agreement, as it may be supplemented from time to time. You agree to all of the terms and conditions contained in this Agreement and any supplement, which (with the acceptance certification) is the entire agreement regarding the Equipment ("Agreement") and which supersedes any purchase order or invoice. You authorize us to correct or insert missing Equipment identification information and to make corrections to your proper legal name and address. This Agreement becomes valid upon execution by us. This Agreement is binding upon our acceptance hereof and will begin on the date the Equipment is delivered to you or any later date we designate. Unless otherwise stated in an addendum hereto, this Agreement (if FMV option is chosen) will renew month to month unless you send us written notice at least 30 days (before the end of any term) that you want to purchase or return the Equipment, and you timely return the Equipment (according to the conditions herein). Any security deposit will be commingled with our assets, will not earn interest, and will be returned at the end of the term, provided you are not in default. If any provision of this Agreement is declared unenforceable in any jurisdiction, the other provisions herein shall remain in full force and effect in that jurisdiction and all others. You shall deliver all information requested by us which we deem reasonably necessary to determine your current financial condition and faithful performance of the terms hereof.
- 2. RENT, TAXES AND FEES:** You will pay the Monthly Base Payment Amount (as adjusted) when due, plus any applicable sales, use and property taxes with respect to this Agreement and the Equipment. The Monthly Base Payment amount will be adjusted proportionately upward or downward: (1) by up to 10% to accommodate changes in the actual Equipment cost; (2) if the shipping charges or taxes differ from the estimate given to you; and (3) to comply with the tax laws of the state in which the Equipment is located. If we pay any taxes, insurance or other expenses that you owe hereunder, you agree to reimburse us when we request and to pay us a processing fee for each expense or charge we pay on your behalf. We may charge you for any filing fees required by the Uniform Commercial Code (UCC) or other laws, which fees vary state-to-state. Unless a \$1 Purchase Option is applicable, we own the Equipment (excluding any Software). You agree to indemnify us for the loss of any U.S. federal income tax benefits resulting from your acts or omissions inconsistent with this Agreement or our ownership of the Equipment. If a \$1 Purchase Option is applicable, you acknowledge that this Agreement shall be deemed to be a conditional sales contract, and that any ownership we have in the Equipment is hereby transferred to you "As Is" and "Where Is" upon receipt of final payment, and that you are responsible for reporting the Equipment as required to appropriate taxing authorities and for remitting any personal property tax related to the Equipment to such authorities. By the date the first Payment is due, you agree to pay us a origination fee, as shown on our invoice or addendum, to cover us for all closing costs. We will have the right to apply all sums, received from you, to any amounts due and owed to us under this Agreement. If for any reason your check is returned for nonpayment, you will pay us a bad check charge of \$30 or, if less, the maximum charge allowed by law. We may make a profit on any fees, estimated tax payments and other charges paid under this Agreement. You cannot pay off this Agreement or return the Equipment prior to the end date without our consent. If we consent, we may charge you, in addition to other amounts owed, an early termination fee up to 10% of the Fair Market Value of the Equipment on the date of this Agreement.
- 3. MAINTENANCE AND LOCATION OF EQUIPMENT; SECURITY INTEREST; SOFTWARE/DATA:** At your expense, you agree to keep the Equipment: (1) in good repair, condition and working order, in compliance with applicable manufacturers' and regulatory standards; (2) free and clear of all liens and claims; and (3) only at the installation address, and you agree not to move it unless we agree in writing. As long as you have given us the written notice as required in paragraph 1 prior to the expiration or termination of this Agreement's term, if you do not purchase the Equipment, you will return all but not less than all of the Equipment and all related manuals and use and maintenance records to a location we specify, at your expense, in retail re-saleable condition, full working order and complete repair. If this Agreement is deemed to be a secured transaction, you grant us a security interest in the Equipment to secure all amounts you owe us under any agreement with us, and you authorize us to file a financing statement (UCC-1). You will not change your state of organization, headquarters or residence without providing prior written notice to us so that we may amend or file a new UCC-1. You will notify us within 30 days if your state of organization revokes or terminates your existence. Except as provided in this paragraph, references to "Equipment" include any software referenced above or installed on the Equipment. We do not own the software and cannot transfer any interest in it to you. We are not responsible for the software or the obligations of you or the licensor under any license agreement. You are solely responsible for removing any data that may reside in the Equipment you return, including but not limited to hard drives, disk drives or any other form of memory.
- 4. COLLATERAL PROTECTION; INSURANCE; INDEMNITY; LOSS OR DAMAGE:** You agree to keep the Equipment fully insured against risk and loss, with us as lender's loss payee, in an amount not less than the original cost until this Agreement is terminated. You also agree to obtain a general public liability insurance policy with such coverage and from such insurance carrier as shall be satisfactory to us and to include us as an additional insured on the policy. Your insurance policy(s) will provide for 10 days advance written notice to us of any modification or cancellation. You agree to provide us certificates or other evidence of insurance acceptable to us. If you fail to comply with this requirement within 30 days after the start of this Agreement, we may (A) secure property loss insurance on the Equipment from a carrier of our choosing in such forms and amounts as we deem reasonable to protect our interests. If we place insurance on the Equipment, we will not name you as an insured and your interests may not be fully protected. If we secure insurance on the Equipment, you will pay us an amount for the premium which may be higher than the premium that you would pay if you placed the insurance independently and an insurance fee which may result in a profit to us through an investment in reinsurance; or (B) charge you a monthly property damage surcharge of up to .0035 of the Equipment cost as a result of our credit risk and administrative and other costs, as would be further described on a letter from us to you. We may make a profit on this program. NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF RESPONSIBILITY FOR LIABILITY INSURANCE ON THE EQUIPMENT. We are not responsible for, and you agree to hold us harmless and reimburse us for and, if requested, to defend us against, any claim for any loss, expense, liability or injury caused by or in any way related to delivery, installation, possession, ownership, use, condition, inspection, removal, return or storage of the Equipment. You are responsible for the risk of loss or for any destruction of or damage to the Equipment. You agree to promptly notify us in writing of any loss or damage. If the Equipment is destroyed and we have not otherwise agreed in writing, you will pay to us the unpaid balance of this Agreement, including any future rent to the end of the term plus the anticipated purchase price of the Equipment (both discounted at 4%). Any proceeds of insurance will be paid to us and credited, at our option, against any loss or damage. You authorize us to sign on your behalf and appoint us as your attorney-in-fact to endorse in your name any insurance drafts or checks issued due to loss or damage to the Equipment. No loss or damage shall relieve you of your payment obligations under this Agreement. All indemnities will survive the expiration or termination of this Agreement.
- 5. ASSIGNMENT:** YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN OR SUBLEASE THE EQUIPMENT OR THIS AGREEMENT, without our prior written consent. Without our prior written consent, you shall not reorganize or merge with any other entity or transfer all or a substantial part of your ownership interests or assets. We may sell, assign, or transfer this Agreement without notice. You agree that if we sell, assign or transfer this Agreement, our assignee 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 new Lessor will not be subject to any claims, defenses, or offsets that you may have against us. You shall cooperate with us in executing any documentation reasonably required by us or our assignee to effectuate any such assignment. This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.
- 6. DEFAULT AND REMEDIES:** You will be in default if: (a) you do not pay any Payment or other sum due to us or any other person when due or if you fail to perform in accordance with the covenants, terms and conditions of this Agreement or any other agreement with us or any of our affiliates, (b) you make or have made any false statement or misrepresentation to us, (c) you or any guarantor dies, dissolves or terminates existence, (d) there has been a material adverse change in your or any guarantor's financial, business or operating condition, or (e) any guarantor defaults under any guaranty for this Agreement. If any amount payable to us is not paid when due, you will pay a late charge equal to: 1) the greater of ten (10) cents for each dollar overdue or twenty-six (\$26.00) dollars; or 2) the highest lawful charge, if less. If you are ever in default, at our option, we can terminate this Agreement and require that you pay the unpaid balance of this Agreement, including any future Payments to the end of the term plus the anticipated purchase price of the Equipment (both discounted at 4%). We may recover default interest on any unpaid amount at the rate of 12% per year. Concurrently and cumulatively, we may also use any or all of the remedies available to us under Articles 2A and 9 of the UCC and any other law, including requiring that you: (1) return the Equipment to us to a location we specify; and (2) immediately stop using any Financed Items. In addition, we will have the right, immediately and without notice or other action, to set-off against any of your liabilities to us any money, including depository account balances, owed by us to you, whether or not due. In the event of any dispute or enforcement of rights under this Agreement or any related agreement, you agree to pay our reasonable attorney's fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee. If we have to take possession of the Equipment, you agree to pay the costs of repossession, moving, storage, repair and sale. The net proceeds of the sale of any Equipment will be credited against what you owe us under this Agreement. YOU AGREE THAT WE WILL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES FOR ANY DEFAULT, ACT OR OMISSION BY ANYONE. Any delay or failure to enforce our rights under this Agreement will not prevent us from enforcing any rights at a later time. You agree that this Agreement is a "Finance Lease" as defined by Article 2A of the UCC and your rights and remedies are governed exclusively by this Agreement. You waive all rights under sections 2A-507 through 522 of the UCC. If interest is charged or collected in excess of the maximum lawful rate, we will not be subject to any penalties.
- 7. FAXED OR SCANNED DOCUMENTS, MISC.:** You agree to submit the original duly-signed documents to us via overnight courier the same day or the facsimile or scanned transmission of the documents. The original of this Agreement shall be that copy which bears your facsimile, scanned or original signature, and which bears our original signature. By providing any telephone number, now or in the future, for a cell phone or other wireless device, you are expressly consenting to receiving communications, regardless of their purpose, at that number, including, but not limited to, pre-recorded or artificial voice message calls, text messages, and calls made by an automatic dialing system from us and our affiliates and agents. These calls and messages may incur access fees from your provider.
- 8. WARRANTY DISCLAIMERS:** YOU AGREE THAT YOU HAVE SELECTED ANY/ALL THIRD PARTY SUPPLIERS AND EACH ITEM OF EQUIPMENT BASED UPON YOUR OWN JUDGMENT AND YOU DISCLAIM ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY US. YOU WILL CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST ANY SUPPLIER, LICENSOR OR MANUFACTURER, AND ANY FAILURE OF A SERVICE PROVIDER TO PROVIDE SERVICES WILL NOT EXCUSE YOUR OBLIGATIONS TO US UNDER THIS AGREEMENT. YOU ARE NOT ENTITLED TO REDUCE OR SET-OFF AGAINST AMOUNTS DUE UNDER THIS AGREEMENT FOR ANY REASON. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, OF, AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, QUALITY, ADEQUACY, TITLE, DATA ACCURACY, SYSTEM INTEGRATION, FUNCTION, DEFECTS, OR ANY OTHER ISSUE IN REGARD TO THE EQUIPMENT, ANY ASSOCIATED SOFTWARE AND ANY FINANCED ITEMS. WE ASSIGN TO YOU ANY WARRANTIES GIVEN TO US.
- 9. LAW, JURY WAIVER:** Agreements, promises and commitments made by Lessor, concerning loans and other credit extensions must be in writing, express consideration and be signed by Lessor to be enforceable. This Agreement may be modified only by written agreement and not by course of performance. YOU AGREE THAT THIS AGREEMENT AND ANY CLAIM RELATED TO THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE IN WHICH OUR (OR, IF WE ASSIGN THIS AGREEMENT, OUR ASSIGNEE'S) PRINCIPAL PLACE OF BUSINESS IS LOCATED AND ANY DISPUTE CONCERNING THIS AGREEMENT WILL BE ADJUDICATED IN A FEDERAL OR STATE COURT IN SUCH STATE. YOU HEREBY CONSENT TO PERSONAL JURISDICTION AND VENUE IN SUCH COURTS AND WAIVE TRANSFER OF VENUE. For any action arising out of or relating to this Agreement or the Equipment, YOU AND WE WAIVE ALL RIGHTS TO A TRIAL BY JURY.
- 10. MAINTENANCE AND SUPPLIES:** The charges established by this Agreement include payment for the use of the Equipment, accessories, maintenance during normal business hours, inspection, adjustment, parts replacement, drums, cleaning material required for proper operation and black toner and developer. Paper and staples must be separately purchased by you. Facsimile maintenance is provided during normal business hours and includes inspection, adjustment, parts replacement and cleaning material required for the proper operation. Facsimile drums and toner cartridges must be purchased separately. Color toner and developers, not included in this Agreement, will be billed separately. If necessary, the service and supply portion of this Agreement may be assigned. We may charge you a Supply Freight Fee to cover our costs of shipping supplies to you. An image is defined as an imaged one-sided sheet of 8.5" x 11" sheet of paper or smaller. When toner is part of this contract, we agree to provide toner(s) in sufficient quantities as it relates to your usage, and the manufacturers published yields which are based on 6% page coverage of toner to page ratio for black and white and 20% page coverage of toner to page ratio for full color. In the event overall toner use exceeds this, overages of toner expenses may be billed to you.
- 11. EXCESS CHARGES AND COST ADJUSTMENTS:** You are entitled to make the total number of images shown under Image Allowance Per Machine (or Total Consolidated Image Allowance, if applicable) each period during the term of this Agreement. If you make more than the allowed images in any period, you will pay us an additional amount equal to the number of the excess images made during such period multiplied by the applicable Excess Per Image Charge. Regardless of the number of images made in any period, you will never pay less than the Monthly Base Payment Amount. You agree to comply with our billing procedures including, but not limited to, providing us with periodic meter readings on the Equipment. You agree that we may install an automatic meter reading agent on the Equipment. We may charge you a Meter Fee to cover our administrative costs of obtaining a meter reading if such agent is not installed. At the end of the first year of this Agreement and once each successive twelve-month period, the Monthly Base Payment Amount and the Excess Per Image Charges may be increased by a maximum of 15% of the then existing payment or charge. Images made on equipment marked as not financed under this Agreement will be included in determining your usage and excess charges.
- 12. UPGRADE AND DOWNGRADE PROVISION:** AFTER COMMENCEMENT OF THE AGREEMENT AND UPON YOUR WRITTEN REQUEST, AT OUR SOLE DISCRETION, WE MAY REVIEW YOUR COPY VOLUME AND PROPOSE OPTIONS FOR UPGRADING OR DOWNGRADING THE EQUIPMENT TO ACCOMMODATE YOUR BUSINESS NEEDS.
- 13. TRANSITION BILLING:** In order to facilitate an orderly transition, including installation and training, and to provide a uniform billing cycle, the start date of this Agreement (the "Effective Date") will be a date after the certification of acceptance of the Equipment, as shown on the first invoice. You agree to pay us an additional amount equal to 1/30th of the Monthly Base Payment Amount for each day between the date the Equipment is delivered and the Effective Date, which will be added to your first invoice.
- 14. MISCELLANEOUS:** You authorize us, our agent or our assignee to furnish your information, including credit application, payment history and account information, to credit reporting agencies and our assignees, potential purchasers or investors and parties having an economic interest in this Agreement or the Equipment, including, without limitation, the seller, supplier or any manufacturer of the Equipment. For security purposes and to help the government fight terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each individual or commercial entity that enters into a customer relationship with the financial institution. For this reason, we may request the following identifying information: name, address, date of birth. We may also ask other questions or request other documents meant to verify your individual or commercial identity.

STATE AND LOCAL GOVERNMENT ADDENDUM

AGREEMENT

Addendum to Agreement, between Stanwood Camano School District, as Customer and Kelley Imaging Systems, as Lessor. The words you and your refer to Customer. The words we, us and our refer to Lessor.

The parties wish to amend the above-referenced Agreement by adding the following language:

REPRESENTATIONS AND WARRANTIES OF CUSTOMER: You hereby represent and warrant to us that: (a) you have been duly authorized by the Constitution and laws of the applicable jurisdiction and by a resolution or other authority of your governing body to execute and deliver this Agreement and to carry out your obligations hereunder; (b) all legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement; (c) this Agreement is in compliance with all laws applicable to you, including any debt limitations or limitations on interest rates or finance charges; (d) the Equipment will be used by you only for essential governmental or proprietary functions of you consistent with the scope of your authority, will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use, and your need for the Equipment is not expected to diminish during the term of this Agreement; (e) you have funds available to pay contracted Payments until the end of your current appropriation period, and you intend to request funds to make contracted Payments in each appropriation period, from now until the end of the term of this Agreement; and (f) your exact legal name is as set forth on page one of this Agreement.

NON-APPROPRIATION OR RENEWAL: If either sufficient funds are not appropriated to make contracted Payments or any other amounts due under this Agreement or (to the extent required by applicable law) this Agreement is not renewed, this Agreement shall terminate and you shall not be obligated to make contracted Payments under the Agreement beyond the then-current fiscal year for which funds have been appropriated. Upon such an event, you shall, no later than the end of the fiscal year for which contracted Payments have been appropriated, deliver possession of the Equipment to us. If you fail to deliver possession of the Equipment to us, the termination shall nevertheless be effective but you shall be responsible, to the extent permitted by law and legally available funds, for the payment of damages in an amount equal to the portion of contracted Payments thereafter coming due that is attributable to the number of days after the termination during which you fail to deliver possession and for any other loss suffered by us as a result of your failure to deliver possession as required. You shall notify us in writing within seven days after your failure to appropriate funds sufficient for the payment of the contracted Payments or (to the extent required by applicable law) this Agreement is not renewed, but failure to provide such notice shall not operate to extend the Agreement term or result in any liability to you.

TITLE TO THE EQUIPMENT: If the selected purchase option for this Agreement is \$1.00 or \$101.00, unless otherwise required by law, upon your acceptance of the Equipment, title to the Equipment shall be in your name, subject to our interest under this Agreement.

The parties wish to amend the above-referenced Agreement by restating the following language:

Any provision in the Agreement stating this Agreement supersedes any invoice and/or purchase order is hereby amended and restated as follows: "You agree that the terms and conditions of the Agreement and any supplement or schedule thereto and any related acceptance certificate constitutes the entire agreement regarding the financing or lease of the Equipment and supersedes any purchase order, invoice, request for proposal or other related document."

Any provision in the Agreement stating that the Agreement shall automatically renew unless the Equipment is purchased, returned or a notice requirement is satisfied is hereby amended and restated as follows: "This Agreement will renew for month-to-month terms unless you purchase or return the Equipment (according to the conditions herein) or send us written notice at least 30 days (before the end of any term) that you do not want it renewed."

Any provision in the Agreement stating that we may assign this Agreement is hereby amended and restated as follows: "We may sell, assign, or transfer this Agreement without notice to or consent from you, and you waive any right you may have to such notice or consent."

Any provision in the Agreement stating that you grant us a security interest in the Equipment to secure all amounts owed to us under any agreement is hereby amended and restated as follows: "To the extent permitted by law, you grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement, and you authorize us to file a UCC-1 financing statement or be named on the vehicle title to show our interest."

Any provision in the Agreement stating that you shall indemnify and hold us harmless is hereby amended and restated as follows: "You shall not be required to indemnify or hold us harmless against liabilities arising from the Agreement. However, as between you and us, and to the extent permitted by law and legally available funds, you shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that you shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after you have surrendered possession of the Equipment in accordance with the terms of the Agreement to us or that arise directly from our gross negligence or willful misconduct."

Any provision in the Agreement stating that a default by you under any agreement with our affiliates or other lenders shall be an event of default under the Agreement is hereby amended and restated as follows: "You will be in default if: (i) you do not pay any Payment or other sum due to us under the Agreement when due or if you fail to perform in accordance with the covenants, terms and conditions of this Agreement, (ii) you make or have made any false statement or misrepresentation to us, (iii) you dissolve, terminate your existence or file bankruptcy, or (iv) there has been a material adverse change in your financial, business or operating condition."

Any provision in the Agreement stating that you shall pay our attorneys' fees is hereby amended and restated as follows: "In the event of any dispute or enforcement of rights under this Agreement or any related agreement, the non-prevailing party agrees to pay, to the extent permitted by law and to the extent of legally available funds, the prevailing party's reasonable attorneys' fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee."

Any provision in the Agreement requiring you to pay amounts due under the Agreement upon the occurrence of a default, failure to appropriate funds or failure to renew the Agreement is hereby amended to limit such requirement to the extent permitted by law and legally available funds.

Any provision in the Agreement stating that the Agreement is governed by a particular state's laws and you consent to such jurisdiction and venue is hereby amended and restated as follows: "This Agreement will be governed by and construed in accordance with the laws of the state of Washington. You consent to jurisdiction and venue of any state or federal court in Snohomish County, Washington and waive the defense of inconvenient forum."

The parties wish to amend the above-referenced Agreement as follows:

The Origination Fee of \$75.00 listed on Page 1 of the Agreement has been removed in its entirety.

The UNCONDITIONAL GUARANTY section on Page 1 of the Agreement has been removed in its entirety.

Paragraph 2: RENT, TAXES AND FEES:

Sentence 2 has been modified to read as follows:

"The Monthly Base Payment amount may be adjusted only to comply with the tax laws of the state in which the Equipment is located."

Sentence 4, as stated, has been removed in its entirety:

"We may charge you for any filing fees required by the Uniform Commercial Code (UCC) or other laws, which fees vary state-to-state."

Sentence 6, as stated, has been removed in its entirety:

"You agree to indemnify us for the loss of any U.S. federal income tax benefits resulting from your acts or omissions inconsistent with this Agreement or our ownership of the Equipment."

The last sentence in the paragraph has been removed in its entirety and replaced with the following sentence:

"If we consent, we will not charge you any termination fees."

Paragraph 3: MAINTENANCE AND LOCATION OF EQUIPMENT; SECURITY INTEREST; SOFTWARE/DATA:

Sentence 2 has been modified to read as follows:

"As long as you have given us the written notice as required in paragraph 1 prior to the expiration or termination of this Agreement's term, if you do not purchase the Equipment, you will return all but not less than all of the Equipment and all related manuals and use and maintenance records to a location we specify, at our expense, in retail re-saleable condition, full working order and complete repair."

Paragraph 4: COLLATERAL PROTECTION; INSURANCE; INDEMNITY; LOSS OR DAMAGE:

Sentence 2 has been modified to read as follows:

"You also agree to obtain a general public liability insurance policy."

Paragraph 10: MAINTENANCE AND SUPPLIES:

The 2nd to last sentence has been modified to read as follows:

"When toner is part of this contract, we agree to provide toner(s) in sufficient quantities."

The last sentence in the paragraph, as stated, has been removed in its entirety:

"In the event overall toner use exceeds this, overages of toner expenses may be billed to you."

Paragraph 11: EXCESS CHARGES AND COST ADJUSTMENTS:

The last 3 sentences in the paragraph, as stated, have been removed in their entirety:

"We may charge you a Meter Fee to cover our administrative costs of obtaining a meter reading if such agent is not installed. At the end of the first year of this Agreement and once each successive twelve-month period, the Monthly Base Payment Amount and the Excess Per Image Charges may be increased by a maximum of 15% of the then existing payment or charge. Images made on equipment marked as not financed under this Agreement will be included in determining your usage and excess charges."

The following paragraph has been added to this Agreement:

"15. TERMINATION FOR CAUSE: This Agreement may be immediately terminated without penalty or notice if the Lessor fails to comply with the provisions of RCW 28A.400.330 by permitting a worker or agent of the Lessor to perform duties on school property who has been convicted or pled guilty to a felony crime involving children."

By signing this Addendum, Customer acknowledges the above changes to the Agreement and authorizes Lessor to make such changes. In the event of any conflict between this Addendum and the Agreement, this Addendum shall prevail. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remain binding on Customer.

Kelley Imaging Systems

Lessor

Signature

Title

Date

Stanwood Camano School District

Customer

X

Signature

Title

Date



500 108TH Ave NE Suite 1F2 P: 425-732-3003
 Bellevue, WA 98004 F: 425-974-2187
 kelleyimaging.com

Data Security Service Agreement

Customer Name Stanwood Camano School District

Bill to Customer # SN6959

Equipment Description	Serial #	ID#
E-Studio 520	CZH724756	9144
E-Studio 656	CZH212896	2018

*Please list additional equipment on separate sheet and label Data Security Service Agreement Attachment "A"

As your business solutions provider and in an ongoing effort to protect our valued customers and their data, we suggest that you have the hard drive(s) and other storage devices cleared. Digital photocopiers contain one or more hard drives that store all types of data. We are pleased to offer our customers a service that will remove the sensitive information from your hard drive and/or destroy the old hard drive in your copier.

Kelley Imaging Systems offers two options listed below (please check the appropriate box or sign the waiver). It is understood that the Customer is solely responsible for protecting and /or removing any confidential data/images stored or residing on any Customer Equipment. Kelley Imaging Systems, under no circumstances, is liable for any damages including special, exemplary, punitive, incidental, or consequential damages, regardless of the claim, as a result of any information/data left on Customer's hard drive.

DRIVE REFORMATTING

- * Hard Drive re-initialized & reformatted once
- * Machine reinitialized to delete
 - > Network Passwords
 - > Server IP Addresses
 - > Company Directories & Job Logs
- * Machine restored to standard factory settings.
- * Customer acknowledges that it is their understanding that any overwritten or reformatted information could possibly be recreated by a system or person with the proper expertise.

*\$175.00 each

DRIVE REMOVAL

REPLACEMENT & DESTRUCTION

- * Hard Drive Removal
- * Hard Drive completely destroyed by an industrial-grade shredding process, randomizing discharge material, and rendering all data completely unreadable. All debris is recycled in accordance with governmental regulations.
- * New Hard Drive installed to manufacturers specifications.
- * Certificate of Destruction provided to customer.

*\$385.00 each

Decline Services

By choosing to decline, you assume all liability for the disclosure of said data and/or images and hold

Kelley Imaging Systems harmless from any and all claims, including attorney fees and costs. Customer acknowledges its full responsibility for any damages and/or financial penalties which may be incurred.

 Authorized Signature

Printed Name _____

Title _____

Date _____

***ADDITIONAL CHARGES WILL APPLY FOR COLOR MACHINES THAT HAVE MULTIPLE HARD DRIVES**



500 108TH Ave NE Suite 1F2 P: 425-732-3003
 Bellevue, WA 98004 F: 425-974-2187
 kelleyimaging.com

IT/Site Survey - Please Include With Your Order

Customer Name: Stanwood Camano School District			
Contact Name: Gary Platt	Contact Phone: (360) 629-1200		
Network Administrator:	Outsourced?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Network Administrator Phone:	Remote Install?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Meter Collection Contact and Email: Grace Herigstad gherigstad@stanwood.wednet.edu			
Automated Meter Collection:	<input type="checkbox"/> Accept	<input type="checkbox"/> Decline*	Customer Signature: _____ Date: _____

* If declined a \$5.00 per machine administration fee to manually collect device counts per billing period will be charged.

SOLUTION IMPLEMENTATION

Kelley Solution Installation Process:

When the pre-installation requirements are completed, the solution will be scheduled for delivery and customer notified of the date. The solution will be delivered on that date and installed in a stand-alone environment.

Scope of Work For Network Installation Includes:

Complete setup and configuration.

Provide up to two (2) hours of installation support per MFP which includes:

1. Installation and testing of the system components and software.
2. Training of the Network Administrator.
3. Configuration of remote diagnostics and/or meter reading systems.
4. Workstation setup (up to 5 workstations).
5. Assist Network Administrator with installation of meter reading system.
6. Assist Network Administrator on connecting device to network, installing print drivers, fax and scan drivers, scan to email, plug-ins if applicable and general use of drivers in applications.
7. Instruct key user on features and care of equipment and general use of print drivers in applications.
8. Provide thirty-day free phone support from date of install.

Client Responsibilities:

1. Provide a dedicated polarized electrical power outlet meeting manufacturer's specifications.
2. Provide dedicated fax line if faxing is required.
3. Provide a dedicated active network port and cable.
4. Provide adequate space for equipment meeting manufacturer's specifications.
5. Provide network administrator on site for installation support and training.
6. Provide key user on site for installations, for training.

- **Software Licensing.** All software installed at the customer's location is governed by its original licensing agreement. Maintenance of licensing agreements is the customer's responsibility.
- **Loss of Data.** The customer acknowledges that it is the customer's responsibility to maintain a current backup of their program and data files to restore any lost data. Under no circumstances shall Kelley Imaging Systems be held responsible for any loss of data.
- **Additional Software Installation.** Additional installation of software is the responsibility of the customer. Software installation by Kelley shall be billable at current network service rates.
- **Chargeable Services.** All requests for service issues not covered under this agreement shall be billable at Kelley's current network service rates.

REQUIRED SIGNATURE APPROVALS

Customer Signature: _____ Date: _____

My signature on this IT/Site Survey Agreement designates that I have read, understand and agree with the above terms.

Sales Manager Signature: _____ Date: _____

SITE PORTION

Contact Name: Grace Herigstad		Email: gherigstad@stanwood.wednet.edu	Phone: (360) 629-1313
Stairs: None		How Many Flights?	How Many Landings?
Elevators: N/A			
Loading Dock: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Hours and/or Restrictions:	
Network Drop: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Dedicated Fax Line: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Space: Space requirements met? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
All passage ways and door widths are wide enough to allow delivery of equipment: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

POWER REQUIREMENTS



NEMA 5-15R



NEMA 5-20R



NEMA 6-15R



NEMA 6-20R

Voltage
Amps

115
15

115
20
Dedicated

220
15
Dedicated

240
20
Dedicated