

COUNCIL WORKSHOP ITEM

ITEM: Cannon Color Copier Lease
DATE: April 5, 2001
PREPARED BY: Douglas Kozlowski, Public Information Officer
PURPOSE: Request renewal of copier lease.

DISCUSSION:

The lease agreement for the Cannon Color Copier expires on July 15th. As an incentive for early renewal the vendor, Cannon Business Solutions, is offering a new 36 month lease on a new machine with a reduced monthly contract charge and per page pricing.

The current charge for the color copier lease is \$11,257.32 per year (\$938.11 per month). Maintenance charges include a minimum 2000 copies per month at .21 per page for annual cost of \$5,040.00.

Under the new lease, the annual charge would be \$11,028.00 per year (\$919.00 per month). Maintenance charges would include a minimum 2000 copies per month at .18 per page for an annual cost of \$4,320.00.

As an additional incentive, if the Village renews the lease prior to the end of April, Cannon has offered to eliminate the contract charges of \$938 for the month of April.

RECOMMENDATION:

Over the past three years staff has come to rely heavily on the color copier to improve the quality of print materials used for public presentations. The retail cost for color copies is between \$1.00 to \$1.25 per page. With an in house cost of .18 per page, the Village saves substantial dollars with respect to materials and staff time.

I recommend approval of the renewed lease agreement for the Cannon Color Copier in the amount of \$11,028.00 for the lease agreement and the amount of \$4,320.00 for maintenance and per copy charges.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION OF A LEASE AGREEMENT
BETWEEN THE VILLAGE OF DOWNERS GROVE
AND CANNON FINANCIAL SERVICES, INC.**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Lease Agreement (the "Agreement"), between the Village of Downers Grove (the "Village") and Cannon Financial Services, Inc. (the "Company"), for lease of a Cannon color copier, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

Village Clerk



Canon Financial Services, Inc. ("CFS")
 P.O. Box 42937
 Philadelphia, Pennsylvania 19101-2937 • (800) 220-0200

LEASE AGREEMENT

AGREEMENT NUMBER _____

NAME (COMPANY LEGAL NAME)		DBA		("Customer")	
BILLING ADDRESS	CITY	COUNTY	STATE	ZIP	
EQUIPMENT ADDRESS	CITY	COUNTY	STATE	ZIP	
CUSTOMER BILLING CONTACT		PHONE ()	FAX ()		

EQUIPMENT INFORMATION			NUMBER AND AMOUNT OF PAYMENTS	
QUANTITY	SERIAL NUMBER	MAKE/MODEL/DESCRIPTION	No. of Pmts.	Total Payment*
1		CANON CLC120 COLOR COPIER	36	919.99
FIRST PAYMENT AMOUNT FIRST & LAST PAYMENT(S) + SECURITY DEPOSIT = TOTAL DUE AT SIGNING \$ _____ \$ _____ \$ _____			Term in months <u>36</u> *Plus Applicable Taxes Payment Frequency: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other: _____	
<input type="checkbox"/> Nonrefundable <input checked="" type="checkbox"/> Check must accompany agreement			END OF TERM PURCHASE OPTION <input checked="" type="checkbox"/> FAIR MARKET VALUE <input type="checkbox"/> 10% \$ _____ (estimated) <input type="checkbox"/> \$1.00 <input type="checkbox"/> Other \$ _____ (estimated)	

THIS AGREEMENT IS EFFECTIVE ONLY UPON SIGNING BY BOTH PARTIES. THIS AGREEMENT IS NON-CANCELLABLE 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.

ACCEPTED

CANON FINANCIAL SERVICES, INC.

By: _____

Title: _____

Date: _____

AUTHORIZED CUSTOMER SIGNATURE

By: X _____ Title: _____

Printed Name: _____

By: X _____ Title: _____

Printed Name: _____

ACCEPTANCE CERTIFICATE

To: Canon Financial Services, Inc. ("CFS")

The Customer certifies that all of the Equipment referred to in the above Agreement has been delivered to and has been received by the Customer, that the installation or other work necessary prior to the use of such Equipment has been completed, that such Equipment has been examined by Customer and is in good operating order and condition and is, in all respects, satisfactory to the Customer, and that such Equipment is irrevocably accepted by the Customer for all purposes under the Agreement. Accordingly, Customer hereby authorizes CFS to purchase the Equipment.

Signature: X _____ Printed Name: _____

Title (if any): _____ Date: _____

TERMS AND CONDITIONS

- LEASE:** CFS leases to Customer and Customer leases from CFS all the equipment described above, together with all replacement parts and substitutions for and additions to all such equipment (the "Equipment"), upon the terms and conditions set forth in this Lease Agreement ("Agreement"). The amount of each Payment specified in Number and Amount of Payments section above ("Payment") and the 10% or Other Purchase Option price specified above are based on the supplier's best estimate of the cost of the Equipment. Such Payments and Purchase Option price will be adjusted upward or downward if the actual total cost of the Equipment, including any sales or use tax, is more or less than the estimate and, in that event, Customer authorizes CFS to adjust such Payments and Purchase Option price by up to fifteen percent (15%).
- LEASE PAYMENTS:** Customer agrees to pay in advance to CFS, during the term of this Agreement, the Payments specified under "Number and Amount of Payments" above as specified in CFS's invoice.
- APPLICATION OF PAYMENTS:** All payments received by CFS from Customer under this Agreement will be applied to amounts due and payable hereunder chronologically, based on the date of CFS's charge as 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.
- TERM OF AGREEMENT:** The term of each Agreement shall commence on the date the Equipment is delivered to Customer, provided the Customer executes CFS's 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 Section 20 hereof or (b) the Equipment has been returned at the end of the scheduled term or renewal term in accordance with Section 19 hereof. The Customer has no right to return the Equipment to CFS prior to the end of the scheduled term of this Agreement for any reason whatsoever, including, without limitation, payment of all amounts due under the Agreement prior to the end of the scheduled term.
- ADVANCE PAYMENTS; SECURITY DEPOSIT:** CFS may apply, but shall not be obligated to apply, any "Advance Payment(s)" or "Security Deposit" specified above to cure any default of Customer, in which event Customer shall promptly

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 the 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 the 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 GUARANTY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN GUARANTORS AND CFS SHALL BE BROUGHT IN A STATE COURT LOCATED IN THE COUNTY OF BURLINGTON, NEW JERSEY, OR A FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN, NEW JERSEY, PROVIDED THAT CFS, AT ITS SOLE OPTION, MAY BRING ANY SUCH ACTION IN A COURT IN THE STATE WHERE THE GUARANTOR IS LOCATED. GUARANTOR, BY ITS EXECUTION AND DELIVERY HEREOF, IRREVOCABLY WAIVES OBJECTIONS TO THE JURISDICTION OF SUCH COURTS AND OBJECTIONS TO VENUE AND CONVENIENCE OF FORUM. GUARANTORS, BY ITS EXECUTION AND DELIVERY HEREOF, AND CFS, BY ITS ACCEPTANCE HEREOF, HEREBY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.

The Guarantors agree that CFS may accept a facsimile copy of this Guaranty as an original, and that facsimile copies of the Guarantor's signatures will be treated as an original and admissible as evidence of this Guaranty.

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

Address: _____ Phone: () _____

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

Address: _____ Phone: () _____

restore to CFS any amount so applied. In no event shall any advance payment or security deposit earn interest. 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. If the "Nonrefundable" box is checked, no portion of the security deposit will be refunded to Customer for any reason whatsoever.

6. NO CFS WARRANTIES: CUSTOMER ACKNOWLEDGES THAT CFS IS NOT A MANUFACTURER, DEALER, OR SUPPLIER OF THE EQUIPMENT. CUSTOMER AGREES THAT THE EQUIPMENT IS LEASED "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, dealer, 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 therefor and specifically referencing this Agreement, Customer shall be deemed to have irrevocably accepted the Equipment. CFS is the lessor and Customer is the lessee of the Equipment under this Agreement. As between CFS and Customer only, this Agreement shall supersede any Customer purchase order. Customer agrees to waive any right of specific performance of this Agreement and 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: 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 the rights of CFS under this Agreement.

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 to file a copy of this Agreement as a financing statement and appoints CFS (and any third party filing service company designated by CFS) as Customer's attorney-in-fact to execute and file, on Customer's behalf, financing statements evidencing the interest of CFS in the Equipment.

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; ALTERATIONS: Customer will keep and maintain the Equipment in good working order and shall, at Customer's expense, supply and install all replacement parts and accessories when required to maintain the Equipment in good working condition. Customer shall not, without the prior written consent of CFS, make any changes or substitutions to the Equipment. Any and all replacement parts, accessories, authorized changes and/or substitutions for the Equipment shall become part of the Equipment and subject to the terms 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, EXPENSES AND CHARGES, together with any applicable penalties or interest, now or at any time imposed upon any item of the Equipment or the Payments payable under this Agreement, whether payable by or assessed to CFS or Customer. If Customer fails to pay any fees, assessments, taxes, or charges as required by the Agreement, CFS shall have the right but not the obligation to pay those fees, assessments, taxes, or charges. If such payments are made by CFS, Customer shall promptly reimburse CFS, upon demand, for all such payments made plus administration costs, if any. Customer acknowledges that where required by law, CFS will file personal property tax returns and pay property taxes, and Customer agrees to pay CFS a processing fee not to exceed \$50 per year for each personal property tax return CFS is required to file. Customer agrees to reimburse CFS for the expense of personal property taxes as estimated and invoiced by CFS. Customer agrees and acknowledges that it has not received any tax advice from CFS. 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 \$30, TO REIMBURSE CFS FOR ITS ADMINISTRATIVE AND RECORDING COSTS. *Customer is exempt from all taxes*

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 Lease Balance." For purposes of this Agreement, the "Remaining Lease 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 this Agreement; plus (iii) the "Casualty Value," and the "Casualty Value" shall be: (A) for an Agreement with a \$1.00 purchase option, \$1.00; (B) for an Agreement with a Fair Market Value purchase option, the fair market value of the Equipment at the time of determination, but not less than 18% of the total cost of the Equipment; and (C) for an Agreement with an Other or 10% Purchase Option, the amount indicated as the respective dollar amount of such Purchase Option on the face of this Agreement. 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, 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 the 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. For as long as neither Customer nor CFS has obtained such insurance, Customer shall pay to CFS, upon demand, an amount equal to 4% of the Payment for each billing period.

14. LOSS; DAMAGE: Customer assumes and shall bear the entire risk of loss, theft of, 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 Lease Balance. Upon CFS's receipt of the Remaining Lease 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 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 is filed by or against Customer or any Guarantor under the Bankruptcy Code; (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 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 of the following remedies: (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 (i) retain such Equipment and all Payments and other sums paid under this Agreement, (ii) re-lease the Equipment and recover from Customer the amount by which the Remaining Lease 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 Lease Balance exceeds the net amount received by CFS from such sale; or (d) to pursue any other remedy permitted at law or in equity.

17. 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 THE 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 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.

18. PERSONAL PROPERTY; OWNERSHIP: 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.

19. RENEWAL; RETURN: Except in the case of an Agreement containing a \$1.00 purchase option, this Agreement shall automatically renew on a month to month basis at the same Payment amount and frequency unless Customer, at least 30 days before the end of the scheduled term or any renewal term, either (i) exercises the purchase option in accordance with its terms or (ii) 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 term by, at least 15 days before the end of any term, sending the Customer written notice that CFS does not want the Agreement to renew. Unless this 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.

20. PURCHASE OPTION: If no Event of Default has occurred and is continuing, Customer shall have the option at any time to purchase all (but not less than all) the Equipment at a price equal to the sum of all remaining payments (if any) plus the Purchase Option price indicated on the face of this Agreement plus any applicable sales taxes and fees. Customer must give CFS irrevocable written notice at least 30 days before the purchase date that it will purchase the Equipment unless the purchase is being made at the end of the term of this Agreement and the Purchase Option price is \$1.00. For the purposes of this Agreement the term "Fair Market Value" shall mean CFS's price in effect at the time Customer exercises its option to purchase the Equipment. The purchase price as defined in this paragraph 20 shall be used for any purchase of the Equipment by the Customer prior to the end of the scheduled term. Upon 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. WAIVER OF OFFSET: This Agreement is a net lease. If the Equipment is not properly installed, does not operate as represented or warranted, or is unsatisfactory for any reason, Customer shall make such claim solely against the supplier, dealer, or manufacturer. Customer waives any and all existing and future claims and offsets against any Payments or other charges due under this Agreement, and unconditionally agrees to pay such Payments and other charges, regardless of any offset or claim which may be asserted by Customer or on its behalf.

22. 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.

23. NOTICES: All notices required or permitted under this Agreement shall be sufficient if delivered personally, sent via facsimile, 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 such notice shall be effective three days after it has been deposited in the mail, duly addressed. All such notices to CFS from Customer shall be effective three days after it has been received via facsimile machine at (609) 386-5181.

24. 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 *Illinois* NEW JERSEY. THE RIGHTS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF *Illinois* NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN CUSTOMER AND CFS SHALL BE BROUGHT IN A STATE COURT LOCATED IN THE COUNTY OF *Illinois* MIDDLESEX COUNTY, NEW JERSEY, OR A FEDERAL COURT LOCATED IN THE COUNTY OF *Illinois* CAMDEN, NEW JERSEY, PROVIDED THAT CFS, AT ITS SOLE OPTION, MAY BRING ANY SUCH ACTION IN A COURT 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.

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

26. 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 (AS APPROVED BY THE AMERICAN LAW INSTITUTE), AND THAT CFS IS ENTITLED TO ALL BENEFITS, PRIVILEGES AND PROTECTIONS OF A LESSOR UNDER A FINANCE LEASE.

27. LATE CHARGES; EXPENSES OF ENFORCEMENT: If Customer fails to pay any sum to be paid by Customer to CFS under this Agreement within five (5) days after 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. 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. 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 less 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.*

28. 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 were 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.

29. 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.

30. FACSIMILE ACCEPTANCE: Customer agrees that CFS may accept a facsimile copy of this Agreement or any Acceptance Certificate as an original, and that facsimile copies of Customer's signature will be treated as an original and will be admissible as evidence of this Agreement or the other document delivered by facsimile.



Canon Financial Services, Inc.
 P.O. Box 42937
 Philadelphia, Pennsylvania 19010-2937

Fiscal Funding Addendum

Contract Number: _____

GOVERNMENTAL ENTITY

Complete Legal Name _____

Billing Address 801 Burlington Ave Phone 630 434-5550
 City Downers Grove State IL ZIP 60515

EQUIPMENT INFORMATION

Equipment Location (if not the same as above)

ALL SAME

City				State		ZIP	
Quantity	Model Number	Serial Number	Equipment Description	Quantity	Model Number	Serial Number	Equipment Description
1	CLC1120		Canon Color Copier				

THIS ADDENDUM WILL BE OF NO FORCE OR EFFECT IF THE CUSTOMER IS NOT A STATE OR A POLITICAL SUBDIVISION OF A STATE WITHIN THE MEANING OF SECTION 103(C) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

The above described Governmental Entity ("Customer") warrants that it has funds available to pay the rental or lease payments ("Payments") payable to the rental or lease agreement ("Agreement") of the above referenced Equipment ("Equipment"), between Customer and Canon Financial Services, Inc. ("CFS"), until the end of its current appropriation period and warrants that the person or entity in charge of preparing Customer's budget will request funds to make Payments in each appropriation period from now until the end of the Agreement. If the person or entity in charge of preparing Customer's budget periodically requests from Customer's legislative body or funding authority, funds to be paid to CFS under the Agreement and, notwithstanding the making in good faith of such request in accordance with appropriate procedures and with the exercise of reasonable care and diligence, such legislative body or funding authority does not appropriate funds to be paid to CFS for the Equipment, Customer may, upon prior written notice to CFS, effective 365 days after giving of such notice or upon the exhaustion of the funding authorized from the then current appropriation period, whichever is later, return the Equipment to CFS, at Customer's expense, and thereupon, Customer shall be released of its obligations to make Payments to CFS due thereafter, provided: (1) the Equipment is returned to CFS as provided for in the Agreement; (2) the above described notice states the failure of the legislative body or funding authority to appropriate the necessary funds as the reason for cancellation; and (3) such notice is accompanied by payment of all amounts due to CFS under the Agreement until the end of the Customer's then current appropriation period.

In the event Customer returns the Equipment pursuant to the terms of the Addendum, CFS shall retain all sums paid by Customer, including the Advanced Payments and Security Deposit (if any) specified in the Agreement.

If the provisions of this Addendum are utilized by Customer, Customer agrees not to purchase lease, or rent and other functionally similar equipment for a period of 365 days following Customer's exercise of its termination rights herein.

This Addendum will not be construed so as to permit the Customer to terminate the Agreement in order to acquire any other equipment or obtain funds directly or indirectly to perform essentially the same application for which the equipment is intended.

The undersigned represents and warrants to CFS that all action required to authorized the execution and delivery of this Addendum on behalf of the above referenced Governmental Entity, by the following signatory has been duly taken and remains in full force and effect. CFS may accept a facsimile copy of this Addendum as an original.

ACCEPTED

Canon Financial Services, Inc.

By _____
 Title _____
 Date _____

Governmental Entity

By _____
 Printed Name _____
 Title _____

RETAIL PURCHASE AGREEMENT

SALES BRANCH CODE LEASING CO. _____

1 (SOLD TO) CODE (SHIP TO) CODE

2 NAME Village of Downers Grove NAME _____

3 ATTN _____ ATTN _____

4 STREET _____ STREET _____

8 CITY _____ STATE _____ CITY _____ STATE _____

8 ZIP _____ PHONE _____ ZIP _____ PHONE _____

9 ORDER DATE _____ CUSTOMER P.O. NO. _____ COUNTY _____

HRS. _____ FT. ELEV. YES NO LOAD DK. YES NO STAIRS YES NO AMT. _____ REQ'D. SHIP DATE ____/____/____

QUANTITY	PRODUCT NUMBER	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
1		CLC 1120		
1		Z40e Network Printing		
		INITIAL Toner + starter		inc.
1		Removal of CLC 900/EDOX		

CREDIT TERMS APPLIED FOR:

NEW CUSTOMER PAYMENT WITH ORDER CHECK NO. _____ AMOUNT _____

CREDIT CARD TYPE _____ NO. _____ EXP. DATE _____

NET 15 SPECIAL TERMS _____ LEASE LEASE TYPE FMV MONTHLY PAYMENT 919.00

CREDIT APPLICATION MUST ACCOMPANY ORDER FOR ALL NEW ACCOUNTS. THIS ORDER SUBJECT TO CREDIT APPROVAL

36mo.

SALES TAX
FREIGHT
INSTALLATION
REMOVAL
SUB TOTAL
LEASE BUYOUT
ORDER TOTAL

MARKET RESEARCH DATA

1. Canon equipment replacing Canon equipment

2. Canon Equipment replacing competitor's equipment
• Make: _____ • Model: _____

3. Net new placement

SPECIAL INSTRUCTIONS

CUSTOMER ACCEPTANCE:
CUSTOMER, BY ITS SIGNATURE, AGREES TO PURCHASE THE ITEMS SPECIFIED ABOVE. CUSTOMER ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT. THE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE HEREOF ARE INCORPORATED AND MADE PART OF THIS AGREEMENT.

CUSTOMER NAME (PLEASE PRINT) TITLE _____ CUSTOMER SIGNATURE _____ DATE _____

SALES REPRESENTATIVE NAME: CUSINATO NUMBER: 252726 SALES MANAGER APPROVAL: _____ SALES DIRECTOR APPROVAL: _____

SALES REPRESENTATIVE NAME: _____ NUMBER: _____ BRANCH ADMINISTRATOR APPROVAL: _____ CREDIT AUTHORIZATION: _____

ALL ORDERS ARE SUBJECT TO THE APPROVAL OF AMBASSADOR BUSINESS SOLUTIONS, INC. SALES TAX WILL BE PAYABLE ON ANY ORDER THAT IS SUBJECT TO SALES TAX UNDER ILLINOIS STATE LAW.

ADDITIONAL TERMS AND CONDITIONS

1. **PRICE AND PAYMENT:** In addition to the amounts shown on the reverse side hereof, Customer shall pay Ambassador's rates for any special rigging required for delivery and installation. The purchase price specified on the reverse side hereof is due and payable in full net 15 days from customer's receipt of Ambassador's invoice therefore, or as otherwise provided on the reverse side. Deposits, if any, paid by Customer shall be applied by Ambassador without interest against amounts due and owing by Customer. Ambassador reserves the right to withhold shipment of the Equipment until Customer makes full payment of the purchase price or to revoke any credit extended to Customer because of its failure to pay any amounts when due or for any other reason affecting Customer's creditworthiness.
2. **EQUIPMENT LEASE:** If Customer has elected on the reverse side hereof to lease the Equipment, Customer shall (a) be deemed to have assigned its rights hereunder to the Leasing Company designated on the reverse side hereof, and (b) enter into a lease agreement with the Leasing Company. Such assignment is conditioned upon the Leasing Company's full payment of the purchase price of the Equipment, and shall not relieve Customer of any of its obligations hereunder, including its obligation (unless otherwise agreed with the Leasing Company) to pay directly to Ambassador all charges hereunder.
3. **WARRANTY:** For ninety (90) days after the date of original delivery, or the expiration date of the relevant equipment warranty packaged with Canon ® brand equipment, whichever occurs sooner, Ambassador warrants that under normal use and maintenance conditions all such Equipment will be free from defects in material and workmanship. Warranty claims must be made in writing by Customer to Ambassador no later than five (5) business days after the expiration of the warranty period. Ambassador's obligations under this warranty are subject to paragraph 4 below and are limited solely to repair or replacement (at Ambassador's sole option) of such parts as are proven to be defective upon Ambassador's inspection. Other than as set forth in this paragraph 3, Ambassador EXPRESSLY DISCLAIMS AND EXCLUDES ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, RELATING TO THE USE OR PERFORMANCE OF THE EQUIPMENT. IN ADDITION, AMBASSADOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO SOFTWARE OR WITH RESPECT TO NON-CANON BRAND EQUIPMENT OR PARTS. AMBASSADOR ASSIGNS TO CUSTOMER WITHOUT RECOURSE ANY WARRANTIES MADE BY THE MANUFACTURER OF SUCH SOFTWARE OR NON-CANON BRAND EQUIPMENT OR PARTS.
4. **NON-COVERED SERVICE:** The warranty provided in paragraph 3 shall not cover, and Customer shall pay Ambassador's then-current labor, parts and/or supplies charges for (a) replacement of any consumable supply item including without limitation paper, bulbs, chemicals, film, ink rollers or ribbons, print/Daisy wheels, correcting tapes, correctable ribbon cassettes, fuser oil, waste toner bins, diskettes, font cartridges, toner and toner cartridges, (b) repairs resulting from or service visits required as a result of inadequate key operator involvement (e.g., if an Ambassador technician is dispatched to rectify a problem covered by the operator manual), (c) repairs necessitated by factors other than normal use including, without limitation (i) any willful act, negligence, abuse or misuse of the Equipment, (ii) the use of parts or supplies not supplied by Ambassador and which cause abnormally frequent service calls or service problems, (iii) service performed by personnel other than Ambassador service technicians, (iv) transportation of the Equipment, (v) accident and (vi) electrical power malfunction or extreme heating, cooling or humidity ambient conditions, or (d) re-installation of the Equipment. CUSTOMER EXPRESSLY ACKNOWLEDGES THAT THE FURNISHING OF WARRANTY SERVICES HEREUNDER DOES NOT ASSURE UNINTERRUPTED OPERATION AND USE OF THE EQUIPMENT.
5. **LIMITATION OF LIABILITY:** AMBASSADOR SHALL NOT BE LIABLE FOR PERSONAL INJURY OR PROPERTY DAMAGE UNLESS CAUSED BY AMBASSADOR'S NEGLIGENCE. AMBASSADOR SHALL NOT BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR INABILITY TO USE THE EQUIPMENT, REGARDLESS OF THE LEGAL THEORY ON WHICH THE CLAIM IS BASED AND EVEN IF AMBASSADOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
6. **CHOICE OF LAW:** THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS. ~~ANY SUIT BETWEEN THE PARTIES HERETO, OTHER THAN ONE SEEKING PAYMENT OF AMOUNTS DUE HEREUNDER, SHALL BE COMMENCED, IF AT ALL, WITHIN ONE (1) YEAR OF THE DATE THAT THE CLAIM ACCRUES. THE PARTIES IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUIT BETWEEN THEM.~~
7. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties with respect to the purchase of the Equipment, superseding all previous proposals, oral or written. No representation or statement not contained on the original of this Agreement shall be binding upon Ambassador as a warranty or otherwise, nor shall this Agreement be modified or amended except by a writing signed by an officer of Ambassador and by the Customer. Customer expressly disclaims having relied upon any representation or statement concerning the capability, condition, operation, performance or specifications of the Equipment except to the extent set forth on the original of this Agreement.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT
BETWEEN THE VILLAGE OF DOWNERS GROVE
AND AMBASSADOR BUSINESS SOLUTIONS, INC.**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement (the "Agreement"), between the Village of Downers Grove (the "Village") and Ambassador Business Solutions, Inc. (the "Company"), for copier maintenance services, as set forth in the form of the Agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

Village Clerk

