



THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

MATERIALS MANAGEMENT DEPARTMENT

101 OLD VENICE ROAD

OSPREY, FLORIDA 34229

TELEPHONE (941) 486-2183 • FAX (941) 486-2188

MEMORANDUM

**TO: Members of the School Board
Lori White, Superintendent
Mitsi Corcoran, Chief Financial Officer**

FROM: Pat Black, CPPB, Director of Materials Management

TITLE: APROVAL TO LEASE PRINT SHOP EQUIPMENT

The Print Shop requests permission to replace the three Docutech digital copy machines leased from Xerox Corporation. The equipment is five years old and needs to be updated. The Print Shop currently produces 67 million impressions a year, operating 24 hours a day, 5 days a week. The new equipment will increase print capacity by 20% and provide a lower cost per copy. The projected cost is \$37,964.38 a month for 72 months. This results in an upgrade of equipment and printing capacity while saving approximately \$700 per year over the current lease. This equipment is contained on the Marion County School Board RFP #3029JD for 'Digital Multifunction Copiers' and includes sole source maintenance for a Bourg booklet maker. The funds for this purchase are contained in the operating budget allocated to the Print Shop.

Requested by:
Pat Black/
Jeanne Torres

"Failure to file a protest within the time prescribed in Section 120.57(3), Florida Statutes, or failure to post the protest bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120, Florida Statutes."

Posting Date: 11-11-08

Fiscal Impact: 72 Month Lease
\$2,733,435.00

Funding: 1101 - Operating

Recommended Motion: That the lease of Docutech equipment from Xerox Corporation, in the amount of \$2,733,435.00 for a 72 month period, be approved for purchase.

(over)



Prepared for Sarasota County Schools

3 - Xerox 6180s
2 - FreeFlow Make Ready Systems
Presented on October 21, 2008

Proposed Configuration

72 month fair market value lease		
New Xerox 6180 & Controller – 1	\$ 9,342.54	1,000,000 included – overage 0.0036
New Xerox 6180 & Controller – 2	\$ 9,342.54	1,000,000 included – overage 0.0036
New Xerox 6180 w/bypass & Controller - 3	\$ 9,938.90	1,000,000 included – overage 0.0036
Booklet Maker Maintenance	\$ 504.00	
<u>2 – New FreeFlow MakeReady Systems</u>	<u>\$ 1,276.40</u>	(Retain existing scanners)
Total Base Cost	\$ 30,404.38	
Average overage – 2,100,000 * 0.0036	\$ 7,560.00	
Total Proposed Cost	\$ 37,964.38	

The proposed solution will provide Sarasota County Schools with the following benefits that will allow the print shop to better serve teachers, students and administrators.

- Increase print capacity by 20% which will allow the print shop to be more productive and eliminate potential overtime.
- Lower the print overage rate to 0.0036 – Based on past volume, this will reduce overage costs by \$600 to \$1,400 per month.
- Replace all existing printer hardware. The current systems have 5 years of heavy wear.
- Replace all DocuSP print server with FreeFlow MakeReady print servers. This will provide enhanced productivity by utilizing the new workflow features.
- Implement 2 full image make ready systems. The current configuration only allows one operator to edit documents in the prepress workflow.
- Upgrade the DigiPath system to the FreeFlow Make Ready system with enhanced workflow and productivity features.
- Implementation includes refresher training. This will allow new operators to receive formal training which will increase productivity.
- Includes Xerox Systems Analyst implementation project management.
- Pricing is fixed over the lease term.
- Includes all supplies except paper, staples and binder tape
- Based on Marion County Schools contract

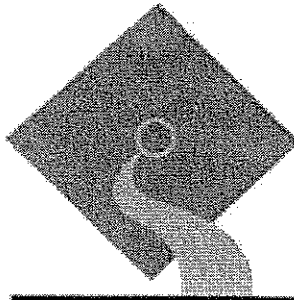
***Xerox Headquarters approved 2008 exception pricing. Quote valid through November 20, 2008.
Requires full solution installation by 12/31/2008.**

The contents of this proposal are considered to be Xerox private data and are provided for the exclusive use of Sarasota County. The contents herein may not be reproduced without the specific written permission of Xerox Corporation. This proposal is for informational purposes only and does not constitute a contract or an offer to contract. Should you find this proposal of interest, we would be pleased to submit contract terms.

Prepared by Tom Mickles, Production Solutions Executive, Xerox Corporation.

Xerox Corporation
1000 Sawgrass Corp Pkwy
Suite 500
Sunrise, FL 33323
Cell 727 643-9920
Thomas.Mickles@xerox.com





Marion County Public Schools

Where Every Child Can Learn

PURCHASING DEPARTMENT

506 S.E. Third Avenue

Ocala, FL 34471

(352) 671-7500

Fax (352) 671-7504

October 11, 2006

MEMORANDUM

TO: Xerox Corporation
c/o Precision Office Systems
416 S.W. 13th Street
Ocala, FL 34474

FROM: Jeffrey T. Lemstrom, Purchasing Specialist

SUBJECT: Board Approval Award

The Marion County School Board at its regular meeting October 10, 2006 has voted to award RFP #3029JD for Digital Multifunctional Copier/Printer, Three Year Fixed Price Contract, 9/26/06 – 9/30/09 to Xerox Corporation, c/o Precision Office Systems, Ocala, Florida.

Tabulations of the bid are available on the purchasing website www.marion.k12.fl.us and are also posted in the Purchasing Department office at 506 SE 3rd Avenue, Ocala, Florida 34471.

Thank You,

Jeffrey T. Lemstrom, Purchasing Specialist
Marion County District School Board



Lease Agreement

Customer: SCHOOL BOARD OF SARASOTA COUNTY

Bill To: SARASOTA SCHOOL BOARD

Attn: Accts Payable
1960 Landings Blvd
Sarasota, FL 34231-3365

Install: SARASOTA SCHOOL PRINT SHOP

Attn: Peggy Long
101 Old Venice Rd
Osprey, FL 34229-9023

State or Local Government Negotiated Contract : 072265900

SSPA
EXCELLENCE
IN SERVICE OPERATIONS
2008



Certified Three Consecutive Years!

Solution

Item	Product Description	Agreement Information	Trade Information	Requested Install Date
1.	6180PMC (PRINT MODULE) - 2 Tray Intrposer Rqd - Bypass Transport - Analyst Services - Customer Ed	Lease Term: 72 months Purchase Option: FMV	- Xerox 6135 S/N H2L113453 Trade-In as of Payment 60	12/17/2008
2.	6180PMC (PRINT MODULE) - 2 Tray Intrposer Rqd - Finisher - Analyst Services - Customer Ed	Lease Term: 72 months Purchase Option: FMV	- Xerox 6180 S/N 8VE050298 Trade-In as of Payment 60	12/15/2008
3.	6180PMC (PRINT MODULE) - 2 Tray Intrposer Rqd - Finisher - Analyst Services - Customer Ed	Lease Term: 72 months Purchase Option: FMV	- Xerox 6135 S/N H2L113467 Trade-In as of Payment 60	12/15/2008
4.	DT-CNTL8C (61XX CONTROLLER) - Printer Speed Enable - Imposition License	Lease Term: 72 months Purchase Option: FMV	- Xerox 61XX CNTRL S/N PVH604335 Trade-In as of Payment 60	12/15/2008
5.	DT-CNTL8C (61XX CONTROLLER) - Printer Speed Enable - Imposition License	Lease Term: 72 months Purchase Option: FMV	- Xerox 61XX CNTRL S/N PVK539846 Trade-In as of Payment 60	12/15/2008
6.	DT-CNTL8C (61XX CONTROLLER) - Printer Speed Enable - Imposition License	Lease Term: 72 months Purchase Option: FMV	- Xerox 61XX CNTRL S/N PVK539758 Trade-In as of Payment 60	12/17/2008

Authorized Signature

Customer acknowledges receipt of the terms of this agreement which consists of 4 pages including this face page.

Signer: Caroline Zucker

Phone: (941)486-2165

Signature: _____

Date: _____

Thank You for your business!
This Agreement is proudly presented by Xerox and

Tom Mickles
(727)643-9920

For information on your Xerox Account, go to
www.xerox.com/AccountManagement



Monthly Pricing

Item	Lease Minimum Payment	Maintenance Minimum Payment	Print Charges			Maintenance Plan Features
			Meter	Volume Band	Per Print Rate	
1. 6180PMC	\$4,266.73	\$4,954.06	1: Mtr A 2: Mtr B	1 - 1,000,000 1,000,001+ All Prints	Included \$0.0036 \$0.0000	- Consumable Supplies Included for all prints - Pricing Fixed for Term
2. 6180PMC	\$3,795.14	\$4,834.80	1: Mtr A 2: Mtr B	1 - 1,000,000 1,000,001+ All Prints	Included \$0.0036 \$0.0000	- Consumable Supplies Included for all prints - Pricing Fixed for Term
3. 6180PMC	\$3,795.14	\$4,834.80	1: Mtr A 2: Mtr B	1 - 1,000,000 1,000,001+ All Prints	Included \$0.0036 \$0.0000	- Consumable Supplies Included for all prints - Pricing Fixed for Term
4. DT-CNTL8C	\$616.84	\$101.26	N/A	N/A	N/A	- Full Service Maintenance Included - Pricing Fixed for Term
5. DT-CNTL8C	\$611.34	\$101.26	N/A	N/A	N/A	- Full Service Maintenance Included - Pricing Fixed for Term
6. DT-CNTL8C	\$611.34	\$101.26	N/A	N/A	N/A	- Full Service Maintenance Included - Pricing Fixed for Term
Total	\$13,696.53	\$14,927.44	Minimum Payments (Excluding Applicable Taxes)			

Terms and Conditions

INTRODUCTION:

1. NEGOTIATED CONTRACT. The Products are subject solely to the terms contained in the Negotiated Contract identified on the face of this Agreement, and, if applicable, the then current standard Xerox terms and conditions for the selected option or options, to the extent the subject matter of any such selected option is not addressed in the Negotiated Contract.

GOVERNMENT TERMS:

2. REPRESENTATIONS & WARRANTIES. You hereby represent and warrant, as of the date of this Agreement, that: (1) you are a State or a fully constituted political subdivision or agency of the State in which you are located and are authorized to enter into, and carry out, your obligations under this Agreement and any other documents required to be delivered in connection with the Agreement (collectively, the "Documents"); (2) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations (including, but not limited to, all applicable laws governing open meetings, public bidding and appropriations required in connection with this Agreement and the acquisition of the Equipment) and are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; (3) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the lease term only by you and only to perform such function; (4) your obligations to remit payments under this Agreement constitute a current expense and not a debt under applicable state law and no provision of this Agreement constitutes a pledge of your tax or general revenues and any provision that is so construed by a court of competent jurisdiction is void from the inception of this Agreement; and (5) all payments due and to become due under the Agreement are payable from sources other than ad valorem taxes. Your payment is due within forty-five (45) days of our invoice date.

3. FUNDING. You intend to remit and reasonably believe that moneys in an amount sufficient to remit all payments due and to become due during the term of this Agreement can and will lawfully be appropriated and made available to permit your continued utilization of the Products under this Agreement and the performance of its essential function during the term of this Agreement. The person in charge of preparing your budget will include in each of your fiscal budgets a request for the payments due and to become due in such fiscal period. You acknowledge that appropriation of moneys for payment required under this Agreement is a governmental function which you cannot contractually commit yourself in advance to perform and this Agreement does not constitute: (1) a multiple fiscal year direct or indirect debt or financial obligation; (2) an obligation payable in any fiscal year beyond the fiscal year for which funds are lawfully appropriated; or, (3) an obligation creating a pledge of or a lien on your tax or general revenues. In the event that your governing board does not approve an appropriation of funds at any time during the term of this Agreement for payments due and to become due for a fiscal year during the term of this Agreement, you shall have the right terminate this Agreement on the last day of the fiscal period for which sufficient appropriations were received without penalty or expense to you, except as to the portion of payments required hereunder for which funds shall have been appropriated and budgeted. If you so elect to terminate this Agreement, you agree at your expense to return the Equipment in good condition to a location designated by Xerox and that, when returned, the Equipment will be free of all liens and encumbrances. You will then be released from your obligations to make any further payments to Xerox beyond those due for the current fiscal year (with Xerox retaining all sums paid to date). At least thirty (30) days prior to the end of your fiscal year, your chief executive officer (or legal counsel) shall certify in writing that (a) despite reasonable efforts to obtain sufficient appropriations, funds have not been appropriated for the ensuing fiscal period, and (b) you have exhausted all funds legally available for the payment of sums due and to become due under this Agreement. You acknowledge and agree that this non-appropriation provision is not intended to be used as a substitute for convenience termination. To the extent permitted by applicable law, you acknowledge and agree not to utilize the non-appropriation provision for such purposes.

SOLUTION/SERVICES:

4. FREEFLOW(R) LICENSE. The following terms shall apply to Xerox FreeFlow Print Server™/DocuSP(R) software that is Base Software (FreeFlow Base Software) and/or Application Software identified as Xerox FreeFlow(R) software (including, but not limited to, FreeFlow Makeready(R), FreeFlow Process Manager™, FreeFlow Output

Manager™, FreeFlow Web Services™, FreeFlow Document Library™, FreeFlow Prepress Suite(R), Print Shop PDF Conversion Tool, Stand Alone Quick Print, Print Manager, FreeFlow VI Suite, and Digipath(R) to FreeFlow Software Upgrade) (FreeFlow Application Software) and shall be additive to those found elsewhere in this Agreement. FreeFlow Base Software and FreeFlow Application Software are collectively referred to as FreeFlow Software .

A. FreeFlow Software may contain Java technology licensed from Sun Microsystems, Inc. (Sun). You may not create additional classes to, or modifications of, the Java technology, except under compatibility requirements through a separate agreement available at www.java.net. Sun supports and thanks the global community of open source developers for its important contributions. Sun benefits from this community through the open standards-based technology from which many of Sun's products were developed. Please note that portions of FreeFlow Software may be provided with notices and licenses from open source developers and other third parties that govern the use of those portions. Any licenses granted hereunder do not alter any rights and obligations you may have under such open source licenses, however, the disclaimer of warranty and limitation of liability provisions in this Agreement will apply to all FreeFlow Software.

B. FreeFlow Base Software may contain Intellifont Software licensed from Monotype Imaging, Inc. (Monotype). You acknowledge that title to the Intellifont Software remains at all times with Monotype and agree not to disclose the Intellifont Software to any third party without the prior written consent of Monotype and Xerox.

C. FreeFlow Software may include and/or incorporate certain software provided by Adobe Systems Incorporated, 345 Park Avenue, San Jose, CA 95110 (Adobe).

1. Adobe, Adobe Configurable PostScript Interpreter, Adobe Normalizer, Adobe Postscript(R) and Adobe PDF Library (individually and collectively Adobe Licensed Software) are either registered trademarks or trademarks of Adobe in the United States and/or other countries. Any use by you of trademarks permitted hereunder shall be in accordance with accepted trademark practice, including identification of the trademark owner's name.

2. Adobe is a third party beneficiary of this Agreement to the extent that this Agreement contains provisions which relate to your use of Adobe Licensed Software. Such provisions are made expressly for the benefit of Adobe and are enforceable by Adobe in addition to Xerox.

3. You are granted the right to use (i) the digitally-encoded machine-readable outline data (Font Programs) encoded in the special format and in the encrypted form (Coded Font Programs) to produce weights, styles, and versions of letters, numerals, characters and symbols (Typefaces) on the unit(s) of Equipment with which the Coded Font Programs were provided by Xerox, or if you install FreeFlow Application Software on a computer that you supply, then only on such computer; and (ii) the trademarks used by Xerox to identify the Coded Font Programs and Typefaces only to identify printed output produced by the Coded Font Programs.

4. You may embed copies of the Font Programs into your electronic documents for the purpose of printing and viewing the document. You are responsible for ensuring that you have the right and are authorized by any necessary third parties to embed any Font Programs in electronic documents created with the FreeFlow Application Software. If the Font Programs are identified as licensed for editable embedding at www.adobe.com/type/browser/legal/embeddingeula.html, you may also embed copies of that Font Programs for the additional purpose of editing your electronic documents. No other embedding rights are implied or permitted under this license.

5. If you license FreeFlow Process Manager without also licensing the 100-User PDF Conversion or the Maximum-User PDF Conversion option, you may use high resolution Adobe PDF files resulting from the automated conversion of documents only for your subsequent printing purposes. If you have also licensed the 100-User PDF Conversion option, you may use FreeFlow Process Manager to convert files into the Adobe PDF format for a maximum of one hundred (100) users.

6. If you license FreeFlow Web Services, you may use high resolution Adobe PDF files resulting from the automated conversion of documents only for your subsequent printing purposes.

D. You shall not, without the prior written consent of Xerox and its licensors: (a) alter the digital configuration of the FreeFlow Software, or solicit others to cause the same, so as to change the visual appearance of any of the FreeFlow Software output; (b) use the FreeFlow Software in any way that is not authorized by this Agreement; (c) use the embedded code within the FreeFlow Software outside of the equipment on which it was installed in a stand-alone, time-share or service bureau model; (d) disclose the results of any performance or benchmark tests of the FreeFlow Software; (e) publish the

Terms and Conditions

results of any benchmark tests of database software licensed from Oracle Corporation that is incorporated in FreeFlow Application Software; (f) use the FreeFlow Software for any purpose other than to carry out the purposes of this Agreement; or (g) disclose or otherwise permit any other person or entity access to the object code of the FreeFlow Software.

E. Upon not less than forty-five (45) days prior written notice, Xerox and/or its licensors may, at their expense, directly or through an independent auditor, audit your use of FreeFlow Process Manager and all relevant records not more than once annually. Any such audit shall be conducted at a mutually agreed location and shall not unreasonably interfere with your business activities. You agree to cooperate with the audit and provide reasonable assistance and access to information including, but not limited to, relevant records, agreements, workstations, servers, and technical personnel. If an audit reveals that you have underpaid fees in excess of five percent (5%), then you shall pay Xerox's and/or its licensors' reasonable costs of conducting the audit.

F. In the event FreeFlow Process Manager is subject to a lending or leasing arrangement entered into with a party other than Xerox (Financing Arrangement), then, for the shorter of ten (10) years from the date of such Financing Arrangement or the specified term thereof, the party that provides the Financing Arrangement shall not be prevented from enforcing a valid security interest by the nontransferable nature of the license granted to you hereunder, provided that the rights acquired by such party shall otherwise be restricted in accordance with the terms set forth in the Agreement governing Application Software.

G. If you license FreeFlow Makeready Copyright Management, then you agree not to disclose the results of any benchmark test of Microsoft SQL Server to any third party without Microsoft's prior written approval.

H. If you install FreeFlow Application Software on a computer that you supply, then the following terms apply:

1. You may only install and use FreeFlow Process Manager on a computer having the ability to run a maximum of four processors.

2. Xerox will only be obligated to support FreeFlow Application Software if it is installed on hardware and software meeting Xerox's published specifications (Workstation).

3. If you use FreeFlow Application Software with any hardware or software other than a Workstation, all representations and warranties accompanying such FreeFlow Application Software shall be void and any support/maintenance you contract for in connection with such FreeFlow Application Software shall be voidable and/or subject to

additional charges.

4. You are solely responsible for: (i) the acquisition and support, including any and all associated costs, charges and other fees, of any Workstation you supply; (ii) compliance with all terms governing such Workstation acquisition and support, including terms applicable to any non-Xerox software associated with such Workstation; and (iii) ensuring that such Workstation meets Xerox's published specifications. Xerox reserves the right to charge its then-current time and materials rate for any time spent supporting a Workstation that does not meet Xerox's published specifications.

PRICING PLAN/OFFERING SELECTED:

5. SEPARATELY BILLED MAINTENANCE SERVICES. For Products that include a Maintenance Minimum Payment, Xerox shall maintain the Equipment as part of this Agreement in consideration of your payment of the Maintenance Minimum Payment, which shall be billed on a separate invoice. Your obligation to pay the Maintenance Minimum Payment shall be in effect for the same period as this Agreement, including any extensions thereof.

6. PRICING FIXED FOR TERM. If Pricing Fixed for Term is identified in the Maintenance Plan Features, the amount you pay Xerox to maintain the Equipment shall not increase during the initial term of this Agreement.

7. REFINANCE OF PRIOR AGREEMENT. If Prior Xerox Agreement is identified in the Agreement, the balance is included in the amount financed under this Agreement and shall be paid for through your Minimum Payments. If your prior agreement is with a third party, you hereby acknowledge that you have the right to terminate the agreement and agree to provide a statement from the third party identifying the equipment at issue and the amount to be paid off (as well as a statement from you identifying the payee and mailing address for your payoff check). If your prior agreement was with Xerox, the use of this refinance option shall render your prior agreement null and void. If you breach any of your obligations, the full amount of your prior agreement balance shall be immediately due and payable.

GENERAL TERMS & CONDITIONS:

8. REMOTE DATA COLLECTION. Xerox may automatically collect from the Equipment, via electronic transmission to a secure off-site location, certain data used by Xerox or a designated servicer to support and service the Equipment, or for Xerox billing, supplies replenishment or product improvement purposes. Automatically transmitted data may include, but is not limited to, product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. All such data shall be transmitted in a secure manner specified by Xerox.



Lease Agreement

Customer: SCHOOL BOARD OF SARASOTA COUNTY

Bill To: SARASOTA SCHOOL BOARD
Attn: Accts Payable
1960 Landings Blvd
Sarasota, FL 34231-3365

Install: SARASOTA SCHOOL PRINT SHOP
Attn: Peggy Long
101 Old Venice Rd
Osprey, FL 34229-9023

State or Local Government Negotiated Contract : 072265900



Certified Three Consecutive Years!

Solution

Table with 4 columns: Item, Product Description, Agreement Information, Trade Information, and Requested Install Date. Contains two rows of equipment details for FFMKRC (MAKEREADY).

Monthly Pricing

Table with 7 columns: Item, Lease Minimum Payment, Maintenance Minimum Payment, Print Charges (Meter, Volume Band, Per-Print Rate), and Maintenance Plan Features. Includes a Total row.

Authorized Signature

Customer acknowledges receipt of the terms of this agreement which consists of 3 pages including this face page.

Signer: Caroline Zucher

Phone: (941)486-2165

Signature: _____

Date: _____

Thank You for your business! This Agreement is proudly presented by Xerox and

Tom Mickles (727)643-9920

For information on your Xerox Account, go to www.xerox.com/AccountManagement



Terms and Conditions

INTRODUCTION:

1. NEGOTIATED CONTRACT. The Products are subject solely to the terms contained in the Negotiated Contract identified on the face of this Agreement, and, if applicable, the then current standard Xerox terms and conditions for the selected option or options, to the extent the subject matter of any such selected option is not addressed in the Negotiated Contract.

GOVERNMENT TERMS:

2. REPRESENTATIONS & WARRANTIES. You hereby represent and warrant, as of the date of this Agreement, that: (1) you are a State or a fully constituted political subdivision or agency of the State in which you are located and are authorized to enter into, and carry out, your obligations under this Agreement and any other documents required to be delivered in connection with the Agreement (collectively, the "Documents"); (2) the Documents have been duly authorized, executed and delivered by you in accordance with all applicable laws, rules, ordinances and regulations (including, but not limited to, all applicable laws governing open meetings, public bidding and appropriations required in connection with this Agreement and the acquisition of the Equipment) and are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body and hold the offices indicated below their signatures, each of which are genuine; (3) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the lease term only by you and only to perform such function; (4) your obligations to remit payments under this Agreement constitute a current expense and not a debt under applicable state law and no provision of this Agreement constitutes a pledge of your tax or general revenues and any provision that is so construed by a court of competent jurisdiction is void from the inception of this Agreement; and (5) all payments due and to become due under the Agreement are payable from sources other than ad valorem taxes. Your payment is due within forty-five (45) days of our invoice date.

3. FUNDING. You intend to remit and reasonably believe that moneys in an amount sufficient to remit all payments due and to become due during the term of this Agreement can and will lawfully be appropriated and made available to permit your continued utilization of the Products under this Agreement and the performance of its essential function during the term of this Agreement. The person in charge of preparing your budget will include in each of your fiscal budgets a request for the payments due and to become due in such fiscal period. You acknowledge that appropriation of moneys for payment required under this Agreement is a governmental function which you cannot contractually commit yourself in advance to perform and this Agreement does not constitute: (1) a multiple fiscal year direct or indirect debt or financial obligation; (2) an obligation payable in any fiscal year beyond the fiscal year for which funds are lawfully appropriated; or, (3) an obligation creating a pledge of or a lien on your tax or general revenues. In the event that your governing board does not approve an appropriation of funds at any time during the term of this Agreement for payments due and to become due for a fiscal year during the term of this Agreement, you shall have the right terminate this Agreement on the last day of the fiscal period for which sufficient appropriations were received without penalty or expense to you, except as to the portion of payments required hereunder for which funds shall have been appropriated and budgeted. If you so elect to terminate this Agreement, you agree at your expense to return the Equipment in good condition to a location designated by Xerox and that, when returned, the Equipment will be free of all liens and encumbrances. You will then be released from your obligations to make any further payments to Xerox beyond those due for the current fiscal year (with Xerox retaining all sums paid to date). At least thirty (30) days prior to the end of your fiscal year, your chief executive officer (or legal counsel) shall certify in writing that (a) despite reasonable efforts to obtain sufficient appropriations, funds have not been appropriated for the ensuing fiscal period, and (b) you have exhausted all funds legally available for the payment of sums due and to become due under this Agreement. You acknowledge and agree that this non-appropriation provision is not intended to be used as a substitute for convenience termination. To the extent permitted by applicable law, you acknowledge and agree not to utilize the non-appropriation provision for such purposes.

SOLUTION/SERVICES:

4. FREEFLOW(R) LICENSE. The following terms shall apply to Xerox FreeFlow Print Server™/DocuSP(R) software that is Base Software (FreeFlow Base Software) and/or Application Software identified as Xerox FreeFlow(R) software (including, but not limited to, FreeFlow Makeready(R), FreeFlow Process Manager™, FreeFlow Output

Manager™, FreeFlow Web Services™, FreeFlow Document Library™, FreeFlow Prepress Suite(R), Print Shop PDF Conversion Tool, Stand Alone Quick Print, Print Manager, FreeFlow VI Suite, and Digipath(R) to FreeFlow Software Upgrade) (FreeFlow Application Software) and shall be additive to those found elsewhere in this Agreement. FreeFlow Base Software and FreeFlow Application Software are collectively referred to as FreeFlow Software .

A. FreeFlow Software may contain Java technology licensed from Sun Microsystems, Inc. (Sun). You may not create additional classes to, or modifications of, the Java technology, except under compatibility requirements through a separate agreement available at www.java.net. Sun supports and thanks the global community of open source developers for its important contributions. Sun benefits from this community through the open standards-based technology from which many of Sun's products were developed. Please note that portions of FreeFlow Software may be provided with notices and licenses from open source developers and other third parties that govern the use of those portions. Any licenses granted hereunder do not alter any rights and obligations you may have under such open source licenses, however, the disclaimer of warranty and limitation of liability provisions in this Agreement will apply to all FreeFlow Software.

B. FreeFlow Base Software may contain Intellifont Software licensed from Monotype Imaging, Inc. (Monotype). You acknowledge that title to the Intellifont Software remains at all times with Monotype and agree not to disclose the Intellifont Software to any third party without the prior written consent of Monotype and Xerox.

C. FreeFlow Software may include and/or incorporate certain software provided by Adobe Systems Incorporated, 345 Park Avenue, San Jose, CA 95110 (Adobe).

1. Adobe, Adobe Configurable PostScript Interpreter, Adobe Normalizer, Adobe Postscript(R) and Adobe PDF Library (individually and collectively Adobe Licensed Software) are either registered trademarks or trademarks of Adobe in the United States and/or other countries. Any use by you of trademarks permitted hereunder shall be in accordance with accepted trademark practice, including identification of the trademark owner's name.

2. Adobe is a third party beneficiary of this Agreement to the extent that this Agreement contains provisions which relate to your use of Adobe Licensed Software. Such provisions are made expressly for the benefit of Adobe and are enforceable by Adobe in addition to Xerox.

3. You are granted the right to use (i) the digitally-encoded machine-readable outline data (Font Programs) encoded in the special format and in the encrypted form (Coded Font Programs) to produce weights, styles, and versions of letters, numerals, characters and symbols (Typefaces) on the unit(s) of Equipment with which the Coded Font Programs were provided by Xerox, or if you install FreeFlow Application Software on a computer that you supply, then only on such computer; and (ii) the trademarks used by Xerox to identify the Coded Font Programs and Typefaces only to identify printed output produced by the Coded Font Programs.

4. You may embed copies of the Font Programs into your electronic documents for the purpose of printing and viewing the document. You are responsible for ensuring that you have the right and are authorized by any necessary third parties to embed any Font Programs in electronic documents created with the FreeFlow Application Software. If the Font Programs are identified as licensed for editable embedding at www.adobe.com/type/browser/legal/embeddingeula.html, you may also embed copies of that Font Programs for the additional purpose of editing your electronic documents. No other embedding rights are implied or permitted under this license.

5. If you license FreeFlow Process Manager without also licensing the 100-User PDF Conversion or the Maximum-User PDF Conversion option, you may use high resolution Adobe PDF files resulting from the automated conversion of documents only for your subsequent printing purposes. If you have also licensed the 100-User PDF Conversion option, you may use FreeFlow Process Manager to convert files into the Adobe PDF format for a maximum of one hundred (100) users.

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D. You shall not, without the prior written consent of Xerox and its licensors: (a) alter the digital configuration of the FreeFlow Software, or solicit others to cause the same, so as to change the visual appearance of any of the FreeFlow Software output; (b) use the FreeFlow Software in any way that is not authorized by this Agreement; (c) use the embedded code within the FreeFlow Software outside of the equipment on which it was installed in a stand-alone, time-share or service bureau model; (d) disclose the results of any performance or benchmark tests of the FreeFlow Software; (e) publish the

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results of any benchmark tests of database software licensed from Oracle Corporation that is incorporated in FreeFlow Application Software; (f) use the FreeFlow Software for any purpose other than to carry out the purposes of this Agreement; or (g) disclose or otherwise permit any other person or entity access to the object code of the FreeFlow Software.

E. Upon not less than forty-five (45) days prior written notice, Xerox and/or its licensors may, at their expense, directly or through an independent auditor, audit your use of FreeFlow Process Manager and all relevant records not more than once annually. Any such audit shall be conducted at a mutually agreed location and shall not unreasonably interfere with your business activities. You agree to cooperate with the audit and provide reasonable assistance and access to information including, but not limited to, relevant records, agreements, workstations, servers, and technical personnel. If an audit reveals that you have underpaid fees in excess of five percent (5%), then you shall pay Xerox's and/or its licensors' reasonable costs of conducting the audit.

F. In the event FreeFlow Process Manager is subject to a lending or leasing arrangement entered into with a party other than Xerox (Financing Arrangement), then, for the shorter of ten (10) years from the date of such Financing Arrangement or the specified term thereof, the party that provides the Financing Arrangement shall not be prevented from enforcing a valid security interest by the nontransferable nature of the license granted to you hereunder, provided that the rights acquired by such party shall otherwise be restricted in accordance with the terms set forth in the Agreement governing Application Software.

G. If you license FreeFlow Makeready Copyright Management, then you agree not to disclose the results of any benchmark test of Microsoft SQL Server to any third party without Microsoft's prior written approval.

H. If you install FreeFlow Application Software on a computer that you supply, then the following terms apply:

1. You may only install and use FreeFlow Process Manager on a computer having the ability to run a maximum of four processors.

2. Xerox will only be obligated to support FreeFlow Application Software if it is installed on hardware and software meeting Xerox's published specifications (Workstation).

3. If you use FreeFlow Application Software with any hardware or software other than a Workstation, all representations and warranties accompanying such FreeFlow Application Software shall be void and any support/maintenance you contract for in connection with such FreeFlow Application Software shall be voidable and/or subject to additional charges.

4. You are solely responsible for: (i) the acquisition and support, including any and all associated costs, charges and other fees, of any Workstation you supply; (ii) compliance with all terms governing such Workstation acquisition and support, including terms applicable to any non-Xerox software associated with such Workstation; and (iii) ensuring that such Workstation meets Xerox's published specifications. Xerox reserves the right to charge its then-current time and materials rate for any time spent supporting a Workstation that does not meet Xerox's published specifications.

PRICING PLAN/OFFERING SELECTED:

5. SEPARATELY BILLED MAINTENANCE SERVICES. For Products that include a Maintenance Minimum Payment, Xerox shall maintain the Equipment as part of this Agreement in consideration of your payment of the Maintenance Minimum Payment,

which shall be billed on a separate invoice. Your obligation to pay the Maintenance Minimum Payment shall be in effect for the same period as this Agreement, including any extensions thereof.

6. PRICING FIXED FOR TERM. If Pricing Fixed for Term is identified in the Maintenance Plan Features, the amount you pay Xerox to maintain the Equipment shall not increase during the initial term of this Agreement.

7. FINANCING OF NON-XEROX PRODUCTS. Third Party Equipment (TXC) were selected by you and are not sold by Xerox in the normal course of its business ("Non-Xerox Products"). If you have signed a purchase contract for Non-Xerox Products, by signing this Agreement you assign your rights but none of your obligations under such purchase contract to Xerox. With regard to the Non-Xerox Products, you agree that Xerox is leasing them to you "AS IS, WHERE IS" and that XEROX HAS NOT MADE, AND YOU HEREBY WAIVE, ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, (a) ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR NON-INFRINGEMENT, and (b) ANY REPRESENTATION OR WARRANTY REGARDING THE PRODUCTS' SUITABILITY, DESIGN, CONDITION, DURABILITY, OPERATION, QUALITY OF MATERIALS OR WORKMANSHIP, OR COMPLIANCE WITH SPECIFICATIONS OR APPLICABLE LAW. Xerox assigns to you, to the extent assignable, any warranty rights it has to the Non-Xerox Products (which rights shall revert to Xerox if you breach this Agreement). You agree (1) that the Non-Xerox Products are not covered by Xerox's obligation to provide Maintenance Services; (2) to maintain a service agreement for the Non-Xerox Products with a service provider acceptable to Xerox throughout this Agreement's term; (3) to pay all personal property taxes related to the Non-Xerox Products; and (4) to assign to Xerox any rights you have to the Non-Xerox Products until title passes from Xerox to you (which, subject to any software licenses surrounding the acquisition of the Non-Xerox Products, shall occur when you obtain title to all Xerox-brand Equipment covered by this Agreement).

8. REFINANCE OF PRIOR AGREEMENT. If Prior Xerox Agreement is identified in the Agreement, the balance is included in the amount financed under this Agreement and shall be paid for through your Minimum Payments. If your prior agreement is with a third party, you hereby acknowledge that you have the right to terminate the agreement and agree to provide a statement from the third party identifying the equipment at issue and the amount to be paid off (as well as a statement from you identifying the payee and mailing address for your payoff check). If your prior agreement was with Xerox, the use of this refinance option shall render your prior agreement null and void. If you breach any of your obligations, the full amount of your prior agreement balance shall be immediately due and payable.

GENERAL TERMS & CONDITIONS:

9. REMOTE DATA COLLECTION. Xerox may automatically collect from the Equipment, via electronic transmission to a secure off-site location, certain data used by Xerox or a designated servicer to support and service the Equipment, or for Xerox billing, supplies replenishment or product improvement purposes. Automatically transmitted data may include, but is not limited to, product registration, meter read, supply level, Equipment configuration and settings, software version, and problem/fault code data. All such data shall be transmitted in a secure manner specified by Xerox.