

THE CORPORATION OF THE TOWN OF AMHERSTBURG

BY-LAW NO. 2003-31

**Being a By-Law to authorize the signing of a
lease with Xerox Canada Ltd.**

WHEREAS the Municipal Act 2001 C. 25, s. 8 provides Municipalities with the rights, powers and privileges of a natural person for the purpose of exercising its Authority, and

WHEREAS the Corporation of the Town of Amherstburg desires to upgrade the Document imaging capabilities of various Departments, and

WHEREAS the staff has researched the needs and is recommending a package as prepared by Xerox Canada Ltd., and

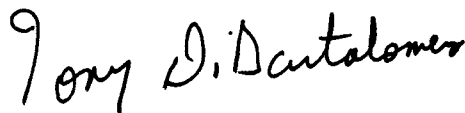
WHEREAS the present copiers in the Clerks and Planning and Building Offices would be returned to Xerox Canada Ltd. as part of the package

**NOW THEREFORE THE COUNCIL OF THE CORPORATION
OF THE TOWN OF AMHERSTBURG HEREBY ENACTS AS FOLLOWS:**

That we authorize the signing of the agreement with Xerox Canada Ltd. which is attached hereto (Order # 851802).

This bylaw shall come into force from the date of passage by Council.

Read a first, second and third time and finally passed this 28th day of April, 2003.



MAYOR



CLERK

THE DOCUMENT COMPANY

XEROX

This is an agreement between Xerox Canada Ltd. and the Customer for the transaction(s) described below and incorporates terms and conditions attached hereto.

ORDER #	851802
CONTRACT #	
BILLING CUST. #	

LEGAL NAME AND ADDRESS OF CUSTOMER Corporation of the Town of Amherstburg 271 Sandwich St S. Amherstburg, ON	INSTALLATION ADDRESS SAME
POSTAL CODE N9V2Z3	POSTAL CODE

DESCRIPTION	WARRANTY DAYS/COPIES	PURCHASE PRICE / LICENSE FEE		TRADE-IN DETAILS			NET PRICE
		EQUIPMENT / SOFTWARE / SERVICES PRICE	TOTAL PRICE	SERIAL / PART NUMBER OF EQUIPMENT TRADED IN	PLUS AMOUNTS OUTSTANDING ON EQUIPMENT TRADED IN	LESS TRADE-IN CREDIT	
555 ST w/HCF/Finisher			23 152.67	608303074	0	0	23 152.67
555 ST w/HCF/Finisher			23 152.67	608303418	0	0	23 152.67
7300 N OPB Printer			NIC				NIC
7300DT OPB Printer			NIC				NIC
416 Si Multi-Function			11 509.68				11 509.68

HST EXEMPT <input type="checkbox"/>	QST EXEMPT <input type="checkbox"/>	GS EXEMPT <input type="checkbox"/>	PST EXEMPT <input type="checkbox"/>	SUB-TOTAL 57,815.02	TOTAL 57,815.02	TAXES EXTRA - WHERE APPLICABLE
-------------------------------------	-------------------------------------	------------------------------------	-------------------------------------	----------------------------	------------------------	--------------------------------

LEASING:

LEASE TYPE: Standard

TERM: 66 mos

OF PMTS: 22

PAYMENT FREQUENCY: Quarterly

PURCHASE OPTION: STD. (% OF EOP PRICE) STRETCH EARLY (% OF TOTAL AMT. FINANCED)

FMV

AT EXPIRY: _____ AT MTH: _____

EQUIPMENT RE-FINANCED

XCL (EXTEND-A-LEASE)

S/N _____ LC # _____ \$ _____

S/N _____ LC # _____ \$ _____

S/N _____ LC # _____ \$ _____

3RD PARTY LEASE

S/N _____ LC # _____ \$ _____

S/N _____ LC # _____ \$ _____

S/N _____ LC # _____ \$ _____

TOTAL AMOUNTS REFINANCED \$ _____

CALCULATION OF LEASE PAYMENT:

TOTAL PRICE \$57,815.02

TOTAL AMOUNTS REFINANCED \$ 0

TOTAL AMOUNT FINANCED \$57,815.02

BASE RATE PER \$1000 FINANCED \$ 59.41

NET LEASE PAYMENT

PER PAYMENT PERIOD (1144.93 monthly)

\$3434.79

TAXES EXTRA - WHERE APPLICABLE

I agree to Automatic Funds Transfer and will receive a 1% discount off the net lease payment.

YES (FORM 1F3191) NO

MAINTENANCE PLAN / SW SUPPORT - DESCRIPTION	DURATION	DEVELOPER INCLUDED Y/N	TONER INCLUDED Y/N	RU Y/N	RU INSTALL INCLUDED Y/N	PRICE	TAXES EXTRA WHERE APPLICABLE	INVOICE FREQUENCY
FSMA 555 ST (Upstairs)	5YRS	Y	Y	Y		\$330 base chrg for 30K copies + 0.011/pg		Q
FSMA - 555 ST (downstairs)	5YRS	Y	Y	Y		0.012/pg		Q
FSMA - 7300N + 7300DT	1YR-EACH UNIT					NIC		

AF. NDICES: 1F4166 1F4328 1F4332 1F4414

GST/HST REGISTRATION # 10575 6589RT

QST REGISTRATION # 1009539685

This order agreement is comprised of this document and related attachments which form an integral part of the contract between you and Xerox. We value your business and our number one priority is your satisfaction. Please ensure that you have read and understood this document and all attachments and that any questions have been answered to your satisfaction by our sales representative

XEROX CANADA LTD.	<u>Matt Gordy</u> ORDER TAKING SALES REPRESENTATIVE	CUSTOMER <u>March 27, 2003</u> DATE (M/D/Y)	MR. <input checked="" type="checkbox"/> MS. <input type="checkbox"/> MRS. <input type="checkbox"/>
<u>3-25-03</u> DATE (M/D/Y)	<u>Matt Gordy</u> NAME - PLEASE PRINT	<u>519-736-0012</u> AREA CODE - TELEPHONE NO.	<u>David Malloof Clark</u> PLEASE PRINT NAME AND TITLE

For Québec only: The Customer has requested that this agreement and all related documents be drawn up in the English language. Le client a demandé que le présent contrat ainsi que toute la documentation d'accompagnement soient rédigés en anglais.

CUSTOMER COPY

**Xerox Canada Ltd.
TERMS AND CONDITIONS**

This form of terms and conditions, when attached to the Xerox agreement form, and any appendices referred to therein, constitute the entire "Agreement".

This document incorporates the acquisition by the Customer of equipment ("Equipment") either by Purchase or Lease, and/or the licensing of software ("Software") which may be financed by way of Lease, and the Maintenance to be provided for that Equipment and Software. The terms and conditions under various headings are applicable to each transaction as follows:

Purchase: General, Maintenance, Purchase

Lease: General, Maintenance, Lease

GENERAL

1. The Customer is obliged to pay to Xerox all amounts as shown on this Agreement including any special rigging charges, upon receipt of a Xerox invoice. A late payment charge will be levied of up to 1.5% per month (18% per annum) on amounts overdue by more than thirty (30) days.
2. Customer is responsible for providing, on a continuing basis, electrical, space and environmental conditions for each item of Equipment in accordance with Xerox specifications.
3. The Equipment furnished will be "factory processed". "Factory processed" Equipment will contain new and remanufactured, reconditioned or used parts warranted to be equivalent in performance to new parts when used in the Equipment.
4. (a) Equipment Warranty is provided for the period of time stated on the face of this Agreement.
(b) Software Warranty - if applicable, see appropriate appendix.
(c) In no event shall Xerox be liable in contract, tort or for any other cause of action whatsoever, for any damages resulting from loss of data, profits, use of Equipment or Software, security and backup of data associated with the Software, or for any incidental or consequential damages, even if advised of the possibility of such damage.
(d) Except where prohibited by applicable law, the foregoing are in lieu of any other representations, warranties or conditions, express or implied, statutory or otherwise but not limited to any implied warranty of merchantability or fitness for a particular purpose. This represents the sole obligation of Xerox with respect to damages, whether direct, incidental or consequential, personal or otherwise, resulting from or in any way arising out of or connected with the use or performance of the Equipment or Software including its use by any person. In the event the Customer is entitled to recover damages due to Xerox fault or negligence, such money shall be limited to the amount paid by the Customer for the Equipment or Software or maintenance.
5. In the event Customer is trading in equipment the following conditions apply:
(a) Title to the trade-in Equipment will pass to Xerox upon execution by Customer of this Agreement;
(b) Customer warrants that the trade-in equipment shall remain in substantially its present condition until removed by Xerox. Customer warrants it has clear and marketable title to the trade-in, and that it is free from all liens, levies, charges, privileges or other encumbrances.
6. This Agreement is subject to review by Xerox and is binding upon Customer and Xerox on the date it is executed by Customer and Xerox unless Xerox notifies Customer that it has not been accepted by Xerox due to an error in a term quoted herein, or upon failure of the Customer to comply with Xerox credit requirements. Customer authorizes Xerox to investigate its credit status.
7. The Customer and Xerox agree that if any term or condition of this Agreement is prohibited or rendered invalid by the law of the province or territory to which this Agreement is subject that term and condition shall be severable from this Agreement without invalidating the remaining terms and conditions of this Agreement. This form of terms and conditions, when attached to the Xerox agreement form and any appendices referred to constitute the entire Agreement between Xerox and the Customer with respect to the subject matter hereof. Only an officer of Xerox is authorized to amend the terms and conditions of this Agreement on behalf of Xerox. In the event that more than one person is named as Customer, the liability of each Customer shall be joint and several or in Quebec only, solidary. The Customer, by signature on the face of the Xerox order agreement form to which these terms and conditions, and any appendices, are attached, acknowledges receipt of an executed copy of this Agreement.
8. Forbearance or indulgence of any covenant or condition or failure to exercise any remedy or recourse by Xerox in any regard whatsoever shall not constitute a waiver of the covenant, condition, remedy or recourse. All rights and remedies of Xerox hereunder or at law may be exercised at Xerox' sole discretion and are cumulative and not alternative and may be exercised separately or together or in any order or combination.

MAINTENANCE

9. Full Service Maintenance (FSM), Service Maintenance (SM) or Depot Service is purchased by the Customer from Xerox in respect of the Equipment described in the Agreement for a specific time period ("Duration"). FSM or Depot Service becomes effective only if the Agreement for maintenance is executed by Customer on the same date as the Agreement for the Equipment and executed by Xerox. Maintenance begins on the date the Agreement for maintenance is executed. For Software, if applicable, see appropriate appendix.
10. (a) Subject to Clause 15, and subject to Xerox service being available for the particular model of equipment and its components, Xerox guarantees continued service availability of FSM/SM or Depot Service to Customer for five (5) years or length of the lease, whichever is shorter, from the date of initial installation of the Equipment.
(b) Notwithstanding the periods of availability set out in clause 10(a), Xerox reserves the right not to continue to offer FSM/SM beyond the period set forth in Clause 10(a) above. Xerox will give the Customer six (6) months notice of its exercising such right. Xerox may also choose not to extend Depot Service beyond the period indicated on the face of this Agreement.
(c) In the event that Equipment is exchanged in accordance with Clause 15, the service availability period will remain the same as for Equipment initially installed.
11. Xerox may change prices and/or terms and conditions at any time by giving Customer not less than thirty (30) days prior written notice. For the purpose of this section, an invoice incorporating new pricing or other changes shall be considered adequate notice.
12. At expiry of the initial Duration of FSM/SM agreements or Depot Service, agreements will automatically be converted to an annual plan at prices in effect at that time.

13. Description of FSM/SM/Depot Service

- (a) Xerox will provide maintenance for the Equipment located in Canada only during normal working hours, making all necessary adjustments, repairs, and on an exchange basis, parts replacement. The determination of what is necessary is solely within the discretion of Xerox.
Maintenance will include:
 - i) replacement of parts which are unserviceable, on an exchange basis with either new parts or the equivalent to new in performance when used in the Equipment;
 - ii) on site engineering improvements bearing the internal Xerox designation "mandatory retrofit". These are generally associated with improving product life, maintaining the ability of product performance and product safety features; and
 - iii) labour, except after working hours in which case labour will be charged in accordance with clause 18(b)(ii) below;
- (b) If Depot Service is selected the Customer is responsible for delivery of the Equipment to and pick up from the designated depot.
- (c) Xerox does not warrant that all problems with the Software will be resolved.
- (d) Services not described above may be performed by Xerox at the request of Customer and will be charged in accordance with Clause 18 below.

14. Components

If Customer purchases additional Xerox equipment, which is attached to the Equipment, such additional equipment ("components") will be part of this Agreement and will be charged at the applicable FSM/SM/Depot Service rates, as the case may be, then in effect for such components. The components will be covered under FSM/SM/Depot Service for the same period as Equipment to which they are attached. If the Customer attaches to the Equipment any equipment not marketed by Xerox, such attached equipment will not be maintained by Xerox, and Xerox will not be responsible for any operational difficulties experienced by the Equipment as a result of such additional equipment.

15. Total Satisfaction Guarantee

If the Customer is not satisfied with the performance of the Equipment, the Customer may request a replacement with an identical model or, in the event that an identical model replacement is not available, a model with comparable features and capabilities will be provided. The term of this Xerox Total Satisfaction Guarantee is three (3) years from the date of the initial Equipment installation.

This Xerox Total Satisfaction Guarantee applies only if the Equipment has been continuously maintained by Xerox under FSM from the date of installation. This Total Satisfaction Guarantee is not applicable to Equipment damaged or destroyed due to reasons beyond Xerox control or responsibility or damaged or destroyed by the Customer, its employees or agents. For Xerox equipment that uses Xerox consumable products which affect the performance of the Equipment, the Total Satisfaction Guarantee applies only if Xerox approved consumable products are used.

Xerox reserves the right to void the Total Satisfaction Guarantee if the Customer is in arrears with respect to any payments owing under this Agreement.

16. Relocation

If Customer moves the Equipment from the installation address to another location within Canada, availability of maintenance (other than Depot Service) under this Agreement may be affected. Customer must advise Xerox of such relocation and Xerox will advise Customer if maintenance under this Agreement will be provided at the new address. All expenses of relocation are the responsibility of Customer. Xerox service representative assistance in connection with the relocation will be charged separately at the Time and Material rates in effect when such assistance is provided. Equipment relocated by the Customer without utilizing authorized Xerox riggers will be subject to a standard charge for set up and adjustment.

17. Termination

- (a) Xerox may terminate an FSM/SM or Depot Service Agreement at any time without notice in the event that the Equipment or Software is modified, damaged or in any way altered, without prior Xerox written approval or as a result of any breach by the Customer of the terms and conditions for Maintenance, Lease or Purchase affecting the Equipment or Software.
- (b) If Xerox increases prices or changes terms and conditions of FSM/SM or Depot Service, Customer may terminate this FSM/SM or Depot Service Agreement on the effective date of that change.
- (c) If Xerox exercises its right under clause 10 (b) above, FSM/SM will terminate on the effective date FSM/SM is no longer available.
- (d) All terminations by Customer require not less than thirty (30) days written notice to Xerox.
- (e) Termination of FSM/SM/Depot Service does not affect the Purchase or Lease obligations for the Equipment and/or Software for which maintenance is terminated.
- (f) Xerox may terminate an FSM/SM or Depot Service Agreement if the Customer is in arrears with respect to any payments owing under this Agreement.

18. Time and Materials Maintenance

- (a) For Equipment not covered by a FSM, SM or Depot Service Agreement, a regular Time and Materials maintenance rate charge will apply to maintenance provided by Xerox on Equipment located in areas open by Xerox for maintenance during Xerox normal business hours (8:30 am to 5:00 p.m., Monday through Friday, except holidays).
- (b) Charges
 - (i) Parts and Labour shall be invoiced at the prices in effect at that time. All parts used in association with a Time and Materials maintenance call are chargeable to and payable by the Customer.
 - (ii) There will be a minimum charge of 1/2 hour based on the then current full hourly rate for all Equipment. After the minimum charge, each 1/10 of an hour is charged at the hourly rate. Consult your local sales or service representative for the hourly rates in effect at the time of the requested maintenance.
- (c) Conversion from Time and Materials
A Customer wishing to convert to a maintenance plan after Equipment installation can only convert to a SM or Depot Service Agreement after full inspection of the Equipment by Xerox, the charges for which are payable by the Customer, such charges to bring the Equipment up to Xerox specifications to be at the Time and Materials rates in effect at that time.
A Customer may also convert to a FSM or Depot Service Agreement if the Equipment is under service warranty and has been continuously serviced by Xerox. In the case where the Equipment has not been under continuous Xerox service, the Customer may convert to FSM or Depot Service Agreement only after a full inspection of the Equipment by Xerox, the charges for which are payable by the Customer, such charges to bring the Equipment up to Xerox specifications to be at the Time and Materials rates in effect at that time.
Prior to conversion, the Customer shall enter into a supplementary maintenance Agreement with Xerox.

PURCHASE - Outright purchase only

19. Title

Title shall pass to Customer upon shipment of the Equipment from a Xerox controlled facility, on the date this Agreement is executed by Xerox. Software is not sold but only licensed to the Customer, and is subject to Xerox's Software License Agreement.

LEASE**20. Payment**

Lease Payments plus provincial sales tax and goods and services tax (if applicable) are payable in advance commencing upon delivery (or conversion from rental) of leased Equipment ("commencement date") and continuing thereafter on the same day of each payment period the Customer has selected. In the event of late payment charges being incurred, payment will be first applied to late payment charges and the balance applied to the Net Lease Payment. Any resulting unpaid balance of a Net Lease Payment will then be immediately due and payable. In addition to the financing of the Net Price of Xerox Equipment, Software and any non Xerox brand equipment ("Total Price") Customer may, with the consent of Xerox, finance under this Agreement any indebtedness of Customer otherwise due to Xerox. Such additional amounts financed are included in this Agreement in the "Total Amounts Refinanced" section of the Xerox Agreement form. The "Total Price" and "Total Amount Refinanced" together form the total amount financed ("Total Amount Financed") under this Agreement and form the basis for "Net Lease Payment". Included in the first Net Lease Payment is a fee for the execution of this Agreement.

21. No Set-Off

This Agreement constitutes a lease and it cannot be canceled or terminated except as expressly provided herein. The Customer obligation to make payments and to pay any other amounts due hereunder shall be absolute and unconditional and shall not be subject to any delay, reduction, set-off, defense, counterclaim or recoupment for any reason whatsoever including, but not limited to, Xerox failure to provide any support or meet any other obligation established under any other agreement between the Customer and Xerox. Provided, however, any claim which the Customer may have against Xerox may be asserted solely against Xerox in a separate action, provided the Customer continues to fulfill all its obligations under this Lease.

22. Title, Security Interest and Identification of Equipment

- (a) Xerox retains title to and ownership of the Software and the Equipment. In respect of the Equipment only, upon complete performance of Customer's obligations under this Agreement and the Customer exercising and paying for any purchase option herein granted in respect of the Equipment, title and ownership will pass to the Customer. In order to secure such performance, Customer and Xerox agree that a security interest in the Equipment shall attach to each item of the Equipment upon its delivery. Customer shall indemnify Xerox against any and all assertions of interest or claims by third parties that would jeopardize Xerox' security interest and/or title.
- (b) Xerox may mark the Equipment to conspicuously indicate that it remains owner thereof and Customer shall not permit that marking to be obscured, removed or defaced; nor shall it permit conflicting marks to be made.
- (c) The Equipment shall, so long as Xerox has title thereto, remain movable property and shall not be affixed to any real or immovable property, nor relocated outside of Canada, all without the prior written consent of Xerox.

23. Use of Equipment

Without the consent of Xerox, Customer may not make

- (i) any alteration, modification, connection, disconnection, improvement or adjustment of any kind to Equipment or any component or addition thereof, and/or
- (ii) use of the Equipment other than for the purpose that it is used at the commencement of the Agreement, unless the change in use does not lower the rate of capital cost allowance that Xerox is entitled to claim for the Equipment for income tax purposes at the commencement of the Agreement. It is Xerox's intention to claim, where possible, capital cost allowance and related income tax credits in respect of the Equipment.

24. Default

The following constitute "Events of Default" under this Agreement;

- (a) Failure of Customer to pay any amount due under this Agreement;
- (b) Subjection of the Equipment or any Software to any lien, levy, privilege, seizure or attachment;
- (c) Customer's breach of any term and condition, other than related to payment, of this Agreement;
- (d) Customer having recourse or being subject to any Federal or Provincial statute respecting the bankruptcy, insolvency, or winding-up; or
- (e) The Equipment is, in the reasonable opinion of Xerox, in danger of loss, damage or destruction, or is in fact lost, damaged or destroyed.

25. Upon occurrence of any of the Events of Default, Xerox shall be entitled to:

- (a) Recover amounts due under this Agreement and unpaid as of the date of an Event of Default;
- (b) Give Customer notice of the Event of Default and, subject to any delay given to the Customer by Xerox to remedy the default, Xerox shall without prejudice to any other available remedy at any time thereafter have the option of immediately terminating this Agreement and Customer shall return Equipment and/or any Software at his own expense;
- (c) Render inoperable the Equipment and/or Software and take possession of the Equipment and/or Software wherever it is located. Customer agrees that it will not make nor cause to be made any claim for nor will Xerox be liable for any damages that are caused as a result of Xerox taking possession of the Equipment and/or any Software, and that the fact that Xerox has taken possession shall not prejudice Xerox' other rights under this Agreement or otherwise. Upon taking possession of the Equipment and/or any Software, Xerox shall be entitled to sell, lease or otherwise dispose of the Equipment upon such terms it considers reasonable;
- (d) Consider the Agreement repudiated and after giving Customer written notice of such, to recover as liquidated damages an amount equal to:
 - (i) Total Net Present Value of all Net Lease Payments which would have become due between the Event of Default and the expiration of the initial Term of this Agreement, or any subsequent renewal Term as if the Event of Default had not occurred. The "Net Present Value" of each Net Lease Payment means that amount that will produce the particular Net Lease Payment on its due date under this Agreement when it is made subject to any annualized interest rate equal to the prime rate of the Royal Bank of Canada on the date of the Event of Default or 2% whichever is less, and calculated compounded monthly; plus
 - (ii) The amount of any residual value Xerox may have recorded on its books in respect of the Equipment; plus
 - (iii) Any expenses incurred by Xerox in disposing of the Equipment including costs incurred in the recovery of possession, (seizure or otherwise) repair, refurbishment, reconditioning, sale, leasing or any other disposition of the Equipment; plus
 - (iv) All amounts hereunder previously due and unpaid up to the Event of Default;
 - (v) Less a sum equal to the wholesale value of the Equipment as established by Xerox in accordance with its internally established accounting policies; plus
 - (vi) Sales tax (if applicable) and goods and services tax on the resulting net amount; plus
 - (vii) Any reasonable administrative and legal expenses incurred by Xerox.

This clause (d) represents a genuine pre-estimate of the damage suffered by Xerox upon repudiation and it is not regarded as a penalty by Xerox and Customer;

- (e) If the Equipment and/or Software is not repossessed due to it being lost or totally destroyed, the amount recoverable as liquidated damages shall be the sums determined under d(i), d(ii), d(iv), d(vi) and d(vii) above, plus the Purchase Option Price attributable to the Equipment subject to this Agreement.

26. Option to Purchase

In an Agreement for lease of Equipment designated as "Standard", the Customer shall have the option to purchase the Equipment financed pursuant to this Agreement at the Fair Market Value ("FMV") of the Equipment, as determined by Xerox as of the date of exercise, exercisable at the expiry of the initial Term of the Agreement. In an Agreement for lease of Equipment designated as "Stretch", the Customer shall have the option to purchase the Equipment financed pursuant to this Agreement at the percentage of the Total Amount Financed and in the month set out on the Xerox agreement form to which these terms and conditions are attached. For an Agreement for lease of Equipment designated as other than "Standard" or "Stretch" or "Extend-a-Lease", the Customer may purchase the Equipment financed pursuant to this Agreement for the higher of (i) the percentage of the Equipment Price, less trade-in, financed indicated on the face of this agreement; or (ii) the FMV of the Equipment, as determined by Xerox as of the date of exercise. The option is exercisable on the date indicated on this Agreement.

In the case of an "Extend-a-Lease", the Purchase Option Price for the equipment being financed under this Agreement will be the Purchase Option Price that would otherwise have been available at expiry of the original agreement for such refinanced Equipment. All purchase options may be exercised only upon not less than thirty (30) days prior written notice to Xerox and provided all amounts owing by Customer hereunder have been paid. Sales tax (if applicable) and goods and services tax is extra.

27. Option to Renew

The Customer shall have the right to renew this Agreement for successive renewal periods of time that is determined (see below) by (i) the frequency Net lease Payments were made pursuant to this Agreement; and (ii) the length of the initial Term of this Agreement. The renewal rate is a percentage of the Net Price pertaining to the Equipment indicated on the face of this Agreement and is due in advance of each renewal period (amounts associated with software, supplies, refinanced amounts, professional services or training are not used in the calculation of the renewal payment):

Net Lease Payment Frequency	Successive Renewal Periods	Renewal Rate	
		Initial Term 48 months or less	Initial Term greater than 48 months
Monthly	Monthly	2.5%	2%
Quarterly, Semi-Annually, or Annually	Quarterly	7.5%	6%

In the case of an "Extend-a-Lease", for purposes of calculating the monthly, quarterly, semi-annual, or annual renewal rate, the Net Price against which the percentage renewal rate will be applied, will be the Equipment Price less Trade-in or Net Price pertaining to the Equipment, as the case may be, as set out on the original agreement for the Equipment.

Xerox reserves the right not to agree to any renewal.

28. Maintenance / Risk of Loss

Customer agrees to assume responsibility for (i) Equipment maintenance after expiry of any warranty period (or warranty copies), which obligation may be discharged by contracting for maintenance with Xerox pursuant to a FSM/SM agreement, Depot Service with Xerox or Time and Materials maintenance from Xerox; and (ii) full risk for loss or damage to the Equipment however caused except for the willful or negligent acts or omission of Xerox, its employees, servants, agents or contractors, upon shipment of the Equipment from a Xerox controlled facility. Customer agrees to keep, for the duration of this Agreement, the Equipment insured for the Total Price of the Equipment, including the purchase option price, against any and all risk of loss or damage as well as third party property and liability insurance. Customer shall pay all license fees, assessments, and taxes (excluding the taxes Xerox is required to pay on its income), which result directly or indirectly from this Agreement. Insurance proceeds will be used to first pay Xerox any amounts due under Clause 25(e) above.

29. Return of Equipment

In the event Customer does not exercise the Option to Purchase or Option to Renew, Equipment and Software shall be returned to Xerox at Customer's expense in the same condition as it was on the date of delivery or execution hereof, whichever is later, reasonable wear and tear excepted.

30. Assignment

Xerox may hypothecate, assign or otherwise charge its rights under this Agreement without consent of Customer. Each such creditor or assignee of Xerox shall have all the rights but none of the obligations of Xerox hereunder. The Customer shall continue to look to Xerox for performance of Xerox's obligations and waive and release any assignees of Xerox from any such claim. The Customer shall make all payments due hereunder to any assignees specified by Xerox, in accordance with the instructions of said assignees or creditors. The Customer shall not assert any claim, defense, counterclaim, or set-off that the Customer may have against Xerox against any assignees or creditors of Xerox. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding on the successor and permitted assigns of the parties hereto. Neither the benefits nor obligations of this Agreement are assignable by Customer without prior written consent of Xerox.

31. Waivers etc..

- (a) For Alberta and British Columbia - Xerox may exercise any or all of the rights, remedies and powers of Xerox under the Personal Property Security Act of Alberta or British Columbia, as the case may be, both as amended from time to time, or any other applicable legislation, or otherwise existing, whether under this Agreement or under any other agreement or at law or in equity, and in addition will have the right and power (but will not be obligated) to sell, lease, rent or otherwise dispose of, or to concur in the sale, rental or disposition of, the Equipment, whether in or out of the ordinary course of business, by private or public sale, lease or other disposition, either for cash or any other manner, including deferred payment, in whole or in part, at such time or times and on such terms and conditions, as Xerox may consider appropriate and for such price or consideration as can reasonably be obtained therefor at such time.
- (b) For Saskatchewan - Customer agrees that the limitation of Civil Rights act of the Province of Saskatchewan, or any provision thereof, shall have no application to this Agreement or any agreement or instrument renewing or extending or collateral to this Agreement, or the rights, powers or remedies of any other person under this Agreement, or any such agreement or instrument renewing or extending or collateral to this Agreement.
- (c) For Manitoba - Customer covenants and agrees with Xerox that in enforcing its rights hereunder, Xerox is not to be restricted to fees set out in The Distress Act of Manitoba.
- (d) For Quebec - The Customer hereby expressly waives and releases Xerox from any and all lessor's obligations contemplated by articles 1854, 1864, 1865, 1867, 1868 and 1869 of the Civil Code of Quebec, except as otherwise provided in Clauses 13 to 18 and 28 hereof, as the case may be.
- (e) The Customer waives notice of any action by Xerox and any right to receive a copy of any financing statements or similar statements.