

**CITY OF MARATHON, FLORIDA  
RESOLUTION 2010-119**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, WAIVING THE CITY'S PURCHASING POLICIES AND PROCEDURES AND APPROVING SOLE SOURCE LEASE AGREEMENT WITH SANDS OF THE KEYS FOR A COMBINATION PLOTTER-SCANNER; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT AND APPROPRIATE FUNDS ON BEHALF OF THE CITY; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, pursuant to Resolution 2003-134, the City Council of the City of Marathon, Florida (the "City"), adopted Purchasing Policies and Procedures after determining that it was fiscally prudent and in the best interests of the City's residents for the City to adopt policies and procedures for City employees and officials regarding the purchasing and acquisition of contractual services, equipment, goods, professional services and other similar types of services; and

**WHEREAS**, the City may waive competitive bidding in the event that "only one vendor possesses the unique and singularly available capability to meet the requirement"; and

**WHEREAS**, the City's current plotter and scanner are aging and becoming a continuing maintenance problem; and

**WHEREAS**, City staff has investigated options for a resolution to the problem, ultimately obtaining three price quotes for combination plotter-scanners from Sands of the Keys, the only supplier in the area for the plotter-scanner machine the City needs; and

**WHEREAS**, the City Manager recommends that the City lease a Canon scanner/plotter combination with maintenance contract, the City Council waive the City's purchasing policies and procedures due to the sole source status of the vendor on Exhibit "A."

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THAT:**

**Section 1.** The above recitals are true and correct and incorporated herein.

**Section 2.** Based upon the recommendation of the City Manager the City Council finds that sole source vendor lease of a plotter-scanner is in the best interest of the City.

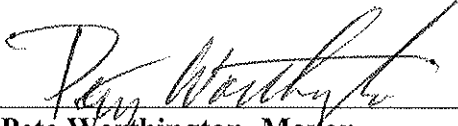
**Section 3.** The City's purchasing policies and procedures are hereby waived and the City Council hereby approves the lease agreement for the provision of plotter-scanner combination, a copy of which is attached as Exhibit "A," together with such non-material changes as may be

acceptable to the City Manager and approved as to form by the City Attorney. The City Manager is authorized to execute the agreement and expend budgeted funds on behalf of the City.

**Section 4.** This resolution shall take effect immediately upon its adoption.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MARATHON, FLORIDA, THIS 13<sup>th</sup> DAY OF DECEMBER, 2011.**

**THE CITY OF MARATHON, FLORIDA**

  
\_\_\_\_\_  
**Pete Worthington, Mayor**

AYES: Cinque, Keating, Ramsay, Snead, Worthington  
NOES: None  
ABSENT: None  
ABSTAIN: None

**ATTEST:**

  
\_\_\_\_\_  
Diane Clavier, City Clerk

(City Seal)

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY FOR THE USE AND RELIANCE OF THE CITY OF MARATHON, FLORIDA ONLY:**

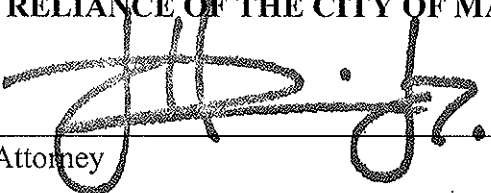
  
\_\_\_\_\_  
City Attorney

EXHIBIT A – (Copy – To be replaced with Original)





**Canon Financial Services, Inc.** ("CFS")  
 REMITTANCE ADDRESS: P.O. Box 4004  
 Carol Stream, Illinois 60197-4004 (800) 220-0200

**MUNICIPAL LEASE AGREEMENT**  
 CFS-1045 (04/07)

AGREEMENT NUMBER  
 PHONE 305-743-0033

|   |  |                         |                         |                    |
|---|--|-------------------------|-------------------------|--------------------|
| CUSTOMER (FULL LEGAL NAME)<br><b>CITY OF MARATHON</b> |  | DBA                     | PHONE                   |                    |
| BILLING ADDRESS<br><b>9805 Overseas Highway</b>       |  | CITY<br><b>Marathon</b> | COUNTY<br><b>Monroe</b> | STATE<br><b>FL</b> |
| EQUIPMENT ADDRESS<br><b>Same as Above</b>             |  | CITY                    | COUNTY                  | STATE              |

| EQUIPMENT INFORMATION |               |                               | NUMBER AND AMOUNT OF PAYMENTS               |  |
|-----------------------|---------------|-------------------------------|---|--|
| Quantity              | Serial Number | Make/Model/Description        | Number of Payments                          | Total Payment *  |
| 1                     |               | imagePrograf 750 MFP Solution | 63  | 396.83   |
|                       |               |                               | Term (in months) <u>63</u>                  | * Plus Applicable Taxes  |
|                       |               |                               | Payment Frequency                           |  |
|                       |               |                               | <input checked="" type="checkbox"/> Monthly | <input type="checkbox"/> Quarterly <input type="checkbox"/> Other: |

**THIS AGREEMENT IS EFFECTIVE ONLY UPON SIGNING BY BOTH PARTIES. THIS AGREEMENT IS NON-CANCELABLE BY CUSTOMER EXCEPT AS DESCRIBED IN THE FISCAL FUNDING PROVISION HEREIN. 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<br><b>CANON FINANCIAL SERVICES, INC.</b><br>By: _____<br>Title: _____<br>Date: _____   | AUTHORIZED CUSTOMER SIGNATURE<br>By: <u>[Signature]</u> Title: <u>City Mgr.</u><br>Printed Name: <u>Boyer T. Herstadt</u><br>By: X _____ Title: _____<br>Printed Name: _____ |
| To: Canon Financial Services, Inc. ("CFS")<br><b>ACCEPTANCE CERTIFICATE</b><br>The Customer certifies that (a) the Equipment referred to in the above Agreement has been received, (b) installation has been completed, (c) the Equipment has been examined by Customer and is in good operating order and condition and is, in all respects, satisfactory to the Customer, and (d) the Equipment is irrevocably accepted by the Customer for all purposes under the Agreement. Accordingly, Customer hereby authorizes billing under this Agreement. |  |
| Signature: X _____ Printed Name: _____<br>Title (if any): _____ Date: _____   |  |

**TERMS AND CONDITIONS**

1. **AGREEMENT:** CFS leases to Customer, a Municipality [state name or political subdivision or agency] of Florida [State name] with its chief executive office at \_\_\_\_\_, and Customer leases from CFS, with its place of business at 158 Gailher Drive, Suite 200, Mount Laurel, New Jersey 08054, 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 is based on the suppliers best estimate of the cost of the Equipment. Such Payments 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 by up to fifteen percent (15%).

2. **AGREEMENT PAYMENTS:** Customer agrees to pay to CFS, as invoiced, during the term of this Agreement, (a) the Payments specified under "Number and Amount of Payments" above, and (b) such other amounts permitted hereunder as invoiced by CFS ("Payments") and (c) on Schedule 1 attached hereto. Such Payments are comprised of the principal and interest thereon.

3. **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 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.

4. **TERM OF AGREEMENT:** The term of this Agreement shall commence on the date the Equipment is delivered to Customer, provided Customer executes CFS' Acceptance Certificate or otherwise accepts the Equipment as specified in this Agreement. The term of this Agreement shall end, unless sooner terminated by CFS after an event of default or under the Fiscal Funding provision, when all amounts required to be paid by Customer under this Agreement have been paid as provided. Except as set forth herein, Customer has no right to return the Equipment to CFS.

5. **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 purposes 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.

6. **FISCAL FUNDING:** The Customer warrants that it has funds available to pay Payments payable pursuant to this Agreement until the end of its current appropriation period and warrants that it presently intends to make Payments in each appropriation period from now until the end of this Agreement. The officer of the Customer responsible for preparation of Customer's annual budget shall request from its legislative body or funding authority funds to be paid to CFS under this Agreement. If 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 upon the exhaustion of the funding authorized for the then current appropriation period, return the Equipment to CFS, at Customer's expense and in accordance with this Agreement, and thereupon, Customer shall be released of its obligation 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 then due to CFS under this Agreement. In the event Customer returns the Equipment pursuant to the terms of this Agreement, CFS shall retain all sums paid by Customer. Customer's Payment obligations under this Agreement in any fiscal year shall constitute a current expense of Customer for such fiscal year, and shall not constitute indebtedness or a multiple fiscal year obligation of Customer under Customer's state constitution, state law or home rule charter. Nothing in this Agreement shall constitute a pledge by Customer of any taxes or other monies, other than as appropriated for a specific fiscal year for this Agreement and the Equipment.

7. **ACCEPTANCE; DELIVERY:** Customer's execution of the Acceptance Certificate, or Customer's provision to CFS of other written 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 any non-acceptance of the Equipment, specifying the reasons therefore 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 in its entirety. 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; NAMES; OFFICES:** 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 those created as a result of this Agreement. Customer's legal name (as set forth in its constituent documents filed with the appropriate governmental office or agency) is set forth herein. Upon request, Customer will deliver to CFS certified constituent documents. The chief executive office of Customer is located at the address set forth herein. Customer will not change its name or the location of its chief executive office unless CFS has been given at least 30 days prior written notice thereof and Customer has executed and delivered to CFS such financing statements and other instruments required or appropriate.

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 (and any third party filing service designated by CFS) to execute and file, (a) financing statements evidencing the interest of CFS in the Equipment, (b) continuation statements in respect thereof, and (c) amendments (including forms containing a broader description of the Equipment than the description set forth herein) and Customer irrevocably waives any right to notice thereof.

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, AND OTHER EXPENSES AND CHARGES, together with any applicable penalties, interest, now or at any time imposed upon any item of the Equipment, the Payments payable under this Agreement, or Customer's performance or non-performance of its obligations hereunder, whether payable by or assessed to CFS or Customer. If Customer fails to pay any fees, assessments, taxes, expenses, or charges as required by the Agreement, CFS shall have the right but not the obligation to pay those fees, assessments, taxes, expenses, or charges. If such payments are made by CFS, Customer shall promptly reimburse CFS, upon demand, for all such payments made plus administration fees and costs, if any. Customer acknowledges that where required by law, CFS will file any notices and pay personal property taxes levied on the Equipment. Customer shall reimburse CFS for the expense of personal property taxes as invoiced by CFS and pay CFS a processing fee not to exceed \$50 per year per item of Equipment which is subject to such tax. Customer agrees that CFS has not, and will not, render tax advice to Customer and that the payment of such taxes is an administrative act. 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 \$65, TO REIMBURSE CFS FOR ITS ADMINISTRATIVE AND RECORDING COSTS.
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) any applicable taxes, expenses, charges and fees. 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.
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 such item of 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 from this Agreement, without notice or demand by CFS; (b) if Customer or any Guarantor 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 or proceeding is filed by or against Customer or any Guarantor under any bankruptcy or insolvency law; (e) if a receiver, trustee, conservator, or liquidator is appointed for Customer, any Guarantor, or any of Customer's property; (f) if any statement, representation or warranty made by Customer or any Guarantor to CFS is incorrect in any material respect; or (g) if Customer or any Guarantor 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 one or all of the following remedies (which shall be cumulative), simultaneously, or serially, and in any order: (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. CFS (i) may dispose of the Equipment in its then present condition or following such preparation and processing as CFS deems commercially reasonable; (ii) shall have no duty to prepare or process the Equipment prior to sale; (iii) may disclaim warranties of title, possession, quiet enjoyment and the like; and (iv) may comply with any applicable state or federal law requirements in connection with a disposition of the Equipment and none of the foregoing actions shall be deemed to adversely affect the commercial reasonableness of the disposition of the Equipment. In the event the Equipment is not available for sale, the Customer shall be liable for the Remaining Lease Balance and any other amounts due under this Agreement. If the proceeds of the sale or re-leasing of the Equipment are not sufficient to pay the balance of any Payments owed by Customer during its then-current appropriation period, CFS may take any other remedy available at law or in equity to require Customer to pay such Payments and perform any of its other obligations under this Agreement.
17. **LATE CHARGES; EXPENSES OF ENFORCEMENT.** If Customer fails to pay any sum to be paid by Customer to CFS under this Agreement on or before 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 (\$10.00) whichever is greater for each billing period or portion of a billing period such Payment is delayed to the extent permitted by law. 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 fees 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 amount sought by CFS shall be deemed reasonable for purposes of this Agreement.
18. **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. If CFS transfers this Agreement, CFS shall act as Customer's agent for purposes of keeping a written record of such transfer in accordance with Section 149(a) of the Internal Revenue Code of 1986, as amended, and upon Customer request CFS shall deliver the new owner's name to Customer. 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. 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, including, without limitation, claims, defenses, or set-offs arising out of service obligations, if any, under this Agreement. 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.
19. **RETURN:** If Customer terminates the lease of any item of Equipment as described in the Fiscal Funding provision hereof, Customer shall return such 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. If for any reason Customer shall fail to return the Equipment to CFS as provided in this Agreement, Customer shall pay to CFS upon demand one billing period's Payment for each billing period or portion thereof that such delivery is delayed.
20. **OWNERSHIP OF EQUIPMENT:** For any item of Equipment, upon payment in full of all Payments and other amounts due under this Agreement at the end of the scheduled term, CFS' security interest shall be deemed released and Customer shall be entitled to whatever interest CFS may have in such item of Equipment, including title to such Equipment, in its then condition and location, without warranties of any kind.
21. **WARRANTY OF BUSINESS PURPOSE:** Customer represents and warrants that the Equipment will not be used for personal, family, or household purposes.
22. **PERSONAL PROPERTY:** 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.
23. **MAXIMUM INTEREST; 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 is 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.
24. **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 AND THAT CFS IS ENTITLED TO ALL BENEFITS, PRIVILEGES, AND PROTECTIONS OF A LESSOR UNDER A FINANCE LEASE.**
25. **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.
26. **NOTICES:** All notices required or permitted under this Agreement shall be sufficient if delivered personally, sent via facsimile or other electronic transmission, 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 notice from CFS to Customer shall be effective three days after it has been deposited in the mail, duly addressed. All notices to CFS from Customer shall be effective after it has been received via U.S. Mail, express delivery, facsimile or other electronic transmission.
27. **AUTHORITY AND AUTHORIZATION:** Customer represents and agrees that (a) Customer is a state or a political subdivision or agency of a state; (b) that entering into and performance of the Agreement is authorized under Customer's state laws and Constitution and does not violate or contradict any judgment, law, order, or regulation, or cause any default under any agreement to which Customer is party; and (c) Customer has complied with any bidding requirements and, where necessary, has properly presented this Agreement for approval and adoption as a valid obligation on Customer's part. Upon request, Customer agrees to provide CFS with an opinion of counsel as to clauses (a) through (c) above, an incumbency certificate, and other documents that CFS may request, with all such documents being in a form satisfactory to CFS.
28. **ELECTRONIC ACCEPTANCE:** Customer agrees that CFS may accept a facsimile or other electronic transmission of this Agreement or any Acceptance Certificate as an original, and that facsimile or electronically transmitted copies of Customer's signature will be treated as an original for all purposes.
29. **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.
30. **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. 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. Customer agrees that CFS may insert missing information or correct other information on this Agreement including the Equipment's description, serial number, and location, otherwise, this Agreement contains the entire arrangement between Customer and CFS and no modifications of this Agreement shall be effective unless in writing and signed by the parties.
31. **GOVERNMENT USE:** Customer agrees that (a) Customer will comply with all information reporting requirements of the Internal Revenue Code of 1986, as amended, including but not limited to the execution and delivery to CFS of information reporting statements requested by CFS, (b) Customer will not do, cause to be done, or fail to do any act if such act will cause the interest portion of the Payments to be or to become subject to Federal income taxation, and (c) the use of the Equipment is essential for Customer's proper, efficient and economic operation. Customer will be the only entity to use the Equipment during the term of this Agreement and Customer will use the Equipment only for Customer's governmental purposes. Upon request, Customer agrees to provide CFS with an essential use letter in a form satisfactory to CFS as to clause (c) above.
32. **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 NEW JERSEY. THE RIGHTS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN CUSTOMER AND CFS SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN OR BURLINGTON, NEW JERSEY, OR AT CFS' SOLE OPTION, 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.