Canon

**CANON FINANCIAL SERVICES, INC.** ("CFS")
Remittance Address: 14904 Collections Center Dr.
Chicago, Illinois 60693 (800) 220-0200

# TOTAL SOLUTION LEASE AGREEMENT

CFS-1015 (06/26)

LESSOR'S AGREEMENT NUMBER:

| COMPANY LEGAL NAME | DBA | PHONE |
|---|---|---|

("Customer")

| BILLING EMAIL ADDRESS | BILLING CONTACT FIRST NAME | BILLING CONTACT LAST NAME | BILLING CONTACT PH # | ☐ Checking box or omitting email address defaults to paper invoice. Not checking box defaults to electronic invoice, Billing data needed. |
|---|---|---|---|---|

| BILLING ADDRESS | CITY | COUNTY | STATE | ZIP |
|---|---|---|---|---|
| EQUIPMENT ADDRESS | CITY | COUNTY | STATE | ZIP |

| Make / Model / Accessory | Serial Number | Monthly Guaranteed Minimum Copies (Black & White) | Monthly Guaranteed Minimum Copies (Color) | Overage Copy Charge * (Black & White) | Overage Copy Charge * (Color) | Initial Meter Reading (Black & White) | Initial Meter Reading (Color) |
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| | TOTALS | | | | | | |

**Guaranteed Copy Plan:** ☐ Individual ☐ Aggregate (Totals only required)
**Payment Frequency:** ☐ Monthly ☐ Quarterly ☐ Other: _____
**Meter Reading Frequency:** ☐ Monthly ☐ Quarterly ☐ Other: _____
**End of Term Purchase Option:** ☐ $1.00 ☐ Fair Market Value ☐ Other: _____

**Term:** _____ months
**Minimum Monthly Rental Payment *:** _____
**Service and Supplies Included *:** ☐ Supplies ☐ Maintenance
* Plus Applicable Taxes

THIS AGREEMENT IS NON-CANCELABLE BY CUSTOMER. CUSTOMER REPRESENTS THAT ALL ACTION REQUIRED TO AUTHORIZE EXECUTION OF THIS AGREEMENT ON BEHALF OF CUSTOMER BY THE FOLLOWING SIGNATORIES HAS BEEN TAKEN. THE UNDERSIGNED HAS READ, UNDERSTANDS AND HEREBY AGREES TO ALL OF THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT.

## ACCEPTED

**DEALER:** _____ ("Dealer")
By: _____
Print Name _____
Title: _____
Date: _____

## AUTHORIZED CUSTOMER SIGNATURE

By: X _____ Title: _____
Printed Name: _____ Email address: _____
If proprietor,
Tax ID#: _____ DOB: _____ Date: _____
By: X _____ Title: _____
Printed Name: _____ Email address: _____

## ACCEPTANCE CERTIFICATE

To: Dealer Customer certifies that (a) the Equipment referred to in this 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 Customer, and (d) the Equipment is irrevocably accepted by Customer for all purposes under this Agreement. Accordingly, Customer hereby authorizes billing under this Agreement.

Signature: _____ Printed Name: _____ Title (if any): _____ Date: _____

## TERMS AND CONDITIONS

**1. AGREEMENT:** Dealer rents to Customer, a _____ organized under the laws of the State of _____, with its chief executive office _____, and Customer rents from Dealer all the equipment described above, together with all replacement parts and substitutions for and additions to such equipment ("Equipment") upon the terms and conditions set forth in this Total Solution Lease Agreement ("Agreement"). This Agreement is entered into between Customer and Dealer, but Dealer intends to assign it to Canon Financial Services, Inc. ("CFS"), with its place of business at 300 Commerce Square Blvd, Burlington, NJ 08016, and CFS shall succeed to Dealer's rights and benefits hereunder, including ownership of and title to the Equipment, but not the Dealer's obligations hereunder. Prior to such assignment, Dealer shall be "Lessor", after such assignment, CFS shall be "Lessor".

**2. TERM OF AGREEMENT**: This Agreement shall be effective on the date the Equipment is delivered to Customer ("Commencement Date"), provided Customer executes Lessor's form of acceptance ("Acceptance Certificate") or otherwise accepts the Equipment as specified herein. The term of this Agreement begins on the date accepted by Lessor or any later date that Lessor designates ("Agreement Date"), and shall consist of the payment periods specified above, any Interim Period, and any renewal periods. After acceptance of the Equipment, Customer shall have no right to revoke such acceptance or cancel this Agreement during the term hereof. The term of this Agreement shall end, unless sooner terminated by Lessor, when all amounts required to be paid by Customer under this Agreement have been paid as provided and either (a) Customer has purchased the Equipment in accordance with the terms hereof or (b) the Equipment has been returned at the end of the scheduled term or renewal term in accordance with the terms hereof. Customer has no right to return the Equipment to Lessor prior to the end of the scheduled term of this Agreement for any reason whatsoever, including, without limitation, payment of all amounts due hereunder prior to the end of the scheduled term.

**3. PAYMENTS:** Customer agrees to pay to Lessor, as invoiced, during the term of this Agreement, (a) the payments specified under "Minimum Monthly Rental Payment" and any "Overage Copy Charges" above and (b) such other amounts permitted hereunder as invoiced by Lessor ("Payments"). Customer also agrees to pay to Lessor an interim payment in an amount equal to 1/30th of the monthly amount of the Payment multiplied by the number of days between the Commencement Date and the Agreement Date ("Interim Period") as determined by Lessor. Lessor may charge Customer a supply freight fee to cover Dealer's costs of shipping supplies to Customer. The amount of each Payment and the End of Term Purchase Option ("Purchase Option") price specified above are based on the supplier's best estimate of the cost of the Equipment and any related services and supplies. Customer authorizes Lessor to adjust the Payment and Purchase Option herein by up to fifteen percent (15%) if the actual total cost of the Equipment and any related services and supplies, including any sales or use tax, is more or less than originally estimated. Once in each twelve (12) month period following the first anniversary of this Agreement, Dealer has the right to increase both (i) the portion of the Minimum Monthly Rental Payment related to copy charges and (ii) the Overage Copy Charge on each anniversary of the Commencement Date in an amount not to exceed fifteen percent (15%) of such charges which were in effect immediately prior to such price increase. Customer shall remit all Payments hereunder directly to CFS at 14904 Collections Center Drive, Chicago, Illinois 60693, unless otherwise directed by Lessor. Customer's obligation to pay all amounts due under this Agreement and all other obligations hereunder is absolute and unconditional and is not subject to any abatement, set-off, defense, or counterclaim for any reason whatsoever.

**4. APPLICATION OF PAYMENTS; METER READING:** All Payments received by Lessor from Customer under this Agreement will be applied to amounts due and payable hereunder chronologically, based on the date of the charge shown on the invoice for each such amount and among amounts having the same date in such order as Lessor, in its discretion, may determine. Customer agrees to advise Dealer of the meter readings for the Equipment upon request.

**5. NO LESSOR WARRANTIES:** CUSTOMER ACKNOWLEDGES THAT NEITHER DEALER NOR CFS IS A MANUFACTURER, AND CFS IS NOT A 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. CUSTOMER ACKNOWLEDGES THAT NEITHER DEALER NOR CFS HAS MADE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE

## PERSONAL GUARANTY

The undersigned (whether one or more are specified, "Guarantor(s)"), in consideration of the Dealer identified above ("Dealer") entering into, and Canon Financial Services, Inc. ("CFS") accepting an assignment of (prior to such assignment, Dealer shall be the "Lessor", and after such assignment, CFS shall be "Lessor"), an agreement (together with any schedules or supplements thereto, "Agreement") with Customer identified above ("Customer") irrevocably and unconditionally, jointly and severally, guarantee to Lessor, and its successors and assigns, the payment when due of all amounts owed under the Agreement (whether at maturity or upon the occurrence of an event of default or otherwise) and the performance of all terms of the Agreement and any other transaction between Customer and Lessor (collectively, "Liabilities"). If Customer shall fail to pay or perform any Liabilities when due, Guarantors shall, upon demand, pay any amounts which may be due from Customer and take any action required of Customer under the Agreement. This is an absolute and continuing guaranty, and Guarantors' liability under this Guaranty is primary and will not be affected by any settlement, extension, renewal or modification of the Agreement or any discharge or release of Customer's obligations, whether by agreement or operation of law.

If any payment on the Liabilities is thereafter set aside, recovered or required to be returned for any reason (including without limitation the bankruptcy, insolvency or reorganization of Customer or any other person), the Liabilities to which such payment was applied shall for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty shall be enforceable as to such Liabilities as fully as if such application had never been made. This Guaranty may be terminated only upon sixty (60) days' prior written notice to Lessor, and such termination shall be effective only as to Liabilities arising under schedules, supplements, or agreements entered into after the effective date of termination and shall not affect Lessor's rights under this Guaranty arising out of the Agreement or other agreements entered into prior to such date.

Guarantors waive all damages, demands, presentments and notices of every kind and nature, any rights of set-off, and any defenses available to a guarantor (other than the defense of payment and performance in full) under applicable law. Guarantors further waive any (i) notice of the incurring of indebtedness by Customer and the acceptance of this Guaranty, (ii) right to require suit against Customer or any other party before enforcing this Guaranty and (iii) right of subrogation to Lessor's rights against Customer until the Liabilities are satisfied in full. Any (a) renewals and extensions of time of payment, (b) release, substitution or compromise of or realization upon the Equipment, other guaranties or any collateral security and (c) exercise of any other right under this or any other agreement between Lessor and Customer or any third party, may be made, granted and effected by Lessor without notice to Guarantors and without in any manner affecting Guarantors' liability under this Guaranty.

Guarantors shall pay all expenses (including attorneys' fees and legal expenses) paid or incurred by Lessor in endeavoring to collect the Liabilities, or any part thereof and in enforcing this Guaranty. THIS GUARANTY SHALL FOR ALL PURPOSES BE DEEMED A CONTRACT ENTERED INTO IN THE STATE OF NEW JERSEY. THE RIGHTS OF THE PARTIES UNDER THIS GUARANTY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN GUARANTORS AND LESSOR SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN OR BURLINGTON, NEW JERSEY, OR AT LESSOR'S SOLE OPTION, IN THE STATE WHERE ANY GUARANTOR, CUSTOMER OR EQUIPMENT IS LOCATED. GUARANTORS, BY THEIR EXECUTION AND DELIVERY HEREOF, IRREVOCABLY WAIVE OBJECTIONS TO THE JURISDICTION OF SUCH COURTS AND OBJECTIONS TO VENUE AND CONVENIENCE OF FORUM. GUARANTORS, BY THEIR EXECUTION AND DELIVERY HEREOF, AND LESSOR, BY ITS ACCEPTANCE HEREOF, HEREBY IRREVOCABLY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.

Guarantors agree that Lessor may accept a facsimile or other electronic transmission of this Guaranty as an original, and that facsimile or electronically transmitted copies of Guarantors' signatures will be treated as an original for all purposes.

Printed Name: _____ Signature: _____ (no title) Date: _____
Address: _____ Phone: _____
Printed Name: _____ Signature: _____ (no title) Date: _____
Address: _____ Phone: _____

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 manufacturer, Dealer, or supplier is separate from, and is not a part of this Agreement, and shall be for the benefit of CFS, Customer, and CFS' successors or assignees, if any. So long as Customer is not in breach or default of this Agreement, CFS assigns to Customer any warranties (including those agreed to between Customer and the manufacturer, Dealer, or supplier) which CFS may have with respect to any item of Equipment; provided that the scope and limitations of any such warranty shall be solely as set out in any agreement between Customer and such manufacturer, Dealer, or supplier or as otherwise specified in warranty materials from such manufacturer, Dealer, or supplier and shall not include any implied warranties arising solely from Lessor's acquisition of the Equipment. CUSTOMER ACKNOWLEDGES THAT NEITHER THE SUPPLIER NOR ANY DEALER IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OF THIS AGREEMENT OR ANY SCHEDULE, OR TO MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THIS AGREEMENT OR THE EQUIPMENT ON BEHALF OF CFS.

**6. ACCEPTANCE; DELIVERY:** Customer's execution of the Acceptance Certificate, or other confirmation of Customer's 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 such Equipment, delivered to Lessor written notice of any non-acceptance, specifying the reasons therefor and specifically referencing this Agreement, Customer shall be deemed to have irrevocably accepted such Equipment. Lessor is the owner of the Equipment and has leased the Equipment to Customer under this Agreement. As between Lessor and Customer, this Agreement shall supersede any Customer purchase order in its entirety, notwithstanding anything to the contrary contained in any such purchase order. Customer agrees to waive any right of specific performance of this Agreement and shall 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 accept assignment of this Agreement. Customer agrees that any delay in delivery of the Equipment shall not affect the validity of this Agreement.

**7. LOCATION; LIENS; NAMES; OFFICES:** Customer shall not move the Equipment from the location specified herein except with the prior written consent of Lessor. Customer shall keep the Equipment free and clear of all claims and liens other than those in favor of Lessor. Customer's legal name (as set forth in its constituent documents filed with the appropriate governmental office or agency) is as set forth herein. The jurisdiction of organization and chief executive office address of Customer are as set forth herein. Customer shall provide Lessor with written notice at least thirty (30) days prior to any change of its legal name, chief executive office address or its form of organization (including, without limitation, its jurisdiction of organization), and shall execute and deliver to Lessor such documents as required or appropriate.

**8. WARRANTY OF BUSINESS PURPOSE; USE; PERSONAL PROPERTY; FINANCING STATEMENTS:** Customer represents and warrants that the Equipment will not be used for personal, family, or household purposes. Customer shall comply with all laws and regulations relating to the use and maintenance of the Equipment. Customer shall put the Equipment only to the use contemplated by the manufacturer. 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. Customer authorizes Lessor (and any third party filing service designated by Lessor) to execute and file (a) financing statements evidencing the interest of Lessor in the Equipment (including forms containing a broader description of the Equipment than the description set forth herein), (b) continuation statements in respect thereof, and (c) amendments thereto, and Customer irrevocably waives any right to notice thereof.

**9. INDEMNITY:** Dealer is responsible for installation of the Equipment. Customer shall reimburse Lessor for and defend Lessor against any claim for losses or injury caused by the Equipment. This Section shall survive termination of this Agreement.

**10. MAINTENANCE:** The charges established by this Agreement include payments for services and supplies, and Dealer is responsible for providing those services and supplies described in "Service and Supplies Included" above. Service will be performed by Dealer during regular business hours (9:00 a.m. to 5:00 p.m., Monday through Friday, except holidays) at no cost to Customer other than as set forth below. Customer shall use reasonable care in handling and operation of the Equipment. Dealer shall have the right to inspect, repair and remove Equipment and/or read the meter at any time during Customer's business hours. Any service work made necessary by Customer's willful act or negligence (including, without limitation, damage to any photoreceptor copier drums ("Copier Drums") and use of supplies other than those distributed by Dealer which cause abnormally frequent service calls or service problems), or any service work Customer may request to be performed outside regular business hours, shall be invoiced in accordance with Dealer's established service policies. Dealer shall have the right to substitute equivalent Equipment at any time during the term of this Agreement. Paper must be purchased separately by Customer. Customer acknowledges that CFS will not be responsible for any service, repairs or maintenance of the Equipment, whether provided for in this Agreement or in any other agreement between Dealer and Customer, and that if Customer has a dispute regarding the Equipment or the maintenance thereof, Customer shall continue to pay all charges due under this Agreement without deducting or withholding any amounts.

**11. 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, and administrative fees now or at any time imposed upon any Equipment, the Payments, or Customer's performance or non-performance of its obligations hereunder, whether payable by or assessed to Lessor or Customer. If Customer fails to pay any such fees, assessments, taxes, expenses or charges as required hereunder, Lessor shall have the right but not the obligation to pay those fees, assessments, taxes, expenses and charges, and Customer shall promptly reimburse Lessor, upon demand, for all such payments made plus administrative fees and costs, if any. Customer acknowledges that, where required by law, Lessor will file any notices and pay personal property taxes levied on the Equipment. Customer shall reimburse Lessor for the expense of such personal property taxes as invoiced by Lessor and pay Lessor a processing fee not to exceed $50 per year per item of Equipment that is subject to such tax. Customer agrees that Lessor has not, and will not, render tax advice to Customer, and that 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 LESSOR A DOCUMENTATION FEE, IN THE AMOUNT OF $125, TO REIMBURSE LESSOR FOR ITS ADMINISTRATIVE AND RECORDING COSTS.

**12. INSURANCE:** Customer, at its sole cost and expense, shall, during the term hereof including all renewals and extensions, 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 be with companies satisfactory to CFS. Each insurer providing such insurance shall name Lessor as additional insured and loss payee and provide Lessor 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 Lessor. The proceeds of such insurance, at the option of Lessor, shall be applied to (a) replace or repair the Equipment, or (b) pay Lessor the "Remaining Lease Balance," which shall be the sum of: (i) all amounts then owed by Customer to Lessor under this Agreement; *plus* (ii) the present value of all remaining Payments for the full term of this Agreement; *plus* (iii) the "Asset Value," which shall be: (A) for an Agreement with a $1.00 Purchase Option, $1.00; (B) for an Agreement with a Fair Market Value Purchase Option or no Purchase Option selected, the Fair Market Value of the Equipment (as defined herein), and (C) for an Agreement with an Other Purchase Option, the respective dollar amount of such Purchase Option indicated on the face of this Agreement; *plus* (iv) any applicable taxes, expenses, charges and fees. For purposes of determining present value under this Agreement, Payments shall be discounted at three percent (3%) per year. Customer hereby appoints Lessor as Customer's attorney-in-fact solely 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 Lessor's request, Customer fails to deliver satisfactory evidence of such insurance to Lessor, then Lessor shall have the right, but not the obligation, to obtain insurance covering Lessor's interests in the Equipment, and add the costs of acquiring and maintaining such insurance, and an administrative fee, to the amounts due from Customer under this Agreement. Lessor and any of its affiliates may make a profit on the foregoing.

**13. 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 Equipment, Customer shall immediately repair such damage at Customer's expense. If any Equipment is lost, stolen, or damaged beyond repair, Customer, at the option of Lessor, will (a) replace the same with like equipment in a condition acceptable to Lessor and convey clear title to such equipment to Lessor (and such equipment will become "Equipment" and be subject to the terms of this Agreement), or (b) pay Lessor the Remaining Lease Balance. Upon Lessor's receipt of the Remaining Lease Balance, Lessor shall transfer the applicable Equipment to Customer "AS IS, WHERE IS" without any representation or warranty whatsoever, except for title, and this Agreement shall terminate with respect to such Equipment.

**14. DEFAULT:** Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) Customer defaults in the payment when due of any indebtedness of Customer to Lessor, whether or not arising under this Agreement, without notice or demand by Lessor; (b) Customer or any guarantor of Customer's obligations hereunder ("Guarantor") ceases doing business as a going concern; (c) Customer or any Guarantor becomes insolvent or makes an assignment for the benefit of creditors; (d) a petition or proceeding is filed by or against Customer or any Guarantor under any bankruptcy or insolvency law; (e) a receiver, trustee, conservator, or liquidator is appointed for Customer, any Guarantor, or any of their property; (f) any statement, representation or warranty made by Customer or any Guarantor to Lessor is incorrect in any material respect; or (g) Customer or any Guarantor who is a natural person dies.

**15. REMEDIES:** Upon the happening of any one or more Events of Default, Lessor 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 require Customer to immediately pay all Payments hereunder (whether or not then due) and other amounts due under this Agreement, with Lessor retaining title to the Equipment; (b) to terminate any and all agreements with Customer; (c) with or without notice, demand or legal process, to enter upon the premises wherever the Equipment may be found, to retake possession of any or all of the Equipment, and (i) retain such Equipment and all Payments and other sums paid hereunder, or (ii) sell the Equipment and recover from Customer the amount by which the Remaining Lease Balance exceeds the net amount received by Lessor from such sale; or (d) to pursue any other remedy permitted at law or in equity. Lessor (i) may dispose of the Equipment in its then present condition or following such preparation and processing as Lessor 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. If the Equipment is not available for sale, Customer shall be liable for the Remaining Lease Balance and any other amounts due under this Agreement. No waiver of any of Customer's obligations, conditions or covenants shall be effective unless contained in a writing signed by Lessor. Failure to exercise any remedy that Lessor may have shall not constitute a waiver of any obligation with respect to which Customer is in default.

**16. LATE CHARGES; EXPENSES OF ENFORCEMENT:** If Customer fails to pay any sum to be paid by Customer to Lessor under this Agreement on or before the due date, Customer shall pay Lessor, upon demand, an amount equal to the greater of ten percent (10%) of each such delayed Payment or twenty-five dollars ($25) for each billing period or portion of a billing period such Payment is delayed, in each case to the extent permitted by applicable law. The amounts specified above shall be paid as liquidated damages and as compensation for Lessor's internal operating expenses incurred in connection with such late payment. In addition, Customer shall reimburse Lessor for all of its out-of-pocket costs and expenses incurred in exercising any of its rights or remedies hereunder or in enforcing any of the terms of this Agreement, including, without limitation, reasonable fees and expenses of attorneys and collection agencies, whether or not suit is brought. If Lessor should bring court action, Customer and Lessor agree that attorney's fees equal to twenty-five percent (25%) of the total amount sought by Lessor shall be deemed reasonable for purposes of this Agreement.

**17. ASSIGNMENT:** CUSTOMER SHALL NOT ASSIGN OR PLEDGE THIS AGREEMENT IN WHOLE OR IN PART, NOR SHALL CUSTOMER SUBLET OR LEND ANY EQUIPMENT WITHOUT PRIOR WRITTEN CONSENT OF LESSOR. Lessor may pledge or transfer this Agreement. Customer agrees that if Lessor transfers this Agreement, the assignee will have the same rights and benefits that Lessor has now and will not have to perform any of Dealer's or CFS' obligations which Dealer or CFS will continue to perform. Customer agrees that the rights of the assignee will not be subject to any claims, defenses, or set-offs that Customer may have against Lessor. If Customer is given notice of any such transfer, Customer agrees, if so directed therein, to pay directly to the assignee all or any part of the amounts payable hereunder.

**18. RENEWAL; RETURN:** Except in the case of an Agreement containing a $1.00 Purchase Option, this Agreement shall automatically renew on a month-to-month basis at the same Payment amount and frequency unless Customer sends written notice to Lessor at least sixty (60) days before the end of the scheduled term or any renewal term that Customer either (i) shall exercise the Purchase Option in accordance with the terms hereof and at the end of such term exercises such Purchase Option, or (ii) does not want to renew this Agreement, and at the end of such term returns the Equipment as provided below. Unless this Agreement automatically renews or Customer purchases the Equipment as provided herein, Customer shall, at the termination of this Agreement, return the Equipment at its sole cost and expense in good operating condition, ordinary wear and tear resulting from proper use excepted, to a location specified by Lessor. Lessor may charge Customer a return fee equal to the greater of one Payment or $250 for the processing of returned Equipment. If for any reason Customer shall fail to return the Equipment to Lessor as provided herein, Customer shall pay to Lessor upon demand one billing period's Payment for each billing period or portion thereof that such return is delayed. Customer shall reimburse Lessor for any costs incurred by Lessor to place the Equipment in good operating condition.

**19. PURCHASE OPTION: (A) END OF TERM PURCHASE OPTION.** To exercise this option, Customer shall give Lessor sixty (60) days' prior irrevocable written notice (unless the Purchase Option is $1.00) that it will purchase all the Equipment at the end of the initial term or any renewal term for the Purchase Option price indicated on the face of this Agreement *plus* any applicable taxes, expenses, charges and fees. (B) PRIOR TO MATURITY PURCHASE. Customer may, at any time, upon sixty (60) days' prior irrevocable written notice purchase all (but not less than all) the Equipment at a price equal to the sum of all remaining Payments *plus* the Fair Market Value, *plus* any applicable taxes, expenses, charges and fees. For purposes of this Agreement, "Fair Market Value" shall be Lessor's retail price at the time Customer notifies Lessor of its intent to purchase the Equipment. Upon proper notice and payment by Customer of the amounts specified above, Lessor shall transfer the Equipment to Customer "AS-IS WHERE-IS" without any representation or warranty whatsoever, except for title, and this Agreement shall terminate.

**20. DATA:** Customer acknowledges that the hard drive(s) on the Equipment, including attached devices, may retain images, content or other data that Customer may store for purposes of normal operation of the Equipment ("Data"). Customer acknowledges that CFS is not storing Data on behalf of Customer and that exposure or access to the Data by CFS or Dealer, if any, is purely incidental to the services performed by CFS and Dealer. Neither CFS nor Dealer nor any of their affiliates has an obligation to erase or overwrite Data upon Customer's return of the Equipment to CFS. Customer is solely responsible for: (A) its compliance with applicable law and legal requirements pertaining to data privacy, storage, security, retention and protection; and (B) all decisions related to erasing or overwriting Data. Without limiting the foregoing, if applicable, Customer should (i) enable the Hard Disk Drive (HDD) data erase functionality that is a standard feature on certain Equipment, and/or (ii) prior to return or other disposition of the Equipment, utilize the HDD (or comparable) formatting function (which may be referred to as "Initialized All Data/Settings" function) if found on the Equipment to perform a one pass overwrite of Data or, if Customer has higher security requirements, Customer may purchase from its Dealer at current rates an appropriate option for the Equipment, which may include (a) an HDD Data Encryption Kit option which disguises information before it is written to the hard drive using encryption algorithms, (b) an HDD Data Erase Kit that can perform up to a 3-pass overwrite of Data (for Equipment not containing data erase functionality as a standard feature), or (c) a replacement hard drive (in which case Customer should properly destroy the replaced hard drive). Customer shall indemnify Dealer and CFS, their subsidiaries, directors, officers, employees and agents from and against any and all costs, expenses, liabilities, claims, damages, losses, judgments or fees (including reasonable attorneys' fees) arising or related to the storage, transmission or destruction of the Data. This section survives termination or expiration of this Agreement. The terms of this section shall solely govern as to Data, notwithstanding that any provisions of this Agreement or any separate confidentiality or data security or other agreement now or hereafter entered into between Customer, Dealer and CFS applies, or could be construed to apply to Data.

**21. MAXIMUM INTEREST; RECHARACTERIZED AGREEMENT:** No Payment is intended to exceed the maximum amount of interest 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 Lessor, its successors and assigns a security interest in the Equipment to secure payment and performance of Customer's obligations under this Agreement.

**22. 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 ("UCC 2A"), AND LESSOR IS ENTITLED TO ALL BENEFITS, PRIVILEGES AND PROTECTIONS OF A LESSOR UNDER A FINANCE LEASE. CUSTOMER WAIVES ITS RIGHTS AS A LESSEE UNDER UCC 2A SECTIONS 508-522.

**23. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL:** THIS AGREEMENT 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 LESSOR SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN OR BURLINGTON, NEW JERSEY, OR AT LESSOR'S SOLE OPTION, IN THE STATE WHERE 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 LESSOR, BY ITS ACCEPTANCE HEREOF, HEREBY IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.

**24. MISCELLANEOUS:** 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 Lessor to Customer shall be effective three (3) days after it has been deposited in the mail, duly addressed. All such notices to Lessor from Customer shall be effective after it has been received via U.S. mail, express delivery, facsimile or other electronic transmission. 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 that 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 Lessor may insert missing information or correct other information on this Agreement including the Equipment's description, serial number, and location, and corrections to Customer's legal name; otherwise, this Agreement contains the entire arrangement between Customer and Lessor and no modifications of this Agreement shall be effective unless in writing and signed by the parties. Customer agrees that Lessor 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 and Dealer's signature will be treated as an original for all purposes.