

**ADVANCED
PROCESSING &
IMAGING, INC.**
www.apimg.com

This *Advanced Processing & Imaging, Inc.* (herein called "API") Customer Agreement (herein called the "Agreement") covers the major business transactions we may do with City of Burleson, TX (herein called the "Customer"), including :

- (a) sale of equipment;
- (b) license of programs; and
- (c) provision of services.

API, agrees to provide the equipment, programs and services, listed within on designated Schedule(s) or Supplement(s). The equipment, programs and services provided will be in accordance with the Terms and Conditions stated in this Agreement.

This Agreement supersedes all prior oral and written agreements, orders, or other writings, and together with the Schedules, constitutes the sole agreement of the parties with respect to the subject matter thereof, and may not be changed or modified except in writing signed by the parties against whom such modification is asserted. Once signed, any reproduction of this Agreement, made by reliable means (for example photocopy) is considered an original and all equipment, programs and services Customer orders under this Agreement are subjected to it.

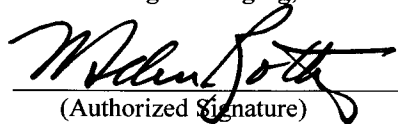
CUSTOMER ACKNOWLEDGES THAT CUSTOMER HAS READ EACH OF THE TERMS AND CONDITIONS IN THIS AGREEMENT AND AGREES TO BE BOUND BY THEM.

Agreement No. S091601

Agreed to and accepted for:

Advanced Processing & Imaging, Inc.

By:


(Authorized Signature)

Name: Melvin Rothberg
(Printed or Typed)

Title: Chief Executive Officer

Date: September 16, 2008

Address:

1350 E. Newport Center Drive

Suite 200

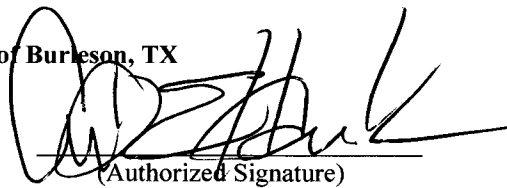
Deerfield Beach, FL 33442-7712

Phone: 954-425-0018

Agreed to and accepted for:

City of Burleson, TX

By:


(Authorized Signature)

Name: Curtis E. Hawk
(Printed or Typed)

Title: City Manager

Date: October 23, 2008

Address:

141 West Renfro Street

Burleson, Texas 76028

Phone: 817-447-5400

After signing, please return a copy of this agreement to the API office shown above.

Software/Hardware Products Schedule

City of Burleson, Tx		Price	Annual Maintenance*
OptiView Document & Enterprise Content Management System			
Multi-Functional Area System License		30,000	6,000
10	Full Scan/View Concurrent License(s)	20,000	4,000
20	View Plus Concurrent License(s)	20,000	4,000
Volume Discount for Multi-License Purchase		(5,100)	
Multi-Department Promotion - 3 Full License(s)		(6,000)	
OptiWorkflow Lite Edition (included in OptiView)		Included	Included
OptiView Professional Services per Area**			
Server Software Installation		1,500	
Analysis & Configuration per Functional Area		6,000	
Administrator Training Session(s)		3,000	
User Training Session(s)		6,000	
Monitoring & Coaching Session(s)		1,500	
OptiView Total Investment		\$ 76,900	\$ 14,000
Additional Licenses & Options			
1	OptiView Records Management Module	15,000	3,000
5	Professional Service Day(s)**	6,250	
Additional Licenses & Options Total Investment		\$ 21,250	\$ 3,000
OptiView Web			
OptiView Web Server		\$ 5,000	1,000
Block of 10 Concurrent Users		4,000	800
OptiView Web Professional Services**			
Server Software Installation		1,500	
User Training Session(s)		3,000	
OptiView Web Total Investment		\$ 13,500	\$ 1,800
Forms Processor			
Automated Forms Processor - Per Server		15,000	3,000
Professional Services (Installation, Administrator Training)**		1,500	
Forms Processor Total Investment		\$ 16,500	\$ 3,000
OptiSpool Report Archival Software			
Single Functional Area System License (Includes 1 Overlay)-6 users		16,000	3,200
Professional Services (Installation, Administrator Training)**		3,000	
OptiSpool Total Investment		\$ 19,000	\$ 3,200
INVESTMENT SUMMARY		Price	Annual Maintenance*
Software Total		113,900	25,000
Hardware Total***			
Professional Services Total**		33,250	
Total Investment		\$ 147,150	\$ 25,000



- * Software maintenance fees for future years will be based on a specified percentage (currently 20%) of the then current prices for the software. Maintenance will be billed separately.
- ** Plus out-of-pocket expenses for travel and living as well as all shipping costs not to exceed API's Travel Policy limits.
- *** Please see manufacturer's warranty and agreement on all hardware maintenance.

Payment Schedule

Payment terms are due upon receipt of products and services rendered. Late fees will be assessed at 1.5% interest per month from date of invoice.

Amount due upon software delivery: \$113,900

Amount due upon hardware delivery: Not Applicable

Professional services to be paid as services are rendered.

Annual maintenance will be invoiced after software deployment and made coterminous to fiscal year end. API will prorate maintenance amount based on the number of months left to fiscal year end.

For wire transfer send to: RBC Bank (USA), 134 North Church St, Rocky Mount, NC 27804 Phone: 800-236-8872
Transit/Routing # 053100850 Account # 601-008-2617

Project Schedule

Project Start Date: July 1, 2009.

Training Dates: July 6, 2009

Monitoring Dates: July 6, 2009

Initials 

TERMS AND CONDITIONS

GENERAL TERMS AND CONDITIONS

This document, including the schedules referred to herein ("Agreement"), constitutes the entire understanding and agreement between the parties and supersedes all prior or contemporaneous agreements or understandings whether oral or written. The customer, at API's discretion, may license additional software product(s) and purchase additional hardware by way of a schedule referencing the license number of this Agreement. Such additional product(s) and services shall be governed by the terms of this Agreement.

1. **HEADINGS.** Clause headings are inserted for ease of reference only, and do not form part of this Agreement.
2. **SEVERABILITY.** If any provisions of this Agreement shall be held or made invalid or unenforceable by a court decision, statute or rule, the remaining provisions of this Agreement shall not be affected thereby and shall continue in full force and effect.
3. **NOTICES.** Any notice, document or request to be given or served may be given or served by sending it by hand delivery, courier service or certified mail to the address of API or the Customer set forth herein or by facsimile with receipt confirmed. Either party may give written notice to the other of a change of address, and after notice of such changes has been received, any notice, document or request given or served thereafter shall be given to or served upon such party at such changed address.
4. **NON-ASSIGNMENT.** The customer shall not assign, transfer, sublicense or grant a security interest in this Agreement in whole or in part without the prior written consent of API. Notwithstanding the foregoing the Customer may assign this Agreement to an entity controlling, controlled by or under common control with the Customer or to which substantially all of the Customer's assets are sold without API's consent, provided that such entity is not a competitor of API's and, provided further, that if the Customer is to be released from any financial obligations under this Agreement, the assignee must meet API's credit standards.
5. **DISCLAIMER OF CONSEQUENTIAL DAMAGES.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, ECONOMIC LOSS, LOST PROFITS, LOST REVENUE, AND DAMAGES RELATING TO LOST DATA OR USE, EVEN IF THE PARTIES HAVE KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER THE CLAIM IS MADE FOR BREACH OF CONTRACT, BREACH OF WARRANTY, IN TORT OR OTHERWISE.
6. **LIMITED WARRANTIES.** The only warranties provided by API are those specifically set forth in this Agreement, and such limited warranties are in lieu of any and all other warranties, express or implied, including any warranties of merchantability and fitness for a particular purpose. API has authorized no other warranty or representation and the Customer has not relied on any other warranty or representation in its decision to execute this Agreement and purchase goods and/or services. API's limited warranties shall be suspended by API without recourse on the part of the Customer during the period in which the Customer's computer equipment fails to perform according to its standard performance specifications or the operating system and other program products upon which the API software product(s) depend for successful operation fail to perform according to manufacturer's specifications contained in their product documentation. API's limited warranties shall not apply to extent of any defect, error or other problem caused or contributed to by the Customer or any third party, including without limitation misuse, misapplication or failure to comply with the terms of this Agreement and all related manuals and documentation.
7. **EXCLUSIVE REMEDIES.** The exclusive remedies of the Customer for a breach by API of any term of this Agreement shall be those specifically set forth herein, and shall be subject to the time limitations and notice requirement set forth herein. In the event of a breach by API of any term of this Agreement, the Customer shall be entitled to a claim for direct damages actually caused by such breach. In no event shall API have liability for any damages other than direct damages caused solely by API's breach. IN NO EVENT SHALL API'S LIABILITY TO THE CUSTOMER UNDER THIS AGREEMENT EXCEED THE AMOUNT OF THE LICENSE FEES PAID TO API HEREUNDER, REGARDLESS OF WHETHER THE CLAIM IS MADE FOR BREACH OF CONTRACT, BREACH OF WARRANTY, IN TORT OR OTHERWISE.

API UNDERTAKINGS

8. **STAFF ALLOCATION.** API reserves the right to determine the allocation of API personnel in furnishing services under this Agreement. This Agreement shall not prevent the API personnel who are providing services to the Customer under this Agreement from performing similar services for others nor shall it restrict API in any other way in its use of API personnel, provided API meets its obligation of confidentiality under this Agreement.

9. **PERSONNEL MOVEMENTS.** API agrees not to solicit the Customer's personnel to work for API in any capacity for at least six (6) months after such person has left the employment of the Customer, except with the express written permission of the Customer.
10. **INFRINGEMENT INDEMNITY.** API will defend, at its cost, any claim brought against the Customer that the current release version of any programs provided under this Agreement infringes a patent, trademark, copyright or other intellectual property right of third parties, and will indemnify the Customer against those costs and damages finally awarded or settled by negotiations in any action against the Customer based on any such claim provided that:
 - a) the Customer promptly notifies API in writing of any such claim;
 - b) API has sole control of and the Customer cooperates in all respects in the defense of any such claim and all related settlement negotiations; and
 - c) Such claim does not relate to any act of the Customer, including without limitation, a change in the software program, use thereof in a manner other than that specified by API or any other breach of this Agreement by the Customer.- d) If a judgment against API for any such claim has occurred, or in API's opinion is likely to occur, the Customer agrees to permit API, at its option and expense, either:
 1. to produce for the Customer the right to continue using the program, or
 2. to modify the same so that it becomes non-infringing, or
 3. to replace the same by non-infringing material so that the material as modified or replaced performs the same functions as the infringing material, or
 4. to terminate the license for the allegedly infringing product and refund a pro-rated amount of the license fees paid.

CUSTOMER UNDERTAKINGS

11. **PERSONNEL MOVEMENTS.** The Customer agrees not to solicit API personnel to work for the CUSTOMER in any capacity for at least six (6) months after such person has left the employment of API, except with the express written permission of API.
12. **ACKNOWLEDGMENT.** The Customer grants to API the right to use the Customer's name as a customer of API. Before API uses the Customer's name in publicity, advertising releases or other materials prepared by and on behalf of API, API shall obtain the approval of the Customer.
13. **THIRD PARTY SOFTWARE.** The Customer warrants that the Customer:
 - a) has any necessary permission, expressed or otherwise, to enable any programs owned by or licensed from third parties and necessary for API to fulfill its obligations to the Customer to be copied and modified and run during the use of the software product(s) without infringing third party copyright or any other rights; and
 - b) the disclosure to or use of third party programs by API will not involve breach of confidence or contract.
14. **COMPUTER CONTROLS.** The Customer will be responsible for implementing sufficient procedures and checkpoints to satisfy the Customer's requirements in relation to security and accuracy of input and output data, including re-start and recovery in the event of a computer malfunction. The Customer shall provide suitably qualified user personnel to run the computer.
15. **EXPENSES.** The Customer agrees to reimburse API for reasonable incidental expenses incurred by its staff for all travel and related living expenses (out-of-pocket expenses) as a result of work performed under this Agreement.
16. **TAXES.** The Customer agrees to pay all sales, use, or other taxes or similar charges when due now or in the future, to the extent required by any local, state or federal law.
17. **NON-API ERRORS.** The Customer agrees that if operational problems or errors are subsequently discovered to be attributable to malfunction of the customer's computer(s) or the malfunction of software other than the software product(s) supplied by API, then all work performed by API in investigating and/or correcting such situation shall be payable by the Customer at API's standard rates. If the Customer or its agents has altered, added to or deleted from the program coding and/or the data files of the software product(s) so as to cause them to vary from the software product(s) delivered or subsequently upgraded by API, then the Customer must provide reasonable evidence that any errors found have been introduced by API and, if API is called upon to repair any malfunction in the software product(s) as a result of changes made by the Customer or its agents, then the Customer shall pay API, at standard rates, for all time spent by API representatives incurred in making such repairs as well as all out-of-pocket expenses.

Initials: 

SOFTWARE PRODUCT(S) TERMS AND CONDITIONS

API UNDERTAKINGS

- 1) **GRANT OF LICENSE.** API grants to the Customer a non-exclusive, non-transferable license to use the software product(s) and associated documentation for the Customer's own internal data processing use and not for third-party processing, in perpetuity, subject to the Customer's performance of its obligation under this Agreement, and subject to the limitations on the number of users authorized to use the software product(s) concurrently at any given time as specified in the attached Software Products Schedule(s). The Customer may incur additional user license fees in connection with the transfer of the software product(s) from one processor or platform to a new processor or platform, if the minimum number of users for such new processor or platform is greater than the number of authorized users as specified on the attached Software Products Schedule(s) or should the new processor be of greater capability as to fall into a higher price category for the software product(s) acquired herein:
 - a) For purpose of this Agreement, the number of "users" shall be determined by adding the number of individuals concurrently using the software product(s) at any given time.
 - b) For purpose of verifying the Customer's use in accordance with this Agreement, at API's written request, not more frequently than annually, the Customer shall furnish API with a signed certification verifying that the software product(s) are being used pursuant to the provisions of this Agreement, including limitations on the number of users, and,
 - c) listing the locations, types and serial number of the systems on which the software product(s) are run. API may, at its expense, audit the Customer's use of the software product(s). Any such audit shall be conducted during regular business hours at the Customer's facilities and shall not unreasonably interfere with the Customer's business activities. If an audit reveals that the Customer has underpaid fees to API, the Customer shall be invoiced for such underpaid fees based on the price list in effect at the time the audit is completed; if the underpaid fees exceed 5% of the license fees paid, then the Customer shall also pay API's reasonable costs of conducting the audit.
 - d) The Customer may copy the software product(s) solely for archival or backup purposes, provided that all titles trademarks and copyright notices are reproduced on such copies. All archival and backup copies are subject to the term of this Agreement.
- 2) **DELIVERABLES.** API shall provide the following items as integral parts of the license granted:
 - a) one copy of the software product(s) program and control procedures in machine readable form;
 - b) one copy of the software product(s) user manual.
- 3) **PAYMENT.** The Customer agrees to pay all invoices for license fees and SPS and NRS charges in the amounts and in strict conformance with the payment terms set forth herein and without setoff or retention. Late payments shall be subject to a service charge in the amount of 1.5% per month on the unpaid invoice amount.
- 4) **LIMITED WARRANTY.** For an initial period of ninety (90) days from the date of delivery of the software product(s), API warrants that it will provide the support described below for API's standard software product(s) free of charge under warranty.
 - a) API will use its best endeavors to start and continue remedial work on errors which seriously affect operation of the software product(s).
 - b) API will provide media containing program fixes or upgrades to the standard software product(s) plus instruction on how to apply the program fixes or updates to the standard software product(s). Updates shall mean subsequent releases, which are generally made available to all API licenses at no additional charge but shall not include any release of future product that API decides to license separately. Work performed by API at the request of the Customer to apply program fixes or updates to either standard or customized software product(s) is an additional chargeable service.
 - c) API will provide upgrades to documentation after the installation date that API deems necessary to maintain continued effective use of the software product(s) by the Customer.
 - d) API will provide hotline support between the hours of 8:30am and 5:30pm EST on normal business days. Hotline support will consist of:
 - i) telephone assistance with program errors.
 - ii) telephone assistance with user problems and training, with each call limited to five (5) minutes of free time and with additional time chargeable as an additional service in fifteen (15) minute intervals.
 - iii) API will provide on-site assistance where deemed necessary by API and the Customer (all expenses to be paid by customer).
- 5) **THESE WARRANTIES ARE EXCLUSIVE AND SUBJECT TO CLAUSE 6. LIMITED WARRANTIES AND CLAUSE 7. EXCLUSIVE REMEDIES IN THE GENERAL TERMS AND CONDITIONS.**
- 6) **SOFTWARE PRODUCT SUPPORT (SPS).** After expiration of the initial warranty period and upon payment of the SPSC described in Clause 7, API will

continue to provide to the Customer the support services described in Clause 1 of the Service Terms and Conditions.

- 7) **SOFTWARE PRODUCT SUPPORT CHARGES (SPSC).** SPSC is a fixed percentage of the then current prices for API software product(s) and is payable in advance on an annual basis.
- 8) **NEW RELEASE SERVICE (NRS).** After the expiration of the initial warranty period, API will provide to the Customer a new release service upon payment of the SPSC described in Clause 7. This service will provide all new standard releases of the software product(s) licensed to the Customer as and when they are ready for general customer use (as described in Clause 4b).
- 9) **CHARGE CALCULATION.** The current software product license fee percentage for SPSC is subject to change. API shall have the right, upon three (3) months written notice to the Customer, to change the charges for any given twelve (12) month period. The Customer may terminate the SPS by giving API ninety (90) days written notice prior to the next renewal date.
- 10) **FORCE MAJEURE.** API will provide the standard software product(s) as requested by the Customer but shall not be liable for any delay or for the consequences of any delay in performing its obligations if such delays are due to industrial dispute of third parties or any act of God or any act beyond API's reasonable control and in such case API shall be entitled to a reasonable extension of time for performing its obligations.
- 11) **CANCELLATION OF LICENSE.** If the Customer defaults in the payment of any amount due and payable under this Agreement, or otherwise defaults in the performance of any other duties hereunder and fails to remedy such default within thirty (30) days after receiving written notice from API, or if the Customer is in material breach of the confidentiality provisions contained in this Agreement, or if the Customer ceases to do business or a receiver is appointed for the Customer, or some other act of bankruptcy occurs, then in addition to and without detracting from any other remedy which API may have, API may forthwith give notice of cancellation of the license(s) granted herein, whereupon the Customer's right to use the software product(s) and the associated documentation shall cease, provided, however, that the Customer shall have a period of continued use of the software product(s) of up to sixty (60) days from notice of cancellation to allow the Customer to make alternative arrangements. Upon termination, the Customer shall deliver the software product(s) together with the associated documentation to API and shall take all such steps as may be necessary to destroy copies of the software product(s) and any record of the same contained in any data retrieval systems under the control of the Customer. An officer of the Customer shall, at the end of this sixty (60) day period, warrant in writing to API that the provisions of this Clause have been satisfied. The exercise of rights under this Clause shall not prejudice any rights of either party to damages or other equitable relief or remedies, subject to the limitations contained in this Agreement. Termination shall not relieve the Customer of the obligation to pay any fees that have accrued or are otherwise owed by the Customer.

CUSTOMER UNDERTAKINGS

- 12) **ACCEPTANCE.** The customer will promptly test the software product(s) provided by API using data provided by the Customer and inform API of any material errors. API will correct these under warranty. API will not warrant the software product(s) if the Customer proceeds to use the software product(s) in a live environment before API has corrected the errors found during acceptance testing.
- 13) **CONTROLS.** The Customer shall be exclusively responsible for the provision of adequate supervision, management and control of the use of the software product(s) including, but not limited to:
 - a) the provision of adequate and appropriate machine configuration, software product(s), installation, audit controls and operating procedure including check points and restarts; and
 - b) the generation of the test data needed for the acceptance test.

Initials: 

- 14) **TRAINING.** The Customer agrees to release personnel for API training courses as reasonably required by API to ensure the success of the installation of the software product(s). The courses may be held at the Customer's or at API's premises at the request of the Customer. The charge for these courses shall be as set forth in the then current edition of the API education price list.
- 15) **CONFIDENTIALITY OF SOFTWARE PRODUCT(S).** The Customer agrees that during and after the term of this Agreement it shall not copy or otherwise provide or make available for use or copying the software product(s) or any portion thereof to any persons other than employees of the Customer specifically engaged in the use of the software product(s). No copies of the software product(s) or its associated documentation beyond those necessary for security purposes shall be made without the prior written consent of API. The Customer shall provide to API prompt written notice whenever it copies or makes available any software product(s) as permitted in this Clause. The Customer acknowledges that the software product(s) and documentation are the confidential information and trade secrets of API. The Customer shall take all such reasonable steps as may be necessary to ensure that its employees and any persons permitted under the Agreement to have access to the software product(s) and/or any printed material associated with the software product(s) shall preserve the secrecy and confidentiality of the software product(s) for the protection of API. The Customer agrees that if a copy of the software product(s) is found to be in use without the written permission of API by reason of the action of a Customer's employee or a person permitted by it to have access to the software then the Customer agrees to take all reasonable steps:
- to notify API immediately of the circumstances surrounding the unauthorized use of software product(s);
 - to destroy that copy of the software product(s);
 - to take actions to stop the unauthorized use of such software product(s).
- 16) **ACKNOWLEDGMENT OF OWNERSHIP.** The Customer acknowledges it has no right to the software product(s) except that of usage, subject to the term of this Agreement, and that API, or such other person as API designates, retains sole ownership of the software product(s), including any modifications or extensions provided for the Customer. The Customer further agrees not to remove from any of the software product(s) any statement appearing therein concerning copyright and proprietary rights. The Customer agrees not to contest or challenge in any legal proceedings or otherwise the proprietorship or ownership by API of the software product(s).
- 17) **NO REVERSE ENGINEERING.** The Customer agrees not to reverse engineer, disassemble or decompile any of the software product(s) delivered in object code and further agrees not to cause or permit reverse engineering, disassembly or decompilation of any such software product(s) by an employee or agent of the Customer. This covenant shall survive termination of this Agreement and the license(s) granted hereunder.
- 2) **DELIVERABLES.** API shall provide, when available, as integral parts of this Agreement:
- one copy of a specification of the services to be provided;
 - one copy of any computer programs and control procedures written by API for the Customer in machine readable form; and
 - computer programs tested as far as is reasonably possible using API provided data on either API's, or by agreement, the Customer's computer.
- 3) **PAYMENT.** The Customer agrees to pay all invoices upon receipt of the invoice and without setoff or retention. Late payment shall be subject to a service charge in the amount of 1.5% per month on the unpaid invoice amount.
- 4) **OWNERSHIP.** The Customer acknowledges that any deliverables provided under this Agreement shall be and remain the property of API.
- 5) **ERRORS.** Errors shall be defined as deviations from the specification(s) provided by API for each item of work undertaken. Precise definition of an error may, in some cases, be difficult to specify.
- 6) **PROGRESS.** The Customer and API shall jointly prepare and agree on an implementation plan for each piece of custom work performed by API. Joint progress meetings shall be held regularly throughout the project to monitor progress against the implementation plan and to set objectives for the next period, to clear any outstanding problems and to review and amend target dates for both API's and the Customer's sake as required by changing circumstances. These meetings will normally be at mutually convenient dates. The work content of this Agreement may be extended or reduced as agreed jointly, in writing, by API and the Customer. The Customer shall notify API in writing of requested changes to the work content. API will respond with a service estimate that the Customer will countersign indicating its acceptance.

EXTENDED SOFTWARE SUPPORT TERMS AND CONDITIONS

- 1) **SCOPE.** API agrees to provide the Customer with Extended Software Support (ESS) for the software product(s) listed in the Software Products Schedule(s). The extended Software Support provided under this Agreement covers Software Products Support (SPS) and New Release Services (NRS) as well as additional charges for custom programming described above. All other software support, including the re-application of such programming to subsequent software product releases, will either be charged on a time and material expense basis or charged for under a separate custom programming maintenance contract. **EXTENDED SOFTWARE SUPPORT IS SUBJECT TO CLAUSE 6. LIMITED WARRANTIES AND CLAUSE 7. EXCLUSIVE REMEDIES IN THE GENERAL TERMS AND CONDITIONS ABOVE.**
- 2) **PAYMENT.** The Customer agrees to pay all invoices for Extended Software Support Charges (ESSC) in the amount and in strict conformance with the payment terms set forth herein for all invoices, and without setoff or retention. Late payment shall be subject to a service charge in the amount of 1.5% per month on the unpaid invoice amount.

SERVICE TERMS AND CONDITIONS

- 1) **SCOPE.** API will supply the Customer with services on an as required basis and at the current rates. These services will include, but are not limited to, product educating and training, consulting services, both business and technical, software product enhancement and modification, and custom software development. **SERVICES ARE SUBJECT TO CLAUSE 6. LIMITED WARRANTIES AND CLAUSE 7. EXCLUSIVE REMEDIES IN THE GENERAL TERMS AND CONDITIONS ABOVE.**

Initials: 

**HARDWARE PRODUCT(S)
TERMS AND CONDITIONS**

1. **Definitions.** "Notice," as used herein, shall mean in writing given in advance and delivered at, or properly mailed to, receiving party's address. *CUSTOMER'S* address for the purpose of notification is set forth on the face of this Agreement. *API's* address for the purpose of notification is: *ADVANCED PROCESSING & IMAGING, INC.*, 1350 E. Newport Center Drive, Suite 200, Deerfield Beach, FL 33442. Any party may, by notice, designate a change of address. Such notice shall be effective on the fourth business day after mailing in any place in the United States, postage prepaid, registered or certified mail. The initial contract shall be referred to as the "*CONTRACT*" as used herein shall mean the initial contract plus any and all renewal periods. "*QUALIFIED EQUIPMENT*," as used herein, shall mean *EQUIPMENT* designated on the face of this Agreement or Supplement(s).
2. **Price Protection.** During the *INITIAL TERM* of this Agreement, all prices shall remain fixed.
3. **Default.** Should *CUSTOMER* fail to pay the charges when due and payable, *API* reserves the right to withhold further support and equipment shipments until all payments are then brought current. If *API* invokes this right, it will do so through notice to *CUSTOMER*. Any charges past due will be subject to interest charges, not to exceed the legal limit. Customer agrees to pay all costs actually incurred by *API*, including attorney's fees, in collecting such past due charges.
4. **Assignment, Relocation.** *CUSTOMER* shall not assign or transfer this Agreement without the prior written consent of *API*. Should *CUSTOMER* sell its business or transfer location of *EQUIPMENT*, this contract may be re negotiated at *API's* option. *CUSTOMER* acknowledges and understands that *API* may, at any time, assign all, or a portion, of its interest in this Agreement to banks, other lending institutions, or to other parties.
5. **Customer's Purchase Order.** If this Equipment Sales Agreement is accepted and *CUSTOMER* issues its purchase order, it is expressly understood and agreed that the terms and conditions herein set forth shall prevail insofar as the same may in any way conflict with the terms and conditions set forth in such purchase order form, and any issuance of a purchase order by *CUSTOMER* shall be deemed to note Customer's consent to this provision.
6. **Amendments and Waivers.** This Agreement and its Supplement(s), if any constitute the entire Agreement between *API* and *CUSTOMER*. Customer's acceptance, which includes new or different terms, to the extent that it varies from *API's* offer, be a counteroffer and not binding on *API* unless agreed to in writing. No term or condition may be modified except as specifically made in writing signed by the party against whom enforcement is sought, except that *API* may insert or correct the serial number of any item of *EQUIPMENT* on this Agreement or the appropriate Supplement(s) after receiving the signed copy from the *CUSTOMER*. No express or implied waiver by *API* of any default thereunder shall in any way be, or be considered to be, a waiver of any future or subsequent default whether similar in kind or otherwise. In the event any of the provisions of this Agreement shall be deemed contrary to Law, the remaining provisions shall remain in full force and effect.
7. **General.** No action, whatever its form, which arises out of this Agreement, may be brought by either party more than one year after the cause of action has arisen, or, in the case of an action for non-payment, more than five years from the date the last payment was due.

This Agreement will be governed by the laws of the State of Florida.

Initials: 