

VEND SYSTEM
SERVICE AND INSTALLATION AGREEMENT

This **Agreement** is between **PINNACLE DOCUMENT SYSTEMS**, located at 470 Boulder Ct., Suite 100, Pleasanton, CA 94566, hereinafter referred to as **VENDOR**, and **SKYLINE COLLEGE**, located at 3300 College Drive, San Bruno, CA 94066, hereinafter referred to as **CUSTOMER**. This **Agreement** will be in effect for a sixty (60) month period effective upon the date **VENDOR** installs the new equipment. This **Agreement** will automatically be renewed for two (2) one year periods, unless notification of cancellation is received within sixty (60) days of the anniversary date.

It is the desire of the parties hereto to enter into an **Agreement** providing equipment and service to the **CUSTOMER** through the granting of certain rights and privileges to, and the use of certain space by the **VENDOR** for the operation of equipment as later described in the **Agreement**. This **Agreement** will supersede any other **Agreements** between the parties in force at this time.

As part of the consideration of **VENDOR** entering into this **Agreement**, the **CUSTOMER** grants **VENDOR** the exclusive right to place and maintain cash and card operated copiers at **CUSTOMER'S** premises under the following conditions:

In consideration of the promises and mutual covenants hereinafter contained, the parties hereby agree as follows:

1. **VENDOR** will install and/or maintain equipment listed in Exhibit I to this **Agreement**, hereinafter referred to as equipment.
2. **VENDOR** will provide all paper, toner, parts and service for the equipment as listed in Exhibit I, unless noted below, at no cost to **CUSTOMER**.
3. **VENDOR** agrees to check all equipment monthly to ensure that supplies are at adequate levels and that the quality of copy is acceptable. **CUSTOMER** agrees to notify **VENDOR** by telephone whenever a machine is inoperative. **CUSTOMER** agrees to allow **VENDOR** unrestricted access to copier for service calls, supply deliveries, and currency removal during normal business hours.
4. **VENDOR** will provide, at no cost to the **CUSTOMER**, emergency service on a maximum four-hour turn around time, Monday through Sunday. **VENDOR** guarantees a 95% uptime on all equipment. **VENDOR** will double the commissions on any piece of equipment failing to meet the 95% uptime guarantee. **VENDOR** will provide loaner equipment whenever a copier is out of service for more than twenty-four (24) hours.
5. **VENDOR** agrees to service and maintain equipment in good operating condition.

6. **CUSTOMER** agrees to load paper and toner, as necessary, and to remove minor paper jams. **VENDOR** shall hold **CUSTOMER** harmless for any damage caused to the equipment by **CUSTOMER** good faith efforts in replacing supplies and clearing paper jams.
7. **VENDOR** agrees to reimburse **CUSTOMER** for any refunds made to equipment users.
8. **VENDOR** will remove all coin and currency from machines and provide a quarterly activity report. **VENDOR** will provide said activity report by the 30th day following the end of any quarterly period.
9. **VENDOR** will provide staff use cards or keys as needed for the purpose of making office copies and prints on public use equipment. **CUSTOMER** agrees to pay \$.05 per copy for any office copies and prints made on public use equipment.
10. Cash vend price will be \$.15 per 8.5 x 11 or 8.5 x 14 inch copies or prints and \$.30 per 11 x 17 inch copies or print. Card vend price will be \$.12 per 8.5 x 11 or 8.5 x 14 inch copies or prints and \$.24 per 11 x 17 inch copies or prints.

Zero value Debit cards will be sold for \$.25 each. Value may be added to cards at any vend station or add value station.

Vend price will not be changed without the written consent of **CUSTOMER**.

11. **VENDOR** agrees to pay a commission to **CUSTOMER** at the following rate on a quarterly basis. Commissions will be calculated and paid quarterly by the 30th day after the end of any quarter. **CUSTOMER** may at any time audit **VENDOR'S** records and procedures for accuracy.

Copies & Prints 0-100,000 annually	00% of Revenue
Copies & Prints 100,001 and up annually	20% of Revenue

Commission revenues will be gross revenues less applicable State Sales Taxes. Should the annual volume of copies exceed 150,000 an additional commission equal to 20% of the excess revenue will be paid to the **CUSTOMER**. Should the annual volume of copies be less than 90,000 the commission percentage shall be re-negotiated by the parties. In the event that all good faith efforts to re-negotiate a new vend services agreement fail, **VENDOR** may cancel this agreement by providing **CUSTOMER** with a 60 day written notice of cancellation.

12. **VENDOR** will provide an annual operations review. **VENDOR** shall visit **CUSTOMER** semi-annually, to review service, equipment, technology, and additional needs.
13. **VENDOR** shall retain ownership of all its supplies, and revenues collected from equipment.

14. **VENDOR** shall be responsible for all damages to persons or properties that occur as a result of **VENDOR'S** or **VENDOR'S** employees fault or negligence in connection with the performance of this **Agreement**.

VENDOR shall procure and maintain during the life of this **Agreement**, Comprehensive General Liability insurance which provides for injuries including accidental death, per any one occurrence in an amount not less than \$2,000,000 per occurrence and \$4,000,000 annual aggregate; property damage insurance in an amount not less than \$2,000,000 per occurrence; and business automobile liability insurance in an amount not less than \$2,000,000 including coverage for owned, non-owned and hired vehicles.

VENDOR shall have in effect, during the entire life of this **Agreement**, Workers' Compensation and Employer Liability Insurance providing full statutory coverage. In signing this **Agreement**, **VENDOR** makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of the **Agreement**.

Certificates of Insurance for coverages required herein shall be filed with the San Mateo County Community College District's Executive Vice Chancellor *prior to the commencement of work*. The certificates shall provide that if the policy or policies be canceled by the insurance company or **VENDOR** during the term of this **Agreement**, thirty (30) days written notice prior to the effective date of such cancellation will be given to District's Executive Vice Chancellor. The certificates shall also show the information that the San Mateo County Community College District, herein after referred to as **DISTRICT**, is named on **VENDOR'S** Comprehensive General Liability and Property Damage policies as co-insured or added thereon by endorsement as a named insured or additional insured.

15. **VENDOR** shall indemnify and save harmless **DISTRICT**, its officers, agents, employees and servants from all claims, suits or actions of every name, kind, description, brought for, or on account of, injuries to or death of any person or damage to property resulting from performance of any work required under this **Agreement** by **VENDOR**, its officers, agents, employees and/or servants.

The duty of **VENDOR** to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein shall be construed to require **VENDOR** to indemnify **DISTRICT**, its officers, agents, employees and servants against any responsibility or liability in contravention of Section 2782 of the Civil Code.

The indemnification and hold harmless agreement set forth above includes, but is not limited to, **VENDOR'S** agreement at its sole expense to indemnify **DISTRICT** from and

rights. **VENDOR** shall pay all costs, fee (including attorneys' fees) and damages, which may be incurred by **DISTRICT** for any such claim or action or settlement thereof.

16. Should either party to this **Agreement** be considered "in default" under this **Agreement**, the other party, in writing, shall notify the party considered to be "in default", of the specific area(s) in which they are "in default". The offending party shall have thirty (30) days to correct said default. Should the default not be corrected within the thirty (30) day period, the other party may cancel this **Agreement** by delivering to the offending party, in writing, a sixty (60) day notice of cancellation.

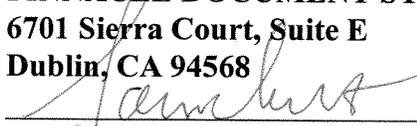
In the event of one party's notification, by the other party, to correct a performance failure, the notifying party shall have sixty (60) days from the delivery of the original notice to monitor the offending party's performance and to issue the written notice of cancellation.

The failure to perform shall be deemed to have been cured if the written notice of cancellation is not received within said sixty (60) day period.

17. If it is determined by **VENDOR**, for reasons other than copy volume as provided in 11 above, that the revenues generated under this **Agreement** are insufficient to sustain a viable business relationship with **CUSTOMER**, **VENDOR** may give **CUSTOMER** a thirty (30) day written notice of intent to re-negotiate financial terms of this **Agreement**. Should good faith negotiations fail, **VENDOR** may cancel this **Agreement** with a sixty (60) day written notice to **CUSTOMER**.

A Hold Harmless Agreement and a Contractors Certificate Regarding Worker's Compensations are attached and a part of this **Agreement**. Any written notices between the parties should be sent registered mail to the following address:

Lawrence N. Court
PINNACLE DOCUMENT SYSTEMS
6701 Sierra Court, Suite E
Dublin, CA 94568



Authorized Signature

Lawrence N. Court

8/5/06

Name (Print)/Title Date

James Keller, Executive Vice Chancellor
San Mateo Co. Com. College District
3401 CSM Drive
San Mateo, CA 94402



Authorized Signature

James Keller

8/3/06

Name (Print)/Title Date

EXHIBIT I – EQUIPMENT

<u>Quantity</u>	<u>Description</u>	<u>Location</u>
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VENDOR owned equipment to be installed and maintained by VENDOR:

2

Sharp SF-2530 vend copiers-refurbished

Canada College

VENDOR owned equipment to be installed and maintained by VENDOR:

3	Sharp AR200 series digital copiers	Learning Resource Ctr.
3	Coin, Bill and Card Vend Stations	Learning Resource Ctr.
2	Card Dispenser	Learning Resource Ctr.

**AMENDMENT #1
TO
VEND SYSTEM SERVICE AND INSTALLATION AGREEMENT
Dated 8/5/2006**

The above Agreement between PINNACLE DOCUMENT SYSTEMS and SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT dated 8/5/06 is hereby amended as follows:

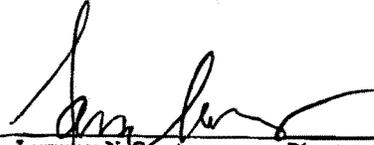
VENDOR shall install four (4) Print Quest pay for print systems and two (2) additional public use digital copiers by August 15, 2007. Exhibit I-Equipment is amended to read;

EXHIBIT I - EQUIPMENT

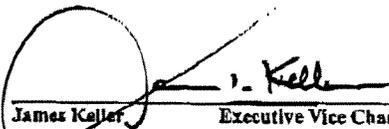
<u>Quantity</u>	<u>Description</u>	<u>Location</u>
VENDOR owned equipment to be installed and maintained by VENDOR:		
3	Sharp SF-2530 analog vend copiers-refurbished	Cañada College
2	Sharp AR-207 digital vend copiers-refurbished	Cañada College
5	Coin, Card & Bill Vend Stations-refurbished	Cañada College
2	Coin Card Dispensers	Cañada College
4	ITR 42300 Print Quest pay for print systems	Cañada College
4	ITR 201S Serial Card Readers pay stations	Cañada College
CUSTOMER owned printers to be maintained by VENDOR		
4	HP Laser Jet 9050 printers	Cañada College

All other terms and conditions of the original Agreement shall remain the same.

Agreed to this 11th day of July, 2007 by:



 Lawrence N. Court Director of Vend Services
 Pinnacle Document Systems



 James Keller Executive Vice Chancellor
 SMCCCD

VEND SYSTEM
SERVICE AND INSTALLATION AGREEMENT

This **Agreement** is between **PINNACLE DOCUMENT SYSTEMS**, located at 470 Boulder Ct., Suite 100, Pleasanton, CA 94566, hereinafter referred to as **VENDOR**, and **SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**, located at 3401 CSM Drive, San Mateo, CA 94402, hereinafter referred to as **CUSTOMER**. This **Agreement** will be in effect for a thirty six (36) month period effective upon the date **VENDOR** installs the equipment

It is the desire of the parties hereto to enter into an **Agreement** providing equipment and service to the **CUSTOMER** through the granting of certain rights and privileges to, and the use of certain space by the **VENDOR** for the operation of equipment as later described in the **Agreement**. This **Agreement** will supersede any other **Agreements** between the parties in force at this time.

As part of the consideration of **VENDOR** entering into this **Agreement**, the **CUSTOMER** grants **VENDOR** the exclusive right to place and maintain cash and card operated copiers at **CUSTOMER'S** premises under the following conditions:

In consideration of the promises and mutual covenants hereinafter contained, the parties hereby agree as follows:

1. **VENDOR** will install and/or maintain equipment listed in Exhibit I to this **Agreement**, hereinafter referred to as equipment.
2. **VENDOR** will provide all paper, toner, parts and service for the equipment as listed in Exhibit I, unless noted below, at no cost to **CUSTOMER**.
3. **VENDOR** agrees to check all equipment monthly to ensure that supplies are at adequate levels and that the quality of copy is acceptable. **CUSTOMER** agrees to notify **VENDOR** by telephone whenever a machine is inoperative. **CUSTOMER** agrees to allow **VENDOR** unrestricted access to copier for service calls, supply deliveries, and currency removal during normal business hours.
4. **VENDOR** will provide, at no cost to the **CUSTOMER**, emergency service on a maximum four-hour turn around time, Monday through Sunday. **VENDOR** guarantees a 95% uptime on all equipment. **VENDOR** will double the commissions on any piece of equipment failing to meet the 95% uptime guarantee. **VENDOR** will provide loaner equipment whenever a copier is out of service for more than twenty-four (24) hours.
5. **VENDOR** agrees to service and maintain equipment in good operating condition.
6. **CUSTOMER** agrees to load paper and toner, as necessary, and to remove minor paper jams. **VENDOR** shall hold **CUSTOMER** harmless for any damage caused to the

equipment by **CUSTOMER** good faith efforts in replacing supplies and clearing paper jams.

7. **VENDOR** agrees to reimburse **CUSTOMER** for any refunds made to equipment users.
8. **VENDOR** will remove all coin and currency from machines and provide a quarterly activity report. **VENDOR** will provide said activity report by the 30th day following the end of any quarterly period.
9. **VENDOR** will provide staff use cards or keys as needed for the purpose of making office copies on public use equipment. **CUSTOMER** agrees to pay \$.05 per copy for any office copies made on public use equipment.
10. Cash vend price will be \$.15 per 8.5 x 11 or 8.5 x 14 inch copies or prints and \$.30 per 11 x 17 inch copies or print. Card vend price will be \$.12 per 8.5 x 11 or 8.5 x 14 inch copies or prints and \$.24 per 11 x 17 inch copies or prints.

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11. **VENDOR** agrees to pay a commission to **CUSTOMER** at the following rate on a quarterly basis. Commissions will be calculated and paid quarterly by the 30th day after the end of any quarter. **CUSTOMER** may at any time audit **VENDOR'S** records and procedures for accuracy.

Copies & Prints 0-100,000 annually	00% of Revenue
Copies & Prints 100,001 and up annually	20% of Revenue

Commission revenues will be gross revenues less applicable State Sales Taxes. Should the annual volume of copies exceed 150,000 an additional commission equal to 20% of the excess revenue will be paid to the **CUSTOMER**. Should the annual volume of copies be less than 90,000 the commission percentage shall be re-negotiated by the parties. In the event that all good faith efforts to re-negotiate a new vend services agreement fail, **VENDOR** may cancel this agreement by providing **CUSTOMER** with a 60 day written notice of cancellation.

12. **VENDOR** will provide an annual operations review. **VENDOR** shall visit **CUSTOMER** semi-annually, to review service, equipment, technology, and additional needs.
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VENDOR shall procure and maintain during the life of this **Agreement**, Comprehensive General Liability insurance which provides for injuries including accidental death, per any one occurrence in an amount not less than \$2,000,000 per occurrence and \$4,000,000 annual aggregate; property damage insurance in an amount not less than \$2,000,000 per occurrence; and business automobile liability insurance in an amount not less than \$2,000,000 including coverage for owned, non-owned and hired vehicles.

VENDOR shall have in effect, during the entire life of this **Agreement**, Workers' Compensation and Employer Liability Insurance providing full statutory coverage. In signing this **Agreement**, **VENDOR** makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of the **Agreement**.

Certificates of Insurance for coverages required herein shall be filed with the San Mateo County Community College District's Executive Vice Chancellor *prior to the commencement of work*. The certificates shall provide that if the policy or policies be canceled by the insurance company or **VENDOR** during the term of this **Agreement**, thirty (30) days written notice prior to the effective date of such cancellation will be given to District's Executive Vice Chancellor. The certificates shall also show the information that the San Mateo County Community College District, herein after referred to as **DISTRICT**, is named on **VENDOR'S** Comprehensive General Liability and Property Damage policies as co-insured or added thereon by endorsement as a named insured or additional insured.

15. **VENDOR** shall indemnify and save harmless **DISTRICT**, its officers, agents, employees and servants from all claims, suits or actions of every name, kind, description, brought for, or on account of, injuries to or death of any person or damage to property resulting from performance of any work required under this **Agreement** by **VENDOR**, its officers, agents, employees and/or servants.

The duty of **VENDOR** to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein shall be construed to require **VENDOR** to indemnify **DISTRICT**, its officers, agents, employees and servants against any responsibility or liability in contravention of Section 2782 of the Civil Code.

The indemnification and hold harmless agreement set forth above includes, but is not limited to, **VENDOR'S** agreement at its sole expense to indemnify **DISTRICT** from and defend or settle any claim or action brought against **DISTRICT** to the extent that it is based on a claim that any services furnished hereunder infringed a patent, copyright, trademark, service mark, trade secret, or other legally protected intellectual property

rights. **VENDOR** shall pay all costs, fee (including attorneys' fees) and damages, which may be incurred by **DISTRICT** for any such claim or action or settlement thereof.

16. Should either party to this **Agreement** be considered "in default" under this **Agreement**, the other party, in writing, shall notify the party considered to be "in default", of the specific area(s) in which they are "in default". The offending party shall have thirty (30) days to correct said default. Should the default not be corrected within the thirty (30) day period, the other party may cancel this **Agreement** by delivering to the offending party, in writing, a sixty (60) day notice of cancellation.

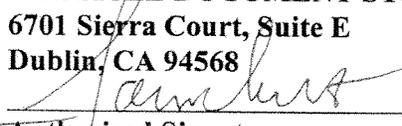
In the event of one party's notification, by the other party, to correct a performance failure, the notifying party shall have sixty (60) days from the delivery of the original notice to monitor the offending party's performance and to issue the written notice of cancellation.

The failure to perform shall be deemed to have been cured if the written notice of cancellation is not received within said sixty (60) day period.

17. If it is determined by **VENDOR**, for reasons other than copy volume as provided in 11 above, that the revenues generated under this **Agreement** are insufficient to sustain a viable business relationship with **CUSTOMER**, **VENDOR** may give **CUSTOMER** a thirty (30) day written notice of intent to re-negotiate financial terms of this **Agreement**. Should good faith negotiations fail, **VENDOR** may cancel this **Agreement** with a sixty (60) day written notice to **CUSTOMER**.

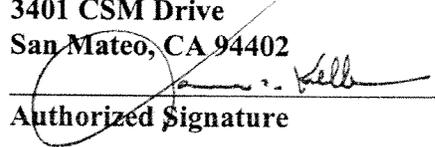
A Hold Harmless Agreement and a Contractors Certificate Regarding Worker's Compensations are attached and a part of this **Agreement**. Any written notices between the parties should be sent registered mail to the following address:

Lawrence N. Court
PINNACLE DOCUMENT SYSTEMS
6701 Sierra Court, Suite E
Dublin, CA 94568


Authorized Signature

Lawrence N. Court 8/5/06
Name (Print)/Title Date

James Keller, Executive Vice Chancellor
San Mateo Co. Com. College District
3401 CSM Drive
San Mateo, CA 94402


Authorized Signature

James Keller 8/3/06
Name (Print)/Title Date

EXHIBIT I – EQUIPMENT

<u>Quantity</u>	<u>Description</u>	<u>Location</u>
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VENDOR owned equipment to be installed and maintained by **VENDOR**:

2	Sharp SF-2530 vend copiers-refurbished	Canada College
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2	Coin, Card & Bill Vend Stations-refurbished	Canada College
2	Coin Card Dispensers	Canada College

**AMENDMENT #2
TO
VEND SYSTEM SERVICE AND INSTALLATION AGREEMENT
Dated 8/15/2002**

The above Agreement between **PINNACLE DOCUMENT SYSTEMS** and **SKYLINE COLLEGE** dated 10/3/03 is hereby amended as follows:

1. **VENDOR** agrees to install one (1) additional Print Quest Release Station Software package and one (1) Pop Quest Workstations Software package and one (1) serial Card Reader Payment Station by the end of July 2007

2. **Exhibit I is amended to read; "VENDOR owned equipment & software installed and maintained by VENDOR:**

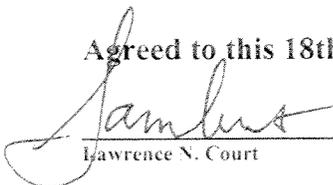
2 Sharp AR200 series digital copiers	Library.
1 Sharp AR200 series digital copiers	Learning Resource Ctr.
2 Coin, Bill and Card Vend Stations	Library
1 Coin, Bill and Card Vend Stations	Learning Resource Ctr
2 Card Dispenser	Library
1 Card Dispenser	Learning Resource Ctr.
1 Print Quest Release Station Software pkg's	Library
1 Print Quest Release Station Software pkg's	Learning Resource Ctr.
1 Print Quest Release Station Software pkg's	CALT
1 Print Quest Release Station Software pkg's	Cyber Cafe
1 Pop Quest Workstation Software pkg's	Library
1 Pop Quest Workstation Software pkg's	Learning Resource Ctr.
1 Pop Quest Workstation Software pkg's	CALT
1 Pop Quest Workstation Software pkg's	Cyber Cafe
1 Serial Card Reader Payment Stations	Library
1 Serial Card Reader Payment Stations	Learning Resource Ctr.
1 Serial Card Reader Payment Stations	CALT
1 Serial Card Reader Payment Stations	Cyber Cafe

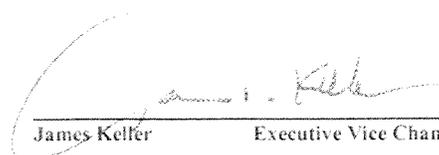
CUSTOMER owned printers to be maintained by VENDOR

1 HP Laser Jet 4300TN	Library
1 HP Laser Jet 4000TN	Learning Resource Ctr.
1 HP Laser Jet 4100TN	Learning Resource Ctr.
1 HP Laser Jet 5M	CALT
1 HP Laser Jet 4300TN	Cyber Cafe

All other terms and conditions of the original Agreement shall remain the same.

Agreed to this 18th day of July, 2007 by:


Lawrence N. Court Director of Vend Services


James Kelfer Executive Vice Chancellor