



**Solutions from Fairfax Imaging, Inc.
for
West Virginia Tax Department**

Remittance Processing

**Request for Proposal Response
SOLICITATION NO. TAX1700000001**

COST PROPOSAL

Submitted by:
Fairfax Imaging, Inc.
2005 Pan Am Circle Drive, Suite 110
Tampa, FL 33607

Fairfax Imaging Contact:
Michael Minter, VP, Sales and Marketing
703-802-1220

April 19, 2017

COPY

Fairfax Imaging, Inc.



Fairfax Imaging, Inc.

One Solution - One Workflow - One Provider

REQUEST FOR PROPOSAL

(WV TAX Department – Remittance Processing)

Attachment C: Cost Sheet

Cost information below as detailed in the Request for Proposal and submitted in a separate sealed envelope. Cost should be clearly marked.

Contract Items					
Item Number	Description	Unit of Measure	Quantity	Unit Cost	Extended Cost
1	<i>Equipment (Hardware/Software)</i>	Lump Sum	1	\$ 594,520.00	\$ 594,520.00
2	<i>Installation & Training</i>	Lump Sum	1	\$ 875,880.00	\$ 875,880.00
3	<i>1st Year Maintenance & Support</i>	Year	1	\$ 75,342.00	\$ 75,342.00
Contract Items					
4	<i>Year 2 Maintenance & Support</i>	Year	1	\$ 75,342.00	\$ 75,342.00
5	<i>Year 3 Maintenance & Support</i>	Year	1	\$ 78,475.00	\$ 78,475.00
6	<i>Year 4 Maintenance & Support</i>	Year	1	\$ 81,746.00	\$ 81,746.00
7	<i>Year 5 Maintenance & Support</i>	Year	1	\$ 85,160.00	\$ 85,160.00
8	<i>Year 6 Maintenance & Support</i>	Year	1	\$ 88,726.00	\$ 88,726.00
9	<i>Year 7 Maintenance & Support</i>	Year	1	\$ 92,448.00	\$ 92,448.00
10	<i>Year 8 Maintenance & Support</i>	Year	1	\$ 96,336.00	\$ 96,336.00
11	<i>Year 9 Maintenance & Support</i>	Year	1	\$ 100,395.00	\$ 100,395.00
Total Bid Amount					\$ 2,244,370.00

Attachment C: Cost Sheet Detail

The following provides line item detail to each item listed within *Attachment C: Cost Sheet*.

WV Tax will be responsible for any commodity components including server(s), server operating system software, virtual server software, database(s), workstations/PC, backup software, virus detection software, and related network components (switches, routers, etc.).

Item 1 of Cost Sheet: Equipment Hardware/Software

Total Item Number 1 - \$594,520.00

The Equipment Hardware/Software line item of *Attachment C: Cost Sheet* consists of the following components:

A. ImageTrac 6400 Hardware and Related Software Components - \$469,070.00

Quantity	Product Description
ImageTrac 6400 Scanner Hardware and Related Software	
2	ImageTrac 6400 - Straight Path with 3 pockets
2	Embedded Application Controller
2	IT6, E13B MICR Reader
2	Post Image, IJP Single Head
2	IT6, Feed and Runout Tray for 11x17
2	Upgrade kit to Windows Server 2012
2	IT6, Pass Modules for Full Page
2	SoftTrac Scan Capture Suite Advanced for ImageTrac Conversion from Legacy
2	DocNetics Envelope Detection
2	DocNetics ChecksAll, Dual Camera
1	SoftTrac Data and Image Retention
1	SoftTrac Analytics, Single License
1	SoftTrac Scan Off-line Admin
1	SoftTrac Scan Off-line Job Development
1	SoftTrac Scan Off-line Quality Control
2	Installation
1	Shipping
3	Trade-in Value for existing ImageTrac scanners at WV Tax

B. *Quick* Modules 5.0 Licensed Software - \$125,450.00

As part of WV Tax's current maintenance & support agreement with Fairfax Imaging, the following indicates those modules which are being provided at no charge to WV Tax and those modules which are not currently installed at WV Tax and therefore are considered new (to be purchased) by WV Tax.

Product Description	
<i>Quick</i> Modules 5.0 Licensed Software	
<i>Quick</i> Module Server 5.0 Base Server	Provided at no charge as part of current maintenance & support agreement.
<i>Quick</i> Encryption	New Module
<i>Quick</i> Workflow Monitor for IBML	New Module
<i>Quick</i> IBMLInput	New Module
<i>Quick</i> Enhance	Provided at no charge as part of current maintenance & support agreement.
<i>Quick</i> Capture	Provided at no charge as part of current maintenance & support agreement.
<i>Quick</i> Freeform	New Module
<i>Quick</i> Key	Provided at no charge as part of current maintenance & support agreement.
<i>Quick</i> Research	New Module
<i>Quick</i> Review	Provided at no charge as part of current maintenance & support agreement.
<i>Quick</i> Output	Provided at no charge as part of current maintenance & support agreement.
<i>Quick</i> Reports	Provided at no charge as part of current maintenance & support agreement.
<i>Quick</i> Purge	Provided at no charge as part of current maintenance & support agreement.
<i>Quick</i> Check 21 File Generator	New Module
<i>Quick</i> Check 21 Communicator	New Module
<i>Quick</i> Check 21 Deposit Monitor	New Module
Development, Test and Production Environments	Provided at no charge as part of current maintenance & support agreement.

Fairfax Imaging is providing WV Tax with unlimited, un-throttled licenses to all *Quick* Modules 5.0 software as part of this procurement. The System will be delivered with three separate environments – Development, Test, and Production.

Item 2 of Cost Sheet: Installation and Training

Total Item Number 2 - \$875,880.00

The Installation and Training line item of *Attachment C: Cost Sheet* consists of all Professional Services tasks and related deliverables, including travel costs for the analysis, design, configuration, installation, testing, documentation, and training as fully described within Fairfax Imaging Technical Proposal.

Fairfax Imaging, as the Prime Vendor will provide the services necessary to fully implement the proposed solution of all hardware and software purchased in the phases outlined to satisfaction of WV Tax. Our experienced team of professionals will provide the following services.

- Project Management and related tasks
- All Deliverables and Tasks as detailed in Technical Proposal by Fairfax Imaging
- Installation
 - ImageTrac 6400 scanners
 - *Quick* Modules Licensed Software into all three environments
- Configuration of all components
 - ImageTrac 6400
 - *Quick* Modules Software
- Testing of all components (ImageTrac and *Quick* Modules)
 - Unit, Integration and User Acceptance Testing (UAT)
- Training of all components (ImageTrac and *Quick* Modules)
 - User, Supervisor/Administrative and Technical/Support
- Documentation for all components (ImageTrac and *Quick* Modules)
- Production Support during transition of each phase
- Maintenance/Support during warranty period
- Travel Cost

Item 3 of Cost Sheet: First Year Maintenance and Support

The First Year Maintenance and Support line item of *Attachment C: Cost Sheet* consists of:

First Year Maintenance & Support

ImageTrac 6400 Scanners -	\$43,644.00
<i>Quick</i> Modules 5.0 Software -	<u>\$31,698.00</u>
Item Number 3 Total -	\$75,342.00

Items 4 thru 11 of Cost Sheet: Year 2 through Year 9 Maintenance and Support

Line items 4 through 11 of the *Attachment C: Cost Sheet* consists of

Year 2 Maintenance & Support

ImageTrac 6400 Scanners -	\$43,644.00
<i>Quick</i> Modules 5.0 Software -	<u>\$31,698.00</u>
Item Number 4 Total -	\$75,342.00

Year 3 Maintenance & Support

ImageTrac 6400 Scanners -	\$45,826.00
<i>Quick</i> Modules 5.0 Software -	<u>\$32,649.00</u>
Item Number 5 Total -	\$78,475.00

Year 4 Maintenance & Support

ImageTrac 6400 Scanners -	\$48,188.00
<i>Quick</i> Modules 5.0 Software -	<u>\$33,628.00</u>
Item Number 6 Total -	\$81,746.00

Year 5 Maintenance & Support

ImageTrac 6400 Scanners -	\$50,523.00
<i>Quick</i> Modules 5.0 Software -	<u>\$34,637.00</u>
Item Number 7 Total -	\$85,160.00

Year 6 Maintenance & Support

ImageTrac 6400 Scanners -	\$53,050.00
<i>Quick</i> Modules 5.0 Software -	<u>\$35,676.00</u>
Item Number 8 Total -	\$88,726.00

Year 7 Maintenance & Support

ImageTrac 6400 Scanners -	\$55,050.00
Quick Modules 5.0 Software -	<u>\$36,747.00</u>
Item Number 9 Total -	\$92,449.00

Year 8 Maintenance & Support

ImageTrac 6400 Scanners -	\$58,487.00
Quick Modules 5.0 Software -	<u>\$37,849.00</u>
Item Number 10 Total -	\$96,336.00

Year 9 Maintenance & Support

ImageTrac 6400 Scanners -	\$61,411.00
Quick Modules 5.0 Software -	<u>\$38,985.00</u>
Item Number 11 Total -	\$100,396.00

Payment Milestones

The following payment plan is submitted in support of the project. All travel expenses are included in the below pricing. Per the Addendum 1 – RFP Questions and Answers, Fairfax Imaging has shown a 20% retainage amount for each milestone. Payment of the retainage will be upon Final System Acceptance by WV Tax.

Deliverable Milestone	Amount	20% Retainage	Total Payment Due at Milestone Completion
Phase 1 - Hardware & Software Installation 100%	\$ 594,520.00	\$ 118,904.00	\$ 475,616.00
Phase 1 - Services 50%	\$ 437,940.00	\$ 87,588.00	\$ 350,352.00
Phase 2 - Services 25%	\$ 218,970.00	\$ 43,794.00	\$ 175,176.00
Phase 3 - Services 25%	\$ 218,970.00	\$ 43,794.00	\$ 175,176.00
Retainage - Final System Acceptance			\$ 294,080.00
Total Amounts	\$ 1,470,400.00	\$ 294,080.00	\$ 1,470,400.00

A ninety (90) day warranty is provided with the System for Hardware and Software. The warranty of the Hardware and Software will begin upon installation. Upon expiration of the warranty period, First Year Maintenance and Support will begin.



Hourly Rate by Position

The following provides hourly rates, by position for each Fairfax Imaging Team member. The below hourly rates are inclusive of travel.

Position	Hourly Rate
Project Manager	\$ 200.00
Business Analyst	\$ 190.00
System Engineer	\$ 190.00
Trainer	\$ 178.00
Quality Assurance Staff (QA Testing)	\$ 150.00

Optional Component

Fairfax Imaging is providing the below information as an optional for consideration to be added to the configuration by WV Tax. Although not required to meet the requirements of the WV Tax RFP, the inclusion of an ImageTrac DS1155 table top scanner would provide WV Tax with additional scanning capacity for those few days during the Peak Season when, today WV Tax may utilize all three scanners for volume processing. Additionally, the DS1155 could be used by WV Tax for testing of new or modified jobs without disruption to the primary production scanners.

The ImageTrac DS1155 is operated with the same operating system software and user interface as the ImageTrac 6400, SoftTrac Capture. Document preparation tasks are the same as the ImageTrac 6400 and the scanner is equipped with two pockets for separating checks from all other documents, double feed detection, check recognition, and barcode recognition.



Figure 1 - ImageTrac DS1155 Scanner

The following pricing provides all configuration, installation, and testing for the DS 1155.

Product Description	Quantity	Unit Selling Price
ImageTrac DS1155 with Front and Rear Printers; includes	1	\$ 73,350.00
Computer, Dell 7040 w/Windows 10		
ImageTrac DS Productivity Package		
SoftTrac Scan DS with DocNetics Barcode 1D		
SoftTrac Scan DS Add-on, DocNetics 2D		
SoftTrac Scan DS Add-on, DocNetics ChecksAll, Dual Camera		
SoftTrac Scan DS 1155 Sort Add-on		

Year 1 Maintenance & Support - \$13,679.00
 Year 2 Maintenance & Support - \$13,679.00
 Year 3 Maintenance & Support - \$14,363.00
 Year 4 Maintenance & Support - \$15,081.00
 Year 5 Maintenance & Support - \$15,835.00

Year 6 Maintenance & Support - \$16,627.00
 Year 7 Maintenance & Support - \$17,458.00
 Year 8 Maintenance & Support - \$18,331.00
 Year 9 Maintenance & Support - \$19,247.00



Agreements

Fairfax Imaging offers the following sample Agreements for review by WV Tax.

- Software License Agreement
- Software Support Agreement
- Terms and Conditions for Hardware and Equipment Maintenance

Fairfax Imaging stands ready to modify any of these Agreements where the language is in conflict with WV State law or requires modification to meet WV Tax objectives.

Software Licensing Agreement

This Agreement is entered into as of _____ (“Effective Date”), by and between Fairfax Imaging, Inc. (“Fairfax”), a Virginia corporation, headquartered at 2005 Pan Am Circle Drive, Tampa, Florida 33607, and _____ (“CUSTOMER”), having an address at _____

1. Grant of License to Use (the “License”)

1.1 Subject to the terms and conditions of this Agreement and the payment of the license fee specified on Schedule A to this Agreement (“Schedule A”), Fairfax grants CUSTOMER on behalf of its parent and subsidiary entities, a non-exclusive, non-sub licensable, non-transferable right to use Fairfax’s forms processing software, *Quick Modules*, in object code form. *Quick Modules* is for CUSTOMER’s internal use and evaluation only. All rights not expressly and unambiguously granted are reserved by Fairfax, including ownership of the software and the underlying intellectual property. To the extent any third-party software is listed on Schedule A, Fairfax grants to CUSTOMER a license to that software as well, subject to all the terms and conditions of this Agreement.

2. Restrictions

2.1 All CUSTOMER’s enterprise licensed software, including any additional *Quick Modules* subsequently licensed, and any part thereof may be used in a client server environment. The *Quick Modules* software may be copied solely for backup purposes, in whole or in part (with the proper inclusion of the Fairfax copyright notice and any Fairfax propriety notices on the *Quick Modules* software) and only for use with CUSTOMER’s enterprise client server environment for which it is licensed. CUSTOMER agrees to supply Fairfax with a list of installations upon request.

2.2 CUSTOMER shall not (and shall not allow any third party to) (i) de-compile, disassemble, or otherwise reverse engineer or attempt to reconstruct or discover any source code or underlying ideas of *Quick Modules* by any means whatsoever, (ii) remove any product identification, copyright or other notices, (iii) provide, lease, lend, use for timesharing or service bureau purposes or otherwise use or allow others to use *Quick Modules* software to or for the benefit of third parties (iv) except as specified in the applicable user documentation provided by Fairfax modify, incorporate into or with other software or create a derivative work of any part of *Quick Modules* software, (v) load or use any portion of *Quick Modules* software (whether or not modified or incorporated into or with other software) on or with any machine or system other than those specifically agreed upon in writing between Fairfax and CUSTOMER in Schedule A.

2.3 In the event that Fairfax produces any subsequent software in the performance of a service for CUSTOMER, Fairfax shall be free to use for any purpose any concept, ideas, techniques, or general software developed by Fairfax during the performance of the services. It is understood that Fairfax shall be free to pursue, directly or with third parties, business or applications of similar nature. All other software, including packaged applications software, and/or software modifications furnished to CUSTOMER is licensed in accordance with the terms and conditions described herein.

2.4 No title or ownership of *Quick Modules* is transferred to CUSTOMER.

3. Termination

3.1 Fairfax shall have the right to terminate all *Quick Modules* software licenses granted hereunder upon ninety (90) days written notice upon CUSTOMER’s breach of the *Quick Modules* software license terms and conditions or otherwise breaches this Agreement; provided however that Fairfax shall have the right to terminate the software license immediately, enjoin CUSTOMER’s further use of the software, and

retake the software in the event of CUSTOMER's breach of section 2.2 of this Agreement. Termination shall occur automatically after the ninety (90) days' notice and shall extinguish the license to use all *Quick Modules* software. In such event, Fairfax shall have the right to take immediate possession of the *Quick Modules* software, all copies thereof, and all documentation thereto, without further notice or demand, and CUSTOMER agrees to return all such items within ninety (90) days. Except for the License and except as otherwise expressly provided herein, the terms of the Agreement shall survive termination. Termination is not an exclusive remedy, and all other remedies will be available whether or not the License is terminated.

3.2 At any time, in CUSTOMER's sole discretion, CUSTOMER believes that Fairfax's continuing business operations is in question, CUSTOMER may request that the source code for *Quick Modules* be placed into escrow with a third-party escrow agent. This request will be complied with by Fairfax within thirty (30) days. The cost of the escrow will be borne by CUSTOMER. The escrow agreement would specify the conditions, including Fairfax (or any successor or acquirer) ceasing of all operations, under which the escrow agent would release the *Quick Modules* source code to CUSTOMER.

4. Limited Warranty and Disclaimer

4.1 Subject to the conditions and limitations on liability stated herein and on Schedule A, Fairfax warrants for a period of ninety (90) days from the acceptance of the first copy of each of *Quick Modules* hereunder that *Quick Modules* as delivered, without CUSTOMER's modifications, will materially conform to Fairfax's then current documentation for *Quick Modules*. This warranty covers only problems reported to Fairfax during the warranty period.

4.2 ANY LIABILITY OF FAIRFAX WITH RESPECT TO *QUICK MODULES* OR THE PERFORMANCE THEREOF UNDER ANY WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY WILL BE LIMITED EXCLUSIVELY TO PRODUCT REPLACEMENT OR, IF REPLACEMENT IS INADEQUATE AS A REMEDY OR, IN FAIRFAX'S OPINION, IMPRACTICAL, TO REFUND OF THE PRODUCT LICENSE FEE. EXCEPT FOR THE FOREGOING, THE *QUICK MODULES* SOFTWARE IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT. FURTHER, FAIRFAX DOES NOT WARRANT, GUARANTEE, OR MAKE ANY REPRESENTATIONS REGARDING THE USE, OR THE RESULTS OF THE USE OF *QUICK MODULES* SOFTWARE OR WRITTEN MATERIALS IN TERMS OF CORRECTNESS, ACCURACY, RELIABILITY, OR OTHERWISE.

4.3 Outside the U.S., neither these remedies nor any product support services offered by Fairfax are available without proof of purchase from an authorized non-U.S. source.

5. Limitations of Liability

5.1 IN NO EVENT SHALL FAIRFAX BE LIABLE FOR ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL OR OTHER INDIRECT DAMAGES (INCLUDING LOSS OF PROFITS, USE, DATA, OR OTHER ECONOMIC ADVANTAGE) UNDER ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY CLAIMS BASED ON A BREACH OF THIS AGREEMENT, MALFUNCTION OR DEFECTS IN THE PRODUCTS, NON-DELIVERY, OR IN TORT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6. Export Restrictions

6.1 *Quick Modules*, including all related technical data, are subject to United States export control laws, including the United States Export Administration Act and associated regulations and may be subject to export and import regulations in other countries. CUSTOMER agrees to comply with all such regulations and acknowledges that it has the responsibility to obtain licenses to export, re-export, or import *Quick Modules*.

7. Governing Law

7.1 This Agreement and performance hereunder shall be governed by the laws of the State of Florida, and any suit or action filed to enforce or contest any provision of this Agreement, or the obligations imposed, shall be brought, and prosecuted in a court of competent jurisdiction sitting in the State of Florida.

8. Miscellaneous

8.1 CUSTOMER shall not delegate or assign any or all of its duties, obligations, or rights hereunder.

8.2 Severability: If any provision herein shall be held to be invalid or unenforceable for any reason, such provision shall, to the extent of such invalidity or unenforceability, be severed, the remainder of the Agreement shall continue in full force and effect.

8.3 Merger: This Software Licensing Agreement, Schedules A, and Support Services Agreement evidences the complete understanding and agreement between Fairfax and CUSTOMER and supersedes any prior understandings or agreements written or oral.

8.4 Limitation Period: Under no circumstances shall any action be brought against Fairfax, regardless of form, under this Agreement more than two (2) years after such cause of action shall have accrued.

8.5 Copyright Infringement: Fairfax agrees to indemnify, defend, and hold harmless CUSTOMER for any damages and costs including attorneys' fees in case of any third-party action brought against CUSTOMER for copyright infringement resulting from CUSTOMER's use of the *Quick Modules* software; provided however that Fairfax's obligations under this section 8.5 shall not apply to the extent the claim arises as a result of CUSTOMER's modification of the software, use of the software other than as directed by Fairfax, or use of the software in conjunction with the intellectual property of a third-party.

IN WITNESS WHEREOF, EACH PARTY HERETO HAS EXECUTED AND DELIVERED THIS Agreement by a duly authorized representative as of the date first written above.

Agreed to:

Fairfax Imaging, Inc.

By _____

Authorized Signature

Date: _____

Michael D. Minter, VP, Sales and Marketing

Agreed to:

CUSTOMER

By _____

Authorized Signature

Date: _____

CUSTOMER NAME and TITLE

Support Services Contract

This Agreement is entered into as of _____ (“Effective Date”), by and between Fairfax Imaging, Inc. (“Fairfax”), a Virginia corporation, headquartered at 2005 Pan Am Circle Drive, Suite 110, Tampa, Florida 33607, and _____ (“CUSTOMER”), having an address at _____.

1. Coverage.

Subject to the terms hereof, Fairfax will provide Support Services to CUSTOMER for the Licensed Software Products (Software) described in Schedule A of the concurrent Software License Agreement between Fairfax and CUSTOMER (the “Software License Agreement”).

2. Support Services.

Support Services consists of (a) Error Correction and Telephone Support provided to the Technical Support Contact concerning the installation and use of the then current release of Software and the Previous Sequential Release and (b) product updates that Fairfax makes generally available. Product updates consist of one copy of published revisions to the printed documentation and one copy of revisions to the machine readable Software which are not designed by Fairfax as products for which it charges a separate fee. Support Services must be obtained separately for each copy of each Software.

If remote access is provided to Fairfax support staff to access development environment by CUSTOMER, Fairfax engineers will use this access to review the current environment for diagnostic purposes. If changes or updates are required to CUSTOMER production environment, Fairfax engineers will provide the instructions for these changes to CUSTOMER for testing and implementation.

All product updates or upgrades provided to CUSTOMER shall be governed by the terms of this agreement. Fairfax shall advise CUSTOMER of product updates and upgrades.

To the extent that Schedule A of the Software License Agreement lists hardware to be provided by or on behalf of Fairfax and supported pursuant to this Agreement, the support and maintenance of the hardware shall be governed by the attached “Terms and Conditions for Hardware and Equipment Maintenance” which is incorporated into this Agreement by reference.

3. Term and Termination.

Support Services shall be provided for one year from the termination date of the warranty period specified in the Software License Agreement. Support services shall be extended each year for one additional year unless terminated by either party as provided herein or unless the license under the Software License Agreement terminates, in which case Support Services will terminate.

Either party may terminate Support Services at the end of the original term or at the end of any renewal term by giving written notice to the other party at least sixty (60) days prior to the end of such term. Fairfax may suspend or cancel Support Services if CUSTOMER fails to make payment pursuant to the Section titled “Fees and Payment,” or breaches the Support Services provisions and such breach is not remedied within thirty (30) days (10 days in the case of nonpayment) after CUSTOMER receives notice of the breach.

4. Fees and Payment.

For each unit of product for which Support Services will be provided, CUSTOMER shall pay Fairfax the applicable Support Services fee. Support Services fees will be billed monthly in arrears based on an

annual fee. CUSTOMER payment is due within thirty (30) days of receipt of the Fairfax invoice. In the event CUSTOMER fails to pay Fairfax on the due date, then to reinstate or renew Support Services (if allowed by Fairfax), CUSTOMER must first pay Fairfax the annual Support Services fee and the reinstatement charge listed in the then-current Fairfax price list.

5. Error Priority Levels.

Fairfax shall exercise commercially reasonable efforts to correct any Error reported by CUSTOMER in the current unmodified release of Software in accordance with the priority level reasonably assigned to such error by Fairfax.

- Priority 1 - Defined as an urgent situation which renders business-critical components(s) of the software inoperable or causes the software to fail catastrophically. Fairfax shall promptly commence the following procedures:
 - Assign Fairfax engineers to correct the Error;
 - Notify Fairfax management that such Errors have been reported and steps being taken to correct such Effort(s);
 - provide CUSTOMER with periodic reports on the status of the corrections; and
 - Initiate work to provide CUSTOMER with a Fix or Workaround.
- Priority 2 - Defined as a major software system component(s) that has failure precluding its successful operation or causes degradation. Fairfax shall commence the following procedures:
 - Assign Fairfax engineer to correct the Error;
 - Exercise commercially reasonable efforts to correct the problem;
 - Or provide a Fix or Workaround.
- Priority 3 - Defined as a minor problem that exists with the system but the majority of the functions are still usable and some circumvention may be required to provide service. Fairfax will assign an engineer to review and resolve the error and may include the Fix for the error in the next maintenance or major release of the Software.
- Priority 4 - A minor problem or question that does not affect the system's function (Examples: Question on procedures, Change Requests, Documentation, Training, Consumable Requests or issues in Test/Dev Environments.) Fairfax will exercise commercially reasonable efforts to address the error or question in response to CUSTOMER request.

If Fairfax believes that a problem reported by CUSTOMER may not be due to an Error in the Software, Fairfax will so notify CUSTOMER. At that time, CUSTOMER may (i) instruct Fairfax to proceed with problem determination at CUSTOMER's possible expense as set forth below or (ii) instruct Fairfax that CUSTOMER does not wish the problem pursued at CUSTOMER's possible expense. If CUSTOMER requests that Fairfax proceed with problem determination at CUSTOMER's possible expense and Fairfax determines that the error was not due to an Error in the Software, CUSTOMER shall pay Fairfax, at Fairfax's then-current and standard consulting rates, for all work performed in connection with such determination, plus reasonable related expenses incurred therewith. CUSTOMER shall not be liable for (i) problem determination or repair to the extent problems are due to Errors in the Software or (ii) work performed under this paragraph in excess of CUSTOMER's instructions or (iii) work performed after CUSTOMER has notified Fairfax that it no longer wishes work on the problem determination to be continued at CUSTOMER's possible expense (such notice shall be deemed given when actually received by Fairfax). If CUSTOMER instructs

Fairfax that it does not wish the problem pursued at CUSTOMER's possible expense or if such determination requires effort in excess of CUSTOMER instructions, Fairfax may, at its sole discretion, elect not to investigate the error with no liability therefore.

6. Exclusions.

Fairfax shall have no obligation to support:

- Software altered, damaged or modified by CUSTOMER;
- Software that is not the then current release or immediately Previous Sequential Release;
- Software problems caused by CUSTOMER negligence, abuse or misapplication, use of Software other than as specified in Fairfax's user manual;
- Software installed on any computer Hardware that is not supported by Fairfax. Fairfax shall have no liability for any changes in CUSTOMER hardware, which may be necessary to use Software due to a Workaround or maintenance release.

7. Limitation of Liability.

Fairfax's liability for damages from any cause of action whatsoever relating to Fairfax's agreement to provide support services shall be limited to the amount paid by CUSTOMER for the Support Services for the applicable year on a prorated basis. Fairfax's liability shall be further limited as provided in the applicable Software License Agreement. **IN NO EVENT SHALL FAIRFAX BE LIABLE FOR ANY INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL OR OTHER INDIRECT DAMAGES (INCLUDING LOSS OF PROFITS, USE, DATA, OR OTHER ECONOMIC ADVANTAGE) UNDER ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY CLAIMS BASED ON A BREACH OF THIS AGREEMENT, MALFUNCTION OR DEFECTS IN THE PRODUCTS, NON-DELIVERY, OR IN TORT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

8. Force Majeure

Neither party shall be liable or deemed in default for any delay or failure in performance resulting directly or indirectly from acts of God, acts of any government, war or natural emergency, accidents, fires, strikes, riots, labor disputes or for any other cause beyond the reasonable control of such party.

9. Governing Law.

This Agreement and performance hereunder shall be governed by the laws of the State of Florida, and any suit or action filed to enforce or contest any provision of this Agreement, or the obligations imposed, shall be brought and prosecuted in a court of competent jurisdiction sitting in the State of Florida.

10. Definitions.

Unless defined otherwise herein, terms used in these Support Services Terms and Conditions shall have the same meaning as set forth in the Software License Agreement.

- "Upgrades" means a major revision to the object code of the SOFTWARE marketed under a different version number (i.e. v2.2 to v3.0).
- "Updates" means a minor revision to the object code of the SOFTWARE issued as a different sub number version (i.e. v2.1 to v2.2).
- "Error" means an error in SOFTWARE which significantly degrades the SOFTWARE as compared to Fairfax's published performance specifications.
- "Fix" means the repair or replacement of object or executable code versions of SOFTWARE to remedy an Error.



- “Previous Sequential Release” means the release of SOFTWARE which has been replaced by a subsequent release of the same SOFTWARE (upgrade or update). Fairfax reserves the right to cease supporting a Previous Sequential Release twelve (12) months after the release of the subsequent release.
- “Telephone Support” means technical support telephone assistance provided by Fairfax to the Technical Support Contact during normal business hours, (8AM-5PM, Monday-Friday, excluding Fairfax holidays), concerning the installation and use of the then current release of SOFTWARE and the Previous Sequential Release.
- “Workaround” means a change in the procedures followed or data supplied by CUSTOMER to avoid an Error without substantially impairing CUSTOMER use of the SOFTWARE.

THESE TERMS AND CONDITIONS CONSTITUTE A SERVICE CONTRACT AND NOT A PRODUCT WARRANTY. THE SOFTWARE AND ALL MATERIALS RELATED TO THE SOFTWARE ARE SUBJECT EXCLUSIVELY TO THE WARRANTIES SET FORTH IN THE SOFTWARE LICENSE AGREEMENT. THIS ATTACHMENT IS AN ADDITIONAL PART OF THE AGREEMENT AND DOES NOT CHANGE OR SUPERSEDE ANY TERM OF THE AGREEMENT EXCEPT TO THE EXTENT UNAMBIGUOUSLY CONTRARY THERETO.

IN WITNESS WHEREOF, EACH PARTY HERETO HAS EXECUTED AND DELIVERED THIS Agreement by a duly authorized representative as of the date first written above.

Agreed to:

Agreed to:

Fairfax Imaging, Inc.

CUSTOMER

By _____

By _____

Authorized Signature

Authorized Signature

Date _____

Date _____

Michael D. Minter, VP, Sales and Marketing

NAME and TITLE

Terms and Conditions for Hardware and Equipment Maintenance

Unless otherwise agreed by Fairfax Imaging, Inc. ("Fairfax") in a writing signed by an authorized officer of Fairfax, these Terms and Conditions for Hardware and Equipment Maintenance Services shall apply to all hardware and equipment maintenance services supplied by Fairfax to any Customer. These Terms and Conditions for Hardware and Equipment Maintenance Services shall be deemed part of any service order or request, purchase order, sales order, statement of work, project change request or other agreement, which together with Fairfax Software License Agreement and Support Services Agreement general terms and conditions shall constitute the entire understanding and agreement of the parties (hereinafter, this "Agreement") under which Customer orders or acquires hardware or equipment maintenance from, or through, Fairfax.

1. Availability of Hardware Maintenance Services. In connection with the Hardware and Equipment to be provided by Fairfax to Customer pursuant to this Agreement, Customer may purchase from Fairfax Hardware and Equipment Maintenance Services, subject to the terms and conditions set forth in this document. Unless otherwise agreed in writing, Customer shall pay Fairfax' then-current Maintenance Charge for Hardware and Equipment, which Maintenance Charge shall be payable monthly. In the event that Customer elects not to take Hardware and Equipment Maintenance Service for any period, or allows Hardware and Equipment Maintenance Services to lapse for any period, Customer may initiate or reinstate Hardware and Equipment Maintenance Service subject to inspection and remedial adjustments, repairs and parts replacement necessary to restore the covered Hardware and Equipment to good working order, which inspection and refurbishment services will be billable to Customer at the Fairfax Imaging's then-current rates. Fairfax shall invoice Customer for the Maintenance Charges, in accordance with this Agreement.

2. Normal Working Condition; Exclusions. Subject to the terms and conditions set forth in this document, Hardware and Equipment Maintenance Services shall consist of preventive and remedial adjustments, repairs, and parts replacement necessary to keep the covered Hardware and Equipment in, or restore it to, good working order. Maintenance Services to be provided with respect to Hardware and Equipment shall be limited to maintaining the Hardware and Equipment in normal working condition for the purposes for which it was intended by the manufacturer and expressly excludes: (a) electrical work external to the Hardware and Equipment; (b) changes or alterations made by the Customer in specifications, such as the attachment of foreign devices; (c) changes or alterations made by Fairfax at Customer's direction, (d) relocation or reinstallation of the Hardware and Equipment; (e) furnishing supplies (e.g., consumables), accessories, attachments or other devices, including but not limited to removable media and other items subject to damage or deterioration due to removal by the Customer, handling and installation; (f) replacement of parts or repair of damages resulting from accident, neglect or misuse, failure of electrical power, air conditioning or humidity control, fire or other casualty; (g) defects or damage caused by any person other than Fairfax' authorized service representative; and (h) parts replacement caused by Hardware and Equipment operation in an environment which does not conform to Fairfax' or the manufacturers specifications. Hardware and Equipment Maintenance Services do not include customization of any Hardware or Equipment. Any customization of Hardware or Equipment requested by Customer and agreed to be performed by Fairfax shall be the subject of a Statement of Work to be executed by the Parties. Services provided to Customer in connection with problems related to, or caused by, sources other than Fairfax' software or hardware, or outside the conditions as described in this document, will be billed to Customer at Fairfax' then-current standard rates. Only new standard parts or parts of equal quality shall be used in providing Hardware and Equipment Maintenance Services.



3. No Maintenance for Modified Hardware and Equipment. Customer shall not cause modifications to be made or accessories, attachments, features or devices to be added to the Hardware and Equipment without Fairfax' prior written approval. Customer's personnel shall not perform maintenance or attempt repairs to Hardware and Equipment while such Hardware and Equipment is subject to Maintenance Services. If Customer, with Fairfax' approval, causes modifications to be made, or accessories, attachments, features, or devices not covered by this Agreement to be added to Hardware and Equipment being maintained by Fairfax, then Maintenance Services will be supplied thereon at an additional charge upon mutual agreement between Customer and Fairfax and the Maintenance Services charges specified in this Agreement shall be adjusted accordingly by Fairfax

4. Support Desk Hours. The Fairfax Support Desk is staffed from 8:00 a.m. to 5:00 p.m. local time, Monday through Friday, excluding Fairfax' holidays ("Standard Support Desk Hours"). Problems can be reported after hours to the support center with response and repair based upon the Customer's contracted period of maintenance coverage.

5. Emergency Off-Hour Support Access. In the event of an emergency due to a hardware or equipment failure resulting in lost production during off hours or non-contracted coverage hours, the Customer may contact the Fairfax Imaging's support center. Any support which may be provided for support of this nature is on a best effort basis, and is billable at the current standard hourly rates in effect.

6. Non-Billable Services included in Maintenance. The following maintenance and support services will be provided by Fairfax, free of charge, with respect to Hardware and Equipment for which Maintenance Services currently are in effect:

- Scheduled preventative maintenance or remedial maintenance, due to causes attributable to normal wear and tear, during the Standard On-Site Service Hours on dates and times mutually agreed upon by the parties.
- All adjustments, repairs and parts replacement provided by Fairfax during the Standard On-Site Service Hours that are necessary to keep the Hardware and Equipment in, or to restore it to, good working order, when notified by Customer that the Hardware and Equipment is inoperative.

7. Billable Additional Maintenance Services. The following maintenance and support services will constitute a billable item, at Fairfax' then-current standard rates, for all Customers even if Maintenance Services are currently in effect with respect to such Hardware and Equipment:

- Provision on a commercially reasonable best efforts basis of remedial maintenance service outside the Standard On-Site Service Hours when notified that the Equipment is inoperative.
- Maintenance performed outside the Standard On-Site Service Hours at the request of Customer;
- Maintenance started during the Standard On-Site Service Hours and continued beyond such period, but only to the extent that it exceeds the end of the Standard On-Site Service Hours, or;
- Labor, parts, and travel and other expenses incurred by Fairfax for services performed by Fairfax with respect to the Hardware and Equipment due to (a) attempts by Customer to repair or maintain the Hardware and Equipment; (b) causes not attributable to normal wear and tear; (c) the fault or negligence of Customer; (d) improper use or misuse of the Hardware and Equipment by Customer; and/or (e) causes external to the Hardware and Equipment or reasonably within Customer's control. Charges for all labor and parts shall be at Fairfax' then-current rates in effect at the time that the labor and parts are furnished.

Charges for labor shall be computed to the nearest one-half (½) hour with a minimum charge per call based upon a two (2) hour period.



9. Term; Maintenance Charges; Terms of Payment. The initial term for Equipment Maintenance Services shall be one (1) year commencing on the later of (i) the expiration of any applicable Equipment Warranty Period and (ii) the date of any service order or request, purchase order, sales order, statement of work, project change request or other agreement pursuant to which Fairfax agrees to provide the applicable Equipment Maintenance Services. Thereafter, Equipment Maintenance Services with respect to the covered Hardware and Equipment shall automatically renew for successive one (1) year terms, unless terminated by either party upon at least ninety (90) days advanced written notice. Unless otherwise agreed in writing, the charges for Equipment Maintenance Services (the "Annual Maintenance Charge") for each year shall be Fairfax' rate then in effect for such year, which Annual Maintenance Charge shall be payable monthly, in arrears, within thirty (30) days of the date of invoice, and shall be non-refundable. Fairfax shall invoice Customer for the Annual Maintenance Charge not earlier than forty-five (45) days prior to each annual renewal or anniversary date. Unless otherwise agreed in writing, prior to the commencement of any annual renewal or anniversary date, the Annual Maintenance Charge may be increased on an annual basis by giving the Customer at least ninety (90) days advanced written notice of said increase.