Agenda Item #: 3 - U - 3

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date:	**12/19/06**	**[X] Consent**	**[ ] Regular**
		[ ] Ordinance	**[ ] Public Hearing**

Department **Submitted By:** **Palm Beach County ISS**
Submitted For: **Palm Beach County ISS**

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: A) Supplement to the IBM Corporation Customer Agreement (IBM Master ICA) for the installment purchase of the IBM z9 BC Enterprise processor, disc storage and tape storage systems including installation, and maintenance services in the total amount of $643,765; **B)** a budget amendment of $478,993 to recognize loan proceeds and to adjust acquisition funding in the Information Technology Capital Improvements Fund; and **C)** a budget amendment of $107,294 to recognize transfers from the Information Technology Capital Improvements Fund and establish debt service budget in the Information Systems Services Fund.

Summary: This Supplement to the IBM ICA (R94-247D) will provide for an adjustment in the enterprise (mainframe) computing capabilities provided for the County. The current enterprise computing equipment has been in use since 2000. The requirements of this computing platform have been steadily reduced, though not eliminated, over the past few years. Because of the decreased demand, the capacity of the system can likewise be downsized. The County still uses the mainframe server for jobs such as the County payroll and human resource systems and other mainframe based applications. The smaller IBM system will significantly reduce the operating costs and computer room resources (power, HVAC, etc.) required to operate this system. Partial funding was approved in the FY 2006 capital project budget in anticipation of this purchase. Countywide (PK)

Background and Justification: Palm Beach County ISS has traditionally had a mainframe computing platform for large scale data processing applications. The existing mainframe system, in use since 2000, will cease to be supported after First Quarter 2007. Without the procurement of this new system, ISS and the County would be without a platform to continue to process information in the mainframe format.

Attachments:

1) 2 originals, IBM Installment Payment Attachment for System Z9 processor, and DS6000 storage Systems, w/Addendum, Supplement # ID0024609
2) 2 originals, IBM Installment Payment Attachment for IBM TS120 Tape Drive System, w/Addendum, # ID0024610
3) 2 originals, IBM Statement of Work; "Relocation Services"
4) IBM Business Partner Offering Letter
5) Copy of IBM Customer Agreement, R94-247D
6) Budget Amendments, Information Technology Capital Improvement Fund (Fund 3901) and ISS (Fund 5020)

Recommended by: Steve Bordelon 12-11-06
Department Director Date

Approved by: 12-12-06
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	**2007**	**2008**	**2009**	**2010**	**2008**
Capital Expenditures	$478,993				
Operating Costs	107,294	214,588	214,588	107,294	
External Revenues	-478,993				
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	$107,294	214,588	214,588	107,294	
# ADDITIONAL FTE POSITIONS (Cumulative)	0				

Is Item Included in Current Budget? Yes No X

Budget Account Number: Fund 5020 Dept 490 Unit 1304 Objt 7112 - **$107,294**

B. Recommended Sources of Funds / Summary of Fiscal Impact

C. Departmental Fiscal Review: Robert C. Bass 12/11/06

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

12-13-06
OFMB

12.11.06

12/14/06
Contract Administration 12/14/06

B. Legal Sufficiency:

Paul F. 12/5/06
Assistant County Attorney

This item complies with current County policies.

C. Other Department Review:

Department Director

INSTALLMENT PAYMENT SUPPLEMENT

Date Prepared: 11/28/06

Address of Customer
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Installed at Location
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Customer No: 6873206
IBM CSO Location: MP3
Installment Payment
Master Agreement No: IHR6224
IPMA Amendment Nos:
Quote Validity Date: 12/15/06
Referenced Quote Letter No: **Q0284473603**

Supplement No: **ID0024609**
Referenced Purchase Agreement No: HQ12291
Referenced License Agreement No:
Referenced Trade-In Agreement No:
Associated Supplement No:

Single Equipment Location
IBM/IPMA Customer Number
6873206/7030418

CSO Location Address
ATLANTA CSO
4111 NORTHSIDE PKWY
ATLANTA , GA 30327-3098

Customer Reference
IHR6224/R94-247D

- -

Estimated Installation Date or Intended Financing Date or Effective Date of Additional License

Term (Number of Payment Periods)

Option

Line No.	Location Customer Number IBM/IPMA*	Machine or LPM Type/Model Feature	IBM Plant Order or MES or Serial Number	Description	Purchase Price or One-Time Charges or Other Amount	State and Local Taxes	Credit (From IBM Trade-In Agreement) and/or Down Payment	Amount Financed	Interest Rate	Payment Amount			Planning Date
001	6873206 7030418	OPCQ/ESC		OPTICA FXBT ESCON CONVERTER	3,357.00			3,357.00	4.94	302.71	IG	12	12/26/06
002	6873206 7030418	OPCQ/ESC		OPTICA FXBT ESCON CONVERTER	3,357.00			3,357.00	4.94	302.71	IG	12	12/26/06
003	6873206 7030418	OPCQ/ESC		OPTICA FXBT ESCON CONVERTER	3,357.00			3,357.00	4.94	302.71	IG	12	12/26/06
004	6873206 7030418	1750/EX2		SYS. STORAGE DS6000 EXP. ENC	22,556.00			22,556.00	3.26	1,980.72	IG	12	12/26/06
005	6873206 7030418	1750/522		IBM SYSTEM STORAGE DS6800	104,749.00			104,749.00	3.26	9,198.39	IG	12	12/26/06

TOTAL FROM ALL PAGES:

PURCHASE PRICE OR ONE TIME CHARGES OR OTHER AMOUNT	$415,205.00
TRADE-IN/CREDIT DOWN PAYMENT	
STATE OR LOCAL TAXES	
AMOUNT FINANCED	$415,205.00

*TAX ON FINANCE CHARGE

(WHEN APPLICABLE THIS TAX IS PAYABLE WITH FIRST INSTALLMENT)

PAYMENT PERIOD	Fiscal year Start Date	Supplier Name	Interest Commencement	Total Payment (all pages)	Rates shown reflect waiver of IPMA prepayment fee provisions
1. Monthly " Annual " 2. Other (specify): QUARTERLY Schedule attached (check): "	07/01 Month/Day	CORNERSTONE SYSTEMS INC Supplier Customer no. 2206339		36,817.81	

THE INSTALLMENT PAYMENT MASTER AGREEMENT ("AGREEMENT") REFERENCED ABOVE SHALL BE INCORPORATED HEREIN BY REFERENCE. CUSTOMER HEREUNDER SHALL BE BOUND TO THE TERMS AND CONDITIONS OF THE AGREEMENT AS CUSTOMER. THE AGREEMENT, THIS SUPPLEMENT AND ANY APPLICABLE ATTACHMENTS OR ADDENDA ARE THE COMPLETE, EXCLUSIVE STATEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREIN. THESE DOCUMENTS SUPERSEDE ANY PRIOR ORAL OR WRITTEN COMMUNICATIONS BETWEEN THE PARTIES. BY SIGNING BELOW, CUSTOMER REPRESENTS AND WARRANTS THAT CUSTOMER'S NAME AS SET FORTH IN THE SIGNATURE BLOCK BELOW IS CUSTOMER'S EXACT LEGAL NAME AND THE INFORMATION IDENTIFYING CUSTOMER'S STATE OF ORGANIZATION IS TRUE, ACCURATE AND COMPLETE IN ALL RESPECTS. BY SIGNING BELOW, BOTH PARTIES AGREE TO THE TERMS REPRESENTED BY THIS AGREEMENT AS IT MAY BE AMENDED OR MODIFIED. DELIVERY OF AN EXECUTED COPY OF ANY OF THESE DOCUMENTS BY FACSIMILE OR OTHER RELIABLE MEANS SHALL BE DEEMED TO BE AS EFFECTIVE FOR ALL PURPOSES AS DELIVERY OF A MANUALLY EXECUTED COPY. CUSTOMER ACKNOWLEDGES THAT WE MAY MAINTAIN A COPY OF THESE DOCUMENTS IN ELECTRONIC FORM AND AGREES THAT COPY REPRODUCED FROM SUCH ELECTRONIC FOR OR BY ANY OTHER RELIABLE MEANS (FOR EXAMPLE, PHOTOCOPY, IMAGE OR FACSIMILE) SHALL IN ALL RESPECTS BE CONSIDERED EQUIVALENT TO AN ORIGINAL.

APPROVED AS TO FORM AND LEGAL SUFFICIENCY
Paul F. [illegible]
COUNTY ATTORNEY
PALM BEACH COUNTY

APPROVED AS TO TERMS AND CONDITIONS
BY Steve Bordelon
ISS DIRECTOR

Accepted by:
Susanita Roberson
Customer Operations Manager

By: _____
Authorized Signature

SUSANITA ROBERSON 11/29/06
Name (Type or Print) Date

By: _____
Authorized Signature

Addie L. Green, Chairperson
Name (Type or Print) Date

State of Organization: FL

Z125-4285-13 (07/03)

INSTALLMENT PAYMENT SUPPLEMENT

Date Prepared: 11/28/06

Continuation Sheet

Address of Customer
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Installed at Location
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W PALM BCH , FL 33401-4705

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Installment Payment
Master Agreement No: IHR6224
IPMA Amendment Nos:
Quote Validity Date: 12/15/06
Referenced Quote Letter No: **Q0284473603**

Supplement No: **ID0024609**
Referenced Purchase Agreement No: HQ12291
Referenced License Agreement No:
Referenced Trade-In Agreement No:
Associated Supplement No:

Single Equipment Location
IBM/IPMA Customer Number
6873206/7030418

Customer Reference
IHR6224/R94-247D

CSO Location Address
ATLANTA CSO
4111 NORTHSIDE PKWY
ATLANTA , GA 30327-3098

- -

Estimated Installation Date or Intended Financing Date or Effective Date of Additional License

Term (Number of Payment Periods)

Option

Line No.	Location Customer Number IBM/IPMA*	Machine or LPM Type/Model Feature	IBM Plant Order or MES or Serial Number	Description	Purchase Price or One-Time Charges or Other Amount	State and Local Taxes	Credit (From IBM Trade-In Agreement) and/or Down Payment	Amount Financed	Interest Rate	Payment Amount			Planning Date
006	6873206 7030418	2096/R07		SYSTEM Z9 BUSINESS CLASS	213,665.00			213,665.00	4.29	19,070.95	IG	12	12/26/06
007	6873206 7030418	9SSR/001	H032799	REMARKETED SERVICESUITE	54,964.00			54,964.00	3.57	4,850.38	S'	12	12/26/06
008	6873206 7030418	9SSR/001	H032800	REMARKETED SERVICESUITE	3,500.00			3,500.00	3.57	308.86	S'	12	12/26/06
009	6873206 7030418	9992/003	H032798	RESELLER SOURCED IBM SW	5,700.00			5,700.00	3.24	500.38	S'	12	12/26/06

PAYMENT PERIOD
1. Monthly " Annual "
2. Other (specify): QUARTERLY
Schedule attached (check): "

OPTION CODES

OPTION I - Loan for a Machine or a Modification.
OPTION IG - Loan for a Machine or a Modification financed with Tax Exempt Interest.
OPTION R - Loan for a used Machine supplied by IBM Credit LLC.
OPTION RG- Loan for a used Machine supplied by IBM Credit LLC financed with Tax Exempt Interest.
OPTION S - Loan for an IBM Program or Service or a Machine or a Modification supplied by IBM Credit LLC.
OPTION S' - Loan for an IBM Program or Service or a Machine or a Modification supplied by IBM Credit LLC financed with Tax Exempt Interest.
OPTION T - Loan for a non-IBM Program or Service.
OPTION T' - Loan for a non-IBM Program or Service financed with Tax Exempt Interest.

TAX EXEMPT REQUIREMENTS (FOR OPTIONS IG, RG, S', and T') THE RATES IN THIS AGREEMENT ARE BASED ON YOUR UNDERLYING DEBT OBLIGATION QUALIFYING TO PAY INTEREST WHICH IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 103(a) OF THE INTERNAL REVENUE CODE (Code). Accordingly, you represent that you qualify as a State or political subdivision of a State for purposes of Section 103(a). You agree that any misrepresentation of your status under Section 103(a) is an event of default under this agreement. You further agree to comply promptly with all information reporting requirements of Code section 149(e) and Treasury Regulations thereunder. You also agree to file Internal Revenue Service Form 8038-G or 8038-GC whichever is appropriate, for this transaction. If you do not file the above IRS form on a timely basis or are unable upon request to demonstrate that the IRS has determined you are qualified under Section 103(a) of the Code, then you shall pay us on demand a sum to be determined by us that will return to us the economic results we would otherwise have received.

PREPAYMENT AND PREPAYMENT FEE

Section 3.5 - Prepayment - replace the fourth sentence with: "You may prepay any Transaction by paying all outstanding amounts due plus any acrued interest charges not yet billed, the remaining principal balance and any prepayment fee."

The prepayment fee shall be the sum of our unrecovered administrative expense and any change to our funding costs. The unrecovered administrative expense portion of the prepayment fee will be determined using a factor of 2.50% multiplied by the remaining Transaction principal. The change in funding costs portion of the prepayment fee will: a) only be incurred if interest rates, based upon the 2-year Treasury Rate averages as published by the Federal Reserve, decline from the date interest starts to the date of the prepayment and b) if incurred, be determined using a factor of 2.8 multiplied by the change in the 3-year Treasury Rates and then multiplied by the remaining Transaction principal. The 2.8 factor will decrease with the number of months remaining in the original term of the Agreement.

WARRANTY DISCLAIMER:

Any warranties associated with Products or Services chosen by you and financed by us may be available to you under the terms of any applicable agreement between you and the provider of such Products or Services.

UNDER THIS AGREEMENT, WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND YOU TAKE THE PRODUCTS AND/OR SERVICES "AS IS". IN NO EVENT WILL WE HAVE ANY LIABILITY FOR, NOR WILL YOU HAVE ANY REMEDY UNDER THIS AGREEMENT AGAINST US FOR CONSEQUENTIAL DAMAGES, ANY LOSS OF PROFITS OR SAVINGS, LOSS OF USE, OR ANY OTHER COMMERCIAL LOSS.

The following amend the Installment Payment Master Agreement referenced on page 1.

Section 1.1. - Definitions - Date of Installation for a Program -- replace item b. with the following: "the second business day after the Program's standard transit allowance period."

Section 4.1. - Events of Default - add the following: 8. you make any misrepresentation relating to information or invoices you provide to us; or 9. you use any funds you receive from us for any purpose other than to acquire the specific Product herein.

Section 4.2. - Remedies - at the end of the first paragraph add the following: "6 - require you to surrender to us for return to licensor or owner all licensed program materials financed hereunder and to destroy any and all copies thereof." At the end of the Section add a new paragraph to read as follows: "You agree that: (i) 10 days prior written notice shall constitute adequate notice of disposition of any Machine, Modification or Addition, (ii) we have no obligation to cleanup or otherwise prepare the Machine, Modification or Addition for dispositon and (iii) that any disposition of a Machine, Modification or Addition will be conveyed on an "AS IS" basis and we may disclaim any and all warranties."

Section 4.3. - Security Interest - delete the first and second paragraphs in their entirety and replace with the following: "You hereby grant to us a first priority security interest in each Machine, Modification or Addition together with all related software (embedded therein or otherwise) and all attachments, accessories, accessions and upgrades thereto and any and all substitutions, replacements or exchanges for any such Machine, Modification or Addition and any related software and any and all proceeds of any of the foregoing, including, without limitation, payments under insurance or any indemnity or warranty relating to loss or damage to such Machine, Modification, Addition or software. You hereby authorize us to file Uniform Commercial Code (UCC) financing statements relating to each Machine, Modification, Addition and all related software (embedded or otherwise) listed on this Supplement. You will cooperate with us to maintain our perfected first priority security interest in all Machines, Modifications, or Additions and any related software financed hereunder."

Terms for non-IBM Equipment and for Equipment not sourced from IBM; when non-IBM Equipment and/or a Supplier other than IBM is specified on the front of this Supplement, these terms apply.

Section 2.1 - Machines - replace the first sentence with the following: "We finance charges for Machines you purchase from us or your supplier."

Section 2.2 - Modifications and Additions - replace the first sentence with the following: "We finance charges for Modifications and Additions you purchase from IBM, IBM Credit or your supplier."

Section 2.3 - Other Charges - add the following to the end of the section: "We may agree to finance one-time charges from your supplier."

Section 2.4 - Discounts, Allowances and Adjustments - replace the first sentence with the following: "The purchase price or one-time charge we finance is the same amount that you would have paid us or your supplier after all discounts and adjustments."

Section 3.2 - Interest Commencement - replace the entire section with the following: "Unless otherwise specified in the Supplement, interest starts on (for OPTIONS IG, RG, S', and T' transactions, interest starts on the first day of the month following) the acceptance date you indicate on a certificate."

Credit LLC

CERTIFICATE OF ACCEPTANCE

Customer Number: 6873206
Address
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Lender's Office Address
4111 NORTHSIDE PKWY
ATLANTA , GA 30327-3098

Agreement Number: IHR6224
Supplement No: ID0024609

Fax: - -
Customer Reference: IHR6224/R94-247D

Location Customer	Leased/Financed Item Type	Model	Plant Order or MES No.	Contract Serial No. / Description	Manufacturer's Serial No.
6873206	OPCQ	ESC		OPTICA FXBT ESCON CONVER	
6873206	OPCQ	ESC		OPTICA FXBT ESCON CONVER	
6873206	OPCQ	ESC		OPTICA FXBT ESCON CONVER	
6873206	1750	EX2		SYS. STORAGE DS6000 EXP.	
6873206	1750	522		IBM SYSTEM STORAGE DS680	
6873206	2096	R07		SYSTEM Z9 BUSINESS CLASS	
6873206	9SSR	001		H032799 REMARKETED SERVICESUITE	H032799
6873206	9SSR	001		H032800 REMARKETED SERVICESUITE	H032800
6873206	9992	003		H032798 RESELLER SOURCED IBM SW	H032798

THE UNDERSIGNED ("CUSTOMER") IS A LESSEE OR CUSTOMER UNDER THE AGREEMENT REFERENCED ABOVE ("AGREEMENT") WITH EITHER IBM CREDIT LLC OR INTERNATIONAL BUSINESS MACHINES CORPORATION (IN EITHER CASE, "LENDER"). CUSTOMER REPRESENTS AND CERTIFIES THAT THE ITEMS LISTED ABOVE, LISTED ON INVOICES ATTACHED, OR ITEMIZED ON AN ATTACHMENT TO THIS CERTIFICATE OF ACCEPTANCE ("ACCEPTED ITEMS") HAVE BEEN ACCEPTED BY CUSTOMER ON THE DATE INDICATED BELOW AND LABELS, IF SUPPLIED, HAVE BEEN AFFIXED TO EACH ACCEPTED ITEM OF EQUIPMENT. CUSTOMER AUTHORIZES LENDER TO PAY CUSTOMER'S SUPPLIER FOR THE ACCEPTED ITEMS. AMOUNTS DUE UNDER THE AGREEMENT SHALL COMMENCE UPON THE DATE CUSTOMER INDICATES BELOW UNLESS OTHERWISE NOTED BY LENDER ON THE SUPPLEMENT. IF CUSTOMER IS SUBJECT TO PROCUREMENT OR APPROPRIATION LAWS OR REGULATIONS, CUSTOMER REPRESENTS AND CERTIFIES THAT LENDER'S DIRECT PAYMENT TO CUSTOMER'S SUPPLIER FOR THE INVOICE AMOUNTS INDICATED ON THIS CERTIFICATE OF ACCEPTANCE WILL BE IN FULL COMPLIANCE WITH ANY AND ALL RELEVANT STATE LAWS AND REGULATIONS OR ANY OTHER LEGAL REQUIREMENTS RELATING TO CUSTOMER'S PROCUREMENT OR APPROPRIATION ACTIVITIES.

IN ORDER FOR THIS CERTIFICATE OF ACCEPTANCE TO BE EFFECTIVE, CUSTOMER MUST PROVIDE LENDER WITH SERIAL NUMBERS FOR EACH ACCEPTED ITEM OF EQUIPMENT. CUSTOMER AUTHORIZES LENDER TO COMPLETE OR UPDATE ANY EQUIPMENT IDENTIFICATION INFORMATION ON THE REFERENCED AGREEMENT OR SUPPLEMENT TO THE AGREEMENT FOR ANY ACCEPTED ITEM OF EQUIPMENT WITHOUT FURTHER ACTION OR CONSENT BY CUSTOMER.

DELIVERY OF AN EXECUTED COPY OF THIS CERTIFICATE OF ACCEPTANCE BY FACSIMILE OR ANY OTHER RELIABLE MEANS SHALL BE DEEMED TO BE AS EFFECTIVE FOR ALL PURPOSES AS DELIVERY OF A MANUALLY EXECUTED COPY. CUSTOMER UNDERSTANDS THAT LENDER MAY MAINTAIN A COPY OF THIS CERTIFICATE IN ELECTRONIC FORM AND AGREES THAT A COPY PRODUCED FROM SUCH ELECTRONIC FORM OR BY ANY OTHER RELIABLE MEANS (FOR EXAMPLE, PHOTOCOPY, IMAGE OR FACSIMILE) SHALL IN ALL RESPECTS BE CONSIDERED EQUIVALENT TO AN ORIGINAL. BY SIGNING BELOW, CUSTOMER REPRESENTS AND WARRANTS THAT CUSTOMER'S NAME AS SET FORTH IN THE SIGNATURE BLOCK BELOW IS CUSTOMER'S EXACT LEGAL NAME AND THE INFORMATION IDENTIFYING CUSTOMER'S STATE OF ORGANIZATION IS TRUE, ACCURATE AND COMPLETE IN ALL RESPECTS.

Accepted by: **PALM BEACH COUNTY**
Customer

RENT COMMENCEMENT DATE: _____
(Must be Completed)

By: _____
Authorized Signature

_____
Name (Type or Print)

State of Organization: FL

PLEASE RETURN TO LENDER OFFICE ADDRESS OR FAX NUMBER LISTED ABOVE

WITHIN 10 DAYS OF RECEIPT

IBM Credit LLC

CERTIFICATE OF ACCEPTANCE

Customer Number: 6873206
Address
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Lender's Office Address
4111 NORTHSIDE PKWY
ATLANTA , GA 30327-3098

Fax: - -
Customer Reference: IHR6224/R94-247D

Agreement Number: IHR6224
Supplement No: ID0024609

Location Customer	Leased/Financed Item Type	Model	Plant Order or MES No.	Contract Serial No. Description	Manufacturer's Serial No.

Supplier Invoice Information (Invoices May Be Attached)

Supplier	Invoice Number	Invoice Date	Invoice Amount
1.			
2.			
3.			
4.			
5.			
6.			
		TOTAL	0.00

IBM CORPORATION

New Orchard Road
Armonk, NY 10504
914/499-1900
www.financing.ibm.com

ADDENDUM TO INSTALLMENT PAYMENT SUPPLEMENT

Enterprise No. 6872933

Installment Payment
Master Agreement No. IHR6224

Customer No. 6873206

Supplement No. ID0024609

We and PALM BEACH COUNTY (You) agree that for the purposes of the referenced Supplement only, the Installment Payment Master Agreement between the parties is hereby modified as follows:

On the back of the Supplement, delete the provisions entitled "4. Section 4.3 - Security Interest" in its entirety.

Prepared by: R ASHBY

Accepted by:

IBM Corporation

by Susanita Roberson
Customer Operations Manager
Authorized Signature

Susanita Roberson 12/12/06
Name (Type or Print) Date

A844736D/BP2

PALM BEACH COUNTY

by _____
Authorized Signature

Addie L. Green, Chairperson
Name (Type or Print) Date

APPROVED AS TO TERMS AND CONDITIONS
BY Steve Bordelon
ISS DIRECTOR

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY
Paul F.
COUNTY ATTORNEY

NO CHANGES TO THIS ADDENDUM ARE AUTHORIZED

Dec 11, 2006

Addendum No. Q02844736-04

INSTALLMENT PAYMENT SUPPLEMENT

Date Prepared: 11/28/06

Address of Customer
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Installed at Location
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W PALM BCH , FL 33401-4705

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IBM CSO Location: MP3
Installment Payment
Master Agreement No: IHR6224
IPMA Amendment Nos:
Quote Validity Date: 12/15/06
Referenced Quote Letter No: Q0284473703

Supplement No: ID0024610
Referenced Purchase Agreement No: HQ12291
Referenced License Agreement No:
Referenced Trade-In Agreement No:
Associated Supplement No:

Single Equipment Location
IBM/IPMA Customer Number
6873206/7030418

CSO Location Address
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4111 NORTHSIDE PKWY
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Customer Reference
IHR6224/R94-247D

- -

Line No.	Location Customer Number IBM/IPMA*	Machine or LPM Type/Model Feature	IBM Plant Order or MES or Serial Number	Description	Purchase Price or One-Time Charges or Other Amount	State and Local Taxes	Credit (From IBM Trade-In Agreement) and/or Down Payment	Amount Financed	Interest Rate	Payment Amount	Term (Number of Payment Periods)	Option	Estimated Installation Date or Intended Financing Date or Effective Date of Additional License / Planning Date
001	6873206 7030418	3592/C06		TS1120 TAPE CONTROLLER	44,471.00			44,471.00	3.26	3,905.16	IG	12	12/26/06
002	6873206 7030418	3592/E05		TS1120 TAPE DRIVE MODEL E05	19,100.00			19,100.00	3.26	1,677.24	IG	12	12/26/06
003	6873206 7030418	3592/E05		TS1120 TAPE DRIVE MODEL E05	19,100.00			19,100.00	3.26	1,677.24	IG	12	12/26/06
004	6873206 7030418	3592/E05		TS1120 TAPE DRIVE MODEL E05	19,100.00			19,100.00	3.26	1,677.24	IG	12	12/26/06
005	6873206 7030418	3592/E05		TS1120 TAPE DRIVE MODEL E05	19,100.00			19,100.00	3.26	1,677.24	IG	12	12/26/06

TOTAL FROM ALL PAGES:

PURCHASE PRICE OR ONE TIME CHARGES OR OTHER AMOUNT	$191,207.00
TRADE-IN/CREDIT DOWN PAYMENT	
STATE OR LOCAL TAXES	
AMOUNT FINANCED	$191,207.00

*TAX ON FINANCE CHARGE

(WHEN APPLICABLE THIS TAX IS PAYABLE WITH FIRST INSTALLMENT)

PAYMENT PERIOD	Fiscal year Start Date	Supplier Name	Interest Commencement	Total Payment (all pages)	Rates shown reflect waiver of IPMA prepayment fee provisions
1. Monthly " Annual " 2. Other (specify): QUARTERLY Schedule attached (check): "	07/01 Month/Day	CORNERSTONE SYSTEMS INC Supplier Customer no. 2206339		16,829.25	

THE INSTALLMENT PAYMENT MASTER AGREEMENT ("AGREEMENT") REFERENCED ABOVE SHALL BE INCORPORATED HEREIN BY REFERENCE. CUSTOMER HEREUNDER SHALL BE BOUND TO THE TERMS AND CONDITIONS OF THE AGREEMENT AS CUSTOMER. THE AGREEMENT, THIS SUPPLEMENT AND ANY APPLICABLE ATTACHMENTS OR ADDENDA ARE THE COMPLETE, EXCLUSIVE STATEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREIN. THESE DOCUMENTS SUPERSEDE ANY PRIOR ORAL OR WRITTEN COMMUNICATIONS BETWEEN THE PARTIES. BY SIGNING BELOW, CUSTOMER REPRESENTS AND WARRANTS THAT CUSTOMER'S NAME AS SET FORTH IN THE SIGNATURE BLOCK BELOW IS CUSTOMER'S EXACT LEGAL NAME AND THE INFORMATION IDENTIFYING CUSTOMER'S STATE OF ORGANIZATION IS TRUE, ACCURATE AND COMPLETE IN ALL RESPECTS. BY SIGNING BELOW, BOTH PARTIES AGREE TO THE TERMS REPRESENTED BY THIS AGREEMENT AS IT MAY BE AMENDED OR MODIFIED. DELIVERY OF AN EXECUTED COPY OF ANY OF THESE DOCUMENTS BY FACSIMILE OR OTHER RELIABLE MEANS SHALL BE DEEMED TO BE AS EFFECTIVE FOR ALL PURPOSES AS DELIVERY OF A MANUALLY EXECUTED COPY. CUSTOMER ACKNOWLEDGES THAT WE MAY MAINTAIN A COPY OF THESE DOCUMENTS IN ELECTRONIC FORM AND AGREES THAT COPY REPRODUCED FROM SUCH ELECTRONIC FOR OR BY ANY OTHER RELIABLE MEANS (FOR EXAMPLE, PHOTOCOPY, IMAGE OR FACSIMILE) SHALL IN ALL RESPECTS BE CONSIDERED EQUIVALENT TO AN ORIGINAL.

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

Accepted by:
Susanita Roberson
Customer Operations Manager
By: _____
Authorized Signature
Susanita Roberson 11/29/06
Name (Type or Print) Date

Paul F. [illegible]
COUNTY ATTORNEY
PALM BEACH COUNTY
By: _____
Authorized Signature
Addie L. Green, Chairperson
Name (Type or Print) Date
State of Organization: FL

APPROVED AS TO TERMS AND CONDITIONS
BY Steve Bordelon
ISS DIRECTOR

Z125-4285-13 (07/03)

INSTALLMENT PAYMENT SUPPLEMENT

Date Prepared: 11/28/06

Continuation Sheet

Address of Customer
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Installed at Location
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Customer No: 6873206
IBM CSO Location: MP3
Installment Payment
Master Agreement No: IHR6224
IPMA Amendment Nos:
Quote Validity Date: 12/15/06
Referenced Quote Letter No: Q0284473703

Supplement No: ID0024610
Referenced Purchase Agreement No: HQ12291
Referenced License Agreement No:
Referenced Trade-In Agreement No:
Associated Supplement No:

Single Equipment Location
IBM/IPMA Customer Number
6873206/7030418

CSO Location Address
ATLANTA CSO
4111 NORTHSIDE PKWY
ATLANTA , GA 30327-3098

Customer Reference
IHR6224/R94-247D

- -

Estimated Installation Date or Intended Financing Date or Effective Date of Additional License

Term (Number of Payment Periods)

Option

Line No.	Location Customer Number IBM/IPMA*	Machine or LPM Type/Model Feature	IBM Plant Order or MES or Serial Number	Description	Purchase Price or One-Time Charges or Other Amount	State and Local Taxes	Credit (From IBM Trade-In Agreement) and/or Down Payment	Amount Financed	Interest Rate	Payment Amount			Planning Date
006	6873206 7030418	3599/011		MAGSTAR 3590 CARTRIDGES	15,410.00			15,410.00	3.26	1,353.21	IG	12	12/26/06
007	6873206 7030418	3599/017		MAGSTAR 3590 CARTRIDGES	504.00			504.00	3.26	44.26	IG	12	12/26/06
008	6873206 7030418	9SSR/001	H032801	REMARKETED SERVICESUITE	500.00			500.00	3.57	44.12	S'	12	12/26/06
009	6873206 7030418	9SSR/001	H032802	REMARKETED SERVICESUITE	46,949.00			46,949.00	3.57	4,143.08	S'	12	12/26/06
010	6873206 7030418	9994/001	H032803	VENDOR SOURCED PRODUCTS/SVCS	6,973.00			6,973.00	5.11	630.46	T'	12	12/26/06

PAYMENT PERIOD
1. Monthly " Annual "
2. Other (specify): QUARTERLY
Schedule attached (check): "

OPTION CODES

OPTION I - Loan for a Machine or a Modification.
OPTION IG - Loan for a Machine or a Modification financed with Tax Exempt Interest.
OPTION R - Loan for a used Machine supplied by IBM Credit LLC.
OPTION RG- Loan for a used Machine supplied by IBM Credit LLC financed with Tax Exempt Interest.
OPTION S - Loan for an IBM Program or Service or a Machine or a Modification supplied by IBM Credit LLC.
OPTION S' - Loan for an IBM Program or Service or a Machine or a Modification supplied by IBM Credit LLC financed with Tax Exempt Interest.
OPTION T - Loan for a non-IBM Program or Service.
OPTION T' - Loan for a non-IBM Program or Service financed with Tax Exempt Interest.

TAX EXEMPT REQUIREMENTS (FOR OPTIONS IG, RG, S', and T') THE RATES IN THIS AGREEMENT ARE BASED ON YOUR UNDERLYING DEBT OBLIGATION QUALIFYING TO PAY INTEREST WHICH IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 103(a) OF THE INTERNAL REVENUE CODE (Code). Accordingly, you represent that you qualify as a State or political subdivision of a State for purposes of Section 103(a). You agree that any misrepresentation of your status under Section 103(a) is an event of default under this agreement. You further agree to comply promptly with all information reporting requirements of Code section 149(e) and Treasury Regulations thereunder. You also agree to file Internal Revenue Service Form 8038-G or 8038-GC whichever is appropriate, for this transaction. If you do not file the above IRS form on a timely basis or are unable upon request to demonstrate that the IRS has determined you are qualified under Section 103(a) of the Code, then you shall pay us on demand a sum to be determined by us that will return to us the economic results we would otherwise have received.

PREPAYMENT AND PREPAYMENT FEE

Section 3.5 - Prepayment - replace the fourth sentence with: "You may prepay any Transaction by paying all outstanding amounts due plus any acrued interest charges not yet billed, the remaining principal balance and any prepayment fee."

The prepayment fee shall be the sum of our unrecovered administrative expense and any change to our funding costs. The unrecovered administrative expense portion of the prepayment fee will be determined using a factor of 2.50% multiplied by the remaining Transaction principal. The change in funding costs portion of the prepayment fee will: a) only be incurred if interest rates, based upon the 2-year Treasury Rate averages as published by the Federal Reserve, decline from the date interest starts to the date of the prepayment and b) if incurred, be determined using a factor of 2.8 multiplied by the change in the 3-year Treasury Rates and then multiplied by the remaining Transaction principal. The 2.8 factor will decrease with the number of months remaining in the original term of the Agreement.

WARRANTY DISCLAIMER:

Any warranties associated with Products or Services chosen by you and financed by us may be available to you under the terms of any applicable agreement between you and the provider of such Products or Services.

UNDER THIS AGREEMENT, WE MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND YOU TAKE THE PRODUCTS AND/OR SERVICES "AS IS". IN NO EVENT WILL WE HAVE ANY LIABILITY FOR, NOR WILL YOU HAVE ANY REMEDY UNDER THIS AGREEMENT AGAINST US FOR CONSEQUENTIAL DAMAGES, ANY LOSS OF PROFITS OR SAVINGS, LOSS OF USE, OR ANY OTHER COMMERCIAL LOSS.

The following amend the Installment Payment Master Agreement referenced on page 1.

Section 1.1. - Definitions - Date of Installation for a Program -- replace item b. with the following: "the second business day after the Program's standard transit allowance period."

Section 4.1. - Events of Default - add the following: 8. you make any misrepresentation relating to information or invoices you provide to us; or 9. you use any funds you receive from us for any purpose other than to acquire the specific Product herein.

Section 4.2. - Remedies - at the end of the first paragraph add the following: "6 - require you to surrender to us for return to licensor or owner all licensed program materials financed hereunder and to destroy any and all copies thereof." At the end of the Section add a new paragraph to read as follows: "You agree that: (i) 10 days prior written notice shall constitute adequate notice of disposition of any Machine, Modification or Addition, (ii) we have no obligation to cleanup or otherwise prepare the Machine, Modification or Addition for dispositon and (iii) that any disposition of a Machine, Modification or Addition will be conveyed on an "AS IS" basis and we may disclaim any and all warranties."

Section 4.3. - Security Interest - delete the first and second paragraphs in their entirety and replace with the following: "You hereby grant to us a first priority security interest in each Machine, Modification or Addition together with all related software (embedded therein or otherwise) and all attachments, accessories, accessions and upgrades thereto and any and all substitutions, replacements or exchanges for any such Machine, Modification or Addition and any related software and any and all proceeds of any of the foregoing, including, without limitation, payments under insurance or any indemnity or warranty relating to loss or damage to such Machine, Modification, Addition or software. You hereby authorize us to file Uniform Commercial Code (UCC) financing statements relating to each Machine, Modification, Addition and all related software (embedded or otherwise) listed on this Supplement. You will cooperate with us to maintain our perfected first priority security interest in all Machines, Modifications, or Additions and any related software financed hereunder."

Terms for non-IBM Equipment and for Equipment not sourced from IBM; when non-IBM Equipment and/or a Supplier other than IBM is specified on the front of this Supplement, these terms apply.

Section 2.1 - Machines - replace the first sentence with the following: "We finance charges for Machines you purchase from us or your supplier."

Section 2.2 - Modifications and Additions - replace the first sentence with the following: "We finance charges for Modifications and Additions you purchase from IBM, IBM Credit or your supplier."

Section 2.3 - Other Charges - add the following to the end of the section: "We may agree to finance one-time charges from your supplier."

Section 2.4 - Discounts, Allowances and Adjustments - replace the first sentence with the following: "The purchase price or one-time charge we finance is the same amount that you would have paid us or your supplier after all discounts and adjustments."

Section 3.2 - Interest Commencement - replace the entire section with the following: "Unless otherwise specified in the Supplement, interest starts on (for OPTIONS IG, RG, S', and T' transactions, interest starts on the first day of the month following) the acceptance date you indicate on a certificate."

IBM Credit LLC

CERTIFICATE OF ACCEPTANCE

Customer Number: 6873206
Address
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Lender's Office Address
4111 NORTHSIDE PKWY
ATLANTA , GA 30327-3098

Agreement Number: IHR6224
Supplement No: ID0024610

Fax: - -
Customer Reference: IHR6224/R94-247D

Location Customer	Leased/Financed Item Type	Model	Plant Order or MES No.	Contract Serial No. Description	Manufacturer's Serial No.
6873206	3592	C06		TS1120 TAPE CONTROLLER	
6873206	3592	E05		TS1120 TAPE DRIVE MODEL	
6873206	3592	E05		TS1120 TAPE DRIVE MODEL	
6873206	3592	E05		TS1120 TAPE DRIVE MODEL	
6873206	3592	E05		TS1120 TAPE DRIVE MODEL	
6873206	3599	011		MAGSTAR 3590 CARTRIDGES	
6873206	3599	017		MAGSTAR 3590 CARTRIDGES	
6873206	9SSR	001		H032801 REMARKETED SERVICESUITE	H032801
6873206	9SSR	001		H032802 REMARKETED SERVICESUITE	H032802

THE UNDERSIGNED ("CUSTOMER") IS A LESSEE OR CUSTOMER UNDER THE AGREEMENT REFERENCED ABOVE ("AGREEMENT") WITH EITHER IBM CREDIT LLC OR INTERNATIONAL BUSINESS MACHINES CORPORATION (IN EITHER CASE, "LENDER"). CUSTOMER REPRESENTS AND CERTIFIES THAT THE ITEMS LISTED ABOVE, LISTED ON INVOICES ATTACHED, OR ITEMIZED ON AN ATTACHMENT TO THIS CERTIFICATE OF ACCEPTANCE ("ACCEPTED ITEMS") HAVE BEEN ACCEPTED BY CUSTOMER ON THE DATE INDICATED BELOW AND LABELS, IF SUPPLIED, HAVE BEEN AFFIXED TO EACH ACCEPTED ITEM OF EQUIPMENT. CUSTOMER AUTHORIZES LENDER TO PAY CUSTOMER'S SUPPLIER FOR THE ACCEPTED ITEMS. AMOUNTS DUE UNDER THE AGREEMENT SHALL COMMENCE UPON THE DATE CUSTOMER INDICATES BELOW UNLESS OTHERWISE NOTED BY LENDER ON THE SUPPLEMENT. IF CUSTOMER IS SUBJECT TO PROCUREMENT OR APPROPRIATION LAWS OR REGULATIONS, CUSTOMER REPRESENTS AND CERTIFIES THAT LENDER'S DIRECT PAYMENT TO CUSTOMER'S SUPPLIER FOR THE INVOICE AMOUNTS INDICATED ON THIS CERTIFICATE OF ACCEPTANCE WILL BE IN FULL COMPLIANCE WITH ANY AND ALL RELEVANT STATE LAWS AND REGULATIONS OR ANY OTHER LEGAL REQUIREMENTS RELATING TO CUSTOMER'S PROCUREMENT OR APPROPRIATION ACTIVITIES.

IN ORDER FOR THIS CERTIFICATE OF ACCEPTANCE TO BE EFFECTIVE, CUSTOMER MUST PROVIDE LENDER WITH SERIAL NUMBERS FOR EACH ACCEPTED ITEM OF EQUIPMENT. CUSTOMER AUTHORIZES LENDER TO COMPLETE OR UPDATE ANY EQUIPMENT IDENTIFICATION INFORMATION ON THE REFERENCED AGREEMENT OR SUPPLEMENT TO THE AGREEMENT FOR ANY ACCEPTED ITEM OF EQUIPMENT WITHOUT FURTHER ACTION OR CONSENT BY CUSTOMER.

DELIVERY OF AN EXECUTED COPY OF THIS CERTIFICATE OF ACCEPTANCE BY FACSIMILE OR ANY OTHER RELIABLE MEANS SHALL BE DEEMED TO BE AS EFFECTIVE FOR ALL PURPOSES AS DELIVERY OF A MANUALLY EXECUTED COPY. CUSTOMER UNDERSTANDS THAT LENDER MAY MAINTAIN A COPY OF THIS CERTIFICATE IN ELECTRONIC FORM AND AGREES THAT A COPY PRODUCED FROM SUCH ELECTRONIC FORM OR BY ANY OTHER RELIABLE MEANS (FOR EXAMPLE, PHOTOCOPY, IMAGE OR FACSIMILE) SHALL IN ALL RESPECTS BE CONSIDERED EQUIVALENT TO AN ORIGINAL. BY SIGNING BELOW, CUSTOMER REPRESENTS AND WARRANTS THAT CUSTOMER'S NAME AS SET FORTH IN THE SIGNATURE BLOCK BELOW IS CUSTOMER'S EXACT LEGAL NAME AND THE INFORMATION IDENTIFYING CUSTOMER'S STATE OF ORGANIZATION IS TRUE, ACCURATE AND COMPLETE IN ALL RESPECTS.

Accepted by: **PALM BEACH COUNTY**
Customer

RENT COMMENCEMENT DATE: _____
(Must be Completed)

By: _____
Authorized Signature

_____
Name (Type or Print)

State of Organization: FL

PLEASE RETURN TO LENDER OFFICE ADDRESS OR FAX NUMBER LISTED ABOVE
WITHIN 10 DAYS OF RECEIPT

IBM Credit LLC

CERTIFICATE OF ACCEPTANCE

Customer Number: 6873206
Address
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Lender's Office Address
4111 NORTHSIDE PKWY
ATLANTA , GA 30327-3098

Agreement Number: IHR6224
Supplement No: ID0024610

Fax: - -
Customer Reference: IHR6224/R94-247D

Location Customer	Leased/Financed Item Type	Model	Plant Order or MES No.	Contract Serial No. Description	Manufacturer's Serial No.
6873206	9994	001		H032803 VENDOR SOURCED PRODUCTS/SVCS	H032803

IBM Credit LLC

CERTIFICATE OF ACCEPTANCE

Customer Number: 6873206
Address
301 NORTH OLIVE AVE
W PALM BCH , FL 33401-4705

Lender's Office Address
4111 NORTHSIDE PKWY
ATLANTA , GA 30327-3098

Fax: - -
Customer Reference: IHR6224/R94-247D

Agreement Number: IHR6224
Supplement No: ID0024610

Location Customer	Leased/Financed Item Type	Model	Plant Order or MES No.	Contract Serial No. Description	Manufacturer's Serial No.

Supplier Invoice Information (Invoices May Be Attached)

Supplier	Invoice Number	Invoice Date	Invoice Amount
1.			
2.			
3.			
4.			
5.			
6.			
		TOTAL	0.00

IBM CORPORATION

New Orchard Road
Armonk, NY 10504
914/499-1900
www.financing.ibm.com

ADDENDUM TO INSTALLMENT PAYMENT SUPPLEMENT

Enterprise No. 6872933

Installment Payment
Master Agreement No. IHR6224

Customer No. 6873206

Supplement No. ID0024610

We and PALM BEACH COUNTY (You) agree that for the purposes of the referenced Supplement only, the Installment Payment Master Agreement between the parties is hereby modified as follows:

On the back of the Supplement, delete the provisions entitled "4. Section 4.3 - Security Interest" in its entirety.

Prepared by: R ASHBY

Accepted by:

IBM Corporation

Susanita Roberson
by Customer Operations Manager
Authorized Signature

Susanita Roberson 12/12/06
Name (Type or Print) Date

A844737D/BP2

PALM BEACH COUNTY

by _____
Authorized Signature

Addie L. Green, Chairperson
Name (Type or Print) Date

APPROVED AS TO TERMS AND CONDITIONS
BY Steve Bordelon
ISS DIRECTOR

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY
Paul F. G
COUNTY ATTORNEY

NO CHANGES TO THIS ADDENDUM ARE AUTHORIZED

Dec 11, 2006

Addendum No. Q02844737-04

A PROPOSAL FOR

PALM BEACH COUNTY

301 NORTH OLIVE AVE

W PALM BCH, FL 33401-4705

TO PROVIDE

Relocation Services

SUBMITTED BY:

4111 Northside Parkway
Atlanta, GA 30327-3015

Date: **11/30/2006**

Proposal Reference: **HS28931**
Callown Reference: **1460999**

PROPOSAL SUMMARY

CHARGES

In response to your request, IBM is pleased to submit this proposal to provide Services. The charges for the requested Services are specified in Section 7.0, "Charges" of the attached Statement of Work.

REQUIRED DOCUMENT

The IBM Agreement for Services Acquired from an IBM Business Partner (Z125-5774) attached hereto, or any equivalent agreement applies to this transaction.

ATTACHED DOCUMENT

Statement of Work (Services): The Statement of Work to perform these Services is attached. These terms are in addition to those of the IBM Agreement for Services Acquired from an IBM Business Partner and specifically supplement its Services terms. The Statement of Work describes the specific Services to be provided as customized to your environment.

PROPOSAL EXPIRATION DATE

The proposal expiration date for this Statement of Work is 12/31/2006.

IBM Statement of Work for Services Acquired from an IBM Business Partner

This Statement of Work (called "SOW") defines the scope of work to be accomplished by us under the terms and conditions of the *IBM Agreement for Services Acquired from an IBM Business Partner,* or any equivalent agreement in effect between us.

1.0 Scope of Work

This section describes the Services that IBM will provide under this Statement of Work (SOW). Specifically, IBM will provide PALM BEACH COUNTY with Relocation Services.

These Services will be provided for each location you designate (called "Designated Locations") as listed in the Attachments.

We agree to provide the Services described in this SOW provided you accept this SOW, without modification, by signing in the space below on or before 12/31/2006.

Each of us agrees that the complete agreement between us about this transaction consists of: 1) this Statement of Work and its Schedule(s) and 2) the *IBM Agreement for Services Acquired from an IBM Business Partner* or any equivalent agreement in effect between us (called "Agreement"), identified below.

Agreed to:
PALM BEACH COUNTY

By _____
Authorized signature

Name (type or print):
Addie L. Green, Chairperson

Date:

Customer number: 2213776

Customer address:
301 NORTH OLIVE AVE
W PALM BCH, FL 33401-4705

Estimated Start Date: 12/26/2006
Estimated End Date: 06/26/2007

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY
Paul F. L
COUNTY ATTORNEY

APPROVED AS TO TERMS AND CONDITIONS
BY Steve Bordelon
ISS DIRECTOR

Agreed to:
International Business Machines Corporation

By BJ Reed
Authorized signature

Name (type or print): BJ Reed

Date: 12/11/06

Reference Agreement number: HQ12291 / R94-247D
Statement of Work number: CFTX4WP
Service department: PZA
IBM address:
IBM Corporation
4111 Northside Parkway
Atlanta, GA 30327-3015

IBM Services group address:
Global Services Inside Sales
Atlanta, GA
FAX: 1-800-242-6329

1.1 Relocation Services

The Relocation Services (called "Services") provide you the Services needed to move your Information Technology (IT) infrastructure and/or data center. Services consists of relocation planning/management services, relocation hardware services, and relocation mover services. The Services IBM will provide to you under this SOW are described in the following sections.

1.1.1 Relocation

IBM Responsibilities

IBM will provide you with the Relocation Services for the Machines at the Designated Location specified in Attachment 1-1 to this SOW.

Reinstallation Services: IBM will reassemble your Machines, including the removal of any internal packing materials and the interconnection of required IBM cables to support the reinstallation activities. Interconnection is defined as the attachment of cables that are in place and labeled to the Machine(s) being reinstalled. Cabling also includes the connection of all inter-frame cables. If requested, IBM will perform additional cabling activities such as the reinstallation of interface cables and network cables for an additional fee. IBM will test the Machines to conform to their Specifications, including active IBM features, and install or reconfigure the Machine diagnostics.

Recabling Services (Bus and Tag and/or Fiber): IBM will install or retrieve interconnecting bus and tag and/or fiber cables between Machines being relocated. This Service includes laying/removing channel interface cables and inter-frame cables. Each cable will be labeled to ensure connection to the proper Machines. Retrieved cables may be packaged for shipment with discontinued Machines under the terms of the Discontinuance Services option.

Discontinuance/Reinstallation MSQ Services: In order for IBM to make its Invisible Transit Damage (ITD) accomodation available for a Machine, the Machine must be in Maintenance Service Qualified (MSQ) status, and at an end-user location, Maintenance Service coverage to commence immediately upon completion of reinstallation, must have been requested before the transit seals were broken by IBM. If you request ITD coverage for a Machine not in MSQ status, IBM will perform such tests and inspections as it deems necessary to establish the Machine's MSQ status for an additional charge outside the scope of this SOW.

Your Responsibilities

You agree to:

- inform each of your Location(s) of the work to be done and the estimated schedule for such Location;
- provide the information and requirements necessary for IBM to perform the Services in a timely manner;
- ensure the Machines are functional and conform to their Specifications, including active IBM features prior to the start of Services;
- make back-up copies of any relevant programs and data;
- within 10 business days of the Service provided, report to IBM in writing any physical loss or damage to the Machines;
- inform IBM in writing, subject to the terms of our Agreement, if you choose to terminate maintenance services for any of the Machines specified in Attachment 1-1 to this SOW;
- provide appropriate security clearances for IBM personnel; and
- advise building landlords at your Location(s) of the work to take place and obtain any necessary approvals.

If you choose to have non-IBM personnel lay, remove, connect or disconnect the interconnecting cables between your Machines, IBM will honor your request. However, any repair, delays or other costs resulting from such non-IBM activity will be charged to you at IBM's current hourly Services rates.

You are responsible for charges for repairs to:

- correct Machine malfunctions, unless such repairs are covered by an existing IBM agreement;
- correct the results of repair or reconfiguration work done by others;
- correct the results of warehouse damage or visible transit damage occurring while the Machines are not under IBM's control; and
- replace missing parts or parts IBM did not furnish for the Machine that require replacement.

You represent that you are either the owner of each Machine or are authorized by its owner to allow IBM to provide the Services you have selected under this SOW.

You acknowledge that IBM reserves the right to take additional safety precautions when moving Machines, which may include obtaining the services of a moving firm.

1.1.2 Deliverable Materials

None

1.1.3 Completion Criteria

IBM will have fulfilled its obligations for Relocation Services when the activities described above under "IBM Responsibilities" have been completed. IBM will advise you of the completion of these Services.

2.0 Estimated Schedule

The Services will be performed consistent with the estimated schedule mutually agreed to by both of us. We both agree to make reasonable efforts to carry out our respective responsibilities according to such schedule.

The following is provided for planning purposes:

Estimated Start Date: 12/26/2006 Estimated End Date: 06/26/2007

3.0 Your Other Responsibilities

Your responsibilities listed in this SOW are in addition to those responsibilities specified in the Agreement and are to be provided at no charge to IBM. IBM's performance is predicated upon the following responsibilities being fulfilled by you.

You are responsible for managing the project and any results achieved.

You are responsible for performing the following activities:

- permit posting of any notifications required by applicable law for Services provided at your locations.
- arrange reasonable and safe access to project site for project personnel, as required;
- arrange adequate office space for project personnel, as required;
- conduct any communications through IBM's project manager;
- help resolve project issues and escalate issues within your organization as required;
- obtain and provide project requirements, data, decisions and approvals, within three business days. If such project requirements, data, decisions or approvals are delayed beyond the time specified, you agree to relieve IBM of its responsibility for the affected Services until you perform that obligation. You also agree to reimburse IBM for any additional expense IBM incurs as a result of such delay; and

- accept responsibility for the actual content of any data file, selection and implementation of controls on its access and use, and security of the stored data.
- notify your IBM Business Partner of any changes within your environment that may affect our ability to deliver these services.

You acknowledge that it is your responsibility to identify and make the interpretation of any applicable federal, state and local laws, regulations and statutes and insure that products of the system meet those requirements.

4.0 Deliverable Materials

There are no Materials associated with this SOW.

5.0 Completion Criteria

IBM responsibilities under this SOW will be considered complete when either one of the following first occurs:

1. IBM accomplishes its tasks described in this SOW, including delivery of any Deliverable Materials; or
2. The project is terminated in accordance with the provisions of the Agreement.

6.0 Delays

The Estimated Schedule will be reasonably extended and the charges adjusted, if necessary, as described in 11.0, "Project Change Control Procedure" if the project is delayed by:

- acts or omissions of you or your employees or other contractors employed by you;
- additional requirements imposed by you or any government agencies;
- labor disputes;
- fire;
- unusual delays in transportation;
- adverse weather conditions which IBM cannot reasonably anticipate;
- unavoidable casualties;
- concealed or unforeseen conditions; and
- other causes beyond our control.

7.0 Charges

Your IBM Business Partner sets the charges and terms governing charges. Your IBM Business Partner may impose an additional charge for some actions, such as termination or changes to these Services.

Check with your IBM Business Partner to determine if you will incur any additional charges. You will make payment directly to your IBM Business Partner. If travel is required, you are responsible for all actual and reasonable travel and living expenses incurred by our personnel during the performance of this project for on-site services requested by you.

8.0 Termination

You have committed to continue the ordered Services for the entire Contract Period. You may not terminate Services during the Contract Period, except as specified in this section

You may terminate Services before the Contract Period End Date only if we fail to cure a material breach, after having been given written notice by you and reasonable time to cure. If you request to terminate the Services before the Contract Period End Date for any other reason, you remain liable for all Charges due to your IBM Business Partner from the requested termination date through the end of the current Contract Period.

9.0 Other Terms and Conditions

9.1 Required Consents

You are responsible for promptly obtaining and providing to us all Required Consents necessary for us to provide the Services described in this SOW. A Required Consent means any consents or approvals required to give us and our subcontractors the right or license to access, use and modify (including creating derivative works) the hardware, software, firmware and other products to enable us and our subcontractors to perform the Services set forth in this SOW, without infringing the ownership or license rights (including patent and copyright) of the providers or owners of such products.

We will be relieved of the performance of any obligations that may be affected by your failure to promptly provide any Required Consents to us.

9.2 European Monetary Union

These Services do not address the capability of your systems to handle monetary data in the euro denomination. You acknowledge that it is your responsibility to assess your current systems and take appropriate action to ensure that your systems are able to correctly process or properly exchange accurate monetary data in the euro denomination.

10.0 Business Contact Information

You agree to allow International Business Machines Corporation and its subsidiaries to store and use your business contact information, including names, business phone numbers, and business e-mail addresses, anywhere they do business. Such information will be processed and used in connection with our business relationship, and may be provided to contractors acting on IBMs behalf, IBM Business Partners who promote, market, and support certain IBM products and services, and assignees of International Business Machines Corporation and its subsidiaries for uses consistent with our business relationship.

11.0 Project Change Control Procedure

If a change to this SOW is required, both of us agree to use a Project Change Request (called "PCR") as the vehicle for communicating change. The PCR must describe the change, the rationale for the change and the effect the change will have on the project.

The designated lead of the requesting party, will review the proposed change and determine whether to submit the request to the other party.

Both of us will review the proposed change and approve it for further investigation or reject it. IBM will specify any charges for such investigation. If the investigation is authorized, both of us will sign the PCR which will constitute approval for the investigation charges. IBM will invoice you for any such charges. The investigation will determine the effect that the implementation of the PCR will have on price, schedule and other terms and conditions of the Agreement.

A written Change Authorization and/or PCR must be signed by both of us to authorize implementation of the investigated changes.

Statement of Work for Services Acquired from an IBM Business Partner, Attachment 1-1
Relocation Services

Customer Designated Location: **Total Number of Designated Locations = 1**

PALM BEACH COUNTY

301 NORTH OLIVE AVE
W PALM BCH, FL 33401-4705

Physical Planning (Y/N) = N Replacement Value = n/a

Machine Type/Model	Quantity	Services
2096-R07	1	Cabling (28 Escon)
9309-002	1	Installation- Housing a 3490-C22
1750-511	1	Installation

Cornerstone Systems, Inc.

125 TownPark Drive . Suite 300 . Kennesaw . GA . 30144
Phone - 770-420-8470 . FAX 770-420-8472

November 30, 2006

Mr. Bill Shaver
Senior Manager - Enterprise Services
Palm Beach County Information Systems Services
301 North Olive Avenue
West Palm Beach, FL 33401

Dear Bill:

Thank you for the opportunity to work with you and your team at Palm Beach County Information Systems Services, to submit an IBM total solution proposal to upgrade your mainframe server environment. We have submitted configurations and pricing for an IBM z9 Enterprise Server and DS6800 Storage solution, as well as an IBM 3592 Tape Subsystem. This system is being proposed to replace your current 7060-H50-based infrastructure, to provide support for the County's many mainframe core applications. We are presenting this proposal as an IBM System z9 Infrastructure Package, with the following solution components:

- IBM 2096-R07/G01 Mainframe Server as configured in our proposal dated 11/30/06
- IBM 1750-522/EX2 DS6800 Storage Subsystem with 3.5 TB of mainframe storage
- (3) Optica 34600 FXBT ESCON Converters
- IBM 3592-C06/(4) E05's Enterprise Tape Subsystem
- IBM 3490-C22/9309-002 Tape Subsystem
- IBM 3 year 24 x 7 Maintenance Contract on all hardware
- Required zSeries OTC Software Upgrades (DB2 Utilities Suite & Tivoli AF/Operator)
- IBM & Cornerstone Installation of all Hardware & Software
- IBM Global Financing (IGF) 'low-rate' 3-Year IPMA financing solution

This solution has been designed, configured and priced to replace and upgrade the existing mainframe infrastructure at Palm Beach County while showing a cost savings over the 3-year planning horizon. The detailed pricing and configurations can be found in the attached worksheet (Palm Beach County z9-DS6800-3592 Tape Final 7C.xls) and the pre-signed IGF contracts are also attached. Preparatory work for delivery and installation of the z9, DS6800 and 3592 Tape will commence immediately upon our receipt of the signed IGF Supplements and/or a Purchase Order from the County.

Please contact me with any questions or issues. Thank you for your time and consideration.

Sincerely,

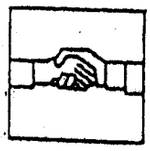
R. Christopher Neary
Director IBM System z9 Practice
Cornerstone Systems, Inc.

Cc: Robert Busch – PBC
Ken West – PBC
Bob Neary – CSI

Premier Business Partner

IBM Customer Agreement

R94 247D



Thank you for doing business with us. We are committed to providing you with the highest quality Products and Services. If, at any time, you have any questions or problems, or are not completely satisfied, please let us know. Our goal is to do our best for you.

This IBM Customer Agreement (called the "Agreement") covers the major business transactions we may do with you, including:

(a) sale of Machines;

(b) license of Programs; and

(c) provision of Services.

We also make several Options available to you concerning the Products and Services we provide under this Agreement, such as volume discounts.

This Agreement and its applicable Attachments and Transaction Documents are the complete agreement regarding these transactions, and replace any prior oral or written communications between us.

By signing below for our respective Enterprises, each of us agrees to the terms of this Agreement. Once signed, 1) any reproduction of this Agreement, an Attachment, or Transaction Document made by reliable means (for example, photocopy or facsimile) is considered an original and 2) all Products and Services you order under this Agreement are subject to it.

DOROTHY H. WILKEN, CLERK
Board of County Commissioners
By _____
DEPUTY CLERK

Agreed to: (Enterprise name)
Palm Beach County

By _____
Authorized signature

Name (type or print): Mary McCarty

Date: MAR 0 1 1994

Enterprise number: 6872933

Enterprise address: 300 N. Olive Avenue
West Palm Beach, Fl 33401

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY
_____
COUNTY ATTORNEY

Agreed to:
International Business Machines Corporation

By _____
Authorized signature

Name (type or print): PAMELA NARSIPUR

Date: 12/01/93

Agreement number:

IBM Office address: 1555 Palm Beach Lakes Blvd.
West Palm Beach, FL 33401

R95 76 D

After signing, please return a copy of this Agreement to the local "IBM Office address" shown above.

IBM Customer Agreement

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IBM Customer Agreement

Part 1 - General

1.1 Definitions

Customer-set-up Machine is an IBM Machine that you set up according to our instructions.

Date of Installation is the following:

1. for a Machine —
   a. the business day after the day we install it or, if you defer installation, make it available to you for installation;
   b. the second business day after the end of a Customer-set-up Machine's standard transit allowance period. We will allocate a reasonable transit allowance period; or
   c. the second business day after the arrival of a non-IBM Machine.
2. for a Program, the latest of —
   a. the day after its testing period ends (this does not apply to Program Packages);
   b. 10 days after we ship it; or
   c. the day, specified in a Transaction Document, on which we authorize you to make an Additional License Copy or a copy of a Distributed Feature.

Designated Machine is the machine, that you identify to us by type/model and serial (or plant order) number, on which you intend to use a Program for processing. When we specify that you do not have to provide this identification to us, the term "Designated Machine" means the single machine on which you may use the Program at any one time.

Enterprise is any legal entity (such as a corporation) and the subsidiaries it owns by more than 50 percent. The term "Enterprise" applies only to the portion of the enterprise located in the United States or Puerto Rico.

Machine is a machine, its features, conversions, upgrades, elements, or accessories, or any combination of them. The term "Machine" includes an IBM Machine and any non-IBM Machine (including other equipment) that we may provide to you.

Materials are work product (such as programs, program listings, programming tools, documentation, reports, and drawings) that we may deliver to you during a project. The term "Materials" does not include Programs.

Product is a Machine or a Program.

Program is the following, including features and any whole or partial copies:

1. machine-readable instructions;
2. a collection of machine-readable data, such as a data base; and
3. related licensed materials, including documentation and listings, in any form.

The term "Program" includes an IBM Program and any non-IBM Program that we may provide to you. The term does not include Licensed Internal Code or Materials.

Service is performance of a task or project, provision of advice and counsel, assistance, or use of a resource (such as access to an information data base) we make available to you.

Specifications is a document that provides information specific to a Product. For a Machine, we call the document "Official Published Specifications." For a Program, we call it "Licensed Program Specifications" or "License Information."

Specified Operating Environment is the Machines and Programs with which a Program is designed to operate, as described in the Program's Specifications.

1.2 Agreement Structure

Attachments

Some Products and Services have terms in addition to those we specify in this Agreement. We provide the additional terms in documents called "Attachments," which are also part of this Agreement. For example, we describe the additional terms for special projects (such as joint studies) in an Attachment. We make the Attachments available to you for signature.

Transaction Documents

For each business transaction, we will provide to you the appropriate "Transaction Documents" that confirm the details of the transaction. Some Transaction Documents require signature, and others do not. The following are examples of Transaction Documents that must be signed by both of us, with examples of the information they may contain:

1. addenda (selected contract-period duration, start date, and total quantity or revenue committed); and
2. statements of work (scope of Services, responsibilities, deliverables, Completion Criteria, estimated schedule, and charges).

The following are examples of administrative, unsigned Transaction Documents that confirm the details of a transaction, with examples of the information they may contain:

1. exhibits (eligible Products by category, discount schedules, and available contract periods);
2. invoices (item, quantity, price, and amount payable); and
3. supplements (Machine quantity and type ordered, price, estimated shipment date, and warranty period). Certain supplements may require signature if requested by either of us.

Conflicting Terms

If there is a conflict among the terms in the various documents, those of an Attachment prevail over those of this Agreement. The terms of a Transaction Document prevail over those of both of these documents.

Our Acceptance of Your Order

A Product or Service becomes subject to this Agreement when we accept your order. We accept your order by doing any of the following:

1. sending you a Transaction Document;
2. shipping the Product; or
3. providing the Service.

Your Acceptance of Additional Terms

You accept the additional terms in an Attachment or Transaction Document by doing any of the following:

1. signing it;
2. using the Product or Service, or allowing others to do so; or
3. making any payment for the Product or Service.

1.3 Delivery

We will use our best efforts to meet your delivery requirements for Products and Services you order, and will inform you of their status. We pay normal transportation charges for Products we ship to you.

1.4 Electronic Communications

Each of us may communicate with the other by electronic means. Each of us agrees to the following for all electronic communications:

1. an identification code (called a "USERID") contained in an electronic document is legally sufficient to verify the sender's identity and the document's authenticity;
2. an electronic document that contains a USERID is a signed writing; and
3. an electronic document, or any computer printout of it, is an original when maintained in the normal course of business.

Electronic Data Interchange

We may provide Electronic Data Interchange (called "EDI") Options to you. Electronic invoicing and electronic payment are examples of these Options. When using EDI Options, each of us agrees:

1. when a bank is involved, to pay our respective bank charges and to promptly notify the other of any changes to the bank payment process; and
2. to promptly notify the other of any changes to the technology, process, or information upon which the EDI transactions are based.

We will review with you respective responsibilities for the EDI Option you choose.

1.5 Prices and Price Changes

The following are the bases on which we may require the amount payable for a Product or Service to be paid, with an example of each:

1. one-time (the price of a Machine);
2. recurring (a monthly charge for Maintenance Services); or
3. a combination of both (an initial charge and a monthly license charge for a Program).

Additional bases for Services, such as Project Support Services, are time-and-materials, fixed-price, or any combination of all the bases.

We will specify the amount and basis for the particular Product or Service.

Price Increases

We may increase recurring charges, and Hourly Services rates and minimums for Project Support Services, by giving you three months' written notice. An increase applies on the first day of the applicable invoice period on or after the effective date we specify in the notice.

We may increase one-time charges and hourly rates (for other than Project Support Services) without notice. However, an increase to one-time charges does not apply to you if 1) we receive your order before the announcement date of the increase and 2) one of the following occurs within three months after the announcement:

1. we ship you the Product;
2. with our authorization, you make an Additional License Copy of a Program or a copy of a Distributed Feature; or
3. a Program's group-upgrade charge becomes due.

Price Decreases

You receive the benefit of a decrease in charges for amounts which become due on or after the effective date of the decrease.

1.6 Invoicing, Payment, and Taxes

We invoice:

1. recurring charges (other than usage charges) for a Program and for Maintenance Services in advance for the applicable invoice period;
2. Project Support Services charges monthly as the work progresses (unless specified otherwise in the Statement of Work). Invoices include, as applicable, actual hours expended, and actual travel and living expenses;
3. usage charges following the period in which you incur them; and
4. all other charges when or after you incur them.

For a Product with a one-time charge, payment is due on its Date of Installation. Recurring charges for a Product begin on its Date of Installation.

Amounts due are payable as we specify in the invoice. You agree to pay accordingly. You also agree to pay amounts equal to any applicable taxes resulting from any transaction under this Agreement. This does not include taxes based on our net income. You are responsible for personal property taxes for each Product from the date we ship it to you.

1.7 Additional Charges

Depending on the particular Product, Service, or circumstances, additional charges may apply. We charge extra if, for example, 1) we are required to use other than private automobile or scheduled public transportation to provide Maintenance Services to you or 2) we respond to your request for service of a Machine outside its standard service period. We will notify you in advance if these charges apply.

1.8 Types of Service for Machines

We provide certain types of service for a Machine to keep it in, or restore it to, good working order. The following terms apply to warranty service, Maintenance Services, and other applicable Services.

Depending on the Machine, the service may be 1) a "Repair" service at your location (called "On-site") or at one of our service locations (called "Carry-in") or 2) an "Exchange" service, either On-site or Carry-in. We will inform you of the available types of service for a Machine. You may select the type of service from those available for the Machine. We require that a Machine and its features have the same type of service.

Under warranty and Maintenance Services, we offer On-site types of service 24 hours a day, seven days a week. For certain Machines, however, this service period may vary. Carry-in types of service are available during the normal business hours of our service locations.

Under Carry-in service, you may deliver the failing Machine, or ship it (prepaid, unless we specify otherwise, and suitably packaged), to a location we designate. After we have repaired or exchanged the Machine, we will return it to you at our expense.

Under On-site Exchange service, depending on the nature of the failure, we may repair the failing Machine at your site instead of exchanging it.

When a type of service involves the exchange of a Machine or part, the item we replace becomes our property and the replacement becomes yours. The replacement may not be new, but will be in good working order and at least functionally equivalent to the item replaced.

We are responsible for loss of, or damage to, your Machine while it is 1) in our possession or 2) in transit in those cases where we are responsible for the transportation charges.

You agree to:

1. obtain authorization from the owner to have us service a Machine that you do not own;
2. where applicable, before we provide service —
   a. follow the problem determination, problem analysis, and service-request procedures that we provide,
   b. secure all programs, data, and funds contained in a Machine,
   c. inform us of changes in a Machine's location, and
   d. for a Machine with Exchange service, remove all features, parts, options, alterations, and attachments not under our service. You also agree to ensure that the Machine is free of any legal obligations or restrictions that prevent its exchange;
3. be responsible for loss of, or damage to, a Machine in transit in those cases where you are responsible for the transportation charges; and
4. on completion of Carry-in Repair service, connect a repaired Machine and verify its operation.

1.9 Patents and Copyrights

For purposes of this Section only, the term "Product" includes Materials alone or in combination with Products we provide to you as a system.

If a third party claims that a Product we provide to you infringes that party's patent or copyright, we will defend you against that claim at our expense and pay all costs, damages, and attorney's fees that a court finally awards, provided that you:

1. promptly notify us in writing of the claim; and
2. allow us to control, and cooperate with us in, the defense and any related settlement negotiations.

If such a claim is made or appears likely to be made, you agree to permit us to enable you to continue to use the Product, or to modify it, or replace it with one that is at least functionally equivalent. If we determine that none of these alternatives is reasonably available, you agree to return the Product to us on our written request. We will then give you a credit equal to your net book value for the Product, provided you have followed generally-accepted accounting principles.

This is our entire obligation to you regarding any claim of infringement.

Claims for Which We are Not Responsible

We have no obligation regarding any claim based on any of the following:

1. your modification of a Product, or a Program's use in other than its Specified Operating Environment;
2. the combination, operation, or use of a Product with any product, data, or apparatus that we did not provide; or
3. infringement by a non-IBM Product alone, as opposed to its combination with Products we provide to you as a system.

1.10 Limitation of Liability

Circumstances may arise where, because of a default on our part or other liability, you are entitled to recover damages from us. In each such instance, regardless of the basis on which you are entitled to claim damages from us, we are liable only for:

1. payments referred to in our patent and copyright terms described above;

2. bodily injury (including death), and damage to real property and tangible personal property; and
3. the amount of any other actual loss or damage, up to the greater of $100,000 or the charges (if recurring, 12 months' charges apply) for the Product or Service that is the subject of the claim.

This limit also applies to any of our subcontractors and Program developers. It is the maximum for which we are collectively responsible.

Items for Which We are Not Liable

Under no circumstances are we, our subcontractors, or Program developers liable for any of the following:

1. third-party claims against you for losses or damages (other than those under the first two items listed above);
2. loss of, or damage to, your records or data; or
3. economic consequential damages (including lost profits or savings) or incidental damages, even if we are informed of their possibility.

1.11 Mutual Responsibilities

Each of us agrees that under this Agreement:

1. neither of us grants the other the right to use its trademarks, trade names, or other designations in any promotion or publication;
2. all information exchanged is nonconfidential. If either of us requires the exchange of confidential information, it will be made under a signed confidentiality agreement;
3. each is free to enter into similar agreements with others;
4. each grants the other only the licenses specified. No other licenses (including licenses under patents) are granted;
5. each will promptly notify the other if it becomes aware of any unsafe conditions or hazardous materials to which the other's personnel would be exposed at any of its facilities;
6. each will allow the other reasonable opportunity to comply before it claims that the other has not met its obligations; and
7. neither of us will bring a legal action more than two years after the cause of action arose.

1.12 Your Other Responsibilities

You agree:

1. not to assign, or otherwise transfer, this Agreement or your rights under it, delegate your obligations, or resell any Service, without prior written consent. Any attempt to do so is void;
2. to acquire Machines with the intent to use them within your Enterprise and not for reselling, leasing, or transferring to a third party, unless either of the following applies —
   a. you are arranging lease-back financing for the Machines, or
   b. you purchase them without any discount or allowance, and do not remarket them in competition with our authorized remarketers;
3. to allow us to install mandatory engineering changes (such as those required for safety) on a Machine. Any parts we remove become our property;
4. that you are responsible for the results obtained from the Products and Services;
5. to comply with all applicable government export laws and regulations; and

6. to provide us with sufficient, free, and safe access to your facilities for us to fulfill our obligations.

1.13 Your Additional Rights

You may have additional rights under certain laws (such as consumer laws) that do not allow the exclusion of implied warranties, or the exclusion or limitation of certain damages. If these laws apply, our exclusions or limitations may not apply to you.

1.14 IBM Business Partners

We have signed agreements with certain organizations (called "IBM Business Partners") to promote, market, and support some of our Products and Services. We have chosen these organizations because of their skills and experience in a particular field.

When you order our Products or Services ~~(marketed~~ to you by these organizations) under this Agreement, we confirm that we are responsible for providing them to you under the warranties and other terms of this Agreement. We are not responsible for 1) the actions of these organizations, 2) any additional obligations they may have to you, or 3) any products or services that they (and not us) may supply to you.

1.15 Changes to the Agreement Terms

In order to maintain flexibility in our Products, Services, and Options, we may change the terms of this Agreement by giving you three months' written notice. However, these changes are not retroactive. They apply, as of the effective date we specify in the notice, only to new orders (those we receive on or after the date of the notice) and to on-going transactions, such as licenses and Services.

Otherwise, for a change to be valid, both of us must sign it. Additional or different terms in any order or written communication from you are void.

1.16 Agreement Termination

You may terminate this Agreement on written notice to us following the expiration or termination of all your obligations.

Either of us may terminate this Agreement if the other does not comply with any of its terms, provided the one who is not complying is given written notice and reasonable time to comply.

Any terms of this Agreement which by their nature extend beyond its termination remain in effect until fulfilled, and apply to respective successors and assignees.

1.17 Geographic Scope

All your rights, all our obligations, and all licenses (except for Licensed Internal Code and as specifically granted) are valid only in the United States and Puerto Rico.

1.18 Governing Law

The laws of the State of ~~New York~~ Florida govern this Agreement.

IBM Customer Agreement

Part 2 - Warranties

2.1 The IBM Warranties

Warranty for IBM Machines

For each IBM Machine, we warrant that it:

1. is free from defects in materials and workmanship; and
2. conforms to its Specifications.

The warranty period for a Machine is a specified, fixed period. We calculate its expiration from the Machine's Date of Installation.

During the warranty period, we provide warranty service under the type of service we designate for the Machine or under the alternative service you select under Maintenance Services.

For us to provide warranty service for a feature, conversion, or upgrade, we require that the Machine on which it is installed be 1) the designated, serial-numbered Machine and 2) at an engineering-change level compatible with the feature, conversion, or upgrade..

During the warranty period, we manage and install engineering changes that apply to the Machine.

If a Machine does not function as warranted during the warranty period, we will repair or replace it with one that is at least functionally equivalent, without charge. If we are unable to do so, you may return it to us and we will refund your money.

Warranty for IBM Programs

For each warranted IBM Program, we warrant that:

1. we have the right to license it; and
2. it conforms to its Specifications.

The warranty period for a Program expires when its Program Services are no longer available.

During the warranty period, we provide warranty service, without charge, for a Program through Program Services. Program Services are available for a warranted Program for at least one year following its general availability. Therefore, the duration of warranty service depends on when you obtain your license.

If a Program does not function as warranted during the first year after you obtain your license and we are unable to make it do so, you may return the Program to us and we will refund your money. To be eligible, you must have acquired the Program while Program Services (regardless of the remaining duration) were available for it.

Warranty for IBM Services

For each IBM Service, we warrant that we perform it:

1. in a workmanlike manner; and
2. according to its current description (including any Completion Criteria) contained in this Agreement, an Attachment, or a Transaction Document.

Warranty for Systems

Where we provide Products to you as a system (for example, when we provide Machines and Programs according to our marketing proposal or when we deliver them during a Services engagement), we warrant that they are compatible and will operate with one another. This warranty is in addition to our other applicable warranties.

Warranty for Integrated Systems

For each integrated system we deliver to you under a Statement of Work for Systems Integration Services, we warrant that the integrated system (including any Materials, IBM Products, and non-IBM Products contained in it) meets its Completion Criteria as specified in the Statement of Work. This warranty is in addition to our other applicable warranties.

The warranty period for an integrated system is a fixed period as specified in the Statement of Work. It begins on the date we deliver the integrated system to you.

During the warranty period, we manage the individual warranties and Maintenance Services, if any, for the components (including non-IBM Products) of the integrated system.

If an integrated system does not function as warranted during the warranty period, we will correct the deficiency without charge. If we are unable to do so, you may return the integrated system to us and we will refund your money.

2.2 Extent of Warranty

If a Machine is subject to federal or state consumer warranty laws, our statement of limited warranty included with the Machine applies in place of these Machine warranties.

Misuse, accident, modification, unsuitable physical or operating environment, operation in other than the Specified Operating Environment, improper maintenance by you, or failure caused by a product for which we are not responsible, may void the warranties.

THESE WARRANTIES REPLACE ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.3 Items Not Covered by Warranty

We do not warrant uninterrupted or error-free operation of a Product or Service.

We will identify IBM Products that we do not warrant.

Unless we specify otherwise (for example, in our warranty for integrated systems), we provide Materials, non-IBM Products, and non-IBM Services on an "AS IS" basis. However, non-IBM manufacturers, suppliers, or publishers may provide their own warranties to you.

IBM Customer Agreement

Part 3 - Machines

3.1 Title

When we accept your order, we agree to sell you the Machine described in a Transaction Document. We transfer title to you or, if you choose, your lessor when we ship the Machine. However, we reserve a purchase money security interest in the Machine until we receive the amounts due. For a feature, conversion, or upgrade involving the removal of parts which become our property, we reserve the security interest until we receive the amounts due and the removed parts. You agree to sign an appropriate document to permit us to perfect our purchase money security interest.

3.2 Risk of Loss

We bear the risk of loss for the Machine through its Date of Installation. Thereafter, you assume the risk.

3.3 Production Status

Each Machine is manufactured from new parts, or new and serviceable used parts (which perform like new parts). In some cases, the Machine may not be new and may have been previously installed. Regardless of the Machine's production status, our warranty terms apply.

3.4 Installation

For the Machine to function properly, it must be installed in a suitable physical environment. You agree to provide an environment meeting our specified requirements for the Machine.

We design our standard installation procedures to ensure that each Machine we install is in good working order and meets its Specifications. We will successfully complete these procedures before we consider the Machine installed.

You are responsible for setting up a Customer-set-up Machine (we provide instructions to enable you to do so) and for the installation of a non-IBM Machine.

Machine Features, Conversions, and Upgrades

We sell features, conversions, and upgrades for installation only on designated, serial-numbered Machines. You represent that you have the permission of the owner (if you are not the owner of the Machine) and any lien holders to 1) install features, conversions, and upgrades and 2) transfer removed parts to us.

Some of these transactions (called "Net-Priced" transactions) include associated replacement parts. We provide these parts on an exchange basis. All removed parts in a Net-Priced transaction become our property. For a Net-Priced transaction, you agree to allow us to install it within 30 days of its delivery and to recover the removed parts. Otherwise, we may terminate the transaction and you must return the feature, conversion, or upgrade to us at your expense.

3.5 Licensed Internal Code

Certain Machines we specify (called "Specific Machines") use Licensed Internal Code (called "Code"). We own copyrights in Code. We own all copies of Code, including all copies made from them.

We will identify each Specific Machine in a Transaction Document. If you are the rightful possessor of a Specific Machine, we grant you a license to use the Code (or any replacement we provide) on, or in conjunction with, only the Specific Machine, designated by serial number, for which the Code is provided. We license the Code to only one rightful possessor at a time.

Under each license, we authorize you to do only the following:

1. execute the Code to enable the Specific Machine to function according to its Specifications;
2. make a backup or archival copy of the Code (unless we make one available for your use), provided you reproduce the copyright notice and any other legend of ownership on the copy. You may use the copy only to replace the original, when necessary; and
3. execute and display the Code as necessary to maintain the Specific Machine.

You agree to acquire any replacement for, or additional copy of, Code directly from us in accordance with our standard policies and practices. You also agree to use that Code under these terms.

You may transfer possession of the Code to another party only with the transfer of the Specific Machine. If you do so, you must 1) destroy all your copies of the Code that were not provided by us, 2) either give the other party all your IBM-provided copies of the Code or destroy them, and 3) give the other party a copy of this page with the Specific Machine's identification information filled in below. We license the other party when it accepts these terms by initial use of the Code. These terms apply to all Code you acquire from any source.

Your license terminates when you no longer rightfully possess the Specific Machine.

Actions You May Not Take

You agree to use the Code only as authorized above. You may not do, for example, any of the following:

1. otherwise copy, display, transfer, adapt, modify, or distribute the Code (electronically or otherwise), except as we may authorize in the Specific Machine's Specifications or in writing to you;
2. reverse assemble, reverse compile, or otherwise translate the Code;
3. sublicense or assign the license for the Code; or
4. lease the Code or any copy of it.

INFORMATION FOR SUBSEQUENT LICENSEE OF LICENSED INTERNAL CODE

This page is copied from the IBM Customer Agreement and is provided to the subsequent licensee when Code is transferred.

The Specific Machine being transferred is identified as:

Type/Model_____ Serial Number_____

The following definitions are provided for the subsequent licensee of the Code:

1. "We" means International Business Machines Corporation (IBM);
2. "Transaction Document" does not apply to you. The above Type/Model and Serial Number identify the Specific Machine to you;
3. "You" means the subsequent licensee of the Code; and
4. "Specifications" means IBM's Official Published Specifications.

IBM Customer Agreement

Part 4 - Programs

4.1 Grant of License

When we accept your order, we grant you a license for the Program. Programs are copyrighted and licensed (not sold). We do not transfer title to Programs to you.

4.2 License Details

Under each license, we authorize you to:

1. use the Program's machine-readable portion on only the Designated Machine, unless —
   a. the Designated Machine is inoperable. You may then use the Program on a backup Machine,
   b. the Designated Machine cannot assemble or compile the Program. You may then assemble or compile it on another Machine,
   c. we grant an "Installation License." You may then use the Program on any other Machine in the same or adjoining rooms as the Designated Machine, or
   d. we grant a "Location License." You may then use the Program on any other Machine in the same building with the same mailing address as the Designated Machine.

   If you change the Designated Machine, you agree to notify us of the change and its date;
2. store the Program's machine-readable portion in, transmit it through, and display it on, Machines associated with the Designated Machine;
3. do the following to support your authorized use as described above —
   a. modify the Program's machine-readable instructions or data, or merge them into another Program, and
   b. make copies of the Program, provided you reproduce the copyright notice and any other legend of ownership on each copy or partial copy; and
4. use any portion of the Program we mark restricted (for example, "Restricted Materials of IBM") only to —
   a. resolve problems related to the use of the Program, and
   b. modify the Program so that it will work together with other products.

You agree to comply with any additional terms (for example, a usage restriction) that a Program's Specifications may contain. We provide the Specifications to you with the Program. For an "AS IS" Program, any additional terms are contained in a document called "Notice of Availability."

Actions You May Not Take

You agree not to do any of the following:

1. sublicense, assign, or transfer the license for any Program;
2. distribute any Program to any third party; or
3. reverse assemble, reverse compile, or otherwise translate any Program.

4.3 Distributed Features

Some Programs have features (called "Distributed Features") that are designed to work with those Programs (called "Associated Programs"). After we accept your order for a Distributed Feature, we authorize you to:

1. make a copy of the Distributed Feature and its documentation; and
2. distribute the copy to, and use it on, a Machine other than the Designated Machine of the Associated Program. You may use the copy on only one Machine at a time. Persons using a Machine outside of your Enterprise may use the copy only to access the Associated Program.

4.4 Additional License Copies

You may order additional licenses for Programs. If you prefer, for each license we grant, rather than shipping you another copy of the Program, we will authorize you to make an additional copy (called an "Additional License Copy").

For some Programs, you may make a copy under a Distributed System License Option (called a "DSLO" license). We charge less for a DSLO license than we do for the original license (called the "Basic" license). In return for the lesser charge, you agree to do the following while licensed under a DSLO:

1. have a Basic license for the Program;
2. provide problem documentation and receive Program Services (if any) only through the location of the Basic license; and
3. distribute to, and install on, the DSLO's Designated Machine, any release, correction, or bypass that we provide for the Basic license.

4.5 Program Testing

We provide a testing period for certain Programs to help you evaluate if they meet your needs. The testing period for a Program starts 1) 10 days after we ship it or 2) on the day we authorize you to make an Additional License Copy. We will inform you of the duration of the Program's testing period.

For the first order for each Distributed Feature, the testing period is the same as its Associated Program.

We do not provide a testing period for a Program under a DSLO license.

4.6 Program Packages

We provide certain Programs together with their own license agreements. These Programs (called "Program Packages") are licensed under the terms of the agreements provided with them. This Agreement's patent and copyright terms apply to IBM Program Packages.

For a Program Package, we may specify that:

1. Additional License Copies apply. If so, 1) these copies are subject to the terms of the Program Package's agreement, except that you may not transfer them, and 2) you may copy all of the Program Package's printed documentation; and
2. a testing period applies. If so, and you return the Program Package to us before the end of the testing period, we will refund your money.

If a Program Package has Distributed Features, this Agreement's terms regarding Distributed Features apply.

4.7 Program Protection

For each Program, you agree to:

1. ensure that anyone who uses it (accessed either locally or remotely) does so only for your authorized use and complies with our terms regarding Programs;
2. maintain a record of all copies; and
3. if it is a licensed data base, allow access to the information contained in it only to your employees, agents, or subcontractors, and only in support of their work for you.

4.8 Program Services

We provide Program Services for warranted Programs and for selected other Programs. If we can reproduce your reported problem in the Specified Operating Environment, we will issue defect correction information, a restriction, or a bypass. We provide Program Services for only the unmodified portion of a current release of a Program.

We provide Program Services 1) on an on-going basis (with at least six months' written notice before we terminate services for a Program), 2) until the date we specify, or 3) for a period we specify.

4.9 Variable-Charge Programs

We may place a Machine in a Machine group. The charges for some Program licenses depend on the group of the Designated Machine. We call these Programs "Variable-Charge" Programs. Variable charges include graduated charges and processor-based charges. We will specify the group for a Machine and will inform you of any changes.

For these licenses, the following apply:

1. If you change (including upgrade or downgrade) a Designated Machine to a Machine in another group, you may incur a group-upgrade charge or a changed recurring charge. You agree to promptly notify us of the date of such a change;
2. If we reassign a Designated Machine to a Machine group with different charges, Program licenses with one-time charges due or paid before the reassignment are not affected. Otherwise, our price change terms apply; and
3. If a change or reassignment results in a lower charge, we do not give credits or refunds for one-time charges already due or paid.

4.10 License Termination

You may terminate the license for a Program on one month's written notice or at any time during the Program's testing period. For some Programs, if you terminate the license and replace that Program with another we specify, we only require you to pay an upgrade charge.

We may terminate any license we grant in this Part if you do not meet your obligations regarding Programs.

You agree to destroy all copies of the Program within three months after license termination. However, you may keep a copy in your archives.

IBM Customer Agreement

Part 5 - Services

5.1 Maintenance Services

You may select the type of service from those available for the Machine. When we accept your order, we agree to service the Machine described in a Transaction Document. Based on the type of service, we will restore the Machine to good working order or exchange it. We may also perform preventive maintenance, including lubrication, adjustments, and replacement of parts. We manage and install engineering changes that apply to the Machine. We provide Maintenance Services for selected non-IBM Machines only when they are connected to certain IBM Machines.

We will inform you of the date on which Maintenance Services begin. We may inspect the Machine within one month following that date. If the Machine is not in an acceptable condition for service, you may 1) have us restore it for a charge or 2) withdraw your request for Maintenance Services and we will refund any amounts you have paid to us for its service.

For a Machine under a usage plan, you agree to provide us with the meter reading as of the last working day of the period that the minimum maintenance charge covers.

Maintenance Services do not cover accessories and certain parts, such as frames and covers. In addition, Maintenance Services do not cover service of a Machine damaged by misuse, accident, modification, unsuitable physical or operating environment, improper maintenance by you, or failure caused by a product for which we are not responsible.

Alternative Service During Warranty

For certain Machines, at any time during the warranty period, you may select a different type of service from that which we designate for the Machine. For example, if you prefer On-site service to Carry-in, it may be available. We will inform you of the available types of service for the Machine and the available alternative service periods. We provide the alternative type of service for an additional charge. When the alternative service ends, we will continue Maintenance Services for the Machine under the same type of service you selected.

Maintenance Services Termination

You may terminate Maintenance Services for a Machine on one month's written notice to us under any of the following circumstances:

1. after it has been under Maintenance Services for at least six months;
2. if you permanently remove it from productive use within your Enterprise;
3. as of the effective date of an increase in Maintenance Services charges; or
4. if you terminate coverage for a Maintenance Service Option under our terms for 1) removal of a Machine type from eligibility or 2) increased total adjusted charges for Maintenance Services.

We may terminate Maintenance Services for a Machine on three months' written notice, provided it has been under Maintenance Services for at least one year.

Either of us may terminate service for any Machine if the other does not meet its obligations concerning Maintenance Services. On termination of service for a Machine, we will give you any applicable credit.

5.2 Continuing Support Services

We provide Continuing Support Services on a contract-period basis to assist you in such areas as improving the availability of your systems and improving your productivity. We

provide the terms specific to a Service in an Attachment. If we make a change to the terms of an Attachment that 1) affects your current contract period and 2) you consider unfavorable, on your request, we will defer it until the end of that contract period.

We will specify the eligible Products, applicable prerequisites and minimum commitments, exit-option percents, and available contract periods for a Service. We will also inform you periodically of any changes. These changes apply only to orders that we confirm on or after the effective date of the change.

When we accept your order, we will confirm the specific details of the Service in a Transaction Document. You may select a start date for the Service that is within three months following the effective date we specify in the Transaction Document.

During a contract period, we may increase charges. An increase becomes effective on the next anniversary of the start of a contract period, following the effective date we specify in the notice. When an increase results in a change to your total monthly charge for a Service of more than the exit-option percent we specify, you may terminate that Service on the effective date of the increase. Adjustment or termination charges do not apply in this case.

You may request a change to the Services you have selected on one month's notice. If we agree, we will confirm the change to you with applicable adjustments in charges.

Each of us agrees to notify the other (before your current contract period expires) if they do not intend to renew.

Continuing Support Services Termination

You may terminate a Continuing Support Service by providing us one month's written notice upon fulfillment of any minimum commitments.

The termination of Services with contract periods longer than one year results in adjustment charges. In this case, you agree to pay the lesser of:

1. the difference between the total charges you paid through the termination date and those you would have paid for the shorter contract period;
2. the monthly charge multiplied by the applicable adjustment charge factor; or
3. the total charges remaining to complete the contract period.

5.3 Project Support Services

The Project Support Services we make available to you include providing:

1. Consulting Services, such as reengineering business processes, linking business and technology strategies, improving manufacturing processes, and enhancing application development and information processing capabilities;
2. Custom Services, such as managing and performing a project to deliver Materials;
3. Hourly Services, such as assisting on a technical task; and
4. Systems Integration Services, such as acting as a prime contractor to deliver an integrated system that may consist of a combination of Products, Services, Materials, and other items.

We require a separate Statement of Work, signed by both of us, for each Services engagement (including each project). When we accept your order, we agree to provide the Services described in the Statement of Work.

The Statement of Work includes, for example:

1. our respective responsibilities;
2. the specific conditions (called the "Completion Criteria"), if any, that we are required to meet to fulfill our obligations;

Summary of Project Support Services

The following table summarizes the major Project Support Services we make available to you.

Statement of Work	Overview of Services
Consulting Services	The Statement of Work contains, for example, subject and term of the engagement, IBM engagement manager's name, estimated schedule for production of the report (containing our findings and recommendations), charges, payment schedule, and other applicable terms. We are responsible for managing the engagement.
Custom Services	The Statement of Work contains, for example, scope of Services, respective responsibilities, deliverables (including identification of Materials), Completion Criteria, estimated schedule, charges, and other applicable terms. We are responsible for managing the project, unless specified otherwise in the Statement of Work.
Hourly Services	The Statement of Work contains, for example, a description of the assistance tasks, estimated schedule, hourly rate, and estimated number of hours. The estimate is not a fixed-price commitment. Charges = (hours x rate) + expenses. You are responsible for managing the project and for any results achieved. Services end when the first of the following occurs: 1) you advise us, in writing, that further Services are not required, 2) we provide the specified number of hours, or 3) the estimated end date expires. You may authorize, in writing, additional hours or extension of the end date.
Systems Integration Services	The Statement of Work contains, for example, scope of Services, warranty period, our responsibilities (such as designing, developing, delivering, installing, and supporting the integrated system), your responsibilities, deliverables (including Products and identification of Materials), Completion Criteria, estimated schedule, charges, and other applicable terms. We are responsible for managing the project.

5.4 On-line and Other Services

On-line Services

We make on-line Services available to you, including access to certain of our information data bases. These Services may be available only through selected telecommunications service providers. We provide the terms specific to an on-line Service in an Attachment.

Other Services

We make other Services available to you that are not associated with the Services described in this Part. For these Services, we provide all the additional terms in Attachments.

3. an estimated schedule that we provide for planning purposes; and
4. applicable charges (not including taxes) and any other terms.

Each of us agrees to make reasonable efforts to carry out our respective res... according to the estimated schedule. If the Statement of Work contains Completi... we will inform you when we meet each of them. You then have 10 days to inform ... believe that we have not met those criteria. The project is complete when we ... Completion Criteria.

Changes to the Statement of Work

When both of us agree to change a Statement of Work, we will prepare a written descripti... of the change (called a "Change Authorization"), which both of us must sign. The terms of ... Change Authorization prevail over those of the Statement of Work and any of its previous Change Authorizations.

Any change in the Statement of Work may affect the charges, estimated schedule, or other terms. Depending on the scope of the requested change, we may charge you for our effort to analyze it. We will then give you a written estimate of the charges for the analysis. We will perform the analysis only on your written authorization.

Personnel

Each of us will authorize a person to represent us during the project. Each will 1) address all notices to the other's representative and 2) promptly notify the other in writing if this person is replaced. Each of us is responsible for supervising and controlling only our own personnel.

We will try to honor your requests regarding the assignment of our personnel to your project. However, we reserve the right to determine the assignment of our personnel.

Ownership and License

The Statement of Work will specify if Materials are to be delivered during the project. It will identify them as being "Type I Materials," "Type II Materials," or otherwise as we both agree.

Type I Materials are those, created during the project, in which you will have all right, title, and interest (including ownership of copyright). We will retain one copy of the Materials. You grant us 1) an irrevocable, nonexclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, distribute (internally and externally) copies of, and prepare derivative works based on Type I Materials and 2) the right to authorize others to do any of the former.

Type II Materials are those, created during the project or otherwise (such as those that preexist the project), in which we or third parties have all right, title, and interest (including ownership of copyright). We will deliver one copy of the Materials to you. We grant you an irrevocable, nonexclusive, worldwide, paid-up license to use, execute, reproduce, display, perform, and distribute (internally only) copies of Type II Materials.

Each of us agrees to reproduce the copyright notice and any other legend of ownership on any copies made under the licenses granted in this Part.

Project Support Services Termination

You may terminate a project on written notice to us. We may terminate a project if you do not meet your obligations concerning it. Upon termination, we will stop our work in an orderly manner as soon as practical.

You agree to pay us for all Services we provide and any Materials we deliver through the project's termination. Payment includes any charges we incur in terminating subcontracts.

IBM Customer Agreement

Part 6 - Options

6.1 Volume Discounts

We provide discounts for certain Products based on the volume of business you agree to do with us (called your "Commitment") during a contract period. You may make a Commitment based on either Product quantity or revenue. Revenue for a Product is its single-unit charge, less any discounts or allowances.

We will specify the eligible Products, their categories, available discount percents and contract periods, upper-limit percents, and adjustment charge factors. We will inform you periodically of any changes. An unfavorable change (and all changes related to it) applies to an existing Commitment only if you accept it in writing. Related changes become effective at the same time. We will also inform you if we withdraw eligible Products from marketing. We then accept orders you place for these Products subject to their availability.

Unless we specify otherwise, we do not discount Program upgrades, Program features ordered separately from Programs, accessories, or field-installed Machine features, conversions, or upgrades.

End User Certification

You agree to acquire the Products for use only within your Enterprise and not for remarketing. We call this representation "End User Certification." We provide the discounts to you based on End User Certification.

How You May Obtain the Discounts

If you wish to obtain the discounts, you agree to sign an Addendum specifying your Commitment, and selected contract-period start date and duration.

During the contract period, you may increase your Commitment or extend the contract period (subject to our approval) by signing a revised Addendum. If you extend, you agree to increase your Commitment so that the new discount percent is at least equal to your current discount percent. Any increased discount percent applies to all eligible Products for which Date of Installation is on or after the date we receive your signed Addendum.

How We Apply the Discounts

We apply the discount to the single-unit charges of eligible Products that you acquire from us during the contract period. The charges are the lesser of 1) those generally available at the time of acquisition or 2) the announced charges in effect on the date we receive the initial Addendum, subject to our price change terms described below.

We count specified Products that you acquire from our authorized remarketers when we receive the required certification. Adjustment charges do not apply to these Products.

We may place some Products in a dependent category with an associated controlling category. To determine the discount percent applicable to either category, we count quantities or revenue for only those Products in the controlling category.

Price Changes

During a contract period, we may increase or decrease charges. We apply your discount to the new charges as follows:

1. we establish a maximum charge (called an "Upper Limit") for each Product in a committed category for each year of a contract period. We determine the Upper Limit by increasing the announced charge in effect, as of the date we receive the initial Addendum,

by a certain amount. We calculate this amount by multiplying that charge by the upper-limit percent we specify at the time of your Commitment;

2. for an increase, we apply the discount to either the increased charge or the Upper Limit, whichever is less; and
3. for a decrease, we apply the discount to the decreased charge, provided you accept any related changes in terms we may have made after your Commitment. Otherwise, you may select 1) the decreased charge without discount or 2) the discounted charge available to you before the decrease.

Adjustment Charges

If you have not met your Commitment by the end of the contract period, you agree to pay adjustment charges. The adjustment charge for each Product is either:

1. the difference between the discounted amount we charged you and the discounted amount which you were entitled to receive; or
2. the result of multiplying the adjustment charge factor by the number of discount percentage points between what we gave you and what you were entitled to receive.

We will inform you which method we use for a particular Product.

For a revenue-based Commitment, the total of the adjustment charges will not be more than the difference between your Commitment and the actual revenue you attained.

International Discounts

For our international customers, we provide volume discounts based on worldwide Commitments. To allow you to participate in such a Commitment, this Agreement may be modified by a signed international agreement. You, your international enterprise coordinator, and we will sign the relevant Transaction Document, unless the coordinator exempts you from signing. That Transaction Document becomes part of this Agreement.

6.2 Maintenance Service Options

We provide Maintenance Service Options for certain Machines. If you wish to obtain the benefit of lower charges available under an Option, you agree to assume additional, specified responsibilities. We provide the terms specific to an Option in an Attachment.

We will specify the eligible Machine types, eligible types of service, available discount percents and contract periods, exit-option percents, and notice requirements for termination of each contract period, as applicable to each Option. We will also inform you periodically of any changes. We will defer an unfavorable change (and all changes related to it) until the end of your contract period, if you request it in writing before the effective date of the change. Related changes become effective at the same time.

6.3 Payment Options

Extended Maintenance Option

You may order the Extended Maintenance Option (called the "EMO") for certain Machines. Under EMO, we adjust your Maintenance Services charges based on your prepayment of those charges during an available contract period. We calculate the EMO charge for a Machine using the announced Maintenance Services charges and any applicable discounts in effect for the Machine when coverage begins. EMO charges are not refundable after coverage has started for the Machine.

Palm Beach County — International Business Machines Corporation

AMENDMENT TO

IBM CUSTOMER AGREEMENT

Palm Beach County and IBM agree that the following terms and conditions amend the IBM Customer Agreement (Z125-4575-01 3/93) between Palm Beach County and IBM.

1. Section 1.2 Agreement Structure

   Delete items 2 and 3 from the subsection "Your Acceptance of Additional Terms".

2. Section 1.4 Electronic Communications

   Delete items 1 and 2 from the first paragraph.

3. Section 1.11 Mutual Responsibilities

   Delete Item 7.

4. Section 3.1 Title

   Delete the third, fourth and fifth sentences.

5. Section 4.5 Program Testing

   Add "at no additional charge" after "We provide" in the first sentence. Substitute "when you receive it" for "10 days after we ship it" in the second sentence.

6. Section 5.1 Maintenance Services

   In the subsection "Maintenance Services Termination", replace "applicable credit" with "applicable refund or rebate."

Agreed to:

Palm Beach County

By: [signature]

Printed Name: [illegible] McCarty

Title: CHAIRMAN

Date: MAR 9 1 1994

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

Palm Beach County Attorney

Agreed to:

International Business Machines Corporation

By: [signature]

Printed Name: Silia G. Tatum

Title: Marketing Manager

Date: 1-5-94

R94 247D

DOROTHY H. WILKEN, CLERK
Board of County Commissioners
By: [signature]

We will specify the eligible Machine types and available contract periods. We will also inform you periodically of any changes. A change applies only to Machines you add under EMO on or after the effective date of the change.

The Transaction Document will list the Machines covered and the dates of coverage for the contract period you have selected for each Machine.

You may select EMO in addition to other Maintenance Service Options. We then adjust the Machine's EMO charge based on the applicable discounts which you are entitled to receive under those Options. While under this Option, you agree to maintain coverage under all the Services and other Options on which we base the Machine's EMO charge.

For a Machine not yet installed or set up, coverage starts on its Date of Installation. For an installed Machine, coverage starts on a mutually-agreed-to date. If applicable, the contract period includes the Machine's warranty period.

Each of us agrees that if a feature, conversion, or upgrade is installed on a Machine while it is under this Option, 1) an additional charge may apply and 2) the feature, conversion, or upgrade is subject to the remaining portion of the contract period.

If we increase the EMO charge, the increase does not apply to a Machine not yet installed or set up, unless we give you at least three months' notice before its scheduled date of shipment. If we decrease the EMO charge before coverage has begun for a Machine, you receive the benefit of the decrease.

We will give you at least three months' notice of a Machine's eligibility for renewal. At the end of your contract period, we will continue Maintenance Services for the Machine (if available), unless you request us not to do so.

If you transfer coverage for a Machine to a third party, you agree to inform that party 1) of the applicable terms of this Agreement and 2) that it must notify us in writing of the transfer, the location of the Machine, and acceptance of coverage. If that party does not wish to maintain coverage under all the Services and other Options on which we base the Machine's EMO charge, you agree to pay the transfer charge that we specify.

Invoicing Options

We make Invoicing Options available to you for certain Products and Services to provide flexibility in payment terms. We provide the terms specific to an Option in an Attachment.

We will specify the eligible Products, Services, and charges, and the available contract periods, invoicing schedules, and environments which may be covered by an Option. We will also inform you periodically of any changes.

Together, we will estimate your requirements for the applicable Products and Services. We use this estimate to determine the total charges that we will invoice, distributed according to the schedule you select. These invoiced amounts replace the applicable charges otherwise due. Depending on the Option, the total charges may be subject to adjustments.

The Transaction Document, signed by both of us, will list the date from which we provide the selected Option to you and its other details.

6.4 Special Options

In order to meet your specific requirements, we may provide Special Options to you. Under these Options, we are willing to provide special terms and tailor our processes for you. We will describe our mutual commitments under a Special Option in a Transaction Document.

IBM Customer Agreement

Attachment for Estimated Billing Option

These terms are in addition to those of the IBM Customer Agreement (or any equivalent agreement signed by both of us) and specifically supplement its Invoicing Options terms. You accept these terms by signing the Signature Page for Attachments or using, or making any payment for, the Option described below.

Under the Estimated Billing Option (called "EBO"), we make invoicing options available to you for certain Products and Services. These options provide you flexibility in your payment terms. We will specify the Products and Services subject to EBO in a Supplement.

1. Mutual Responsibilities

Both of us agree that:

1. we will jointly develop an estimate of 1) your Services requirements for selected locations and Machine types or 2) your requirements for Programs, in selected locations, subject to monthly license charges; and

2. on either party's request, an adjustment will be made if unforeseen events in your business or information system plans occur which, had they been reflected in the estimate, would cumulatively have affected the total charge by ten percent or more. We will adjust the total charge based on a new estimate for the remaining portion of the contract period. The new total charge will be effective as of the date of the event that caused the adjustment.

   For Services, we will adjust the total charge if any of the following occurs:

   a. a change in the amount of Services you use which are already subject to EBO;

   b. an increase or decrease in your inventory of selected Machines. However, we will not adjust the total Services charge if you terminate Maintenance Services for a Machine and it remains in productive use within your Enterprise;

   c. an increase or decrease in the amount you use Usage Plan Machines; or

   d. termination of discount Options.

   For Services and Program licenses included in the initial estimate, we will use the charges in effect at the time of the initial estimate to calculate the adjustment. For Program licenses not included in the initial estimate, we will use the charges in effect on the preparation date of the revised Supplement to calculate the adjustment.

2. Our Other Responsibilities

We will:

1. base the total charge for the estimate on current and announced charges that will be in effect during the contract period. We may revise the total charge before the start date of a contract period, unless we receive the signed Supplement for EBO from you within one month following the Supplement preparation date;

2. revise the total charge for Estimated Billing of Services to reflect new Services or Options which you add to EBO during the contract period; and

3. delay an unfavorable change to the terms of this Attachment, upon your request, until the expiration of your current contract period.

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If we request, you agree to use Programs provided by us for call placement and problem status tracking for Qualified Machines in a network environment. We will provide these Programs at no additional charge. You agree not to modify these Programs. On termination or expiration of coverage, you agree to destroy your copies of the Programs.

Mid-Range System Option

You agree that a Qualified Machine under MRSO is one that meets the following criteria:

1. It is an eligible processor type located at a Qualified Location and is under warranty or Maintenance Services; or
2. It is an eligible Machine type controlled by such processor and is either a) located at a Qualified Location or b) one for which your network coordinator controls all requests for Maintenance Services. We will describe the role of the network coordinator in a Procedures Exhibit.

Eligible processor and Machine types are specified in an Exhibit.

3. Termination

You may terminate, without additional charge, coverage for a Machine only if:

1. you give us the required notice (specified in a Supplement);
2. you remove it from productive use within your Qualified Location; or
3. we remove it from eligibility.

Otherwise, you agree to pay one month's Maintenance Services charges for the Machine.

You may terminate either Option if a change in discount or Maintenance Services charges increases your total adjusted charges by more than the specified exit-option percent in any 12-month period. Termination will occur on the effective date of the change. We will not increase the exit-option percent during a contract period.

If you also wish to terminate Maintenance Services, you must do so under its terms.

IBM Customer Agreement
Attachment for CSO and MRSO Options

These terms are in addition to those of the IBM Customer Agreement and specifically supplement its Maintenance Service Options terms. You accept these terms by signing the Signature Page for Attachments or using, or making any payment for, the Options described below.

We provide two Options under which we will reduce Maintenance Services charges for eligible Machines (called "Qualified Machines"), provided you follow the applicable systems management procedures that we specify in a Procedures Exhibit. You may select either the Corporate Service Option (called "CSO") for eligible large system environments or the Mid-Range System Option (called "MRSO") for eligible mid-range system environments. Under these Options, we require that the Qualified Machines be 1) under On-site type of service and 2) located at, or controlled through, locations within your Enterprise which follow our systems management procedures (called "Qualified Locations").

The contract period you select applies to all Machines under an Option. Machines which come under an Option after a contract period has started will assume the remaining portion of that contract period.

Each of us agrees to notify the other (before the current contract period expires) if they do not intend to renew an Option.

1. Our Responsibilities

We will:

1. confirm in a Supplement your start date, and selected Option and contract period;
2. provide On-site type of service for a Qualified Machine under warranty at no additional charge;
3. provide you a self-review form, for MRSO, to assist you in obtaining the information we need to determine if a location is a Qualified Location. In order to determine if a location is a Qualified Location for CSO, we may conduct on-site reviews. If we do so, we will inform you of any applicable charges in advance; and
4. adjust your Maintenance Services charges for Qualified Machines using the applicable discount percents (specified in an Exhibit). For a Qualified Machine subject to an annual charge, we will adjust the charge only for that portion of the annual period which is within a contract period.

2. Your Responsibilities

Corporate Service Option

You agree that a Qualified Machine under CSO is one that meets the following criteria:

1. it is an eligible System Machine type, located at a Qualified Location; or
2. it is an eligible Network Machine type, controlled through a Qualified Location. You agree to place requests for Maintenance Services only through the Qualified Location.

Eligible System and Network Machine types are specified in an Exhibit.

IBM Customer Agreement
Signature Page for Attachments

The following Attachments to the IBM Customer Agreement contain additional terms. Copies of the Attachments which you select (by marking the appropriate space below) are included with this page.

Products

____ ES/Express Preload (Z125-4146-02)
____ IBM Entry End User/370 License (Z125-4379-02)
____ Licensed Program Support (Z125-3920-04)
____ Trial or Loan of Products (Z125-4135-05)
____ Rental of IBM Machines (Z125-6301-01)
____ Trade-Ins (Z125-4134-02)

Continuing Support Services

____ Business Recovery Services (Z125-8306-04)
____ End User Support Services (Z125-4301-02)
____ Network Traffic Analysis Services (Z125-4290-01)
____ Problem Management Productivity Services (Z125-4304-02)
____ SystemXtra Services (Z125-4294-05)
____ SoftwareXcel Services (Z125-4298-05)

On-line and Other Services

____ FASTService Services (Z125-8287-02)
____ IBMLink Services (Z125-4555-03)
____ Multiple Vendor Services (Z125-4150-03)
____ K-12 Personal Computer Installation Services (Z125-6003-00)
____ Technical Telephone Services (K- 12 Customers) (Z125-4896-00)
____ Service of Non-IBM Machines (Z125-4990-00)

Options

____ Central Facility Maintenance Service Option (Z125-3333-05)
X CSO and MRSO Options (Z125-3927-04)
X Estimated Billing Option (Z125-4116-03)
____ Volume Maintenance Option (Z125-3777-02)
____ System Services Availability (Z125-4833-05)

Miscellaneous

____ Special Projects (Z125-4855-00)
____ Educational Allowance (Z125-3083-03)
____ IDNX* Licensed Internal Code (Z125-4041-01)
X State & Local Government (Z125-4205-02)

* IDNX is a registered trademark of Network Equipment Technologies, Inc.

By signing below for our respective Enterprises, each of us agrees to the terms of the IBM Customer Agreement and the included Attachments. Once signed, any reproduction of this page or an Attachment made by reliable means (for example, photocopy or facsimile) is considered an original.

Agreed to: (Enterprise name)
Palm Beach County

By _____
Authorized signature

Name (type or print): Mary McCarty

Date: MAR 0 1 1994

Enterprise number: 6872933

Enterprise address: 301 N. Olive Avenue
West Palm Beach, FL 33401

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

_____
COUNTY ATTORNEY

Agreed to:
International Business Machines Corporation

By _____
Authorized signature

Name (type or print): PAMELA NARSIPUR

Date: 12/1/93

IBM Customer Agreement number:

IBM Office address: 1555 Palm Beach Lakes Blvd.
West Palm Beach, FL 33401

R94 247 D

After signing, please return a copy of this page to the local "IBM Office address" shown above.

DOROTHY H. WILKEN, CLERK
BOARD COUNTY COMMISSIONERS

R95 76 D

07 - 0338

BUDGET AMENDMENT

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA

Advantage Document Numbers:
BGEX 490 121206 *
BGRV 490 121206 *

Fund 3901 **Information Technology Capital Improvements**

ACCT.NUME	ACCOUNT NAME	ADOPTED BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 12/11/06	REMAINING BALANCE
Revenues								
Information Technology Capital Improvements Fund								
491-I264	- 8404 Lease Purchase Proceeds	0	0	478,993	0	478,993	0	
Total Fund Revenue		26,741,544	22,845,619	478,993	0	23,324,612		
Expenditures								
Information Technology Capital Improvements Fund								
821-I264	- 9902 Operating Reserves	0	0	556,699	0	556,699	0	0
491-I264	- 9235 Transfer to ISS Fund 5020	0	0	107,294	0	107,294		0
491-I264	- 6405 Data Processing Equipment	185,000	185,000	0	185,000	0		0
Total Appropriations & Expenditures		26,741,544	22,845,619	663,993	185,000	23,324,612		

Signatures **Date**

Information Systems Services

INITIATING DEPARTMENT/DIVISION Steve Bordelon 12/11/06

Administration/Budget Department Approval 12/13/06

OFMB Department - Posted

By Board of County Commissioners

At Meeting of

December 19, 2006

Deputy Clerk to the Board of County Commissioners

ATW 12.11.06

07 - 0339

BUDGET AMENDMENT

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA

Advantage Document Numbers:
BGEX 490 121206 *
BGRV 490 121206 *

Fund 5020 **Information Systems Services**

ACCT.NUME	ACCOUNT NAME	ADOPTED BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 12/11/06	REMAINING BALANCE
Revenues								
Information Services System Fund								
Enterprise Service Center								
490-1304	- 8207 Transfers form Info Tech Fund (3901)	0	0	107,294	0	107,294	0	
Total Fund Revenue		32,602,943	32,602,943	107,294	0	32,710,237		
Expenditures								
Information Services System Fund								
Enterprise Service Center								
490-1304	-7112 Installment Purchase Payments	88,879	88,879	107,294	0	196,173	0	0
Total Appropriations & Expenditures		32,602,943	32,602,943	107,294	0	32,710,237		

Signatures **Date**

Information Systems Services

INITIATING DEPARTMENT/DIVISION Steve Bordelon 12/11/06

Administration/Budget Department Approval 12-13-06

OFMB Department - Posted

By Board of County Commissioners

At Meeting of

December 19, 2006

Deputy Clerk to the Board of County Commissioners

ATN 12.11.06