



CANON FINANCIAL SERVICES, INC.

PROGRESS PAYMENTS ADDENDUM

CFS Agreement Number:
Vendor Legal Name:

WHEREAS, Canon Financial Services, Inc. ("CFS") and VILLAGE OF STICKNEY ILLINOIS ("Customer") have determined it is for their mutual benefit to enter into this Progress Payments Addendum (this "Addendum") to the above-referenced lease agreement (whether designated as a lease, rental, master agreement, or otherwise, together with all schedules and exhibits thereto, "Agreement") for the lease or rental of certain equipment ("Equipment"); and

WHEREAS, in order to facilitate the delivery and installation of the Equipment, Customer has requested that CFS pay to the supplier of the Equipment specified above ("Vendor") certain Progress Payments (as defined herein), and CFS hereby agrees to make such Progress Payments to the Vendor upon the terms and conditions set forth in this Addendum; and

WHEREAS, capitalized terms used herein without definition shall have the respective meanings set forth in the Agreement; and

NOW, THEREFORE, for good and valuable consideration, intending to be legally bound, the parties hereto hereby agree as follows:

1. Progress Payments. Subject to the terms and conditions set forth in this Addendum, CFS agrees to pay to the Vendor fifty percent (50%) of the purchase price and the related charges for the Equipment ("Purchase Price") as set forth in Vendor's invoice for such Equipment (a "Progress Payment", and in the plural, collectively, "Progress Payments") in advance of the commencement of the lease or rental term under the Agreement. Upon receipt by CFS of the Agreement, this Addendum, and all other required documentation duly executed by Customer, including, if applicable, a Municipal PO (as defined herein) (collectively, "Customer Documentation"), CFS shall make the Progress Payment to Vendor. Customer shall maintain the insurance required under the Agreement as to any item of Equipment for which the Progress Payment was made from the date of such Progress Payment, and shall deliver to CFS, upon demand, evidence of such insurance satisfactory to CFS in its sole discretion. Upon confirmation satisfactory to CFS in its sole and absolute discretion of delivery and unconditional acceptance of the Equipment by Customer, CFS shall pay to Dealer an additional Progress Payment for the remaining balance of the Purchase Price.

2. Repayment Amount; Late Charge. If (a) all of the Equipment has not been delivered to and accepted by the Customer under the Agreement for any reason within ninety (90) days of payment of the initial Progress Payment; or (b) Customer shall cancel its order for any item of Equipment or shall fail to unconditionally accept any item of Equipment upon delivery from Vendor or fail to execute any and all documentation required by CFS in connection therewith; or (c) Vendor shall fail to deliver and install any item of Equipment pursuant to any purchase order or agreement, or to convey to CFS good and marketable title to the Equipment free and clear of all liens, claims, security interests, and encumbrances; or (d) a default occurs hereunder or under the Agreement; or (e) there shall occur a material adverse change in the Customer's financial condition; then the Customer shall be deemed to be in default under this Addendum and under the Agreement, and shall pay to CFS, upon demand, an amount equal to the aggregate amount of all Progress Payments made by CFS to Dealer in connection with the Agreement, together with interest (calculated from the date of issuance of each such Progress Payment by CFS to Vendor) at a rate equal to the Prime Rate plus two and a half percent (2.50%) per annum or the maximum rate of interest allowable by applicable law (collectively, the "Repayment Amount"). For the purposes hereof, "Prime Rate" shall mean the Prime Rate as published in the Wall Street Journal on the date hereof. If Customer fails to pay the Repayment Amount or any portion thereof on demand, or any other amount hereunder by the applicable due date, Customer agrees to pay to CFS a late fee charge equal to ten percent (10%) of each such delayed payment (not to exceed the maximum amount permitted by applicable law), together with reasonable legal, collection, and other expenses incurred by CFS in connection therewith.

3. Amounts Received by Customer. Customer has no interest in or right to any Progress Payments, and if any Progress Payments are returned, rescinded or refunded to Customer by Vendor, Vendor shall immediately disclose such amounts to CFS and, upon demand, forward such amounts to CFS.

4. Obligations Absolute and Unconditional. Customer shall pay all amounts hereunder absolutely and unconditionally, without abatement, deduction, off-set, defense or counterclaim of any kind whatsoever. If the Equipment is not manufactured and delivered as required by the purchase agreement or other agreement between Customer and Vendor, or is unsatisfactory for any reason, Customer shall make all claims pertaining thereto solely against the Vendor.

5. Indemnification. Customer agrees to indemnify and hold harmless CFS against any losses, claims, damages or liabilities (or actions in these respects) in any way arising out of, in connection with, or resulting from the Customer Documentation or any purchase order or other agreement related to the Equipment or the enforcement of any of the foregoing, or any item of Equipment, including, without limitation, the manufacture, selection, delivery, possession, use, operation or return of the Equipment, and any taxes for which Customer is responsible in connection therewith. Customer's obligations under this paragraph shall survive expiration or termination of this Addendum and the Agreement notwithstanding any other provision contained herein. Nothing herein shall be construed as a waiver or limitation of any rights of CFS under the Agreement.

6. Additional Requirement for Municipal Customer. If the Customer is a municipal entity (as determined by CFS in its sole discretion), Customer shall deliver to CFS, concurrently with this Addendum, a purchase order for the aggregate amount of the Progress Payment plus interest thereon (calculated for a period of ninety (90) days) in an amount equal to the Prime Rate plus two and a half percent (2.50%) per annum, as evidence that Customer has sufficient funds available during its current appropriation period to repay such amounts ("Municipal PO").

7. Miscellaneous. This Addendum is supplemental to the Agreement and the provisions thereof, unless specifically modified herein, shall remain in full force and effect and shall apply to this Addendum as though they were expressly set forth herein. In the event of any conflict between the provisions of this Addendum and the provisions of the Agreement or the provisions of the purchase agreement or other agreement between Customer and Vendor, the provisions of this Addendum shall govern and control to the extent of such conflict. Customer agrees that CFS may accept a facsimile or other electronic transmission of this Addendum as an original, and that facsimile or electronically transmitted copies of Customer's signature will be treated as an original for all purposes. THIS ADDENDUM SHALL BE EFFECTIVE WHEN IT HAS BEEN SIGNED BY CUSTOMER AND ACCEPTED BY CFS.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their officers thereunto duly authorized as of the date first above written.

CANON FINANCIAL SERVICES, INC.

Customer: VILLAGE OF STICKNEY ILLINOIS

By:
Name:
Title:
Date:

By:
Name:
Title:

