

**CITY CLERK  
ORIGINAL**

C-9538  
12/12/2014

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**CITY OF GLENDALE, ARIZONA**

**ORDER AGREEMENT AND  
MAINTENANCE CONTRACT**

(Konica Minolta Bizhub C224e)

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**(PLEASE DO NOT REMOVE ~ THIS IS PART OF THE OFFICIAL DOCUMENT)**

**ORDER AGREEMENT**

Check Applicable Box

Purchase

Lease

Other: **ohave # 10i-KMBS-01:**

INVOICE TO: Account #	SOLD TO: Account #	SHIP TO: Account #
Legal Name City of Glendale	Legal Name Same	Legal Name Same
Attn Line 1	Attn Line 1	Attn Line 1
Attn Line 2 Water Services Department	Attn Line 2	Attn Line 2
Street Address 7070 W. Glendale Ave	Street Address	Street Address
City Glendale State AZ Zip 85303	City State Zip	City State Zip
Tax Exempt <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Copy Required)	Tax Exempt #	P.O. Expiration Date
P.O. Required <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Copy Required)	P.O. #	

Payment Terms: Net 30	Card Type	Name on Card	Amount
	Authorized Credit Card Amount:	(plus applicable taxes)	Check #
	Credit Card #	Expiration Date	

Requested Delivery Date: **11/7/2014** Maintenance Contract  Accepted  Declined

QTY	MATERIAL #	MATERIAL DESCRIPTION	SERIAL NUMBER	PRICE/EACH	EXTENDED
1	A5C4011	Bizhub C224e		\$ 1,967.69	\$ 1,967.69
1	7640001106	INNVOLT POWER MGR 15 AMP		\$ 75.00	\$ 75.00
1	A3CEWY1	DF-701 Dual Scan Document Feeder		\$ 577.89	\$ 577.89
1	A3EPWY1	FS-534 50 Sheet Finisher		\$ 611.88	\$ 611.88
1	A2XM013	PC-410 Large Capacity Cassette		\$ 395.27	\$ 395.27

QTY	MATERIAL #	SUPPLY MATERIAL DESCRIPTION	SERIAL NUMBER	PRICE/EACH	EXTENDED
1	A33K130	TN-321K	N/A		
1	A33K430	TN-321C	N/A		
1	A33K330	TN-321M	N/A		
1	A33K230	TN-321Y	N/A		
1	A4NNWY1	DELIVERY CHARGE	N/A		
		INSTALLATION CHARGE	N/A		

Additional Charges:  Network  Removal  Other

Additional Charges TOTAL \$ **3,627.73**  
(TOTAL is exclusive of applicable taxes)

Requested Removal Date:

QTY	MATERIAL #	MATERIAL DESCRIPTION	SERIAL NUMBER

Comments:

If order is for a purchase of equipment, Customer's signature below acknowledges receipt of KMBS Sales Terms and Conditions "Schedule A" (Revised 03-30-09) and consent to their terms, which are incorporated into this agreement. If payment by credit card is indicated above, Customer hereby grants KMBS the authority to charge the Customer's credit card in the amount indicated (plus applicable taxes). KMBS assumes no responsibility to pick-up, return to any party, and/or resolve any financial obligations on any existing Customer equipment except as specifically stated in this Agreement or separately executed form. Not binding on KMBS until signed by KMBS Manager.

Customer Name Thomas Relucio  
 Signature [Signature] Please Print 12/11/14  
 Authorized Representative of Customer Date  
 Title Sr. Mgmt Asst

KMBS Representative [Signature] Date  
 KMBS Manager \_\_\_\_\_ Date

**Copier/Fax/Multifunctional Unit Prices**

Mohave prices shall include delivery, installation, electrical hook-up, testing, operator training and initial supplies.

Part Number      Unit Description      MSRP \$      % Discount      Mohave \$

Contract Number 101-KIMBS-0127

A5C4011	bizhub C224e	\$9,980	80.28%	\$1,967.69	✓
7670525506	Delivery Charge - Level 1	120	100.00%	\$	
7640018093	Basic Network Service - BNS03	260	100.00%	\$	
<b>DOCUMENT HANDLING OPTIONS: Select one</b>					
A3PMWY1	OC-511 Original Cover	94	70.79%	\$27.46	
A3CFWY1	DF-624 Reverse Automatic Document Feeder	1,631	67.97%	\$522.47	
A3CEWY1	DF-701 Single Pass Dual Scan Document Feeder	1,802	67.93%	\$577.89	✓
<b>PAPER SUPPLY OPTIONS: Select one</b>					
A2XM013	PC-410 Large Capacity Cassette	1,402	71.81%	\$395.27	✓
A2XMMWY2	PC-210 2-way Paper Feed Cabinet	1,191	66.81%	\$395.23	
A2XMMWY1	PC-110 Paper Feed Cabinet	913	69.69%	\$276.76	
7640017610	DK-510 Copy Desk	222	64.11%	\$79.67	
<b>OUTPUT OPTIONS:</b>					
A2YVWY1	JS-506 Job Separator Tray	500	70.34%	\$148.31	
A3EPWY1	FS-534 50-Sheet Stapling Finisher	1,855	67.01%	\$611.88	✓
A2YUWY1	FS-533 Inner Finisher	1,553	69.58%	\$472.37	
A3EUWY1	PK-519 2/3 Hole Punch Unit (FS-533)	585	70.47%	\$172.74	
A3ETWY1	PK-520 2/3 Hole Punch Unit (FS-534)	586	70.70%	\$171.67	
A3ERWY1	SD-511 Saddle Sticher (FS-534)	1,450	66.47%	\$486.24	
<b>FAX OPTIONS:</b>					
A4MF012	FK-511 Fax Kit	1,070	64.38%	\$381.08	
4614506	SP-501 Fax Stamp Unit	48	76.94%	\$11.00	
4614511	Spare TX Marker Stamp 2	27	77.36%	\$6.00	
<b>I-OPTION ACCESSORIES:</b>					
A0FD01H	LK-101 v3 I-Option License Kit (Web Browser)	53	69.25%	\$16.30	

A0PD016	PDF)	1,100	72.10%	\$	306.90
A0PD017	LK-104 v3 i-Option License Kit (Voice Guidance)	785	49.50%	\$	396.43
A0PD018	LK-105 v3 (Searchable PDF)	668	67.70%	\$	215.79
A0PD019	LK-106 i-Option License Kit (Bar Code Font)	821	49.50%	\$	414.61
A0PD01F	LK-107 i-Option License Kit (Unicode Font)	690	63.08%	\$	254.75
A0PD01G	LK-108 i-Option License Kit (OCR Font)	191	63.08%	\$	70.52
A0PD01J	Image Data)	1,500	63.08%	\$	553.80
A0PD01K	LK-111 i-Option License Kit (thinPrint Client Support)	250	63.08%	\$	92.30
7640017928	UK-204 i-Option Memory Upgrade Kit	290	63.00%	\$	107.30
<b>MISC. OPTIONS:</b>					
A0X9WY1	AU-102 Biometric Authentication Unit	947	70.53%	\$	279.00
7640005064	AU-201H HID Proximity Card Authentication Unit	423	89.60%	\$	44.00
7640008394	AU-202H iClass Card Reader	476	75.21%	\$	118.00
7640013468	AU-204H Mag Stripe Card Reader	423	73.72%	\$	111.15
A4MEWY1	MK-730 Banner paper Guide	846	70.80%	\$	247.02
A4NMWY1	MK-735 Mount Kit (IC Card Internal Mount Kit)	601	68.00%	\$	19.20
A4MJWY2	EK-606 Local USB Interface Kit	200	68.06%	\$	63.88
A4MKWY2	EK-607 Local USB Interface Kit	279	70.37%	\$	82.67
7640006869	External Keyboard	223	67.65%	\$	72.00
A64TWY1	KP-101 10-Key Pad	126	53.97%	\$	58.00
A4NRWY1	KH-102 Keyboard Holder	123	67.89%	\$	39.50
A0W4WY2	WT-506 Working Table	112	73.46%	\$	29.73
4623474	Key Counter Mount Kit 1 for Hecon Conventional Counter	86	72.09%	\$	24.00
7640005261	HID Proximity Cards - 10 pack	69	65.17%	\$	24.00
A4MMWY1	SC-508 Security Kit (Copy Guard/Password Protect)	1,225	70.48%	\$	361.57
7640014723	Innovolt Power Manager 15Amp	275	72.68%	\$	75.00



7640013463	CS-1 Convenience Stapler	317	75.55%	\$	77.49
A161192000	Sylus Pen for INFO-Palette Series	30	33.33%	\$	20.00
7640015657	bizhub SECURE	250	0.00%	\$	250.00

**Maintenance Plans**

Two Optional Maintenance Plans are offered. (CPC or FLAT RATE)

Member has the FLEXIBILITY to select either the Cost per Copy Option or Member may select the Flat Rate Option (which ever is the most advantageous)

FLAT RATE OPTIONS (UNLIMITED B&W COPIES) do not include Color Copies. If applicable, color copies will be charged at the rates listed on the pricing below.

Basis of Plan	Description	MSRP \$	% Discount	Mohave \$
Cost Per Copy	Color Prints Black & White	\$0.12	58.17%	\$ 0.0502
	Only Pay for the copies you make Service plans all inclusive	\$0.02	53.20%	\$ 0.0094
	includes all supplies (paper excluded)			
Monthly - Flat Fee	Black only (color excluded)	\$52.50	48.00%	\$ 27.30
Quarterly - Flat Fee	Black only (color excluded)	\$157.50	48.00%	\$ 81.90
Semi-Annual - Flat Fee	Black only (color excluded)	\$315.00	48.00%	\$ 163.80
Annual - Flat Fee	Black only (color excluded)	\$630.00	48.00%	\$ 327.60

**CONSUMABLES**

A33K130	TN-321K Toner Black (C364/C284/C224: 27K)
A33K430	TN-321C Toner Cyan (C364/C284/C224: 25K)
A33K330	TN-321M Toner Magenta (C364/C284/C224: 25K)
A33K230	TN-321Y Toner Yellow (C364/C284/C224: 25K)

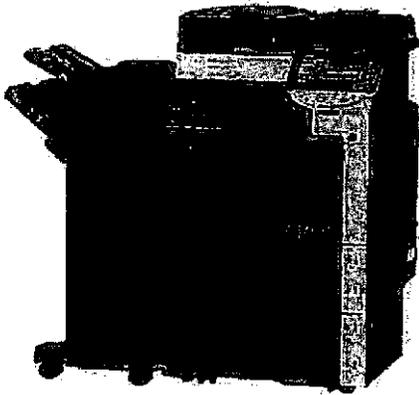


# City of Glendale - Water Department

Thomas Relucio

Color MFP

**Bizhub C224e**  
*(shown with optional finisher)*  
**Copier/Printer/Scanner**



### Standard Features and Configuration:

- ◆ 22 Prints/Copies Per Minute in Color & Black/White
- ◆ 160 OPM Scanning Speed - B&W and Color
- ◆ Automatic Reversing Document Feeder
- ◆ Exclusive High-Speed Image Stabilization
- ◆ 9" Color Touch-Screen with Thumbnail Preview
- ◆ Built-In Emperon Print Controller (w/PCL6/PS3 & Native XPS)
- ◆ Award-Winning MyTab: Quick Access to Custom Print Settings
- ◆ Front Access For USB Printing & Scanning
- ◆ Standard 250 GB HDD For High Capacity Storage
- ◆ External two tray Finisher - Stapling & Collate
- ◆ PageScope Software
- ◆ 4 Universal Paper Drawers
- ◆ MyKmb.com Online Account Management
- ★ i-Option Kits: Searchable PDF, Web Access, PDF Encryption
- ★ Fax Capabilities including PC Faxing  
Bizhub Secure & Power Surge

**Green Technologies To Save Energy, Reduce Waste**

Mohave

CONTRACT # 10i-KMBS-0127

**BHC224e**

**\$1,967.69**

Auto Doc Feeder	\$577.89
3rd and 4th Drawers	\$395.27
Power Surge	\$75.00
PS, PCL, XPS	Included
Data Overwrite	Included
Secure Print	Included
50 Sheet Stapler/Finisher	\$611.88
250 GB Hard Drive	Included
Start-up Supplies	Included

Optional 2/3 hole Punch: \$171.67

**Total: \$3,627.73**

### Service and Supply Program

- ▶ Monthly Base Charge: \$27.30 - Includes Unlimited Black & White Copies/Prints -No Overages
- ▶ All Color Copies @ \$0.0502  
Maintenance plans can be changed at any time.
- ▶ Toner, parts, labor, delivery, installation are all-inclusive with this plan (excluding paper)

9/26/2014

Contact: Chip Ryan  
Phone: 602-798-7341

B. R. A. N. D





KONICA MINOLTA

# Advantage CPC Maintenance Contract

<b>Sold To: (legal name)</b>		<b>Ship To:</b>	
Name: <u>City of Glendale Water Services</u>	Account Number: <u>1265642</u>	Name: <u>Same</u>	Account Number: <u>1265642</u>
Address Line 1: _____		Address Line 1: _____	
Address Line 2: _____		Address Line 2: _____	
Street Address: <u>7070 W. Northern Ave</u>		Street Address: _____	
City: <u>Glendale</u>	State: <u>AZ</u>	Zip: <u>85303</u>	City: _____ State: _____ Zip: _____
<b>Tax Exemption</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Certificate required)	Tax Exemption Number: _____	
<b>PO Required</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Copy required)	PO Number: <u>None</u> PO Expiration Date: _____	

## Advantage CPC Maintenance Plan

**Cost Per Copy**  
 With Supplies  Without Supplies - Purchased Separately  
 Effective Date: Upon delivery

**Billing for CPC contract:**  Monthly  Quarterly  Annually  
**Overages billed:**  Monthly  Quarterly  Annually  
 Contract Term (Months):  12  24  36  48  60

**Product Covered Under Contract:**

Item	Model Description	Serial Number	Type	Start Meter Read	Monthly Min Volume	CPC	Monthly Min \$	Overage CPC
1	<u>Bizhub C224e</u>		C			\$ 0.05020		\$ 0.05020
			B/W		Unlimited	N/A	\$27.80	\$ -
2			C					
			B/W					
3			C					
			B/W					
4			C					
			B/W					
5			C					
			B/W					
6			C					
			B/W					

Maintenance includes all supplies including toner, staples, repairs. Purchase order not required. Total annual bill will be \$327.60 plus any color copies.

*Customer's signature below acknowledges receipt and consent to KMBS Advantage Maintenance Terms and Conditions - Schedule A - dated 02-01-10. Not binding on KMBS until signed by KMBS Manager.*

Customer Name: \_\_\_\_\_ Please Print  
 Signature: \_\_\_\_\_ Authorized Representative of Customer Date  
 KMBS Representative: Chip Ryan Date  
 KMBS Manager: \_\_\_\_\_ Date  
 Title: \_\_\_\_\_

### FOR INTERNAL USE

New Customer  Maintenance w/ Equipment Order  Maintenance Only  Maintenance billed by KMBS  Maintenance Billed by Lease Company  Dealer Serviced

PE #: \_\_\_\_\_ Agreement #: 10i-KMBS-0127 Customer Code 1: \_\_\_\_\_  
 Promotion #: \_\_\_\_\_ Price Plan #: \_\_\_\_\_ Customer Code 2: \_\_\_\_\_  
 Subfleet #: \_\_\_\_\_ Customer Code 3: \_\_\_\_\_

Key Operator Contact: Thomas Relucio Phone: 623-930-4124 Email Addr: trelucio@glendaleaz.com  
 Meter Read Contact: Same Phone: \_\_\_\_\_ Email Addr: \_\_\_\_\_  
 Accounts Payable Contact: Sally Melling Phone: 623-930-4116 Email Addr: srmelling@glendaleaz.com

**Special Instructions:** Purchase order not required.  
**Additional Documents Attached:**  
 Price Exception  Tax Exempt Certificate  
 Purchase Order  Credit Application

	Sales Rep Number	Sales Rep Name (Please Print)	Sales Rep Email Address
Originating:	9416847	Chip Ryan	chip.ryan@kmbs.konicaminolta.us
Order Taking:	9416847	602-798-7341	
Servicing:	9416847		

Contract Processed:  Windsor, CT  Branch Phx \_\_\_\_\_ (Branch Name) Sales District: 94109

**ADDENDUM TO KMBS TERMS AND CONDITIONS  
FOR THE KMBS MAINTENANCE AGREEMENT  
BETWEEN KMBS, INC.  
AND THE CITY OF GLENDALE, ARIZONA.**

KMBS further agrees as follows as of the Effective Date:

**I. Immigration Law Compliance.**

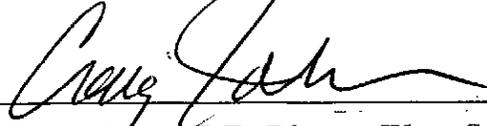
- A. KMBS, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to its employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- B. Any breach of warranty under subsection (A) above is considered a material breach of this Agreement and is subject to penalties up to and including termination.
- C. Customer retains the legal right to inspect the papers of KMBS or subcontractor employee who performs work under this Agreement to ensure that KMBS or any subcontractor is compliant with the warranty under subsection (A) above.
- D. Customer may conduct random inspections, and upon request of the Customer, KMBS shall provide copies of papers and records demonstrating continued compliance with the warranty under subsection (A) above. KMBS agrees to keep papers and records available for inspection by the Customer during normal business hours and will cooperate with Customer in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this Section I.
- E. KMBS agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon itself and expressly accrue those obligations directly to the benefit of Customer. KMBS also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of Customer.
- F. KMBS' warranty and obligations under this Section I to Customer are continuing throughout the term of this Agreement or until such time as Customer determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- G. The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

**II. Conflicts.** This Agreement is subject to cancellation for conflicts of interest under the provisions of A.R.S. § 38-511.

*By signing on the following page,* the Customer and KMBS acknowledge the contents of this Addendum, the changes made in paragraphs 20 and 25 of the "KMBS Standard Maintenance Terms and Conditions 'Schedule A,'" all as attached and incorporated herein.

"Customer":

CITY OF GLENDALE, an Arizona  
municipal corporation

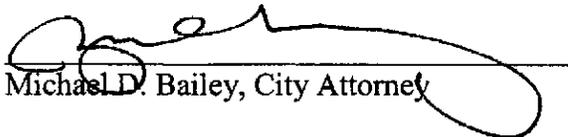
  
\_\_\_\_\_  
Craig Johnson, P.E., Director Water Services

Date: 12-5-14

ATTEST:

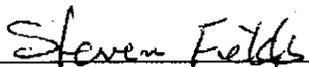
  
\_\_\_\_\_  
Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael D. Bailey, City Attorney

"KMBS":

KONICA MINOLTA BUSINESS  
SOLUTIONS U.S.A., INC., a New York  
corporation authorized to do business in Arizona

  
\_\_\_\_\_  
Printed Name: Steven Fields  
Its: Representative  
Date: 11/24/14

## KMBS STANDARD MAINTENANCE TERMS AND CONDITIONS "SCHEDULE A" (Revised 02-01-10)

The following terms and conditions apply to the provision of maintenance services by Konica Minolta Business Solutions U.S.A., Inc. ("KMBS") to Customer during the term of this Agreement:

1. **PAYMENT:** Payment is due within thirty (30) days from the date of the invoice. Should the customer fail to make any payment due hereunder, or be or become insolvent or be a party to or acquiesce in any bankruptcy or receivership proceeding or any similar action affecting the assets or property of Customer, or violate any aspect of this Agreement, KMBS may (1) refuse to continue to service the equipment or provide Consumable Supplies and may enter Customer's premises to recover any property or equipment owned by KMBS or (2) furnish service on a time, travel and material basis, without prejudice to any other remedies KMBS may have. If Customer fails to make any payment when due pursuant to this Agreement, there will be a service charge of one and one-half percent (1 1/2%) per month of the total amount due or the maximum legal interest rate allowed by law, whichever is less. Reasonable costs, including counsel fees, shall be recoverable by KMBS in the event collection activities, including litigation, are required to collect outstanding amounts due under this Agreement. **NO CASH PAYMENTS ACCEPTED.** Accepted manner of payment are by major credit card or checks made payable to KMBS.
2. **METER READINGS:** Customer will provide accurate and timely meter readings at the end of each billing period in a manner prescribed by KMBS. KMBS charges for each copy or print, performed by the KMBS equipment included in this Agreement. A copy or print shall be defined as the generation of any document or image on the KMBS equipment. For purposes of this Agreement, all such uses of KMBS equipment shall be referred to herein as a "copy." KMBS shall have access to monitor the meter readings and if meter readings are not received in a timely manner, KMBS may obtain or estimate them and Customer agrees to pay for maintenance services based on estimated meter readings. Customer shall not alter or attempt to alter actual meter reading. Each 8 1/2" x 11" copy will be recorded as a single meter click. Each 11" x 17" copy will be recorded as a double meter click. Duplexed copies shall be counted at twice the rate of single copies. For models equipped with banner printing capabilities, the following meter click charges shall apply: 18" to 27" = 3 clicks; 27" to 36" = 4 clicks; 36" to 42" = 5 clicks.
3. **SITE PREPARATION & ACCESS:** Customer shall ensure that equipment is placed in an environment that conforms with the manufacturer's specifications and requirements and will bear all cost and expense for any additional necessities required for installation such as telephone and electrical wiring, remodeling, and noise and power lines. Any electrical work external to the equipment (i.e. associated peripheral equipment, power, transmission and phone lines, and modems) and equipment line card are not covered by this Agreement. Customer shall provide KMBS personnel with free and full access to the equipment and any necessary operating time for the purposes of furnishing maintenance services. Customer shall arrange and insure that one of its employees is present at all times when KMBS personnel perform maintenance services. Relocation or make ready shipment of equipment is not covered by this maintenance Agreement. This service, when requested, will be at the then billable rate of KMBS.
4. **COMMENCEMENT OF SERVICE:** The equipment must be in good condition on the commencement date of the Agreement. KMBS charges for parts and labor required to place the equipment in such condition unless covered under any applicable warranties or a continuous maintenance Agreement. KMBS will invoice the customer and this will be in addition to the price set forth on the front hereof.
5. **ADDITIONAL EQUIPMENT:** If maintenance service for additional or substituted equipment will be provided by KMBS and it is accepted by KMBS, in writing, for coverage, KMBS reserves the right to adjust the coverage period for any additional or substituted equipment to assure common renewal dates.
6. **SERVICE INCLUDED:** KMBS' obligations under this Agreement is to provide Basic Maintenance Service on the equipment covered by this Agreement. Basic Maintenance Service is defined as that level of maintenance necessary to maintain the equipment in normal operating condition as set forth in the equipment specifications. Basic Maintenance Service includes labor and/or routine remedial and preventive maintenance services as well as remedial parts and Consumable Supplies, if this option is selected, as defined in section 24. All part replacements shall be on an exchange basis with new or refurbished items. Emergency service calls will be performed at no extra charge during normal business hours. Unless otherwise indicated, normal business hours are 8:30 a.m. to 5:00 p.m., Monday through Friday, exclusive of holidays observed by KMBS. Overtime charges, at KMBS' then current rate, will be charged for all service calls outside normal business hours. In addition to any other rights hereunder, KMBS reserves the right to delete discontinued equipment from this Agreement if parts become unavailable for discontinued equipment.
7. **PREVENTIVE MAINTENANCE:** Preventive Maintenance shall be performed on the equipment at the intervals defined by the Technical Service Manuals for the particular model. Preventive Maintenance will include cleaning, lubrication, adjustment, and may be made at the same time remedial service is being performed. KMBS technicians do not carry or deliver consumable supplies (toner, developer, etc.). It is the Customer's responsibility to have the necessary supplies available for the Technician's use.
8. **VCARE MONITORING:** KMBS will deploy and enable its VCARE Solution, which is a Device Relationship Management (DRM) system that interacts with KMBS product(s) for the purpose of automated meter reading, technical performance monitoring, consumable and supply-level monitoring for replenishment, and product status (and as described in KMBS' Digital Needs Analysis). Should Customer opt-out of utilizing VCARE, KMBS reserves the right to assess an incremental invoicing fee not to exceed twenty five dollars (\$25) per invoice.
9. **SELLER'S AGENTS:** Customer acknowledges that it has been advised that no agent, employee, or representative of KMBS has any authority to bind KMBS to any affirmation, promise, representation, or warranty concerning any of the equipment or services. Unless an affirmation, promise, representation, or warranty is specifically set forth in this Agreement it does not form a basis of this bargain and shall not be enforceable against KMBS.
10. **DISCLAIMER:** This Agreement does not cover service required due to malfunction of parts, attachments, or supplies of non-KMBS manufacture. When the use of a particular supply item may cause machine damage or require excessive servicing, KMBS, upon notice to Customer, will not continue remedial or preventive service for that equipment. By introducing supplies of differing manufacture into the KMBS equipment Customer accepts the responsibility to pay for any remedial or corrective service required. Any alterations, modifications or changes to the equipment by someone other than KMBS, including Customer, may result in termination of this Agreement. Without prior authorization, this Agreement does not apply to any equipment which comes to be at the customer location described on the front side hereof. This Agreement does not apply to any equipment lost or damaged through accident, abuse, misuse, theft, neglect, acts of third parties, fire, water, casualty or any other natural force, and any loss or damage occurring from any of the foregoing is specifically excluded from this Agreement. Customer warrants and represents that the equipment will be used for business purposes, and not for personal, family, or household purposes.
11. **AUTOMATIC RENEWAL:** Service on individual equipment shall automatically be extended for successive one year terms at the rates being charged by KMBS at the time of renewal unless Customer or KMBS provides the other party thirty (30) days written notice before the end of the current term of its liability not to renew this Agreement. Upon renewal, either party may cancel this Agreement, with or without cause, upon thirty (30) days written notice to the other party. Upon cancellation pursuant to this paragraph, Customer will be billed for service through the effective date of cancellation. In the event this Agreement is canceled or not renewed, Customer shall return any unused Consumable Supplies to KMBS. Should the Customer fail to return any unused Consumable Supplies, KMBS reserves the right to charge for any unused Consumable Supplies at the then current rate for such supplies.
12. **ESCALATION:** At the end of the first year of this agreement and once each successive twelve month period, we may increase your payment and the cost per copy charge over the pages included (coverage) by a maximum of 10% of the existing charge.
13. **EARLY TERMINATION CHARGE:** In the event Customer terminates prior to the expiration of the initial term of this Agreement without cause or in the event KMBS terminates this Agreement prior to the end of the initial term due to Customer's material breach, KMBS will bill and Customer will be responsible to pay an early termination charge as liquidated damages, and not as a penalty. Early termination charges will be calculated in the following manner: 1) KMBS will average the three (3) most recent billing periods of KMBS maintenance to arrive at an average maintenance fee; then 2) multiply that figure by the number of remaining billing periods in the remaining unexpired term, and then 3) divide that number by two (2).
14. **NETWORK INTEGRATION:** If Network Integration services are provided by KMBS, Customer warrants that the KMBS Digital Needs Analysis ("DNA") has been accurately completed and KMBS may rely on the information contained in the DNA in providing network integration services. KMBS reserves the right to assess additional charges for service due to Customer's modification of its network, software, or operating system(s).
15. **ASSIGNMENT:** Customer may not assign this Agreement, without KMBS' express written consent. In the event that KMBS assigns or subcontracts any of its obligations under this Agreement, KMBS shall remain primarily responsible to perform those obligations. Any claim or defense Customer may have relating to those obligations must be asserted only against KMBS and not its assignee. KMBS may assign, without notice to Customer, any of its rights under this Agreement.
16. **NOTICES:** All notices required to be given under this Agreement shall be in writing and shall be sent by U.S. first class mail to the parties as follows: To Customer at the address listed on the front of the Agreement and to KMBS, at 100 Williams Drive, Ramsey, NJ 07446, Attention: Office of Direct Administration.
17. **INDEMNIFICATION:** Customer shall bear all risk of theft, loss or damage not caused by KMBS employees or agents, to all equipment delivered and accepted under this Agreement. Customer agrees to indemnify, defend and hold harmless KMBS, its officers, directors, employees and agents from all loss, liability, claims or expenses (including reasonable attorney's fees) arising out of Customer's use of the equipment, including but not limited to liabilities arising from illegal use of KMBS equipment as well as bodily injury, including death, or property damage to any person, unless said injury, death or property damage was caused solely as the result of a negligent or intentional act or omission by KMBS.
18. **WARRANTY:** KMBS WARRANTS THAT THE SERVICES SHALL BE PERFORMED IN ACCORDANCE WITH THE MANUFACTURER'S RECOMMENDATIONS AND SPECIFICATIONS FOR THE EQUIPMENT. KMBS MAKES NO OTHER WARRANTIES WHATSOEVER EXPRESS OR IMPLIED WITH REGARD TO THE SERVICE. THE SOFTWARE INCLUDED WITH THE EQUIPMENT OR ITS INSTALLATION, AND MAINTENANCE, AND EXPRESSLY EXCLUDES ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
19. **REMEDY LIMITATIONS:** The equipment may not be returned to KMBS without KMBS' written consent. CUSTOMER'S EXCLUSIVE REMEDY FOR BREACH OF WARRANTY SHALL BE REPAIR OF THE EQUIPMENT OR REPLACEMENT OF A NONCONFORMING PART, AT THE OPTION OF KMBS. THE PARTIES WAIVE THEIR RESPECTIVE RIGHTS TO SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR PUNITIVE DAMAGES FOR ANY PROVEN BREACH OF THIS AGREEMENT (INCLUDING WARRANTY). THE PARTIES RESERVE THE RIGHT TO RECOVER CONTRACT DAMAGES ALLOWED VIA THIS AGREEMENT. KMBS LIABILITY UNDER THIS AGREEMENT IS LIMITED TO THE COVER DAMAGES ON THE COST OF ALTERNATE MAINTENANCE SERVICES AND/OR CONSUMABLES PURCHASED BY THE CUSTOMER. KMBS SHALL NOT BE LIABLE FOR ANY DAMAGES, INCLUDING BUT NOT LIMITED TO, DAMAGES DUE TO LOSS OF DATA OR INFORMATION OF ANY KIND, LOSS OF OR DAMAGE TO REVENUE PROFITS OR GOODWILL, DAMAGES DUE TO ANY INTERRUPTION OF BUSINESS, DAMAGE TO CUSTOMER'S COMPUTERS OR NETWORKS, EVEN IF KMBS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
20. **APPLICABLE LAW:** This Agreement shall be governed by the laws of the State of <sup>Arizona</sup> ~~New Jersey~~ without regard to choice of law principles. In the event of litigation or other proceedings by KMBS to enforce or defend any term or provision of this Agreement, Customer agrees to pay all costs and expenses sustained by KMBS, including but not limited to, reasonable attorney's fees. Customer further agrees to litigate any dispute concerning this matter in the courts of the state of <sup>Arizona</sup> ~~New Jersey~~, consents to jurisdiction in that forum and waives the right to jury trial.
21. **FORCE MAJEURE:** Neither party shall be responsible for delays or failure in performance of this Agreement (other than failure to make payment) to the extent that such party was hindered in its performance by any act of God, civil commotion, labor disputes, or any other occurrence beyond its reasonable control.
22. **WAIVER & SEVERABILITY:** Failure by KMBS to enforce any provision of the Agreement or any rights hereunder, or failure to exercise any election provided for herein, shall in no way be considered a waiver of such provisions, rights, or elections, or in any way affect the party's right to later enforce or exercise the same or other provisions, rights, or elections it may have under this Agreement. If any provision of this Agreement shall be unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from this Agreement and shall not affect the validity and enforceability of the remaining provisions of this Agreement.
23. **ORIGINAL DOCUMENT:** Customer further agrees (a) that facsimile or electronic signatures shall be accepted as original signatures; and (b) that this Agreement or any document created pursuant to this Agreement, may be maintained in an electronic document storage and retrieval system, a copy of which shall be considered an original. KMBS may accept orders electronically from Customer pursuant to this Agreement. Neither party shall raise any objection to the authenticity of this Agreement or any document created hereunder, based on either the use of a facsimile signature or the use of a copy retrieved from an electronic storage system.
24. **SUPPLIES INCLUDED IN THE BASE/FRONT CHARGE:** If this option has been selected, KMBS (or designated service) will provide Customer with certain types and quantities of Consumable Supplies. Consumable Supplies are defined as the toner, developer, copy cartridge and FM kits necessary to ensure that the equipment operates within the equipment specifications throughout the term of this Agreement. Customer agrees that the Consumable Supplies are KMBS property until used by Customer. Customer will use Consumable Supplies only with the contracted equipment and return them to their case-function point. Customer shall not remove the Consumable Supplies from the location designated as Customer's address on the first page of this Agreement. Customer shall not sell, reuse or otherwise transfer any Consumable Supplies to any other entity. Customer will return any unused Consumable Supplies to KMBS at the end of this Agreement. Customer shall use reasonable care to store and protect KMBS Consumable Supplies located at Customer's location for Customer's convenience. Customer bears risk of loss of KMBS unused Consumable Supplies in the event of theft, fire or other mishap. Should Customer's use of Consumable Supplies exceed the Manufacturer Recommended Yield for the applicable unit by more than 5% in any given month, or should KMBS, in its reasonable discretion, determine that Consumable Supplies are being used in any fashion, Customer agrees that KMBS shall have the right to charge for any such excess or improper usage. The Manufacturer's Recommended Yield for the Consumable Supplies are set forth in <sup>http://www.konicaminolta.us</sup> ~~http://www.konicaminolta.com~~, Audit Rights. During the term of this Agreement and during the 60 day period immediately following the term, KMBS shall have the right, upon reasonable notice or in connection with a maintenance call, to audit Customer's usage of Consumable Supplies. The audit will be conducted by comparing the records generated by the equipment to the Manufacturer's Recommended Yield. If the audit reveals that Customer has exceeded the Manufacturer's Recommended Yield for the applicable unit, then Customer shall promptly pay to KMBS an amount for the excess Consumable Supplies usage, based on the then current rate for the applicable Consumable Supply. KMBS reserves the right to charge Customer for shipping and handling charges incurred by KMBS for the delivery of any excess Consumable Supplies delivered to Customer.
25. **Signature and Acknowledgment:** *The Signature and Acknowledgment are this document are*  
This Agreement is made between Customer and KMBS on the subject matter hereof and supersedes any proposal or price agreement, oral or written, or any other communications relating to maintenance services for KMBS equipment and it may not be released, discharged, changed, or modified except by an instrument in writing signed by a duly authorized representative of each party. Customer agrees that any Purchase Order or other documentation issued to KMBS covering the equipment or maintenance is issued for purpose of authorization and Customer's internal use only, and any terms and conditions contained therein shall not modify or add to the terms and conditions of the Agreement. This Agreement will not be effective until accepted by an authorized representative of KMBS. Notice of acceptance is hereby waived by Customer.
26. **ON-SITE SUPPORT SERVICE (OSS):** If this option has been selected, OSS provides Customer access to KMBS Digital Solution Center (DSC) telephonically or by electronic access. OSS includes technical support on items specified on the OSS Supported Products List including Digital Multi-Function Devices, General Office Applications, Graphic and Design Applications and Desktop Operating Systems. Customer may access expert level support by telephone or electronically. DSC support is available during the hours of 8:00 a.m. to 6:00 p.m. Eastern Time, Monday through Friday, excluding KMBS observed holidays. DSC fees are subject to change by KMBS. Customer system(s) must be in good working condition. OSS does not include parts or labor related to network/computer problems not directly involved in the printing or scanning network or fax workflow. Customer network changes, attachments or additions may require additional OSS charges. KMBS reserves the right to terminate OSS services in the event that any of Customer changes, attachments or modifications makes it impractical for KMBS to provide OSS. Customer is responsible for performing normal operator functions, system backups, virus scans, and network security functions on a regular basis.

