



Total Image Management Agreement

United Business Machines of Washington, Inc.
 11050 118th Place NE Kirkland, WA 98033
 (P) 800-544-4120 (F) 425-827-2672
 www.ubmofwa.com

Customer Information

Bill To: Wells Fargo

Ship To: City of Tenino
 149 S. Hodgen
 Tenino, WA 98589

AP Contact: Jen Scharber, Treasurer
 360-264-2368
 jscharber@cityoftenino.org

EQ Contact: Jen Scharber, Treasurer
 360-264-2368
jscharber@cityoftenino.org

Sales Rep: Rich Fisher

QTY	Description	Serial Number
1	Kyocera TASKalfa 4054ci	
1	DP7160 320 Sheet Document Feeder	
1	DF7140 4,000 Sheet Finisher	
1	BF730 Booklet Tri-Folder	
1	Fax System 12	
1	AK7110 Attachment Kit	

Notes
New lease 450-0124903-000
Terminates existing lease 450-7562763-004, UBM will store and assume all shipping cost of equipment back to the leasing company.
UBM will sanitize the HDD prior to shipment back to the lease company.

Lease Term: 60 Minimum Monthly Payment: \$420.00 plus tax Additional Images Billed: Monthly

Model	Serial Number	ID #	Start Meter	Type	Copy Allowance	Additional Images
Kyocera TA4054ci			0	B & W	2,500	0.01200
			0	Color	1,000	0.06500
				B & W		
				Color		
				B & W		
				Color		

Machine Order Authorization

By signing this Contract, you agree and acknowledge: (1) this is a binding contract and it is NON-CANCELABLE; (2) you have read and fully understand the terms and conditions printed on the reverse side; (3) no verbal, or implied changes will be valid unless identified on this contract. By executing this agreement, I acknowledge that I have read and fully understand this agreement and certify that I am authorized to execute this agreement.

Authorized Customer Signature _____ Title _____ Date _____ Print Name _____

UBM Authorized Signature _____ Title _____ Date _____ Print Name _____

us for all personal property and other similar taxes and governmental charges associated with the ownership, possession or use of the Equipment when billed by the jurisdictions; or (2) remit to us each month our estimate of the pro-rated equivalent of such taxes and governmental charges. In the event that the Billing Period sums includes a separately stated estimate of personal property and other similar taxes, you acknowledge and agree that such amount represents our estimate of such taxes that will be payable with respect to the Equipment during the Term. As compensation for our internal and external costs in the administration of taxes related to each unit of Equipment, you agree to pay us a "Tax Administrative Fee" equal to \$12 per unit of Equipment per year during the Term, not to exceed the maximum permitted by applicable law. The Tax Administrative Fee, at our sole discretion, may be increased by an amount not exceeding 10% thereof for each subsequent year of the Term to reflect our increased cost of administration and we will notify you of any such increase by indicating such increased amount in the relevant invoice or in such other manner as we deem appropriate. We may take on your behalf any action required under this Agreement which you fail to take, and upon receipt of our invoice you will promptly pay our costs (including insurance premiums and other payments to affiliates), plus reasonable processing fees. Restrictive endorsements on checks you send to us will not reduce your obligations to us. We may charge you a return check or non-sufficient funds charge of \$25 for any check which is returned by the bank for any reason (not to exceed the maximum amount permitted by law). You agree to pay a monthly Fuel/Freight Fee, specified on page 1 of this Agreement, which will be remitted by us to the Supplier.

4. **LATE CHARGES.** For any payment which is not received within three (3) days of its due date, you agree to pay a late charge not to exceed the higher of 10% of the amount due or \$35 (not to exceed the maximum amount permitted by law) as reasonable collection costs.

5. **MAINTENANCE AND SERVICE; OWNERSHIP AND USE.** The Supplier identified on page 1 of this Agreement ("Supplier") has agreed to provide FULL SERVICE MAINTENANCE DURING NORMAL BUSINESS HOURS, INCLUDING ALL TONER, DEVELOPER AND PARTS NECESSARY TO PRODUCE IMAGES. YOU MUST PURCHASE COPIER PAPER AND STAPLES SEPARATELY. You acknowledge that: (a) the Supplier is solely responsible for all service maintenance of the Equipment set forth herein; (b) in the event that we assign this Agreement, our assignee (1) shall not be responsible for any service, repair or maintenance of the Equipment; and (2) will bill (on a pass through basis) on behalf of Supplier any applicable Excess Per Image Charges and the portion of the Minimum Payment attributable to service maintenance of the Equipment, whether "Service Only" or not; and (c) no assignee of us shall be a party to any service maintenance agreement. You agree to pay for service maintenance outside of the Supplier's normal business hours for service required by your negligence or misuse of the Equipment at Supplier's customary rates. We reserve a security interest in the Equipment to secure all of your obligations under this Agreement. We own the Equipment and you have the right to use the Equipment under the terms of this Agreement. If this Agreement is deemed to be a secured transaction, you grant us a first priority security interest in the Equipment to secure all of your obligations under this Agreement. We hereby assign to you all our rights under any manufacturer and/or supplier warranties, so long as you are not in default hereunder. You must keep the Equipment free of liens. You may not remove the Equipment from the address indicated on page 1 of this Agreement without first obtaining our approval. You agree to: (a) keep the Equipment in your exclusive control and possession; (b) use the Equipment in conformity with all insurance requirements, manufacturer's instructions and manuals; (c) keep the Equipment repaired and maintained in good working order and as required by the manufacturer's warranty and specifications; and (d) give us reasonable access to inspect the Equipment and its maintenance and other records. If any Equipment is designated "Service Only", you acknowledge and agree that: (1) we do not own such Equipment; (2) we are not providing such Equipment to you pursuant to the terms of this Agreement; (3) Supplier has agreed to provide full service maintenance of such Equipment pursuant to the terms outlined above; and (4) the portion of the Minimum Payment which relates to such Equipment includes only the full service maintenance of such Equipment and not the use or rental of the Equipment.

6. **INDEMNITY.** You are responsible for all losses, damages, claims, infringement claims, injuries and attorneys' fees and costs, including, without limitation, those incurred in connection with responding to subpoenas, third party or otherwise ("Claims"), incurred or asserted by any person, in any manner relating to the Equipment, including its use, condition or possession. You agree to defend and indemnify us against all Claims, although we reserve the right to control the defense and to select or approve defense counsel. This indemnity continues beyond the termination of this Agreement for acts or omissions which occurred during the Term of this Agreement. You also agree that this Agreement has been entered into on the assumption that we are the owner of the Equipment for U.S. federal income tax purposes and will be entitled to certain U.S. federal income tax benefits available to the owner of the Equipment. You agree to indemnify us for the loss of any U.S. federal income tax benefits resulting from the failure of any assumptions in this Agreement to be correct or caused by your acts or omissions inconsistent with such assumption or this Agreement. In the event of any such loss, we may increase the Minimum Payments and other amounts due to offset any such adverse effect.

7. **LOSS OR DAMAGE.** If any item of Equipment is lost, stolen or damaged you will, at your option and cost, either: (a) repair the item or replace the item with a comparable item reasonably acceptable to us; or (b) pay us the sum of: (i) all past due and current Minimum Payments, Excess Per Image Charges and other charges; (ii) the present value of all remaining Minimum Payments and other charges for the effected item(s) of Equipment, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher); and (iii) the Fair Market Value of the effected item(s) of Equipment. We will then transfer to you all our right, title and interest in the effected item(s) of Equipment AS-IS AND WHERE-IS, WITHOUT ANY WARRANTY AS TO CONDITION, TITLE OR VALUE. Insurance proceeds shall be applied toward repair, replacement or payment hereunder, as applicable. In this Agreement, "Fair Market Value" of the Equipment means its fair market value at the end of the Term, assuming good order and condition (except for ordinary wear and tear from normal use), as estimated by us. No such loss or damage shall relieve you of your payment obligations hereunder.

8. **INSURANCE.** You agree, at your cost, to: (a) keep the Equipment insured against all risks of physical loss or damage for its full replacement value, naming us as loss payee; and (b) maintain public liability insurance, covering personal injury and Equipment damage for not less than \$300,000 per occurrence, naming us as additional insured. The policy must be issued by an insurance carrier acceptable to us, must provide us with not less than 15 days' prior written notice of cancellation, non-renewal or amendment, and must provide deductible amounts acceptable to us. If you do not provide acceptable insurance, we have the right but no obligation to obtain insurance covering our interest (and only our interest) in the Equipment for the Agreement Term and any renewals. Any insurance we obtain will not insure you against third party or liability claims and may not be cancelled at any time. In the event that we elect to obtain such insurance, you will be required to pay us an additional amount each Billing Period for the cost of such insurance and an administrative fee, the cost of which insurance and administrative fee may be more than the cost to obtain your own insurance and on which we may make a profit.

9. **DEFAULT.** You will be in default under this Agreement if: (a) you fail to remit to us any payment within ten (10) days of the due date or breach any other obligation under this Agreement; (b) a petition is filed by or against you or any guarantor under any bankruptcy or insolvency law; (c) any representation made by you is false or misleading in any material respect; (d) you become insolvent, are liquidated or dissolved, merge, transfer a material portion of your ownership interest or assets, stop doing business, or assign rights or property for the benefit of creditors; or (e) you default under any other agreement with us or our assignees.

10. **REMEDIES.** If you default, we may do one or more of the following: (a) recover from you, AS LIQUIDATED DAMAGES FOR LOSS OF BARGAIN AND NOT AS A PENALTY, the sum of: (i) all past due and current Minimum Payments, Excess Per Image Charges and other charges; (ii) the present value of all remaining Minimum Payments, Excess Per Image Charges and other charges, discounted at the rate of 6% per annum (or the lowest rate permitted by law, whichever is higher); and (iii) the Fair Market Value of the Equipment; (b) declare any other agreements between us in default; (c) require you to return all of the Equipment in the manner outlined in Section 11, or take possession of the Equipment, in which case we shall not be held responsible for any losses directly or indirectly arising out of, or by reason of the presence and/or use of any and all proprietary information residing on or within the Equipment, and to lease or sell the Equipment or any portion thereof, and to apply the proceeds, less reasonable selling and administrative expenses, to the amounts due hereunder; (d) charge you interest on all amounts due us from the due date until paid at the rate of 1-1/2% per month, but in no event more than the lawful maximum rate; and (e) charge you for expenses incurred in connection with the enforcement of our remedies including, without limitation, repossession, repair and collection costs, attorneys' fees and court costs. These remedies are cumulative, are in addition to any other remedies provided for by law, and may be exercised concurrently or separately. Any failure or delay by us to exercise any right shall not operate as a waiver of any other right or future right.

11. **END OF TERM OPTIONS; RETURN OF EQUIPMENT.** If you are not in default, at least 30 days prior to the end of the Term (or the Renewal Term) you shall give us written notice of your intention at the end of the Term (or the Renewal Term) which election cannot be revoked, to return all, but not less than all, of the Equipment. IF YOU FAIL TO PROVIDE US WITH SUCH 30 DAY PRIOR WRITTEN NOTICE, OR HAVING NOTIFIED US, YOU FAIL TO RETURN THE EQUIPMENT, THE TERM OF THIS AGREEMENT SHALL AUTOMATICALLY RENEW ON A MONTH-TO-MONTH BASIS (THE "RENEWAL TERM") and all of the provisions of this Agreement shall continue to apply, including, without limitation, your obligations to remit Minimum Payments, Excess Per Image Charges and other charges, until all of the Equipment is returned to us (either because we demand return of the Equipment or you decide to return the Equipment). If you are in default, (or a non-appropriation of funds occurs) or at the end of the Term (or the Renewal Term), you shall: (1) return all of the Equipment, freight and insurance prepaid at your cost and risk, to wherever we indicate in the continental United States, with all manuals and logs, in good order and condition (except for ordinary wear and tear from normal use), packed per the shipping company's specifications; and (2) securely remove all data from any and all disk drives or magnetic media prior to returning the Equipment (and you are solely responsible for selecting an appropriate removal standard that meets your business needs and complies with applicable laws). You will pay us for any loss in value resulting from the failure to maintain the Equipment in accordance with this Agreement or for damages incurred in shipping and handling.

12. **ASSIGNMENT.** You may not assign or dispose of any rights or obligations under this Agreement or sublease the Equipment without our prior written consent. We may, without notifying you: (a) assign all or any portion of this Agreement or our interest in the Equipment; and (b) release information we have about you and this Agreement to the manufacturer, Supplier or any prospective investor, participant or purchaser of this Agreement. If we do make an assignment under subsection 12(a) above, our assignee will have all of our rights under this Agreement, but none of our obligations. You agree not to assert against our assignee claims, offsets or defenses you may have against us.

13. **MISCELLANEOUS.** Notices must be in writing and will be deemed given five (5) days after mailing to your (or our) business address. You represent that: (a) you are the entity indicated in this Agreement; (b) any documents required to be delivered in connection with this Agreement (collectively, the "Documents") have been duly authorized by you in accordance with all applicable laws, rules, ordinances and regulations; (c) the Documents are valid, legal, binding agreements, enforceable in accordance with their terms and the person(s) signing the Documents have the authority to do so, are acting with the full authorization of your governing body, and hold the offices indicated below their signatures; (d) the Equipment is essential to the immediate performance of a governmental or proprietary function by you within the scope of your authority and shall be used during the Term only by you and only to perform such function; (e) you intend to use the Equipment for the entire Term and shall take all necessary action to include in your annual budget any funds required to fulfill your obligations each fiscal period during the Term; (f) you have complied fully with all applicable law governing open meetings, public bidding and appropriations, required in connection with this Agreement and the debt under applicable state law; (g) your obligations to remit Minimum Payments under this Agreement constitutes a current expense and not a debt under applicable state law; (h) this Agreement is binding on you and your successors and assigns; and (i) all financial information you have provided is true and a reasonable representation of your financial condition. This Agreement: (i) constitutes the entire agreement of the parties with respect to the subject matter thereof; (ii) supersedes all other writings, communications, understandings, agreements, purchase orders, solicitation documents (including, without limitation, any request for proposal and responses thereto and other related documents (together, the "Bid Documents")) and representations, express or implied ("Prior Understandings"), and may not be contradicted or amended by Prior Understandings; and (iii) may be amended or modified only by written documents duly authorized, executed and delivered by the parties. This Agreement is binding on you and your successors and assigns. You authorize us, our agent or our assignee to: (a) obtain credit reports and make credit inquiries; (b) furnish your information, including credit application, payment history and account information, to credit reporting agencies and our assignees, potential purchasers or investors, and parties having an economic interest in this Agreement or the Equipment, including, without limitation, the seller, Supplier or any manufacturer of the Equipment; and (c) you irrevocably grant us the power to prepare, sign on your behalf (if applicable), and file, electronically or otherwise, Uniform Commercial Code ("UCC") financing statements and any amendments thereto or continuation thereof relating to the Equipment, and containing any other information required by the applicable UCC. Any claim you have against us must be made within two (2) years after the event which caused it. If a court finds any provision of this Agreement to be unenforceable, all other terms shall remain in effect and enforceable. You authorize us to insert or correct missing information on this Agreement, including your proper legal name, serial numbers and any other information describing the Equipment. If you so request, and we permit the early termination of this Agreement, you agree to pay a fee for such privilege. THE PARTIES INTEND THIS TO BE A "FINANCE LEASE" UNDER ARTICLE 2A OF THE UCC. YOU WAIVE ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A OF THE UCC. YOU FURTHER HEREBY ACKNOWLEDGE AND AGREE THAT WE AND/OR THE SUPPLIER MAY MAKE A PROFIT ON ANY AND ALL FEES REFERENCED HEREIN AND, IN SO DOING WAIVE ANY AND ALL CLAIM WHICH YOU MAY HAVE FOR UNJUST ENRICHMENT. We may receive compensation from the manufacturer and/or Supplier of the Equipment in order to enable us to reduce the cost of this Agreement below what we otherwise would charge. If we received such compensation, the reduction in the cost of this Agreement is reflected in the Minimum Payment.

14. **ELECTRONIC TRANSMISSION OF DOCUMENTATION.** This Agreement may be executed in counterparts. The executed counterpart which has our original signature and/or is in our possession shall constitute chattel paper as that term is defined in the UCC and shall constitute the original agreement for all purposes, including, without limitation: (i) any hearing, trial or proceeding with respect to this Agreement; and (ii) any determination as to which version of this Agreement constitutes the single true original item of chattel paper under the UCC. If you sign and transmit this Agreement to us by facsimile or other electronic transmission, the transmitted copy shall be binding upon the parties. You agree that the facsimile or other electronic transmission of this Agreement manually signed by us, when attached to the facsimile or other electronic copy signed by you, shall constitute the original agreement for all purposes. The parties further agree that, for purposes of executing this Agreement, and subject to our prior approval and at our sole discretion: (a) a document signed and transmitted by facsimile or other electronic transmission shall be treated as an original document; (b) the signature of any party on such document shall be considered as an original signature; (c) the document transmitted shall have the same effect as a counterpart thereof containing original signatures; and (d) at our request, you, who executed this Agreement and transmitted its signature by facsimile or other electronic transmission shall provide the counterpart of this Agreement containing your original manual signature to us. No party may raise as a defense to the enforcement of this Agreement that a facsimile or other electronic transmission was used to transmit any signature of a party to this Agreement.



Maintenance Agreement

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 (P) 800-544-4120 (F) 425-827-2672
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Customer Information

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 149 S. Hodgen
 Tenino, WA 98589
AP Contact: Jen Scharber, Treasurer **EQ Contact:** Jen Scharber, Treasurer
 360-264-2368 360-264-2368
 jscharber@cityoftenino.org jscharber@cityoftenino.org

EQUIPMENT / COVERAGE / TERMS

Program Type: Full **Meter Collection Method:** FM Audit
Contract Start Date: Same as lease **Base Billing Cycle:** Monthly **Lease Reference #:** See Notes
Contract End Date: Same as lease **Additional Image Cycle:** Monthly **Base Cost:** NA

Model	Serial Number	ID #	Start Meter	Type	Base Allowance	Additional Images
Kyocera TA4054ci			0	B & W	2,500	\$0.012000
			0	Color	1,000	\$0.065000
				B & W		
				Color		
				B & W		
				Color		
				B & W		
				Color		
				B & W		
				Color		

Special Instructions / Notes
 Lease number 450-0124903-000

AUTHORIZATION

By signing this Contract, you agree and acknowledge: (1) this is a binding contract and it is NON-CANCELABLE; (2) you have read and fully understand the terms and conditions printed on the reverse side; (3) no verbal, or implied changes will be valid unless identified on this contract. By executing this agreement, I acknowledge that I have read and fully understand this agreement and certify that I am authorized to execute this agreement.

Authorized Customer Signature _____ Title _____ Date _____ Print Name _____
 UBM Authorized Signature _____ Title _____ Date _____ Print Name _____

Service & Supply Contract Terms and Conditions

AGREEMENT: References made to "UBM" or "Seller" shall mean United Business Machines of Washington, Inc., its' subsidiaries and any registered trade names. References made to "You", "Your" or "Customer" shall mean the entity listed on this contract or invoice. You appoint UBM and UBM accepts the appointment to provide the services described in this contract, with respect to the equipment listed on this contract or as listed on an attached equipment schedule.

TERMS: This contract shall be in effect upon customer's execution which is described as signature, payment or receipt of material goods or services. The initial term of this agreement shall be one (1) year commencing as of the date hereof. Thereafter, the term of this agreement shall automatically renew for successive one year terms unless one party provides written notice to the other party at least thirty (30) days in advance of the end of the then existing term that they do not wish to renew the term of this agreement.

PAYMENT: Payments for services provided under this contract will be made in advance or in accordance with the agreed upon billing cycle. All payments will be due thirty (30) days from the invoice date. Customer agrees to pay UBM the minimum payment as agreed upon, as well as for any additional images produced under this agreement in accordance with the agreed upon billing cycle. UBM may increase the service rate each year during any term by an amount not to exceed 10% of such charge.

FULL CONTRACT COVERAGE: UBM agrees to provide the following: (a) Parts found defective or worn as a result of normal equipment use; (b) Labor to repair and properly maintain the equipment; (c) Performance of all preventative maintenance at intervals specified by the manufacturer or by UBM; (d) Replacement of photoconductors and other consumable items found defective or worn as a result of normal use; (e) Toner in accordance with manufacture's yields; (f) Factory recommended retrofits and updates; (g) Provision of loaner equipment, at no extra charge, in the event the equipment cannot be repaired within three (3) business days or requires shop work to repair.

INCLUSIVE CONTRACT COVERAGE: UBM agrees to provide the following: (a) Parts found defective or worn as a result of normal equipment use; (b) Labor to repair and properly maintain the equipment; (c) Performance of all preventative maintenance at intervals specified by the manufacturer or by UBM; (d) Replacement of photoconductors and other consumable items found defective or worn as a result of normal use; (e) Factory recommended retrofits and updates.

STANDARD CONTRACT COVERAGE: UBM agrees to provide the following: (a) Parts found defective or worn as a result of normal equipment use; (b) Labor to repair and properly maintain the equipment; (c) Factory recommended retrofits and updates.

BASIC CONTRACT COVERAGE: UBM agrees to provide the following: (a) Labor to repair and properly maintain the equipment; (b) Factory recommended retrofits and updates.

For all contracts identified above, service may include reasonable use of Customer's image allotments and materials for repair. If applicable, items included in the contract including toner, will be supplied based upon the manufacturer's yield, excess usage of any item may be billed to You at UBM's current retail price. Service performed by UBM under this Agreement will be performed during the hours of 8 a.m. to 5 p.m., Monday through Friday, excluding holidays. All parts are furnished on an exchange basis; replaced parts become the property of UBM. If a contract is not renewed, Customer is responsible for returning all unused supplies to any UBM office location. If supplies are not returned within 30 days of non-renewal, UBM will invoice Customer for the retail value of supplies.

EXCLUSIONS: The following items are excluded from all contracts except as otherwise specified: (a) Paper, staples, and network support; (b) The repair of damage or the replacement of maintenance parts caused by accident, disaster, neglect, abuse or misuse of the machine; (c) The use of parts, supplies, components, modifications or personnel to affect repairs on the machine not approved by UBM as 'suitable' for your particular machine(s); (d) Transportation or re-location; (e) Re-location of machine(s) outside UBM authorized servicing area; (f) Service calls caused by any additions to, or changes to the customer's computer or network environment. Customer's network is defined as anything on the network side of the cable connecting the machine to the local area network. If customer network service is required, those services can be provided by UBM on a billable basis at the prevailing hourly rate.

STANDARD LIMITED WARRANTY: UBM warrants new equipment to be free of defect in materials and workmanship for a period of 90 days from installation. This warranty does not extend to replacement of supply items or consumables. For purposes of this paragraph, new equipment shall be defined as equipment with usage up to 10,000 total images.

RESPONSE TIME: UBM guarantees a four hour average response time for emergency services on equipment that is within a forty mile driving distance of any UBM office (excludes equipment located on islands or requiring ferry travel). If UBM does not achieve the guaranteed response time for the current contract term, upon written request, Customer will receive up to a \$100.00 credit towards Customer's future service or supply purchase from UBM.

SENSITIVE DATA: Customer shall make arrangements to protect or remove sensitive and private data that may become stored on Customer's equipment. While UBM may provide options for data removal and protection, Customer is solely responsible for selecting an appropriate data removal standard that meets Customer's business needs. UBM is not recommending any particular option, and UBM is not liable for damages arising from Customer's failure to fully remove and protect its data. Please note that regardless of which standard Customer chooses, Customer must return leased equipment in full working order at the end of any lease term.

MISCELLANEOUS: This contract shall be governed by and construed in accordance with State of Washington law, without giving effect to any principle of conflicts of law or choice of law that would otherwise make the law of any other jurisdiction govern this contract. Any liability that would result in doing business under the terms of this contract will in all cases be limited to the amount paid by the customer to UBM. The parties agree that the venue for any legal action arising out of the contract shall be in King County, Washington. In the event of collections, litigation or other proceedings by seller to enforce or defend any term or provision of this contract, customer agrees to pay all costs and expenses sustained by seller, including but not limited to, collection fees and reasonable attorney's fees. Seller may assign its rights and obligations under this contract without obtaining your permission. Limits of liability shall not exceed the total compensation received under this contract.

YOUR OBLIGATIONS: Throughout the term of this contract you shall (1) monitor the machine operation and notify UBM if you determine that the equipment is in need of repair (2) permit UBM to enter the property where the equipment is located to inspect it at any reasonable time (3) provide UBM with a reasonable amount of space to make necessary inspections or repairs (4) supply required electrical power (5) take responsibility for the daily maintenance of equipment, to include (a) replacing toner and waste toner bottle as needed (b) keeping the glass clean (c) having proper supply inventory (d) removal of occasional paper mis-feeds and (e) provide UBM with accurate meter readings for billing. If you do not supply UBM with the requested meter information, or use UBM's approved meter collection software, UBM will estimate your meters, or send a UBM representative to your location to retrieve the information at your expense.

X _____

EQUIPMENT DESCRIPTION		
Equipment MFG Model & Description <u>Kyocera TASKalfa 4054ci</u>	Serial Number	Accessories <u>DP7160.DF7140.BF730</u> <u>Fax Sys 12,Stand</u>
<input type="checkbox"/> See attached schedule for additional Equipment / Accessories		
Billing Address: <u>149 S. Hodgen, Tenino WA 98589</u>		
Equipment Location: <u>Same</u>		
SUPPLIER		
United Business Machines of Washington, Inc. 11050 118 th Place NE Kirkland, WA 98033		
TRANSACTION TERMS		
Term: <u>60</u> (months) Minimum Monthly Payment: <u>\$420.00</u> (plus applicable taxes) Excess Per Image Billing Preference (monthly if not checked) <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annually <input type="checkbox"/> Annually Document Fee: \$75.00 (included on first invoice) Supplier Fuel/Freight Fee: <u>\$0.00</u> per month (Not to exceed \$75.00 per month) The following additional payments are due on the date this Agreement is signed by you: Advance Payment: <u>\$0.00</u> (plus applicable taxes) Applied to: <input type="checkbox"/> First <input type="checkbox"/> Last		
Image Type	Minimum Number of Images	Excess Per Image Charge
Black and White	2,500	.012
Color	1,000	.065

YOU HAVE SELECTED THE EQUIPMENT, THE SUPPLIER AND ITS REPRESENTATIVES ARE NOT AGENTS OF ANY ASSIGNEE OF OWNER AND ARE NOT AUTHORIZED TO MODIFY THE TERMS OF THIS AGREEMENT. YOU ARE AWARE OF THE NAME OF THE MANUFACTURER OF EACH ITEM OF EQUIPMENT AND YOU WILL CONTACT EACH MANUFACTURER FOR A DESCRIPTION OF YOUR WARRANTY RIGHTS. WE MAKE NO WARRANTIES TO YOU, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY OR OTHERWISE. WE PROVIDE THE EQUIPMENT TO YOU AS-IS. YOU AGREE TO USE THE EQUIPMENT ONLY IN THE LAWFUL CONDUCT OF YOUR BUSINESS, AND NOT FOR PERSONAL, HOUSEHOLD OR FAMILY PURPOSES. WE SHALL NOT BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES. WE MAKE NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE LEGAL, TAX OR ACCOUNTING TREATMENT OF THIS AGREEMENT AND YOU ACKNOWLEDGE THAT WE ARE AN INDEPENDENT CONTRACTOR AND NOT A FIDUCIARY OF CUSTOMER. YOU WILL OBTAIN YOUR OWN LEGAL, TAX AND ACCOUNTING ADVICE RELATED TO THIS AGREEMENT AND WILL MAKE YOUR OWN DETERMINATION OF THE PROPER AGREEMENT TERM FOR ACCOUNTING PURPOSES. EXCEPT TO THE EXTENT PROVIDED IN SECTION 2, YOUR PAYMENT OBLIGATIONS ARE ABSOLUTE AND UNCONDITIONAL AND ARE NOT SUBJECT TO CANCELLATION, REDUCTION OR SETOFF FOR ANY REASON WHATSOEVER. BOTH PARTIES AGREE TO WAIVE ALL RIGHTS TO A JURY TRIAL. THIS AGREEMENT SHALL BE DEEMED FULLY EXECUTED AND PERFORMED IN THE STATE OF CUSTOMER'S PRINCIPAL PLACE OF BUSINESS AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SUCH LAWS. YOU HEREBY IRREVOCABLY SUBMIT GENERALLY AND UNCONDITIONALLY TO THE JURISDICTION OF ANY SUCH COURT SO ELECTED BY THE OWNER OR ITS ASSIGNEE IN RELATION TO SUCH MATTERS. TO HELP THE GOVERNMENT FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, FEDERAL LAW REQUIRES ALL FINANCIAL INSTITUTIONS TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES EACH PERSON WHO OPENS AN ACCOUNT. WHAT THIS MEANS TO YOU: WHEN YOU OPEN AN ACCOUNT, WE WILL ASK FOR YOUR NAME, ADDRESS AND OTHER INFORMATION THAT WILL ALLOW US TO IDENTIFY YOU. WE MAY ALSO ASK TO SEE IDENTIFYING DOCUMENTS. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE RECEIPT OF PAGES 1 AND 2 OF THIS AGREEMENT AND AGREE TO THE TERMS OF PAGES 1 AND 2. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU AND US FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

TERMS AND CONDITIONS

1. **COMMENCEMENT OF AGREEMENT.** Commencement of this Agreement and acceptance of the Equipment shall occur upon delivery of the Equipment to you ("Commencement Date"). To the extent that the Equipment includes intangible property or associated services such as periodic software licenses and prepaid database subscription rights, such intangible property shall be referred to as "Software". You understand and agree that we have no right, title or interest in the Software and you will comply throughout the Term of this Agreement with any license and/or other agreement ("Software License") entered into with the supplier of the Software ("Software Supplier"). You are responsible for entering into any Software License with the Software Supplier no later than the Commencement Date of this Agreement. You agree to inspect the Equipment upon delivery and verify by telephone or in writing such information as we may require. The Equipment is accepted by you under this Agreement unless you notify us within three (3) days of delivery that you do not accept the Equipment and specify the defect or malfunction. In that event, we will replace the defective item of Equipment or cancel this Agreement and you will assume all our rights under any purchase order or agreement entered into by us to buy the Equipment. If you signed a purchase order or similar agreement for the purchase of the Equipment, by signing this Agreement you assign to us all of your rights, but none of your obligations under it. All attachments, accessories, replacements, replacement parts, substitutions, additions and repairs to the Equipment shall form part of the Equipment under this Agreement.
2. **IMAGE CHARGES.** Each month during the Term of this Agreement, you agree to remit to us the Minimum Monthly Payment ("Minimum Payment") and all other sums when due and payable at the address we provide to you from time to time. In return for the Minimum Payment, you are entitled to produce the Minimum Number of Images for each applicable Image Type each month. You agree that you will remit payments to us in the form of company checks (or personal checks in the case of sole proprietorships), direct debit or wires only. You also agree cash and cash equivalents are not acceptable forms of payment for this Agreement and that you will not remit such forms of payment to us. Payment in any other form may delay processing or be returned to you. Furthermore, only you or your authorized agent as approved by us will remit payments to us. Minimum Payments will include any freight, delivery, installation and other expenses we finance on your behalf at your request. You also agree to pay us the applicable Excess Per Image Charge (plus applicable taxes) for each metered image that exceeds the applicable Minimum Number of Images. We may estimate the number of images produced if you do not provide us with meter readings within seven (7) days of request. We will adjust the estimated charge for excess images upon receipt of actual meter readings. Notwithstanding any adjustments, you will never pay us less than the Minimum Payment. You agree that after the first twelve (12) months of the Term (or any extension or renewal) of this Agreement, and at the end of each following twelve (12) month period thereafter, the Minimum Payments and Excess Per Image Charges may be increased by an amount equal to the lesser of: (a) up to 15% of the Minimum Payments and Excess Per Image Charges in effect at the end of the prior twelve (12) month period; or (b) the maximum percentage permitted by applicable law. At our option, you will: (a) provide us by telephone or facsimile the actual meter readings when requested by us; (b) provide us (or our agent) access to the Equipment to obtain meter readings; or (c) allow us (or our agent) to attach an automatic meter reading device to the Equipment. We may audit any automatic meter reading device periodically. Minimum Payments are due whether or not you receive an invoice. If you have a dispute with the Supplier regarding the Equipment or any service, repair or maintenance of the Equipment (including without limitation, any Equipment designated "Service Only"), you shall continue to pay us all Minimum Payments and Excess Per Image Charges without deduction or withholding of any amounts. You authorize us to adjust the Minimum Payments by not more than 15% to reflect any reconfiguration of the Equipment or adjustments to reflect applicable sales taxes or the cost of the Equipment by the manufacturer and/or Supplier.
- NON-APPROPRIATION OF FUNDS.** You intend to remit to us all Minimum Payments and other payments for the full Term if funds are legally available. In the event you are not granted an appropriation of funds at any time during the Term for the Equipment or for equipment which is functionally similar to the Equipment and operating funds are not otherwise available to you to pay Minimum Payments and other payments due and to become due under this Agreement, and there is no other legal procedure or available funds by or with which payment can be made to us, and the non-appropriation did not result from an act or omission by you, you shall have the right to return the Equipment in accordance with Section 11 of this Agreement and terminate this Agreement on the last day of the fiscal period for which appropriations were received without penalty or expense to you, except as to the portion of the Minimum Payments for which funds shall have been appropriated and budgeted. At least thirty (30) days prior to the end of your fiscal period, your chief executive officer (or legal counsel) shall certify in writing that: (a) funds have not been appropriated for the fiscal period; (b) such non-appropriation did not result from any act or failure to act by you; and (c) you have exhausted all funds legally available to pay Minimum Payments. If you terminate this Agreement because of a non-appropriation of funds, you may not purchase, lease or rent, during the subsequent fiscal period, equipment performing the same functions as, or functions taking the place of, those performed by the Equipment provided, however, that these restrictions shall not be applicable if or to the extent that the application of these restrictions would affect the validity of this Agreement. This Section 2 shall not permit you to terminate this Agreement in order to acquire any other Equipment or to allocate funds directly or indirectly to perform essentially the application for which the Equipment is intended.
3. **OTHER CHARGES.** You agree to: (a) pay all assessments, taxes and charges governmentally imposed upon Owner's purchase, ownership, possession, leasing, renting, operation, control or use and pay all premiums and other costs of insuring the Equipment; (b) reimburse us for all costs and expenses incurred in enforcing this Agreement; and (c) pay all other costs and expenses for which you are obligated under this Agreement. NOTWITHSTANDING THE FACT THAT YOU MAY BE EXEMPT FROM THE PAYMENT OF PERSONAL PROPERTY TAXES, you acknowledge that as the owner of the Equipment, we may be required to pay property taxes, and you agree, at our discretion, to either: (1) reimburse

OWNER ("We", "Us")	CUSTOMER ("You")
United Business Machines of Washington, Inc.	City of Tenino <small>(Customer Full Legal Name)</small>
By: X _____	By: X _____
Name: _____	Name: _____ Title: _____
Title: _____ Date: _____	Date: _____ Federal Tax ID: _____

Sale Agreement Terms and Conditions

Acceptance: References made to "UBM" or "Seller" shall mean United Business Machines of Washington, Inc., its' subsidiaries and any registered trade names. References made to "You", "Your" or "Customer" shall mean the entity listed on this contract. Seller agrees to sell You and You agree to buy from Seller the item(s) listed on this contract in accordance with the terms and conditions set forth. Your signature or payment indicates you have read the Sale Agreement and agree to all of the terms and conditions set forth.

Terms: This is a binding agreement and is not subject to cancellation or trial basis. This Sale Agreement shall not be modified or amended unless agreed upon in writing by an Officer of both the Seller, the Customer and/or the Leasing Company if applicable. No verbal changes or additions will be valid.

Payment: Unless otherwise provided, the payment terms of the Sale Agreement are net ten (10) days of invoice. Title to all goods and equipment shall remain with Seller until payment has been made in full by You or by the Leasing Company (if the equipment is being leased through an approved UBM lender). Seller agrees to provide reasonable assistance for the Customer to finance the purchase of the equipment and or software, however, Customer acknowledges that Seller cannot guarantee financing. In the event that neither UBM nor the Customer can secure financing for the equipment, it is understood that the Customer is responsible for payment of the equipment listed on the Sale Agreement. In the event You neglect or refuse to pay the full purchase price when due, Seller may take reasonable actions to collect the amount due or take back possession of the described equipment and its supplies. If it is determined that the equipment is to be removed from Your office due to non-payment, UBM will enforce a 25% restocking fee of the agreed upon selling price.

Delivery: UBM will deliver and install the equipment at the location identified on this contract. Your execution of UBM Delivery and Acceptance form will constitute Your acceptance of the equipment and acknowledgment that the equipment is in good working order. If necessary, Seller may deliver and install the equipment in installments.

Default: If You default in the performance of any of Your obligations under this contract or any other contract with Seller, Seller may, (a) enforce this contract, (b) recover damages for default or (c) exercise any other remedy available by law. If Seller refers this contract to an attorney or collections agency, you agree to pay Seller's reasonable attorney's fees, actual court costs and collection fees.

Disclaimer: Customer acknowledges that the equipment described on the reverse side may use a HDD or similar type of storage device to process information and therefore, sensitive or privileged information may be retained in whole or in part with the device. Customer shall make arrangements to protect or remove sensitive and private data that may become stored on Customer's equipment. While UBM may provide options for data removal and protection, Customer is solely responsible for selecting an appropriate data removal method that meets Customer's business needs. UBM is not recommending any particular option, and UBM is not liable for damages arising from Customer's failure to fully remove and protect its data. Please note that regardless of which method Customer chooses, if any, and the equipment has been leased through an approved UBM lender, Customer must return leased equipment in full working order at the end of any lease term. Seller shall have no liability if said information is breached at any time, including after Customer disposed of, traded in, returns equipment to leasing company or transfers ownership to another entity.

Miscellaneous: Customer shall bear all risk of theft, loss, or damage not caused by Seller's employees or agents, to all goods installed under this Sale Agreement. Customer agrees to indemnify, defend, and hold harmless Seller, its officers, directors, employees and agents from all loss, liability, claims or expenses (including reasonable attorney's fees) arising or Customers use of the goods, including but not limited to liabilities arising from bodily injury, including death, or property damage to any person. Any liability that would result in doing business under the terms of this contract will in all cases be limited to the amount paid by the Customer to UBM. Seller may assign its rights and obligations under this contract without obtaining your permission. Customer shall not assign their obligations without the written consent of the Seller or the UBM approved leasing company (if applicable). You represent that You are purchasing the equipment for business purposes only and not for individual, family or household purposes.

Governing Law: This contract shall be governed by and construed in accordance with State of Washington law, without giving effect to any principle of conflicts of law or choice of law that would otherwise make the law of any other jurisdiction govern this contract. The parties agree that the venue for any legal action arising out of the contract shall be in King County, Washington. In the event of collections, litigation or other proceedings by Seller to enforce or defend any term or provision of this contract, Customer agrees to pay all costs and expenses sustained by Seller, including but not limited to reasonable attorney's fees. 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.

X _____