

Lynn Imaging  
Pay for Output Term Agreement

Imaging Equipment

Contract #: 12399  
Customer #:

Date: 10/5/2018

Customer: LFUCG Division of Water Quality

Address:  
301 Jimmie Campbell Drive  
Lexington, KY 40504

Account Number: 1004706

Attention: Tiffany Rank

Agreement and Procedures

1. Customer has selected the following equipment and options: Canon IPF785 MFP with Context scanner

Lynn will charge \$225.95 plus \$.39 per square foot of print volume in excess of 0 square feet monthly for the following: The term of this agreement is forty-two (42) months.

- i. Equipment mentioned above
- ii. Service for all printed square feet
- iii. All ink to produce the printed square feet
- iv. Premium 24lb inkjet bond paper size of your choice

Lynn will install equipment and train customer personnel as required.

2. At the time of installation, Lynn will furnish, free of charge 24lb bond paper and additional black ink for the equipment.
3. Customer may order a supply of vellum or film that will be billed separately. Customer can receive quantity discounts on all "other" media used for "PFO" program machine.
4. On the plan anniversary date of each month, you will provide Lynn Imaging a meter reading to determine the number of square feet run. Lynn will add to any base charge invoice the charge for the square feet run during the previous month. Lynn Imaging can install, with your approval, automated meter reading software in order to report meter readings automatically. This will save your company from having to report meter reads to us. The software is free and will reduce the time your employees spend each month taking meter reads and sending them. We will send electronically each month a monthly

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invoice and billing details. Please indicate in the spaces provided below the appropriate person to receive meter reading inquiries and the monthly invoices:

Meter reading requests emailed to:

<u>Name</u>	<u>User email address</u>	<u>Phone</u>
<u>CHRISTINA KING</u>	<u>cking@lexingtonky.gov</u>	<u>8594252441</u>

Invoices emailed to:

<u>User Name</u>	<u>User email address</u>	<u>Preferred Password</u>
<u>CK2441</u>	<u>cking@lexingtonky.gov</u>	<u>TownBranch123</u>

- Lynn will replace, free of charge, 24lb bond paper based on the square feet billed to the customer. Inks will also be replaced, free of charge, as needed based on the square feet billed. The above supplies are only for use in the equipment covered by this agreement. Quantities considered by Lynn to be in excess of normal usage are to be returned to Lynn at Lynn's request during the term of this agreement. Quantities existing at the termination of this agreement are to be returned to Lynn.
- Orders for supplies, including inks, toner, developer and all media included in your contract may be ordered online. We encourage you to use our online ordering process since these supplies are listed with your machine which makes the ordering process easier and minimizes the opportunity for order errors. Once the contract is signed and the machine delivered, we will set up a User ID and password for you on our website. Please include the email address for each person authorized to order supplies in the space provided below and a preferred password. You will login to [www.lynnimaging.com](http://www.lynnimaging.com) to access the online ordering site.

Supply Orders:

<u>User Name</u>	<u>User email address</u>	<u>Preferred Password</u>
<u>CK2441</u>	<u>cking@lexingtonky.gov</u>	<u>TownBranch123</u>
_____	_____	_____
_____	_____	_____

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7. The equipment is and shall remain the exclusive property of Lynn Imaging. This agreement is for a term of forty-two (42) months. At the end of that term, this agreement shall continue on a month-to-month basis until cancelled by either party with thirty (30) days written notice. The Customer may upgrade equipment as needed. The monthly minimum and square foot charges will be recomputed for the replacement upgrade equipment, and an installation fee will be charged. Lynn reserves the right to terminate this agreement and remove the equipment at any time.
8. The customer agrees that they understand the terms of the agreement of this "PFO" plan including method of billing, linear footage, square footage, number of prints, etc., and agrees to accept this method as an accurate method to be used in calculating payments due to Lynn.
9. Customer agrees to promptly call Lynn if there is a need for repair or service to the equipment. Service under this agreement will be provided during Lynn's normal business hours.
10. Customer agrees to allow Lynn personnel ready access to this equipment for the purpose of inspection, service, diagnostic reading of printing activity, or removal.
11. Lynn must approve all media and inks used in this equipment. Customer is liable for damages due to unapproved media, inks, toner and developer.
12. Lynn reserves the right to remove the equipment and cancel the plan if customer uses media or chemistry that, in Lynn's opinion, is harmful to the equipment, or in Lynn's opinion, the equipment is being abused in any way.
13. Lynn reserves the right to remove the equipment at any time the customer's account is over 60 days past due.
14. Customer agrees that Lynn has the right to withhold the shipment of supplies, or the servicing of equipment, if the customer's account is 60 days past due.
15. Customer agrees not to attempt any repairs on the equipment, other than through the use of Lynn trained technicians. Customer also agrees not to attach any accessory or modify the equipment in any way without receiving Lynn's prior approval in writing.
16. Customer agrees to be liable for any damage to the equipment, other than normal wear and tear. The equipment will be inspected at time of removal to determine if it is in good working condition. If it is not in good working condition, with the expected normal wear and tear, then Customer will be liable for the market value of the equipment.
17. Customer agrees not to move equipment from the original installation location without notifying Lynn and paying Lynn for the preparation and re-installation of the equipment. Customer is responsible for damage caused by any unauthorized move.

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18. From the date that the equipment is delivered to customer, customer shall have all the risk of loss to the equipment arising from theft, fire, disappearance, or other casualty of the equipment. Customer shall provide Lynn with a certificate of insurance covering the equipment naming Lynn as a loss payee.
19. Customer is a governmental entity that must comply with statutory requirements for annual budgets and appropriations of funds. Notwithstanding any other provision of this Agreement, in the event sufficient monies to provide for the payments required by this Agreement are not appropriated in any upcoming fiscal year during the term of this Agreement, Customer will provide Lynn Imaging with at least sixty (60) days' notice of such event and this Agreement will terminate.
20. The price per square foot may be increased up to a maximum of seven percent (7%) per year to compensate Lynn for increases in the cost of consumables such as media, toner, ink or parts.
21. If any payment under the Agreement is not paid when due or Customer otherwise defaults under the Agreement, the entire amount outstanding shall at once become due and payable at the option of Lynn Imaging. This amount outstanding will be calculated by determining the number of months remaining on the forty-two (42) month contract period as of the date of default multiplied by Customer's monthly payment obligation, plus any payments past due. Full performance under this agreement requires complete and timely payment until the natural expiration of the term (42 months). Timeliness of payment is of the essence. Lynn Imaging may exercise its option to accelerate during any default by Customer regardless of any prior forbearance.
22. Any of the following events will constitute a default by Customer: the failure of the Customer to pay any obligations as and when due, the failure of the customer to comply with the terms of this agreement, a good faith determination by Lynn Imaging that the prospect for payment is impaired for any reason, or the insolvency or bankruptcy of Customer. Upon default by Customer, Lynn Imaging shall have no obligations to mitigate Customer's damages by renting the equipment to another customer.
23. Should the services of an attorney or collection agency become necessary in connection with enforcing the provisions of this Agreement, the non-prevailing party agrees to pay a reasonable attorney's fee together with all costs and expenses incident to the legal matter or collection of amounts due.
24. The parties intend for this to be a lease and not a sale. However, if this Agreement is considered a sale, rather than a lease, Customer grants and pledges to Lynn Imaging a continuing security interest in the equipment to secure prompt repayment of any and all obligations and to secure prompt performance by Customer of each of its covenants and duties under this Agreement. Such security interest constitutes a valid, first priority

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security interest in the equipment. Notwithstanding any termination, Lynn Imaging's lien on the equipment shall remain in effect for so long as any obligations are outstanding.

25. No Warranties: LYNN IMAGING EXPRESSLY DISCLAIMS ANY AND ALL EXPRESS AND IMPLIED WARRANTIES AS TO THE EQUIPMENT INCLUDING ANY WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. LYNN IMAGING SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES RELATING TO THE POSSESSION, USE, OPERATION, OR CONTROL OF THE EQUIPMENT, OR ANY LOSS, DAMAGE OR INJURY RESULTING THEREFROM.

Model: canon ipf785 MFP    Serial Number: \_\_\_\_\_    Meter Reading: \_\_\_\_\_

Accepted By:

LFUCG Division of Water Quality  
(Company)  
Signature & Title Jim Gray  
Print Name: Jim Gray, Mayor  
Date: December 4, 2018  
Email: \_\_\_\_\_

Lynn Imaging  
Signature & Title Senior Consultant / Equipment Specialist  
Date: 12-12-18