



SERVICE CONTRACT AGREEMENT

Contract # CNT003055-05

3370 San Fernando Rd, #202
 Los Angeles, CA 90065
 Phone: 888-916-0160 FAX: 888-916-0164

To: Gila County Finance Dept.
 Attn: Dave Luhm
 1400 E. Ash Street
 Globe, AZ 85501

| | | | | | | | |
|--------------------|--------------|----------------------|-----------------------------|------------------------------|------------|------------|------------|
| Contract # | CNT003055-05 | Contract Description | QUOTED: Awaiting acceptance | Start Date | 08/15/2013 | End Date | 08/14/2014 |
| Period Billing Int | 1 Year | Terms | Net 30 Days | Total Contract Charge | | \$1,421.00 | |

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| Categories of Parts Excluded from Contract | | | | | | | |
| Supplies | | | | | | | |

Notes

This renewal is for the renewal of your maintenance agreement for the equipment listed and the dates stated. This agreement includes the following services:

- 1 Preventive Maintenances (PMs) per year per card printer.
- All parts, labor, travel time, mileage
- Card usage of 30,000 cards per card printer per year is the maximum covered under this agreement

Consumables are not included. If you have any questions or require information about your equipment service contract, please contact us at (888) 383-6083 x 145.

Please refer to the reverse side for complete Terms and Conditions.

| Equipment Included under Contract | | | |
|-----------------------------------|--|--|----------|
| Equipment Location | Address | Gila County Sheriff's Office Gloria Stuhmer 1100 South Street Globe, AZ 85501 | |
| Serial No | Q94046 | Equip Charge | \$784.00 |
| Description | CP60 Plus Printer, Color, Duplex, 100 card hopper | | |
| Serial No | GS65010335 | Equip Charge | \$420.00 |
| Description | ID Centre Gold v6.5 Upgrade for customers using ID Centre Gold, or ID Works Enterprise | | |
| Serial No | 8L3952 | Equip Charge | \$160.00 |
| Description | Signature Pointe Solution | | |
| Serial No | U04050 | Equip Charge | \$57.00 |
| Description | Fingerprint Scanner | | |

Please return this signed agreement with your check and/or purchase order before the start date of the contract. Thank You!

SUBJECT TO ALL THE TERMS, CONDITIONS AND LIMITATIONS INCORPORATED BY REFERENCE AS SHOWN ON THE BACK HEREOF.

| | | | |
|--------------------------|-----------------------|--------------------|------------------|
| | Print Name | Signature | Date |
| Customer Signature | <u>DON Mc DANIEL</u> | <u>[Signature]</u> | <u>8/27/13</u> |
| Multicard Representative | <u>Natalie Moreno</u> | <u>[Signature]</u> | <u>8/23/2013</u> |

Multicard Inc. ("Multicard") and Customer agree to the following terms and conditions whereby Multicard shall provide and the Customer shall pay for the maintenance services as specified in this Service Agreement. This Service Agreement shall be effective for the period on the face of this document. Multicard is not responsible nor guarantees renewal notification on agreements. Your signature on the front of this agreement indicates your acceptance of these terms and conditions.

Contracted Maintenance Services

Description Multicard agrees to provide scheduled preventive maintenance (if applicable) and on-call remedial maintenance for the Covered Equipment as set forth in this Service Agreement. Multicard warrants that it will cause the Covered Equipment to meet the manufacturer's operating specifications given reasonable wear and tear and equipment age and condition (hereinafter "Maintain").

a) **Coverage Hours:** Unless otherwise noted in this Service Agreement, service will be provided Monday through Friday, 8:00 am to 5:00 pm (excluding holidays observed by Multicard). Multicard will attempt to respond within 4 business hours from the logging of the call.

b) **Holidays Observed by Multicard:** Presidents Day, Easter Sunday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Thanksgiving Friday, Christmas Eve, Christmas Day, and New Year's Day. If a holiday occurs on a Saturday, it will be observed on the preceding Friday. If a holiday occurs on a Sunday, it will be observed on the following Monday.

Except as otherwise provided in this Service Agreement, The Contracted Maintenance Service shall include all parts, labor and travel expenses necessary to maintain the Covered Equipment but specifically excludes software unless provided for under a separate addendum.

Term Charge In consideration of Multicard's provision on the Contracted Maintenance Service, Customer shall pay the Term Charge set forth in this Service Agreement.

The Term Charge is based upon coverage hours and site location of Covered Equipment. When the Covered Equipment site is greater than fifty (50) miles from an Multicard Base City, or for the contracted extended service outside of standard Coverage Hours, the Term Charge shall include an additional charge.

Exclusions Except as otherwise provided in this Service Agreement, the following are not covered in the Contracted Maintenance Service and are subject to additional charges.

Overtime Charges and Travel Expenses All overtime charges and travel expenses of Multicard personnel for maintenance services not included in the Contracted Maintenance Service shall be charged to Customer at the rates in Multicard's published maintenance price list in effect to any such services. Any Maintenance started during the Coverage Hours and completed within one hour after such period shall not be treated as overtime. Service completed after such one-hour period and service otherwise provided at Customer's request outside of the Coverage Hours will be deemed as overtime. A minimum charge of one (1) hour will apply to any such services.

Consumables and Supplies such as, but not limited to, ribbons, plates, foils, forms, ink rollers, print rollers, rubber platens, plate frames, stencils, toner, printheads, batteries and other supplies for use with the Covered Equipment, including supplies necessary for maintenance purposes, shall be provided by Customer and must be OEM approved.

Unauthorized Use or Service The Contracted Maintenance Service does not include service or repair work caused by the failure of Customer to observe any of the conditions in this Agreement: failure of Customer to use the Covered Equipment in accordance with the Manufacturer's instructions; maintenance or attempted repairs or adjustments of the Covered Equipment by anyone other than Multicard authorized personnel; service, reconfiguration, or upgrading of any data communications interface occasioned by changes made to host computers or network transmission devices; tampering, misuse or abuse of the Covered Equipment; or force majeure. Maintenance service and required parts will be provided by Multicard at its published maintenance and parts price list in effect at time of performance.

Excess Use Charge The Term Charge for designated systems included in the Covered Equipment is based upon an assumed rate of card production as set forth in this Service Agreement. If the actual rate of production for such systems exceeds the assumed rate at the end of the applicable maintenance period, Multicard may assess an Excess Use Charge as set forth in this Service Agreement.

Term The term is as shown on the face of this document. And shall be extended automatically for additional periods of one year each until it is terminated by either party upon written notice not less than thirty (30) days prior to the end of the contract.

Payment Terms Invoices shall be payable thirty (30) days after the date of invoice.

Interest is due after 30 days on all overdue accounts at 1.5% per month (or the legal rate then in effect) or any portion thereof, if legal action is necessary to collect on overdue accounts, reasonable legal fees and any other reasonable costs of collection will be added and due.

Billing Frequency Unless otherwise stated in this Service Agreement:

a) Per system charges less than \$ 5,000 per year will be billed annually in advance.

b) Per system charges greater than \$5,000 per year will be billed quarterly in advance. A 5% discount will be applied if paid annually in advance.

c) Charges greater than \$50,000 per year will be billed monthly. A 5% discount will be applied if paid annually, in advance.

Taxes Customer shall pay any municipal, state, or federal taxes, however designated, levied or based on the charges payable under this Agreement that may be paid or be payable by Multicard excluding income taxes. Customer shall also pay any tax not currently applicable but which is hereafter held or ruled applicable by any new law, interpretation of an existing law or otherwise.

Equipment Relocation The Customer must notify Multicard in writing at least sixty (60) days prior to the relocation of any Covered Equipment. Customer shall be solely responsible for all expenses including insurance coverage associated with moving and installation of the equipment to a new location. If the relocation causes Multicard to incur increased travel time or cost in providing maintenance services hereunder, Customer agrees to pay reasonable increased monthly maintenance charges.

Conditions

Description of Uncovered Services This Agreement and the fees for maintenance do not cover labor, parts and the expenses necessary to: (a) repair damage caused by Customer's negligence; (b) reconfigure or relocate the equipment; (c) repair problems which arise from the use by Customer of non-OEM approved parts, attachments or devices; (d) correct problems caused by supplies that are not OEM approved, or (e) repair damage caused by customer's facility/systems. Consumable supplies and software support are not included for coverage in this agreement unless provided for under a separate addendum. All parts and equipment are FOB origin.

Access to Equipment Customer shall permit free access to the Covered Equipment and shall provide without charge to Multicard adequate storage space, working space and all necessary utilities for use by Multicard personnel.

Parts Replacement Multicard reserves the right at its option to replace or repair any parts, which fail to perform its function under normal use. Multicard further reserves the right to use, at its option, manufacturer approved, new, rebuilt, or reconditioned parts or improved parts, which are capable of performing functions similar to those of the replaced parts.

Termination for Default Either party may terminate this Agreement in the event of default by the other party, and in addition to all other rights and remedies arising from such default, upon thirty (30) days prior written notice to the other party and where the defaulting party has failed to cure the default within the notice period.

General

Independent Contractor Multicard is acting hereunder as an independent contractor and shall have sole supervision of and responsibility for its authorized maintenance personnel.

Multicard Personnel Customer acknowledges that Multicard has specially trained personnel who perform maintenance services hereunder and agrees that during the term hereof Customer will not solicit or otherwise attempt to employ any such Multicard employee for the purpose of performing maintenance on any equipment serviced by Multicard.

Limitation of Liability Multicard shall not be liable for loss of use of any of the items of Covered Equipment or for any loss or damage occasioned by such loss of use or by any failure to maintain equipment properly. Multicard's liability hereunder shall be limited to the repair or replacement of any parts of items of Covered Equipment, which may be damaged solely as the result of negligence on the part of Multicard personnel. MULTICARD SHALL NOT BE LIABLE FOR ANY FAILURE OR DELAY IN PERFORMANCE HEREUNDER DUE TO IN WHOLE OR IN PART TO ANY CAUSE BEYOND ITS CONTROL OR FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES REGARDLESS OF CAUSE. MULTICARD DISCLAIMS ANY EXPRESS WARRANTIES NOT CONTAINED HEREIN AND IMPLIED WARRANTIES INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. In no event shall Multicard's liability hereunder, for breach of warranty or otherwise, exceed the cost of replacement of the Covered Equipment.

Entire Agreement; Amendments This agreement represents the complete agreement between the parties with respect to the subject matter hereof and supersedes any contemporaneous or prior written or oral understandings or agreements with respect hereto. This agreement may not be altered or modified except in written document signed by both parties. This Agreement shall prevail in the event of any inconsistencies with the terms and conditions contained in a purchase order or other document provided by Customer.

Governing Law This agreement shall be governed by and construed in accordance with the laws of the state in which the equipment resides.

Assignment Multicard may assign any or all of its rights or delegate any or all of its obligations under this agreement without the consent of Customer. Customer may not assign any of its rights or delegate any of its obligations under this agreement without the prior written consent of Multicard.

Imprinter Addendum. When the Covered Equipment includes imprinter's and/ or data recorders, the following terms and conditions are made part of this Service Agreement.

Multicard shall provide remedial maintenance for imprinters on a batch basis. Herein at least four imprinters/data recorders must be in need of remedial maintenance before a service request is placed. The average response to said request is within 24 hours. Should Customer request such remedial maintenance when less than four units are in need of repair, the average response time is typically three to four working days. It is recommended that Customer have several spare units available for use while defective units are awaiting repair.

Attachment "A" by mention is made a binding part of this agreement as set forth herein.

ATTACHMENT "A"

Legal Arizona Workers Act Compliance: Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Cancellation: This agreement is subject to cancellation pursuant to A.R.S. §38.511.

GILA COUNTY:

GILA COUNTY MANAGER



Don E. McDaniel Jr.

8/27/13

Date

MULTICARD US



Individual Authorized to Sign

Natalie Moreno

Print Name

8/23/2013

Title