

SPECIAL TERMS AND CONDITIONS

Contract Number: 600-340-03-1

LEASE AND PURCHASE PROVISIONS

Each purchaser will be authorized to enter into a contract for equipment by issuance of a purchase order referencing the contract number. The manufacturer's lease agreement form (SEE ATTACHED) will be used and the purchase order will constitute the complete agreement.

I. LEASE PROVISIONS

A) TERM

Lease agreements shall be effective on the date of acceptance of the equipment. The date of acceptance is that date on which the equipment is installed at the agreed to purchaser location and the equipment is certified ready for use by the contractor and accepted by the purchaser as installed in good working order.

Lease agreements shall terminate upon completion of the specified lease agreement period or upon purchase utilizing equity accruals, if applicable. Purchase of leased equipment by state agencies requires prior approval as a contract exception through State Purchasing.

Upon mutual agreement with the contractor, the purchaser shall have the option to continue leasing the equipment for the same terms as the current lease agreement by giving written notice 30 days prior to the end of the initial lease term, without prior approval of State Purchasing, provided the following conditions are met:

1. Prices are equal to or below that specified for like equipment available on State Contract or not in excess of the vendor's established governmental pricing at the time of extension. (Pricing to include in & out charges, rigging, accrued equity and any other cost associated with the acquisition.)

Any exception to the above conditions may require prior approval by State Purchasing.

Please note that for the purpose of this bid and resulting contract extension is the term used for that period that follows the end of initial lease term. There is no provision for renewal which would follow the extension.

2-YEAR LEASE

A twenty-four (24) consecutive month equipment plan (not a lease purchase plan) which shall be required by either party.

3-YEAR LEASE

A thirty-six (36) month equipment plan (not a lease purchase plan) which shall terminate at the end of the thirty-six (36) month period. No termination notice shall be required by either party.

C) CANCELLATION

1. The provisions of Cancellation Paragraph, General Conditions, do not apply to equipment leased under this contract.

2. A lease agreement may be canceled at any time during the lease period by the purchaser. A thirty (30) day cancellation notice will be required of the purchaser in writing. All money due the contractor for the remainder of the lease agreement period will be due and payable upon completion of the equipment removal, except in documented cases of non-performance by the vendor.

3. Upon cancellation of a lease agreement by the purchaser without cause the equipment will be returned to the contractor with transportation at the purchaser's expense as well as removal charges, if applicable.

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II PURCHASE PROVISIONS

A) RISK OF LOSS

During the period the equipment is in transit or in possession of the purchaser, up to and including the date of acceptance by the purchaser, contractor shall be responsible for all risk of loss or damage to the equipment. After the date of acceptance, the risk of loss or damage will pass to the purchaser.

B) WARRANTY

The contractor shall fully warrant all items furnished hereunder against defects in materials and workmanship for a minimum period of 90 days from date the equipment is accepted by the purchaser. Should any defects in workmanship or materials, appear during the warranty period, the contractor shall repair or replace such items immediately upon receipt of notice from the purchaser. The warranty shall cover material, labor and transportation charges, if any. Warranties submitted with your bid, either appearing separately or included in preprinted literature and price lists, shall not be acceptable and provisions herein take precedence.

PRICES

1. Price Coverage

All prices include delivery, installation, initial start-up supplies and all consumable supplies (except paper) and removal, if applicable.

2. Lease Prices

Lease prices submitted with this bid shall remain firm throughout the lease period selected by the purchaser. This shall apply to all lease agreements initiated by issuance of a purchase order at any time prior to expiration date of the contract resulting from this bid.

3. Maintenance Prices

Maintenance prices submitted with this bid shall remain firm throughout the contract period and/or for 9 months immediately following the initial 90 day warranty period on purchased machines.

Maintenance prices shall include full coverage maintenance including preventative maintenance, all service calls and replacement of all defective or worn parts except those parts bid separately under EXPENDABLE PARTS. Maintenance agreements are not mandatory, **BUT HIGHLY RECOMMENDED.**



KONICA MINOLTA

Lease Agreement

MAJOR ACCOUNTS PROGRAM

Lease Agreement



KONICA MINOLTA

MAJOR ACCOUNTS PROGRAM

Qty.	Equipment Description Serial Number	Total Periodic Base Lease Payment	Copies Included Total Periodic Base Lease Payment	Excess Copy Charge	Installation Charge Per Unit

INITIAL TERM: 12 - mo. 24 - mo. 36 - mo. 48 - mo. 60 - mo. Other

PURCHASE OPTION: \$1 10% FMV

Billing Options: Monthly Quarterly Annually (prepaid)

Maintenance Options: Supplies Included Yes (except paper) or No
 Excess Copies Billed: Monthly Quarterly Annually (prepaid)

Tax Status: Taxable Tax Exempt. No. _____ Contract No. _____ *Plus applicable sales tax
(include exemption certificate with agreement)

Entity Type: Commercial State/Local/Municipal Federal **If State/Local/Municipal or Federal Initial #12 and #13 T&C**

REMIT TO: KONICA MINOLTA BUSINESS SOLUTIONS U.S.A., INC. ADDRESS AS PER INVOICE	ADDITIONAL INFORMATION

THIS AGREEMENT IS NOT CANCELABLE

INSTALLATION INFORMATION

Name _____
 Address _____
 City/State/Zip _____
 Contact _____
 Phone _____ Fax _____
 Meter Reading Contact _____

CUSTOMER ACCEPTANCE INFORMATION

Company Name _____
 By: Authorized Signature _____
 Printed Signature Name _____
 Customer Address _____
 City/State/Zip _____
 Purchase Order No. _____ Phone _____

BILLING INFORMATION (If different from above)

Name _____
 Address _____
 City/State/Zip _____
 Contact _____ Phone _____

DEALER INFORMATION

Dealer Name _____
 Salesperson _____
 Address _____
 City/State/Zip _____
 Dealer ID No. _____ Phone _____

THE TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE HEREOF ARE INCORPORATED AND MADE PART OF THIS AGREEMENT.

TERMS AND CONDITIONS

The words YOU and YOUR mean the customer of the Equipment. The words WE, US and OUR refer to the owner of the Equipment.

1. LEASE OF EQUIPMENT: ("Agreement"): We agree to lease to you and you agree to lease from us the Equipment listed on reverse side. You promise to pay us the Total Periodic Base Lease ("TPBL payment"), plus the Excess Copy Charge ("ECC") agreed upon for copies in excess of the number of Copies Included ("CI") in the Total Periodic Base Lease. If in any period you make fewer copies than the CI, you cannot carry over a credit to any other period and are obligated to pay the TPBL payment. You authorize us to insert serial numbers of Equipment when we so determine them.

2. TERM AND LEASE: The Agreement shall commence on the day that any of the Equipment is delivered to you ("Commencement Date") The TPBL shall be payable in arrears in the amounts and for the initial term provided above, commencing periodically (as stated on the reverse side hereof) ECC shall be payable periodically in arrears, as billed. Subsequent payments shall be due on the same day of each successive period thereafter until all TPBL payment, ECC and any additional amounts chargeable under this Agreement shall have been paid in full. You agree to provide accurate and timely meter readings at the end of each applicable billing period on the forms or other alternative means specified by us. If meter readings are not received in a timely manner, charges may be estimated by us. YOUR OBLIGATION TO PAY LEASE AND OTHER OBLIGATIONS HEREUNDER SHALL BE ABSOLUTE AND UNCONDITIONAL AND ARE NOT SUBJECT TO ANY ABATEMENT, SET-OFF, DEFENSE OR COUNTERCLAIM FOR ANY REASON WHATSOEVER THIS AGREEMENT IS NON-CANCELABLE EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 13.

3. NO WARRANTIES: We are leasing the Equipment to you "AS IS". WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS AGREEMENT

4. OWNERSHIP, REDELIVERY AND RENEWAL: We are the owner of the Equipment. To protect our rights in the Equipment, in the event this Agreement is determined to be a security agreement, you hereby grant to us a security interest in the Equipment and all proceeds, products, payments or profits therefrom. In states where permissible, you hereby authorize us to cause this Agreement or any statement or other instrument in respect to this Agreement showing our interest in the Equipment, including Uniform Commercial Code Financing Statements, to be filed or recorded or re-filed and re-recorded and grant to us the right to execute your name thereto. You agree to execute and deliver any statement or instrument requested by us for such purpose. You agree to pay or reimburse us for any searches, filings, recordings, stamp fees or taxes related to the filing or recording of any such instrument or statement. The parties intend this Agreement to be a Finance Lease under 2A of the Uniform Commercial Code You hereby waive any and all rights and remedies granted you by section 2A-508 through 2A-522 of the Uniform Commercial Code No more than ninety (90) days but not less than thirty (30) days prior to the expiration of the initial term of any renewal term of this Agreement, you shall give us written notice of your intention to return the Equipment to us or purchase the equipment Provided you have given such timely notice, you shall return the Equipment, freight and insurance prepaid, to us in good repair condition and working order, ordinary wear and tear excepted in a manner and location designated by us. If you fail to notify us, or having notified us, you fail to return the Equipment as provided herein, this Agreement shall renew month to month at the end of the initial term (as stated on the reverse side hereof) at a periodic rent equal to 100% of the TPBL and all other amounts provided herein.

5. RISK OF LOSS AND INSURANCE: You are hereby responsible for providing an installation site which conforms to the manufacturer's published space, electrical and environmental requirements, and allowing the manufacturer or supplier access to the Equipment for purposes of maintenance and monitoring meter readings. Except for ordinary wear and tear, you are responsible for protecting the Equipment from damage and loss of any kind. IF THE EQUIPMENT IS DAMAGED OR LOST YOU AGREE TO CONTINUE TO PAY THE TPBL PAYMENT AND ALL OTHER SUMS DUE THEREUNDER. You agree during the term of this Agreement, to keep the Equipment fully insured against loss, naming us as loss payee, to obtain a general public liability insurance policy from a company acceptable to us, including us as insured on the policy. You agree to provide us certificates or other evidence of insurance If you do not, you agree that we have the right but not the obligation to obtain such insurance, in which event you agree to pay us for all costs thereof.

6. INDEMNITY: We are not responsible for any losses or injuries caused by the installation or use of the Equipment. You agree to reimburse us for and to defend us against any claims for losses or injuries caused by the Equipment.

7. TAXES AND FEES: You agree to pay when due or reimburse for all taxes, fees, fines and penalties relating to use or ownership of the Equipment or to this Agreement, now or hereafter imposes, levied or assessed by any state, federal or local government agency

8. LOCATION OF EQUIPMENT: You will keep and use the Equipment only at your address given. You agree that Equipment will not be removed from that address unless you get our written permission in advance to move it.

9. DEFAULT AND REMEDIES: If you (a) fail to pay any TPBL payment or any other payment thereunder when due; or (b) fail to perform any of the other terms, covenants or conditions of the Agreement after ten (10) days written notice; or (c) become insolvent or make an assignment for the benefit of creditors; or (d) a receiver, trustee, conservator or liquidator is appointed with or without your consent, you shall be in default under the Agreement and, we may, to the extent permitted by applicable law, exercise any one or more of the following remedies: (i) declare due, sue for and receive from you the sum of all TPBL payments and other amounts then due and owing under this Agreement or any schedule thereto, plus the present value of (x) the sum of the TPBL payments for the unexpired term of this Agreement or any schedule hereto discounted at the rate of 6% per annum and (y) the anticipated value of the Equipment at the end of the initial term or applicable renewal term of the Agreement (but in no event less than 15% of the original cost of the Equipment) discounted at the rate of 6% per annum and upon recovery of the same in full, the Equipment shall become your property; (ii) to similarly accelerate the balances due under any other agreements between us (iii) to take immediate possession of the Equipment, and to lease or sell the Equipment or any portion thereof, upon such terms as we may elect, and to apply the net proceeds, less reasonable selling and administrative expenses, on account of your obligations thereunder; (iv) charge you interest on all moneys due us from and after the date of default at the rate of one and one third percent (1 1/3%), per month until paid but in no event more than the maximum rate permitted by law; (v) require you to return all Equipment at

your expense to a place reasonably designated by us; (vi) to charge you for all the expenses incurred in connection with the enforcement of any of our remedies including all costs of collection, reasonable attorney's fees and court costs. Whenever any payment is not made by you when due hereunder, you agree to pay us, not later than one month thereafter, as an administrative charge to offset our collection expenses, an amount calculated at the rate of ten cents per one dollar for each such delayed payment with a minimum of \$15.00, but only to the extent permitted by law. Such an amount shall be payable in addition to all amounts payable by you as a result of the exercise of any of the remedies provided herein. All our remedies are cumulative, are in addition to any other remedies provided for by law and may, to the extent permitted by law, be exercised either concurrently or separately. Exercise of any one remedy shall not be deemed an election of such remedy or to preclude the exercise of any other remedy. No failure on our part to exercise any right or remedy and no delay in exercising any right or remedy shall operate as a waiver of any right or remedy or to modify the terms of this Agreement. A waiver of default shall not be construed as a waiver of any other or subsequent default. We shall retain the sum set forth above as a Security Deposit, if applicable, for your performance of your obligations thereunder. Upon lawful termination of this Agreement, provided you are not in default, the Security Deposit, if applicable, shall be returned to you. No interest shall be paid upon said Security Deposit. In the event of default we may apply said Security Deposit to cure any default.

10. ASSIGNMENT: YOU HAVE NO RIGHT TO SELL, TRANSFER, ASSIGN THIS AGREEMENT OR SUBLEASE THE EQUIPMENT. We may sell, assign or transfer this Agreement. You agree that if we sell, assign or transfer this Agreement, the new owner will have the same rights and benefits that we may have now and will not have to perform any of our obligations. You agree that all rights of the new owner will not be subject to any claims, defenses or set-offs, that you may have against us.

11. CONSENT TO JURISDICTION AND GOVERNING LAW: YOU CONSENT TO THE PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF NEW JERSEY WITH RESPECT TO ANY ACTION ARISING OUT OF THIS AGREEMENT OR THE EQUIPMENT THIS MEANS THAT ANY LEGAL ACTION FILED AGAINST YOU MAY BE FILED IN NEW JERSEY AND THAT YOU MAY BE REQUIRED TO DEFEND AND LITIGATE ANY SUCH ACTION IN NEW JERSEY. You and all your guarantors agree that service of process by certified mail, return receipt requested, shall be deemed the equivalent of personal service in any such action. However, nothing in this paragraph shall be construed to limit the jurisdictions in which suit may be filed by any party to this Agreement or the means of obtaining service of process in any such suit. This Agreement shall be governed by and construed according to the laws of the State of New Jersey. Only applies to State/Local/Municipal/Federal, otherwise 12 and 13 will be omitted.

12. ADDITIONAL COVENANTS: You represent, warrant and covenant that (i) you are a state, federal or fully constituted political subdivision or agency thereof; (ii) the execution, delivery, and performance by you of this Agreement has been authorized by all necessary acts on your part; (iii) this Agreement constitutes a legal, valid and binding obligation on you enforceable in accordance with its terms and does not violate any town/city, district, county, state or federal statute rule regulation or other governmental provision; (iv) you will do or cause to be done all things necessary to preserve, and keep this Agreement in full force and effect; (v) you have complied with all bidding, hearing and other requirements under all applicable laws, rules and regulations where necessary and by due notification presented this Agreement for approval and adoption as a valid obligation on your part; (vi) you have sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal period; (vii) you will be the only entity to own, use and operate the Equipment during the term of this Agreement; and (viii) it is your intent to make all payments provided for herein for the full term of this Agreement, if funds are legally available. Therefore and in that regard you represent that the need and use of the Equipment is immediate and essential to your proper, efficient and economic operation which need and uses are not temporary or expected to diminish in the foreseeable future. _____ Customer Initial _____ Owner Initial

13. NON-APPROPRIATION OF FUNDS: In the event no funds or insufficient funds are appropriated or are otherwise unavailable in any fiscal period for sums due under this Agreement, you will immediately notify us of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to you of any kind except that you agree to return the Equipment to us, at your expense, as provided in this Agreement. Notwithstanding the foregoing you agree (i) that you will not cancel this Agreement under the provisions of this section if any funds are appropriated to you or by you for the acquisition, retention or operations of the Equipment of other equipment similar to the Equipment for the then current fiscal period or the next succeeding fiscal period and (ii) that you will not during the term (initial, renewal, and extended thereof, or for the longest period allowable by law), give priority in the application of funds to any other functionally similar equipment. Upon such non-appropriation of funds, you will provide, upon our request, your counsels Legal opinion confirming the non-appropriation and providing sufficient proof thereof. This section shall survive the termination of this Agreement. _____ Customer Initial _____ Owner Initial

14. CUSTOMER P.O.: You agree that any Purchase Order covering the lease of this Equipment, is issued for purposes of authorization and your internal use only, and none of its terms and conditions shall modify the terms of this Agreement.

15. ENTIRE AGREEMENT: This Agreement contains the entire arrangement between you and us and no modifications of this Agreement shall be effective unless in writing and signed by the parties. This Agreement is executed as of the date signed by Konica Minolta Business Solutions U.S.A., Inc. below.

ACCEPTED BY: KONICA MINOLTA BUSINESS SOLUTIONS U.S.A., INC., OWNER
By: _____
TITLE DATE