| Reviewed By: | |
|---|---|
| DH | X |
| CM | X |
| CA | |

**CITY OF DANA POINT**
**AGENDA REPORT**

**DATE:** FEBRUARY 17, 2026

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** ALLISON PETERSON, SENIOR MANAGEMENT ANALYST
SEA SHELTON, DIRECTOR OF ADMINISTRATIVE SERVICES

**SUBJECT:** COPIER AGREEMENTS WITH KC DIGITAL SOLUTIONS

## RECOMMENDED ACTION:

That the City Council authorize the City Manager, or designee, to execute agreements with KC Digital Solutions to lease seven copiers and provide copier maintenance services.

## BACKGROUND:

In February 2021, the City executed 60-month lease and maintenance agreements with Sharp Electronics Corporation for seven copiers. Those agreements are set to expire on March 31, 2026. The current lease costs approximately $11,900 annually, and the maintenance agreement, billed on a per-print basis, averages approximately $19,300 per year.

In anticipation of the current contract expiring, Staff issued a request for informal bids. Proposals were received from seven vendors, including C3 Tech (Sharp), Canon, Image 2000 (Sharp), KC Digital Solutions (Kyocera), Konica Minolta, Ricoh, and Sharp.

## DISCUSSION:

Proposals were evaluated based on lease and print costs, supply pricing, customer service, and available features. From this review, the three most qualified vendors, Sharp, KC Digital Solutions (Kyocera), and Ricoh, were selected for further evaluation based on reference checks and overall lease terms.

Following the evaluation, Staff recommends KC Digital Solutions due to its competitive pricing, responsive customer service, willingness to make cost concessions, and the inclusion of a fully managed print service with automated supply and service requests, monthly courtesy cleanings, and ongoing training and customization.

While Sharp, the City's current provider, offers reputable equipment, Staff has observed a decline in technical support and communication. Ricoh provided positive references and competitive pricing but was less flexible in offering concessions and less responsive to staff during the informal bid process. By contrast, KC Digital Solutions demonstrated greater responsiveness and a willingness to address cost concerns, supporting Staff's recommendation.

Cost proposals from the top three vendors:

| Vendor | Annual Lease | B/W per Copy | Color per Copy |
|---|---|---|---|
| KC Digital | $16,504 | $.0059 | $.0290* |
| Sharp | $12,907 | $.0038** | $.0380** |
| Ricoh | $11,175 | $.0069 | $.0329 |

**KC Digital offers tiered color copy pricing based on color usage levels. The price shown reflects an average cost across the applicable tiers.*
***Sharp per copy rates increase by 10% each year*

Estimated Total Cost per Vendor for 60-Month Term:

| Vendor | Lease Cost | Maintenance Agreement* | Total for 60-Month Term |
|---|---|---|---|
| KC Digital | $82,517 | $51,120 | $133,637 |
| Sharp | $64,533 | $77,950 | $142,483 |
| Ricoh | $55,874 | $58,160 | $114,034 |

*Estimated based on quarterly usage of 40,000 black and white prints and 80,000 color prints, consistent with the City's average volume.*

Although KC Digital Solutions' lease payments are higher, lease cost is only one component of the total expense; with a significant share driven by maintenance and per print charges. KC Digital offers the lowest color per print rates and competitive black and white rates, which help control operating costs over the life of the agreement.

KC Digital is the only vendor to include monthly courtesy cleanings in its managed print service. This preventative maintenance supports more consistent equipment performance, may reduce service-related downtime, and provides an operational benefit not included in the other proposals.

**FISCAL IMPACT:**

The proposed lease agreement with KC Digital Solutions is for a 60-month term beginning in March 2026, at a cost of $16,504 annually, totaling $82,517 over the term.

The proposed maintenance agreement is also for a 60-month term, with fixed rates of $0.0059 per black and white print and tiered color pricing of $0.019 (Tier 1), $0.029 (Tier 2), and $0.039 (Tier 3). Based on an estimated average quarterly volume of 40,000 black and white prints and 80,000 color prints, the annual maintenance cost is approximately $10,224, or $51,120 over the term.

The City's current contract with Sharp costs approximately $31,200 annually. The proposed agreement would reduce annual copier service costs by about $4,500.

Sufficient funds are included in the FY26 and FY27 Non-Departmental Facilities Equipment and Lease budget to support this action. Funding for the remaining years of the contract will be incorporated into future budget cycles.

**NOTIFICATION AND FOLLOW-UP:**

KC Digital Solutions

**ALTERNATIVE ACTIONS**:

As determined by Council.

**STRATEGIC PLAN IMPLEMENTATION:**

Strategic Goal #4: Effective, Efficient, and Innovative City Administration

**SUPPORTING DOCUMENTS**: **PAGE NO.**

A. KC Digital Sales Quote ..... 4

**ACTION DOCUMENTS**: **PAGE NO.**

B. Lease Agreement ..... 5
C. Maintenance Agreement ..... 7

# SUPPORTING DOCUMENT A

KC DIGITAL SOLUTIONS
Copiers. Printers. Document Management.

*ORDER IS NON-REFUNDABLE*

540 S. State College Blvd
Fullerton, CA 92831
Phone 800-448-0076

Date 1/27/2026

**Billing Information**

| | |
|---|---|
| Company Name | City of Dana Point |
| Address | 33282 Golden Lantern |
| City, State, Zip | Dana Point, CA 92629 |
| Contact Name | Allison Peterson |
| Email | apeterson@danapoint.org |
| Phone | (949) 248-3553 |

**Machine Location** (Same as Billing☒)

| | |
|---|---|
| Customer Name | |
| Address | |
| City, State, Zip | |
| Contact Name | |
| Phone | |
| Email | |

| Model Number | Qty | Serial Number |
|---|---|---|
| Kyocera 50PPM Color Copier | 3 | |
| Kyocera 35PPM Color Copier | 2 | |
| Kyocera 25PPM Color Copier | 2 | |
| Document Processor | 7 | |
| Paper Feeder | 7 | |
| 1,000 Sheet Finisher with Stapler | 6 | |
| Fax System | 1 | |
| 2:3 Hole Punch System | 6 | |
| Managed Print Service & Cloud Monitoring | 7 | |

| LEASE TERMS | | | |
|---|---|---|---|
| Cash | ☐ | Payment | **$1,375.28** |
| Lease | ☒ | Months | **60** |
| Lease Return | ☒ASAP ☐Long Term | Buyout | **NO** |
| Machine P/U | ☒YES | **Sales Rep** | **Dawson** |

| Managed Print Service | | |
|---|---|---|
| Maintenance Rates (NO Annual Increase) | B/W: | 0.0059 |
| | Tier 1: | $0.019 |
| | Tier 2: | $0.029 |
| | Tier 3: | $0.039 |

NOTES:

| |
|---|
| **Installation: TBD. Full Set Up, Network Deployment, Machine Installation, Training, Customization.** |
| **Pick up 7 Sharp Copiers and Return to leasing company at no cost.** |
| **Maintenance Rates will be kept at quoted price for duration of 5-year program** |

Customer Authorization

KC Digital Solutions

# ACTION DOCUMENT B

Agreement Number:

## Lease Agreement

First Citizens Bank.

This Lease Agreement (the "Lease") contains the terms of your agreement with us. Please read it carefully and ask us any questions you may have. The words **you, your** and **lessee** mean you, our customer. The words **we, us, our** and the **lessor**, mean First-Citizens Bank & Trust Company.

## Equipment Description

| Quantity | Description | Equipment Address |
|---|---|---|
| 3 | Kyocera MZ-5001ci | |
| 2 | Kyocera MZ-3501ci | |
| 2 | Kyocera MZ-2501ci | |

For additional equipment and accessories, attach addendum.

**Equipment Supplier Name, Address and Phone:** **KC Digital Solutions, Inc.** 540 S. State College Blvd., Fullerton CA 92831; P: 714-546-7343

### End of Lease Purchase Option

If no box is checked or if more than one box is checked, the Fair Market Value Purchase Option will apply.

☒ Fair Market Value
☐ $1.00 Purchase Option ☐ Other ___

### Term and Lease

Lease Payment $1,375.28 (plus taxes, if applicable)
Term (Months) 60
Payment Frequency Monthly

Variable Payment Schedule if applicable:
(Attach "Payment Schedule Addendum" if necessary)

___ payments @ ___; followed by ___ payments @ ___ followed by ___ payments @ ___; followed by ___ payments @ ___; followed by ___ @ ___

Payments are due in Arrears

The following additional payments are due on the date you sign this agreement:

One-time Documentation Fee $0 Payable with First Invoice
Advanced Payment $___ due at Lease signing
(including taxes, if applicable)

If more than one Lease Payment is required in advance, the additional amount will be applied at the end of the initial or any renewal term.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT: 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 for you: When you open an account, we will ask for (i) if you are a legal entity, your name, address, and other information that will allow us to identify you; (ii) if you are an individual, your name, address, and date of birth. We may also ask to see your driver's license or other identifying documents.**

**LESSOR:** First-Citizens Bank & Trust Company
10201 Centurion Parkway N. #100
Jacksonville, FL 32256

Authorized Signature Date Signed

Printed Name

Print Title

### Lessee

City of Dana Point
Lessee Legal Name

Lessee "Doing Business As" Name

33282 Golden Lantern
Billing Street Address

Dana Point, CA 92629
Billing City, State, Zip

Billing Contact Name & Phone No.

Billing Contact e-mail address

Lessee Phone Number (if different from above)

TERMS AND CONDITIONS
**BY SIGNING THIS LEASE:**

**(i) You acknowledge that you have read and understand the terms and conditions of this Lease including those on page 2 of this Lease; (ii) You agree that this Lease is a net lease that you cannot terminate or cancel, you have an unconditional obligation to make all payments due under this Lease, and you cannot withhold, set off or reduce such payments for any reason; (iii) You will use the Equipment only for business purposes; (iv) you acknowledge that if this Lease is replacing an existing Lease the new Payment may include the balance of that existing lease and result in a greater aggregate cost to you; and (v) You agree that by providing a telephone number to a cellular or other wireless device, you are expressly consenting to receiving communications from us, our affiliates and agents (for non-marketing purposes) at that number, including, but not limited to, prerecorded and artificial voice messages, text messages, and calls from automated telephone dialing systems; these calls may incur fees from your cellular provider; and this consent applies to each such telephone number you provide to us now or in the future.**

ELECTRONIC TRANSMISSION AND COUNTERPARTS. A fax or electronically transmitted signed version of this Lease, when received by us, shall be binding on you for all purposes as if originally signed. This Lease is not binding on us until we sign it. We may accept this Lease by signing, either manually or electronically. You agree that the only version of this Lease that is the original for all purposes is the version containing your fax or scanned signature and our signature. This Lease may be signed in counterparts each of which will be considered an original and all counterparts will be considered and constitute one and the same Lease. This Lease may be retained electronically and you agree that any such electronic version shall be fully enforceable without the need to produce an original; however we may request an original signature document.

### LESSEE SIGNATURE

**City of Dana Point**
**Lessee Legal Name**

**X** **X**
Authorized Signature Date Signed

**X**
Print Signer's Name

Print Signer's Title AND E-MAIL ADDRESS

Federal Tax ID Number

**1. LEASE; DELIVERY AND ACCEPTANCE.** You agree to lease the equipment described on the front of this lease agreement ("Lease") (collectively "Equipment") on the terms and conditions shown on the front and back of this Lease. You agree to pay the Documentation Fee with your first invoice and the Advanced Payment when you sign this Lease. You will arrange for the delivery of the Equipment to you. When you receive the Equipment, you agree to inspect it to determine if it is in good working order. This Lease will begin on the date any of the Equipment is delivered to you ("Inception Date"). The Equipment will be deemed irrevocably accepted by you upon the earlier of: (a) the delivery to us of a signed Delivery and Acceptance Certificate (unless rejected by us); or (b) **10** days after delivery of the Equipment to you if you previously have not given written notice to us of your non-acceptance ("Commencement Date"). The first Lease Payment is due thirty (30) days after the date you accept the Equipment. If you accept the Equipment in accordance with this Section 1, the remaining Lease Payments will be due on the day of each subsequent month (or such other time period stated on the front of this Lease) specified by us. **Each day between the Inception Date and the Commencement Date is an "Interim Rent Day". You shall pay us interim rent for each Interim Rent Day at 1/30th of the Lease Payment.** You will make all payments required under this Lease to us at such address as we may specify in writing. You authorize us to adjust the Lease Payment by not more than **15%** if the actual Total Cash Price (which is all amounts we have paid in connection with the purchase, delivery and installation of the Equipment, including any trade-up and buy-out amounts) differs from the estimated Total Cash Price. Any Lease Payment or other amount payable to us is not paid within **10** days of its due date, you will pay us a late charge not to exceed **7%** of each late payment, but in no event greater than maximum rate allowable under applicable law.

**2. NO WARRANTIES.** We are leasing the Equipment to you **"AS- IS". YOU ACKNOWLEDGE THAT WE DO NOT MANUFACTURE THE EQUIPMENT, WE DO NOT REPRESENT THE MANUFACTURER OR THE SUPPLIER, AND YOU HAVE SELECTED THE EQUIPMENT AND SUPPLIER BASED UPON YOUR OWN JUDGMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. YOU AGREE THAT REGARDLESS OF CAUSE, WE ARE NOT RESPONSIBLE FOR AND YOU WILL NOT MAKE ANY CLAIM AGAINST US FOR ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL, OR INDIRECT. YOU AGREE THAT NEITHER SUPPLIER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF SUPPLIER IS OUR AGENT OR HAS ANY AUTHORITY TO SPEAK FOR US OR TO BIND US IN ANY WAY.** To the extent transferable, we transfer to you for the term of this Lease any warranties made by the manufacturer or Supplier under a purchase contract.

**3. EQUIPMENT LOCATION; USE AND REPAIR; RETURN.** You may move the Equipment within the continental United States to one of your business locations provided you give us written notification of the move within 30 days of the move, and you agree that you will be liable for any increase in any personal property taxes as a result of that relocation. At your own cost and expense, you will keep the Equipment eligible for any manufacturer's certification, in compliance with all applicable laws and in good condition, except for ordinary wear and tear. You will not make any alterations, additions or replacements to the Equipment without our prior written consent. All alterations, additions and replacements will become part of the Equipment and our property at no cost or expense to us. We may inspect the equipment at any reasonable time after advance notice to you. Without our prior written consent, you agree that you will not take the Equipment out of service and will not permit a third party to pay or provide funds to pay the amounts the hereunder. Unless you purchase the Equipment in accordance with a purchase option granted to you on the first page of this Lease, within 10 days of the expiration of this Lease, you will immediately deliver the Equipment to us in good condition and repair, except for ordinary wear and tear, to any place in the United States that we direct you in our return authorization in as good condition as when you received it, except for ordinary wear and tear. You will pay for all outstanding lease payments, late charges, insurance charges, and our estimated property taxes on the Equipment based upon the prior year's actual property tax, shipping and other expenses; you will insure the Equipment for its full replacement value during shipping. Unless we request return to us, you must retain physical possession of the Equipment through the end of the initial or any renewal lease term.

**4. TAXES AND FEES.** You are responsible for all sales and use (unless you provide us with an acceptable Sale/Use Tax exemption form), personal property or other taxes relating to the use or ownership of the Equipment, now or hereafter imposed, or assessed by any state, federal or local government or agency. You agree to pay when due, or reimburse us for all taxes, fines or penalties imposed upon the Equipment and, if we elect, you agree to pay us estimated property taxes either with each Lease Payment or at the end of the lease term. We will file all sales, use and personal property tax returns (unless we notify you otherwise in writing). We do not have to contest any taxes, fines or penalties; however, you may do so provided (a) you do so in your own name and at your expense, (b) the contest will not result in any sort of lien being placed on the Equipment or otherwise jeopardize our rights in any of the Equipment, (c) you pay us for any taxes we remit to the taxing authorities even though you may be contesting the taxes and indemnify and hold us harmless for any expenses, including legal expenses, we incur as a result of such contest. If we file such personal property tax reports, you will pay property taxes as invoiced by us.

**5. LOSS OR DAMAGE.** As between you and us, you are responsible for any loss, theft or destruction of, or damage to the Equipment (collectively "Loss") from any cause at all, whether or not insured, until it is delivered to us at the end of the Lease. You are required to make all Lease Payments even if there is a Loss. You must notify us in writing immediately of any Loss. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us the amounts specified in section 9(b) below.

**6. INSURANCE.** You are responsible for installing and keeping the Equipment in good working order. 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 amounts due and to become due hereunder without setoff or defense. During the term of this Agreement, you agree that you will (1) insure the equipment against all loss or damage naming us as loss payee, (2) obtain liability and third party property damage insurance naming us as an additional insured, and (3) deliver satisfactory evidence of such coverage with carriers, policy forms and amounts acceptable to us. All policies must provide that we be given thirty (30) days written notice of any material change or cancellation. If you do not provide evidence of acceptable insurance, we have the right, but no obligation, to obtain insurance covering our interest in the Equipment for the lease term, and renewals. Any insurance we obtain will not insure you against third party or liability claims and may be canceled by us at any time. In the event we obtain the above described insurance, you will be required to pay us an additional amount each month for the insurance premium and an administrative fee. You agree that we, or one of our affiliates, may make a profit in connection with the insurance we obtain. The cost may be more than the cost of obtaining your own insurance. You agree to cooperate with us, our insurer and our agent in the placement of coverage and with claims. If you later provide us with evidence that you have obtained acceptable insurance, we will cancel the insurance we obtained. The insurance we obtain (1) will not name you as an insured, additional insured, or loss payee, (2) will not provide you with liability insurance, (3) may not pay any claim that you make, (4) will not pay any claim made against you, and (5) may be cancelled by us at any time.

**7. TITLE; RECORDING.** Unless you are given a $1.00 purchase option, we are the owner of and will **hold title to the Equipment.** However, if you are given a $1.00 purchase option, you agree that this transaction is a lease intended for security and you grant us a first priority security interest in the Equipment (including any replacements, substitutions, additions, attachments and proceeds). You will keep the Equipment free of all liens and encumbrances. **YOU AUTHORIZE US TO FILE, FINANCING STATEMENTS COVERING THE EQUIPMENT.**

**8. DEFAULT.** Each of the following is a "Default" under this Lease: (a) you fail to pay any Lease Payment or any other payment within **30** days of its due date; (b) you do not perform any of your other obligations under this Lease or in any other agreement with us or with any of our affiliates and this failure continues for **30** days after we have notified you of it; (c) you become insolvent, you dissolve, you assign your assets for the benefit of your creditors, you sell, transfer or otherwise dispose of all or substantially all of your assets, or you enter (voluntarily or involuntarily) any bankruptcy or reorganization proceeding; (d) without our prior written consent, which will not be unreasonably withheld or delayed, you merge or consolidate with any other entity and you are not the survivor of such merger or consolidation; (e) any of the Equipment is located at a host facility, a breach under the terms of your host agreement; (f) if a letter of credit ("LOC") has been issued in connection with this Lease, a cancellation or non-renewal of such LOC and you do not provide us with an acceptable replacement letter of credit within sixty (60) days; or (g) any guarantor of this Lease dies, does not perform its obligations under the guaranty, or becomes subject to one of the events listed in this Section 8.

**9. REMEDIES.** If a Default occurs, we may do one or more of the following: (a) we may cancel or terminate this Lease and any or all other agreements that we have entered into with you, (b) we may require you to immediately pay us, as compensation for loss of our bargain and not as a penalty, a sum equal to: (i) the present value of all unpaid Lease Payments for the remainder of the term, plus the present value of our anticipated residual interest in the Equipment, each discounted at the lesser of (1) the rate implicit in the Lease, or (2) 4% per year, plus (ii) past due interest at the rate of 18% per annum, plus (iii) all other amounts due and to become due under this Lease; (c) we may require you to deliver the Equipment to us as set forth in section 3; (d) we or our agent may peacefully repossess the Equipment without court order and you will not make any claims against us for damages, trespass, or any other reason; (e) if the LOC is canceled or not renewed or Bank sends us written notice of its intent to cancel or not renew the LOC we may immediately draw on the LOC for the total of the amounts identified in (b) above, and (f) we may exercise any other right or remedy available at law or in equity. **In the event of a dispute arising out of this Lease, the prevailing party shall be entitled to its reasonable collection costs and attorney fees and costs incurred in enforcing or defending this Lease (including those attorney fees and costs incurred post-judgement).** If we take possession of the Equipment we may sell or otherwise dispose of it with or without notice, at a public or private sale, and apply the net proceeds (after we have deducted all costs related to the sale or disposition of the Equipment) to the amounts that you owe us. You will remain responsible for any amounts that are due after we have applied such net proceeds. You agree that if notice of sale is required by law to be given, 10 days notice shall constitute reasonable notice. If we delay or fail to enforce any of our rights under this Lease, we will still be entitled to enforce those rights at a later time.

**10. FINANCE LEASE STATUS.** You agree that this Lease will be considered a "finance lease" as that term is defined in Article 2A of the Uniform Commercial Code. By signing this Lease, you agree that: either (a) you have reviewed, approved and received a copy of the purchase contract or (b) that we have informed you of the identity of the Supplier, that you may have rights under the purchase contract, and that you may contact the supplier for a description of those rights. **TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU WAIVE ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A.**

**11. ASSIGNMENT. YOU MAY NOT ASSIGN, SELL, TRANSFER OR SUBLEASE THE EQUIPMENT OR YOUR INTEREST IN THIS LEASE, WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD.** We may, without notifying you, sell, assign, or transfer this Lease and our rights in the Equipment. You agree that the new owner will have the same rights and benefits that we have now under this Lease but not our obligations, which we will remain responsible for. The rights of the new owner will not be subject to any claim, defense or set-off that you may have against us or the supplier.

**12. PURCHASE OPTION; AUTOMATIC RENEWAL.** If no Default has occurred and is continuing under this Lease, you will have the option at the end of the initial or any renewal term to purchase all (but not less than all) of the Equipment at the Purchase Option price shown on the front of this Lease, plus any applicable taxes and if the purchase occurs after the rendition date for any personal property taxes on the Equipment you agree to pay us the estimated property tax based upon the prior year's actual property tax. Unless the Purchase Option price is $1, you must give us at least **90** days but no more than **180** days written notice before the end of the initial lease term, or 30 days prior to the end of any renewal term that you will either purchase or return the Equipment to us. If you do not give us such written notice or, having given such notice, if you do not purchase or deliver the Equipment in accordance with the terms of this Lease, this Lease will automatically renew for successive twelve-month terms unless and until you give us the 30 day notice and either purchase or deliver the Equipment to us. Each month during such renewal term(s) the Lease Payment will remain the same. If your payment frequency is monthly, your payments during renewal remain the same. If your payment frequency is other than monthly, then your renewal payments shall be the monthly equivalent of your periodic payment amount. We may cancel an automatic renewal term by sending you 10 days prior written notice. If the Fair Market Value Purchase Option has been selected, we will use our reasonable judgment to determine the Equipment's Fair Market Value as configured, in place, and installed. You agree that Fair Market Value is the amount that may reasonably be expected for the installed Equipment in an exchange between a willing buyer and a willing seller, including costs to make the Equipment fully operational. If you do not agree with our determination of the Equipments Fair Market Value, the Fair Market value will be determined at your expense by an independent appraiser mutually acceptable to you and us. Upon payment of the Purchase Option price, we shall transfer our interest in the Equipment to you **"AS-IS, WHERE-IS"** without any representation or warranty whatsoever and this Lease will terminate.

**13. INDEMNIFICATION.** You are responsible for any losses, damages, penalties, claims, suits and actions (collectively "Claims"), whether based on a theory of strict liability or otherwise caused by or related to or in any manner arising from the Equipment. You agree to reimburse us for and if we request, to defend us against, any Claims, except Claims caused by our willful misconduct. You agree that your obligations under this Section 13 and Section 4 shall survive the termination of this Lease for Claims arising during the term of this Lease.

**14. CREDIT INFORMATION; FINANCIAL STATEMENTS. YOU AUTHORIZE US OR ANY OF OUR AFFILIATES TO OBTAIN CREDIT BUREAU REPORTS, AND MAKE OTHER CREDIT INQUIRIES THAT WE DETERMINE ARE NECESSARY.** You agree to provide us copies of your balance sheet, income statement and other financial reports as we may reasonably request.

**15. SOFTWARE.** The Products provided hereunder may include certain Software imbedded, or loaded on the Equipment, that you agree to use consistent with the underlying software license. You acknowledge that such Software enhances the value of the Products. You agree to not remove any software without our written consent. Except as expressly modified by this Section 15, all the terms and conditions of this Lease shall apply to the Software including without limitation, Section 2.

**16. DATA SECURITY.** Some or all of the items of Equipment returned to us at any time may contain sensitive information or data belonging to your organization, or your customers/clients/patients, that is stored, recorded, or in any way contained within or on the Equipment. Before the Equipment is returned to us or our agents, you will, at your sole cost and expense, permanently destroy, delete and remove all such information and data that is stored, recorded or in any way contained within or on the Equipment, to the extent that further recovery of any of such data and information is not possible. We have absolutely no responsibility to remove such data and disclaim any liability for any data or information that you fail to so destroy, delete, and remove. All hard drives and other data retention components must function as originally installed after data removal.

**17. MISCELLANEOUS. (a) Choice of Law.** This Lease and any claims, controversies, disputes or causes of action (whether in contract, tort or otherwise) shall be governed, construed, and enforced in accordance with Federal law and the laws of the State of New York without regard to the conflict of laws principles of such states. The Parties consent to the jurisdiction of any court located within the State of New York, and waive any objection relating to improper venue or forum non conveniens. **(b) Jury Trial. BOTH PARTIES EXPRESSLY WAIVE TRIAL BY JURY AS TO ALL ISSUES ARISING OUT OF OR RELATED TO THIS LEASE. (c) Entire Agreement.** The Lease constitutes the entire agreement between you and us and supersedes all prior agreements. **(d) Enforceability.** If any provision of this Lease is unenforceable, illegal or invalid, the remaining provisions shall continue to be effective. **(e) Amendment.** This Lease may not be modified or amended except by a writing signed by you and us, either manually or electronically. You agree however, that we are authorized, without notice to you, to supply missing information or correct obvious errors in the Lease, such as serial numbers, or correct typographical, immaterial, or obvious errors in this Lease provided that such change does not materially alter your obligations under this Lease. **(f) Notice.** All notices shall be in writing and shall be delivered to the appropriate party personally, by private courier, by facsimile transmission, or by mail, postage prepaid, at its address shown herein or to such other address as directed in writing by such party. **(g) Usury.** It is the express intent of both of us not to violate any applicable usury laws or to exceed the maximum amount of interest permitted to be charged or collected by applicable law, and any thereafter excess payment will be applied to the Lease Payments in inverse order of maturity and any remaining excess will be refunded to you. **(h) Prepayment.** Prepayment or early termination is not permitted except at such time and on such terms and conditions as Lessor may agree in writing. **(i) NSF.** We may also charge you $25.00 for each returned check or if an ACH debit is not honored by your bank. **(j) Restrictive Endorsements.** You agree that any restrictive endorsement (such as "payment in full", "final payment" or otherwise) on any check submitted in payment for this Lease shall have no force and effect and that we may cash the check and apply the proceeds without prejudice to our rights under this Lease. **(k) Purchase Orders.** You agree that any purchase orders issued by you in conjunction with this Lease are issued solely for your administrative purposes and no terms or conditions contained in the purchase order will change or modify the terms and conditions of this Lease.

## ACTION DOCUMENT C

KC DIGITAL SOLUTIONS
Copiers. Printers. Document Management.
*540 S. State College Blvd*
*Fullerton, CA 92831*
*Phone: 800-448-0076*

# Service Maintenance Agreement

| BILL TO LOCATION | | SERVICE LOCATION | |
|---|---|---|---|
| **Customer Name:** | City of Dana Point | **Customer Name:** | City of Dana Point |
| **Address:** | 33282 Golden Lantern | **Address:** | 33282 Golden Lantern |
| **City, State, Zip:** | Dana Point, CA 92629 | **City, State, Zip:** | Dana Point, CA 92629 |
| **Email:** | apeterson@danapoint.org | **Phone:** | (949) 248-3553 |
| **Contact Name:** | Allison Peterson | **Email:** | Allison Peterson |

| | | | |
|---|---|---|---|
| ☒ | **ALL INCLUSIVE MAINTENANCE:** Includes all parts, toner, and labor. Auto Generated Toner and Service Notifications. Free Training (For Full Term of Program). Courtesy Cleanings & Executive Summaries included. (Excludes Paper, Staples, and IT work) | **BILLING CYCLE:** | ☒ **Monthly**<br>☐ **Quarterly**<br>☐ **Annually** |
| ☐ | **SERVICE AND PARTS MAINTENANCE:** Includes all parts & labor only. (Excludes Toner, supplies, paper, and IT work) | **METERS:** | ☒ **Email**<br>☒ **AutoMeter Response**<br>☐ **Other:** |
| ☐ | **LABOR ONLY MAINTENANCE:** Includes only labor. (Excludes parts, toner, supplies, paper, and IT work) | **AGREEMENT START DATE:** | 06/14/2024 |
| ☒ | **OTHER PLAN** (specify):<br>• **Full MPS Program**<br>• **Free Training**<br>• **Monthly / Quarterly Curtesy Cleaning**<br>• **Automatic Toner Alerts and Automatic Service Alerts with 1-4 Hour Onsite response time**<br>• **M.A Rates Fixed for 5 years** | **AGREEMENT TERM:** | Annual with auto renewal. |

| MODEL NUMBER | SERIAL NUMBER | B/W Cost Per Copy | Color Cost Per Copy |
|---|---|---|---|
| (3) MZ-5001ci | | $0.0059 | Tier 1: $0.019<br>Tier 2: $0.029<br>Tier 3: $0.039 |
| (2) MZ-3501ci | | | |
| (2) MZ-2501ci | | | |

**CUSTOMER SIGNATURE** **DATE**

**PRINTED NAME & TITLE**

**KC DIGITAL SOLUTIONS** **DATE**

**PRINTED NAME & TITLE**

## Maintenance Agreement
### Terms and Conditions

**1.** KC Digital Solutions or an Authorized KC Digital Solutions Dealer (both referred to herein as "KCDS") will provide full maintenance service for the copiers, printers, multi-functional machines, facsimile machines, and related accessories (referred to as "Products") described on the front of this Agreement. KCDS will provide preventative maintenance calls in conjunction with regular or emergency service calls within regular business hours (M-F 8am-5pm local time, excluding federal holidays for the Products.

**2.** On a monthly Billing Plan the Customer is billed each month with a Minimum Charge and an Excess Copy Charge based upon the number of copies made on the Products. Unless specifically stated on the front of this Agreement, paper, staples, and IT services are not included in the service provided under this Agreement.

**3.** Some Products may be connected to an automatic meter reading device which will report the number of copies made each year on an Annual Billing Plan or each month on a Monthly Billing Plan and upon which invoices will be based. If an automatic meter reading device is not installed or fails to report properly, Customer shall provide KCDS by telephone or email with the actual meter reading on the last business day of each one-year period on an Annual Billing Plan or each calendar month on a Monthly Billing Plan. KCDS may estimate the number of copies used if such reading is not received by KCDS. The estimated Copy Charge shall be adjusted upon receipt of the actual meter reading.

**4.** If toner and toner disposal tanks are elected to be included in the service provided under the Agreement, KCDS will provide OEM brand toner and toner disposal tanks to the customer, based upon normal yield. If the Customer's usage of supplies exceeds the normal yields for the copier being serviced by more than 15%, KCDS will invoice and the Customer agrees to pay, for the excess supplies at KCDS's current retail prices then in effect. Customer may receive an invoice due to unforeseen / personnel purposefully generated problems (misuse of toner recycling kits, lost/ misplaced toners, customer damage, vandalism, natural disaster, robbery, etc.). Any toner in storage at the Customer location is the property of KCDS and KCDS's representative may take an inventory periodically during normal business hours, at KCDS's discretion.

**5.** Service calls under this Agreement will be made by KCDS during KCDS's normal business hours. Customers must provide adequate space for operation and maintenance of the Products and reasonable storage space for supplies to be used with the Products. The customer agrees to provide for the Products adequate electricity (including, if necessary, a dedicated 220v/20-amp wall outlet of 110v/15 amp or 20-amp wall outlet based on electrical wiring specification of Products).

**6.** During the term of this Agreement, KCDS will provide without charge, replacement parts for parts which have been worn or broken through normal use. All other parts furnished will be billed to the Customer at KCDS's parts prices in effect at the time such parts are sold. Unless otherwise specified on the first page of this agreement.

**7.** If any Product is moved to location which is significantly further from KCDS servicing location than the original location, KCDS may elect discontinue the service and refund the Maintenance Agreement price on a pro-rata basis less a 20% administrator fee, or KCDS may charge an additional fee for the continuation of this Maintenance Agreement. If Customer moves product and it is damaged, service agreement is void until customer gets the product up to specs.

**8.** This Agreement will not apply to service made necessary by accident, misuse, abuse, neglect, theft, riot, vandalism, electrical power failure, power surges, low or high voltage in the electrical line, fire, water or other casualty, or to repair made necessary as a result of either service by personnel other than KCDS personnel or the used of supplies or parts not meeting KCDS's specifications. KCDS will charge the customer for repairs and parts, due to the foregoing, at the prices in effect when such service work is performed.

**9.** When service work beyond the scope of this Agreement is required, KCDS will submit a request for assistance from manufacturer. If manufacturer and KCDS come to conclusion that machine is unrepairable, the machine will be replaced with a "like for like" model at no charge to the customer. This will be subject to manufacturer policies and procedures and above referenced Loaner policy may be initiated as needed.

**10.** This Agreement covers only the Products listed on the front of this Agreement and does not include any Products, equipment or accessories not listed.

**11.** This Agreement may not be assigned by the Customer.

**12.** This Agreement does not include applicable taxes. All taxes levied or imposed, now or hereafter, by any government authority shall be timely paid by the Customer.

**13.** If Customer defaults in any payments under this Agreement, then KCDS shall be entitled to all expenses of collection, including reasonable attorney's fees, whether or not suit is brought, plus an interest and finance charge of 1% per month (12% per annum) or the maximum allowed by law, whichever is less, on the unpaid balance.

**14.** This Agreement constitutes the entire agreement between the Customer and KCDS with respect to KCDS's service. This Agreement shall be deemed to accurately represent the intent of the parties, notwithstanding any variance with the terms and conditions of any order submitted by the Customer in respect to KCDS's service, or any oral representative made by any KCDS representative.

**15.** This Agreement shall remain in full force and effect for successive Coverage Periods but may be terminated at any time after the initial Coverage Period by either party on thirty (30) days prior written notice to the other party. The Maintenance Agreement price for the new period may be increased to reflect the age of the equipment or increased costs to KCDS. Customer's obligation to pay all charges which have accrued shall survive any termination of this Agreement. KCDS reserves the right not to renew this Agreement for specific Products listed on the first page of this service agreement.