

AGREEMENT
Postage Equipment Maintenance

I. INTRODUCTION

THIS AGREEMENT is entered into as of December 15, 2015, between the COUNTY OF TULARE, referred to as COUNTY, and JMP Business Systems Inc., referred to as CONTRACTOR, with reference to the following:

II. RECITALS

- A. Whereas COUNTY has bulk mail and shipping services for all departments.
- B. Whereas COUNTY requires postage application equipment and maintenance service for postage meters and accounting software package.

ACCORDINGLY, IT IS AGREED:

III. SPECIFIC TERMS

- 1. **TERM:** This Agreement shall become effective as of December 15, 2015 and shall expire at 11:59 PM on December 15, 2020 unless otherwise terminated as provided in this Agreement.
- 2. **SERVICES TO BE PERFORMED:** See attached **EXHIBIT A**
- 3. **PAYMENT FOR SERVICES:** See attached **EXHIBIT B**.

IV. GENERAL TERMS

4. INDEPENDENT CONTRACTOR STATUS:

(a) This Agreement is entered into by both parties with the express understanding that CONTRACTOR will perform all services required under this Agreement as an independent contractor. Nothing in this Agreement shall be construed to constitute the CONTRACTOR or any of its agents, employees or officers as an agent, employee or officer of COUNTY.

(b) CONTRACTOR agrees to advise everyone it assigns or hires to perform any duty under this agreement that they are not employees of COUNTY. Subject to any performance criteria contained in this Agreement, CONTRACTOR shall be solely responsible for determining the means and methods of performing the specified services and COUNTY shall have no right to control or exercise any supervision over CONTRACTOR as to how the services will be performed. As CONTRACTOR is not COUNTY'S employee, CONTRACTOR is responsible for paying all required state and federal taxes. In particular, COUNTY will not:

1. Withhold FICA (Social Security) from CONTRACTOR'S payments.
2. Make state or federal unemployment insurance contributions on CONTRACTOR'S behalf.
3. Withhold state or federal income tax from payments to CONTRACTOR.
4. Make disability insurance contributions on behalf of CONTRACTOR.
5. Obtain unemployment compensation insurance on behalf of CONTRACTOR.

(c) Notwithstanding this independent contractor relationship, COUNTY shall have the right to monitor and evaluate the performance of CONTRACTOR to assure compliance with this Agreement.

5. **COMPLIANCE WITH LAW:** CONTRACTOR shall provide services in accordance with applicable Federal, State, and local laws, regulations and directives. With respect to CONTRACTOR'S employees, CONTRACTOR shall comply with all laws and regulations pertaining to wages and hours, state and federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment.

6. **GOVERNING LAW:** This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this contract is made in and shall be performed in Tulare County, California.

7. **RECORDS AND AUDIT:** CONTRACTOR shall maintain complete and accurate records with respect to the services rendered and the costs incurred under this Agreement. In addition, CONTRACTOR shall maintain complete and accurate records with respect to any payments to employees or subcontractors. All such records shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Upon request, CONTRACTOR shall make such records available within Tulare County to the Auditor of Tulare County and to his agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the date of final payment under this Agreement.

8. **CONFLICT OF INTEREST:**

(a) CONTRACTOR agrees to, at all times during the performance of this Agreement, comply with the law of the State of California regarding conflicts of interests and appearance of conflicts of interests, including, but not limited to Government Code Section 1090 et seq., and the Political Reform Act, Government Code Section 81000 et seq. and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. The statutes, regulations and laws previously referenced include, but are not limited to, prohibitions against any public officer or employee, including CONTRACTOR for this purpose, from making any decision on behalf of COUNTY in which such officer, employee or consultant/contractor has a direct or indirect financial interest. A violation can occur if the public officer, employee or consultant/contractor participates in or influences any COUNTY decision which has the potential

to confer any pecuniary benefit on CONTRACTOR or any business firm in which CONTRACTOR has an interest, with certain narrow exceptions.

(b) CONTRACTOR agrees that if any facts come to its attention which raise any questions as to the applicability of conflicts of interests laws, it will immediately inform the COUNTY designated representative and provide all information needed for resolution of this question.

9. **INSURANCE:** Prior to approval of this Agreement by COUNTY, CONTRACTOR shall file with the Clerk of the Board of Supervisors evidence of insurance as set forth in **Exhibit C** attached, which outlines the minimum scope, specifications, and limits of insurance required under this Agreement. Additional insured endorsements required as outlined in Exhibit C shall not be used to reduce limits available to COUNTY as an additional insured from CONTRACTOR's full policy limits. Insurance policies shall not be used to limit liability or to limit the indemnification provisions and requirements of this Agreement or act in any way to reduce the policy coverage and limits available from the insurer(s). Failure to maintain or renew coverage, or to provide evidence of renewal, may be considered a material breach of this Agreement.

10. **INDEMNIFICATION:** CONTRACTOR shall hold harmless, defend and indemnify COUNTY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including COUNTY property, arising from, or in connection with, the performance by CONTRACTOR or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against COUNTY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against COUNTY alleging civil rights violations by CONTRACTOR under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and any fines or penalties imposed on COUNTY for CONTRACTORS failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

11. **TERMINATION:**

(a) Without Cause: County will have the right to terminate this Agreement without cause by giving thirty (30) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination. County will pay to the CONTRACTOR the compensation earned for work performed and not previously paid for to the date of termination. County will not pay lost anticipated profits or other economic loss. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from CONTRACTOR of any and all plans, specifications and estimates, and other documents prepared by CONTRACTOR in accordance with this Agreement. No sanctions will be imposed.

(b) With Cause: This Agreement may be terminated by either party should the other party:

- (1) be adjudged a bankrupt, or
- (2) become insolvent or have a receiver appointed, or
- (3) make a general assignment for the benefit of creditors, or
- (4) suffer any judgment which remains unsatisfied for 30 days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
- (5) materially breach this Agreement.

In addition, COUNTY may terminate this Agreement based on:

- (6) material misrepresentation, either by CONTRACTOR or anyone acting on CONTRACTOR's behalf, as to any matter related in any way to COUNTY's retention of CONTRACTOR, or
- (7) other misconduct or circumstances which, in the sole discretion of the COUNTY, either impair the ability of CONTRACTOR to competently provide the services under this Agreement, or expose the COUNTY to an unreasonable risk of liability.

County will pay to the CONTRACTOR the compensation earned for work performed and not previously paid for to the date of termination. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from CONTRACTOR of any and all plans, specifications and estimates, and other documents prepared by CONTRACTOR by the date of termination in accordance with this Agreement. County will not pay lost anticipated profits or other economic loss, nor will the County pay compensation or make reimbursement to cure a breach arising out of or resulting from such termination. If this Agreement is terminated and the expense of finishing the CONTRACTOR's scope of work exceeds the unpaid balance of the agreement, the CONTRACTOR must pay the difference to the County. Sanctions taken will be possible rejection of future proposals based on specific causes of non performance.

(c) **Effects of Termination:** Expiration or termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities. Where CONTRACTOR's services have been terminated by the County, said termination will not affect any rights of the County to recover damages against the CONTRACTOR.

(d) **Suspension of Performance:** Independent of any right to terminate this Agreement, the authorized representative of COUNTY for which CONTRACTOR's services are to be performed, may immediately suspend performance by CONTRACTOR, in whole or in part, in response to health, safety or financial emergency, or a failure or refusal by CONTRACTOR to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved, or a notice of termination becomes effective.

12. LOSS OF FUNDING: It is understood and agreed that if the funding is either discontinued or reduced for this project for the COUNTY, that the COUNTY shall have the right to terminate this Agreement. In such event, the affected party shall provide the other party with at least thirty (30) days prior written notice of such termination.

13. **FORM DE-542:** If CONTRACTOR is an individual, CONTRACTOR acknowledges that this Agreement is subject to filing obligations pursuant to Unemployment Insurance Code Section 1088.8. Accordingly, COUNTY has an obligation to file a report with the Employment Development Department, which report will include the CONTRACTOR's full name, social security number, address, the date this contract was executed, the total amount of the contract, the contract's expiration date or whether it is ongoing. CONTRACTOR agrees to cooperate with COUNTY to make such information available and to complete Form DE- 542. Failure to provide the required information may, at COUNTY's option, prevent approval of this Agreement, or be grounds for termination by COUNTY.

14. **NOTICES:**

(a) Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

COUNTY:

Board of Supervisors
County of Tulare
Administration Building
2800 W. Burrel
Visalia, CA 93291

CONTRACTOR:

JMP Business Systems, Inc.
1450 Tollhouse Road #103
Clovis, CA 93611

Copy to:

General Services -- Print & Mail Services
County of Tulare
5953 S. Mooney Blvd.
Visalia, CA 93277

(b) Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed to be received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

15. **ASSIGNMENT/SUBCONTRACTING:** Unless otherwise provided in this Agreement, COUNTY is relying on the personal skill, expertise, training and experience of CONTRACTOR and CONTRACTOR'S employees and no part of this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of COUNTY.

16. **DISPUTE RESOLUTION:** If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees

required by the mediator shall be split equally by the parties; otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.

17. **FURTHER ASSURANCES:** Each party will execute any additional documents and perform any further acts that may be reasonably required to affect the purposes of this Agreement.

18. **HEADINGS:** Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

19. **NO THIRD-PARTY BENEFICIARIES INTENDED:** Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

20. **WAIVERS:** The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.

21. **EXHIBITS AND RECITALS:** The recitals and the exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

22. **CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY:** This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties to be, in conflict with any code or regulation governing its subject matter, only the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

23. **ENTIRE AGREEMENT REPRESENTED:** This Agreement represents the entire agreement between CONTRACTOR and COUNTY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

24. **ASSURANCES OF NON-DISCRIMINATION:** CONTRACTOR shall not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

(a) It is recognized that both the Contractor and the County have the responsibility to protect County employees and clients from unlawful activities, including discrimination and sexual harassment in the workplace. Accordingly, Contractor agrees to provide appropriate training to its employees regarding discrimination and sexual harassment issues, and to promptly and appropriately investigate any allegations that any of its employees may have engaged in improper discrimination or harassment activities. The County, in its sole discretion, has the right to require Contractor to replace any employee who provides services of any kind to County

pursuant to this Agreement with other employees where County is concerned that its employees or clients may have been or may be the subjects of discrimination or harassment by such employees. The right to require replacement of employees as aforesaid shall not preclude County from terminating this Agreement with or without cause as provided for herein.

THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

COUNTY OF TULARE

Date: _____ BY _____
Chairman, Board of Supervisors

ATTEST: MICHAEL SPATA
Interim County Administrative Officer/
Clerk of the Board of Supervisors of the County of Tulare

By _____
Deputy Clerk

CONTRACTOR

Date: 9/1/15 BY _____
TITLE VP of Ops

Date: 12/1/15 BY _____
TITLE President

Corporations Code section 313 requires that contracts with a corporation be signed by both (1) the chairman of the Board of Directors, the president or any vice-president (or another officer having general, operational responsibilities), and (2) the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer (or another officer having recordkeeping or financial responsibilities), unless the contract is accompanied by a certified copy of the corporation's Board of Directors' resolution authorizing the execution of the contract.

Approved as to Form
County Counsel

By _____
Deputy

Date _____



JMP Business Systems, Inc.
 P.O. Box 25250
 Fresno, CA 93729-5250
 (559) 298-6580

EXHIBIT A

MAINTENANCE AGREEMENT

AGREEMENT, made and entered into this 15th day of December 2015.

By and between JMP BUSINESS SYSTEMS, INC., a California company, by and through its proper Operating Division and Tulare General Services

Model	Serial Number	Service to Begin Date	Service to End Date	Annual Amount	Pro-rated Amount

Is Prepayment Check Attached? Yes No
 Check No. _____ Date _____
 Amount _____

Includes 100 % Parts and Labor		
Excludes Consumable Supplies and USPS rate change updates.		
Subject to price increase at time of renewal		
TOTAL		

Customer Purchase Order Number _____

Equipment Address Billing Address

THE CUSTOMER AND THE COMPANY UNDERSTAND AND AGREE THAT THIS MAINTENANCE AGREEMENT INCLUDES THE TERMS AND CONDITIONS SET FORTH BY JMP

Authorized Customer Representative
 Signature _____ Title _____ Date _____

Customer Name (type or print) _____

Accepted by:
 JMP Business Systems, Inc. Representative

TERMS AND CONDITIONS

The parties hereto covenant and agree as follows:

1. This agreement shall commence on the date first above appearing ("commencement date") and shall continue for an original term of one (1) year and shall renew thereafter for successive annual renewal periods unless terminated by either party by the giving of written notice to the other party not less than thirty (30) days prior to the expiration of the then current term (original or renewal). The terms and conditions set forth herein shall remain in full force and effect during any renewal term, except that the rates set forth in Paragraph 2 hereof shall be adjusted during any renewal term to JIMP'S then current rates.
2. During the term hereof, as extended or renewed, JIMP shall provide Customer pursuant to the terms and conditions set forth herein, certain out-of-warranty service (as herein defined) with respect to the following units: (herein collectively called "Machine") whose Service with respect to a particular Machine is scheduled to begin as herein indicated on a date other than the commencement date as shown on reverse side.
3. JIMP'S obligations hereunder (herein called "Service") shall be limited to providing (i) periodic inspections and diagnostic checks of the Machine and (ii) repair or replacement of defective or worn out parts of the Machine (not including shop reconditioning or replacement of complete assemblies resulting from the wearing out of numerous parts).
4. JIMP'S obligation hereunder shall not include (i) Service required due to accident, negligence, misuse, specifications changes or causes other than normal use, or (ii) any Service in connection with attachments or its alteration of the Machine, or (iii) furnishing supplies or additional operator instruction after initial installation of the Machine.
5. Any in-Warranty parts or labor provided by JIMP under a Warranty made by JIMP in connection with the sale of the Machine by JIMP to customer shall be provided pursuant to the terms and conditions of said Warranty and not pursuant to this Agreement.
6. Service shall be performed during JIMP'S usual business hours; however, Service, when and if available after JIMP'S usual business hours and on Saturdays and holidays and holidays, shall be charged at JIMP'S then current maintenance rate for labor, travel and expenses in addition to any charge paid by Customer hereunder.
7. If the Machine is regularly used by more than one (3) shift of personnel, the charge set forth herein shall be increased by fifty (50%) percent for each additional shift regularly using the Machine.
8. If, in JIMP'S opinion, the Machine ought to be removed for a shop reconditioning because on-site repair and/or replacement of parts cannot keep the Machine in satisfactory operating condition, JIMP will submit the cost estimate to Customer for reconditioning and if authorized by Customer, JIMP will recondition the Machine at the site expense of the Customer which will be in addition to any charge paid by Customer hereunder.
9. JIMP'S RESPONSIBILITY: In performing its maintenance obligations under this Agreement, JIMP shall not be responsible for any failure of the equipment to be in satisfactory operation condition if such failure is due to any of the following reasons: Improper programming, unauthorized modifications to the equipment, use and/or attachments of any device, the technical specifications of which have not been approved by JIMP, use of the equipment for an application or function other than for which it was designed, use of the equipment in a manner other than that in which it was designed to operate, and/or changes in specifications by Customer.
10. Any parts supplied hereunder shall be free from manufacturing defects in material and workmanship under normal use for a period of ninety (90) days after same are supplied to Customer. This Warranty does not apply in any part which has been tampered with or repaired by persons other than a person authorized by JIMP to perform Service on the Machine or if the part has been subjected to misuse or abuse.

THE FORGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE.
In case of any breach of this Warranty, JIMP'S obligations shall be limited to the repair or replacement of any defective part without charge.
JIMP SHALL NOT BE LIABLE, IN ANY EVENT, FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES IN CONNECTION WITH SERVICE, PARTS AND LABOR PROVIDED HEREUNDER OR RESULTING FROM ANY USE OR FAILURE OF MACHINES, INCLUDING WITHOUT LIMITATION, LIABILITY FOR CUSTOMERS EXPENSES OR LOSS OF INCOME WHILE MACHINES ARE OUT OF OPERATION.
11. In the event that JIMP provides Service hereunder for any of the following units, the parts listed next to said units are hereby expressly excluded from JIMP'S obligations hereunder:

Electronic Scales	Electronic components required to update for U.S.P.S. or C.F.S. rate increases/changes. Load cells are excluded when replacement is necessitated by accident, damage or abuse.
Printers-All Models	Supply items (paper, ink rollers) and ribbon(s). Printing dies, which and matrix assemblies are excluded when replacement is necessitated by accident, damage or abuse.Numbering & Imprinting Machines
Check Endorsing, Signlog & Counting Equipment, Embossers & Debossers	Brace Motor, Vacuum Pumps, Counterative Numbering Device, Printing Dies & Punches, Embossing Wheels & die, and all Rubber Parts.
Time Clocks	Program Changes, External Communication Devices, Modems, Transmitters, Communication Cable.
All Models	Ink, Ink Rollers, Ink Ribbons, Paper, Tape, Tape Pads, Plates, Frames, Time Cards, & Badges.
Postage Meter Mailing Machines	Ad Plates, Ink Rollers, Tape, Wicks.
12. This Agreement may not be modified except by a writing signed by both parties. Neither this Agreement nor any rights hereunder may be assigned by Customer without the prior consent of JIMP.

EXHIBIT B



Neopost Lease Agreement Specifications - 60 Mo. Lease to own

System One:

IM5000SYSB	IM5000 Mailing System, w/Mixed Mail Feeder
IM56STACKER	Expandable power stacker for IM5000 System
IM56DWM	IM5000 Dynamic Weighing Module
EMSAPCTS	All in One LED Touchscreen Monitor PC w/ wireless Mouse and keyboard WIN Pro 7
DLLCDARM	Arm to mount monitor
POLE24	24" Pole for arm mount
G2IMDWP	Enables G2/IM-Series Mailing Machine to interface w/Dynamic Weighing Scale

System Two:

IM5000SYSB	IM5000 Mailing System w/ Mixed Mail Feeder
IM56STACKER	Expandable Power Stacker for IM5000
SLPM70PRT	Single Station, Postal Management G2 Base S/W, 70lb Scale and Small Thermal Label Printer
DLLCDARM	Arm Mount for Monitor
POLE24	24" Pole for Arm Mount

System Three: This is the machine, which goes to your console/ inserter

WJPRO	WJ PRO Mailing System (For Bell and Howell) w/ Light Tower
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PAYMENT SCHEDULE:

Monthly Equipment Payment (Inc. Tax)	\$928.08	
Meter Rental	221.91	
Software and Computer System Revisions and all Required Postal Coding Updates from USPS	\$41.50	per month
Total monthly payment for year 1	\$1,191.49	
Total Monthly Payments for years 2-5	\$1,692.82	Includes \$501.33 for Maintenance

Above Agreement Prepared By:
Sarah Pulvino/IMP Business Systems Inc.
9/10/15

Your Mail Matters