

Digital Service
Scanning Supplement

This Scanning Supplement (Supplement”) sets forth the service-specific terms and conditions applicable to the Digital Services that Konica Minolta Business Solutions U.S.A., Inc. (“We”) will provide to the County of San Bernardino (“You”) in accordance with the Document Storage Services and Document Digitization Services Contract by and among the County of San Bernardino, Cordodata Records Management, Inc., and Konica Minolta Business Solutions U.S.A., Inc. (“Master Agreement”). In the event of any conflict between terms of this Supplement and the Master Agreement, this Supplement shall control but only with respect to the Services described herein.

Definitions. In this Scanning Supplement, “Service(s)” means: (i) image conversion services, (ii) film conversion services, (iii) converted content delivery and (iv) scanned material storage. “Deliverable” means the images resulting from the performance of the Services on record material provided to us by You under this Supplement.

A. Purpose: You desire to use the Services provided by us hereunder. We hereby agree to accept for Service under our management system and You agree to deposit such record material as identified on an initial pick-up and delivery form or digital delivery log. Subsequent deposits shall be identified by additional pick-up and delivery forms or digital delivery logs to be issued by us, as required and described in Section K of this Supplement, at the time of such deposits. The Parties agree to the scope of the project as described in Section J(i) and the specifications of the conversion as described in Section K of this Supplement.

B. Ownership and Right to Copy. You certify that You are authorized by the owner of the documents and data included in Section K of this Supplement to deliver these documents and data to us to be duplicated and captured electronically. You further certify that copying and electronically capturing these documents will not violate any copyrights.

C. Access To and Release of Deposits. Due to the confidential nature of your deposits, and deposits of our other clients, We shall restrict access to your deposits to your authorized representatives, who may examine such deposits in designated areas of our premises, or via the Konica Minolta provided secure Cloud portal. With the exception of circumstances described in Section E of this Supplement, We shall not disclose or deliver deposits, or provide portal access, to any person or other entity unless specifically directed to do so in writing by You. We shall not be liable for any delay in granting access or delivery of deposits caused by our verification of the authorized status of a person or entity requesting access to same. We may restrict or refuse access to, and/or removal of, deposits for non-payment of charges as described in the payment provision of the Agreement.

D. Incidental Transportation. As part of the Services provided hereunder, We may, from time to time, deliver deposits to You upon your request. The Parties agree that such delivery is incidental to our storage, imaging and conversion function, and We or our designee shall be deemed a contract or common carrier, and the liability provisions of Section G hereof shall apply to any such ancillary transportation services.

E. Legal Process. We shall not be liable to You or any third party for the disclosure of or the seizure, attachment, garnishment or subpoena of your deposits pursuant to civil or criminal legal process issued against You, your employees or your agents, which directs us to hold, disclose, turn over or surrender such deposits pursuant to such legal process.

F. Voluntary Destruction of Deposits. Upon written approval from You, including any blanket approval provided by You, We shall destroy all or a portion of your deposits. Under such circumstances, You release us from any and all liability by reason of destruction of such deposits pursuant to such authority.

H. Term. This Supplement may apply to a single, one-time Service event or an ongoing Service relationship, in each case for a Term as specified in the Agreement or a corresponding Statement of Work (SOW) issued to this Supplement.

If this Supplement will apply to a single, one-time Service event, this Supplement will become effective on the Effective Date of the Agreement this Supplement is attached to and will remain in effect until the completion of the volume of work agreed to by You as described herein.

If this Supplement will apply to an ongoing Service relationship, this Supplement will become effective on the Effective Date of the Agreement this Supplement is attached to and will remain in effect for the period described in the Agreement.

This Supplement will automatically renew for additional one (1) year terms unless it is terminated in accordance with Section I. You may elect not to renew this Addendum by providing written notice to us no less than sixty (60) days before the end of the then-current term. If notice is not received, then this Supplement will automatically renew on the expiration date.

I. Termination or Cancellation. You may cancel this Supplement at any time, subject to the following conditions listed as (i), (ii), and (iii).

(i) **Unauthorized Termination by You.** If You terminate this Supplement prior to the commencement date of the initial term, or prior to the expiration date of the applicable term, or at an expiration date without thirty (30) business days' advance written notice, all payments due us pursuant to this Supplement, including but not limited to the cancellation fees as defined in Item (ii) of this Section, shall be due and payable to us at the time of termination.

(ii) **Cancellation Fees.** In the event of our termination of this Supplement for reason of your default, or in the event of an unauthorized termination by You, and this Supplement applies to a single, one-time Service event, You shall pay to us as cancellation fees a sum equal to sixty percent (60%) of the remaining committed volume of work, as described in this Supplement. You agree and stipulate that (a) the damages or losses which would be sustained us by reason of the termination are uncertain and difficult to ascertain, and that the amount determined hereunder represents a reasonable method of estimating such damages or loss; (b) the amount determined hereunder is a reasonable estimate of the damages or losses which would be sustained by us by reason of the termination; (c) the amount determined hereunder is reasonably proportionate to the damages or losses that would be sustained by us; and (d) the amount determined hereunder is in the nature of liquidation damages and is not nor at any time should it be deemed or construed a penalty.

In the event of our termination of this Supplement for reason of your default, or in the event of an unauthorized termination by You, and this Supplement applies to an ongoing Service relationship, You shall pay to us as cancellation fees a sum equal to sixty

percent (60%) of the following amount: the product of one (1) month's average billing based upon the last three (3) full months' billing immediately preceding the effective date of termination multiplied by the number of months and fractions thereof remaining from and after the effective date of termination to the expiration date of the then applicable Term of this Supplement. If the effective date of termination occurs prior to our receipt of three (3) full months' billing following full production, an estimate based on the proposed cost of the backfile conversion divided by the proposed delivery time shall be the reasonably anticipated one (1) month's average billing based upon your Service volumes as set forth in this Supplement to You. If You terminate this Supplement prior to the commencement date of the initial term, the full term specified in Section H of this Supplement shall apply. If You terminate this Supplement at the expiration date of the then applicable term without the sixty (60) days' advance written notice, the next full term specified in Section H of this Supplement shall apply. You agree and stipulate that (a) the damages or losses which would be sustained by us by reason of the termination are uncertain and difficult to ascertain, and that the amount determined hereunder represents a reasonable method of estimating such damages or loss; (b) the amount determined hereunder is a reasonable estimate of the damages or losses which would be sustained us by reason of the termination; (c) the amount determined hereunder is reasonably proportionate to the damages or losses that would be sustained by us; and (d) the amount determined hereunder is in the nature of liquidation damages and is not nor at any time should it be deemed or construed a penalty.

(iii) **Files and Other Materials.** We will have the absolute right to retain in our exclusive possession all completed work, pending work and your documents awaiting processing until such time as You have paid and satisfied all payments due us hereunder, including but not limited to payment of cancellation fees as defined in Item (iii) of this Section. Upon full payment to us, We shall provide to You all completed work, pending work and your documents waiting processing.

J. Project Terms.

(i) **Scope of Project:** Scanning and/or conversion Services as defined in the SOW attached hereto. Furthermore, We shall provide storage for your source records in a secured area, reasonably designed to prevent loss or damage from any environmental or other cause, and shall provide reasonable inventory

and retrieval procedures to ensure expeditious availability and control of deposits.

(ii) **Bailment/Duty of Care.** The Parties agree that We shall hold all deposits under bailment and We shall exert reasonable care with respect to the custody, protection, storage and release of such deposits.

(iii) **Quality Assurance.** We perform extensive quality assurance on work-in-process and completed work. We typically exceed industry standards for quality. Industry minimum standard benchmarks include 94% accuracy on data entry that does not use double-key verification and 99.95% accuracy on data entry that has been double-key verified. (Index quality metrics are based on total characters.) Image quality is subjective and is judged by the ability to read the contents of images well enough to make them reasonably useful in the course of business. Images may, but should not be expected to, be more readable than the originals. We make every effort to 'bring out' poor quality originals, but cannot always be successful.

You agree to perform your own quality assurance on Deliverables provided by us to ensure that the materials meet the minimum standards stated above and to ensure that the work has been completed as agreed to in the SOW. In the event that We do not meet minimum standards as stated above, We will undertake at no charge to correct materials until it reaches the minimum standards. The materials and documentation must be presented to us within ninety (90) days' from delivery of materials. If the materials are presented after ninety (90) days, then We shall charge forty dollars (\$40.00) per man-hour for re-loading the batch, pulling boxes and performing modifications.

The accuracy and quality levels, as stated above, will be reviewed on a regular basis referencing the legibility of an initial sampling. The Parties may agree to reduce such accuracy level based on such samples but in no event will the level be lower than 94%, on a total character basis.

(iv) **Standard Maximum Valuation of Deposits.** The Parties establish and agree that the standard maximum valuation of the deposits entrusted to Konica Minolta, and our maximum liability to You for loss or damage to such deposits shall be two dollars (\$2.00) per carton or container.

(v) **Pricing:** Scanning charges apply to all documents scanned, including break sheets, index cover sheets which are later removed, and rescans due

to poor quality originals. Refer to our SOW for detailed pricing. Extended prices provided in our SOW are estimates and do not represent fixed prices. The pricing adopted under this Supplement is limited to the unit pricing presented in our SOW.

(vi) **Pick Up and Delivery.** We will require signed receipts for all source documents and media picked up and delivered to You. We will provide labels to be applied to items being picked up at your location. You will call us to arrange for source document pick up as they become ready to be scanned. We will determine a minimum amount of material to be picked up or delivered at no charge. We reserve the right to charge then current, published pick-up and delivery fees for any items that fall below the pre-established minimums. If your location is outside a ninety (90) mile radius of the Konica Minolta BPO Processing Center, all pick-up and delivery costs will be your responsibility. We will use best efforts to employ the lowest priced reputable courier service.

(vii) **Image/Index Consolidation:** We will provide images and indices on appropriate media in OnBase, PaperVision or Squar9 format unless otherwise stipulated in Section K(i). It is your responsibility to load each delivered group of images and indices onto their retrieval system. If You are not using one of the aforementioned retrieval software products, and further conversion is necessary to load the images and indices, this conversion will be solely your responsibility, unless otherwise stipulated in Section K(i).

(viii) **Subcontractors:** We may engage domestic and/or off-shore Subcontractors to perform all or a portion of the work described in a SOW provided that We shall at all times be responsible for the work of such Subcontractors.

K. Specifications. Refer to our SOW.

(i) **Program or Instructional Changes Requests:** Any proposed changes from the original Statement of Work and associated pricing estimate will be formally submitted as a change request. This request will outline the nature, impact and expected results of the change. Changes may be requested by either You or us. If the change will result in a fee or long term pricing change, We will submit the cost information as soon as practical and before final authorization of the change request.

(ii) **Response to Change Requests:** Upon receipt of your formal written Change Request, We will

respond with a written Response to Change Request within three (3) business days including: (a) estimated work to effect change, (b) time to complete change, and (c) pricing for change as appropriate.

The pricing change will be consistent with the principles and terms of this Supplement. Our consent to any work change shall not be unreasonably withheld.

No work will be performed on the change until the change request has been formally approved by both Parties' project managers.