

Michigan Confidential Document Destruction Company/Customer Agreement

This Confidential Document Destruction Agreement (“Agreement”) is entered into as of this ____, day of _____, 2012 (“Effective Date”) by and between Michigan Confidential Document Destruction having a place of business at 4344 M-32 West, Alpena, MI 49707 (“Company”), and _____, having a place of business at _____ (“Customer”).

1. SERVICES

- 1.1 Services to be Furnished. Company will provide the services for the secure destruction of records (“Services”) described on Exhibit A attached hereto and made a part thereof. The acceptance, transfer and processing of information transferred to our custody shall be documented and verified in writing and such documentation made available to the customer in the course of business or upon request. Company will furnish a Certificate of Destruction to Customer, upon request by Customer. The Services may, at Customer’s option, be performed as part of a regular schedule or pursuant to specific directions which Customer shall give Company from time to time. Customer may also request custom Services not set forth in Exhibit A, in which case Company will consult with Customer as to the terms and conditions of the Services requested.
- 1.2 Services to Affiliates and Subsidiaries. Customer’s related, affiliated and subsidiary companies (including subsidiaries of affiliates) may acquire Services pursuant to this Agreement. Any such acquisition of Services will be evidenced by an Order executed by an authorized representative of the applicable affiliate or subsidiary in its own corporate name and referencing this Agreement. Invoices for such Services shall be directed to and be payable by such affiliate or subsidiary.
- 1.3 Services by Third Parties. Company may procure the services of any responsible third party to perform all or part of the Services, insofar as said third party complies with all security standards and procedures required of Company by Customer, and further that said third party shall accept in writing the fiduciary responsibility requisite of the transfer of custody. Company will remain liable for all Services performed for Customer. Company will record all custody transfers and/or the use of any subcontractor to render contracted services to the Customer, and make Customer aware of any use of any subcontractor, including their identity.
- 1.4 Red Flag Rule Compliance: Identity Theft Prevention and Detection. In the event that Company is retained to perform information destruction services in connection with "covered accounts" as defined by the regulations listed at 16 C.F.R. § 681.1 et. seq. (the “Red Flag Rule”), and these services are identified by Customer, Company shall have policies and procedures to detect relevant Red Flags that may arise in the performance of the service provider's activities (if any), and shall either report the Red Flags to the Customer or take appropriate steps to prevent or mitigate identity theft in connection with these Red Flags. Company agrees to reasonably cooperate with any subsequent investigation by or on behalf of the Customer related to such notification by the Company.

2. RESPONSIBILITIES

- 2.1 Right to Rely on Instructions. Company may act in reliance upon any instruction, instrument, or signature reasonably believed by Company to be genuine, and may assume that any of Customer’s employees or any employee of Customer’s affiliates or subsidiaries giving any written notice, request, or instruction has the authority to do so.

- 2.2 Compliance with Contracts, Laws and Regulations. Customer shall be responsible for, and warrant compliance with, all contractual restrictions and all applicable laws, rules and regulations, including but not limited to environmental laws and contractual restrictions and laws governing the confidentiality, retention and disposition of information contained in any materials delivered to Company. Company shall comply with applicable laws, statutes, regulations and ordinances.
- 2.3 Cooperation and Assistance. Customer shall cooperate with Company with regard to the performance of the Services, subject to normal security requirements and in a manner that is not unnecessarily disruptive to Customer's business operations, by providing to Company such information, data, access to premises, management decisions and approvals as may be reasonable to permit Company to perform the Services hereunder.
- 2.4 Hazardous Substances. Customer shall not deliver to Company any material considered toxic or dangerous or which is regulated under any federal or state law or regulation relating to hazardous materials. In the event of the accidental or negligent custodial transfer of hazardous or regulated waste, including bio-hazard, Customer agrees to arrange to appropriately, safely and legally assume custody of such hazardous materials at their expense. And further to indemnify the Company from any property damage or personal injury resulting from such transfer of material.
- 2.5 Performance of Services. All Services performed by Company will be in a professional manner in accordance with NAID standards and practices. Company is NAID Certified. NAID Certification criteria identify all areas of our operation where information transferred to our custody for processing is put at risk of unauthorized access. The company's compliance with security measures specifically designed to mitigate these risks is verified through periodic announced and unannounced audits by accredited, authorized third-party security professionals. Company has, to the best of its ability, complied with security measures specifically designed to mitigate any risk of unauthorized access to information transferred to our custody for processing. As a condition of employment, all employees are required to notify management of any actual or potential unauthorized access to information transferred to our custody for processing. If such information is verified by management to constitute unauthorized access, it is the policy of Company to fully disclose all relevant details in a timely manner and to reasonably cooperate in any subsequent investigation.
- 2.6 Material Descriptions. Itemized lists or descriptions of contents of materials submitted by the Customer to the Company shall be generally considered for recordkeeping, reconciliation, and reference purposes only, and are not to be considered proof that said documents contained on such lists and descriptions are in fact contained in the materials accepted. Company will make provision for validation of such document contents in advance and under special terms and fees at the request of the Customer.
- 2.7 Negotiable Items. Customer agrees to make Company aware in writing and in advance of any instance in which negotiable instruments, including but not limited to checks, bearer bonds, travelers checks, or coupons will be sent to a single facility in a single service where the total combined amount of said instruments will be in excess of \$100,000.
3. **FEES AND PAYMENTS** - All standard charges for Services under this Agreement shall be as specified on Exhibit A. The prices set forth in Exhibit A are based on the Consumer Price Index (CPI) as of the Effective Date. The initial term of the Agreement shall be twelve months from the Effective Date. Agreement may be adjusted to CPI bi-annually. For any service requested by Customer that is not listed on Exhibit A, the charges will be as agreed to in writing by Customer and Company prior to the rendering of such Service. Invoices shall be due and payable within thirty (30) days from receipt of the applicable invoice. Amounts due and not paid within thirty (30) days after Customer's receipt of the invoice shall bear interest at the rate of one and one-quarter per cent (1.25%) per month.

4. CONFIDENTIALITY - “Confidential Information” means any information relating to Customer’s property, business and affairs. Unless such Confidential Information was previously known to Company free of any obligation to keep it confidential, is subsequently made public by Customer or by a third party having a legal right to make such disclosure, or was known to Company prior to receipt of same from Customer, it shall be held in confidence by Company and shall be used only for the purposes provided in this Agreement. Company shall use the same degree of care to safeguard your Confidential Information as it uses to safeguard its own. However, Company may comply with any subpoena or similar order related to materials delivered to Company; provided that it shall, unless prohibited by law, notify Customer promptly of any such subpoena or notice. Customer shall pay Company’s reasonable costs for such compliance.

5. TERM AND TERMINATION

5.1 Term. This Agreement shall commence on the Effective Date set forth above and, unless otherwise terminated in accordance with Section 5.2, shall continue in effect for one year, with automatic renewal for successive one-year terms, unless written notice of nonrenewal is delivered by either party to the other not less than ninety (90) days prior to the date of expiration of such term.

5.2 Termination. Either party may terminate this Agreement if the other is in material or repeated breach of any of its obligations hereunder and the breaching party has not cured the breach within ninety (90) days after written notice from the nonbreaching party. In the event of any such termination, all amounts due for Services rendered up to the effective date of termination shall become due and payable. Upon termination, Customer shall return (or permit Company to retrieve) all Company bins and other property kept at Customer’s site, and Company shall have no obligation to provide further Services to Customer.

6. CLAIMS AND DISPUTE RESOLUTION

6.1 Time for Presenting Claims. Customer must present any claim with respect to any Service in writing to Company within a reasonable time and in no case later than three (3) months after the occurrence of the event on which the claim is based.

6.2 Arbitration. Any claim, controversy, or dispute arising out of or relating to this Agreement, or any interpretation or breach of this Agreement or performance under this Agreement, including without limitation any dispute concerning the scope of this Article 6, that cannot be resolved within fifteen (15) days by informal discussions between the parties, shall be resolved by submission to final, binding and nonappealable arbitration, without any right by either party to trial de novo in any court. Such arbitration and all pre-hearing, hearing, and post-hearing arbitration procedures, including for discovery, disclosure of arbitrator’s interests, and challenge of designation of any arbitrator, shall be conducted under the Commercial Arbitration Rules of the American Arbitration Association. A single arbitrator shall be selected by the American Arbitration Association.

6.3 Services during Arbitration. During any arbitration proceedings, Company shall continue to provide Services, and Customer shall continue to make payments to Company, in accordance with this Agreement. The fact that arbitration is or may be allowed shall not impair the exercise of any termination rights under this Agreement.

7. LIABILITY AND WARRANTY

7.1 Limitation of Liability. **Company shall not be responsible or liable in any manner whatsoever for the release or loss of any materials deposited in bins or otherwise delivered to it for secure destruction unless the release or loss is due to Company’s negligence or willful misconduct. Company’s maximum liability for any and all claims arising with respect to the Services provided under this Agreement shall not exceed the aggregate amounts paid by Customer with respect to the Services provided at the**

particular Customer location during the six (6) months preceding the event which gives rise to a claim. In no event shall Company be liable for any consequential, incidental, special or punitive damages, regardless of whether the action is brought in tort, contract or any other theory.

7.2 Ownership Warranty. Customer warrants that it is the owner, legal custodian or otherwise has the right to deliver for confidential destruction any and all materials Customer provides Company hereunder. Customer shall reimburse Company for any expenses reasonably incurred by Company (including reasonable legal fees) by reason of Company complying with its obligations under this Agreement to destroy such materials in the event of a dispute concerning the destruction of the materials provided by Customer to Company.

8. MISCELLANEOUS

8.1 Notices. All notices hereunder shall be in writing and addressed to either party at its address set forth above (or to such other address as either party may specify by notice given in accordance with this Section). Notices to Company shall be sent to the attention of its General Manager.

8.2 Binding Nature and Assignment. This Agreement shall be binding on the parties and their respective successors and assigns. Except as permitted by Section 1.3 above, neither party may assign this Agreement, except to an affiliate, without the prior written consent of the other party, which consent shall not be unreasonably withheld.

8.3 Force Majeure. Each party shall be excused from any delay or failure in performance under this Agreement for any period if and to the extent that such delay or failure is caused by acts of God, governmental actions, labor unrest, riots, unusual traffic delays or other causes beyond its control.

8.4 Relationship of Parties. Company is acting as an independent contractor hereunder and has the sole right and obligation to supervise, manage, contract, direct, procure, perform, or cause to be performed all work to be performed by Company under this Agreement.

8.5 Entire Agreement. This Agreement constitutes the entire agreement between Company and Customer with respect to the subject matter of this Agreement. No change, waiver, or discharge of this Agreement shall be valid unless in writing and executed by the party against whom such change, waiver, or discharge is sought to be enforced. Except as provided in Section 3, this Agreement may be amended only by an amendment in writing signed by Customer and Company.

8.6 Invalidity. If any provision of this Agreement is declared invalid by any tribunal of competent jurisdiction, then such provision shall automatically be adjusted to the minimum extent necessary to the requirements for validity as declared at such time and as so adjusted shall be deemed a provision of this Agreement as though originally included herein. In the event that the provision invalidated is of such a nature that it cannot be so adjusted, the provision shall be deemed deleted from this Agreement as though such provision had never been included herein. In either case, the remaining provisions of this Agreement shall remain in effect.

8.7 Exclusivity: Customer agrees to retain Company on an exclusive basis at all facilities covered by this agreement for the term of this contract.

IN WITNESS WHEREOF, each of the parties have caused this Agreement to be executed by its duly authorized representative as of the Effective Date first set forth above.

CUSTOMER

By: _____

Title: _____

Date: _____

COMPANY

By: _____

Title: _____

Date: _____