NOTICE OF AWARD OF CONTRACT

TO: SELECTRON, INC.
7405 SW TECH CENTER DRIVE SUITE 140
PORTLAND, OREGON 97223

DATE ISSUED: JUNE 13, 2013
CURRENT CONTRACT NO: 722-12

CONTRACT TITLE: CPHD - ANNUAL MAINTENANCE FOR THE IVR SYSTEM

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

The contract term covered by this Notice of Award is effective IMMEDIATELY and expires on AUGUST 31, 2016.

The contract documents consist of the terms and conditions of the standard form agreement including any exhibits, attached or amendments thereto.

CONTRACT PRICING:

REFER TO PARAGRAPH 5 of Agreement No. 722-12 (ATTACHED)

EMPLOYEES NOT TO BENEFIT:
NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: TODD A. JOHNSTON
TELEPHONE NO.: 503-597-3304

VENDOR PAYMENT TERMS: NET 30 DAYS

COUNTY CONTACT: ANTHONY GARRETT
TELEPHONE NO.: 703-228-0066

EMAIL: AGARRETT@ARLINGTONVA.US

CONTRACT AUTHORIZATION

Delphine Lambert
Buyer

06/26/13 Date

DISTRIBUTION

VENDOR: 1
BID FOLDER: 1
ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
2100 CLARENDON BOULEVARD, SUITE 500
ARLINGTON, VA 22201

AGREEMENT NO. 722-12

THIS AGREEMENT (hereinafter "Agreement" or "Contract") is made, on the
date of execution by the County, between Selectron Technologies, Inc.
7405 SW Tech Center Drive, suite 140, Portland, OR 97223
("Contractor"), an Oregon Corporation authorized to do business in the
Commonwealth of Virginia, and the County Board of Arlington County,
Virginia ("County"). The County and the Contractor, for the
consideration hereinafter specified, agree as follows:

1. CONTRACT DOCUMENTS
The contract documents consist of this Agreement, Exhibit A ("Scope of
Service"), Exhibit B ("Pricing Schedule"), and Exhibit C (Voice
Permits™ IVR System Administration Manual) ("Contract Documents").

Where the terms and provisions of this Agreement vary from the terms
and provisions of the other Contract Documents or any other agreement
between the parties, the terms and provisions of this Agreement shall
prevail over all others. With respect to the Contract Documents, other
than Exhibit C, the remaining Contract Documents shall be complementary
to each other and if there are any conflicts the most stringent terms
or provisions shall prevail. Exhibit C is subordinate to all other
Exhibits.

The Contract Documents set forth the entire agreement between the
County and the Contractor. The County and the Contractor agree that no
representative or agent of either of them has made any representation
or promise with respect to the parties agreement which is not contained
in the Contract Documents. The Contract Documents may be referred to
herein below as the "Contract" or the "Agreement."

2. SCOPE OF WORK
The Contractor agrees to perform the services described in the Contract
Documents (hereinafter "the Work"). The primary purpose of the Work is
to provide annual maintenance for the Selectron Interactive Voice
Response (IVR) system, licensed by the Contractor to the County. The
system is used by the Department of Community Planning, Housing and
Development Inspection Services Division to allow the public to
schedule construction inspections. The Contract Documents set forth the
minimum work estimated by the County and the Contractor to be necessary
to complete the Work. It shall be the Contractor’s responsibility, at
the Contractor’s sole cost, to provide the specific services set forth
in the Contract Documents and sufficient services to fulfill the
purposes of the Work. Nothing in the Contract Documents shall be
construed to limit the Contractor’s responsibility to manage the
details and execution of the Work.
3. **CONTRACT TERM**

The Work shall commence on **SEPTEMBER 1, 2012**, and the Work shall be completed no later than **AUGUST 31, 2016** ("Initial Contract Term"), subject to any modifications as provided for in the Contract Documents. Upon satisfactory performance by the Contractor and with the concurrence of the Contractor, the County may authorize continued operations of the Contractor under the same contract unit prices for not more than **THREE (3) additional twelve (12) month periods.** (Each such period shall be referred to as a "Subsequent Contract Term").

4. **CONTRACT AMOUNT**

The County will pay the Contractor in accordance with the terms of the Payment paragraph below, and Exhibit B for the Contractor's completion of the Work described and required in the Contract Documents. The Contractor agrees that it shall complete the Work for the total amount specified in this section ("Contract Amount") unless such amount is modified as provided in this Agreement.

5. **PAYMENT**

The County shall prepay the Contractor an annual fee for support services as set forth in Exhibit B. The Contractor shall submit an invoice no later than 30 days prior to the payment due date mentioned in Exhibit B. An invoice's correctness will be determined by the Project Officer. The County shall not pay the Contractor any other sum under this Agreement.

The number of the County Purchase Order pursuant to which authority services have been performed or delivered shall appear on all invoices.

6. **PROJECT OFFICER**

The performance of the Contractor is subject to the review and approval of the County Project Officer ("Project Officer") who shall be appointed by the Director of the Arlington County department or agency requesting the work under this Contract. However, it shall be the responsibility of the Contractor to manage the details of the execution and performance of its work pursuant to the Contract Documents.

7. **ADJUSTMENTS FOR CHANGE IN SCOPE**

The County may order changes in the Work within the general scope of the Work consisting of additions, deletions or other revisions. No claim may be made by the Contractor that the scope of the work or that the Contractor's services have been changed requiring adjustments to the amount of compensation due the Contractor unless such adjustments have been made by a written amendment to the Contract signed by the County and the Contractor. If the Contractor believes that any particular work is not within the scope of the Work or is a material change or otherwise will call for more compensation to the Contractor, the Contractor must immediately notify the Project Officer after the change or event occurs and within ten (10) calendar days thereafter must provide written notice to the Project Officer. The Contractor's notice must provide to the Project Officer the amount of additional compensation claimed, together with the basis therefore and documentation supporting the claimed amount. The Contractor will not be compensated for performing any work unless a proposal complying with
this paragraph has been submitted in the time specified above and a written Contract amendment has been signed by the County and the Contractor and a County purchase order is issued covering the cost of the services to be provided pursuant to the amendment.

8. PROFESSIONAL SERVICES
Professional services agreed upon by the parties will be billed at the rate of $175.00/hour for any work agreed to in writing that is considered PROFESSIONAL SERVICES pursuant to the provisions of Exhibit A. Additional pricing restrictions are contained in Exhibit A and incorporated herein.

9. PAYMENT OF SUBCONTRACTORS
The Contractor is obligated to take one of the two following actions within seven (7) days after receipt of amounts paid to the Contractor by the County for work performed by any subcontractor under this Contract:

a. Pay the subcontractor for the proportionate share of the total payment received from the County attributable to the work performed by the subcontractor under this Contract; or

b. Notify the County and the subcontractor, in writing, of the Contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.

The Contractor is obligated to pay interest to the subcontractor on all amounts owed by the Contractor to the subcontractor that remain unpaid after seven (7) days following receipt by the Contractor of payment from the County for work performed by the subcontractor under this Contract, except for amounts withheld as allowed in subsection b., above. Unless otherwise provided under the terms of this Contract, interest shall accrue at the rate of one percent (1%) per month.

The Contractor shall include in each of its subcontracts, if any are permitted, a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.

The Contractor's obligation to pay an interest charge to a subcontractor pursuant to this section may not be construed to be an obligation of the County. A Contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

10. NON-APPROPRIATION
All funds for payments by the County to the Contractor pursuant to this Contract are subject to the availability of an annual appropriation for this purpose by the County Board of Arlington County, Virginia.
In the event of non-appropriation of funds by the County Board of
Arlington County, Virginia for the goods or services provided under
this Contract or substitutes for such goods or services which are as
advanced or more advanced in their technology, the County will
terminate the Contract, without termination charge or other liability
to the County, on the last day of the then current fiscal year or when
the appropriation made for the then current year for the services
covered by this Contract is spent, whichever event occurs first. If
funds are not appropriated at any time for the continuation of this
Contract, cancellation will be accepted by the Contractor on thirty
(30) days prior written notice, but failure to give such notice shall
be of no effect and the County shall not be obligated under this
Contract beyond the date of termination specified in the County’s
written notice.

11. COUNTY PURCHASE ORDER REQUIREMENT
County purchases are authorized only if a County Purchase Order is
issued in advance of the transaction, indicating that the ordering
agency has sufficient funds available to pay for the purchase. Such a
Purchase Order is to be provided to the Contractor by the ordering
agency. The County will not be liable for payment for any purchases
made by its employees without appropriate purchase authorization issued
by the County Purchasing Agent. If the Contractor provides goods or
services without a signed County Purchase Order, it does so at its own
risk and expense.

12. PROJECT STAFF
The County will, throughout the Initial Contract Term and any
Subsequent Contract Term, have the right of reasonable rejection and
approval of staff or subcontractors assigned to the project by the
Contractor. If the County reasonably rejects staff or subcontractors
pursuant to this section, the Contractor must provide replacement staff
or subcontractors satisfactory to the County in a timely manner and at
no additional cost to the County. The day-to-day supervision and
control of the Contractor's employees, and employees of any of its
subcontractors, shall be the sole responsibility of the Contractor.

13. EMPLOYMENT DISCRIMINATION BY CONTRACTOR PROHIBITED
During the performance of this Contract, the Contractor agrees as
follows:

A. The Contractor will not discriminate against any employee
or applicant for employment because of race, religion, color,
sex, national origin, age, disability or any other basis
prohibited by state law related to discrimination in employment
except where there is a bona fide occupational qualification
reasonably necessary to the normal operation of the Contractor.
The Contractor agrees to post in conspicuous places, available to
employees and applicants for employment, notices setting forth
the provisions of this nondiscrimination clause.

B. The Contractor, in all solicitations or advertisements for
employees placed by or on behalf of the Contractor, will state
that such Contractor is an Equal Opportunity Employer.
C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

D. The Contractor will comply with the provisions of the Americans with Disabilities Act of 1990 which prohibits discrimination against individuals with disabilities in employment and mandates their full participation in both publicly and privately provided services and activities.

E. The Contractor will include the provisions of the foregoing paragraphs in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

14. EMPLOYMENT OF UNAUTHORIZED ALIENS PROHIBITED

In accordance with §2.2-4311.1 of the Code of Virginia, 1950, as amended, the Contractor acknowledges that it does not, and shall not during the performance of this Contract for goods and/or services in the Commonwealth, knowingly employ an unauthorized alien as that term is defined in the federal Immigration Reform and Control Act of 1986.

15. DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor by Arlington County in accordance with the Arlington County Purchasing Resolution, the employees of which contractor are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

16. WARRANTY

The Contractor warrants to furnish the services described herein and in the manner and subject to the conditions set forth. The Contractor shall enter upon and complete the performance of services with all due diligence and dispatch and shall exercise the highest degree of skill and competence.
17. **TERMINATION FOR CAUSE, INCLUDING BREACH AND DEFAULT; CURE**

The Contract shall remain in force for the Initial Contract Term or any Subsequent Contract Term(s) and until the County determines that all of the following requirements and conditions have been satisfactorily met: the County has accepted the Work, and thereafter until the Contractor has met all requirements and conditions relating to the Work under the Contract Documents, including warranty and guarantee periods. However, the County shall have the right to terminate this Contract sooner if the Contractor is in breach or default or has failed to perform satisfactorily the Work required, as determined by the County in its discretion.

If the County determines that the Contractor has failed to perform satisfactorily, then the County will give the Contractor written notice of such failure(s) and the opportunity to cure such failure(s) within at least fifteen (15) days before termination of the Contract takes effect ("Cure Period"). If the Contractor fails to cure within the Cure Period or as otherwise specified in the notice, the Contract may be terminated for the Contractor’s failure to provide satisfactory Contract performance. Upon such termination, the Contractor may apply for compensation for Contract services satisfactorily performed by the Contractor, allocable to the Contract and accepted by the County prior to such termination unless otherwise barred by the Contract ("Termination Costs"). In order to be considered, such request for Termination Costs, with all supporting documentation, must be submitted to the County Project Officer within fifteen (15) days after the expiration of the Cure Period. The County may accept or reject, in whole or in part, the application for Termination Costs and notify the Contractor of same within a reasonable time thereafter.

If the County terminates the Contract for default or breach of any Contract provision or condition, then the termination shall be immediate after notice from the County to the Contractor (unless the County in its discretion provides for an opportunity to cure) and the Contractor shall not be permitted to seek Termination Costs.

Except as otherwise directed by the County in the notice, the Contractor shall stop work on the date of receipt of notice of the termination or other date specified in the notice, place no further orders or subcontracts for materials, services, or facilities except as are necessary for the completion of such portion of the Work not terminated, and terminate all vendors and subcontracts and settle all outstanding liabilities and claims. Any purchases after the date of termination contained in the notice shall be the sole responsibility of the Contractor.

In the event any termination for cause, default, or breach shall be found to be improper or invalid by any court of competent jurisdiction then such termination shall be deemed to have been a termination for convenience.

18. **TERMINATION FOR THE CONVENIENCE OF THE COUNTY**

The performance of work under this Contract may be terminated by the County’s Purchasing Agent in whole or in part whenever the Purchasing Authority
Agent shall determine that such termination is in the County’s best interest. Any such termination shall be effected by the delivery to the Contractor of a written notice of termination at least thirty (30) days before the date of termination, specifying the extent to which performance of the work under this Contract is terminated and the date upon which such termination becomes effective. The Contractor will be entitled to receive compensation for all Contract services satisfactorily performed by the Contractor and allocable to the Contract and accepted by the County prior to such termination and any other reasonable termination costs as negotiated by the parties, but no amount shall be allowed for anticipatory profits.

After receipt of a notice of termination and except as otherwise directed, the Contractor shall stop all designated work on the date of receipt of the notice of termination or other date specified in the notice; place no further orders or subcontracts for materials, services or facilities except as are necessary for the completion of such portion of the work not terminated; and terminate all vendors and subcontracts and settle all outstanding liabilities and claims.

19. **INDEMNIFICATION**

To the extent permitted by law or in the Commonwealth of Virginia, each Party covenants for itself, its employees, and subcontractors to save, defend, hold harmless and indemnify the other Party, and all of its elected and appointed officials, officers, current and former employees, agents, departments, agencies, boards, and commissions (collectively the “County” for purposes of this section) from and against any and all claims made by third parties or by the other Party for any and all losses, damages, injuries, fines, penalties, costs (including court costs and attorney’s fees), charges, liability, demands or exposure, however caused, resulting from, arising out of, or in any way connected with the other Party’s acts or omissions, including the acts or omissions of its employees and/or subcontractors, in performance or nonperformance of the work called for by the Contract Documents. This duty to save, defend, hold harmless and indemnify shall survive the termination of this Contract. If, after notice the Party fails or refuses to fulfill its obligations contained in this section, the Party shall be liable for and reimburse the other Party for any and all expenses, including but not limited to, reasonable attorneys fees incurred and any settlements or payments made. The Party shall pay such expenses upon demand by the other Party and failure to do so may result in such amounts being withheld from any amounts due to Contractor under this Contract.

20. **DATA SECURITY AND PROTECTION**

The Contractor shall hold County Information in the strictest confidence and comply with all applicable County security and network resources policies as well as all local, state and federal laws or regulatory requirements concerning data privacy and security. The Contractor shall develop, implement, maintain, continually monitor and use appropriate administrative, technical and physical security measures to preserve the confidentiality, privacy, integrity and availability of all electronically maintained or transmitted County Information received from, created or maintained on behalf of the
County and strictly control access to County information. For purposes of this provision, and as more fully described in this Contract and the County’s Non-Disclosure and Data Security Agreement (NDA), “County Information” (also referred to as “County Data” or “data”) includes, but is not limited to, electronic information, documents, data, images, and records including, but not limited to, financial records, personally identifiable information, Personal Health Information (PHI), personnel, educational, voting, registration, tax or assessment records, information related to public safety, County networked resources, and County databases, software and security measures which is created, maintained, transmitted or accessed to perform the work under this Contract.

(a) **County’s Non-Disclosure and Data Security Agreement (NDA).** The Contractor shall require that an authorized Contractor designee, and all key employees, agents or subcontractors working on-site at County facilities or otherwise performing non-incidental work under this Contract, sign the NDA (attached as an Exhibit hereto) prior to performing any work or permitting access to County networked resources, application systems or databases under this Contract. A copy of the signed NDAs shall be available to the County Project Officer upon request.

(b) **Use of Data.** The Contractor shall ensure that the use, distribution, disclosure or access (“use”) to County Information and County networked resources shall not occur in an unauthorized manner. Use of County Information for other than as specifically outlined in this Contract is strictly prohibited, unless such other use is agreed to in writing by the parties. The Contractor will be solely responsible for any unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access or disclosure of County Information and any non-compliance with this DATA SECURITY AND PROTECTION provision or any NDA.

(c) **Data Sharing.** Except as otherwise specifically provided for in this Contract, the Contractor agrees that it shall not share, disclosure, sell or grant access to County Information to any third party without the express written authorization of the County’s Chief Information Security Officer or designee.

(d) **Data Protection Upon Conclusion of Contract.** Upon termination, cancellation, expiration or other conclusion of this Contract, the Contractor shall return all County Information to the County unless the County requests that such data be destroyed. This provision shall also apply to all County Information that is in the possession of subcontractors or agents of the Contractor. The Contractor shall complete such return or destruction not less than thirty (30) days after the conclusion of this Agreement and shall certify completion of this task, in writing, to the County Project Officer.

(e) **Notification of Security Incidents.** The Contractor agrees to notify the County Chief Information Officer and County Project Officer within twenty-four (24) hours of the discovery
of any unintended access to, use or disclosure of County Information.

(f) **Subcontractors.** To the extent the use of subcontractors is permitted under this Contract, the requirements of this entire section shall be incorporated into any subcontract agreement entered into by the Contractor and any data sharing shall be compliant with these security and protection requirements and the NDA. In the event of data sharing, subcontractors shall provide to the Contractor a copy of their data security policy and procedures for securing County Information and a copy of their disaster recovery plan/s.

21. **ETHICS IN PUBLIC CONTRACTING**

This Contract incorporates by reference Article 9 of the Arlington County Purchasing Resolution, as well as any state or federal law related to ethics, conflicts of interest, or bribery, including by way of illustration and not limitation, the State and Local Government Conflict of Interests Act (Code of Virginia § 2.2-3100 et seq.), the Virginia Governmental Frauds Act (Code of Virginia § 18.2-498.1 et seq.), and Articles 2 and 3 of Chapter 10 of Title 18.2 of the Code of Virginia, as amended (§ 18.2-438 et seq.). The Contractor certifies that its offer was made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer, or subcontractor and that it has not conferred on any public employee having official responsibility for this procurement any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

22. **COUNTY EMPLOYEES**

No employee of Arlington County, Virginia, shall be admitted to any share in any part of this Contract or to any benefit that may arise therefrom which is not available to the general public.

23. **FORCE MAJEURE**

The Contractor shall not be held responsible for failure to perform the duties and responsibilities imposed by this Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the Contractor, and outside and beyond the scope of the Contractor’s then current, by industry standards, disaster plan, that make performance impossible or illegal, unless otherwise specified in the Contract.

The County shall not be held responsible for failure to perform its duties and responsibilities imposed by the Contract if such failure is due to fires, riots, rebellions, natural disasters, wars, or an act of God beyond control of the County that make performance impossible or illegal, unless otherwise specified in the Contract.

24. **AUTHORITY TO TRANSACT BUSINESS**

The Contractor shall pursuant to Code of Virginia § 2.2-4311.2, be and remain authorized to transact business in the Commonwealth of Virginia during the Initial Term and any Subsequent Contract Term(s) of this
25. **RELATION TO COUNTY**

The Contractor is an independent contractor and neither the Contractor nor its employees or subcontractors will, under any circumstances, be considered employees, servants or agents of the County. The County will not be legally responsible for any negligence or other wrongdoing by the Contractor, its employees, servants or agents. The County will not withhold payments to the Contractor for any federal or state unemployment taxes, federal or state income taxes, Social Security tax, or any other amounts for benefits to the Contractor. Furthermore, the County will not provide to the Contractor any insurance coverage or other benefits, including workers' compensation, normally provided by the County for its employees.

26. **ANTITRUST**

By entering into this Contract, the Contractor conveys, sells, assigns and transfers to the County all rights, title, and interest in and to all causes of action the Contractor may now have or hereafter acquire under the antitrust laws of the United States or the Commonwealth of Virginia, relating to the goods or services purchased or acquired by the County under this Contract.

27. **REPORT STANDARDS**

Reports or written material prepared by the Contractor in response to the requirements of this Contract or a request of the Project Officer shall, unless otherwise provided for in the Contract, meet standards of professional writing established for the type of report or written material provided, shall be thoroughly researched for accuracy of content, shall be grammatically correct and not contain spelling errors, shall be submitted in a format approved in advance by the Project Officer, and shall be submitted for advance review and comment by the Project Officer. The cost of correcting grammatical errors, correcting report data, or other revisions required to bring the report or written material into compliance with these requirements shall be borne by the Contractor.

When submitting documents to the County, the Contractor shall comply with the following guidelines:

- All submittals and copies shall be printed on **at least thirty percent (30%) recycled-content** and/or tree-free paper;
- All copies shall be double-sided;
- Report covers or binders shall be recyclable, made from recycled materials, and/or easily removable to allow for recycling of report pages (reports with glued bindings that meet all other requirements are acceptable);
- The use of plastic covers or dividers should be avoided; and
- Unnecessary attachments or documents not specifically asked for should not be submitted, and superfluous use of paper (e.g. separate title sheets or chapter dividers) should be avoided.
28. AUDIT
The Contractor agrees to retain all books, records and other documents related to this Contract for at least five (5) years after final payment. The County or its authorized agents shall have full access to and the right to examine any of the above documents during this period and during the Initial Contract Term and any Subsequent Contract Term. If the Contractor wishes to destroy or dispose of records (including confidential records to which the County does not have ready access) within five (5) years after final payment, the Contractor shall notify the County at least thirty (30) days prior to such disposal, and if the County objects, shall not dispose of the records.

29. ASSIGNMENT
The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this Contract, without the prior written consent of the County.

30. AMENDMENTS
This Contract shall not be amended except by written amendment executed by persons duly authorized to bind the Contractor and the County.

31. ARLINGTON COUNTY PURCHASING RESOLUTION AND COUNTY POLICIES
Notwithstanding any provision to the contrary herein, no provision of the Arlington County Purchasing Resolution or any applicable County policy is waived in whole or in part.

32. DISPUTE RESOLUTION
All disputes arising under this Agreement, or its interpretation, whether involving law or fact, or extra work, or extra compensation or time, and all claims for alleged breach of Contract shall be submitted to the Project Officer for decision at the time of the occurrence or beginning of the work upon which the claim is based, whichever occurs first. Such claims shall state the facts surrounding it in sufficient detail to identify it together with its character and scope. In accordance with the Arlington County Purchasing Resolution, claims denied by the Project Officer may be submitted to the County Manager in writing no later than 60 days after final payment. The time limit for final written decision by the County Manager in the event of a contractual dispute, as that term is defined in the Arlington County Purchasing Resolution, is thirty (30) days. Procedures for considering contractual claims, disputes, administrative appeals, and protests are contained in the Purchasing Resolution, incorporated herein by reference, and available upon request from the Office of the Purchasing Agent. The Contractor shall not cause a delay in the Work pending a decision of the Project Officer, County Manager, County Board, or a court.
33. **APPLICABLE LAW, FORUM, VENUE AND JURISDICTION**
This Contract and the work performed hereunder shall be governed in all respects by the laws of the Commonwealth of Virginia and the jurisdiction, forum, and venue for any litigation with respect thereto shall be in the Circuit Court for Arlington County, Virginia, and in no other court. In performing the Work under this Contract, the Contractor shall comply with applicable federal, state, and local laws, ordinances and regulations.

34. **ARBITRATION**
It is expressly agreed that nothing under the Contract shall be subject to arbitration, and any references to arbitration are expressly deleted from the Contract.

35. **NONEXCLUSIVITY OF REMEDIES**
All remedies available to the County under this Contract are cumulative, and no such remedy shall be exclusive of any other remedy available to the County at law or in equity.

36. **NO WAIVER**
The failure of either party to exercise in any respect a right provided for in this Contract shall not be deemed to be a subsequent waiver of the same right or any other right.

37. **SEVERABILITY**
The sections, paragraphs, sentences, clauses and phrases of this Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Contract shall be declared invalid by a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Contract.

38. **NO WAIVER OF SOVEREIGN IMMUNITY**
Notwithstanding any other provision of this Contract, nothing in this Contract or any action taken by the County pursuant to this Contract shall constitute or be construed as a waiver of either the sovereign or governmental immunity of the County. The parties intend for this provision to be read as broadly as possible.

39. **SURVIVAL OF TERMS**
In addition to any numbered section in this Agreement which specifically state that the term or paragraph survives the expiration of termination of this Contract, the following sections if included in this Contract also survive: INDEMNIFICATION; RELATION TO COUNTY; AUDIT; COPYRIGHT; WARRANTY; CONFIDENTIAL INFORMATION; AND DATA SECURITY.

40. **HEADINGS**
The section headings in this Contract are inserted only for convenience and are not to be construed as part of this Contract or a limitation on the scope of the particular section to which the heading precedes.

41. **AMBIGUITIES**
Each party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that
Ambiguities are to be resolved against the drafting party unless not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

42. NOTICES
Unless otherwise provided herein, all notices and other communications required by this Contract shall be deemed to have been given when made in writing and either (a) delivered in person, (b) delivered to an agent, such as an overnight or similar delivery service, or (c) deposited in the United States mail, postage prepaid, certified or registered, addressed as follows:

TO THE CONTRACTOR:

Todd A. Johnston
Selectron Technologies, Inc.
7405 SW Tech Center drive, suite 140
Portland, OR 97223

TO THE COUNTY:

Anthony Garrett, Project Officer
Arlington County, Virginia
2100 Clarendon Boulevard
Arlington, VA 22201

AND

Richard D. Warren, Jr., Purchasing Agent
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 500
Arlington, Virginia 22201

43. NON-DISCRIMINATION NOTICE
Arlington County does not discriminate against faith-based organizations.

44. INSURANCE REQUIREMENTS
Prior to the execution of this Contract and upon any Contract extension thereafter, the Contractor shall provide to the County Purchasing Agent evidence indicating that the Contractor has in force the coverage and endorsements (collectively referred to hereinafter "coverage", "coverages" or "insurance") required below. The Contractor agrees to maintain such insurance until the completion of this Contract or as otherwise stated below or in the Contract Documents.

All required insurance coverages must be acquired from insurers authorized to do business in the Commonwealth of Virginia, with an A.M. Best rating of "A-VII", and as acceptable to the County. The insurance requirements herein shall not operate as a limitation of the Contractor’s liability or as a limitation of the Contractor’s duty of indemnification, as set forth in this solicitation and any resulting
contract. The Contractor is responsible for determining whether the minimum coverage below are adequate to protect its interest.

The Contractor shall secure and maintain (and ensure that its subcontractors, if any, secure and maintain) all insurance required by law or this Contract, including without limitation:

a. Workers Compensation - Virginia Statutory Workers Compensation (W/C) coverage including Virginia benefits and employers liability with limits of $100,000/100,000/500,000. The County will not accept W/C coverage issued by the Injured Worker's Insurance Fund, Towson, MD.

b. Commercial General Liability - $1,000,000 combined single limit coverage with $2,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability, Independent Contractors, and Products Liability. The general aggregate limit shall apply to this Contract.

c. Business Automobile Liability - $1,000,000 Combined Single Limit (Owned, non-owned and hired).

d. The Contractor shall carry Errors and Omissions or Professional Liability insurance which will pay for injuries arising out of errors or omissions in the rendering, or failure to render services or perform Work under the Contract, in the amount of $1,000,000.

e. Additional Insured - Arlington County, and its officers, elected and appointed officials, employees, and agents shall be named as additional insureds on all policies, except Workers Compensation and Auto and Professional Liability. A copy of the Additional Insured endorsement must be provided by the Contractor to the County Purchasing Agent prior to the execution of this Contract and any Contract extension. Failure to provide such documentation shall result in cancellation of the award or of the Contract.

f. Cancellation - If there is a material change or reduction in coverage, nonrenewal of any insurance coverage or cancellation of any insurance coverage required by this contract, the Contractor shall notify the Purchasing Agent immediately. Any policy on which the Contractor has received notification from an insurer that the policy has or will be cancelled or materially changed or reduced must be immediately replaced with another policy consistent with the terms of this Contract and in such a manner that there is no lapse in coverage, and the County immediately notified of the replacement.
Not having the required insurance throughout the Contract Term is considered a material breach of this Contract and grounds for termination. The Contractor shall also obtain an endorsement providing to the County thirty (30) days advance notice of cancellation or nonrenewal (ten days for nonpayment of premium). A copy of that endorsement shall be provided to the County Purchasing Agent prior to the execution of this Contract or any Contract extension thereafter.

g. Any insurance coverage that is placed as a “claims made” policy must remain valid and in force, or the Contractor must obtain an extended reporting endorsement consistent with the terms of this Contract, until the applicable statute of limitations has expired, such date as determined to begin running from the date of the Contractor’s receipt of final payment.

h. Contract Identification - All documentation and copies of endorsements required hereunder shall state this Contract's number and title.

The Contractor must disclose the amount of any deductible or self-insurance component applicable to the General Liability, Automobile Liability, Professional Liability, Intellectual Property or any other policies required herein, if any. The County reserves the right to request additional information to determine if the Contractor has the financial capacity to meet its obligations under a deductible. Thereafter, at its option, the County may require a lower deductible, funds equal to the deductible be placed in escrow, a certificate of self-insurance, collateral, or other mechanism in the amount of the deductible to ensure additional protection for the County.

The Contractor shall require all subcontractors to maintain during the term of this contract, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation insurance in the same form and manner as specified for the Contractor. The Contractor shall furnish subcontractors' documentation of coverage and endorsements specified herein to the County Purchasing Agent immediately upon request by the County and/or prior to a subcontractor performing work related to this Contract.

No acceptance or approval of any insurance by the County shall be construed as relieving or excusing the Contractor from any liability or obligation imposed upon the Contractor by the provisions of the Contract Documents.

The Contractor shall be responsible for the work performed under the Contract Documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any description used in connection with the Work. The Contractor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, or in connection in any way whatsoever with the contracted work.
The Contractor shall be as fully responsible to the County for the acts and omissions of its subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.

Notwithstanding any of the above, the Contractor may satisfy its obligations under this section by means of self insurance for all or any part of the insurance required, provided that the Contractor can demonstrate financial capacity, the alternative coverage(s) are submitted to and acceptable to the County and the terms additional endorsements required hereunder are met to the satisfaction of the County Purchasing Agent or Risk Manager. The Contractor must provide its most recent actuarial report and provide a copy of its self-insurance resolution to determine the adequacy and security of the insurance funding. The Contractor shall also ensure that its intellectual property insurance remains in force throughout the pendency of this maintenance agreement, said insurance to provide indemnification and a defense in the event that a third party makes a claim related to the Contractor’s software and IVR system.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

AUTHORIZED SIGNATURE: [Signature]

NAME AND TITLE: RICHARD D. WARREN, JR.
TITLE: PURCHASING AGENT
DATE: 09/26/2012

SELECTRON TECHNOLOGIES, INC.

AUTHORIZED SIGNATURE: [Signature]

NAME AND TITLE: Todd A. Johnston, President, CEO
TITLE: [Title]
DATE: 9/19/2012
AGREEMENT NO. 722-12
EXHIBIT A

SCOPE OF SERVICE
PREMIERE PRO SUPPORT AND MAINTENANCE

The Contractor shall provide to the County one (1) perpetual, paid up, nonexclusive license as well as support and maintenance for the Products, as outlined below:

1. PRODUCTS AND LICENSE COVERED

One (1) Workstation:
Microsoft Windows 2000
Microsoft Access Software
Visual Basic Software
Remote Access Software
Spanish Language Dictionary Software
12-Port Voice Card
2-Port Fax Board

One (1) Voice Permits™ Software license (referred to as "software" below) (4-port user license)
Schedule an Inspection
Cancel an Inspection
Obtain Inspection Results
Post Inspection Results
Speak Site Address
Permit Based Messaging
Fax Results/History Module
Fax Utility Notification
Permit Verification
Spanish Language Dictionary Module
SmartFax
Plan Review Status
Zoning Status

2. SUPPORT SERVICES
The Contractor shall provide County support for technical problems that occur when using the products listed above. The requirements are outlined below and must meet or exceed the Premier Support package offered by the Contractor in place at the time of the execution of this Agreement.

This Agreement does not include support of the following items:
a) Altering or modifying IVR Software not performed by the Contractor.
b) Hardware replacement, hardware failure resulting in software errors, or Workstation / Server operating system failure resulting in software errors as a result of causes beyond Contractor's reasonable control. Software errors are defined as error, flaw, mistake, failure, or fault in the IVR system that produces an incorrect or unexpected result, or causes it to behave in unintended ways.
c) Version Upgrades of Host or Backend database software Permits Plus and SQL database.

d) Direct support for the required Application Program Interface either purchased or procured as part of the integrated solution.

e) Software Enhancements, replacements, or modifications to the current IVR software versions performed at the County’s request and these changes are not intended to resolve a product failure. Product failure is defined as the inability for the IVR system to take telephone calls to schedule inspections or provide the correct information to schedule inspections.

f) Services, support, and configuration of passive fail-over server.

If the County needs the professional services listed above, the County Project Officer will communicate the project requirements to the Contractor. The Contractor will then provide a statement of work to the Project Officer and a quote based on the project requirements. Services will be billed on a time and materials basis at the rates below, such rate shall not increase by more than 15% over the last year’s rate. The final cost for the work outlined in the statement of work will not exceed 10% of the quoted price provided by the Contractor. Services shall be billed at the labor rate of $175 per hour.

The Contractor shall start performing additional services listed above only after receipt of a valid County Purchase Order.

The Contractor Software Developers will directly handle the County issues outlined in the following levels of support. Work will include, but is not limited to, researching, designing, developing and testing software.

3. SUPPORT AND MAINTENANCE

The Support and Maintenance services for the County shall include the following for the Contract Amount stated herein:

a. Tier One priority status, initial support level responsible to solve basic technical issues.

b. Unlimited use of telephone Support for installation and general use questions during normal business hours (6:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday).

c. Unlimited use of Contractor’s Toll Free telephone support hotline

d. Unlimited on-Line technical diagnostic support

e. Software correction upgrades

f. One (1) business day relief goal

g. 24 Hours, 7 days per week, 365 days per year support for emergency (i.e. system down or inoperable) calls

h. Development work necessary to support standard updates to County’s Host database (i.e. land management software, utility billing software, etc...) and back-end database.

The County shall provide two (2) weeks notice prior to planned system upgrade in order to accommodate scheduling of resources.
i. Quarterly Proactive System Review. The Contractor shall perform the following system diagnostics and create a history file and notify the County Project Officer with the results of these actions:
   1. Assess the current machine resources including memory, processor, and disk-space utilization
   2. Examine log files including error logs to identify any anomalous entries
   3. Apply current validated software updates to the operating system, device drivers, and database server software.
   4. Identify items that need further attention for follow-up by the County and the Project Officer

j. “Out-of-cycle” critical updates. Updates that meet these criteria are failures that might be likely to cause hardware damage, system unavailability, data corruption, or severe data vulnerability.

Non-emergency calls made after normal business hours will be billed at the rate of $262.50/hour, with a two (2) hour minimum charge.

The County will maintain continuous coverage of its support contracts in order to be eligible for telephone support, and other services provided hereunder.

Contractor shall use new, manufacturer parts for the report of any contractor provided Hardware. However, the Contractor, with written approval by the County Project Officer, may use refurbished parts for the repair of any Contractor provided Hardware.

The County shall perform all necessary preventative maintenance as outlined in Contractor’s Administrative Guide (Exhibit C). If County’s failure to perform the required preventative maintenance is determined to be the cause of any support call, the County will be billed at the current hourly rate.

To the maximum extent permitted by applicable law, the products and services provided herein are provided to County "as is" and Contractor and its suppliers disclaim all other warranties, either express or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose. This limitation on liability is made regardless of whether contractor knows or had a reason to know of customer’s particular needs. No employee, agent, dealer or distributor of Contractor is authorized to modify this limited warranty, or make any additional warranties.

To the maximum extent permitted by applicable law, in no event will Contractor be liable for any consequential, indirect, exemplary, special or incidental damages, including any lost data and lost profits, arising from or relating to this agreement. Contractor’s total cumulative liability in connection with this Agreement and the services provided hereunder, whether in contract or tort or otherwise, will not exceed the amount of fees or monies paid to Contractor by the County. County acknowledges that the fees and monies reflect the allocation of risk set forth in this Agreement and that Contractor would not enter into this Agreement without these limitations on its liability.
4. **RESPONSE TIMES**

Non-emergency support calls shall be responded within one (1) business day. Most calls shall be handled within two (2) hours of receipt. During non-business hours, an answering service shall take all support calls. Calls that are placed as an emergency (system down or inoperable) shall be dispatched to the on-call support staff for response within four (4) hours. Non-emergency calls will be directed to support personnel, and will be responded to the next business day.

5. **COUNTY CONTACTS**

Three (3) COUNTY support contacts are allowed. Additional contacts may be added at any time for an additional $500.00 per contact. Only County’s customer support contacts will contact the Contractor for support services. The addition of any contacts shall be by amendment only.

County’s current customer support contacts are as set forth below:

**CUSTOMER SUPPORT CONTACTS**

Contact Person: Anthony Garrett  
Address: Arlington County, VA  
2100 Clarendon Boulevard  
Arlington, VA 22201  
Email: agarrett@arlingtonva.us  
Phone: 703-228-0066

Cynthia Hernan,  
CAO, Administrative Services  
Division Department of Community Planning, Housing and Development,  
Suite 700  
Arlington County Government  
2100 Clarendon Blvd, Suite 700, Arlington, VA 22201  
E-mail: chernan@arlingtonva.us  
Office: 703.228.0607

Sarah Weigman,  
Project Coordinator, Administrative Services Division  
Arlington County Government  
2100 Clarendon Blvd, Suite 700, Arlington, VA 22201  
E-mail: sweigman@arlingtonva.us  
(703)228-3391

The County may change its customer support contacts upon thirty (30) days written notice to the Contractor.
AGREEMENT NO. 722-12
EXHIBIT B

MAINTENANCE FEES FOR VOICEPERMITS SYSTEM

<table>
<thead>
<tr>
<th>DATES COVERED</th>
<th>AMOUNT</th>
<th>PAYMENT DUE DATE</th>
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<td>2012</td>
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<td>September 1, 2013 to</td>
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<td>September 1, 2015 to</td>
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Maintenance amounts above do not include increases to reflect functionality that the County may additionally purchase.
# Certificate of Liability Insurance

**Producer:**

W.B. Adams Co.

14737 SW Millikan Way

Beaverton OR 97006

**Contact:**

W.B. Adams Co.

(503) 644-9845

Address:

**Insured:**

Selectron Technologies, Inc.

7405 SW Tech Center Drive

Suite 140

Portland, OR 97223

**Coverages:**

<table>
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<tr>
<th>Type of Insurance</th>
<th>Policy Number</th>
<th>Policy Eff</th>
<th>Policy Exp</th>
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<td>1/31/12</td>
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</table>

**Certificate Holder:**

The County Board of Arlington County, VA

c/o The Purchasing Agent

Room 500, 2100 Clarendon Blvd

Arlington, VA 22201

**CANCELLATION:**

Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

**Authorized Representative:**

[Signature]

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COMMERICAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TECHNOLOGY XTEND ENDORSEMENT

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

A. Reasonable Force Property Damage – Exception To Expected Or Intended Injury Exclusion
B. Non-Owned Watercraft Less Than 75 Feet
C. Aircraft Chartered With Pilot
D. Damage To Premises Rented To You
E. Increased Supplementary Payments
F. Who Is An Insured – Employees And Volunteer Workers – First Aid
G. Who Is An Insured – Employees – Supervisory Positions
H. Who Is An Insured – Newly Acquired Or Formed Organizations
I. Blanket Additional Insured – Owners, Managers Or Lessors Of Premises
J. Blanket Additional Insured – Lessors Of Leased Equipment
K. Blanket Additional Insured – Persons Or Organizations For Your Ongoing Operations As Required By Written Contract Or Agreement
L. Blanket Additional Insured – Broad Form Vendors
M. Who Is An Insured – Unnamed Subsidiaries
N. Who Is An Insured – Liability For Conduct Of Unnamed Partnerships Or Joint Ventures
O. Contractual Liability – Railroads
P. Knowledge And Notice Of Occurrence Or Offense
Q. Unintentional Omission
R. Blanket Waiver Of Subrogation

PROVISIONS

A. REASONABLE FORCE PROPERTY DAMAGE – EXCEPTION TO EXPECTED OR INTENDED INJURY EXCLUSION

The following replaces Exclusion a., Expected Or Intended Injury, in Paragraph 2., of SECTION I – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

a. Expected Or Intended Injury Or Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect any person or property.

B. NON-OWNED WATERCRAFT LESS THAN 75 FEET

The following replaces Paragraph (2) of Exclusion g., Aircraft, Auto Or Watercraft, in Paragraph 2.
D. DAMAGE TO PREMISES RENTED TO YOU

1. The first paragraph of the exceptions in Exclusion j., Damage To Property, in Paragraph 2, of SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY is deleted.

2. The following replaces the last paragraph of Paragraph 2., Exclusions, of SECTION I – COVERAGES - COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

Exclusions c., g. and h., and Paragraphs (1), (3) and (4) of Exclusion j., do not apply to "premises damage". Exclusion f.(1)(a) does not apply to "premises damage" caused by fire unless Exclusion f. of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by another endorsement to this Coverage Part that has Exclusion – All Pollution Injury Or Damage or Total Pollution Exclusion in its title. A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

3. The following replaces Paragraph 6. of SECTION III – LIMITS OF INSURANCE:

6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "premises damage" to any one premises.

The Damage To Premises Rented To You Limit will be:

a. The amount shown for the Damage To Premises Rented To You Limit on the Declarations of this Coverage Part; or

b. $100,000 if no amount is shown for the Damage To Premises Rented To You Limit on the Declarations of this Coverage Part.

4. The following replaces Paragraph a. of the definition of "insured contract" in the DEFINITIONS Section:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "premises damage" is not an "insured contract";

5. The following is added to the DEFINITIONS Section:

"Premises damage" means "property damage" to:

a. Any premises while rented to you or temporarily occupied by you with permission of the owner; or

b. The contents of any premises while such premises is rented to you, if you rent such premises for a period of seven or fewer consecutive days.

6. The following replaces Paragraph 4.b.(1)(b) of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

(b) That is insurance for "premises damage";

or

7. Paragraph 4.b.(1)(c) of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is deleted.

E. INCREASED SUPPLEMENTARY PAYMENTS

1. The following replaces Paragraph 1.b. of SUPPLEMENTARY PAYMENTS – COVERAGES A AND B of SECTION I – COVERAGES:

b. Up to $2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

2. The following replaces Paragraph 1.d. of SUPPLEMENTARY PAYMENTS – COVERAGES A AND B of SECTION I – COVERAGES:

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $500 a day because of time off from work.

F. WHO IS AN INSURED – EMPLOYEES AND VOLUNTEER WORKERS – FIRST AID

1. The following is added to the definition of "occurrence" in the DEFINITIONS Section:

Unless you are in the business or occupation of providing professional health care services, "occurrence" also means an act or omission committed by any of your "employees" or "volunteer workers", other than an employed
or volunteer doctor, in providing or failing to provide first aid or "Good Samaritan services" to a person.

2. The following is added to Paragraph 2.a.(1) of SECTION II – WHO IS AN INSURED:

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any of your "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

3. The following is added to Paragraph 5. of SECTION III – LIMITS OF INSURANCE:

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed by any of your "employees" or "volunteer workers" in providing or failing to provide first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

4. The following is added to the DEFINITIONS Section:

"Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.

G. WHO IS AN INSURED – EMPLOYEES – SUPERVISORY POSITIONS

The following is added to Paragraph 2.a.(1) of SECTION II – WHO IS AN INSURED:

Paragraphs (1)(a), (b) and (c) above do not apply to "bodily injury" or "personal injury" to a co-"employee" in the course of the co-"employee's" employment by you arising out of work by any of your "employees" who hold a supervisory position.

H. WHO IS AN INSURED – NEWLY ACQUIRED OR FORMED ORGANIZATIONS

The following replaces Paragraph 4. of SECTION II – WHO IS AN INSURED:

4. Any organization you newly acquire or form, other than a partnership or joint venture, of which you are the sole owner or in which you maintain the majority ownership interest, will qualify as a Named Insured if there is no other insurance which provides similar coverage to that organization. However:

a. Coverage under this provision is afforded only:

(1) Until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, if you do not report such organization in writing to us within 180 days after you acquire or form it; or

(2) Until the end of the policy period, when that date is later than 180 days after you acquire or form such organization, if you report such organization in writing to us within 180 days after you acquire or form it, and we agree in writing that it will continue to be a Named Insured until the end of the policy period;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

I. BLANKET ADDITIONAL INSURED – OWNERS, MANAGERS OR LESSORS OF PREMISES

The following is added to SECTION II – WHO IS AN INSURED:

Any person or organization that is a premises owner, manager or lessor is an insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of any premises leased to you.

The insurance provided to such premises owner, manager or lessor does not apply to:

a. Any "bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" or "advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
b. Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessee.

J. BLANKET ADDITIONAL INSURED – LESSORS OF LEASED EQUIPMENT

The following is added to SECTION II – WHO IS AN INSURED:

Any person or organization that is an equipment lessor is an insured, but only with respect to liability for "bodily injury", "property damage", "personal injury" or "advertising injury" caused, in whole or in part, by your acts or omissions in the maintenance, operation or use by you of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" caused by an "occurrence" that takes place, or "personal injury" or "advertising injury" caused by an offense that is committed, after the equipment lease expires.

K. BLANKET ADDITIONAL INSURED – PERSONS OR ORGANIZATIONS FOR YOUR ONGOING OPERATIONS AS REQUIRED BY WRITTEN CONTRACT OR AGREEMENT

The following is added to SECTION II – WHO IS AN INSURED:

Any person or organization that is not otherwise an insured under this Coverage Part and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" that:

a. Is caused by an "occurrence" that takes place after you have signed and executed that contract or agreement; and

b. Is caused, in whole or in part, by your acts or omissions in the performance of your ongoing operations to which that contract or agreement applies or the acts or omissions of any person or organization performing such operations on your behalf.

The limits of insurance provided to such insured will be the limits which you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.

L. BLANKET ADDITIONAL INSURED – BROAD FORM VENDORS

The following is added to SECTION II – WHO IS AN INSURED:

Any person or organization that is a vendor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury" or "property damage" that:

a. Is caused by an "occurrence" that takes place after you have signed and executed that contract or agreement; and

b. Arises out of "your products" which are distributed or sold in the regular course of such vendor's business.

The insurance provided to such vendor is subject to the following provisions:

a. The limits of insurance provided to such vendor will be the limits which you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.

b. The insurance provided to such vendor does not apply to:

(1) Any express warranty not authorized by you;

(2) Any change in "your products" made by such vendor;

(3) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(4) Any failure to make such inspections, adjustments, tests or servicing as vendors agree to perform or normally undertake to perform in the regular course of business, in connection with the distribution or sale of "your products";

(5) Demonstration, installation, servicing or repair operations, except such operations performed at such vendor's premises in connection with the sale of "your products"; or

(6) "Your products" which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or on behalf of such vendor.

Coverage under this provision does not apply to:

a. Any person or organization from whom you have acquired "your products", or any ingre-
M. WHO IS AN INSURED – UNNAMED SUBSIDIARIES

The following is added to SECTION II – WHO IS AN INSURED:

Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Declarations is a Named Insured if:

a. You maintain an ownership interest of more than 50% in such subsidiary on the first day of the policy period; and

b. Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an insured for "bodily injury" or "property damage" that occurred, or "personal injury" or "advertising injury" caused by an offense committed:

a. Before you maintained an ownership interest of more than 50% in such subsidiary; or

b. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

N. WHO IS AN INSURED – LIABILITY FOR CONDUCT OF UNNAMED PARTNERSHIPS OR JOINT VENTURES

The following replaces the last paragraph of SECTION II – WHO IS AN INSURED:

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership or joint venture that otherwise qualifies as an insured under Section II – Who Is An Insured.

O. CONTRACTUAL LIABILITY – RAILROADS

1. The following replaces Paragraph c. of the definition of "insured contract" in the DEFINITIONS Section:

   a. Any easement or license agreement;

2. Paragraph f.(1) of the definition of "insured contract" in the DEFINITIONS Section is deleted.

P. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE

The following is added to Paragraph 2., Duties In The Event of Occurrence, Offense, Claim or Suit, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

e. The following provisions apply to Paragraph a. above, but only for the purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:

(1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your trustees who is an individual (if you are a trust), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, limited liability company or trust) or any "employee" authorized by you to give notice of an "occurrence" or offense.

(2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:

   a. Any individual who is:

      (i) A partner or member of any partnership or joint venture;

      (ii) A manager of any limited liability company;

      (iii) A trustee of any trust; or

      (iv) An executive officer or director of any other organization;

   that is your partner, joint venture member, manager or trustee; or

   b. Any "employee" authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.
(3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraphs e. (1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.

However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.

Q. UNINTENTIONAL OMISSION

The following is added to Paragraph 6., Representations, of SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS:

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

R. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph 8., Transfer Of Rights Of Recovery Against Others To Us, of SECTION IV — COMMERCIAL GENERAL LIABILITY CONDITIONS:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

a. "Bodily injury" or "property damage" caused by an "occurrence" that takes place; or

b. "Personal injury" or "advertising injury" caused by an offense that is committed; subsequent to the execution of the contract or agreement.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

A. BROAD FORM NAMED INSURED

B. BLANKET ADDITIONAL INSURED

C. EMPLOYEE HIRED AUTO

D. EMPLOYEES AS INSURED

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

G. WAIVER OF DEDUCTIBLE – GLASS

PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – LIABILITY COVERAGE:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., Who Is An Insured, of SECTION II – LIABILITY COVERAGE:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – LIABILITY COVERAGE:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.
2. The following replaces Paragraph b. in B.5., Other Insurance, of SECTION IV – BUSINESS AUTO CONDITIONS:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

(1) Any covered "auto" you lease, hire, rent or borrow; and

(2) Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

D. EMPLOYEES AS INSURED

The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – LIABILITY COVERAGE:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

1. The following replaces Paragraph A.2.a.(2), of SECTION II – LIABILITY COVERAGE:

(2) Up to $3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of SECTION II – LIABILITY COVERAGE:

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to $500 a day because of time off from work.

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

The following replaces Subparagraph (5) in Paragraph B.7., Policy Period, Coverage Territory, of SECTION IV – BUSINESS AUTO CONDITIONS:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., Limit Of Insurance, of SECTION II – LIABILITY COVERAGE.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., Limit Of Insurance, of SECTION II – LIABILITY COVERAGE, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available
G. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph D., Deductible, of SECTION III – PHYSICAL DAMAGE COVERAGE:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., Loss Of Use Expenses, of SECTION III – PHYSICAL DAMAGE COVERAGE:

However, the most we will pay for any expenses for loss of use is $85 per day, to a maximum of $750 for any one "accident".

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence in Paragraph A.4.a., Transportation Expenses, of SECTION III – PHYSICAL DAMAGE COVERAGE:

We will pay up to $50 per day to a maximum of $1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. PERSONAL EFFECTS

The following is added to Paragraph A.4., Coverage Extensions, of SECTION III – PHYSICAL DAMAGE COVERAGE:

Personal Effects

We will pay up to $400 for "loss" to wearing apparel and other personal effects which are:

1. Owned by an "insured"; and
2. In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Effects coverage.

K. AIRBAGS

The following is added to Paragraph B.3., Exclusions, of SECTION III – PHYSICAL DAMAGE COVERAGE:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

a. If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;

b. The airbags are not covered under any warranty; and

c. The airbags were not intentionally inflated.

We will pay up to a maximum of $1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of SECTION IV – BUSINESS AUTO CONDITIONS:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

(a) You (if you are an individual);

(b) A partner (if you are a partnership);

(c) A member (if you are a limited liability company);

(d) An executive officer, director or insurance manager (if you are a corporation or other organization); or

(e) Any "employee" authorized by you to give notice of the "accident" or "loss".
10. BLANKET WAIVER OF SUBROGATION

   The following replaces Paragraph A.5., Transfer Of Rights Of Recovery Against Others To Us, of SECTION IV - BUSINESS AUTO CONDITIONS:

5. Transfer Of Rights Of Recovery Against Others To Us

   We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.

N. UNINTENTIONAL ERRORS OR OMISSIONS

   The following is added to Paragraph B.2., Concealment, Misrepresentation, Or Fraud, of SECTION IV - BUSINESS AUTO CONDITIONS:

   The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.