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DUPLICATE ORIGINAL

INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS SERVICE AGREEMENT

Between

COUNTY OF SAN DIEGO

AND

NORTHROP GRUMMAN INFORMATION TECHNOLOGY, INC.

ON

JANUARY 24, 2006

AS ASSIGNED TO

HP ENTERPRISE SERVICES, LLC

ON

APRIL 30, 2011,

AND AS AMENDED AND RESTATED

ON

APRIL 5, 2012 (VERSION 01)

APRIL MAY 15, 2013 (VERSION 02)

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INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS SERVICE AGREEMENT

This Information Technology and Telecommunications Service Agreement, dated January 24, 2006 between the County of San Diego and Northrop Grumman Information Technology, Inc., (the "Signing Date") as assigned to HP Enterprise Services, LLC, on April 30, 2011, and as Amended and Restated on April 5, 2012, and further amended on 5/15/13, is a contract between the County of San Diego (the "County"), acting through its Chief Administrative Officer and Purchasing Agent, having offices at 5555 Overland Avenue, Building 11, San Diego, California 92123, and HP Enterprise Services, LLC, ("Contractor"), a Delaware limited liability company having offices at 13600 EDS Drive, Herndon, Virginia 20171, under which Contractor shall provide the County with certain information technology ("IT") and telecommunications services, on the terms and conditions set forth below. Capitalized terms used herein, if not defined, shall have the meanings assigned to them in Schedule A.

For and in consideration of the mutual promises and covenants contained herein, the receipt, sufficiency, and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby contract and agree as follows:

PART I – PURPOSE AND SCOPE

1. PURPOSE AND SCOPE

1.1. Background and Purpose

The County has undertaken a comprehensive outsourcing initiative the primary goal of which is to improve the County's use of IT and telecommunications and the manner in which the County obtains its IT and telecommunications services. The Services provided by Contractor under this Agreement will allow the citizens of the County to benefit from the enormous potential of IT and telecommunications, as applied to the business of government. In addition, the County's IT and telecommunications resources will be utilized in a more efficient manner that also creates economic opportunities for the citizens of the County.

Another primary purpose of this Agreement is for the County to maintain state-of-the-art security systems and methods that will ensure the privacy and protection of the County's Confidential Information and data. These Services, and Contractor's obligations related thereto, are described in more detail in Sections 12, 15, and Schedule 4.3. In addition to being bound by this Agreement to perform these specific tasks within the timelines contained herein, Contractor will at all times be fully subject to and bound to comply with all applicable County, State, and federal laws, rules, and regulations relating to the subject matter hereof, including those regarding privacy and the protection of the County's data.

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This Agreement becomes effective upon the later of: (i) the written approval of the Board of Supervisors, and (ii) the County's receipt of all applicable federal and State approvals (the "Effective Date").

Concurrently with these review periods, Contractor is expected to work with the County and the Legacy Provider to complete all tasks necessary to prepare for a smooth cutover of operational responsibility for the IT and telecommunications services described herein. As of the Cutover Date for each Service Framework, Contractor will assume such operational responsibility by becoming the employer of all transitioned IT employees under such Service Framework.

1.2. Requirements; Engagement

The County has described its requirements for IT and telecommunications services in various requests for information and other communications with Contractor (collectively, the "Requests"), including the County's Request for Proposals dated May 19, 2005 (the "RFP"), the County's Request for Best and Final Offers dated October 28, 2005 (the "BAFO") and other requests and communications described in Schedule 1.2. In response to such Requests, Contractor has delivered to the County various documents and other communications (collectively, the "Responses"), as described in Schedule 1.2, in which Contractor represented, among other things, that it could provide IT and telecommunications services satisfying the Requests. Accordingly, in reliance upon the Responses and in furtherance of the purposes for which the Responses were solicited, the County, under the authority of the Board of Supervisors, hereby engages Contractor to perform all of the obligations imposed on it, including the Services, pursuant to this Agreement, and Contractor hereby accepts such engagement and promises to perform according to this Agreement. Contractor shall be the prime contractor and hereby assumes full and total responsibility for providing all of the Services and for obtaining all software, hardware, documentation, services, and other resources that it will need in order for it to be able to provide the Services.

1.3. Improvement of Government

The general goal of the County under this Agreement is to continue to improve the County's use of IT and telecommunications and the manner in which the County obtains its IT and telecommunications services. This Agreement shall improve the County's basic capabilities to serve its citizens, reduce operating costs and facilitate citizens' access to the services their government furnishes, among other benefits. The Services shall allow the citizens of the County to continue to benefit from the enormous potential of IT and telecommunications, as applied to the business of government. The objectives of the County under this Agreement include the following:

(a) Providing the most efficient processing of and access to information, which will reduce wait times at County facilities;

(b) Eliminating the need to visit multiple County offices through the use of integrated systems and business processes that promote "one-stop shopping";

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(c) Improving delivery of public services and the County's central system and information infrastructure;

(d) Promoting private enterprise through electronic commerce, enabling businesses to submit plans and other documents for County approval without the labor and expense of paper submittals;

(e) Reducing the number of trips that residents must take to transact business with divisions of County government;

(f) Improving Internet access to County resources;

(g) Helping ensure that tax dollars are used efficiently and not wasted on obsolete, inefficient systems and business processes;

(h) Providing the highest levels of customer service;

(i) Increasing public access to County services by providing reliable communications and an information infrastructure with multiple points;

(j) Saving the customer time by providing service alternatives to visiting County facilities;

(k) Increasing responsiveness to commercial requests for information and services;

(l) Providing the foundation and tools for electronic commerce;

(m) Allowing managers to focus on improved business processes that reduce the cost of government and permit the County's Board of Supervisors to allocate savings for reinvestment in new or existing programs;

(n) Allowing the County to focus on its core competencies and business priorities;

(o) Providing timely information for executive decision-making through maintaining state-of-the-art enterprise-wide systems for financial accounting, payroll, procurement, and human resources;

(p) Augmenting the County's capabilities in financial planning and monitoring;

(q) Increasing the County's pool of technology resources and capabilities;

(r) Providing reliable, efficient computing systems and voice telecommunications to support job functions;

(s) Minimizing labor-intensive tasks that do not add commensurate value;

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(t) Providing decision-support tools to workers; and

(u) Providing state-of-the-art computing tools and training to enhance career development.

PART II – TRANSITION OBLIGATIONS

2. TRANSITION

2.1. Transition Services

Contractor shall accomplish the transparent, seamless, orderly, and uninterrupted transition from the manner in which the County currently receives all Current Services to the provision of all of such services, and all other Services, to the County by Contractor (the "Transition"). Such Transition shall include the complete and timely performance by Contractor of all requirements set forth in the Transition Plan, attached as Schedule 2.1 and as further modified from time to time upon written agreement of the Parties, in accordance with the due dates specified therein and shall be accomplished by Contractor in such a manner as to have no adverse effect upon any the County, any agency, subdivision or department thereof, nor upon the quality or continuity of the IT and telecommunications services being provided to such entities. From and after the opening of business on the Cutover Date of the first Service Framework transitioned to Contractor, Contractor shall ensure that there is no material adverse effect on the quality of the IT and telecommunications-related services provided to the County and to the End-Users, that would not have otherwise occurred had the Transition contemplated by this Agreement not taken place.

2.2. Critical Milestones for Transition

The Parties recognize and agree that time is of the essence for a successful Transition and they have designated certain actions and projects in the Transition Plan as Critical Milestones (such Critical Milestones are referred to herein as "Transition Critical Milestones"). Contractor shall achieve all such Transition Critical Milestone by the date corresponding thereto in Schedule 16.1. Furthermore, without limiting any other rights or remedies available to Contractor at law, in equity or under contract, the County may terminate this Agreement for cause without requirement of notice or opportunity for cure if Contractor fails to complete the Transition of all Services to Contractor by December 31, 2006, other than by reason of a delay or default by the Legacy Provider; provided, however Contractor shall be relieved of such timely completion solely to the extent (i) the delay or default by the Legacy Provider directly causes a material delay in Contractor's performance hereunder, (ii) Contractor notifies the County in writing of such delay or default as soon as practicable after the occurrence thereof, and (iii) Contractor is unable to complete such Transition by the date above despite using its best efforts to mitigate the effects of such delay or default.

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2.3. Progress Reports

Contractor shall provide to the CIO a written update as to progress of the Transition Plan at least weekly until such plan and each of Contractor's responsibilities thereunder have been met.

2.4. Early Access by Contractor

During the period between the Signing Date and the final Cutover Date for the last Service Framework transitioned to Contractor, the County shall (and shall use reasonable efforts to cause the Legacy Provider to) provide Contractor with reasonable access to the Retained Assets, the Purchased Assets, and the Designated Employees, but solely for the purpose of reasonably assisting and cooperating with Contractor in the accomplishment of the Transition in accordance with the Transition Plan, and only to the extent that Contractor is required to have access to such resources (as distinct from other resources that Contractor may then have or could procure) in order to accomplish the Transition in accordance with the Transition Plan.

2.5. Cutover

In the event that the County determines, in its sole discretion, at any time during the Transition, that the County, the End Users, any agency, department or subdivision of the County or the quality or continuity of the Services has been materially and adversely affected in any way, or that any such material and adverse effect seems reasonably likely to occur, then the County shall direct Contractor to stop and proceed no further with such transition or portion thereof until such time as Contractor shall have: (i) analyzed the cause of such effect; (ii) developed a reasonable plan for resuming such transition in such a manner as to eliminate or avoid such effect (and any other negative or adverse consequences of such transition; and (iii) received the County's approval to proceed with such transition, which approval shall not be unreasonably withheld. Following any resumption any of the transition of the services to Contractor, if the County again determines that a material and adverse effect has occurred, then the process described above in the Section 2.5 shall be repeated. Nothing in this Section 2.5, nor the County's exercise of its rights, as described above, pursuant to this Section 2.5, shall in any way reduce, limit, or obviate any obligation of Contractor to meet a Transition Critical Milestone or any other schedule, target, completion schedule, or other commitment specified in the Transition Plan or this Agreement. In addition, the County's exercise of its rights as set forth in this Section 2.5 shall not trigger any additional charges or fees from the Contractor.

3. TRANSITION OF ASSETS, LEASES, CONTRACTS AND PERSONNEL

3.1. Transition of Responsibilities for Retained Assets

On each Cutover Date, and from and after each such date, Contractor shall assume responsibility for the administration and management of the Retained Assets pertaining to the applicable Service Framework in accordance with Section 7.5 and Schedule 4.3.

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3.2. Transition of Purchased Assets

3.2.1. Asset Purchase

As of each Cutover Date, the County or its Legacy Provider (as applicable) shall sell at net book value to Contractor, and Contractor shall buy from the County or its Legacy Provider (as applicable), "AS IS, WHERE IS" and without any express or implied warranties of any kind, all of the County's (or the Legacy Provider's) right, title, and interest in and to the Purchased Assets. For Purchased Assets sold by the County directly, the Parties will enter into Bills of Sale relating to Contractor's purchase of the Purchased Assets in the form attached hereto as Schedule 3.2 and dated as of each Cutover Date.

3.2.2. Interim Assets

The Parties acknowledge that during the period between the Signing Date and each Cutover Date pertaining to a Service Framework, the County (and Legacy Provider) will acquire additional assets that may be useful for Contractor's use in performing the Services under an applicable Service Framework ("Interim Assets") and during such period the County (and Legacy Provider) will advise Contractor of all pertinent information with respect to all Interim Assets. For a ninety (90) day period commencing on each Cutover Date, Contractor shall have the right to use and the option to purchase whichever of the Interim Assets applicable to the Service Framework cut over on such Cutover Date that it may elect to use or purchase. If Contractor elects to use an Interim Asset during such ninety (90) day period to provide the Services, such Interim Asset shall be deemed to be a Retained Asset until the earliest of: (i) ninety (90) days after the applicable Cutover Date; (ii) the date that Contractor specifies to the County (or Legacy Provider) as the date on which it will no longer use such Interim Asset; and (iii) the date on which Contractor purchases such Interim Asset as provided herein. Contractor will have the option, exercisable from time to time within ninety (90) days of such Cutover Date, to purchase at its then net book value any Interim Asset that it is using to provide the Services, as mutually agreed by Contractor and the County (or the Legacy Provider, as applicable). An Interim Asset purchased by Contractor pursuant to this Section 3.2.2 will thereafter be deemed to be a Purchased Asset and will be subject to all of the provisions of Section 3.2 hereof.

3.3. Assignment of Leases and Contracts

Subject to Contractor's obtaining any Required Consents, the Parties (and/or Legacy Provider) shall enter into Assignment and Assumption Agreements pursuant to which the County (and/or Legacy Provider), as of the applicable Cutover Date, shall assign to Contractor all of the County's (or Legacy Provider's, as applicable) rights under the Assigned Leases and the Assigned Contracts pertaining to the Service Framework corresponding to such Cutover Date. The form of the Assignment and Assumption Agreement to be entered into between the County and Contractor shall be in the form attached hereto as Schedule 3.3. Contractor shall assume responsibility for, and shall perform, all obligations of the County (and Legacy Provider) under the Assigned Leases and Assigned Contracts, including payment of all related expenses (including maintenance fees),

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to be performed with respect to periods on or after each such Cutover Date, and shall indemnify the Legacy Provider (if required by the Legacy Provider) and the County with respect to all such obligations. Contractor shall be responsible for paying all relicensing or transfer fees associated with the Assigned Leases and Assigned Contracts except for those relicensing or transfer fees that are the responsibility of the Legacy Provider and are paid by the Legacy Provider. Contractor shall reimburse the County for any prepayments in respect thereof (provided that, all "prepayments", as such term is used in this Agreement, shall be for goods or services of which Contractor receives the benefit after the applicable Cutover Date and that will be utilized on or after the applicable Cutover Date in connection with the performance of Services by Contractor hereunder, including, for example, prepaid support and maintenance service fees), and Contractor shall indemnify the Legacy Provider (if required by the Legacy Provider) and the County with respect to all such obligations in respect of such periods. The County or its Legacy Provider (as applicable) shall be responsible for the performance of all obligations of the County under the Assigned Leases and Assigned Contracts, including payment of all related expenses, to be performed with respect to periods prior to the applicable Cutover Date, and shall indemnify Contractor with respect to all such obligations in respect of such periods. From time to time, to the extent permitted by the applicable agreement, Contractor may request that the County cooperate in the termination of any Assigned Leases or Assigned Contracts (which cooperation shall not be unreasonably withheld by the County), and Contractor shall reimburse the County for any termination charges or penalties, if any.

3.4. Required Consents

With the County's cooperation, Contractor shall obtain all Required Consents. In the event that Contractor is not able to obtain any Required Consent despite the use of its best efforts, then, unless and until such Required Consent is otherwise obtained, the Parties shall cooperate with each other and the Legacy Provider in achieving a reasonable alternative arrangement under which Contractor may perform the Services without causing a breach or violation of any agreement for which a Required Consent is to be obtained. Such reasonable alternative arrangements may include: (i) Contractor obtaining such consent to Contractor's use of the relevant assets as the relevant party will agree to provide; or (ii) Contractor procuring a suitable replacement for the assets for which it is unable to obtain the Required Consent. Contractor shall be responsible for paying all termination fees associated with any agreement for which Contractor is unable to obtain a Required Consent. All obligations under this Section 3.4 shall be the responsibility of Contractor, at its cost and expense, except in the following regards: (A) each Party shall take such actions, at its own cost and expense, as are required of it by applicable laws or regulations with respect to the Government Approvals; and (B) the County shall obtain, at its cost and expense, all Required Consents for contracts for Retained Assets entered into by the County after the Cutover Date applicable to the Service Framework for which the County entered into such contracts. The County reserves the right to reasonably request and review any or all such Required Consents prior to the commencement of any Services hereunder.

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3.5. Human Resources

Contractor shall offer employment with Contractor, or shall cause one of its Subcontractors to offer employment with such Subcontractor, effective on the applicable Cutover Date, to all Designated Employees. In addition, prior to the applicable Cutover Date, Contractor shall make such offers of employment as are necessary in order for Contractor to provide all applicable Services on and after the applicable Cutover Date.

PART III – SCOPE OF SERVICES

4. SERVICES

4.1. Scope

In accordance with this Agreement, Contractor shall fulfill all of the IT and telecommunications services requirements of the County at all times during the Term (subject to the provisions of Section 4.10). The scope of the County's IT and telecommunications requirements consists of the performance of the Services. Although the Parties have attempted in this Section 4 and the associated Schedules to delineate the specific Services to be provided by Contractor, the Parties acknowledge that some items may not have been specifically identified herein. The specific enumeration in any particular Section of this Agreement of certain of Contractor's duties or obligations is not an implied limitation on, or alteration of, other duties or obligations imposed on Contractor elsewhere in this Agreement. In the event of any dispute between the Parties as to whether a particular service or function falls within the scope of the services to be provided by the County's third party service providers, or by the County itself, or within the scope of those to be provided by Contractor, such particular service or function shall be considered to be a part of the Services hereunder if it is consistent with, and reasonably inferable to be within, the scope of the Services hereunder and it more reasonably would be associated with the Services than with the scope of the services to be provided by such other service providers.

4.2. General Description of Services

Subject at all times to the County's exercise of its management and oversight functions and prerogatives, as identified in Section 9 or otherwise, and subject to the provisions of Section 4.10 hereof, Contractor shall perform all of the Services, and shall operate in the capacity of the County's IT and telecommunications department, and shall do everything that is required to provide (i) the entire IT and telecommunications function to the County, and (ii) Voice Services functions to the Superior Court of California, County of San Diego. In all cases, Contractor shall deliver high-quality, value-added services that assist the County in effectively utilizing IT and telecommunications to enhance the quality and value of the County's services to its citizens. If not otherwise provided in this Agreement, with respect to any tasks, functions, and services that are within the scope of Services but with regard to which there is no set or fixed timetable or schedule for performance and which are therefore to be provided upon the County's request, Contractor shall promptly perform such Services. Contractor shall at all times use all commercially reasonable efforts (which, at a

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minimum, shall be consistent with best industry standards and practices) to avoid, prevent, and mitigate any material adverse effect on the continuity and quality of the Services being provided to the County. Except as expressly set forth in this Agreement, Contractor shall furnish all labor, materials, equipment, products, tools, transportation, and supplies required to perform the Services.

4.3. Operational Services

4.3.1. Performance of Services

Commencing at 12:01 a.m., local time, on each Cutover Date, and at all times thereafter during the Term, except as otherwise expressly stated herein, and subject to the qualifications, limitations, and exclusions expressed elsewhere in this Agreement (including any exceptions expressed in the Transition Plan or in Schedule 4.3), Contractor shall perform, at all Locations, any Current Services for the applicable Service Framework and all of the Services described in Schedule 4.3 for the applicable Service Framework.

4.3.2. Procurement

Contractor shall procure, for its use in providing the Services, all hardware, software, and network facilities needed in order for Contractor to provide the Services in accordance with Schedule 4.3; except as otherwise expressly set forth herein, all assets so procured shall be the property of Contractor. Contractor's procurement responsibilities shall include: procurement of additional assets; evaluation of vendor qualifications and independence; negotiation of prices; obtaining the most favorable rates and discounts available; distribution and installation of all procured items; and software license compliance. All procurement activities necessary for Contractor to provide the Services, and all purchase prices, license fees, lease payments, and support and maintenance fees for all procured assets, shall be paid for by Contractor. With regard to the procurement obligations in this Section, the advance written consent of the CIO shall be required for any procurement, or series of related procurements, that involves an anticipated or actual expenditure of five hundred thousand dollars ($500,000.00) or more. The consent described in the preceding sentence shall not be required for the Contractor's performance of its refresh obligations as described elsewhere in this Agreement.

4.3.3. OIPC Procurement of Additional Resources

In accordance with Section 4.8 of Schedule 4.3, Contractor shall also make procurements of additional resources as the Contracting Officer might direct it to make, at the lowest available prices. Contractor and the County shall coordinate procurements in order to obtain benefits from volume purchases and to promote compatibility of IT and telecommunications resources throughout the County. All procurements shall be from the County's lists of approved manufacturers of hardware and software and shall be owned (or for "COTS" Software, licensed) by the County free and clear, without any liens or encumbrances, unless otherwise agreed in writing by the County in its sole discretion.

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4.4. Asset Management

Contractor shall provide the asset management and upgrade services described in Schedules 4.3 and 4.4 throughout the Term. Unless otherwise directed by the County, such Services shall include procurement, installation, implementation, and maintenance of upgraded and replacement assets for all Purchased Assets and all other assets, excluding Retained Assets, used in the provision of Services, in accordance with such Schedule. Contractor shall be the sole owner of all such upgrades and replacements. In fulfilling its obligation to perform all upgrades and replacements hereunder, Contractor shall provide the County with assets that meet the then-current standards and specifications for such asset in the Standards and Procedures Manual or as otherwise agreed by the Parties. Contractor shall also provide such upgrades and replacements at no additional cost to the County and shall schedule such upgrades and replacements in advance and in such a way as to prevent any interruption or disruption of Services to the County. Contractor shall be required to obtain the prior written consent of the County before acquiring, maintaining, upgrading, or replacing any asset that is used or to be used by the County, Contractor, or third parties in connection with the provision of the Services if such acquisition, maintenance, upgrade, or replacement could result in any additional cost to the County hereunder or any diminution in the nature or level of any portion of the Services. For standard personal computers, laptop computers, tablets and associated peripheral assets owned or leased by the Contractor that were used by the County, but subsequently permanently retired, decommissioned, or otherwise removed from service in accordance with Schedule 4.3, Contractor shall, at no additional charge and to the extent such assets still have a remaining useful life, transfer such assets to charitable organizations of the County's choosing.

4.5. Current Projects

Contractor shall provide the continuing and uninterrupted development and implementation of all Current Projects and shall conduct such development and implementation in accordance with the then-current written plans for such Current Projects, if such plans exist, or if no such written plans exist, as such Current Projects are being performed as of the Cutover Date applicable to the Service Framework for which such Current Projects are being performed.

4.6. Service Compatibility

Contractor shall ensure that all Services, equipment, networks, software, enhancements, upgrades, modifications, and other resources (collectively, the "Resources") utilized by Contractor or approved by Contractor for utilization by the County in connection with the Services, shall be successfully integrated and interfaced, and shall be compatible, with the services, systems, items, and other resources (collectively, the "Third-Party Resources") that are being provided to, recommended to, or approved for use by, the County by third-party service providers or the County itself. Further, Contractor shall ensure that none of the Services or other items provided to the County by Contractor shall be adversely affected by, or shall adversely affect, those of any such third-party providers or the County, whether as to functionality, speed, service levels, interconnectivity, reliability, availability, performance, response times, or similar measures. To the extent that any interfaces need to

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be developed or modified in order for the Resources to integrate successfully, and be compatible, with the Third-Party Resources, Contractor shall develop or modify such interfaces as part of the Services, pursuant to a Work Request in accordance with the process set forth in Section 11. In the event of any dispute as to whether a particular defect, malfunction, or other difficulty was caused by products or services furnished by Contractor or by products or services furnished by any provider of the Third-Party Resources, Contractor shall be responsible for correcting at its cost, such defect, malfunction, or difficulty, except to the extent that Contractor can demonstrate, to the County's satisfaction, by means of a Root-Cause Analysis, that the cause was not a product or service furnished by Contractor. In addition, Contractor agrees that at all times during the Term it shall cooperate with third-party service providers of the County to coordinate its provision of the Services with the services and systems of such third-party service providers. Such cooperation and access shall include: (i) facilitating with such other relevant service-providers the timely resolution of all problems that may arise and impact the Services or the respective use, operation, support, maintenance, or provision thereof, regardless of the actual or suspected root cause of such problems, and using all commercially reasonable efforts to obtain and maintain the active participation, cooperation, and involvement of such other service-providers as is required for such problem-resolution; (ii) providing applicable written information concerning any or all of the systems, data, computing environment, and technology direction used in providing the Services; (iii) working with the County's other service-providers in the integration of the Services with the resources in the County's environment and, as reasonably requested, the integration and interfacing of the services of such other service-providers with the Services as well as providing reasonable assistance and support services to such third-party providers; (iv) providing access to Contractor and County systems and architecture configurations to the extent reasonably required for the activities of such third-party providers; and (v) providing access to and use of the Resources. If any of the foregoing require the disclosure of any Contractor Confidential Information to any third party, such third party shall enter into a confidentiality agreement, with terms at least as restrictive as those in this Agreement with the County.

4.7. Services Not Included in the Baseline Volumes

The Baseline Volumes set forth in Exhibit 16.1-1 to Schedule 16.1 do not include those Services for the District Attorney's Office, , Sheriff's Department, and Superior Court of California, to the extent set forth on Schedule 4.7. Notwithstanding the foregoing, upon the CIO's request to Contractor, Contractor shall provide such Services to the District Attorney's Office, Sheriff's Department, and Superior Court of California, as applicable, and the County shall pay for additional volumes of Resource Units incurred in connection with such Services in accordance with Schedule 16.1.

Contractor shall provide Services to The Department of Child Support Services (DCSS) at the existing Resource Unit Pricing including the following additional DCSS Resource Units (effective January 16, 2007):

DCSS/CCSAS PCs;

DCSS/CCSAS Laptops:

4.8. MASLs

4.8.1. Commitment to MASLs

Except as otherwise specified in this Agreement, Contractor shall perform all Services at least in accordance with the MASLs. The MASLs are set forth in Schedule 4.3. Certain terms and definitions applicable to the MASLs of Schedule 4.3 are specified in Schedule A. Any Applications, resources or Machines provided or developed by Contractor pursuant to the terms hereof shall incorporate methods permitting measurement of performance-related MASLs.

4.8.2. MASL Measurement and Reporting

Contractor shall at its own expense measure and report its performance against the MASLs, including measurement and reporting for each agency, subdivision or department of the County, if applicable, during each month by the fifteenth (15th) day (or following business day if such fifteenth (15th) day is a weekend or holiday) of the following month. For continuing Failures that occur in consecutive measurement periods, Contractor shall report such Failures in the month such Failure commences and for each following month during which such Failure continues. The County shall give Contractor reasonable advance notice of anticipated changes in numbers of End-Users or processing volumes. Contractor's report shall be delivered in accordance with Section 5 hereof. Contractor shall meet with the CIO at least quarterly, or more frequently if requested by the CIO, to review Contractor's actual performance against the MASLs and shall recommend remedial actions to resolve any performance deficiencies.

4.8.3. Improvements in Performance

The Parties shall review and discuss the MASLs from time to time, but not less frequently than once each Contract Year. In addition, the Parties shall, at the County's discretion, at no additional cost to the County, adjust the MASLs on an annual basis to reflect the County's requirement for continuous improvement. Upon mutual agreement, after any such review, the MASLs may be adjusted (including by adding new MASLs or replacing obsolete MASLs), for the benefit of the County, to reflect (i) improved performance requirements based upon advances in available technology and methods that are suitable for use in performing the Services, (ii) the increased capabilities of any hardware or software acquired for use by the County, (iii) changes in the operations and environment of the County, and (iv) other changes in circumstances. Contractor shall continuously evaluate ways to improve its performance and shall make these improvements available to the County as soon as possible. Notwithstanding the foregoing, the County may use the Critical Milestone process established in Schedule 16.8 to adjust existing MASLs or add new MASLs.

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4.9. Root-Cause Analysis and Resolution

Promptly, and in no event later than five (5) days after Contractor's discovery of, or, if earlier, Contractor's receipt of a notice from the County regarding, (i) as specified in the Standards and Procedures Manual or otherwise as requested by the County, Contractor's failure to provide any of the Services, (ii) Contractor's failure to meet a Critical Milestone or (iii) any other failure requiring a root-cause analysis as specified in this Agreement, Contractor shall: (A) perform a root cause analysis to identify the cause of such failure; (B) correct such failure (if possible, regardless of whether caused by Contractor); (C) provide the County with a written report detailing the cause of, and procedure for correcting, such failure; and (D) provide the County with satisfactory evidence that such failure will not recur. The correction of any such failure shall be performed entirely at Contractor's expense unless it has been determined, by mutual agreement of the Parties or through any dispute-resolution procedures established by the Parties in writing, that the County (or its subcontractors, agents, or third parties provided by the County and not managed by Contractor) was the predominant contributing cause of the failure and Contractor could not have worked around the failure without expending a material amount of additional time or cost. In such an event Contractor shall be entitled to temporary relief from its obligation to timely comply with the affected MASL or Critical Milestone, but only to the extent and for the duration so affected. For purposes hereof, the preexisting condition of the County's properties and systems shall not be deemed a contributing cause of any failure.

4.10. Non-Exclusivity

4.10.1. Non-Exclusivity

Nothing herein shall prevent the County from obtaining any type of Services, including any discrete component, deliverable, feature, function, capability, task, activities, or portion of the Services, or any other services, from itself or any other provider during the Term. In this regard, the County may terminate any discrete component, deliverable, features, functions, capabilities, tasks, activities, or portion of the Services in accordance with the provisions of Section 17.2.1. In the event the County elects to terminate any such discrete component, deliverable, features, functions, capabilities, tasks, activities, or portion of the Services pursuant to the terms hereof, Contractor shall perform its Disentanglement obligations (as described in Section 6) to the extent applicable to the Terminated Services. For clarity, the County shall not be required to terminate any Services pursuant to the provisions of Section 17.2.1 in order to exercise the rights set forth in this Section 4.10.

4.10.2. Cooperation and Coordination

With respect to each Terminated Service, or any other type of Service, including any discrete component, deliverable, feature, function, capability, task, activities, or portion of the Services, or any other services, that the County obtains from itself or any other provider (collectively, "Retained Services"), Contractor shall at all times cooperate and coordinate with the County and the selected provider in every respect to facilitate the successful accomplishment of the Retained Service, provided that such

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third-party provider complies in all material respects with Contractor's reasonable technical and confidentiality requirements and to the extent that the personnel otherwise assigned to perform the delivery of Services under this Agreement can reasonably do so without materially and adversely affecting the MASLs or other aspects of the Services delivered. Such cooperation shall include: (i) providing information concerning any or all of the systems, data, computing environment, and technology direction used in providing the Services; (ii) cooperating with such third party in the implementation and integration of the Retained Services in the County's environment; (iii) providing access to and use of Contractor resources; and (iv) performing tasks assigned to Contractor in connection with the Retained Services. Contractor acknowledges that the County has the right to solicit or accept proposals on any services within or outside of the scope of the Services from any other provider and may award any service to any such provider for any reason. In no event shall Contractor restrict or otherwise hinder or limit any Subcontractors' ability to perform any services of any kind directly for the County (including the Services described in this Agreement) Contractor acknowledges and agrees that all Subcontractors may communicate directly and without limitation with the County regarding this Agreement, the Services or any other services that may be provided by such Subcontractors directly or pursuant to this Agreement. The obligations described herein shall be in addition to Contractor's Disentanglement obligations as described in Section 6. To the extent needed, the County will cooperate in the coordination of the addition of any new third party and will request a similar level of cooperation from that third party; provided further that, (i) to the extent that the third party utilizes services or resources of Contractor in addition to those then-currently deployed or provided by the Contractor, then Contractor shall be free to negotiate additional compensation from such third party for such additional Contractor services or resources, and (ii) the Contractor shall have no responsibility for the performance of such third party.

4.11. Location of Performance

Except where Contractor obtains the County's prior written approval, Contractor shall perform all of the Services only from or at locations within the geographic boundaries of the continental United States. Any County approval for the performance of Services outside of the continental United States shall be limited to the specific instance and scope of such written approval, including the types of Services and locations involved. Notwithstanding the foregoing, this Section 4.11 shall not restrict the country or countries of origin of any assets purchased to provide the Services hereunder; provided, that when such assets are used to provide the Services, such assets shall be used only from or at locations within the geographic boundaries of the continental United States.

4.12. Critical Milestones

From time to time during the Term, the County may designate as Critical Milestones certain actions and projects to be completed by the Contractor that are of material importance to the County or the agency, subdivision or department of the County receiving the Services. If Contractor fails to meet any such Critical Milestone by the date set forth by the County for such Critical Milestone, Contractor shall not be entitled to the applicable percentage of the Six-Month Milestone Fund for such Critical Milestone pursuant to Section 16.8 hereof. In addition, if Contractor fails, or if the County reasonably determines

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that Contractor is likely to fail, to meet a Critical Milestone by the date set forth by the County, then, in addition to any other rights and remedies that may be available to the County in accordance with this Agreement, Contractor shall, at the County's option and at no additional cost to the County, provide such additional personnel as may be required or necessary to accomplish all activities, tasks, and Services that were associated with such Critical Milestone either: (i) as soon as commercially practicable through Contractor's exercise of all commercially reasonable efforts, if Contractor has already failed to meet such Critical Milestone; or (ii) by the date corresponding thereto, as set forth by the County at the assignment of Critical Milestone status to a project or action, if such date has not yet passed.

4.13. Value Added Services

During each year of the Term, Contractor shall provide to the San Diego Futures Foundation contributions of cash and/or labor valued at $500,000.

5. REPORTING

5.1. General

Contractor shall furnish the County at no additional charge with reports described in this Agreement in the form, and covering the information, set forth in Schedule 5 and with the frequency that the County may request from time to time. In addition, from time to time, County may identify additional reports related to the Services to be generated by Contractor (in the format requested by the County) and delivered to County on an ad hoc or periodic basis and request that such reports shall be provided to County as part of the Services and at no additional charge to County. In addition, Contractor shall furnish the County such billing information, in such form as the County may request in order for the County to be able to administer its chargeback program, as further described in Schedule 5. In connection with meeting this obligation, Contractor shall continually maintain (and deliver to County upon request) an up-to-date, accurate list of all assets associated with the Services in such format as may be requested by County in order for it to be able to align the list with the County's chargeback program. Contractor's reports shall also include information regarding: Contractor's performance of the Services; cost-management; Subcontractor relationships; End-User satisfaction; and human resources. Contractor shall promptly (but not later than two (2) days after gaining knowledge thereof) inform the County of any deficiencies, omissions, or irregularities in the County's requirements or in Contractor's performance of the Services that come to Contractor's attention. Contractor shall, to the extent permitted by any applicable third parties, furnish the County with existing and future research and development resources, such as published materials, and industry studies conducted for or by Contractor, that come to its attention and pertain to the Services and that the Contractor reasonably believes or the County indicates might assist the County in setting its IT and telecommunications policies or requirements. Contractor's Contract Manager shall also advise the County of all other matters of a material nature, that he or she believes would be helpful to the County in setting or revising its IT and telecommunications policies or requirements.

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5.2. Media

Contractor shall furnish the County with all reports in both hard copy and electronic form per the County's specifications as reasonably requested by the County from time to time during the Term.

6. DISENTANGLEMENT

6.1. General Obligations

Contractor shall take all necessary and appropriate actions to accomplish a complete, timely, and seamless transition of any Terminated Services from Contractor and the Subcontractors to the County, or to any replacement provider designated by the County, without material interruption of or material adverse impact on the Terminated Services or any other services provided by third-parties or Services (and their respective MASLs) that Contractor shall continue to provide (each transition, a "Disentanglement"). Contractor shall cooperate with the County and any new service provider and otherwise promptly take all steps required or reasonably requested to assist the County in effecting a complete and timely Disentanglement of any Terminated Services. Contractor shall provide all information regarding the Terminated Services or as otherwise needed for Disentanglement, including data conversion, interface specifications, and related professional services. Contractor shall provide for the prompt and orderly conclusion of all Terminated Services, as the County may direct, including completion or partial completion of projects, documentation of work in process, and other measures to assure an orderly transition to the County or the County's designee. Contractor's obligation to provide the Services shall not cease until a Disentanglement satisfactory to the County, including the performance by Contractor of all asset-transfers and other obligations of Contractor provided in this Section 6, has been completed in accordance with mutually agreed to completion or acceptance criteria or if no agreed acceptance criteria exist, then to the County's reasonable satisfaction.

6.2. Disentanglement Process

The Disentanglement process shall begin (and the Contractor shall begin the performance of its Disentanglement Services (as defined below) on any of the following dates: (i) the date the County notifies Contractor that no funds or insufficient funds have been appropriated so that the Term shall be terminated pursuant to Section 17.1.5; (ii) the date designated by the County prior to the end of any initial or extended term that the County has not elected to extend pursuant to Section 17.1; or (iii) the date any Termination Notice is delivered, if the County elects to terminate any or all of the Services pursuant to Sections 4.10, 17.2, 17.3, 17.4, or 17.5. Contractor's obligation to perform the Terminated Services, and the County's obligation to pay for the Terminated Services, shall expire: (A) when funds appropriated for payment under this Agreement are exhausted, as provided in Section 17.1.5; (B) at the end of the initial or extended term set forth in Section 17.1; or (C) on the Termination Date, pursuant to Sections 4.10, 17.2, 17.3, 17.4, or 17.5 (with the applicable date on which Contractor's obligation to perform the Terminated Services expires being referred to herein as the "Expiration Date"); provided, however, that Contractor shall remain obligated to provide Disentanglement Services (as defined below) until a

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Disentanglement satisfactory to the County has been completed in accordance with mutually agreed to completion or acceptance criteria or if no agreed acceptance criteria exist, then to the County's reasonable satisfaction, a period that may last up to twelve (12) months after any such Expiration Date. The County shall not pay any additional fees for Disentanglement Services (as defined below) performed by Contractor. In the event the County elects hereunder to terminate a Service Framework, or a component, task, feature, portion, capability, or sub-element of the Services (but not all Services in the aggregate), Contractor shall perform the Disentanglement Services hereunder to the extent applicable to the Terminated Services in such case. Contractor shall be required to perform the Disentanglement Services on an expedited basis, as determined by the County, if the County terminates the Term pursuant to Sections 17.3, 17.4, or 17.5.

6.3. Specific Obligations

The Disentanglement shall include the performance of the following specific obligations (the "Disentanglement Services"):

6.3.1. Disentanglement Plan

Upon Disentanglement, Contractor, the County, and, if applicable, County's designated replacement provider(s) shall discuss in good faith a plan for determining the nature and extent of Contractor's Disentanglement obligations and for the transfer of the Terminated Services in process. Contractor shall within ten (10) days after the commencement of Disentanglement develop, document in detail, and provide the County with a copy of, such Disentanglement plan, including proposed completion and acceptance criteria applicable thereto, for County's approval. Upon receipt of County's approval, Contractor shall promptly implement the Disentanglement plan in accordance with its terms. Contractor's obligation under this Agreement to provide all Services necessary for Disentanglement shall not be lessened in any respect by the Disentanglement plan.

6.3.2. Full Cooperation and Information

The Parties shall cooperate fully with one another and the County's designated replacement provider to facilitate a smooth transition of the Terminated Services being transferred from Contractor to the County or the County's designated replacement provider. Such cooperation shall include the provision (both before and after the cessation of Contractor's providing all or any part of the Terminated Services under this Agreement) by Contractor to the County of full, complete, detailed, and sufficient information (including all information then being utilized by Contractor) to enable the County's personnel (or that of any reasonably competent third parties) to fully assume and continue without interruption or adverse impact the provision of the Terminated Services.

6.3.3. No Interruption or Adverse Impact

Contractor shall cooperate with the County and all of the County's other service providers to achieve a smooth transition at the time of Disentanglement, with no material interruption of the Terminated Services, no material adverse impact on the provision of the Terminated Services or the County's activities, no material interruption of

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any services provided by third parties, and no material adverse impact on the provision of services provided by third parties.

6.3.4. Third-Party Authorizations

Without limiting the obligations of Contractor pursuant to Section 15.4, Contractor shall, subject to the terms of any third-party contracts, procure at no charge to the County any third-party authorizations necessary to grant the County the use and benefit of any third-party contracts between Contractor and third-party contractors used to provide the Terminated Services, pending their assignment to the County pursuant to Section 6.3.7.

6.3.5. Licenses to Software

Contractor acknowledges and agrees that the licenses granted to the County pursuant to Section 15 provide for all Contractor Works and Third Party Works that would be needed in order to allow the County to continue to perform for itself, or obtain from other providers, the Terminated Services as the same might exist at the time of Disentanglement; provided, however, the County acknowledges and agrees that its continued use of Third Party Software identified and agreed to by the parties in writing from time to time and set forth in the Standards and Procedures Manual as "COTS" or as a Shared Resource may be subject to the standard commercial terms for such Third Party Software following Disentanglement. In addition, the County acknowledges and agrees that it shall have no right to continue to use Third Party Software identified as a Shared Resource on Schedule 7.6 following Disentanglement solely to the extent it is specified on such Schedule 7.6; provided, however, the Contractor shall use commercially reasonable efforts to obtain a license for the County and its third party providers to such Third Party Software, if requested. Except as otherwise expressly set forth above in this Section 6.3.5, Contractor shall also provide the County with a copy of each such program, in such media as requested by the County, together with object code, source code, and appropriate documentation. Contractor shall also offer to the County, or cause to be offered to the County, the right to receive maintenance (including all updates, upgrades, enhancements, and improvements thereto) and support with respect to such Contractor Works and any and all derivatives thereof for so long as the County requires, at the best rates offered to other major customers for services of a similar nature and scope.

6.3.6. Transfer of Assets

Contractor shall convey to the County (or its designee), from among those non-Software assets then held by Contractor for the provision of the Terminated Services to the County, other than those non-Software assets expressly identified by the Parties from time to time as Shared Resources, such assets as the County may select, at a price consisting of the net book value, calculated in accordance with the guidelines set forth in Schedule 16.1 and Exhibits 16.1-1 and 16.1-5. Notwithstanding anything to the contrary contained in this Agreement, upon conveyance of any Machines to the County or its designee, Contractor, at its expense, shall convey or assign to the County or its designee, or cause the conveyance or assignment, any and all licenses to Software used by the County

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with such Machines. Contractor shall promptly remove from the County's premises any Contractor assets associated with the Terminated Services that the County, or its designee, chooses not to purchase.

6.3.7. Transfer of Leases, Licenses, and Contracts

Contractor, at its expense, shall convey or assign to the County or its designee such leases, licenses, and other contracts used by Contractor, the County, or any other Person in connection with the Terminated Services, as the County may select. Contractor's obligation under this Section 6.3.7 shall include Contractor's performance of all obligations under such leases, licenses, and other contracts to be performed by it with respect to periods prior to the date of conveyance or assignment and Contractor shall reimburse the County for any Losses resulting from any claim that Contractor did not perform any such obligations.

6.3.8. Delivery of Documentation

Promptly upon the commencement of Disentanglement as set forth in Section 6.2, Contractor shall deliver to the County and as applicable, the County's designated replacement provider, all information and documentation as described in Section 6.4.1.

6.3.9. Hiring of Employees

Contractor shall cooperate with and assist (and shall cause its Subcontractors to cooperate with and assist) the County (or the County's designee) in offering employment, at the discretion of the County and the County's designee, to any or all Contractor employees (and to any or all employees of Contractor's Subcontractors) that are substantially involved in the provision of the Terminated Services whether such offers are made before, at the time of, after, or in anticipation of expiration or termination of the Term. Such cooperation and assistance shall include allowing the County (or its designee) to meet with such employees at Contractor's or its Subcontractor's facilities and providing the County (or its designee) with all relevant and pertinent details, consistent with Contractor's standard HR policies and procedures or as authorized by individual employees, regarding the salary and benefits then being received by each Contractor or Subcontractor employee then occupying any such positions or performing any such functions, so as to enable the County (or its designee) to make a reasonable and comparable offer. Contractor shall be solely responsible for, and shall pay, all severance and related payments, if any are payable pursuant to Contractor's standard policies, to any such employees of Contractor hired by the County or its designee, and shall cause the relevant Subcontractor of Contractor to pay severance and related payments, if any are payable pursuant to such Subcontractor's standard policies, to any such employee of a Subcontractor hired by the County or its designee.

6.3.10. County WARN Notice

If, in the opinion of Contractor, the Disentanglement plan results in a need for a WARN Notice, then Contractor shall so advise the County, and Contractor shall take such action as Contractor deems necessary to provide such WARN Notice. If, pursuant

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to the Disentanglement plan, the County informs Contractor in writing that Contractor should not timely provide a WARN Notice to employees, Contractor will refrain from doing so, in which event the County shall be responsible for severance and related costs and expenses arising from the failure to timely provide any required WARN Notice.

6.3.11. Additional Tasks

Upon Disentanglement, Contractor shall perform such additional tasks as may be related to the transfer of the Terminated Services back to the County (or its designee), which shall include, but not be limited to, the performance of the following tasks prior to the Expiration Date:

(i) Contractor shall, within thirty (30) calendar days of County's request, develop and deliver to the County a detailed, accurate and comprehensive list of all assets used by Contractor or any Subcontractor in connection with the performance of the Terminated Services, which list shall include the location of all such assets;

(ii) Contractor shall, within thirty (30) calendar days of County's request, prepare and pack up any assets located in Contractor or Subcontractor facilities that are associated with the Terminated Services, and that are selected by the County for conveyance to County or its designee; and, Contractor shall remove all such assets to the dock for shipment to the County or its designee;

(iii) Contractor shall, within thirty (30) calendar days of County's request, prepare, pack up and deliver to the dock for shipment to the County or its designee, all documentation relating to the Terminated Services;

(iv) Contractor shall, within thirty (30) calendar days of County's request, develop and deliver to County or its designee, a detailed, accurate, current and comprehensive list of all Contractor and Subcontractor personnel supporting the Terminated Services as of and following the commencement of Disentanglement, which list shall include accurate and current contact information for each such person; and

(v) Contractor shall require such of its personnel and personnel of its Subcontractors, as may be selected by the County, to attend any and all meetings scheduled by the County in connection with Disentanglement and relating to the transfer of the Terminated Services back to the County or its designee.

6.4. Preparation for Disentanglement

6.4.1. Complete Documentation

Periodically throughout the Term, and at any time upon the County's request, Contractor shall provide to the County (and as part of a Disentanglement, the County's designee) such documentation and other information regarding the performance of Services, or the use, operation, support and maintenance of the Software, Machines and systems provided via the Services (including any applications developed as part of the Services), hardware, networks and equipment, as is collectively sufficient to enable the

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County, or any reasonably competent third party service provider, to fully assume and continue without interruption or adverse impact the provision of any terminated Services and the use, operation, support, and maintenance use of the Software, Machines and systems provided via the Services; provided, however, any documentation for Third Party Software identified and agreed to by the parties in writing from time to time and set forth in the Standards and Procedures Manual as "COTS" or as a Shared Resource shall be provided as commercially available. Contractor shall also provide sufficient documentation for all upgraded or replacement Software, hardware, and network components concurrently with the installation thereof.

6.4.2. Maintenance of Assets

Contractor shall maintain all of the hardware, software, systems, networks, technologies, and other assets utilized in providing Services to the County (including leased and licensed assets) in good condition and in such locations and configurations as to be readily identifiable and transferable back to the County or its designees in accordance with the provisions of this Agreement; in addition, Contractor shall insure such assets in accordance with the requirements of Section 19. The County acknowledges and agrees that Machines identified in Schedule 7.6 or in the Standards and Procedures Manual as Shared Resources will not be transferable back to the County.

6.4.3. Advance Written Consents; Maintenance

Contractor shall obtain, at its own expense, advance written consents from all licensors and lessors to the conveyance or assignment of licenses and leases to the County or its designee in a timely and expedient manner so as to permit Disentanglement in accordance with this Section 6. Contractor shall also obtain for the County the right, upon Disentanglement, to obtain maintenance (including all enhancements and upgrades) and support with respect to the assets that are the subject of such leases and licenses at the price at which, and for so long as, such maintenance and support is made commercially available to other customers of such third parties whose consent is being procured hereunder. If such advance consents have not been obtained or cannot be obtained during Disentanglement, Contractor shall (i) promptly notify the CIO of which third party authorizations or consents it is unable to obtain; (ii) use all commercially reasonable efforts to identify reasonable, alternative sources of goods, services, or Software comparable to those being provided under each such licenses or leases, at a comparable or lower price; and (iii) consult with the County regarding such identified alternatives and, to the extent the County approves of such alternatives in writing, proceed to procure and implement such alternatives on behalf of the County, at no cost to the County, provided that the County shall have the option to enter into the applicable license or lease in its own name.

6.4.4. All Necessary Cooperation and Actions

Contractor shall provide all cooperation, take such additional actions, and perform such additional tasks, as may be necessary, appropriate or reasonably requested by the County, whether during the Term or during Disentanglement, to ensure a timely and seamless Disentanglement in compliance with the provisions of this Section 6,

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including full performance, on or before the Expiration Date, of Contractor's obligations under this Section.

PART IV - CONTRACT ADMINISTRATION

7. ADMINISTRATIVE OBLIGATIONS

7.1. Viruses and Disabling Devices

Contractor shall use industry best practices at all times during the Term to identify, screen, and prevent, and shall not itself install, any Disabling Device in resources utilized by Contractor, the County, or any third party, in connection with the Services. A "Disabling Device" is any virus, timer, clock, counter, time lock, time bomb, or other limiting design, instruction, or routine that could, if triggered, erase data or programming or cause the resources to become inoperable or otherwise incapable of being used in the full manner for which such resources were intended to be used. Contractor shall assist the County in reducing the effects of any Disabling Device discovered in such resources, especially if causing a loss of operating efficiency or data.

7.2. End-User Satisfaction and Communication

Contractor shall conduct End-User satisfaction surveys during the Term in accordance with Schedule 7.2. The surveys shall cover a representative sample of the End-Users and, as a separate sample category, senior County management. The County shall provide reasonable assistance to Contractor to: (i) identify the appropriate sample of End-Users; (ii) distribute the surveys; and (iii) encourage participation by such End-Users in order to obtain meaningful results. Results of the survey shall be made available to County at no cost to the County, and shall be reviewed with the County by the Contractor's Contract Manager. Additionally, Contractor shall maintain during the Term an End-User communication plan for the County. Such plan shall include, at a minimum, monthly updates to the End-Users regarding the results of the satisfaction surveys. The communication plan shall be reviewed and modified by the Parties, as appropriate, not less frequently than once annually.

7.3. Standards and Procedures Manual

7.3.1. Development of Manual

As specified in the Transition Plan, Contractor shall deliver a reasonable and appropriate draft Standards and Procedures Manual to the County for its review, comment, and approval. At a minimum, the Standards and Procedures Manual should address the topics listed in Schedule 7.3.1. Provided the County furnishes the Contractor comments and suggestions in accordance with the timetables set forth in the Transition Plan, Contractor shall incorporate all comments or suggestions of the County and shall finalize the Standards and Procedures Manual by the dates specified in the Transition Plan. Contractor shall periodically (but not less than quarterly) update the Standards and Procedures Manual to reflect changes in the operations or procedures described therein.

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Updates of the Standards and Procedures Manual shall be provided and delivered at no cost to the County for review and approval.

7.3.2. Content of Manual; Compliance

The Standards and Procedures Manual shall describe how Contractor shall perform the Services under this Agreement, the equipment and Software being and to be used, and the documentation (including, e.g., operations manuals, user guides, specifications) that provide further details of such activities. The Standards and Procedures Manual shall describe the activities Contractor shall undertake in order to provide the Services including, where appropriate, direction, supervision, monitoring, staffing, quality assurance, reporting, planning, and oversight activities. The Standards and Procedures Manual is intended to describe to the County how the Services shall be performed and shall in no event be interpreted so as to relieve Contractor of any of its performance obligations under this Agreement. Contractor shall perform the Services in accordance with the County's then current policies and procedures until the Standards and Procedures Manual is finalized and approved by the County in writing. Thereafter, Contractor shall perform the Services in accordance with the Standards and Procedures Manual.

7.4. Contractor Responsibilities for Assets

Contractor shall have sole responsibility for, and shall provide, all care and management, and shall ensure the maintenance, of the Purchased Assets. Contractor shall be fully liable for all loss of or damage to the Purchased Assets, or any other assets used by Contractor or its Subcontractors in the performance of this Agreement, except for loss or damage to the Purchased Assets solely and intentionally caused by the County. Contractor shall ensure that the assets used in providing the Services shall be properly maintained and protected, normal wear and tear excepted, throughout the Term and shall be insured in accordance with the requirements of Section 19.

7.5. Retained Assets Managed by Contractor

7.5.1. General Obligations Regarding Retained Assets

As of each Cutover Date Contractor shall be responsible for, and perform all management, administrative, and other obligations set forth in Schedule 4.3 for the Retained Assets under the applicable Service Framework to be performed on or after such Cutover Date. Such obligations shall include responsibility for: (i) the support, maintenance, and management of each Retained Asset (including management performance of the third-party contractor with regard to compliance with service levels and other performance metrics); (ii) the compliance with and performance of any operational or contractual obligations imposed on the County or the Contractor with respect to such Retained Assets; (iii) the administration and exercise, as appropriate, of all rights available with respect to such Retained Assets, provided, that Contractor shall not terminate, amend or renew any contract for a Retained Asset without the prior written consent and participation of the County; and (iv) the payment of any fees, penalties, interest or other expenses due and owning with respect to such Retained Assets that are incurred, caused by or result from

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Contractor's failure to comply with or perform its obligations under this Section 7.5. In performing its obligations set forth in Schedule 4.3, Contractor will not take any action that would cause the County to be in breach of any contract for a Retained Asset.

7.5.2. Particular Obligations for Software Retained Assets

Except with regard to the transfer of Purchased Assets back to the County in a Disentanglement, Contractor shall remove or erase all copies of all Software that is a Retained Asset from each Purchased Asset on which such Software is installed prior to: (i) selling or disposing of, in whatever manner, such Purchased Asset; or (ii) using such Purchased Asset for any purpose other than the provision of Services to the County hereunder. Contractor shall in no event transfer any copy of any such Software to any other Machines, nor shall Contractor be able to copy or reproduce such Software. Contractor shall promptly provide the County with a certified and detailed report (including specific identification of Software items removed or erased, and serial numbers of Machines from which so removed or erased) when Contractor removes or erases copies of Software that are Retained Assets in preparation for selling or disposing of, or using for purposes other than the provision of Services to the County, any Purchased Assets on which any such Software is installed. In addition, Contractor shall supply a report to the County during the first month of each quarter setting forth the number of copies of the Software that are Retained Assets that were in use by Contractor during the previous quarter. At least thirty (30) days prior to each date on which any such license fees, or maintenance and support fees, become due and payable by the County to the respective licensors or third party service providers, the County shall provide a written invoice to Contractor setting forth the license fees, or maintenance and support fees, applicable to the copies of the Software that are Retained Assets, that were installed on the Purchased Assets when they were acquired from the County (or Legacy Provider) and, with respect to the applicable time period, the County has not been notified by Contractor that such copies have been removed or erased, which license fees, or maintenance and support fees, shall be determined on a proportionate basis in comparison to the total number of copies for which the County is licensed. Contractor shall pay the County, the total amount of license fees, or maintenance or support fees, set forth on each such invoice within thirty (30) days after receipt thereof, or, in the County's sole discretion, Contractor shall grant the County a credit in the amount of such license fees toward the Fees set forth on the next invoice submitted by Contractor to the County for the performance of Services hereunder. Further, Contractor shall execute and deliver any and all additional documents and instruments, and take all other actions, that may be necessary to give effect to this Section 7.5.2, including executing and delivering such forms and documents as may be requested, at any time and from time to time, with respect to the Retained Assets, whether requested by the County or the respective licensors of the Software that is a Retained Asset.

7.6. Dedicated Resources and Shared Resources

All Retained Assets, Purchased Assets, Machines, Software, and any other assets procured or utilized by Contractor or Subcontractors in connection with the Services, shall be accessed and used only by Contractor and by the Subcontractors identified in Schedule 14.1, and exclusively for the provision of Services to the County and not for Contractor's (or its Subcontractors') internal use or use for the benefit of other customers,

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unless any such assets will be used by Contractor to provide services to customers in addition to the County (the "Shared Resources"), as designated on Schedule 7.6, or the County otherwise consents in writing to non-dedicated use. Prior to making any change to Schedule 7.6 or identifying additional Shared Resources in the Standards and Procedures Manual, Contractor shall provide to the County, for the County's approval, a proposal for the use of such Shared Resources, including benefits, savings, or risks to the County during the Term and upon the expiration or termination of this Agreement. As part of the Disentanglement process, upon the expiration of this Agreement or termination of this Agreement for any reason, the Contractor shall identify, and assist the County in procuring, a suitable, functionally-equivalent replacement for any shared Machines or Software then used by Contractor to provide the Services that are not otherwise transferred to the County in a Disentanglement in accordance with Section 6. In the event that the Contractor shall provide services to any third party using Shared Resources with which Contractor provides Services to the County hereunder, such use with such third party shall be subject to all appropriate confidentiality and security-related provisions, which shall ensure that none of the County Confidential Information is shared with any third party, except as permitted hereunder.

8. PROVISION OF RESOURCES BY THE COUNTY

8.1. Office Space and Furnishings

The County shall make reasonably necessary office space, furnishings, and storage space (the "County Facilities") available to Contractor's on-site personnel performing Services at all Sites throughout the Term and shall maintain the County Facilities in areas and at a level similar to that which it maintained for the employees and subcontractors of the Legacy Provider prior to the applicable Cutover Date; provided that any Contractor personnel shall only perform Services on-site to the extent requested and approved by the County. Office space, furnishings, storage space, and assets installed or operated on County premises, and supplies allocated, are provided "AS IS, WHERE IS," and are to be used exclusively for performance of Services for the County. The County will provide such reasonably unencumbered access to such County Facilities as is reasonably required for Contractor to provide the Services. Any furnishings (other than basic office furnishings) and office supplies for the use of Contractor's (and its Subcontractors') personnel are the exclusive responsibility of Contractor. Contractor shall be entitled to remodel, change or otherwise make improvements to any space where Contractor's personnel are performing Services on-site at a Site, provided that: (i) such work shall have been previously approved in writing by the County (which approval may be withheld in the County's sole discretion) and coordinated through the County's Department of General Services (which may, in its discretion, assign a project manager or point of contact to such work); (ii) such work shall be performed at no cost to the County; (iii) such work shall be performed in accordance with all applicable laws (including any applicable building codes and regulations); (iv) any Subcontractors used by Contractor to perform such work shall have been identified on Schedule 14.1 or otherwise approved in writing by the County; and (v) the County shall be granted, without further consideration, all rights of ownership in such work.

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8.2. Specific Hardware and Carrier Charges

Contractor shall provide and be responsible for all such telephone and modem lines, telephones, computers and peripheral devices, computer connections, and network access, as may be necessary for Contractor to provide the Services. Contractor shall be responsible for all usage-based carrier charges incurred by Contractor personnel and all usage-based carrier charges incurred to provide a telecommunications link between Contractor and the Locations.

8.3. Access to Personnel and Information

The Parties shall cooperate with each other in all matters relating to Contractor's performance of the Services. With respect to the County, such cooperation shall be limited to providing, as reasonably required by Contractor for the performance of the Services, access to the County's administrative and technical personnel, other similar personnel, access to the Legacy Provider during Transition, and network management records and information.

8.4. Other Facility and Location Related Obligations

(a) Except as expressly provided in this Agreement, Contractor shall use the Locations for the sole and exclusive purpose of providing the Services. Use of Locations by Contractor does not constitute a leasehold interest in favor of Contractor.

(b) Contractor shall use the Locations in a reasonably efficient manner.

(c) Contractor, and its Subcontractors, employees, and agents, shall keep the Locations in good order, shall not commit or permit waste or damage to such facilities, and shall not use such facilities for any unlawful purpose or act. Contractor shall comply with all applicable laws and regulations, including all of the County's standard policies and procedures that are provided to Contractor in writing regarding access to and use of the Locations, including procedures for the physical security of the Locations.

(d) Provided that the County adheres to any mutually agreed upon security procedures implemented by Contractor at the Locations, Contractor shall permit the County and its agents and representatives to enter into those portions of Locations occupied by Contractor staff at any time to perform facilities-related services.

(e) Contractor shall not make any improvements or changes involving structural, mechanical, or electrical alterations to the Locations (including, without limitation, any work affecting any alarm systems at a Location) without the County's prior written approval and adhering to the process set forth in parts (i) through (v) of Section 8.1.

(f) When the County Facilities are no longer required for performance of the Services, Contractor shall return such facilities to the County in substantially the same condition as when Contractor began use of such facilities, subject to reasonable wear and tear.

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(g) Contractor shall not cause the breach of any lease agreements governing use of the Locations provided Contractor is informed of any relevant terms and conditions of the leases that would cause such a breach to occur.

(h) The County shall provide and maintain, for all County Facilities, adequate heating, ventilation, and air conditioning, electrical connections (to the wall plate), safety and security equipment, and connections to any facility-wide uninterruptible power supply. The County shall provide Contractor with reasonable notice of proposed changes to any of the foregoing that may adversely affect Contractor's hardware located at any such facility and, in such cases, Contractor must relocate such hardware and the County shall reimburse Contractor for its actual costs incurred directly in connection therewith. To the extent provided by the County, the County shall maintain any site-wide uninterruptible power supply that is dedicated to support any County Facility. Contractor shall provide and maintain any uninterruptible power supply dedicated to Contractor's hardware and shall provide and maintain all connections from the wall plate to the hardware used to provide the Services.

(i) Contractor shall notify the County's Department of General Services prior to adding or removing any hardware that will require modification of any Locations and shall provide the Department of General Services, for its review and approval, detailed plans and specifications conforming to the hardware manufacturer's requirements. Contractor shall review and approve all of such Department's changes to the plans and specifications, shall monitor the installation of all approved changes, and shall promptly notify the CIO and the Director of the Department of General Services of any nonconformity with the approved plans and specifications. In addition, whenever the Contractor installs, modifies or removes any wiring or cabling at any County Facility, the Contractor shall annotate the blueprints corresponding to such County Facility and provide the Department of General Services with a set of "as built" blueprints in both electronic and hard copies.

(j) For any Locations added by the County after a Cutover Date, Contractor shall provide the Department of General Services, for its review and approval, detailed plans and specifications conforming to the hardware manufacturer's requirements that are necessary for Contractor to provide the Services to such Locations. Contractor shall review and approve all of the Department of General Services' changes, shall cooperate during all phases of the construction or modification of such Locations, and shall promptly notify the CIO and the Director of the Department of General Services of any nonconformity with the approved plans and specifications.

(k) Contractor shall not be responsible for identification or abatement of asbestos-containing material in County-owned or -controlled Locations. Upon Contractor's, request the County shall provide Contractor with a list of Locations known by the County to contain asbestos. Contractor shall cooperate with the Department of General Services and the County's Department of Environmental Health Services to establish procedures and protocols when performing activities that may disturb or cause the disturbance of asbestos-containing material, including pulling cable, establishing cable runs, or removing floor coverings. Contractor shall provide asbestos-awareness training to all Contractor and

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Subcontractor employees that perform activities at any Location that could disturb or cause the disturbance of asbestos-containing material.

9. COUNTY-RETAINED AUTHORITY

The County shall retain the exclusive right and authority to set the County's IT and telecommunications strategy and to determine, alter, and define any or all of the County's requirements or business processes. The County shall also have the right to approve or reject any and all proposed decisions regarding infrastructure design, technical platform, architecture, and standards and, subject to the change management procedure described in Section 11, will have the right and authority to cause Contractor at any time to change any or all of the foregoing. Contractor shall actively participate in any of the foregoing as the County requests. The County shall consult with Contractor to inform Contractor of significant changes in the County's IT and telecommunications strategy and changes in its requirements and business processes relating to the Services. Contractor shall also provide the County with advice, information, and assistance in identifying and defining IT and telecommunications projects and future IT and telecommunications requirements to meet the County's objectives. Without limiting the generality of the foregoing, the County shall retain exclusive authority, discretion, and rights of approval for the following IT and telecommunications activities:

9.1. Strategic and Operational Planning

Strategic and operational planning, which includes the following:

(a) Developing and implementing policies and architecture pertaining to IT and telecommunication systems for the County, considering alternatives provided by Contractor;

(b) Developing a series of comprehensive standards and planning guidelines pertaining to the development, acquisition, implementation, and oversight and management of IT and telecommunication systems for the County;

(c) Identifying and implementing: (i) optimal IT and telecommunication systems to efficiently service the needs of the County; and (ii) opportunities for reducing costs for such systems considering alternatives provided by Contractor;

(d) Approving or disapproving, in accordance with guidelines established by the CIO, each proposed County acquisition of hardware or software for an IT or telecommunication system;

(e) Approving or disapproving, in accordance with guidelines established by the CIO, all County requests or proposed contracts for consultants for IT and telecommunication systems;

(f) Assessing opportunities for cost savings and greater sharing of IT resources that could result if the District Attorney's Office or the Sheriff's Department acquire IT and telecommunication systems similar to those of the County;

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(g) Defining and evaluating IT and telecommunications services including: service availability and minimum acceptable service levels; service specifications, standards, and benchmarking; selection of suppliers; security requirements; scheduling, prioritization, and service conflict resolution among End-Users; help desk rules; and general operational management guidelines; and

(h) Service-provider strategy including: selection of providers; specialized provider relationships (e.g., telecommunications); and quality assurance standards.

9.2. Service Design and Delivery

Service design and delivery, which includes the following:

(a) Selecting designs of specific technologies and services from alternatives provided by Contractor;

(b) Selecting specific technologies, hardware, and software, from alternatives provided by Contractor, for implementation of such designs;

(c) Selecting providers of specific technologies, hardware, and software from alternatives provided by Contractor; and

(d) Selecting implementation schedules and activities from alternatives provided by Contractor.

9.3. Installations, Moves, Adds, and Removes

Ordering Installations, Moves, Adds or Removes with respect to resources used in connection with the Services.

9.4. Applications Development

Designating the County's requirements for applications development and enhancement.

9.5. Business Process Reengineering

Approving Contractor's business process reengineering efforts at the County, coordinating and resolving labor-related issues, and approving performance metrics related to business process reengineering developed by Contractor.

9.6. Contract Management

Managing this Agreement and the County's relationship with Contractor.

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9.7. Budget Management

Managing the County's annual budget for all County operations, utilizing Contractor's estimates for services included in the scope of this Agreement and for additional services planned or anticipated throughout the Term.

9.8. Validation and Verification

Performing validation and verification activities in relation to key projects and operational processes.

9.9. Other Retained Authority

Contractor must obtain the prior written authorization of the County before undertaking any activity that is within the exclusive authority of the County pursuant to the terms hereof.

9.10. Review and Acceptance

The CIO, or his designee, on behalf of the County, shall have the right to review and accept or reject all components, deliverables, and systems to be provided by Contractor to the County under this Agreement, pursuant to the methodology set forth in this Section 9.10. Within thirty (30) days after the Effective Date, Contractor shall develop a methodology for the implementation of the process described in this Section 9.10 by the delivery of control documents, the preparation of deliverable acceptance documents, the tracking of accepted deliverables, the maintenance of all deliverables and deliverable acceptance documents, and the development of other documents and processes.

9.10.1. Acceptance Process

Upon Contractor's notification to the County that Contractor has completed any component or deliverable identified in this Agreement or in any Work Request or that is developed by Contractor under this Agreement or any Work Request, the County shall begin reviewing the component or deliverable using the review procedures and standards set forth in the Work Request or such other standards as the CIO and Contractor's Contract Manager mutually agree in writing ("Acceptance Review Procedures"), to determine whether such component or deliverable meets, in all material respects, the specifications or acceptance criteria set forth in such applicable Work Request or such other criteria as the CIO and Contract Manager mutually agree in writing (the "Acceptance Criteria"). After the County has completed such review or upon expiration of the agreed-upon review period specified in the applicable Work Request or such other review period upon which the CIO and Contract Manager mutually agree in writing (the "Acceptance Review Period"), the County shall notify Contractor in writing either that: (i) the component or deliverable so meets the Acceptance Criteria and that acceptance of such component or deliverable has occurred ("Acceptance"); or (ii) the Acceptance Criteria have not been met. If the component or deliverable is identified in this Agreement, the applicable Work Request, or in the written specifications developed and mutually agreed upon by the Parties therefor, as being part of a larger, integrated system being developed

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thereunder, then such Acceptance shall be understood as being conditional acceptance ("Conditional Acceptance"), and such component or deliverable shall be subject to Final Acceptance in accordance with Section 9.10.3.

9.10.2. Remediation

If the County determines that a component or deliverable does not conform with, in all material respects, the applicable Acceptance Criteria, the County shall promptly deliver to Contractor an exception report describing the nonconformity (the "Exception Report"). Contractor shall promptly investigate the alleged nonconformity and shall correct such nonconformity in all material respects within thirty (30) days of receipt of the Exception Report or, if the nonconformity is incapable of remediation within such thirty (30) day period, Contractor shall present the County, within such 30-day period, a mutually agreeable plan to remediate such nonconformity within a reasonable amount of time. Upon Contractor's notice to the County that Contractor has so remediated such nonconformity, the County shall re-review the defective component or deliverable in accordance with the applicable Acceptance Review Procedures and Acceptance Criteria for an additional review period of up to thirty (30) days or such other period as the CIO and Contractor's Contract Manager mutually agree in writing, at the end of which period the process described above in Section 9.10.1 shall be repeated. Contractor shall maintain a "punch list" of Exception Reports submitted by County pursuant to this Section 9.10.2 and shall provide the County with regular reports on its progress on remediating nonconformities identified therein. If the County fails to deliver an Exception Report within thirty (30) days after the expiration of the applicable Acceptance Review Period, the County shall not have the right to withhold any payment that, under this Agreement or a Work Request, is conditioned on Acceptance or Conditional Acceptance, as a result of a claim by the County that the component or deliverable does not conform with the Acceptance Criteria therefor.

9.10.3. Final Acceptance

9.10.3.1. Scope and Intent

Upon completion of (i) all of the Services to be provided under a Work Request, (ii) all components or deliverables that are identified in a Work Request, or (iii) all Services that are performed by Contractor and are subject to Conditional Acceptance, the County shall begin reviewing same, using the review procedures and standards set forth in the applicable Work Request (if any) or such other standards as the CIO and the Contractor's Contract Manager mutually agree upon in writing (the "Final Acceptance Review Procedures"). County's review is intended to determine whether such service, component, deliverable, or system, as applicable, performs as an integrated whole and meets, in all material respects, the specifications or Acceptance Criteria set forth in such applicable Work Request or other standards developed by the Parties and mutually agreed upon in writing by the CIO and Contract Manager (the "Final Acceptance Criteria").

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9.10.3.2. Acceptance Notification

After the County has completed such review or upon expiration of the review period specified in the applicable Work Request or such other review period as the CIO and Contract Manager mutually agree in writing (the "Final Acceptance Review Period"), the County shall notify Contractor in writing that: (1) the system, and all components and deliverables that are a part thereof, meet the Final Acceptance Criteria and that final acceptance of the system and such components and deliverables has occurred ("Final Acceptance"); or (2) that the Final Acceptance Criteria have not been met. If the County determines that the Final Acceptance Criteria have not been so met, the process described in Section 9.10.2 shall be initiated, with all references to "Acceptance Criteria" being references to "Final Acceptance Criteria," all references to "component or deliverable" being references to the "system," all references to "Acceptance Review Procedures" being references to "Final Acceptance Review Procedures," and all references to the "Acceptance Review Period" being references to the "Final Acceptance Review Period." Neither Conditional Acceptance, Acceptance, nor Final Acceptance by the County shall constitute a waiver by the County of any right to assert claims based upon defects not discernable through conduct of the applicable review procedures and subsequently discovered in a component or deliverable or the system within one (1) year of the County's Final Acceptance thereof.

9.10.3.3. No Specified Acceptance Criteria

Upon completion of all of the Services to be provided under a Work Request, to the extent that the Services provided do not result in the development of a system subject to review as stated above, the Final Acceptance Review Procedures shall consist of the County's verification that all of the Services to be provided by Contractor under such Work Request have been provided in all material respects in accordance with the Work Request or such other Acceptance Criteria thereafter developed by the Parties and mutually agreed upon in writing by the CIO and the Contract Manager. Contractor shall notify the County when Contractor believes it has so completed the Services under a Work Request. After the County has completed its review of such Services or upon expiration of the agreed-upon review period specified in the applicable Work Request or such other period as the CIO and Contract Manager mutually agree in writing, the County shall advise Contractor whether or not the County believes Contractor has so completed such Services. If the County determines that the Services have not been so completed, the County shall promptly deliver to Contractor a written statement describing the reasons therefor. Contractor shall correct such deficiencies in all material respects within thirty (30) days after receipt of such statement or, if the deficiencies are not correctable within such thirty (30) day period, Contractor shall present the County with a mutually agreeable plan to fix such defects within a reasonable amount of time. Upon Contractor's notification to the County that Contractor has so corrected such deficiencies, the County shall once again determine whether the Services have been so completed within an additional period as agreed in writing by the CIO and the Contract Manager, at the end of which the process described in the second and first preceding sentences shall be repeated.

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10. RELATIONSHIP MANAGEMENT

10.1. Personnel

10.1.1. Contractor Key Personnel and Key Positions

Each of the Contractor Key Personnel shall have the functions assigned to him or her as set forth in Schedule 10.1.1, as such Schedule may be modified from time to time in accordance with this Agreement. The County shall have the right to interview, as the County deems necessary, and participate in the selection of, the Contractor Key Personnel and Contract Manager, and Contractor shall not (i) designate any Contractor Key Personnel or its Contract Manager or (ii) change any Key Positions without the County's prior written consent. The Parties acknowledge that certain Transitioned Employees will be designated as Contractor Key Personnel by mutual agreement of the Parties before or concurrently with the applicable Cutover Date. Contractor shall obtain the County's prior written consent at least thirty (30) days in advance of any assignment given to any Contractor Key Personnel resulting in the alteration or reduction of time expended by such Contractor Key Personnel in performance of Contractor's duties under this Agreement. If any one of the Contractor Key Personnel is reassigned, becomes incapacitated, or ceases to be employed by Contractor and therefore becomes unable to perform the functions or responsibilities assigned to him or her, Contractor shall, within five (5) business days, replace such person with another person approved by the County and that is at least as well qualified as the person who initially performed that person's functions. For purposes of this Section 10.1.1, the movement of Contractor Key Personnel from the employ of Contractor to an Affiliate of Contractor shall be considered a reassignment requiring the County's consent and not a cessation of employment.

Upon receipt of a reasonable request from the County, Contractor shall promptly provide resumes to the County for any Contractor Key Personnel or Key Position performing Services under the Agreement. In addition, upon receipt of a reasonable request from the County, Contractor shall provide the County with resumes for any Contractor personnel providing subject matter expertise in connection with the performance of "complex projects" for the County, which "complex projects" shall be defined as: (i) projects that are estimated to require more than two thousand hours of effort; (ii) projects that introduce new technologies to the County, or (iii) projects that require a high degree of additional integration.

10.1.2. Contract Manager

Contractor represents and warrants that its Contract Manager is an experienced manager who is knowledgeable as to the County's activities and the Services. Notwithstanding anything else herein to the contrary, Contractor shall not replace its Contract Manager during the Term without the County's prior written consent. The Contract Manager shall act as the primary liaison between Contractor and the CIO, shall have overall responsibility for directing all of Contractor's activities hereunder, and shall be vested by Contractor with all necessary authority to fulfill that responsibility.

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10.1.3. CIO

The CIO shall act as the primary liaison between the County and the Contractor's Contract Manager and shall have overall responsibility for day-to-day oversight of Contractor's performance under this Agreement and coordination of the County's retained authorities. Notwithstanding the foregoing, the CIO may, in his or her sole discretion, delegate in writing any right or authority hereunder to other employees of the County or, with respect to the Services provided to the Superior Court of California, County of San Diego, any employees of the Superior Court of California, County of San Diego.

10.1.4. Additional Personnel Requirements

In addition to the Contractor Key Personnel, Contractor shall make available such additional personnel in sufficient numbers and types to properly perform all of Contractor's obligations under this Agreement.

10.1.5. Minimum Proficiency Levels

Contractor's Key Personnel, and all other personnel assigned by Contractor or its Subcontractors to perform Contractor's obligations under this Agreement, shall have experience, training, and expertise at the highest commercial standards applicable to such personnel for their responsibilities in the business of providing IT and telecommunications services. Such personnel shall also have sufficient knowledge of the relevant aspects of the Services and of the County's practices and areas of expertise to enable them to properly perform the duties and responsibilities assigned to them in connection with this Agreement. In addition, the Services shall conform to the highest commercial standards applicable to such Services in the IT and telecommunications services marketplace.

10.1.6. Specialized Personnel

Contractor agrees that as part of its provision of Services, it shall ensure that all Contractor personnel (and the personnel of any Subcontractors) are trained, qualified, and available to perform all Services required in work areas requiring specific health, security, or safety precautions.

10.1.7. Training

Contractor shall provide, and cause its Subcontractors to provide, all such training to the employees of Contractor and its Subcontractors (including the Transitioned Employees) as may be necessary for them to perform, on behalf of Contractor, the Contractor's duties under this Agreement to which they are assigned, and, in any event, levels of training equal to or greater than the average levels of training given to all Contractor employees holding corresponding positions.

10.2. Replacement of Personnel

Notwithstanding Section 10.1.1, if the County believes that the performance or conduct of any Person employed or retained by Contractor to perform Contractor's

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obligations under this Agreement is unsatisfactory for any reason or is not in compliance with the provisions of this Agreement, the County shall communicate its concerns to Contractor and Contractor shall promptly address the performance or conduct of such person, and, after such efforts have failed, at the County's request, immediately replace (consistent with applicable law) such Person with another Person acceptable to the County and with sufficient knowledge and expertise to perform the Services in accordance with this Agreement.

10.3. Parties' Relationship

From time to time during the Term, at the County's request, Contractor shall discuss with the County (and provide reports on) its current operational plans related to this Agreement, and Contractor shall make available its senior management personnel to answer questions from the County's senior management personnel regarding such plans.

10.4. Extraordinary Events or Circumstances

The County may, at any time, in a writing signed by the Contracting Officer or his designee, and as a result of an extraordinary event or circumstance, including a Force Majeure Event: (i) direct Contractor, in accordance with Section 11, to perform Services in an extraordinary manner (e.g., perform services at service levels above or below the MASLs for a limited duration); or (ii) direct Contractor to temporarily cease the performance of certain Services; or (iii) obtain a third party to perform certain Services for the duration of the extraordinary event or circumstance. If any such County request causes an increase or decrease in Contractor's cost or expense of performance of the affected Services, the County shall pay Contractor an amount equal to any such increase or Contractor shall credit to the County the amount of any such decrease. Any request by Contractor for such an adjustment must be asserted in writing to the County's Contracting Officer within thirty (30) days after the date of receipt by Contractor of the County's writing with respect to the extraordinary circumstance or event, or within such additional period of time as the County's Contracting Officer may agree in writing, and shall include factual information and support for all purported increases and decreases in cost or expense. Pending the determination of any such adjustment, Contractor will diligently proceed with the requested Services. The County may require the submission of supporting cost and expense documentation and inspection of Contractor's pertinent books and records for the purpose of verifying Contractor's request and determining the basis for the adjustment.

10.5. Executive Meetings; Status Meetings

Contractor's President of the responsible Business Unit shall meet from time to time upon the County's written request, with the County's Chief Administrative Officer to review Contractor's performance of the Services and to discuss the status of the relationship between the Parties. During the Term, representatives of the Parties shall meet periodically pursuant to a mutually agreed upon schedule and as otherwise requested by the County to discuss matters arising under this Agreement. Each Party shall bear its own costs in connection with the attendance and participation of such Party's representatives in such

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meetings. The place and time, and whether to meet via teleconference or in person, shall be as determined by the County (or as otherwise mutually agreed upon by the Parties).

10.6. Limitation of Future Contracts

The Parties acknowledge and agree that Contractor will be restricted in its future contracting with the County as described in this Section; except as specifically provided herein, Contractor shall be free to compete for future business with the County on an equal basis with other Persons. If Contractor, under the terms of this Agreement, or through the performance of tasks pursuant hereto, develops specifications or statements of work, and such specifications or statements of work are to be incorporated into a solicitation, Contractor shall be ineligible to perform the work described within that solicitation as a prime contractor or subcontractor under a future County contract.

10.7. Notice of Adverse Impact

Contractor shall promptly inform the County in writing of any failures by Contractor to comply with its obligations under this Agreement, or any other situation, that Contractor is aware of that have resulted, or could reasonably result, in a material adverse impact on the (i) Services or the County's operations or the operations of any agency, department or subdivision of the County, (ii) integrity of the County's financial and other internal controls, or (iii) quality, accuracy, integrity, security or confidentiality of County Data. The County may assume that no such circumstances exist unless Contractor so notifies the County.

11. WORK REQUEST PROCEDURES; CHANGE MANAGEMENT PROCEDURE

The County shall deliver to the Contract Manager a Work Request, in the form, and pursuant to and in accordance with the procedures, set forth in the Standards and Procedures Manual; provided that any such procedures contained in the Standards and Procedures Manual shall be consistent with the terms of this Agreement. The Parties understand and agree that all services requested in such Work Requests shall be presumed to be within the scope of the Services and within the Services (and therefore subject to the Maximum Annual Fee). All Work Requests shall be governed by the terms and conditions of this Agreement. A Work Request may alter a MASL if and to the extent Contractor's ability to perform at such MASL is materially affected by the Work Request, and the County's Contracting Officer has expressly agreed to such alteration in writing. Work Requests must be requested by an authorized representative of the County to be valid. The Parties shall also maintain a mutually agreed-upon change management procedure, which shall be included in the Standards and Procedures Manual.

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12. SECURITY AND PROTECTION OF INFORMATION

12.1. Security

12.1.1. Security and Policies

At all times during the Term, Contractor shall provide all Services, and use all resources related thereto, in a secure manner and in accordance with the County's security requirements, including the prevention and detection of fraud, abuse, or other inappropriate use or access of systems and networks by all appropriate means, including network management and maintenance applications and tools, and the use of appropriate encryption technologies. In addition, all Contractor personnel (including personnel of any Subcontractors) shall be subject to and shall at all times conform to the County's laws, rules, and requirements for the protection of premises, materials, equipment, and personnel, as they have been previously disclosed to Contractor in writing, including those set forth on Schedule 12.1.1. Any violations or disregard of these rules shall be cause for denial of access by such personnel to the County's property. Contractor shall exercise due care and diligence to prevent any injury to person or damage to property while on the County's premises. The operation of Contractor vehicles or private vehicles of Contractor personnel on the County's property shall conform to posted and other regulations and safe driving practices. Vehicular accidents on the County's property and involving Contractor personnel shall be reported promptly to the appropriate County security personnel. In addition, the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum ("Security Addendum"), referenced in 28 CFR 20.33 (a)(7), is hereby incorporated by this reference into this Agreement. Contractor acknowledges and agrees that it is bound by all applicable provisions of the Security Addendum. Contractor and the County further agree that, in accordance with Section 5.05 of the Security Addendum, the County does not anticipate and will not authorize any requests to Contractor for the criminal history record information covered by the Security Addendum, because Contractor is performing an IT support function.

The following California Law Enforcement Telecommunications System ("CLETS") documents are hereby incorporated by reference into this Agreement.

(i) California Law Enforcement Telecommunications Systems (CLETS) Policies Practices, Procedures and Statutes, Rev 11/99, and further revisions as necessary.

(ii) CLETS Computer Interface Rules and Requirements, Rev 09/95, and further revisions as necessary.

Contractor will also comply with the applicable provisions of the CLETS documents and the FBI Criminal Justice Information Services Security Addendum included in Exhibit 12.1.1-1, CLETS System Security Requirements.

Contractor shall ensure that all persons having access to the CLETS system as defined by the CLETS documents shall have first obtained the required background investigation and clearance, as conducted and approved by the Sheriff.

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Contractor acknowledges and agrees that the operation, policy, planning, and training for the CLETS system shall be subject to the oversight and authority of the Sheriff. In cases of alleged violation of CLETS policy and procedures, appropriate corrective actions, if any, will be coordinated with the Sheriff and the County Technology Office to ensure appropriate disciplinary action is taken, as mutually agreed.

Any amendments to the terms and conditions of the Agreement relating to the CLETS system shall be coordinated with the Sheriff and the County Technology Office, and shall not be effective without the approval and signature of the Sheriff.

12.1.2. Information Access

Prior to performing any Services, Contractor personnel who will access County computer data and software, including the County Data, shall execute the Parties' agreements and forms concerning access protection and data/software security consistent with the terms and conditions of this Agreement. Contractor promises that at all times during the Term, it, and its employees, agents, and Subcontractors, shall comply with all County policies and procedures regarding data access and security, including those prohibiting or restricting remote access to County systems and data. The County shall authorize and Contractor shall issue any necessary information-access mechanisms, including access IDs and passwords, and Contractor promises that the same shall be used only by the personnel to whom they are issued. Contractor shall provide to such personnel only such level of access as is required to perform the tasks and functions for which such personnel are responsible. Contractor shall from time to time, upon request from the County but at least quarterly, provide the County at no additional charge with an updated list of those Contractor and Subcontractor personnel having access to the County's systems, software, and data. Computer data and software, including the County Data, provided by the County or accessed by Contractor or Subcontractor personnel, shall be used by Contractor or Subcontractor personnel only in connection with Contractor's obligations hereunder, and shall not be commercially exploited by Contractor or any Subcontractor in any manner whatsoever. In addition, failure of Contractor or any Subcontractor to comply with the provisions of this Section 12 may result in the County restricting offending personnel from access to County computer systems or County Data, or immediate termination of this Agreement pursuant to Section 17.3. Contractor and each Subcontractor shall at all times maintain and ensure the confidentiality and security of the County Data.

12.1.3. Background Checks

If Contractor assigns Persons (whether employees, independent contractors, or agents) to perform Services at any Location, Contractor shall conduct a background check, as permitted by law, on all such Persons before the County will grant access to such Location or such Person will be escorted by Contractor personnel who have passed the background check conducted by the Contractor. Such background check shall be in the form generally used by Contractor in its initial hiring of employees or contracting for independent contractors, as applicable, during the employment-screening process but must, at a minimum, have been performed within the preceding twelve (12) month period and detail

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the individual's arrest record and employment history. Contractor shall obtain all releases, waivers, or permissions required for the release of such information to the County. On an annual basis, Contractor's human resources manager for this Agreement shall certify that the background check required by this Section 12.1.3 has been conducted in respect of all Persons assigned by Contractor to perform work at any Location. Notwithstanding the above, Contractor shall not allow any person to have access to CLETS without having a background check conducted and approved by the Sheriff.

12.1.4. Other Policies

Contractor shall, and shall cause its Subcontractors and employees to, abide by all County policies that may be established by the County from time to time, and which are either provided to Contractor in writing or made available to the Contractor via the County's website. The County shall have no obligation to notify the Contractor of changes and updates to County policies and Contractor shall be responsible to review the County's website for such updates or changes posted by the County from time to time.

12.1.5. Minimum Security Standards and Audit

In no event shall Contractor's actions or inaction result in any situation that is less secure than either: (i) the security the County and the Legacy Provider provided with respect to the applicable Service Framework as of the Cutover Date for such Service Framework; or (ii) the security Contractor then provides for its own systems and data. At any time and from time to time, upon reasonable notice, the County may engage any organization as it may deem suitable to conduct an audit of the IT and telecommunications environment used to provide the Services, including security, policies, and operational matters. Any such audit shall be scheduled so as to minimize the disruption to Contractor's business operation.

12.2. Protection of Confidential Information

12.2.1. Nondisclosure; Contractor Policies and Procedures

(i) All County Confidential Information shall be deemed the sole property of the County furnishing the same, shall be deemed confidential and proprietary to the County, shall be used solely by Contractor or any of its Subcontractors for the purpose of performing its obligations under this Agreement, and shall not be published, transmitted, released, or disclosed by Contractor or its Subcontractors to any other Person without the prior written consent of the County, which consent the County may withhold in its sole discretion.

(ii) Contractor shall implement and maintain appropriate policies and procedures to safeguard the confidentiality of the County Confidential Information in accordance with subsection (i) above, including the policies and procedures described in Sections 12.1.1 and 12.1.2 hereof. Further, Contractor shall comply, and require its employees to comply, with the provisions of Section 10850 of the California Welfare and Institutions Code. Contractor shall require as a condition of any subcontract that the Subcontractor expressly acknowledges and agrees to be bound by the same confidentiality

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requirements (including any applicable laws pertaining to confidentiality) by which Contractor is bound under this Agreement.

12.2.2. Disclosure Requests

Any and all requests, from whatever source, for copies of or access to, or other disclosure of, any County Confidential Information shall be promptly submitted to the County for disposition.

12.2.3. Permitted Disclosure

Notwithstanding the above provisions of this Section 12.2, Contractor may disclose County Confidential Information to its employees, agents, and Subcontractors who have: (i) a need to know such County Confidential Information in order to perform their duties under this Agreement, as determined by an appropriate County official; and (ii) a legal duty to protect the County Confidential Information. Contractor shall be fully liable for the acts or omissions of its Subcontractors and employees with respect to such County Confidential Information.

12.2.4. Publicity

Contractor shall not release any information concerning this Agreement, the Services or any part thereof to any member of the public or the press or any representative of any business entity or official body, unless prior written consent is obtained from the County.

12.3. Protection of Public Record Data

12.3.1. No Ownership by Contractor

Neither Contractor, nor its Subcontractors, employees, or agents, shall have any ownership rights or interest in any Public Record Data that they possess, modify, or create pursuant to this Agreement, or any modifications thereto or derivatives thereof, all of which shall, at all times and for all purposes, remain the property of the County.

12.3.2. No Impairment by Contractor

Neither Contractor, nor its Subcontractors, employees, or agents, shall impair the integrity of any Public Record Data that they possess or create.

12.3.3. California Public Records Act

Any Public Record Data that is provided to Contractor, or its Subcontractors, employees, or agents, shall remain a public record for purposes of the California Public Records Act (Governmental Code §6250, et. seq.) (the "California Public Records Act"). Contractor shall, and shall require its Subcontractors, employees, and agents, to, comply with the obligations of the County under the California Public Records Act as

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amended, with regard to the Public Record Data and the management, handling, retention, destruction, transfer, and disposal thereof. The determination of whether or not to disclose any such data shall be made solely by the County.

12.3.4. Limitations on Disclosure

Neither Contractor nor its Subcontractors, employees, or agents, shall disclose to the public any Public Record Data that they possess, modify, or create pursuant to this Agreement and which the County: (i) is prohibited in all cases from disclosing pursuant to federal, State, or County law or regulation; (ii) may disclose pursuant to federal, State, or County law or regulation only to certain Persons or under certain conditions; or (iii) may withhold from disclosure pursuant to federal, State, or County law or regulation. No provisions of this subsection shall be construed to prohibit Contractor from disclosing such Public Record Data to any Subcontractor if necessary to carry out the purposes of this Agreement. In no event shall Contractor, or its Subcontractors, employees, or agents, sell, market, or otherwise profit in any manner from the disclosure or use of any Public Record Data.

12.3.5. Notification

If Contractor learns of any violations of this Section 12.3, it shall promptly (and in no event later than seven (7) days after learning of such violation) notify the CIO of such violation.

12.4. Legally Required Disclosure

Either Party may disclose Confidential Information of the other Party to the extent disclosure is based on the good faith written opinion of such Party's legal counsel that disclosure is required by law or by order of a court or governmental agency; provided, however, that such Party shall give prompt notice of such requirement and use its best efforts to assist the owner of such Confidential Information if the owner wishes to obtain a protective order or otherwise protect the confidentiality of such Confidential Information. The owner of such Confidential Information reserves the right to obtain a protective order or otherwise protect the confidentiality of such Confidential Information. For purposes of this Section 12.4, the County's Office of the County Counsel shall act as the County's legal counsel.

12.5. Notification

In the event of any disclosure, loss, or destruction of Confidential Information, the receiving Party shall immediately notify the disclosing Party.

12.6. Injunctive Relief

If either Party publishes, transmits, releases, or discloses any Confidential Information in violation of this Section 12, or if the either Party anticipates that the other Party shall violate or continue to violate any restriction set forth in this Section 12, then that Party shall have the right to seek injunctive relief or otherwise to have the provisions of this

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Section 12 specifically enforced by any court having equity jurisdiction, without being required to post bond or other security and without having to prove the inadequacy of available remedies at law, it being acknowledged and agreed that any such violation shall cause irreparable injury to the owning and disclosing Party and that monetary damages shall not provide an adequate remedy to it. In addition, the either Party and any individuals that were the subject of such Party's Confidential Information may take all such other actions and shall have such other remedies available to it or them at law or in equity and shall be entitled to such damages as it or they can show have been sustained by reason of such violation.

12.7. Return of County Confidential Information

Promptly upon the expiration or termination of the Term, and at any other time upon written request by the County to Contractor, Contractor shall promptly return to the sole custody of the County, all County Confidential Information then in its possession or control, in whatever form, or, in the case of written request by the County, such County Confidential Information specified in such request as then in its possession or control, in whatever form. In addition, unless the County otherwise consents in writing, the Contractor shall also deliver to the County or, if requested by the County, shall delete or destroy, any copies, duplicates, summaries, abstracts, or other representations of any such County Confidential Information or any part thereof, in whatever form, then in the possession or control of the other Party. Contractor shall at all times comply in all respects with the California Public Records Act with regard to its return or destruction of any Public Record Data.

12.8. Confidentiality Agreements

Contractor shall require each of its employees, agents, and Subcontractors providing Services hereunder or otherwise having access, in whatever form or function, to the data and information collected, received, stored, or transmitted pursuant to this Agreement, including the County Data, to execute, prior to any activity or access, an agreement in form and substance acceptable to the County under which such employees, agents, and Subcontractors agree to protect all County Confidential Information.

12.9. Statutory Requirements Prevail

In the event of a conflict between the provisions of the California Public Records Act, or any other law, and this Agreement, the provisions of such law shall prevail.

12.10. Contractor Confidential Information

The County shall use the same care to prevent disclosure of the records, data, and other information that is obtained by the County in confidence from Contractor or its Subcontractors in connection with its performance of this Agreement, whether oral, written, recorded on electronic media, or otherwise, and including all financial information, personnel information, reports, documents, correspondence, plans, and specifications, and other records, data, or information collected, received, stored, or transmitted in any manner, and that are exempt from disclosure under the California Public Records Act (collectively, the "Contractor Confidential Information"), as it uses to prevent disclosure of its own

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information of a similar nature, but in no event less than a reasonable degree of care. Contractor Confidential Information shall not include information that the County can demonstrate was: (i) at the time of disclosure to the County, in the public domain; (ii) after disclosure to the County, published or otherwise made a part of the public domain through no fault of the County; (iii) in the possession of the County at the time of disclosure to it, if the County was not then under an obligation of confidentiality with respect thereto; (iv) received after disclosure by Contractor to the County from a third party who had a lawful right to disclose such information to the County; or (v) independently developed by the County without reference to Contractor Confidential Information. For purposes of this provision, information is in the public domain if it is generally known (through no fault of the County) to third parties who are not subject to nondisclosure restrictions similar to those in this Agreement.

12.11. Obligations Pertaining to Protected Health Information

In addition to Contractor's obligations as otherwise set forth in this Section 12, Contractor shall comply with the obligations of Schedule 12.11 as they pertain to "Protected Health Information" (as defined in Schedule 12.11). In the event of any conflict between the provisions in Schedule 12.11 and the provisions set forth in Article 12, the provision or provisions that are more protective of Protected Health Information shall control.

13. RECORDKEEPING AND AUDIT RIGHTS

13.1. Recordkeeping

Contractor shall maintain complete and accurate records and books of account with respect to this Agreement utilizing generally accepted accounting principles ("GAAP"), consistently applied and complying in all respects with all applicable County, State, or federal laws or regulations. Such records and books, and the accounting controls related thereto shall be sufficient to provide reasonable assurance that:

(a) transactions are recorded so as to permit the preparation of Contractor's financial statements in accordance with GAAP and to maintain accountability for its assets; and

(b) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Such records and books of account of Contractor's business shall be maintained by Contractor at its primary business office with access to such records and books of account to be provided from Contractor's business office in San Diego, California and the County may examine and make extracts of information and copy any part thereof at any reasonable time during normal business hours. Contractor shall retain and maintain accurate records and documents relating to performance of Services under this Agreement until the latest of: (i) six (6) years after the final payment by the County to Contractor hereunder; (ii) one (1) year following the final resolution of all audits or the conclusion of any litigation with respect to this Agreement; or (iii) such longer time period as may be required by applicable law or regulation.

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13.2. Operational Audit Rights

The County, or its authorized representatives shall have the right, at any time and with reasonable notice, to perform an operational or security audit with respect to Contractor's performance hereunder. Contractor shall grant County, or its authorized representative the right to conduct an audit of Contractor's and its Subcontractors' practices, the facilities used by Contractor or its Subcontractors to provide the Services, and related operational matters (including audits of Contractor's legal compliance and Contractor's security policies and practices with regard to IT and data access and control) in order to verify compliance with the terms of this Agreement. Any such audit shall be conducted in a reasonable manner and after reasonable advance notice (except that no notice shall be required with respect to a security audit).

For purposes of such audit, Contractor shall, and shall cause its Subcontractors to provide the County and its representatives such information and assistance as requested in order to perform such audits, including full and complete access to personnel, and to all books, records, documents, data, or information as may be required in order for the County to ascertain any facts relevant to Contractor's and its Subcontractor's operational and security obligations hereunder. If any such audit reveals an inadequacy or deficiency in Contractor's performance as set forth in this Agreement, including performance in connection with any security obligations of Contractor as set forth in this Agreement, Contractor shall promptly develop and provide to the County a reasonable and detailed corrective action plan, for the County's approval, and promptly thereafter implement such plan in accordance with its terms. In addition, the cost of such audit, should inadequacies or deficiencies be revealed, shall be borne by Contractor. In all circumstances, the Contractor and its Subcontractors shall be responsible for each of their costs and expenses incurred in connection with any audit performed under this Agreement. At the County's request, Contractor shall provide the County with copies of all documents, data, or information in the possession or control of Contractor that pertain to the Services. Contractor shall provide such documents, data, or information on such media as the County might request, including hard copy, optical or magnetic disk, or tape. Contractor shall incorporate this paragraph verbatim with appropriate language substitution to reflect the correct identity of the parties into any Agreement into which it enters with any Subcontractor providing Services under this Agreement.

14. USE OF AFFILIATES AND SUBCONTRACTORS

14.1. Approval; Key Subcontractors

Contractor shall not perform the Services through its Affiliates or through the use of Contractor-selected subcontractors, including providers of hardware and software, without the advance written consent of the CIO as to the selection of the subcontractor, which consent may be withheld in the CIO's sole discretion, and the execution by such subcontractor of a confidentiality agreement in accordance with Section 12.8 hereof; provided, however, that Contractor may subcontract, without the CIO's advance written consent, for goods and services that are incidental to the performance of the Services and do not involve the anticipated expenditure under this Agreement of more than five hundred

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thousand dollars ($500,000.00) within any ninety (90) day period. The CIO hereby consents to the Subcontractors identified in Schedule 14.1; provided, that each such Subcontractor shall execute a confidentiality agreement in accordance with Section 12.8 hereof. Additionally, each Subcontractor shall be properly licensed in the State to perform the Services for which such Subcontractor is responsible. Contractor agrees that it shall continue throughout the Term to retain the Subcontractors identified as "Key Subcontractors" in Schedule 14.1, and that such Persons shall continue to provide the Services initially provided, unless Contractor has obtained the County's prior written consent, which may be withheld in the County's sole discretion. In the event that the Contractor desires to subcontract a particular Service in accordance with this Section, the County may require that a such Service be provided by a certain Subcontractor. In no event shall Contractor be entitled to perform the Services through the use of any subcontractor who has been disbarred (or who employs a Persons or Persons that have been disbarred) from performing services for the United States government.

14.2. Subcontractor Agreements

Contractor will provide to the County copies of all agreements between Contractor and its Subcontractors related to the performance of this Agreement that are in excess of five hundred thousand dollars ($500,000.00) within thirty (30) days after such contracts are executed by Contractor and its Subcontractors. Such subcontracts will contain materially the same terms and conditions as this Agreement. Contractor represents and warrants that the agreements provided to the County will be true and complete copies thereof, excluding only relevant pricing information between Contractor and its Subcontractors.

14.3. Liability, Performance of Particular Services, and Replacement

In no event shall Contractor be relieved of its obligations under this Agreement as a result of its use of any Subcontractors. Contractor shall supervise the activities and performance of each Subcontractor and shall be responsible for any performance or failure to perform by such Subcontractor. The County may, in its sole discretion and upon reasonable advance notice (not to exceed thirty (30) days), require either the Contractor itself or particular Subcontractor(s) to perform particular Services. Without limiting the generality of the foregoing, if the County determines that the performance or conduct of any Subcontractor is unsatisfactory, the County may notify Contractor of its determination in writing, indicating the reasons therefor, in which event Contractor shall promptly take all necessary actions to remedy the performance or conduct of such Subcontractor or to replace such Subcontractor by another third party or by Contractor personnel.

14.4. Joint Commitment to Resolution of Problems

Contractor's Vice President of the state and local markets, along with the Vice Presidents in charge of the state and local markets (or equivalent) from (i) EDS, (ii) Bearing Point, and (iii) SBC (such Subcontractors, the "Material Subcontractors") shall participate in periodic quarterly governance reviews with the County (at County's offices, if requested by

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the County) to discuss and resolve performance issues pertaining to the Contractor or any such Material Subcontractor. To the extent that any issues discussed during these reviews cannot be resolved at such review meeting, then the issue shall be escalated to the next highest level in accordance with the dispute resolution procedure outlined in Section 23.1 until the issue is resolved, provided that appropriate representatives of the involved Material Subcontractors also participate (along with Contractor and the County) in the escalation procedure in Section 23.1. Contractor shall include appropriate provisions in each subcontract with each Material Subcontractor implementing the obligations of this Section 14.4. Notwithstanding the foregoing, either party shall be permitted to institute legal action under this Agreement on account of any such dispute without resorting to any or all of the dispute resolution procedure set forth herein.

14.5. Direct Agreements

Upon expiration or termination of the Term for any reason, or under any other circumstances in which the County may be contemplating the direct engagement of any Subcontractor to perform any Services then being performed by Contractor, the County shall have the right to negotiate with, and enter into direct agreements with, any Subcontractors. Contractor represents, warrants, and agrees that its arrangements with such Subcontractors will not prohibit or restrict such Subcontractors from negotiating with the County or entering into direct agreements with the County. The County hereby agrees that it will promptly notify Contractor in the event that it exercises its right under this Section 14.5 to negotiate with any of the Subcontractors.

15. PROPRIETARY RIGHTS

15.1. County Works

15.1.1. Ownership by the County

All County Works, including all Intellectual Property Rights in or pertaining to the same, shall be owned solely and exclusively by the County or its third party licensors, as applicable. Nothing in this Agreement transfers any ownership or title in or to any County Works to Contractor or any other Person.

15.1.2. License Grant to Contractor

As of the Cutover Date for each Service Framework, the County hereby grants to the Contractor a limited, non-exclusive, non-transferable, royalty-free right and license to use solely those County Works provided to Contractor pertaining to such applicable Service Framework during the Term and any period of Disentanglement, to the extent necessary and appropriate for the sole purpose of Contractor's performing the Services, subject to, and as provided for by, the terms and conditions of this Agreement. Contractor acknowledges that the County Works represent the valuable, intellectual property of the County (or its licensors). To the extent necessary for Contractor to provide the Services, such license grant extends to Subcontractors designated by Contractor that sign a written agreement to be bound by all of the terms contained herein applicable to the County Works. To the extent any County Works are comprised of Third Party Works, such license

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grant shall be subject to Contractor having obtained any Required Consents. Contractor and its Subcontractors shall not (i) use any of the County Works for the benefit of any Person other than the County, or (ii) reverse assemble, reverse engineer, translate, disassemble, decompile any of the County Works without the prior written approval of the County, which may be withheld in the County's sole discretion.

15.2. Contractor Works

15.2.1. Ownership by Contractor

All Contractor Works, including all Intellectual Property Rights in or pertaining to the same, shall be owned solely and exclusively by Contractor. Nothing in this Agreement transfers any ownership or title in or to any Contractor Works to County or any other Person.

15.2.2. License Grant to the County

Contractor hereby grants to the County (and any third-party providers of services to the County) a perpetual, irrevocable, non-exclusive, worldwide, fully paid, non-transferable, royalty-free license to access, use, modify, copy, adapt, display, perform and create derivative works of, the Contractor Works provided or made available to the County or otherwise used by Contractor or its Subcontractors in connection with the Services (including, but not limited to, all updates, upgrades, enhancements and improvements thereto), as necessary and appropriate for the conduct of the County's business, administration and operations or for the County to receive the full benefit of the Services during the Term and any period of Disentanglement, and thereafter solely for the conduct of the County's business, administration and operations, and not for commercial exploitation or resale. Contractor's obligations with respect to the provision of updates, upgrades, enhancements and improvements upon and following Disentanglement shall be as set forth in Section 6.3.5. The County agrees that upon its permanent retirement of a particular Contractor Software application from the County's active Software portfolio at any time following Disentanglement, the Contractor may request in writing that the County terminate its license to such Contractor Software. No termination of such a license shall be effective unless and until expressly approved in writing by the CIO.

15.3. Work Product

15.3.1. County Sole Owner

All Work Product, including all Intellectual Property Rights in or pertaining to the same, shall be owned solely and exclusively by the County. Nothing in this Agreement transfers any ownership or title in or to any Work Product to Contractor or any other Person. Ownership of Work Product shall inure to the benefit of the County from the date of conception, creation, or fixation in a tangible medium of expression (whichever occurs first), of such Work Product. Contractor (1) agrees that all copyrightable aspects of such Work Product shall be considered "work made for hire" within the meaning of the Copyright Act of 1976, as amended, (2) hereby assigns to the County exclusively all right, title, and interest in and to such Work Product, and all copies thereof, and the Intellectual

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Property Rights therein, that it may have or obtain, without further consideration, free from any claim, lien for balance due, or rights of retention thereto on the part of Contractor or any other Person, and (3) acknowledges that the Parties do not intend Contractor to be a joint author of such Work Product within the meaning of the Copyright Act of 1976, as amended, and that in no event shall Contractor be deemed a joint author of such Work Product. Contractor shall obtain similar written undertakings from all Subcontractors, employees and consultants who will perform any Services, so as to ensure the County's ownership of the Work Product as provided herein, and shall not commence the deployment of any such Subcontractor, employee or consultant until Contractor has obtained such a written undertaking.

15.3.2. Embedded Contractor Works

To the extent that any Contractor Works are incorporated into, embedded or used in or made part of the Work Product, notwithstanding Section 15.3.1 to the contrary, Contractor hereby grants to the County (and any third-party providers of services to the County) a perpetual, irrevocable, non-exclusive, worldwide, fully paid, royalty-free license to access, use, modify, copy, adapt, display, perform and create derivative works of, such Contractor Works all to the extent necessary to give the County unrestricted use and enjoyment of such Work Product and all Intellectual Property Rights therein.

15.3.3. License Grant to Contractor

The County hereby grants to Contractor a limited, non-exclusive, non-transferable, royalty-free right and license to use the Work Product during the Term and any period of Disentanglement, to the extent necessary and appropriate for the sole purpose of Contractor's performing the Services, subject to, and as provided for by, the terms and conditions of this Agreement. To the extent necessary for Contractor to provide the Services, such license grant extends to Subcontractors designated by Contractor that sign a written agreement to be bound by all of the terms contained herein applicable to the Work Product. Contractor and its Subcontractors shall not (i) use any of the Work Product for the benefit of any Person other than the County, or (ii) reverse assemble, reverse engineer, translate, disassemble, decompile any of the Work Product without the prior approval of the County, which may be withheld in the County's sole discretion.

15.3.4. Intellectual Property Protection

Contractor shall promptly and fully disclose and deliver all Work Product to the County, in writing and, with respect to computer programs, in both source code and object code form, and with all available user manuals and other documentation, as requested by the County, and shall execute and deliver any and all patent, copyright, or other applications, assignments, and other documents that the County requests for protecting the Work Product, whether in the United States or any other country. The County shall have the full and sole power to prosecute such applications and to take all other action concerning the Work Product, and Contractor shall cooperate, as part of the Services, in the preparation and prosecution of all such applications and in any legal actions and proceedings concerning the Work Product. Contractor shall provide to the County, on a quarterly basis, and at no

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additional charge, a written report summarizing all of the Work Product developed by Contractor to date, with appropriate information to enable the County to pursue all intellectual property registrations or other protections for the County's interests in the Work Product. The County shall have reasonable access to all Contractor materials, premises and computer files containing the Work Product.

15.4. Third Party Works

Unless otherwise provided in this Agreement or expressly and mutually agreed to by the Parties in writing, Contractor shall not implement or utilize any Third-Party Works in the provision of any Services unless Contractor shall have secured for the County (and any third-party providers of services to the County) a perpetual, irrevocable, non-exclusive, royalty-free, fully paid-up, worldwide license to access, use, modify, copy, adapt, display, perform and create derivative works of, and otherwise receive the benefit of, such Third-Party Works as necessary and appropriate for the conduct of the County's business, administration and operations or for the County to receive the full benefit of the Services. The County acknowledges and agrees that Third Party Software identified and agreed to by the parties in writing from time to time and set forth in the Standards and Procedures Manual as "COTS" or as a Shared Resource may be subject to the standard commercial terms for such Third Party Software. However, in all cases, Contractor shall obtain all rights and licenses as may be necessary in order for the County, and its authorized representatives, to use, or receive the benefit of the use by Contractor of, any Third Party Works in connection with the Services. Further, Contractor shall not embed any Third-Party Works in any Work Product, or create a derivative work of any Third-Party Work as Work Product, without the express, prior written consent of the County. Contractor's obligations with respect to the provision of updates, upgrades, enhancements and improvements upon Disentanglement shall be as set forth in Section 6.3.5.

15.5. Residuals

Notwithstanding anything to the contrary provided in this Agreement, Contractor shall not be precluded from using its Residuals, provided that Contractor's right hereunder to use any of its Residuals that are components of Work Product shall not affect, alter, limit, or interfere with any provisions of this Section 15 that provide for ownership of the Work Product itself, or the Intellectual Property Rights in or pertaining thereto, by the County.

15.6. No Limitation of Governmental Rights

Certain federal or state agencies or other governmental entities that provide funds to the County or in connection with the County's activities and undertakings may have certain rights in the Work Product that arise under federal or state law. Therefore, Contractor hereby grants each such governmental agency or entity such rights in and to the Work Product as such agency or entity is entitled to by applicable law. To the extent the County is aware that such rights apply to Work Product, the County shall notify Contractor of the existence of such circumstances. Each Party expressly acknowledges and agrees that all rights granted, retained, or otherwise allocated pursuant to this Section 15.6 are expressly

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subject and subordinate to such rights as may be reserved or granted to such federal or state agencies or other governmental entities by law and that nothing in this Agreement shall or shall be construed to in any way limit such governmental rights, which rights shall take precedence over this Agreement in the event of any conflict.

15.7. Rights and Licenses

Contractor shall obtain from third parties all rights and licenses required to perform the Services, and the terms and conditions of all such rights and licenses shall be subject to the review and approval of the CIO prior to their implementation by Contractor. With respect to all technology used and to be used by Contractor to perform the Services hereunder, whether proprietary to Contractor or to any other Person, Contractor hereby grants and agrees to grant to the County, or shall cause to be granted by the licensor thereof, as the case may be, without additional charge, such licenses and sublicenses as may be necessary in order for the County, and its authorized representatives (including third-party service providers), to use, or receive the benefit of the use by Contractor of, such technology in connection with the Services.

15.8. County Data

The County shall permit Contractor to have access to the County Data solely to the extent Contractor requires such access to such data to provide the Services and maintain the MASLs. Contractor may only access and process the County Data in connection herewith or as directed by the County in writing and may not otherwise modify the County Data, merge it with other data, commercially exploit it, or do any other thing that may in any manner adversely affect the integrity, security, or confidentiality of such data, other than as specified herein or as directed by the County in writing. Contractor understands and agrees that the County owns all right, title, and interest in the County Data, and also owns all copyright, trademark, trade secrets, and other proprietary rights in the County Data. Contractor agrees that all copyrightable aspects of such County Data shall be considered "work made for hire" within the meaning of the Copyright Act of 1976, as amended. Contractor hereby assigns to the County exclusively all right, title, and interest in and to the County Data and to all copyright or other proprietary rights therein that it may obtain, without further consideration, free from any claim, lien for balance due, or rights of retention thereto on the part of Contractor. Contractor also acknowledges that the Parties do not intend Contractor to be a joint author of the County Data within the meaning of the Copyright Act of 1976, as amended, and that in no event shall Contractor be deemed a joint author thereof. Furthermore, Contractor and all Subcontractors will not publish or disclose in any manner privacy and security safeguards related to any federal, State, or County data or any other data of which Contractor or any Subcontractor has custody. In no event shall Contractor withhold County Data from, or deny access thereto by, the County in connection with any dispute between the Parties.

15.9. Cooperation

If at any time either Party brings, or investigates the possibility of bringing, any claim against any third party for infringement of any Intellectual Property Right of such

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Party, including misappropriation of trade secrets and improper use or disclosure of Confidential Information, then the other Party, upon the request and at the expense of the requesting Party, shall cooperate with and assist such requesting Party in the investigation or pursuit of such claim and provide such requesting Party with any information in its possession that may be of use to such requesting Party in the investigation or pursuit of such claim. Notwithstanding the foregoing, if an Affiliate, client, customer, or other business associate of a Party becomes the subject of such an investigation by the requesting Party, such Party will provide reasonable cooperation to the requesting Party, to the extent not inconsistent with such Party's legal and contractual obligations to such Affiliate, client, customer, or business associate.

PART V – PRICING

16. FINANCIAL TERMS

As the sole and entire financial consideration for all of the Services to be performed by Contractor and for all of the other tasks, services, and obligations of Contractor under this Agreement, the County shall pay to Contractor the amounts set forth in this Section 16. Except as specifically provided in Section 16.1.3, below, at no time and under no circumstance shall the County pay Fees in any Contract Year that exceed, in the aggregate, the Maximum Annual Fee, as determined in accordance with such Section, for such Contract Year. No work performed by Contractor for the County between the Signing Date and the date on which Contractor formally commences performance of Transition Services in order for Contractor to be prepared for a smooth cutover of operational responsibility for the Services, including work in preparation for accomplishment of the Transition, shall obligate the County to make any payments to Contractor.

16.1. Fees

16.1.1. Transition Milestone Payments

The County shall pay the Fees associated with the Transition of a particular Service Framework as set forth in Section 4 of Schedule 16.1.

16.1.2. Monthly Services Charge

The County shall pay the Monthly Services Charge in arrears in accordance with the terms and conditions of this Agreement and as set forth in Schedule 16.1.

16.1.3. Maximum Annual Fee

(i) Within thirty (30) days prior to the end of each Contract Year, the County shall determine, in its sole discretion, the Maximum Annual Fee for the forthcoming Contract Year, and shall notify Contractor of such amount. Such amount shall be based, in part, upon the County and Contractor's projection of the County's requirements for Services for such Contract Year and shall be subject to annual appropriations by the

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County of sufficient funds. Each Contract Year, the Maximum Annual Fee shall be memorialized in writing in a revised Exhibit 16.1-3 to Schedule 16.1.

(ii) On a monthly basis, Contractor shall report to the County the Fees incurred to-date during each Contract Year and the amount of Fees projected to be incurred in the remaining months of the Contract Year. If either Contractor or the County reasonably determine, based upon such monthly report, that the Fees that would be payable are likely to exceed the Maximum Annual Fee prior to the end of the relevant Contract Year, the Parties shall cooperate to make adjustments to the Services, or to the County's requirements in respect of the Services, so that the Fees do not exceed the Maximum Annual Fee. Alternatively, the County may, in its sole discretion, increase the Maximum Annual Fee so that the Maximum Annual Fee is not exceeded; provided, however, that in no event shall the Maximum Annual Fee be increased except by the express written consent of the County's Contracting Officer. The County shall not be obligated to pay Contractor fees in respect of Services in excess of the Maximum Annual Fee.

16.2. Invoices

16.2.1. General

Contractor shall furnish the County Technology Office with the following invoices:

(i) A single invoice for ninety percent (90%) of the Monthly Services Charge, calculated in arrears, issued by the fifteenth (15th) day of each month, and payable in accordance with the terms of Schedule 16.1. Invoices for any portion of the Six-Month Milestone Fund shall be issued in accordance with Schedule 16.8. Each such invoice shall include an itemized accounting of Resource Units incurred during the immediately preceding month.

(ii) Invoices shall be accompanied by information and data that support the invoiced Fees. Unless otherwise provided in Schedule 16.1, invoices are payable within forty-five (45) days after receipt of invoice correct as to the form agreed by the Parties. The County may dispute any invoice in accordance with the provisions of Section 16.11.

16.2.2. Retroactive Billing

Billing for any Services not reported by Contractor within three (3) monthly reporting periods from the date such Service was required to be billed to the County will not be billable to the County except as otherwise agreed in writing by the County Contracting Officer.

16.3. Pricing Audit

Contractor shall, at the County's request, allow auditors designated by the County that are subject to reasonable confidentiality requirements to fully audit Contractor's books and records to the extent necessary to verify any amounts paid or payable by the

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County hereunder. Contractor shall provide such auditors with full access to such information relating to this Agreement and Contractor's books and records as may be necessary to confirm the accuracy of Contractor's invoices, documents, and other information supporting such invoices, and any pricing adjustment computations. All such audits shall be conducted during business hours, with reasonable advance notice, and shall include access to proprietary and confidential information to the extent necessary to comply with the provisions of this Section 16.3. If any such audit reveals that Contractor has overcharged the County during the period to which the audit relates, then Contractor shall promptly refund such overcharges to the County and the cost of such audit shall be borne by Contractor.

16.4. Adjustment of Payments

If the County terminates as to any of the Service Frameworks described in Schedule 4.3 hereof or terminates any discrete components, deliverables, features, functions, capabilities, tasks, activities, or portions of the Services, pursuant to the terms of Section 4.10 or Section 17.2.1 hereof, then adjustments to the fees for such Services shall go into effect upon the Termination Date for such Terminated Services. No fees pertaining to Terminated Services performed after the Termination Date shall be invoiced to or payable by the County.

16.5. Taxes

(a) All fees payable by the County to Contractor hereunder shall be inclusive of all taxes imposed as of the Effective Date by any domestic or foreign taxing authority in respect of the provision of the Services hereunder, including any sales, use, excise, value-added, services, consumption, or other tax (collectively, "Sales Tax(es)"); provided, however, that the County shall not be responsible for, and such fees shall not include, any personal property taxes on property Contractor owns or leases, for franchise and privilege taxes on Contractor's business, gross receipts taxes to which Contractor is subject, and for income taxes based on Contractor's net income. In the event that a Sales Tax becomes effective after the Effective Date and is assessed on the provision of Services by Contractor that are within scope as of the Effective Date or on Contractor's charges to the County under this Agreement related thereto, however levied or assessed, the County shall be responsible for and pay any such Sales Tax.

(b) The Parties agree to cooperate with each other to enable each to more accurately determine its own tax liability and to minimize such liability to the extent legally permissible. Contractor's invoices shall separately state the amounts of any taxes Contractor is properly collecting from the County pursuant to the terms hereof.

16.6. Creation of Possessory Interest

Pursuant to the provisions of Revenue and Taxation Code Section 107.6, Contractor acknowledges that the terms of this Agreement may result in the creation of a possessory interest. If such a possessory interest is vested in Contractor, Contractor may be subjected to the payment of real property taxes levied on such interest. Contractor shall be solely responsible for the payment of any such real property taxes. Contractor shall pay all

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such taxes when due, and shall not allow any such taxes, assessments, or fees to become a lien against any Location or any improvement thereon; provided, however, that nothing herein shall be deemed to prevent or prohibit Contractor from contesting the validity of any such tax, assessment, or fee in a manner authorized by law.

16.7. Benchmarking

With the County's direction and cooperation, and as part of the Services, Contractor, upon the County's request, shall conduct benchmarking that shall enable the County to compare pricing and performance set forth in this Agreement with, and to ensure that said pricing and performance are among, the industry's best rates and practices. The County may request a benchmarking for any component of the Services at any time during the Term, and may request a benchmarking for all Services, in the aggregate, not more than once during any period of twelve (12) consecutive months during the Term. Contractor shall work with any benchmarking firm that the County selects and shall reimburse the County for fifty percent (50%) of all fees and charges paid to such benchmarking firm. Each Party shall have the opportunity to advise the benchmarking firm of any information or factors that it deems relevant to the conduct of the benchmarking, so long as such information is disclosed to the other Party. The benchmarking firm shall provide reports on the benchmarking to both the County and Contractor. If, as a result of any such benchmarking, the benchmarking firm determines that the pricing or performance are not consistent with the adjustment methodologies set forth in Schedule 16.7, then the Parties shall promptly make appropriate adjustments to the relevant prices or performance standards in accordance with the methodology set forth in Schedule 16.7.

16.8. Fee Reductions and Six-Month Milestone Fund

Schedule 16.8 specifies (i) certain "Fee Reductions" that may be imposed in the event of any Failure in respect of Contractor's actual performance of Services as measured against the MASLs, (ii) certain "Six-Month Milestone Fund" payments that may be earned by Contractor in the event it successfully achieves Critical Milestones. The Parties acknowledge and agree that the Fee Reductions and any failure to earn the Six-Month Milestone Fund payments are intended to reflect, to some extent, the diminished value of the Services as a result of any such Failure; such Fee Reductions and failure to earn the Six-Month Milestone Fund payments are not intended to compensate the County for any breach or Default by Contractor under this Agreement, nor to constitute penalties, damages, liquidated damages, or other compensation for any such breach or Default. In no event shall Fee Reductions or failure to earn Six-Month Milestone Fund payments be the County's sole and exclusive remedy with respect to any Failure of Contractor. In the event the County recovers damages from Contractor for any breach or Default with respect to any Failure, such damages shall be reduced to the extent of any Fee Reductions previously collected by the County or Six-Month Milestone Fund payments previously failed to be earned by Contractor (as applicable) in respect of such Failure.

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16.9. Only Payments

The Fees set forth in this Section 16 are the only payments to be made by the County to Contractor under this Agreement. The County shall not pay Contractor any additional fees, assessments, or reimbursements, and Contractor shall be solely responsible for, and shall indemnify the County against, all costs and expenses incurred by Contractor in meeting Contractor's obligations under this Agreement, including labor expenses, hardware and software costs, and general business expenses (including travel, meals, and overhead expenses).

16.10. Set-Off

The County may set off against any and all amounts otherwise payable to Contractor pursuant to any of the provisions of this Agreement: (i) any and all amounts owed by Contractor to the County under the provisions of Section 22; and (ii) other amounts claimed to be owed to the County by Contractor in respect of this Agreement or any other agreement between the Parties. Within twenty (20) days of any set-off by the County, the County shall provide to Contractor a written accounting of such set-off and a written statement of the reasons therefor.

16.11. Disputed Amounts

Subject to and in accordance with the provisions of this Section 16.11, the County may withhold payment of any Contractor invoice (or part thereof) that it in good faith disputes are due or owing. In such case, the County shall, by the applicable due date, pay any amounts then due that are not disputed and provide to Contractor a written explanation of the basis for the dispute as to the disputed amounts. The failure of the County to pay a disputed invoice, or to pay the disputed part of an invoice, shall not constitute a breach or default by the County, so long as the County complies with the provisions of this Section 16.11. In any such event, the Parties shall diligently pursue an expedited resolution of the dispute.

16.12. Most-Favored Customer

If Contractor provides to any new or existing customer any service similar to any of the Services described in this Agreement under like circumstances including volumes, terms and conditions at a price lower or a discount greater than the price charged or the discounts offered to the County hereunder, or provides additional or a more comprehensive service at the same or a lower price (or greater discount) under like circumstances including volume, terms and conditions, then, on a retroactive basis to the date such other sales were made, Contractor shall grant such lower price or greater discount to the County in lieu of the price therefor (or discount related thereto) that is reflected in the price set forth in this Agreement or shall deliver to the County such additional or more comprehensive service at such same or lower price (or greater discount). If the price has already been paid to Contractor by the County, then Contractor shall refund to the County an amount equal to the difference between the price already paid and the lower price, plus interest at the rate of one percent (1%) per month from the date the overcharge was paid to Contractor until the date

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the refund is made. The County may offset any such overcharged amount against any amounts due to be paid to Contractor under this Agreement or any other contract with the County. Contractor shall notify the County of the occurrence of the lower price or greater discount (or provision of additional or more comprehensive service) as described in this Section 16.12 upon discovery and in no event later than thirty (30) days after its implementation of such lower price or greater discount (or provision of additional or more comprehensive service). As of each anniversary of the Cutover Date for the first Service Framework transitioned to Contractor, the Chief Financial Officer of Contractor's business unit performing the Services shall certify to the County in writing that Contractor is in compliance with this Section 16.12.

16.13. Capital Infusion and Depreciation

During each Contract Year, Contractor shall, at its cost and expense, acquire equipment and other items (which include the Purchased Assets in Contract Year 1) for dedicated use in providing the Services. Except for Shared Resources, all such acquisitions shall, for purposes of the County's rights upon Disentanglement pursuant to Section 6.3.6 be capitalized, accounted for, and depreciated by Contractor in accordance with the guidelines set forth in Schedule 16.1, without regard to the actual method of acquisition (i.e., whether by purchase, lease, or other method of financing).

PART VI-GENERAL

17. TERM

17.1. Initial Term; Renewals

17.1.1. Initial Term

The period during which Contractor shall be obligated to provide the Services under this Agreement shall commence on the Effective Date (except as otherwise specified herein) and shall end on the seventh (7th) anniversary of the Effective Date (the "Initial Term"), subject to appropriation by the County of funds for this Agreement for such period.

17.1.2. Notification of Expiration

Contractor shall notify the County of the expiration of the Initial Term, and of any renewal thereof not later than six (6) months before the date on which the Term would expire if not renewed pursuant to Section 17.1.3 or extended pursuant to Section 17.1.4.

17.1.3. Renewal by County

The County may, in its sole discretion and subject to appropriation by the County of funds for this Agreement for such period, extend the Initial Term for one renewal period of five (5) years (the "Renewal Term") at the renewal pricing for Resource

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Unit Charges set forth in Appendix 16.1-5 to Schedule 16.1 (the "Renewal Fees") providing written notice delivered to Contractor at least four (4) months before the end of the Initial Term. Following such notice, in the event the County reasonably believes that the Renewal Fees do not represent pricing that is among the industry's best rates in light of then-current market conditions, the Parties shall negotiate in good faith new fees applicable to Services to be rendered during the Renewal Period and the Renewal Fees set forth in Schedule 16.1 shall not be effective. While such negotiations are pending, the Contractor shall continue to provide the Services at which ever is less, the then-current Resource Unit Charges or the Renewal Fees Resource Unit Charges, until the Parties establish new fees applicable to the Services.

17.1.4. Extensions by County

Notwithstanding anything to the contrary set forth in Sections 17.2 through 17.5, the County may, at its sole option and discretion, upon at least one hundred twenty (120) days' notice to Contractor, extend the effective date of any expiration or termination of the Term or any portion of the Services (e.g., a Service Framework, a category of Service or any portion of such Services) for successive periods of not less than one hundred twenty (120) days each, with such extension periods not to exceed six hundred (600) days in the aggregate for each particular expiration or termination. By way of example only, the County may extend the effective date of any termination of a particular Service Framework for successive periods not to exceed six hundred (600) days in the aggregate and may also extend the effective date of any termination of a different Service Framework for successive periods not to exceed a separately measured six hundred (600) days in the aggregate. Each such extension shall be upon the same terms and conditions in effect immediately prior to such extension. Any adjustments to the Fees applicable to any extension period shall be mutually agreed by the Parties, consistent with the pricing methodology set forth in Schedule 16.1; in the event the Parties are unable to agree on such applicable Fees the matter shall be treated as a Dispute and, until resolution of the Dispute, the Fees shall be the same Fees as were applicable in the immediately preceding Contract Year or extension period, as the case may be.

17.1.5. Appropriations

To the extent any necessary appropriations are not made in the then-current fiscal year, the County's payment obligations for such fiscal year shall be deemed contingent liabilities only, subject to appropriation in the following fiscal year. In the event that either no funds or insufficient funds are appropriated and budgeted in any fiscal year for payments to be made under this Agreement, the County shall notify Contractor of such occurrence and the Term of this Agreement shall terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Agreement are exhausted.

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17.2. Early Termination

17.2.1. For Convenience

The County, after consultation with the Sheriff on any matters related to or affecting CLETS, shall have the right to terminate (i) the Term of this Agreement with regard to the Services; or (ii) any portion of the Services (e.g., a Service Framework, a category of Service or any portion of such Services), for its convenience, by delivering to Contractor a written notice of termination (the "Termination Notice") at least one hundred eighty (180) days before the date or dates then-contemplated by the County in such notice for termination of such Services ("Provisional Termination Date(s)"). In the event the County elects to terminate any Service Framework or category of Service or portion thereof (but not all Services in the aggregate) pursuant to the terms hereof, Contractor shall perform its Disentanglement obligations hereunder to the extent applicable to such Terminated Services. For any termination under this Agreement, in the event the County does not set firm and binding effective date or dates for termination of the Terminated Services (the "Termination Date(s)") in the Termination Notice, the County shall set such Termination Date(s), via a written notice to Contractor after consultation with the Contractor regarding Disentanglement and/or development of the Disentanglement plan in accordance with Section 6.3.1. The County shall set such Termination Dates in its sole discretion; provided, however, such Termination Date(s) shall not be earlier than the Provisional Termination Date(s) set forth in the Termination Notice, and provided, further, that all Termination Dates shall remain subject to extension pursuant to Section 17.1.4. Any such termination of Terminated Services under this Section shall be effective as of 11:59 pm on the Termination Date pertaining to such Terminated Services.

17.2.2. Change in Control of Contractor

In the event of a Change in Control of Contractor resulting from a single transaction or series of related transactions, the County shall have the right to terminate the Term of this Agreement with regard to the Services by sending a Termination Notice to Contractor at least ninety (90) days prior to the Provisional Termination Date, provided that the County shall have delivered such notice to Contractor not later than one hundred eighty (180) days following the effective date of such Change in Control. Solely for purposes of this Section 17.2.2, "Control" shall mean, with respect to any Person, the legal, beneficial, or equitable ownership, direct or indirect, of more than fifty percent (50%) of the aggregate of all voting or equity interests in such Person; "Change in Control" shall mean any change in the legal, beneficial, or equitable ownership, direct or indirect, such that Control of such Person is no longer with the same Person or Persons as on the Effective Date. The foregoing notwithstanding, a Change in Control shall not be deemed to have occurred if, as a result of internal corporate realignment, this Agreement is assigned from one subsidiary to another subsidiary, all within the structure of Contractor's corporate parent. Any such termination pursuant to this Section shall be effective at 11:59 p.m. on the Termination Date pertaining to the Terminated Services.

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17.3. Termination for Default

The County shall have the right to terminate: (i) the Term of this Agreement with regard to the Services; or (ii) any portion of the Services (e.g., a Service Framework, a category of Service or any portion of such Services), by a Termination Notice delivered to Contractor if Contractor commits a Default. Termination shall be effective at 11:59 p.m. on the Termination Date(s) pertaining to such Terminated Services; provided, however, that Contractor shall continue to perform its Disentanglement obligations hereunder until they are fulfilled. No termination pursuant to this Section 17.3 shall be deemed a termination for convenience subject to Section 17.2.1. In the event the County elects to terminate any portion of the Services (e.g., a Service Framework, a category of Service or any portion of such Services) but not all Services in the aggregate, pursuant to the terms hereof, Contractor shall perform its Disentanglement obligations hereunder to the extent applicable to such Terminated Services. Termination shall not constitute the County's exclusive remedy for such Default, and the County shall not be deemed to have waived any of its rights accruing hereunder prior to such Default.

17.4. Termination for Force Majeure Event

If a delay or .interruption of performance by Contractor resulting from its experiencing a Force Majeure Event exceeds ten (10) days, despite Contractor's use of its best efforts (which may or may not include the use of an alternate source to provide the Services and which shall not involve the payment of funds that would not be commercially reasonable under the circumstances), the County shall have the right to terminate (i) the Term of this Agreement with regard to the Services; or (ii) any portion of the Services (e.g., a Service Framework, a category of Service or any portion of such Services), all or any portion of the Services (e.g., a Service Framework, a category of Service or any portion of such Services), effective at 11:59 p.m. on the Termination Date(s) pertaining to such Terminated Services, by delivering to Contractor a Termination Notice; provided, however, that Contractor shall continue to perform its Disentanglement obligations in respect of such Terminated Services until such obligations are fulfilled.

17.5. Additional Termination Rights of the County

In the event Contractor, any of its Subcontractors, or any of each of their employees is or becomes debarred and declared ineligible, or voluntarily excluded from covered transactions with respect to all business with the United States government, then the County shall have the right, at its option, to terminate the Term of this Agreement with regard to the Services, effective at 11:59 p.m. on the Termination Date pertaining to such Terminated Services, by delivering to Contractor a Termination Notice.

17.6. Effect of Ending of Term

Notwithstanding any provision of this Section 17 to the contrary, the expiration or termination of the Term shall not constitute a termination of this Agreement or any provision hereof that by its nature shall continue in force and effect, including Contractor's obligations with respect to Disentanglement.

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17.7. No Termination by Contractor

Contractor may not, for any reason whatsoever, terminate the Term prior to its expiration, terminate this Agreement, or otherwise repudiate this Agreement or refuse to perform its obligations hereunder.

18. REMEDIES; LIMITATIONS OF LIABILITY

18.1. Remedies Cumulative

Except as otherwise expressly limited in Section 18.2, below, or elsewhere in this Agreement, the remedies provided in this Section and elsewhere in this Agreement are neither exclusive nor mutually exclusive, and the Parties shall be entitled to resort to any and all such remedies, and any other remedy or remedies available at law or in equity, by statute or otherwise, individually or in any combination thereof. No delay in exercising or failure to exercise any right or remedy shall operate as a waiver thereof except where specifically provided herein.

18.2. Limitation of Liability and Disclaimers

Subject to the express provisions and limitations of this Section 18.2, the Parties intend that each Party shall be liable to the other Party for all damages incurred as a result of the breaching Party's failure to perform its obligations.

(a) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED BELOW, THE AGGREGATE CUMULATIVE MONETARY LIABILITY OF THE COUNTY HEREUNDER FOR ALL CLAIMS ARISING UNDER OR RELATING TO THIS AGREEMENT, NOTWITHSTANDING THE FORM (e.g., CONTRACT, TORT, OR OTHERWISE) IN WHICH ANY ACTION IS BROUGHT, SHALL BE LIMITED TO THE AMOUNT OF FEES OWED AND UNPAID FOR SERVICES RENDERED. THE FOREGOING LIMITATIONS UPON THE COUNTY'S LIABILITY SHALL NOT APPLY TO: (i) LOSSES ARISING FROM THE COUNTY'S FAILURE TO COMPLY WITH SECTION 12.10; OR (ii) LOSSES ARISING OUT OF THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE COUNTY.

(b) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SECTION 18.2, THE AGGREGATE CUMULATIVE MONETARY LIABILITY OF CONTRACTOR HEREUNDER FOR ALL DAMAGES ARISING UNDER OR RELATING TO THIS AGREEMENT, NOTWITHSTANDING THE FORM (e.g., CONTRACT, TORT, OR OTHERWISE) IN WHICH ANY ACTION IS BROUGHT, SHALL BE LIMITED TO ONE HUNDRED MILLION DOLLARS ($100,000,000.00); PROVIDED, HOWEVER, THAT TO THE EXTENT THE DAMAGES ARE DESCRIBED IN SECTION 18.2(c), IN LIEU OF THE FOREGOING LIMITATION, THE AGGREGATE CUMULATIVE MONETARY LIABILITY SHALL NOT EXCEED ONE HUNDRED THIRTY PERCENT (130%) OF THE FOREGOING LIMITATION. THE FOREGOING LIMITATION UPON THE TYPES AND AMOUNTS OF CONTRACTOR'S LIABILITY SHALL NOT APPLY TO: (A) LOSSES ARISING FROM CONTRACTOR'S BREACHES OF ITS TRANSITION OBLIGATIONS IN SECTIONS 2 AND 3 (INCLUDING

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BREACHES OF THE TRANSITION PLAN); (B) LOSSES SUBJECT TO INDEMNIFICATION BY CONTRACTOR; (C) LOSSES ARISING FROM CONTRACTOR'S FAILURE TO COMPLY WITH THE PROVISIONS OF SECTION 12 OR 21.1.2.3; (D) LOSSES ARISING FROM CONTRACTOR'S REPUDIATION OF, OR UNEXCUSED REFUSAL TO PERFORM, THIS AGREEMENT OR ITS FAILURE OR REFUSAL TO CONTINUE SERVICES IN VIOLATION OF SECTIONS 17.7 OR 23.3; (E) LOSSES ARISING FROM CONTRACTOR'S WITHHOLDING OF DATA IN VIOLATION OF SECTION 15.8; (F) LOSSES ARISING OUT OF THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF CONTRACTOR; (G) LOSSES ARISING FROM CONTRACTOR'S FAILURE TO PERFORM DISENTANGLEMENT IN ACCORDANCE WITH SECTION 6 AND THE DISENTANGLEMENT PLAN; AND (H) LOSSES ARISING FROM CONTRACTOR'S BREACHES OF ITS OBLIGATIONS UNDER SECTION 7.8 (DISASTER RECOVERY SERVICES) OF SCHEDULE 4.3.

(c) CONTRACTOR ACKNOWLEDGES AND AGREES THAT THE TYPES OF DAMAGES THAT THE COUNTY MAY RECOVER FROM CONTRACTOR SHALL INCLUDE ALL ADDITIONAL COSTS AND EXPENSES PAID OR INCURRED BY THE COUNTY AS A DIRECT RESULT OF ANY FAILURE BY CONTRACTOR TO PERFORM ITS OBLIGATIONS HEREUNDER, INCLUDING ANY ADDITIONAL COSTS INCURRED BY THE COUNTY TO OBTAIN REPLACEMENT SERVICES COMPLYING WITH THE TERMS HEREOF, AS WELL AS THE COST AND EXPENSE OF RESTORING ANY ALTERED, LOST OR STOLEN COUNTY DATA.

(d) EXCEPT TO THE EXTENT ANY OF THE LOSSES DESCRIBED IN (1) CLAUSES (i) - (ii) OF SUBSECTION (a), (2) CLAUSES (A) – (H) OF SUBSECTION (b), OR (3) SUBSECTION (c) MAY BE DEEMED TO BE SUCH DAMAGES, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT, OR INCIDENTAL DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF THE FORM IN WHICH ANY ACTION IS BROUGHT.

18.3. Force Majeure Events

Except as expressly provided in this Agreement, if a Force Majeure Event is the material contributing cause of a Party's failure to perform any of its obligations hereunder, such obligations, after notification by such Party to the other Party, shall be deemed suspended to the extent such obligations are directly affected by such Force Majeure Event, until the Force Majeure Event has ended and a reasonable period of time for overcoming the effects thereof has passed; provided, however, that if a Force Majeure Event results in Contractor being unable to perform directly or through an alternate source during any period any or all of the Services in accordance with the terms hereof, the County shall: (i) not be required to pay for any such Services that Contractor is unable to perform; (ii) be entitled, without the payment of the fees described in Section 17.2.1, to engage an alternate provider, on an interim basis, to perform the Services that Contractor is unable to perform directly or through an alternate source as a result of such Force Majeure Event; (iii) be entitled to a share of Contractor's resources devoted to returning Contractor to full performance of all Services hereunder, that is equal to or greater than the share of such

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resources that Contractor allocates to other of its customers with whom it has agreements that are similar to this Agreement; and (iv) have the right to terminate this Agreement in accordance with the terms of Section 17.4 hereof. Both Parties shall use their best efforts to minimize delays that occur due to a Force Majeure Event. Notwithstanding the above, Contractor shall in no event be excused from those obligations not directly affected by a Force Majeure Event , and if the Force Majeure Event is caused by Contractor's failure to comply with any of its obligations under this Agreement or by Contractor's negligence or omission, there shall be no relief from any of its obligations under this Agreement. In addition, notwithstanding any of the above, Contractor shall be obligated to provide the disaster recovery services as set forth in Schedule 4.3 at all times without regard to any Force Majeure Event.

19. INSURANCE

Without limiting Contractor's indemnification obligations to County, Contractor shall provide at its sole expense and maintain for the duration of this Agreement, or as may be further required herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Services hereunder and the results of the Services by the Contractor, his agents, representatives, employees or Subcontractors.

19.1. Minimum Scope of Insurance

Coverage shall be at least as broad as:

(a) Commercial General Liability, Occurrence form, Insurance Services Office form CG0001.

(b) Automobile Liability covering all owned, non-owned, hired auto Insurance Services Office form CA0001.

(c) Workers' Compensation, as required by State of California and Employer's Liability Insurance.

(d) Professional Errors and Omissions Liability.

(e) Fidelity coverage providing Employee Dishonesty, Forgery or Alteration, Theft, Disappearance, Destruction and Computer Fraud coverage covering all Contractor's employees, officials and agents.

(f) Property Insurance.

19.2. Minimum Limits of Insurance

Contractor shall maintain limits no less than:

(a) Commercial General Liability including Premises, Operations, Products and Completed Operations, Contractual Liability, and Independent Contractors

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Liability: $5,000,000 per occurrence for bodily injury, personal injury and property damage. The Project Specific Aggregate limit shall be $10,000,000.

(b) Automobile Liability: $1,000,000 each accident for bodily injury and property damage.

(c) Employer's Liability: $1,000,000 each accident for bodily injury or disease. Coverage shall include a waiver of subrogation endorsement in favor of County of San Diego.

(d) Professional Errors and Omissions Liability: $10,000,000 per claim with an aggregate limit of not less than $20,000,000. Any self-retained limit shall not be greater than $500,000 per occurrence/event without County's Risk Manager's approval. The coverage will not contain specific, express exclusions for design errors, destruction of data or failure to designing an adequate system arising out of Contractor's wrongful acts in the rendering of, or failure to render, professional services to the County. Coverage shall include vicarious interest endorsement to the County. If the policy contains one or more aggregate limits, a minimum of 50% of any such aggregate limit must remain available at all times; if over 50% of any such aggregate limit has been paid or reserved, County will require additional coverage to be purchased by Contractor to restore the required limits. This coverage shall be maintained for a minimum of three years following termination or completion of Contractor's Services pursuant to the Agreement.

(e) Employee Dishonesty and Computer Fraud: $10,000,000 per occurrence. Such insurance shall cover all of Contractor's employees. Coverage shall include a loss payee endorsement to the County. Any deductible or self insured retention shall be the responsibility of Contractor.

(f) Property Insurance: Contractor shall provide insurance on all property owned by Contractor and provided under this Agreement. Such policy shall provide "all risk" perils, including flood, and shall be written on a basis of one hundred percent (100%) replacement value of the property. Coverage shall include business personal property, tenant improvements, business interruption, property of others, in the care, custody, and control of the insured, and transit. Any deductible or self-insured retention shall be the responsibility of Contractor.

19.3. Deductibles and Self-Insured Retentions

Any deductible or self-insured retention must be declared to and approved by the County's Risk Manager. At the option of the County, either: (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County; or (ii) the Contractor shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

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19.4. Other Insurance Provisions

19.4.1. The general liability, automobile liability and professional liability policies are to contain, or be endorsed to contain the following provisions:

19.4.1.1. Additional Insured Endorsement (Does not apply to professional liability)

Any general liability policy provided by Contractor shall contain an additional insured endorsement applying coverage to the County of San Diego, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively.

19.4.1.2. Primary Insurance Endorsement

For any claims related to this Agreement, the Contractor's insurance coverage shall be primary insurance as respects the County, the members of the Board of Supervisors of the County and the officers, agents, employees and volunteers of the County, individually and collectively. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

19.4.1.3. Notice of Cancellation

Each required insurance policy shall state that coverage shall not be canceled by either party, except after sixty (60) days' prior written notice by mail has been given to the County at the address shown in Section 24.6.

19.4.1.4. Severability of Interest Clause

Coverage applies separately to each insured, except with respect to the limits of liability, and that an act or omission by one of the named insureds shall not reduce or avoid coverage to the other named insureds.

19.5. General Insurance Provisions

19.5.1. Qualifying Insurers

All required policies of insurance shall be issued by companies which have been approved to do business in the State of California by the State Department of Insurance, and which hold a current policy holder's alphabetic and financial size category rating of not less than A-, VII according to the current Best's Key Rating guide, or a company of equal financial stability that is approved in writing by County's Risk Manager. Such approval shall not be unreasonably withheld.

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19.5.2. Evidence of Insurance

Prior to commencement of this Agreement, but in no event later than the Effective Date of the Agreement, Contractor shall furnish the County with certificates of insurance and amendatory endorsements effecting coverage required by this clause. Contractor shall furnish a summary of the relevant terms, provisions, and conditions of the insurance policy to County. Thereafter, copies of renewal certificates and, if any of the terms, provisions or conditions as summarized by the County are changed, revised summaries shall be furnished to County within thirty (30) days of the expiration of the term of any required policy. Contractor shall permit the County at all reasonable times to inspect and review any required policies of insurance.

19.5.3. Failure to Obtain or Maintain Insurance; County's Remedies

Contractor's failure to provide insurance specified or failure to make premium payments required by such insurance, shall constitute a material breach of the Agreement, and County may, at its option, terminate the Agreement for any such default by Contractor provided that the same is not cured within thirty (30) days after Contractor's receipt of notice from the County specifying the nature of the claimed default.

19.5.4. No Limitation of Obligations

The foregoing insurance requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance by the County are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to the Agreement, including, but not limited to, the provisions concerning indemnification.

19.5.5. Review of Coverage

County retains the right at any time to review the coverage, form and amount of insurance required herein and may request Contractor to obtain insurance reasonably sufficient in coverage, form and amount to provide adequate protection against the kind and extent of risk which exists at the time a change in insurance is required.

19.5.6. Claims Made Coverage

If coverage is written on a "claims made" basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:

(i) The policy retroactive date coincides with or precedes Contractor's commencement of Services under the Agreement (including subsequent policies purchased as renewals or replacements);

(ii) Contractor will make every effort to maintain similar insurance during the required extended period of coverage following expiration of the Agreement, including the requirement of adding all additional insureds;

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(iii) If insurance is terminated for any reason, Contractor shall purchase an extended reporting provision of at least two years to report claims arising in connection with the Agreement; and

(iv) The policy allows for reporting of circumstances or incidents that might give rise to future claims.

19.5.7. Subcontractors' Insurance

Contractor shall require that any and all Subcontractors hired by Contractor are insured in accordance with this Contract. If any Subcontractors coverage does not comply with the foregoing provisions, Contractor shall defend and indemnify the County from any damage, loss, cost or expense, including attorney fees, incurred by County as a result of Subcontractors' failure to maintain required coverage.

19.5.8. Waiver of Subrogation

Contractor and County release each other, and their respective authorized representatives, from any Losses (as defined in Section 22.1 of the Agreement), but only to the extent that the proceeds received from any policy of insurance carried by County or Contractor, other than any self-insurance, covers any such Losses. Included in any policy or policies of insurance provided by Contractor hereunder shall be a standard waiver of rights of subrogation against County by the insurance company issuing said policy or policies.

20. LEGAL COMPLIANCE

20.1. Compliance with All Laws and Regulations

Contractor shall at all times perform their obligations hereunder in compliance with all applicable federal, State, and County laws and regulations (including facility and professional licensing and/or certification laws) of all applicable jurisdictions, and in such a manner as not to cause the County to be in violation of any applicable laws or regulations, including any applicable requirements of any federal, State, or County authority regulating County Data, Public Record Data, privacy, wages and hours of employment, health, sanitation, safety, the environment, or telecommunications. Contractor shall maintain and keep in effect any and all licenses, permits, notices and certifications as are required. Additionally, Contractor shall comply with the County's Affirmative Action Program for Vendors as set forth in Article IIIk (commencing at Section 84) of the San Diego County Administrative Code, which program is incorporated herein by reference. A copy of such Program shall be provided to Contractor upon its request. Nothing in this Agreement shall be deemed to transfer to Contractor any of the County's responsibilities or obligations related to the use, management, or disbursement of any funds the County receives from the federal or the State government. No provision of this Agreement, including any Work Request, shall have any force or effect if it would cause a violation of any federal or State law, ordinance, statute, rule, regulation, or order, or would require any consent or approval to prevent any such violation.

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20.2. Contractor Permits and License

Contractor shall obtain and maintain, and shall cause its Subcontractors to obtain and maintain, at no cost to the County, all approvals, permissions, permits, licenses, and other forms of documentation required in order to comply with all existing foreign or domestic statutes, ordinances, and regulations, or other laws, that may be applicable to performance of Services hereunder. The County reserves the right to reasonably request and review all such applications, permits, and licenses prior to the commencement of any Services hereunder. If requested, the County shall cooperate with Contractor, at Contractor's cost and expense, to obtain any such approvals, permits, and licenses.

20.3. Americans with Disabilities Act

Contractor shall not discriminate against qualified people with disabilities in employment, public services, transportation, public accommodations and telecommunications services in compliance with the Americans with Disabilities Act ("ADA") and California Administrative Code Title 24.

20.4. Equal Opportunity

Contractor shall comply with the provisions of Title VII of the Civil Rights Act of 1964 in that it will not discriminate against any individual with respect to his or her compensation, terms, conditions, or privileges of employment nor shall Contractor discriminate in any way that would deprive or intend to deprive any individual of employment opportunities or otherwise adversely affect his or her status as an employee because of such individual's race, color, religion, sex, national origin, age, handicap, medical condition, sexual orientation or marital status.

20.5. Non-Discrimination

Contractor shall ensure that Services and facilities are provided without regard to ethnic group identification, race, color, nation origin, creed, religion, age, sex, or physical or mental disability in accordance with Title IX of the Education Amendments of 1972; Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000-d), the Age Discrimination of 1975 (42 U.S.C. 6101), Article 9.5, Chapter 1, Part 1, Division 2, Title 2 (Section 11135, et seq) of the California Government Code, and Title 9, Chapter 4, Subchapter 6 (Section 10800, et seq.) of the CCR.

20.6. AIDS Discrimination

Contractor shall not deny any person the full and equal enjoyment of, or impose less disadvantageous terms, or restrict the availability of, the use of any Location or participation in any County funded or supported service or program on the grounds that such person has Acquired Immune deficiency Syndrome, AIDS-related complex (ARC), or AIDS-related status (ARS), as those terms are defined in Chapter 1, Section 32.1203, San Diego County Code of Regulatory Ordinances.

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20.7. Contractor Certification

Contractor represents and warrants that Contractor has not been convicted of bribing or attempting to bribe an officer or employee of the County, nor has Contractor made an admission of guilt of such conduct that is a matter of record.

20.8. Board of Supervisors' Policies

Contractor represents that it is familiar, and shall use its best efforts to comply, with the following policies of the Board of Supervisors:

(a) Policy B-67, which encourages the County's contractors to offer products made with recycled materials, reusable products, and products designed to be recycled to the County in response to the County's requirements; and

(b) Policies B-53 and B-39a, which encourage the participation of small and disabled veterans' business enterprises in County procurements.

20.9. Debarment and Suspension

20.9.1. Contractor Certification

As a sub-grantee of federal funds under this Agreement, Contractor certifies that:

(i) Contractor and its employees and Contractor's Affiliates and Subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

(ii) Contractor and its Affiliates and Subcontractors have not, within the three (3) year period preceding this Agreement, been convicted of or had a civil judgment rendered against any of them for: the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction; violation of federal or state anti-trust statutes; or the commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(iii) Contractor and its Affiliates and Subcontractors are not presently indicted or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses described in paragraph (b); and

(iv) Contractor and its Affiliates and Subcontractors have not, within the three (3) year period preceding this Agreement, had one or more public transaction (federal, State, or local) terminated for cause or default.

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20.10. Hazardous Materials

Contractor shall be responsible for compliance with all Environmental Laws and all other laws, rules, regulations, and requirements regarding Hazardous Materials, health and safety, notices, and training. Contractor agrees that it will not store any Hazardous Materials at any Location for periods in excess of ninety (90) days or in violation of the applicable site storage limitations imposed by Environmental Law. Contractor agrees to take, at its expense, all actions necessary to protect third parties, including, without limitation, employees and agents of the County, from any exposure to Hazardous Materials generated or utilized in its performance under this Agreement. Contractor agrees to report to the appropriate governmental agencies all discharges, releases, and spills of Hazardous Materials that are required to be reported by any Environmental Law and to immediately notify the County of same. Contractor shall not be liable to the County for the County's failure to comply with, or violation of, any Environmental Law.

20.11. Prohibited Contracts

Under Section 67 of the San Diego County Administrative Code, Contractor certifies that the provisions of Section 67 have not been violated, and that Contractor is not, and will not knowingly, after reasonable inquiry, subcontract with, any of the following:

(a) Persons employed by the County or by any public agency for which the Board of Supervisors is the governing body;

(b) Profit-making firms or businesses in which employees described in sub-Section (a) serve as officers, principals, partners, or major shareholders;

(c) Persons who, within the immediately-preceding twelve (12) months, came within the provisions of paragraphs (a) or (b) and who (i) were employed in positions of substantial responsibility in the area of service to be performed under this Agreement, or (ii) participated in any way in developing this Agreement or its service specifications; and

(d) Profit-making firms or businesses in which the former employees described in paragraph (c) serve as officers, principals, partners, or major shareholders.

20.12. Political Activities Prohibited

None of the funds, provided directly or indirectly, under this Agreement shall be used for any political activities or to further the election or defeat of any candidate for public office. Contractor shall not utilize or allow its name to be utilized in any endorsement of any candidate for elected office. Neither the contract nor any funds provided thereunder shall be utilized in support of any partisan political activities, or activities for or against the election of a candidate for an elected office.

20.13. Lobbying

Contractor agrees to comply with the lobbying ordinances of the County and to assure that its officers and employees comply before any appearance before the County.

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Board of Supervisors. None of the funds provided under this Agreement shall be used for publicity or propaganda purposes designed to support or defeat any legislation pending before state or federal legislatures or the Board of Supervisors of the County.

20.14. Religious Activity Prohibited

There shall be no religious worship, instructions or proselytization as part of or in connection with the performance of this Agreement.

20.15. Drug and Alcohol-Free Workplace

The County, in recognition of individual rights to work in a safe, healthful and productive work place, has adopted a requirement for a drug and alcohol free work place, County of San Diego Drug and Alcohol Use Policy C-25. This policy provides that all County-employed contractors and Contractor employees shall assist in meeting this requirement.

20.15.1. As a material condition of this Contract, the Contractor agrees that the Contractor and the Contractor employees, while performing service for the County, on County property, or while using County equipment:

(i) Shall not be in any way impaired because of being under the influence of alcohol or a drug.

(ii) Shall not possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal drug.

(iii) Shall not sell, offer, or provide alcohol or a drug to another person; provided, however, that the foregoing restriction shall not be applicable to a Contractor or Contractor employee who as part of the performance of normal job duties and responsibilities prescribes or administers medically prescribed drugs.

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20.15.2. Contractor shall inform all employees who are performing service for the County on County property or using County equipment of the County objective of a safe, healthful and productive work place and the prohibition of drug or alcohol use or impairment from same while performing such service for the County.

20.15.3. The County may terminate for default or breach this Agreement, and any other contract the Contractor has with the County, if the Contractor, or Contractor employees are determined by the Contracting Officer not to be in compliance with the conditions listed in this Section 20.15.

20.16. Cartwright Act

Following receipt of final payment under the Agreement, Contractor assigns to the County all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright act (Chapter 1) (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the Contractor for sale to the County under this Agreement.

20.17. Zero Tolerance for Fraudulent Conduct in County Services

Contractor shall comply with County of San Diego Board of Supervisors Policy A-120 "Zero Tolerance for Fraudulent Conduct in County Services." There shall be "Zero Tolerance" for fraud committed by contractors in the administration of County programs and the provision of County services. Upon proven instances of fraud committed by independent contractors in connection with their performance under the contract, said contract shall be terminated.

20.18. Family-Centered Practice, Board of Supervisors Policy E-13

Contractor shall comply with County of San Diego Board of Supervisors Policy E-13, "Family-Centered Practice." Family-centered practice addresses the needs of the whole family and is intended to promote and support community and family involvement to ensure safe and healthy environments for children.

20.19. Interlocking Directorate

In recognition of County Policy A 79, not-for-profit Contractors shall not subcontract with related for-profit subcontractors for which an interlocking relationship exist unless specifically authorized in writing by the Board of Supervisors.

20.20. Zero Tolerance In Coaching Medi-Cal Or Welfare Clients (Including Undocumented Immigrants)

The County of San Diego in recognition of its unique geographical location and the utilization of Welfare and Medi-Cal system by foreign nationals who are not legal

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residents of this county or country, has adopted a Zero Tolerance policy and shall aggressively prosecute employees and contractors who coach Medi Cal or Welfare clients (including undocumented immigrants), to obtain services for which they are not otherwise entitled.

As a material condition of this Agreement, Contractor agrees that the Contractor and Contractor's employees, while performing service for the County, on County property or while using County equipment shall not:

(a) in any way coach, instruct, advise, or guide any Medi-Cal or Welfare clients or prospective clients who are undocumented immigrants on ways to obtain or qualify for Medi-Cal assistance, for which they are not otherwise entitled.

(b) support or provide funds to any organization engaged directly or indirectly in advising undocumented immigrants on ways to obtain or qualify for Medi-Cal assistance, for which they are not otherwise entitled.

Contractor shall inform all Subcontractors and employees that are performing service for the County on County property or using County equipment of County's Zero Tolerance Policy as referenced herein.

County may terminate for default or breach this Agreement and any other contract Contractor has with County, if Contractor or Contractor employees are determined not to be in compliance with the conditions stated herein.

21. REPRESENTATIONS AND WARRANTIES

21.1. Contractor Representations, Warranties, and Related Covenants

21.1.1. Performance of the Services

Contractor represents and warrants that it is capable in all respects of providing and shall provide all Services in accordance with this Agreement. Contractor further represents and warrants that: (i) all Services provided under this Agreement shall be provided in a timely, professional, and workmanlike manner consistent with the highest standards of quality and integrity and shall meet the performance standards required under this Agreement; and (ii) no amendment to this Agreement or additional cost or expense shall be required by Contractor in order for it to be able to perform the Services in accordance with the MASLs.

21.1.2. Conflict of Interest

Contractor represents, warrants, and agrees that:

21.1.2.1. No Financial Interest

Neither Contractor or any of its Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or

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other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the County under this Agreement or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement; and Contractor shall promptly inform the County of any such interest that may be incompatible with the interests of the County;

21.1.2.2. No Abuse of Authority for Financial Gain

Neither Contractor or any of its Affiliates, nor any employee of either, has used or shall use the authority provided or to be provided under this Agreement to obtain financial gain for Contractor, or any such Affiliate or employee, or a member of the immediate family of any such employee;

21.1.2.3. No Use of Information for Financial Gain

Neither Contractor or any of its Affiliates, nor any employee of either, has used or shall use any County Confidential Information acquired in the award or performance of the Agreement to obtain financial gain for Contractor, or any such Affiliate or employee, or a member of the immediate family of any such employee;

21.1.2.4. Independent Judgment

Neither Contractor or any of its Affiliates, nor any employee of either, has accepted or shall accept another County contract that would impair the independent judgment of Contractor in the performance of this Agreement;

21.1.2.5. No Influence

Neither Contractor or any of its Affiliates, nor any employee of either, has accepted or shall accept anything of value based on an understanding that the actions of Contractor or any such Affiliate or employee on behalf of the County would be influenced; and Contractor shall not attempt to influence any County employee by the direct or indirect offer of anything of value;

21.1.2.6. No Payment Tied to Award

Neither Contractor or any of its Affiliates, nor any employee of either, has paid or agreed to pay any Person, other than bona fide employees working solely for Contractor or such Affiliate or its Subcontractors, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement; and

21.1.2.7. Independent Prices, Terms and Conditions

The prices, terms and conditions presented in the Responses were arrived at independently, without consultation, communication, or agreement with any other proposer for the purpose of restricting competition; the prices, terms and conditions quoted were not knowingly disclosed by Contractor to any other

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proposer; and no attempt was made by Contractor to induce any other Person to submit or not to submit a proposal for the purpose of restricting competition.

21.1.3. Financial Condition and Information

21.1.3.1. Financial Condition

Contractor represents and warrants that it has, and promises that it shall maintain throughout the Term, a financial condition commensurate with the requirements of this Agreement. If, during the Term, Contractor experiences a change in its financial condition that may adversely affect its ability to perform under this Agreement, then it shall immediately notify the County of such change.

21.1.3.2. Accuracy of Information

Contractor represents and warrants that all financial statements, reports, and other information furnished by Contractor to the County in connection with the award of this Agreement fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, or other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there has been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.

21.1.4. Litigation and Service of Process

Contractor represents that there is no pending or anticipated civil or criminal litigation in any judicial or administrative forum that involves Contractor or any of its Affiliates or Subcontractors that may adversely affect Contractor's ability to perform its obligations under this Agreement. Contractor shall notify the County, within fifteen (15) days after its occurrence, of any such pending or anticipated civil or criminal litigation. Contractor shall notify the County, within five (5) business days in the event process is served on Contractor in connection with this Agreement, including any subpoena of Contractor's records, and shall send a written notice of the service together with a copy of the same to the County within seven (7) business days after such service. If Contractor fails to notify the County of any such pending or anticipated civil or criminal litigation or service of process within such times, the County may terminate this Agreement pursuant to the provisions of Section 17.3.

21.1.5. Proprietary Rights Infringement

Contractor represents and warrants that at no time during the Term shall the use of any services, techniques, materials or products provided or used by Contractor, or its Affiliates or Subcontractors, in performing the Services (including, but not limited to the Contractor Works, Third Party Works and Work Product), or the use thereof by the County, infringe upon any third party's patent, trademark, copyright, or other intellectual-property right, nor shall Contractor misappropriate any trade secrets or make use of any misappropriated trade secrets in the performance of Services hereunder.

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21.1.6. Legal and Corporate Authority

Contractor represents and warrants that: (i) it is a Delaware corporation, and is qualified and registered to transact business in all locations where the performance of its obligations hereunder would require such qualification; (ii) it has all necessary rights, powers, and authority to enter into and perform this Agreement, and the execution, delivery, and performance of this Agreement by Contractor has been duly authorized by all necessary corporate action; (iii) the execution and performance of this Agreement by Contractor shall not violate any law, statute, or regulation and shall not breach any agreement, covenant, court order, judgment, or decree to which Contractor is a party or by which it is bound; (iv) it has, and promises that it shall maintain in effect, all governmental licenses and permits necessary for it to provide the Services contemplated by this Agreement; and (v) it owns or leases and promises that it shall own or lease, free and clear of all liens and encumbrances, other than lessors' interests, or security interests of Contractor's lenders, all right, title, and interest in and to the tangible property and technology and the like that Contractor intends to use or uses to provide such Services and in and to the related patent, copyright, trademark, and other proprietary rights, or has received appropriate licenses, leases, or other rights from third parties to permit such use.

21.1.7. Violations

Contractor represents and warrants that it is not, and promises that it shall not be, in violation of any laws, ordinances, statutes, rules, regulations, or orders of governmental or regulatory authorities to which it is subject, and has not failed, and shall not fail, to obtain any licenses, permits, franchises, or other governmental authorizations necessary for the ownership of its properties or the conduct of its business, which violation or failure, either individually or in the aggregate, might adversely affect its business, properties, or financial condition, the consummation of the transactions contemplated by this Agreement, or the performance of its obligations hereunder.

21.1.8. Information Furnished to the County

Contractor represents and warrants that all written information furnished to the County prior to the Effective Date by or on behalf of Contractor in connection with this Agreement is true, accurate, and complete, and contains no untrue statement of a material fact or omits any material fact necessary to make such information not misleading.

21.1.9. Previous Participation in Outsourcing Process

Contractor represents and warrants that neither it, nor any of its Affiliates or Subcontractors that will provide Services at any time under this Agreement, directly or indirectly participated in any of the following activities on behalf of the County with respect to this Agreement: (i) preparation of any Request for Proposal; (ii) development of bid specifications or proposal requirements; (iii) evaluation of bids or proposals; or (iv) negotiations with potential prime contractors.

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21.1.10. Previous Contracts

Contractor represents and warrants that neither it, nor any of its Affiliates or Subcontractors, is in default or breach of any other contract or agreement related to information systems or telecommunication system facilities, equipment, or services that it or they may have with the County or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that neither it, nor any of its Affiliates or Subcontractors, has been a party to any contract for information system or telecommunication system facilities, equipment, or services with the County or any of its departments that was finally terminated by the County or such department within the previous five (5) years for the reason that Contractor or such Person failed to perform or otherwise breached an obligation of such contract. Contractor shall notify the County, within five (5) days of its occurrence, if it, or any of its Affiliates or Subcontractors, is a party to any contract for information system or telecommunication system facilities, equipment, or services with any federal, State, County, or municipal body, or any agency thereof, which contract is finally terminated by such body for the reason that Contractor or such Person failed to perform or otherwise breached an obligation of such contract. If the termination of any such contract is being contested as of the Signing Date in an arbitration or judicial proceeding, the termination shall not be final until the conclusion of such arbitration or judicial proceeding. If the factfinder determines, or a settlement stipulates, that Contractor or such Person failed to perform or otherwise breached an obligation of such contract, County may terminate this Agreement at the County's sole discretion without County incurring any additional charges whatsoever for such termination.

21.2. County's Representations, Warranties, and Covenants

21.2.1. Legal Authority

The County represents and warrants that it has all necessary rights, powers, and authority to enter into and perform this Agreement; that the execution, delivery, and performance of this Agreement by the County have been duly authorized by all necessary action of the County's Board of Supervisors.

21.2.2. Disclaimer

The County does not make any representation or warranty, express or implied, with respect to the Services or any component thereof, or the skills, capabilities, or medical or other condition of any Transitioned Employees. All hardware, software, networks, and other IT- and telecommunications-related assets made available or conveyed by the County and/or Legacy Provider to Contractor under this Agreement are made available or conveyed to Contractor "AS IS, WHERE IS" and there are no warranties of any kind with respect to the condition, capabilities, or other attributes of such items, except as otherwise expressly stated in this Agreement.

21.3. Warranty Disclaimer

EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THERE ARE NO EXPRESS WARRANTIES BY EITHER PARTY. THERE ARE NO IMPLIED

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WARRANTIES OR CONDITIONS, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE.

21.4. Waiver

Having had reasonable access to pertinent County information and County personnel, and a reasonable time within which to perform due diligence investigation, and having taken into account the possibility that the information it has received might possibly be incorrect or incomplete, Contractor hereby waives and releases any and all claims that it now has or hereafter may have against the County based upon the inaccuracy or incompleteness of the information it has received from, or with regard to, the County. Further, Contractor consents and agrees that it shall not seek any judicial rescission, cancellation, termination, reformation, or modification of this Agreement or any provision hereof, nor any adjustment in the fees to be paid for the Services, based upon any such inaccuracy or incompleteness of information except where such information was intentionally withheld or intentionally misrepresented.

22. INDEMNIFICATION

22.1. Technology

Contractor shall indemnify, defend, and hold the County Indemnitees harmless from and against any and all Losses in connection with any and all claims or demands brought by any third party against any of them for any actual or alleged infringement of any patent, trademark, copyright, or other proprietary right, including misappropriation of trade secrets, (i) based upon technology or intellectual property used by Contractor (including but not limited to Contractor Works, Third Party Works and Work Product) in providing the Services, or (ii) arising from the County's use or receipt of the Services (including but not limited to the use or receipt of the Contractor Works, Third Party Works and Work Product or the exercise of any Intellectual Property Rights therein), (each such claim or demand, an, "Infringement Claim"). Also, notwithstanding the foregoing, Contractor shall defend, indemnify, and hold harmless the County Indemnitees from and against all Losses that could have been avoided by moving to a new release or version of the infringing software if such new release or version was reasonably available to Contractor and Contractor did not move to same. In the event of an Infringement Claim in which the County's right to use any technology or intellectual property is enjoined, Contractor shall either procure a license to enable the County to continue to use or receive the benefit of such technology or intellectual property or develop or obtain a non-infringing substitute acceptable to the County. Contractor shall have no obligation to indemnify, defend or hold the County Indemnitees harmless regarding any claim or action to the extent that it is based solely upon: (i) a modification of a program or machine by the County, any third-party contractor of the County that is not a Subcontractor, or any agent of the County that was not otherwise approved by Contractor; or (ii) the County's combination, operation, or use with apparatus, data, or programs neither furnished nor approved by Contractor nor contemplated by the Parties.

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22.2. Injury, Property, or Other Damage

Without limiting Contractor's obligations with respect to insurance as provided in Section 19 hereof, Contractor shall indemnify, defend, and hold the County Indemnitees harmless with respect to any and all Losses related to any third-party claim alleging bodily injury or death, damage to tangible personal or real property, or any other damage or violation, notwithstanding the form in which any such action is brought (e.g., contract, tort, or otherwise), to the extent arising directly or indirectly from acts, errors, or omissions that constitute negligence, willful misconduct, or violations of law, by Contractor or its personnel, agents, or Subcontractors.

22.3. Third-Party Contracts

Contractor shall indemnify, defend, and hold the County Indemnitees harmless from and against any and all Losses based upon or related to third-party services utilized by Contractor in providing Services or based upon an alleged breach by Contractor of any third party agreement used by Contractor to provide the Services.

22.4. Misrepresentation

Contractor shall indemnify, defend, and hold the County Indemnitees harmless with respect to any and all Losses related to any third-party claim based upon or resulting from (i) any misrepresentation by Contractor in this Agreement, or (ii) theft, fraud, misappropriation of tangible or intangible personal property by Contractor or any Subcontractor, or by the officers, directors, Affiliates, employees, agents, representatives, or subcontractors of any of the foregoing.

22.5. Transitioned Employees

Contractor shall indemnify, defend, and hold the County Indemnitees harmless from and against any claim by any Transitioned Employee, and any and all Losses sustained or incurred by such County Indemnitees, based upon or resulting from any act by Contractor or its Subcontractors on or after the Cutover Date on which such Transitioned Employees transitioned to the employ of Contractor or a Subcontractor, or any allegation that such Transitioned Employee was wrongfully terminated by Contractor or was denied any severance or termination payment upon leaving the employ of Contractor. Contractor shall indemnify, defend, and hold harmless the County Indemnitees from and against any claim, and any and all Losses sustained or incurred by the County, by any of Contractor's employees (excluding Transitioned Employees) based upon or resulting from any act by Contractor.

22.6. Hazardous Material

Contractor shall indemnify, defend, and hold the County Indemnitees harmless from and against any claim by any third party and any and all Losses sustained or incurred by such County Indemnitees as a result of: (i) Contractor's failure to comply in all material respects with any applicable Environmental Laws; (ii) the presence of any Hazardous Material upon, above, or beneath Contractor's facilities or locations, if the

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Hazardous Material was present or if the Hazardous Material was released into the environment by Contractor; or (iii) Contractor's breach of Section 20.10.

22.7. Proprietary Information Disclosure

Contractor shall indemnify, defend, and hold the County Indemnitees harmless from and against any and all Losses based upon or resulting from any third-party claim or challenge with respect to the disclosure or nondisclosure of Contractor Confidential Information or its Subcontractors' confidential or proprietary information under the California Public Records Act, or other applicable statutes or regulations, except to the extent that the County has failed to comply with its applicable policies with respect to the disclosure of such information.

22.8. General Obligation

Contractor's indemnity obligations under Sections 22.1, 22.2, 22.3, 22.4, 22.5, 22.6, and 22.7 of this Agreement also extend to third-party claims and associated Losses caused by the concurrent passive or vicarious negligence of any County Indemnitee. However, Contractor shall have no obligation to defend or indemnify the County Indemnitees to the extent third-party claims and associated Losses are caused by the active negligence, sole negligence, or willful misconduct of the County Indemnitees. If any legal action governed by this Section 22 is commenced against a County Indemnitee or a Contractor Indemnitee, such Party shall give written notice thereof to the indemnifying Party promptly after such legal action is commenced; provided, however, that failure to give prompt notice shall not reduce the indemnifying Party's obligations under this Section 22.8, except to the extent the indemnifying Party is prejudiced thereby. After such notice, if the indemnifying Party shall acknowledge in writing to the other Party that the right of indemnification under this Agreement applies with respect to such claim, then the indemnifying Party shall be entitled, if it so elects in a written notice delivered to the other Party not fewer than ten (10) days prior to the date on which a response to such claim is due, to take control of the defense and investigation of such claim and to employ and engage attorneys of its choice, that are reasonably satisfactory to the other Party, to handle and defend same, at the indemnifying Party's expense. The other Party shall cooperate in all reasonable respects with the indemnifying Party and its attorneys in the investigation, trial, and defense of such claim and any appeal arising therefrom; provided, however, that the other Party may participate, at its own expense, through its attorneys or otherwise, in such investigation, trial, and defense of such claim and any appeal arising therefrom. No settlement of a claim that involves a remedy other than the payment of money by the indemnifying Party shall be entered into by the indemnifying Party without the prior written consent of the other Party, which consent may be withheld in the other Party's sole discretion. If the indemnifying Party does not assume the defense of a claim subject to such defense as provided in this Section, the indemnifying Party may participate in such defense, at its expense, and the other Party shall have the right to defend the claim in such manner as it may deem appropriate, at the expense of the indemnifying Party.

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23. DISPUTE RESOLUTION

23.1. Procedures

If a dispute arises, the Parties' respective designated representatives shall meet and negotiate in good faith the resolution of such dispute. If such dispute cannot be promptly resolved, the County's representative and Contractor's Contract Manager shall meet and negotiate in good faith in order to resolve such dispute within ten (10) days after the date that written notice of dispute is delivered by the disputing Party to the other Party. If the County's representative and the Contract Manager have resolved the dispute, such Persons shall reduce the resolution to writing and each Party shall commence the resolution of the dispute in accordance therewith. In the event the County's representative and the Contract Manager have failed to resolve the dispute within ten (10) days after the referral of the dispute to them, the Parties shall refer the dispute to the County's CIO and a designated representative at an appropriate higher level in Contractor's organization for resolution. If the CIO and the Contractor's designated representative have resolved the dispute, such Persons shall reduce the resolution to writing and each Party shall commence the resolution of the dispute in accordance therewith. In the event the CIO and the Contractor's designated representative have failed to resolve the dispute within thirty (30) days after the referral of the dispute to them, the Parties shall refer the dispute to the County's Assistant Chief Administrative Officer and the Contractor's Business Unit President. If the County's Assistant Chief Administrative Officer and the Contractor's Business Unit President are unable to resolve the Dispute, then the controversy may be resolved through any form of alternative dispute resolution as the Parties may agree or referred to a court of competent jurisdiction in the State of California. Notwithstanding the foregoing, either party shall be permitted to institute legal action under this Agreement on account of any such dispute without resorting to any or all of the dispute resolution procedure set forth herein.

23.2. De Minimis Disputes

Notwithstanding anything to the contrary provided in this Section 23 or elsewhere in this Agreement, if: (i) the County requests services, products, or resources from Contractor and the Parties disagree after good faith discussions as to whether any such request is within the scope of the Services; and (ii) the financial impact on Contractor of satisfying such request, when aggregated with all other requests disputed and subject to this Section 23.2 in an applicable Contract Year, is less than one hundred twenty-five thousand dollars ($125,000.00), then the disagreement shall not be deemed a Problem, but absent mutual agreement of the Parties through the Management Committee, shall be deemed resolved in the County's favor; provided that the County provides to the Contractor a written notice expressly exercising its rights under this Section 23.2.

23.3. No Termination or Suspension of Services

Notwithstanding anything to the contrary contained herein, and even if any Problem or other dispute arises between the Parties and regardless of whether or not it requires at any time the use of any dispute resolution procedures established by the Parties in writing, in no event nor for any reason shall Contractor interrupt the provision of Services to

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the County or any obligations related to Disentanglement, disable any hardware or software used to provide Services, or perform any other action that prevents, impedes, or reduces in any way the provision of Services or the County's ability to conduct its activities, unless: (i) authority to do so is granted by the County or conferred by a court of competent jurisdiction; or (ii) the Term of this Agreement has been terminated or has expired pursuant to Section 17 hereof and a Disentanglement satisfactory to the County has been completed.

23.4. No Limitation on County Remedies for Default

The procedures established pursuant to this Section 23 shall not be deemed to limit the County's rights under Section 17 or either Party's rights under Section 18 in connection with a Default by either Party.

24. OTHER MISCELLANEOUS

24.1. Entire Agreement

This Agreement, including the Schedules and Exhibits hereto, constitutes the entire understanding and agreement between the Parties with respect to the transactions contemplated herein and supersedes all prior or contemporaneous oral or written communications with respect to the subject matter hereof, all of which are merged herein. No usage of trade, or other regular practice or method of dealing between the Parties or others, may be used to modify, interpret, supplement, or alter in any manner the express terms of this Agreement.

24.2. Order of Precedence

In the event of conflict in substance or impact between the terms and conditions contained in Sections 1 through 24 of this Agreement and any terms and conditions contained in any Schedule, Attachment, or Exhibit hereto, the terms and conditions contained in this Agreement shall control.

24.3. Updates

The information contained in the Schedules, Attachments, Exhibits, and Appendixes hereto will be updated in a timely manner by the Contractor, at no additional cost, from time to time during the Term to accurately reflect the evolution of the Services and components and elements of the Services as described therein, and such updates will be delivered to the County for the County's approval, and, upon the County's approval, will be incorporated into the Agreement.

24.4. Captions; References; Terminology

Captions, Tables of Contents, Indices of Definitions, and Schedule and Exhibit titles are used herein for convenience of reference only and may not be used in the construction or interpretation of this Agreement. Any reference herein to a particular Section number (e.g., "Section 2"), shall be deemed a reference to all Sections of this Agreement that bear sub-numbers to the number of the referenced Section (e.g., Sections 2.1,

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2.1.1, etc.). Any reference herein to a particular Schedule or Exhibit (e.g., Schedule 4.3) shall be deemed a reference to the Schedule hereto that bears the same number. As used herein, the word "including" shall mean "including, but not limited to." The Parties agree that the use of the phrase "at no additional cost" or similar throughout this Agreement is to provide additional clarity and is not intended to create any inference that Contractor may impose additional charges (other than those set forth in Schedule 16.1) with respect to any Contractor obligations hereunder the description of which is not accompanied by such phrase or similar phrase. Any reference in this Agreement to "days" shall mean calendar days unless expressly identified as "business days."

24.5. Assignment

Except for subcontracting permitted under the terms of Section 14 hereof, neither this Agreement, nor any interest therein, nor any of the rights and obligations of Contractor hereunder, may be directly or indirectly assigned, sold, delegated, or otherwise disposed of by Contractor, in whole or in part, without the prior written consent of the County, which may be withheld in its sole discretion. For purposes hereof, an "assignment" subject to the terms and conditions of this Section 24.5 shall be deemed to have occurred in the event of any change in control of Contractor (whether resulting from a single transaction or series of related transactions), restructuring of Contractor, transfer or removal of a material amount of assets from Contractor, or assumption of debt by Contractor that results in Contractor's net worth being materially less than it was on the Effective Date. Notwithstanding anything to the contrary in this Agreement, Contractor shall not assign its interest in the Fees payable to Contractor under this Agreement, grant any security interest in any of the assets used to perform the Services, use this Agreement as security or collateral for any purpose, or otherwise take any similar or other action that encumbers, impedes, hinders, or otherwise adversely impacts the County's ability to receive the full benefit of the Services contemplated under this Agreement, or to exercise any of its rights or remedies to the full extent permitted under this Agreement; without first obtaining in each instance the express, prior written consent of the County, which may be withheld in the County's sole discretion. If the County so grants its consent, such consent shall be conditioned on: (i) the third party to which Contractor assigns such rights or grants such interests agreeing in writing to never exercise such rights in a manner that would encumber, impede, hinder, or otherwise adversely impact the County's ability to receive the full benefit of the Services contemplated under this Agreement or to exercise any of its rights or remedies to the full extent permitted under this Agreement, and (ii) Contractor being fully responsible for all administrative costs and burdens related to such assignment of rights or grant of interest, or required by the third party to which Contractor assigns such rights or grants such interests.

24.6. Notices to a Party

Except as expressly otherwise stated herein, all notices, requests, consents, approvals, or other communications provided for, or given under, this Agreement, shall be in writing and shall be deemed to have been duly given to a Party if delivered personally, or transmitted by facsimile or electronic mail to such Party at its telecopier number or e-mail address set forth below (with the original sent by recognized overnight courier or first-class mail to the Party at its address set forth below), or sent by first class mail or overnight courier

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to such Party at its address set forth below, or at such other telecopier number or address, as the case may be, as shall have been communicated in writing by such Party to the other Party in accordance with this Section. All notices shall be deemed given when received in the case of personal delivery or delivery by mail or overnight courier, or when sent in the case of transmission by facsimile or electronic mail with a confirmation, if confirmed by copy sent by overnight courier within one (1) day of sending the facsimile or electronic mail.

Notices to the County shall be addressed as follows:

County of San Diego
Chief Information Officer
1600 Pacific Highway
Room 306F
San Diego, California 92101

with a copy to the attention of the County's counsel and the Department of Purchasing and Contracting addressed as follows:

County of San Diego
County Counsel
1600 Pacific Highway
Room 355
San Diego, California 92101

Facsimile No.: (619) 531-5506

County of San Diego
Director of Purchasing and Contracting
~~10089 Willow Creek Road, Suite 150~~ 5560 Overland Ave, Ste. 270
San Diego, California ~~92131~~ 92123-1204

Facsimile No.: (858)-715-6454/3

Notices to Contractor shall be addressed as follows:

HP Enterprise Services, LLC
16550 West Bernardo Drive
San Diego, CA 92127
Attention: Max Pinna, Contracts Manager

Max.Pinna@hp.com

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with a copy to the attention of Contractor's counsel at:

HP Enterprise Services, LLC
5400 Legacy Drive

MS H4-1H-13

Plano, Texas, 75024

Attention: D. Joseph Meister, Senior Counsel

(972) 605 3634

Joseph.Meister@hp.com

24.7. Amendments; Waivers

Except as expressly provided herein, this Agreement may not be modified, amended, or in any way altered except by a written document duly executed by both of the Parties hereto. The County's Contracting Officer is the only County employee authorized to modify or amend this Agreement; the CIO has no authority to modify or amend this Agreement. No waiver of any provision of this Agreement, nor of any rights or obligations of any Party hereunder, shall be effective unless in writing and signed by the Party waiving compliance, and such waiver shall be effective only in the specific instance, and for the specific purpose, stated in such writing. No waiver of breach of, or default under, any provision of this Agreement shall be deemed a waiver of any other provision, or of any subsequent breach or default of the same provision, of this Agreement.

24.8. Relationship Between, and Legal Status of, the Parties

This Agreement shall not be construed to deem either Party as a representative, agent, employee, partner, or joint venturer of the other. Contractor shall be an independent contractor for the performance under this Agreement. Neither Party shall not have the authority to enter into any agreement, nor to assume any liability, on behalf of the other Party, nor to bind or commit the other Party in any manner, except as provided hereunder. Contractor's employees who provide services pursuant to this Agreement or who are located on the County's premises shall remain employees of Contractor, and Contractor shall have sole responsibility for such employees including responsibility for payment of compensation to such personnel and for injury to them in the course of their employment. Contractor shall be responsible for all aspects of labor relations with such employees including their hiring, supervision, evaluation, discipline, firing, wages, benefits, overtime and job and shift assignments, and all other terms and conditions of their employment, and the County shall have no responsibility therefor. Contractor shall defend, indemnify, and hold harmless County Indemnitees from and against any and all Losses based upon or related to a claim that Contractor's or its Subcontractors' employees are employees of the County.

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24.9. Severability

If any provision of this Agreement is determined to be invalid or unenforceable, that provision shall be deemed stricken and the remainder of this Agreement shall continue in full force and effect insofar as it remains a workable instrument to accomplish the intent and purposes of the Parties; the Parties shall replace the severed provision with the provision that will come closest to reflecting the intention of the Parties underlying the severed provision but that will be valid, legal, and enforceable.

24.10. Counterparts

This Agreement may be executed in duplicate counterparts. Each such counterpart, if executed by both Parties, shall be an original and both together shall constitute but one and the same document. This Agreement shall not be deemed executed unless and until at least one counterpart bears the signatures of both Parties' designated signatories.

24.11. Laws and Regulations

This Agreement shall be interpreted under, and governed by, the laws and court decisions of the State and the United States of America, without giving effect to the State's principles of conflicts of laws.

24.12. County Approval of Promotions

Unless specifically authorized in writing by the CIO and the County on a case-by-case basis, Contractor shall have no right to use, and shall not use, the name of the County, its departments, officials, or employees, or the seal of the County: (i) in any advertising, publicity, promotion; or (ii) to express or to imply any endorsement of Contractor's products or services; or (iii) in any other manner (whether or not similar to uses prohibited by subparagraphs (i) and (ii) above), except only to deliver the Services in accordance with this Agreement.

24.13. Venue and Jurisdiction

All actions or proceedings arising out of, or related to, this Agreement shall be brought only in an appropriate federal or state court in San Diego, California and the Parties hereby consent to the jurisdiction of such courts over themselves and the subject matter of such actions or proceedings. Contractor hereby appoints Contractor's General Counsel and his or her successors in office to be its agent upon whom any process, in any action or proceeding against it arising out of this Agreement, may be served.

24.14. Governmental Immunity

Notwithstanding any provisions to the contrary contained in this Agreement, it is agreed and understood that the County shall not be construed to have waived any rights or defenses of governmental immunity that it may have with respect to all matters arising out of this Agreement.

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24.15. No Third-Party Beneficiaries

This Agreement is an agreement between the Parties, and, except as provided in this Section 24.15, this Agreement confers no rights upon any of the Parties' employees, agents, or contractors, or upon any other Person; provided, however, that the Superior Court of California, County of San Diego shall be deemed a third-party beneficiary of this Agreement and shall have the rights, and Contractor shall have the obligations, with respect to the Superior Court of California, County of San Diego, as set forth in this Agreement.

24.16. Agreements with Governmental Entities Presented by the County

The Contractor agrees to negotiate in good faith with any California state or local government or subdivision thereof, or any entity, body or authority exercising the functions or authority of or pertaining to any state or local government, (each, a "Governmental Entity") presented to it by the County, to enter into a separate agreement with such Governmental Entities at prices and on terms and conditions in the aggregate no less favorable to such Governmental Entities than those then in effect between the Contractor and the County hereunder. Neither County nor such Governmental Entities shall have any liability for the obligations of the other (including, without limitation, any liability for any payment obligations) and the Contractor agrees not to sue or otherwise make a claim against County or hold County liable for a breach by such Governmental Entities of any agreement between Contractor and any such Governmental Entities, but rather to proceed directly and solely against such Governmental Entities. Notwithstanding anything to the contrary contained in this Agreement, County may disclose Contractor Confidential Information relating hereto to such Governmental Entities provided such Governmental Entities agree to abide by restrictions on the use of Contractor Confidential Information similar to those in Section 12.2 of this Agreement.

24.17. Expenses

Each Party shall pay all expenses paid or incurred by it in connection with the planning, negotiation, and consummation of this Agreement, subject to the provisions of Section 18.2.

24.18. Survival

The provisions of Sections 6, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, and any Sections of this Agreement that by their nature may reasonably be presumed to survive any termination or expiration of this Agreement, shall survive any termination or expiration hereof.

24.19. Neither Party Considered Drafter

Despite the possibility that one Party may have prepared the initial draft of this Agreement or played the greater role in the physical preparation of subsequent drafts, the Parties agree that neither of them shall be deemed the drafter of this Agreement and that, in construing this Agreement in case of any claim that any provision hereof may be ambiguous,

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no such provision shall be construed in favor of one Party on the ground that such provision was drafted by the other.

24.20. Non-Solicitation

Neither Contractor nor any of its Subcontractors shall directly solicit any County employee for any employment opportunities with Contractor or any Subcontractor. The County recognizes that its employees may respond to Contractor's (or its Subcontractor's) generally available advertisements, job postings, or web sites, without solicitation by Contractor or any Subcontractor. In the event that a County employee approaches Contractor (or any of its Subcontractors) in connection with an employment opportunity, Contractor (or the applicable Subcontractor) shall (i) take no action with respect to such employee other than to refer such employee to Contractor's or Subcontractor's human resources department so that the employment interest may be officially logged, and (ii) inform the County's CIO of the specific employee expressing interest in employment with Contractor or the applicable Subcontractor. Within five (5) business days, the County's CIO will inform Contractor's Contract Manager whether Contractor (or its Subcontractor) may hire the applicable County employee, and whether such employee would be allowed to provide Services to the County if hired by Contractor (or its Subcontractor). Contractor hereby agrees that neither it nor any of its Subcontractors shall hire any County employee without receiving the prior written consent of the County.

24.21. Parent Guaranty

The County has entered into this Agreement in reliance upon a written guaranty, in the form of which a copy is attached hereto as Schedule 24.21, by Hewlett-Packard Company, which guaranty has been executed and delivered to the County concurrently with the Signing Date.

****

(Signature Page Follows)

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The Parties have executed this Information Technology and Telecommunications Service Agreement on the dates of the signatures of their respective representatives below.

HP ENTERPRISE SERVICES, LLC:

BY: M. S. Poth **DATE:** 25 APRIL 2013

TITLE: Michael Poth, Vice President ES SLED

COUNTY OF SAN DIEGO

BY: John M. Pellegrino **DATE:** 5-15-13

TITLE: John M. Pellegrino, Director, Department of Purchasing & Contracting

JAN HUDSON

BY: [signature] **DATE:** April 30, 2013

TITLE: David Smith, Senior Deputy County Counsel, Office of County Counsel