

WHATCOM COUNTY CONTRACT INFORMATION SHEET

Whatcom County Contract No.

Originating Department:	Information Technology / Superior Court Administration
Division/Program: (i.e. Dept. Division and Program)	TBD
Contract or Grant Administrator:	Perry Rice / Stephanie Kraft
Contractor's / Agency Name:	Handel Information Technologies, Inc.

Is this a New Contract? If not, is this an Amendment or Renewal to an Existing Contract? Yes ☐ No ☒ If Amendment or Renewal, (per WCC 3.08.100 (a)) Original Contract #: _____

Does contract require Council Approval? Yes ☒ No ☐ If No, include WCC: _____
Already approved? Council Approved Date: _____ (Exclusions see: Whatcom County Codes 3.06.010, 3.08.090 and 3.08.100)

Is this a grant agreement? Yes ☐ No ☒ If yes, grantor agency contract number(s): _____ CFDA#: _____

Is this contract grant funded? Yes ☒ No ☐ If yes, Whatcom County grant contract number(s): _____ State AOC / Water Adjudication / 202312003

Is this contract the result of a RFP or Bid process? Contract
Yes ☐ No ☒ If yes, RFP and Bid number(s): Add to Existing Software Cost Center: 3115 / 10007053

Is this agreement excluded from E-Verify? No ☐ Yes ☒ If no, include Attachment D Contractor Declaration form.

If YES, indicate exclusion(s) below:

- ☒ Professional services agreement for certified/licensed professional. ☐ Goods and services provided due to an emergency
☒ Contract work is for less than \$100,000. ☒ Contract for Commercial off the shelf items (COTS).
☐ Contract work is for less than 120 days. ☐ Work related subcontract less than \$25,000.
☐ Interlocal Agreement (between Governments). ☐ Public Works - Local Agency/Federally Funded FHWA.

Contract Amount:(sum of original contract amount and any prior amendments):

\$ 54,835.12

This Amendment Amount:

\$

Total Amended Amount:

\$

Summary of Scope:

Council approval required for; all property leases, contracts or bid awards **exceeding \$40,000**, and professional service contract amendments that have an increase greater than \$10,000 or 10% of contract amount, whichever is greater, **except when:**

1. Exercising an option contained in a contract previously approved by the council.
2. Contract is for design, construction, r-o-w acquisition, prof. services, or other capital costs approved by council in a capital budget appropriation ordinance.
3. Bid or award is for supplies.
4. Equipment is included in Exhibit "B" of the Budget Ordinance.
5. Contract is for manufacturer's technical support and hardware maintenance of electronic systems and/or technical support and software maintenance from the developer of proprietary software currently used by Whatcom County.

Request authorization for the County Executive to enter into an agreement between Whatcom County and Handel Information Technologies, Inc. for the purchase and implementation of case management software to support the Water Adjudication proceeding in the amount of \$54,835.12

Term of Contract: Onetime Items - 3 Months (Complete by June 30, 2025) Expiration Date: Annual hosting and maintenance subscription is ongoing

Contract Routing:	1. Prepared by: P. Rice	Date: 3/10/2025
	2. Attorney signoff: <u>[Signature]</u>	Date: <u>3/10/25</u>
	3. AS Finance reviewed: A. Tan E-Mail OK	Date: 3/13/2025
	4. IT reviewed (if IT related): P. Rice <u>[Signature]</u>	Date: 3/10/2025
	5. Contractor signed: _____	Date: _____
	6. Submitted to Exec.: _____	Date: _____
	7. Council approved (if necessary): _____	Date: _____
	8. Executive signed: _____	Date: _____
	9. Original to Council: _____	Date: _____

CONTRACT FOR SERVICES
Between Whatcom County and Handel Information Technologies, Inc.

Handel Information Technologies, Inc., hereinafter called **Contractor** and Whatcom County, hereinafter referred to as **County**, agree and contract as set forth in this Agreement, including:

General Conditions,	pp. 1 to 13
Exhibit A (Scope of Work),	pp. A1 to A24,
Exhibit B (Compensation),	pp. B1 to B1,
Exhibit C (Certificate of Insurance)	pp. C0 to C24,
Exhibit D (RiteTrack Software Hosting Agreement)	pp. D1 to D10.

Copies of these items are attached hereto and incorporated herein by this reference as if fully set forth herein.

The term of this Agreement shall commence on the date of execution, and shall, unless terminated or renewed as elsewhere provided in the Agreement, continue perpetually.

The general purpose or objective of this Agreement is to: acquire the software licenses and services to implement the Handel RiteTrack case management system for water adjudication by June 30, 2025, as more fully and definitively described in Exhibit A hereto. The language of Exhibit A controls in case of any conflict between it and that provided here.

The maximum consideration for the one-time software licenses, consulting services and the initial year of annual software maintenance, support and hosting in this agreement shall not exceed \$54,835.12. The provisions and costs for ongoing annual software maintenance, support and hosting can be found in Exhibit A.

The Contract Number, set forth above, shall be included on all billings or correspondence in connection therewith.

Contractor acknowledges and by signing this contract agrees that the Indemnification provisions set forth in Paragraphs 11.1, 21.1, 30.1, 31.2, 32.1, 34.2, and 34.3, if included, are totally and fully part of this contract and have been mutually negotiated by the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement this ____ day of _____, 20 ____.

Each signatory below to this Contract warrants that he/she is the authorized agent of the respective party; and that he/she has the authority to enter into the contract and to bind the party thereto.

CONTRACTOR:

By: 
 Joshua Becker, CEO
 Handel Information Technologies, Inc.

CONTRACTOR INFORMATION:

Contact Name: Joshua Becker, CEO
 Address: P.O. Box 1453, Laramie, WY 82073

WHATCOM COUNTY:

Recommended for Approval:

 3/10/25
Superior and Juvenile Court Administrator Date

 3/10/2025
IT Director Date

Approved as to form:

 3/10/25
Prosecuting Attorney Date

Approved:

Accepted for Whatcom County:

By: _____
Satpal Singh Sidhu, Whatcom County Executive

GENERAL CONDITIONS

Series 00-09: Provisions Related to Scope and Nature of Services

0.1 Scope of Services:

The Contractor agrees to provide to the County services and any materials as set forth in the project narrative identified as Exhibit "A", during the agreement period. No material, labor, or facilities will be furnished by the County, unless otherwise provided for in the Agreement.

Series 10-19: Provisions Related to Term and Termination

10.1 Term:

Services provided by Contractor prior to or after the term of this contract shall be performed at the expense of Contractor and are not compensable under this contract unless both parties hereto agree to such provision in writing. The term of this Agreement may be extended by mutual agreement of the parties; provided, however, that the Agreement is in writing and signed by both parties.

10.2 Extension:

The duration of this Agreement may be extended by mutual written consent of the parties, for a period of up to one year, and for a total of no longer than three years.

11.1 Termination for Default:

If the Contractor defaults by failing to perform any of the obligations of the contract or becomes insolvent or is declared bankrupt or commits any act of bankruptcy or insolvency or makes an assignment for the benefit of creditors, the County may, by depositing written notice to the Contractor in the U.S. mail, first class postage prepaid, terminate the contract, and at the County's option, obtain performance of the work elsewhere. Termination shall be effective upon Contractor's receipt of the written notice, or within three (3) days of the mailing of the notice, whichever occurs first. If the contract is terminated for default, the Contractor shall not be entitled to receive any further payments under the contract until all work called for has been fully performed. Any extra cost or damage to the County resulting from such default(s) shall be deducted from any money due or coming due to the Contractor. The Contractor shall bear any extra expenses incurred by the County in completing the work, including all increased costs for completing the work, and all damage sustained, or which may be sustained by the County by reason of such default.

11.2 Termination for Reduction in Funding:

In the event that funding from State, Federal or other sources is withdrawn, reduced, or limited in any way after the effective date of this Agreement, and prior to its normal completion, the County may summarily terminate this Agreement as to the funds withdrawn, reduced, or limited, notwithstanding any other termination provisions of this Agreement. If the level of funding withdrawn, reduced or limited is so great that the County deems that the continuation of the programs covered by this Agreement is no longer in the best interest of the County, the County may summarily terminate this Agreement in whole, notwithstanding any other termination provisions of this Agreement. Termination under this section shall be effective upon receipt of written notice as specified herein, or within three days of the mailing of the notice, whichever occurs first.

11.3 Termination for Public Convenience:

The County may terminate the Agreement in whole or in part whenever the County determines, in its sole discretion, that such termination is in the interests of the County. Whenever the Agreement is terminated in accordance with this paragraph, the Contractor shall be entitled to payment for actual work performed at unit contract prices for completed items of work. An equitable adjustment in the contract price for partially completed items of work will be made, but such adjustment shall not include provision for loss of anticipated profit on deleted or uncompleted work. Termination of this Agreement by the County at any time during the term, whether for default or convenience, shall not constitute breach of contract by the County.

Series 20-29: Provisions Related to Consideration and Payments

20.1 Accounting and Payment for Contractor Services:

Payment to the Contractor for services rendered under this Agreement shall be as set forth in Exhibit "B." Where Exhibit "B" requires payments by the County, payment shall be based upon written claims supported, unless otherwise provided in Exhibit "B," by documentation of units of work actually performed and amounts earned, including, where appropriate, the actual number of days worked each month, total number of hours for the month, and the total dollar payment requested, so as to comply with municipal auditing requirements.

Unless specifically stated in Exhibit "B" or approved in writing in advance by the official executing this Agreement for the County or his designee (hereinafter referred to as the "Administrative Officer") the County will not reimburse the Contractor for any costs or expenses incurred by the Contractor in the performance of this contract. Where required, the County shall, upon receipt of appropriate documentation, compensate the Contractor, no more often than monthly, in accordance with the County's customary procedures, pursuant to the fee schedule set forth in Exhibit "B."

21.1 Taxes:

The Contractor understands and acknowledges that the County will not withhold Federal or State income taxes. Where required by State or Federal law, the Contractor authorizes the County to withhold for any taxes other than income taxes (i.e., Medicare). All compensation received by the Contractor will be reported to the Internal Revenue Service at the end of the calendar year in accordance with the applicable IRS regulations. It is the responsibility of the Contractor to make the necessary estimated tax payments throughout the year, if any, and the Contractor is solely liable for any tax obligation arising from the Contractor's performance of this Agreement. The Contractor hereby agrees to indemnify the County against any demand to pay taxes arising from the Contractor's failure to pay taxes on compensation earned pursuant to this Agreement.

The County will pay sales and use taxes imposed on goods or services acquired hereunder as required by law. The Contractor must pay all other taxes, including, but not limited to, Business and Occupation Tax, taxes based on the Contractor's gross or net income, or personal property to which the County does not hold title. The County is exempt from Federal Excise Tax.

22.1 Withholding Payment:

In the event the County's Administrative Officer determines that the Contractor has failed to perform any obligation under this Agreement within the times set forth in this Agreement, then the County may withhold from amounts otherwise due and payable to Contractor the amount determined by the County as necessary to cure the default, until the Administrative Officer determines that such failure to perform has been cured. Withholding under this clause shall not be deemed a breach entitling Contractor to termination or damages, provided that the County promptly gives notice in writing to the Contractor of the nature of the default or failure to perform, and in no case more than 10 days after it determines to withhold amounts otherwise due. A determination of the Administrative Officer set forth in a notice to the Contractor of the action required and/or the amount required to cure any alleged failure to perform shall be deemed conclusive, except to the extent that the Contractor acts within the times and in strict accord with the provisions of the Disputes clause of this Agreement. The County may act in accordance with any determination of the Administrative Officer which has become conclusive under this clause, without prejudice to any other remedy under the Agreement, to take all or any of the following actions: (1) cure any failure or default, (2) to pay any amount so required to be paid and to charge the same to the account of the Contractor, (3) to set off any amount so paid or incurred from amounts due or to become due the Contractor. In the event the Contractor obtains relief upon a claim under the Disputes clause, no penalty or damages shall accrue to Contractor by reason of good faith withholding by the County under this clause.

23.1 Labor Standards:

The Contractor agrees to comply with all applicable state and federal requirements, including but not limited to those pertaining to payment of wages and working conditions, in accordance with RCW 39.12.040, the Prevailing Wage Act; the Americans with Disabilities Act of 1990; the Davis-Bacon Act; and the Contract Work Hours and Safety Standards Act providing for weekly payment of prevailing wages, minimum overtime pay, and providing that no laborer or mechanic shall be required to work in surroundings or under conditions which are unsanitary, hazardous, or dangerous to health and safety as determined by regulations promulgated by the Federal Secretary of Labor and the State of Washington.

Series 30-39: Provisions Related to Administration of Agreement

30.1 Independent Contractor:

In providing services under this Contract, the Contractor is an independent contractor, and neither it nor its officers, agents, or employees are employees of the County for any purpose. The Contractor shall be responsible for all federal and/or state tax, industrial insurance, and Social Security liability that may result from the performance of and compensation for these services and shall make no claim of career service or civil service rights which may accrue to a County employee under state or local law.

The County assumes no responsibility for the payment of any compensation, wages, benefits, or taxes, by, or on behalf of the Contractor, its employees, and/or others by reason of this Contract.

The Contractor shall protect, indemnify, defend, and save harmless the County, its officers, agents, and employees from and against any and all claims, costs, and/or losses whatsoever occurring or resulting from (1) the Contractor's failure to pay any such compensation, wages, benefits, or taxes, and/or (2) the supplying to the Contractor of work, services, materials, or supplies by Contractor employees or other suppliers in connection with or support of the performance of this Contract.

30.2 Assignment and Subcontracting:

The performance of all activities contemplated by this agreement shall be accomplished by the Contractor. No portion of this contract may be assigned or subcontracted to any other individual, firm or entity without the express and prior written approval of the County.

30.3 No Guarantee of Employment:

The performance of all or part of this contract by the Contractor shall not operate to vest any employment rights whatsoever and shall not be deemed to guarantee any employment of the Contractor or any employee of the Contractor or any subcontractor or any employee of any subcontractor by the County at the present time or in the future.

31.1 Ownership of Items Produced and Public Records Act:

All writings, programs, data, public records or other materials prepared by the Contractor and/or its consultants or subcontractors, in connection with performance of this Agreement, shall be the sole and absolute property of the County. If the Contractor creates any copyrightable materials or invents any patentable property, the Contractor may copyright or patent the same, but the County retains a royalty-free, nonexclusive and irrevocable license to reproduce, publish, recover, or otherwise use the materials or property and to authorize other governments to use the same for state or local governmental purposes. Contractor further agrees to make research, notes, and other work products produced in the performance of this Agreement available to the County upon request.

Ownership. Any and all data, writings, programs, public records, reports, analyses, documents, photographs, pamphlets, plans, specifications, surveys, films or any other materials created, prepared, produced, constructed, assembled, made, performed or otherwise produced by the Contractor or the Contractor's subcontractors or consultants for delivery to the County under this Contract shall be the sole and absolute property of the County. Such property shall constitute "work made for hire" as defined by the U.S. Copyright Act of 1976, 17 U.S.C. § 101, and the ownership of the copyright and any other intellectual property rights in such property shall vest in the County at the time of its creation. Ownership of the intellectual property includes the right to copyright, patent, and register, and the ability to transfer these rights. Material which the Contractor uses to perform this Contract but is not created, prepared, constructed, assembled, made, performed or otherwise produced for or paid for by the County is owned by the Contractor and is not "work made for hire" within the terms of this Agreement.

Public Records Act. This Contract and all records associated with this Contract shall be available for inspection and copying by the public where required by the Public Records Act, Chapter 42.56 RCW (the "Act"). To the extent that public records then in the custody of the Contractor are needed for the County to respond to a request under the Act, as determined by the County, the Contractor agrees to make them promptly available to the County at no cost to the County. If the Contractor considers any portion of any record provided to the County under this Agreement, whether in electronic or hard copy form, to be protected from disclosure under law, the Contractor shall clearly identify any specific information that it claims to be confidential or proprietary. If the County receives a request under the Act to inspect or copy the information so identified by the Contractor and the County determines that release of the information is required by the Act or otherwise appropriate, the County's sole obligations shall be to notify the Contractor (a) of the request and (b) of the date that such information will be released to the requester unless the Contractor obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If the Contractor fails to timely obtain a court order enjoining disclosure, the County will release the requested information on the date specified.

The County has, and by this section assumes, no obligation on behalf of the Contractor to claim any exemption from disclosure under the Act. The County shall not be liable to the Contractor for releasing records not clearly identified by the Contractor as confidential or proprietary. The County shall not be liable to the Contractor for any records that the County releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.

The Contractor shall be liable to the requester for any and all fees, costs, penalties or damages imposed or alleged as a result of the Contractor's failure to provide adequate or timely records.

This provision and the obligations it establishes shall remain in effect after the expiration of this contract.

31.2 Patent/Copyright Infringement:

Contractor will defend and indemnify the County from any claimed action, cause or demand brought against the County, to the extent such action is based on the claim that information supplied by the Contractor infringes any patent or copyright. The Contractor will pay those costs and damages attributable to any such claims that are finally awarded against the County in any action. Such defense and payments are conditioned upon the following:

A. The Contractor shall be notified promptly in writing by the County of any notice of such claim.

B. Contractor shall have the right, hereunder, at its option and expense, to obtain for the County the right to continue using the information, in the event such claim of infringement, is made, provided no reduction in performance or loss results to the County.

32.1 Confidentiality:

The Contractor, its employees, subcontractors, and their employees shall maintain the confidentiality of all information provided by the County or acquired by the Contractor in performance of this Agreement, except upon the prior written consent of the County or an order entered by a court after having acquired jurisdiction over the County. Contractor shall immediately give to the County notice of any judicial proceeding seeking disclosure of such information. Contractor shall indemnify and hold harmless the County, its officials, agents or employees from all loss or expense, including, but not limited to, settlements, judgments, setoffs, attorneys' fees and costs resulting from Contractor's breach of this provision.

33.1 Right to Review:

This contract is subject to review by any Federal, State or County auditor. The County or its designee shall have the right to review and monitor the financial and service components of this program by whatever means are deemed expedient by the Administrative Officer or by the County Auditor's Office. Such review may occur with or without notice and may include, but is not limited to, on-site inspection by County agents or employees, inspection of all records or other materials which the County deems pertinent to the Agreement and its performance, and any and all communications with or evaluations by service recipients under this Agreement. The Contractor shall preserve and maintain all financial records and records relating to the performance of work under this Agreement for three (3) years after contract termination, and shall make them available for such review, within Whatcom County, State of Washington, upon request. Contractor also agrees to notify the Administrative Officer in advance of any inspections, audits, or program review by any individual, agency, or governmental unit whose purpose is to review the services provided within the terms of this Agreement. If no advance notice is given to the Contractor, then the Contractor agrees to notify the Administrative Officer as soon as it is practical.

34.1 Insurance:

The Contractor shall, at its own expense, obtain and continuously maintain the following insurance coverage for the duration of this contract, which shall include insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, subcontractors or employees. All insurers providing such insurance shall have an A.M. Best Rating of not less than A- (or otherwise be acceptable to the County) and be licensed to do business in the State of Washington and admitted by the Washington State Insurance Commissioner. Coverage limits shall be the minimum limits identified in this Contract or the coverage limits provided or available under the policies maintained by the Contractor without regard to this Contract, whichever are greater.

1. Commercial General Liability

Property Damage	\$500,000.00, per occurrence
General Liability & bodily injury	\$1,000,000.00, per occurrence
Annual Aggregate	\$2,000,000.00

At least as broad as ISO form CG 00 01 or the equivalent, which coverage shall include personal injury, bodily injury and property damage for Premises Operations, Products and Completed Operations, Personal/Advertising Injury, Contractual Liability, Independent Contractor Liability, medical payments and Stop Gap/Employer's Liability. Coverage shall not exclude or contain sub-limits less than the minimum limits required, unless approved in writing by the County.

2. Professional Liability

Professional Liability - \$1,000,000 per occurrence

- a. Obtain professional liability insurance covering the negligent acts, errors, or omissions of the professional in connection with the performance of services to the County. If any insurance policy or the professional liability insurance is written on a claims made form, its retroactive date, and that of all subsequent renewals, shall be no later than the effective date of this Contract. The policy shall state that coverage is claims made, and state the retroactive date. Claims-made form coverage shall be maintained by the Contractor for a minimum of 36 months following the Completion Date or earlier termination of this Contract, and the Contractor shall annually provide the Contracting Agency with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, the Contractor shall purchase an extended reporting period ("tail") or execute another form of guarantee acceptable to the Contracting Agency to assure financial responsibility for liability for services performed.

3. Business Automobile Liability

\$1,000,000.00 Minimum, per occurrence
\$2,000,000.00 Minimum, Annual Aggregate

Contractor shall provide auto liability coverage for owned, non-owned and hired autos using ISO Business Auto Coverage form CA 00 01 or the exact equivalent with a limit of no less than \$1,000,000 per accident. If Contractor owns no vehicles this requirement may be met through a non-owned auto Endorsement to the CGL policy.

4. Additional Insurance Requirements and Provisions

- a. All insurance policies shall provide coverage on an occurrence basis.
- b. Additional Insureds. Whatcom County, its departments, elected and appointed officials, employees, agents and volunteers shall be included as additional insureds on Contractor's and Contractor's subcontractors' insurance policies by way of endorsement for the full available limits of insurance required in this contract or maintained by the Contractor and subcontractor, whichever is greater.
- c. Primary and Non-contributory Insurance. Contractor shall provide primary insurance coverage and the County's insurance shall be non-contributory. Any insurance, self-insured retention, deductible, risk retention or insurance pooling maintained or participated in by the County shall be excess and non-contributory to Contractor's insurance.
- d. Waiver of Subrogation. The insurance policy shall provide a waiver of subrogation with respect to each insurance policy maintained under this Contract. When required by an insurer, or if a policy condition does not permit Contractor to enter into a pre-loss agreement to waive subrogation without an endorsement, then Contractor agrees to notify the insurer and obtain such endorsement. This requirement shall not apply to any policy which includes a condition expressly prohibiting waiver of subrogation by the insured or which voids coverage should the Contractor enter into such a waiver of subrogation on a pre-loss basis.
- e. Review of and Revision of Policy Provisions. Upon request, the Contractor shall provide a full and complete certified copy of all requested insurance policies to the County. The County reserves the right, but not the obligation, to revise any insurance requirement, including but not limited to limits, coverages and endorsements, or to reject any insurance policies which fail to meet the requirements of this Contract. Additionally, the County reserves the right, but not the obligation, to review and reject any proposed insurer providing coverage based upon the insurer's financial condition or licensing status in Washington.
- f. Verification of Coverage/Certificates and Endorsements. The Contractor shall furnish the County with a certificate of insurance and endorsements required by this contract. The certificates and endorsements for each policy shall be signed by a person authorized by the insurer to bind coverage on its behalf. The certificate and endorsements for each insurance policy are to be on forms approved by the County prior to commencement of activities associated with the contract. The certificate and endorsements, and renewals thereof, shall be attached hereto as Exhibit "C". If Exhibit C is not attached, the Contractor must submit the certificate and endorsements required in this contract to the County prior to the commencement of any work on the contracted project. A certificate alone is insufficient proof of the required insurance; endorsements must be included with the certificate. The certificate of insurance must reflect the insurance required in this contract, including appropriate limits, insurance coverage dates, per occurrence, and in the description of operations, include the County project, Whatcom

County, its departments, officials, employees, agents and volunteers as additional insureds, primary, non-contributory, and waiver of subrogation.

- g. The County must be notified immediately in writing of any cancellation of the policy, exhaustion of aggregate limits, notice of intent not to renew insurance coverage, expiration of policy or change in insurer carrier. Contractor shall always provide the County with a current copy of the certificate and endorsements throughout the duration of the contract.
- h. No Limitation on Liability. The insurance maintained under this Contract shall not in any manner limit the liability or qualify the liabilities or obligations of the Contractor to the coverage provided by such insurance, or otherwise limit the County's recourse to any remedy available at law or equity.
- i. Payment Conditioned on Insurance and Failure to Maintain Insurance. Compensation and/or payments due to the Contractor under this Contract are expressly conditioned upon the Contractor's compliance with all insurance requirements. Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of contract. Payment to the Contractor may be suspended in the event of non-compliance, upon which the County may, after giving five business days' notice to the Contractor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the County on demand or offset against funds due the Contractor. Upon receipt of evidence of Contractor's compliance, payments not otherwise subject to withholding or set-off will be released to the Contractor.
- j. Workers' Compensation. The Contractor shall maintain Workers' Compensation coverage as required under the Washington State Industrial Insurance Act, RCW Title 51, for all Contractors' employees, agents and volunteers eligible for such coverage under the Industrial Insurance Act.
- k. Failure of the Contractor to take out and/or maintain required insurance shall not relieve the Contractor or subcontractors from any liability under the contract, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations concerning indemnification. The County does not waive any insurance requirements even in the event the certificate or endorsements provided by the Contractor were insufficient or inadequate proof of coverage but not objected to by the County. The County's failure to confirm adequate proof of insurance requirements does not constitute a waiver of the Contractor's insurance requirements under this Contract.
- l. Availability of Contractor Limits. If the Contractor maintains higher insurance limits than the minimums shown above, the County shall be insured for the full available limits, including Excess or Umbrella liability maintained by the Contractor, irrespective of whether such limits maintained by the Contractor are greater than those required by this contract or whether any certificate furnished to the County evidences limits of liability lower than those maintained by the Contractor.
- m. Insurance for Subcontractors. If the Contractor subcontracts (if permitted in the contract) any portion of this Contract, the Contractor shall include all subcontractors as insureds under its policies or shall require separate certificates of insurance and policy endorsements from each subcontractor. Insurance coverages by subcontractors must comply with the insurance requirements of the Contractor in this contract and shall be subject to all of the requirements stated herein, including naming the County as additional insured.
- n. The Contractor agrees Contractor's insurance obligation shall survive the completion or termination of this Contract for a minimum period of three years.

34.3 Defense & Indemnity Agreement. To the fullest extent permitted by law, the Contractor agrees to indemnify, defend and hold the County and its departments, elected and appointed officials, employees, agents and volunteers, harmless from and against any and all claims, damages, losses and expenses, including but not limited to court costs, attorney's fees, and alternative dispute resolution costs, for any personal injury, for any bodily injury, sickness, disease, or death and for any damage to or destruction of any property (including the loss of use resulting therefrom) which: 1) are caused in whole or in part by any error, act or omission, negligent or otherwise, of the Contractor, its employees, agents or volunteers or Contractor's subcontractors and their employees, agents or volunteers; or 2) directly or indirectly

arise out of or occur in connection with performance of this Contract or 3) are based upon the Contractor's or its subcontractors' use of, presence upon, or proximity to the property of the County. This indemnification obligation of the Contractor shall not apply in the limited circumstance where the claim, damage, loss, or expense is caused by the sole negligence of the County.

Should a court of competent jurisdiction determine that this contract is subject to RCW 4.24.115, then in the event of concurrent negligence of the Contractor, its subcontractors, employees or agents, and the County, its employees or agents, this indemnification obligation of the Contractor shall be valid and enforceable only to the extent of the negligence of the Contractor, its subcontractors, employees, and agents. This indemnification obligation of the Contractor shall not be limited in any way by the Washington State Industrial Insurance Act, RCW Title 51, or by application of any other workmen's compensation act, disability benefit act or other employee benefit act, and the Contractor hereby expressly waives any immunity afforded by such acts.

It is further provided that no liability shall attach to the County by reason of entering into this contract, except as expressly provided herein. The parties specifically agree that this Contract is for the benefit of the parties only and this Contract shall create no rights in any third party. The County reserves the right, but not the obligation, to participate in the defense of any claim, damages, losses, or expenses, and such participation shall not constitute a waiver of Contractor's indemnity obligations under this Agreement.

In the event the Contractor enters into subcontracts to the extent allowed under this Contract, the Contractor's subcontractors shall indemnify the County on a basis equal to or exceeding Contractor's indemnity obligations to the County. The Contractor shall pay all attorney's fees and expenses incurred by the County in establishing and enforcing the County's rights under this indemnification provision, whether or not suit was instituted.

The Contractor agrees all Contractor's indemnity obligations shall survive the completion, expiration or termination of this Agreement. The foregoing indemnification obligations of the Contractor are a material inducement to County to enter into this Agreement and are reflected in the Contractor's compensation.

By signing this contract, the Contractor acknowledges that it has freely negotiated and agreed to the indemnification requirements to defend, indemnify and hold harmless the County from all claims and suits including those brought against the County by the Contractor's own employees, arising from this contract.

35.1 Non-Discrimination in Employment:

The County's policy is to provide equal opportunity in all terms, conditions and privileges of employment for all qualified applicants and employees without regard to race, color, creed, religion, national origin, sex, sexual orientation (including gender identity), age, marital status, disability, or veteran status. The Contractor shall comply with all laws prohibiting discrimination against any employee or applicant for employment on the grounds of race, color, creed, religion, national origin, sex, sexual orientation (including gender identity), age, marital status, disability, political affiliation, or veteran status, except where such constitutes a bona fide occupational qualification.

Furthermore, in those cases in which the Contractor is governed by such laws, the Contractor shall take affirmative action to insure that applicants are employed, and treated during employment, without regard to their race, color, creed, religion, national origin, sex, age, marital status, sexual orientation (including gender identity), disability, or veteran status, except where such constitutes a bona fide occupational qualification. Such action shall include, but not be limited to: advertising, hiring, promotions, layoffs or terminations, rate of pay or other forms of compensation benefits, selection for training including apprenticeship, and participation in recreational and educational activities. In all solicitations or advertisements for employees placed by them or on their behalf, the Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The foregoing provisions shall also be binding upon any subcontractor, provided that the foregoing provision shall not apply to contracts or subcontractors for standard commercial supplies or raw materials, or to sole proprietorships with no employees.

35.2 Non-Discrimination in Client Services:

The Contractor shall not discriminate on the grounds of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation (including gender identity), disability, or veteran status; or deny an individual or business any service or benefits under this Agreement unless otherwise allowed by applicable law; or subject an individual or business to segregation or separate treatment in any manner related to his/her/its receipt any service or services or other benefits provided under this Agreement unless otherwise allowed by applicable law; or deny an individual or business an opportunity to participate in any program provided by this Agreement unless otherwise allowed by applicable law.

36.1 Waiver of Noncompetition:

Contractor irrevocably waives any existing rights which it may have, by contract or otherwise, to require another person or corporation to refrain from submitting a proposal to or performing work or providing supplies to the County, and contractor further promises that it will not in the future, directly or indirectly, induce or solicit any person or corporation to refrain from submitting a bid or proposal to or from performing work or providing supplies to the County.

36.2 Conflict of Interest:

If at any time prior to commencement of, or during the term of this Agreement, Contractor or any of its employees involved in the performance of this Agreement shall have or develop an interest in the subject matter of this Agreement that is potentially in conflict with the County's interest, then Contractor shall immediately notify the County of the same. The notification of the County shall be made with sufficient specificity to enable the County to make an informed judgment as to whether or not the County's interest may be compromised in any manner by the existence of the conflict, actual or potential. Thereafter, the County may require the Contractor to take reasonable steps to remove the conflict of interest. The County may also terminate this contract according to the provisions herein for termination.

37.1 Administration of Contract:

This Agreement shall be subject to all laws, rules, and regulations of the United States of America, the State of Washington, and political subdivisions of the State of Washington. The Contractor also agrees to comply with applicable federal, state, county or municipal standards for licensing, certification and operation of facilities and programs, and accreditation and licensing of individuals.

The County hereby appoints, and the Contractor hereby accepts, the Whatcom County Executive, and his or her designee, as the County's representative, hereinafter referred to as the Administrative Officer, for the purposes of administering the provisions of this Agreement, including the County's right to receive and act on all reports and documents, and any auditing performed by the County related to this Agreement. The Administrative Officer's for purposes of this agreement are:

Perry Rice
IT Director
Whatcom County Information Technology
311 Grand Avenue, Suite #305
Bellingham, WA 98225

Stephanie Kraft
Superior and Juvenile Court Administrator
Whatcom County Superior Court
311 Grand Avenue, Suite #501
Bellingham, WA 98225

37.2 Notice:

Any notices or communications required or permitted to be given by this Contract must be (i) given in writing and (ii) personally delivered or mailed, by prepaid, certified mail or overnight courier, or transmitted by electronic mail transmission (including PDF), to the party to whom such notice or communication is directed, to the mailing address or regularly-monitored electronic mail address of such party as follows:

Whatcom County
Stephanie Kraft, Court Administrator
Whatcom County Superior Court
311 Grand Avenue, Suite #501
Bellingham, WA 98225
(360) 778-5496
skraft@co.whatcom.wa.us

Handel Information Technologies, Inc.
Joshua Becker, CEO
P.O. Box 1453,
Laramie, WY 82073
(307) 742-5555
joshua.becker@handelit.com

Any such notice or communication shall be deemed to have been given on (i) the day such notice or communication is personally delivered, (ii) three (3) days after such notice or communication is mailed by prepaid certified or registered mail, (iii) one (1) working day after such notice or communication is sent by overnight courier, or (iv) the day such notice or communication is sent electronically, provided that the sender has received a confirmation of such electronic transmission. A party may, for purposes of this Agreement, change his, her or its address, email address or the person to whom a notice or other communication is marked to the attention of, by giving notice of such change to the other party pursuant to this Section.

37.3 If agreed by the parties, this Contract may be executed by Email transmission and PDF signature and Email transmission and PDF signature shall constitute an original for all purposes.

38.1 Certification of Public Works Contractor's Status under State Law:

Contract for Software and Services
Water Adjudication Case Management System Software

If applicable, Contractor certifies that it has fully met the responsibility criteria required of public works contractors under RCW 39.04.350 (1), which include: (a) having a certificate of registration in compliance with RCW 18.27; (b) having a current state unified business identifier number; (c) if applicable, having industrial insurance coverage for its employees working in Washington as required in Title 51 RCW, an employment security department number as required in Title 50 RCW, and a state excise tax registration number as required in Title 82 RCW; and (d) not being disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065 (3).

38.2 Certification Regarding Federal Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions:

If applicable, the Contractor further certifies, by executing this contract, that neither it nor its principles is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or Agency.

The Contractor also agrees that it shall not knowingly enter into any lower tier covered transactions (a transaction between the Contractor and any other person) with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, and the Contractor agrees to include this clause titled "Certification Regarding Federal Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction" without modification, in all lower tier covered transactions and in all solicitations for lower tier transactions.

The "Excluded Parties List System in the System for Award Management (SAM) website is available to research this information at WWW.SAM.GOV. Contractor shall immediately notify Whatcom County if, during the term of this Contract, Contractor becomes debarred.

38.3 E-Verify:

The E-Verify contractor program for Whatcom County applies to contracts of \$100,000 or more and sub contracts for \$25,000 or more if the primary contract is for \$100,000 or more. If applicable, Contractor represents and warrants that it will, for at least the duration of this contract, register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work for Whatcom County. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Contractor/Seller agrees to maintain records of such compliance and, upon request of the County, to provide a copy of each such verification to the County. Contractor/Seller further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Washington. Contractor/Seller understands and agrees that any breach of these warranties may subject Contractor/Seller to the following: (a) termination of this Agreement and ineligibility for any Whatcom County contract for up to three (3) years, with notice of such cancellation/termination being made public. In the event of such termination/cancellation, Contractor/Seller would also be liable for any additional costs incurred by the County due to contract cancellation or loss of license or permit." Contractor will review and enroll in the E-Verify program through this website: www.uscis.gov

Series 40-49: Provisions Related to Interpretation of Agreement and Resolution of Disputes

40.1 Modifications:

Either party may request changes in the Agreement. Any and all agreed modifications, to be valid and binding upon either party, shall be in writing and signed by both of the parties.

40.2 Contractor Commitments, Warranties and Representations:

Any written commitment received from the Contractor concerning this Agreement shall be binding upon the Contractor, unless otherwise specifically provided herein with reference to this paragraph. Failure of the Contractor to fulfill such a commitment shall render the Contractor liable for damages to the County. A commitment includes, but is not limited to, any representation made prior to execution of this Agreement, whether or not incorporated elsewhere herein by reference, as to performance of services or equipment, prices or options for future acquisition to remain in effect for a fixed period, or warranties.

41.1 Severability:

If any term or condition of this contract or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this contract are declared severable.

41.2 Waiver:

Waiver of any breach or condition of this contract shall not be deemed a waiver of any prior or subsequent breach. No term or condition of this contract shall be held to be waived, modified or deleted except by an instrument, in writing, signed by the parties hereto. The failure

of the County to insist upon strict performance of any of the covenants and agreements of this Agreement, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants or agreements, but the same shall be and remain in full force and effect.

42.1 Disputes:

a. General:

Differences between the Contractor and the County, arising under and by virtue of the Contract Documents, shall be brought to the attention of the County at the earliest possible time in order that such matters may be settled or other appropriate action promptly taken. Except for such objections as are made of record in the manner hereinafter specified and within the time limits stated, the records, orders, rulings, instructions, and decisions of the Administrative Officer shall be final and conclusive.

b. Notice of Potential Claims:

The Contractor shall not be entitled to additional compensation which otherwise may be payable, or to extension of time for (1) any act or failure to act by the Administrative Officer or the County, or (2) the happening of any event or occurrence, unless the Contractor has given the County a written Notice of Potential Claim within ten (10) days of the commencement of the act, failure, or event giving rise to the claim, and before final payment by the County. The written Notice of Potential Claim shall set forth the reasons for which the Contractor believes additional compensation or extension of time is due, the nature of the cost involved, and insofar as possible, the amount of the potential claim. Contractor shall keep full and complete daily records of the work performed, labor and material used, and all costs and additional time claimed to be additional.

c. Detailed Claim:

The Contractor shall not be entitled to claim any such additional compensation, or extension of time, unless within thirty (30) days of the accomplishment of the portion of the work from which the claim arose, and before final payment by the County, the Contractor has given the County a detailed written statement of each element of cost or other compensation requested and of all elements of additional time required, and copies of any supporting documents evidencing the amount or the extension of time claimed to be due.

d. Arbitration:

Other than claims for injunctive relief, temporary restraining order, or other provisional remedy to preserve the status quo or prevent irreparable harm, brought by a party hereto (which may be brought either in court or pursuant to this arbitration provision), and consistent with the provisions hereinabove, any claim, dispute or controversy between the parties under, arising out of, or related to this Contract or otherwise, including issues of specific performance, shall be determined by arbitration in Bellingham, Washington, under the applicable American Arbitration Association (AAA) rules in effect on the date hereof, as modified by this Agreement. There shall be one arbitrator selected by the parties within ten (10) days of the arbitration demand, or if not, by the AAA or any other group having similar credentials. Any issue about whether a claim is covered by this Contract shall be determined by the arbitrator. The arbitrator shall apply substantive law and may award injunctive relief, equitable relief (including specific performance), or any other remedy available from a judge but shall not have the power to award punitive damages. Each Party shall pay all their own costs, attorney fees and expenses of arbitration and the parties shall share equally in the Arbitrator's fees and costs. The decision of the arbitrator shall be final and binding and an order confirming the award or judgment upon the award may be entered in any court having jurisdiction. The parties agree that the decision of the arbitrator shall be the sole and exclusive remedy between them regarding any dispute presented or pled before the arbitrator. At the request of either party made not later than forty-five (45) days after the arbitration demand, the parties agree to submit the dispute to nonbinding mediation, which shall not delay the arbitration hearing date; provided, that either party may decline to mediate and proceed with arbitration.

Any arbitration proceeding commenced to enforce or interpret this Contract shall be brought within six years after the initial occurrence giving rise to the claim, dispute, or issue for which arbitration is commenced, regardless of the date of discovery or whether the claim, dispute, or issue was continuing in nature. Claims, disputes, or issues arising more than six years prior to a written request or demand for arbitration issued under this Contract are not subject to arbitration.

- e. The parties may agree in writing signed by both parties that a claim or dispute may be brought in Whatcom County Superior Court rather than mediation or arbitration.

Unless otherwise specified herein, this Contract shall be governed by the laws of Whatcom County and the State of Washington.

43.1 Venue and Choice of Law:

In the event that any litigation should arise concerning the construction or interpretation of any of the terms of this Agreement, the venue of such action of litigation shall be in the courts of the State of Washington in and for the County of Whatcom. This Agreement shall be governed by the laws of the State of Washington.

44.1 Survival:

The provisions of paragraphs 11.1, 11.2, 11.3, 21.1, 22.1, 30.1, 31.1, 31.2, 32.1, 33.1, 34.2, 34.3, 36.1, 40.2, 41.2, 42.1, and 43.1, if utilized, shall survive, notwithstanding the termination or invalidity of this Agreement for any reason.

45.1 Entire Agreement:

This written Agreement, comprised of the writings signed or otherwise identified and attached hereto, represents the entire Agreement between the parties and supersedes any prior oral statements, discussions or understandings between the parties.

EXHIBIT "A"
(Scope of Work)



ORDER QUOTE FOR RITETRACK SOFTWARE LICENSE AGREEMENT

Date of Quote: March 10, 2025

Quote No: 10805

This is a quote for the RiteTrack Software from Handel Information Technologies, Inc., a Wyoming corporation with an address of PO Box 1453, Laramie, WY 82073 ("Licensor") provided to ("Licensee"), as further identified below. Licensee will license from Licensor the following Software described in this Order Quote including the License Fees and Maintenance Fees as set forth below.

LICENSEE:
Whatcom County

INITIAL LICENSE FEES FOR HOSTED SOFTWARE				
Software and Modules	Qty	Rate	License Scope (Per Named User, Concurrent User, or Server)	Total
One Time License Fees				
RiteTrack Case Management Module	1	\$30,000.00	Per Server	\$ 30,000.00
Named User Licenses	6	\$ 1,800.00	Per Named User	\$ 10,800.00
Concurrent User Licenses	0	\$ 2,500.00	Per Concurrent User	\$ -
TOTAL NET LICENSE FEE				\$ 40,800.00
Existing Relationship <u>With</u> Whatcom County Discount		40%		\$ 16,320.00
TOTAL DISCOUNTED LICENSE FEE (to be invoiced upon execution of this Order and net due 30 days following date of invoice)				\$ 24,480.00
FIRST YEAR HOSTING AND MAINTENANCE FEES FOR LICENSED SOFTWARE				
The first year of hosting and maintenance fees for licensed software will be paid in full following the initial provisioning of the new system.				\$ 5,988.00

Handel Information Technologies, Inc. reserves the right to modify the Monthly Maintenance Fee total as specified in the attached Agreement(s).

RITETRACK CONSULTING FEES ESTIMATE

This ESTIMATE is provided based on Handel Information Technologies' understanding of the scope of work included in the Consulting Project AS OF THE DATE OF THIS ORDER QUOTE. Handel Information Technologies reserves the right to modify this estimate based on more detailed specification of the Consulting Project as developed in the Joint Application Development (JAD) Session or later specifications provided by LICENSEE/SUBSCRIBER or developed by Handel and described in the relevant Design Document. This is not a fixed-price bid or proposal of work.

CONSULTING PROJECT ITEMS

Work Item	Quantity	Unit Cost	Unit	Total
Customization Budget	100	\$ 150.00	hour	\$ 15,000.00
Project Management	25	\$ 175.00	hour	\$ 4,375.00
Quality Assurance	15	\$ 150.00	hour	\$ 2,250.00
Total ESTIMATED Consulting Costs				\$ 21,625.00

Important Note: The above includes a free online training for the staff. This will be conducted via screenshare software.

Proposed Project Timeline – Note all invoices will be submitted before June 30th

Timeline Milestone	Projected Date
Project Kickoff	April 1st
Design Calls	April 1st - April 11th
Design Submission	April 30th
Design Approval	May 5th
Handel Development Work	May 5th - May 30th
Handel and Whatcom Testing	June 1st - June 10th
●online Training	June 16th
Go Live	Following Training

Maintenance

Whatcom County will pay the first year annual maintenance payment in full. On the second year they will go month to month at the above specified rate. (\$499 a month)

Cost per Hour for Consulting is based on the current Price List as specified in the attached Agreement(s). Handel Information Technologies, Inc., reserves the right to modify the Cost per Hour without notice after 30 days following the date of this Order Quote.

*Travel expenses to be billed at actual cost. This is an estimated cost only.

For licensed software hosted by Licensor, Licensee will ensure an environment consisting of at least the following minimum requirements in which to operate the RiteTrack software application:

Workstation Requirements:

- Modern Browser (Chrome, Firefox, Edge)
- Screen Resolution: **1920 x 1080**
(17" monitor or greater suggested)
- Network: 100 mbps

HANDEL INFORMATION TECHNOLOGIES, INC.

LICENSEE

By: 

By:

Name: Joshua Becker

Name:

Title: CEO

Title:

Date: March 10, 2025

Date:

THIS QUOTE IS VALID FOR A MAXIMUM OF 30 DAYS FOLLOWING THE DATE OF THE QUOTE. AFTER THAT PERIOD, A NEW QUOTE MUST BE FURNISHED BY HANDEL INFORMATION TECHNOLOGIES, INC. HANDEL INFORMATION TECHNOLOGIES, INC. RESERVES THE RIGHT TO MODIFY ANY COST QUOTED ABOVE AFTER 30 DAYS FROM THE DATE OF THIS QUOTE. THIS QUOTE MAY NOT BE MODIFIED BY HAND. THE RITETRACK SOFTWARE IS GOVERNED BY THE RITETRACK LICENSE AGREEMENT.

Explanation of Charges

All Applications

RiteTrack Core System

The RiteTrack Core Module includes basic standard functionality and the server components of a RiteTrack implementation. Data and web access to other standard functionality or custom configuration defined elsewhere are included. Access is further defined through the number of Named or Concurrent User Licenses.

RiteTrack Named User License

The RiteTrack Named User Client Access License allows one named user to access the RiteTrack system through a web (browser) client. The browser client requires the presence of a RiteTrack Web Server. The Named User Client Access License is associated with a given username, ensuring that this user can always log on. The Named User license can be transferred from one person to another.

RiteTrack Concurrent User License

The RiteTrack Concurrent Client Access License allows one concurrent user to access the RiteTrack system through a web (browser) client. The browser client requires the presence of a RiteTrack Web Server. The Concurrent Client Access License is associated with the number of users accessing the

system at the same time. The number of individuals who may access the system is unlimited but may not exceed the number of concurrent licenses purchased. For instance, if there are 10 concurrent licenses installed, this means that 10 users can access the system at any given time regardless of how many actual users there are in an organization.

Individual Modules

RiteTrack Core Module

The Core Module contains the following functionality:

Person Management

- Demographics
- Phone Numbers
- Email Addresses
- Addresses
- Address Verification
- Documents
- Notes

Organization Management

- Phone Numbers
- Email Addresses
- Addresses
- Documents
- Notes

Reports

- Audit Logs
- Duplicate Finder
- Message Board
- Audit Log Action Count
- Service Area Map
- Person Notes Printout

RiteTrack Tribal Court Module

The Tribal Court Module adds the following functionality to that included in the Core Module:

Person Management

- Banned
- Background
 - Aliases
 - Education
 - Legal Numbers
 - Licenses
 - Relationships

- Tribal Affiliations
- Case Activity
 - Cases Involved In
 - Charges
 - Community Service
 - Drug Tests
 - Fines/Fees
 - Hearings
 - Protection Orders
 - Restitution
 - Warrants

Case Management

- Case Information
- Case Charges
- Conditions
 - Bond/Bail
 - Community Services
 - Fines/Fees
 - Restitution
- Documents
- Drug Tests
- Hearings
- Involved Parties
- Persons Banned
- Person Protection Orders
- Record of Actions
- Services
- Status History Warrants

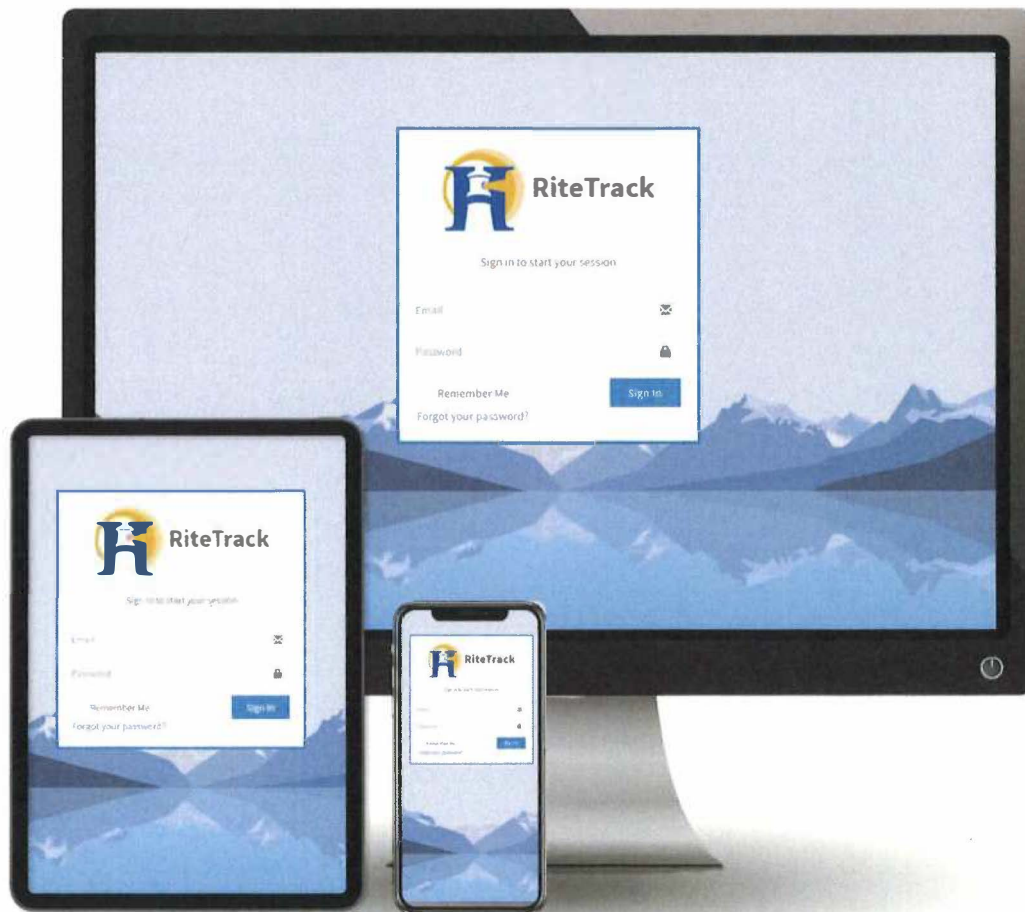
Reports

- Person
 - Active Warrants
 - Audit Log
 - Fine Payments
 - Note Printout
 - Outstanding Community Service
 - Outstanding Fines
 - Outstanding Restitution
 - Restitution Payments
 - Text Template Builder
- Hearing
 - Text Template Builder
- User Profile
 - Court Docket
- Organization

- Active Warrants
- Audit Log
- Fine Payments
- Outstanding Community Service
- Outstanding Fines
- Outstanding Restitution
- Restitution Payments
- Case File
 - Active Warrants
 - Record of Actions
 - Text Template Builder
- Global
 - Active Person Licenses (Court Bar)
 - Active Protection Orders
 - Active Warrants
 - Audit Log
 - Audit Log Action Count
 - Duplicate Finder
 - Case File Statistics
 - Case Files in Status
 - Charge Statistics
 - Court Docket
 - Fine Payments
 - Hearing Statistics
 - Outstanding Community Service
 - Outstanding Fines
 - Outstanding Restitution
 - Person Banned List
 - Restitution Payments

What to Expect When Implementing RiteTrack

A Guide to Successful RiteTrack Implementations



RiteTrack® is a registered trademark of Handel Information Technologies
© 2024 Handel Information Technologies, Inc.

Table of Contents

Introduction	4
Four Common Myths About Large-Scale IT Projects	5
Myth #1: The vendor will do the work without much involvement from us	5
Myth #2: The scope will remain the same throughout the project	5
Myth #3: The end-users will embrace the new system	6
Myth #4: A new system will do everything the old system did just better and faster	6
Seven Keys to Preparing for Your System Implementation	7
Break Up Complex Projects into Manageable Phases	7
Choose the Right Project Manager	7
Choose the Right Team	8
Prepare for Change	9
Prepare to Invest Significant Time and Resources and Tweak the System Later	9
Involve End-Users from Day One	10
Allot for the Proper Timing and Appropriate Amount of Training	10
Implementing RiteTrack	11
Contract Development	11
System Specifications	12
Deployment/Quality Assurance (QA)	13
Side-by-Side Operations	15
Live Operations	15
Additional Notes on the System Implementation	16
Responsibilities During System Implementation	17
Contact Information	18

What to Expect When Implementing RiteTrack

A Guide to Successful RiteTrack Implementations

Introduction

Congratulations on choosing RiteTrack, the best database software for tribal, state, and county governments available. Over the years, our staff has implemented hundreds of software systems of all sizes and descriptions and all of these projects have given us valuable experience that we will apply to your upcoming RiteTrack implementation.

We have written this booklet to help establish realistic expectations for your new system by, first, exposing some common myths about IT projects. This will give us a great start.

Then we give you seven keys to having a successful implementation.

Next, we lay out the roadmap and details of the phases of deployment.

We then delineate the unique and shared responsibilities of Handel, the vendor, and you, the customer.

Handel's goal is to ensure the smoothest and most efficient deployment possible of your new RiteTrack system.

Four Common Myths About Large-Scale IT Projects

Most new IT projects start with a great amount of optimism from both the customer and the vendor. While enthusiasm is necessary, it is just as important to set realistic expectations. Most large IT projects encounter obstacles during the course of project; however, with effective implementation planning and project execution, these projects can overcome any stumbling blocks encountered along the way. We have identified four common misconceptions about implementing software systems to shed light on, so they will not undermine the energy and gusto of our teams who are ready to go.

Myth #1: The vendor will do the work without much involvement from us

The first miscalculation projects often face is the idea that the vendor can complete the implementation without input from the customer. A major IT project implementation requires resources from both you and your vendor. A successful RiteTrack implementation is a collaborative project between you, our customer, and Handel, your vendor. Even though we are experts on RiteTrack and on the industry in general, you are the expert on your organization. For some of our customers, there is no such thing as an “industry standard” work process. Each state, county, municipality, and Tribe uses its own unique processes. Therefore, it is essential that we correctly capture how your organization works. And because your employees are the people with detailed knowledge about your organization’s work functions, it is important that we collaborate with those internal resources to create the best possible design for the configuration/customization of your RiteTrack system.

Myth #2: The scope will remain the same throughout the project

The next obstacle is scope creep. This term is often used to describe what happens to a software project when the original scope keeps getting changed and/or redefined throughout the design phase of an implementation. We have yet to undertake a project where the scope did not change somewhat from the initial plan, but in order to complete a RiteTrack project on time and within budget, it is important to keep scope creep under control.

Perhaps the most common cause of scope creep results from not defining the scope of work clearly and sufficiently at the beginning of the project. The less defined a project is, the more likely it is that the scope will change drastically as the project moves through implementation. Therefore, it is crucial for both Handel and our clients to spend vital time up front defining and detailing the processes, functionality, reports, etc. that your agency currently uses and expects to be reflected in RiteTrack. After gathering input (during a consultation session) Handel will create an in-depth document (known as a design document) showing the exact technical specifications on how the database will be structured, how screens will appear, what reports will be included, what information those reports will consist of, any logic required in identified business processes, and anything else that could affect the functionality of the standard software offering. Upon approval, this Design Document will control scope creep and keep the project on track.

But what happens if during the implementation, someone imagines or discovers a potential new or extra feature that would be nice to have or even deems it a must-have element? Often, project teams find that as the work progresses, they recognize new potentials of what RiteTrack can do. Yet while it is tempting to pursue these new ideas right away, it is in everybody's best interest to stick to the original scope and postpone incorporating new or different functionality until a later phase. We recommend this because pursuing new ideas during the design or implementation phases causes time delays and increases cost. Additionally, we risk configuring a system so complex and overwhelming that it scares off end-users. Our experience shows that it is better to begin with a standard system and minor configurations, and then add additional customization if desired once the system is live and end-users are familiar with it.

Myth #3: The end-users will embrace the new system

Harvard research shows that “people have a reliable and tangible preference for things that have been around longer.” We know that people can struggle to embrace change. One of the most common criticisms we hear of a new software solution is, “Our old system did not work this way,” or “This was possible in the old system.” No matter how well you prepare users and how successfully we configure RiteTrack to meet defined business logic, the first few weeks after replacing an old system with a new one can be challenging. Fortunately, we find that once the end-users get through the first few weeks, they begin to enjoy using the new system with its intuitive interface. After another week or two, they start to fully realize the benefits RiteTrack provides them. After this, users tend to fully embrace the new system and utilize all the benefits that RiteTrack offers to help them fulfill their job duties easier, faster, and better.

Myth #4: A new system will do everything the old system did just better and faster

For many of our customers RiteTrack is not just about recreating and computerizing the old ways of doing things—it is an opportunity to create a fresh start. There is a saying in programming, “if you automate a mess, you get an automated mess.”

As a new information system RiteTrack presents an opportunity to reengineer some processes. Sometimes, because of limitations in old systems or possibly through a discovery while working on the new RiteTrack implementation plan, customers recognize shortcomings in their existing processes and identify better ways of doing them.

Handel can work with you to identify the best business logic, eliminate redundant processes, and create a more efficient workflow within RiteTrack.

Seven Keys to Preparing for Your System Implementation

In this section we discuss some of the most important things you can do to ensure a successful system implementation from our history of successful implementations.

An annual survey conducted by the project management company, Planview (formerly Innotas), in 2015 found that over 50% of major IT projects fail, and 61% of IT professionals reported that project demand exceeded resources. Many of these failed implementations are homegrown technology projects, but even projects undertaken with a professional vendor can fail for many reasons. Data from 2017 show that success rates have improved slightly, and this is because many organizations have been developing better attitudes toward and methodologies for project management. At Handel, we have long recognized core factors that contribute to successful implementations, and we call these our keys to success.

What are Handel's seven keys for successful implementations?



Break Up Complex Projects into Manageable Phases

We find that the most successful RiteTrack implementations are those where we develop and implement initially from a standard solution. Projects with initial goals that are too ambitious often end up taking a prolonged time to carry out and may end with a delayed, disappointing go-live date. If your project requires extensive complex configuration or includes multiple departments or organizations, we might recommend a gradual, phased approach. This will benefit the implementation process and allow your staff better control over the project's progress. Your Handel project manager will assist you following your Joint Application Development (JAD) session to determine if a phased approach will be the best method.



Choose the Right Project Manager

The choice of the right person for the customer team's project manager is crucial to the success of any implementation. Failing to delegate the right individual for this job will compromise the success of the entire project. A good project manager should be able to

- See the big picture but be detail-oriented
- Have the final say for all key decisions
- Be accessible in time-sensitive situations to make key decisions
- Be available for the majority of meetings, development sessions and conference calls
- Understand your operational processes **and** technology needs
(i.e., avoid selecting a person who specializes only in one area and knows little of others)
- Hold a position of authority and respect (able to influence and drive change)

Understandably, an organization may not have a person who embodies every one of these characteristics; nevertheless, it is better to choose only one person to be in charge of the project (even if he/she doesn't possess each capability) than it is to have two people sharing the leadership responsibilities. Shared management of a major IT project inhibits effective communication and can be disastrous, even fatal, to the project's outcome.

After choosing a project manager, we strongly advise your organization to reduce his/her other responsibilities during the life of the project. Your project manager will need to allocate ample time to help manage all the needs for a successful implementation. We cannot understate the value of an able project manager with enough time to dedicate to the demands of the project.



Choose the Right Team

Just as choosing the right project manager is paramount to the success of any major IT project, it is equally as important to select the right people for the supporting project team. It is unlikely that the project manager knows every aspect of a department's operation, its IT needs, and existing systems and processes; therefore, it is critical to assemble the best team with this knowledge to support your project manager. Following are team member roles we have identified as the best support roles on a project team. Depending on the scope of the project and those available within the organization, you may or may not need to fill all these positions.

- Process Expert(s)
- Tech-Savvy End User
- Tech-Averse End User
- IT Representative (if customer hosts the system)
- Expert on Legacy System (if there is data conversion from an old system)
- Expert on Other Systems (if there is integration with other systems)

The *Process Expert* is the in-house expert on one or more specific processes that will be integrated into your RiteTrack system. This person knows the intricate details, the steps, the rules, the requirements, the reporting needs, etc. For this role select someone who is intimately familiar with your existing processes, who can also recognize shortcomings and strengths in these processes, and who is open to change. The team needs a process expert for each process or department that we will be including in RiteTrack.

A *Tech-Savvy End User* (a person with above-average technical skills) and a *Tech-Averse End User* (a person with below-average technical skills) will help identify the range of the technical skillsets of your staff members. The identification of this range gives Handel's project manager clear indication of the type of materials and training sessions the agency and staff will need. Also, these representatives will be involved in system testing and quality assurance work. It is best to avoid selecting a person for these roles who is entrenched in existing processes because it may prompt them to resist the coming changes.

One or multiple *IT Representatives* who understand and have access to the different servers and other IT infrastructure required for the project (only required if the system is hosted by the customer and not through Handel's data center). If you already have a database manager on staff, it is important to involve that person because RiteTrack is a database-intensive application.

An *Expert on Legacy System* (if data conversion is part of the project) will assist in transferring data from the old system to RiteTrack.

Expert(s) on Other Systems (if system integration is part of the project) will provide the information needed when integrating other systems with RiteTrack.



Prepare for Change

There is no other way to put it: implementing a new information system will be a major change for all involved parties. As noted before, most people resist change (sometimes unconsciously) because they associate longevity with reliability. Yet, for the RiteTrack implementation to be successful, it is critical that staff be receptive to the changes and innovation RiteTrack will bring.

There are multiple things organizations can do to prepare employees for change. First, be specific about the change, outlining exactly what staff can expect after the implementation. Next, encourage, listen, and acknowledge their feedback. Recognize that staff may be feeling anxious or apprehensive about the change. Gathering reactions and opinions during casual conversation is fine, with no need for any formal processes. You can consider their feedback and provide a response to them which addresses their concerns or reveals how they will be incorporated in the new system. Show compassion and empathy toward those who are expressing reservations because changing systems can be alarming or disconcerting. Explain why the change is important and help them understand that it will be an adjustment at first, but there will be significant benefits once the change is final, and the system is in place. Allow your staff time to process this information and provide you with additional feedback if more anxieties surface. The final piece in preparing for change is providing reassurance to staff there will be adequate training for them to be comfortable with and learn how to use the new system. Armed with knowledge and time to adjust, staff are more likely to readily accept the changes.



Prepare to Invest Significant Time and Resources and Tweak the System Later

We have found that one of the most common mistakes made when undertaking a project of this nature is underestimating the amount of time and resources a customer needs to invest into the implementation. There will be many tasks that the customer is responsible for during the life of the project that are crucial to its success (please see the Responsibilities During System Implementation table). Responsibilities such as compiling detailed information regarding process flows, business logic, custom forms, necessary security, and/or reports can be time-consuming initially, but this process is critical to ensuring the highest quality RiteTrack system for your organization. Additionally, faithfully conducting thorough testing at each juncture guarantees the success of the next step. Our most successful projects are those where the customers thoroughly read and provide feedback about the design document and then test each piece of the system as it is presented to them.

Under most circumstances, it is best not to introduce significant changes during system implementation. Such changes are certain to impact implementation costs and schedules—making completion of the project on time and within budget impossible. If a change is required, Handel and the customer must agree on the change specifications. We address these through documents known as change orders. These outline changes or additions to the project scope that

were outside of the original contract and address any unexpected changes during the project. After both project managers have identified and outlined the changes in writing, Handel will implement the adjustments in a test environment and test it (with a variety of scenarios) in order to assess the overall impact of the changes on the system. All changes will be documented in the change order which are subject to the same approval process as a design document (please see Deployment/QA section for details). Proposing significant changes requires a more detailed testing process and increases the time it will take to implement the system while increasing costs. Also keep in mind that many small changes to system requirements often have a greater impact on the overall implementation compared to a single large change. We recommend resisting the impulse to tweak the system until after the original specifications have been implemented and accepted.



Involve End-Users from Day One

The end-users are your in-house experts on how your processes work. These are the individuals who operate your current system(s) and will operate RiteTrack following the implementation. It is critical to involve their voices from project start. When building your project team, make sure to include key end-users who hold specific knowledge about unique processes at your organization with technical skills that range from tech-averse to tech-savvy. You will also want them involved in testing the new system as early as possible. Involving staff in early testing lends itself to fewer changes made to the system after it goes live because their feedback is included during this preliminary phase instead of at the end. An additional benefit from involving end-users early on is that they often relay their positive experiences to their co-workers—encouraging them to buy into using the new system.



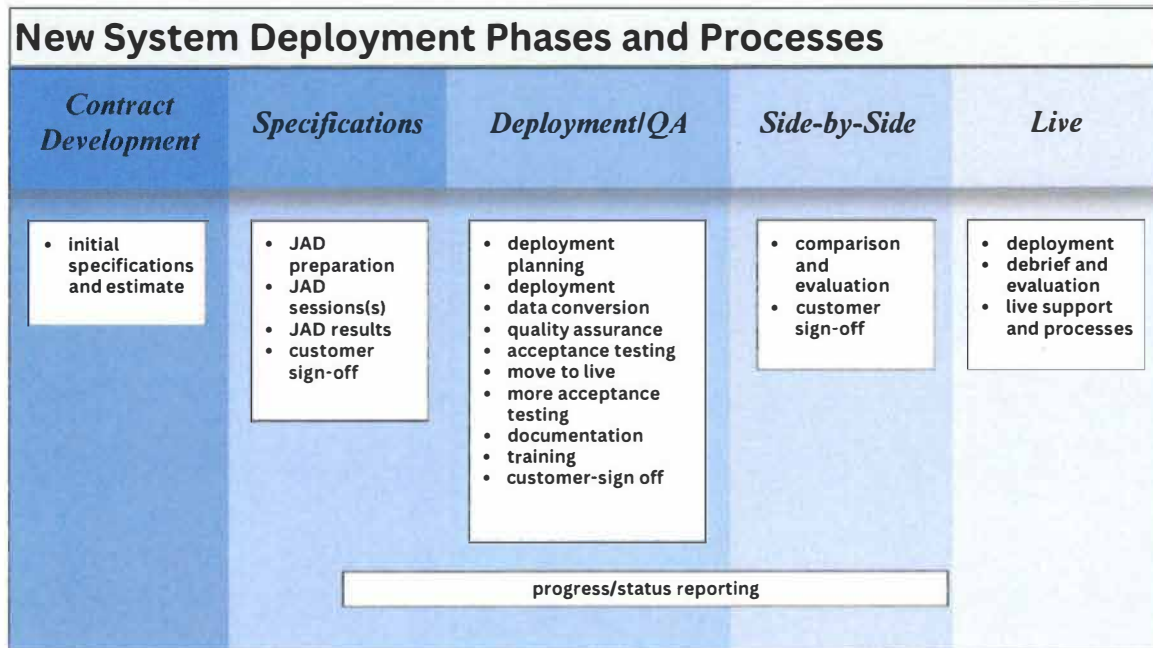
Allot for the Proper Timing and Appropriate Amount of Training

Each user typically requires from two to six hours of training, depending upon the specific functions he or she will perform within RiteTrack, and the key to successful training is in the timing or scheduling. It is imperative to arrange training immediately before going live on the new system so users can begin applying training right away. The further the live date is from the training the greater the possibility of users forgetting what they learned. We also recommend that at least two individuals (one being the customer's project manager) be present with Handel staff for the duration of the training if we are on-site. This enables customer staff to clarify anything that is unclear between end-users and our trainers. (For more training details please see Training under Deployment/QA section.)

Handel offers several levels of training geared toward employees with different roles and functions within each agency. Handel offers training both at the client office(s) and Handel's office. Usually, it is more cost-effective to have Handel staff travel to the customer's site for training. One final option we offer if there are a large number of users to be trained, is to have Handel staff provide train-the-trainer seminars for selected client staff member(s) who would then provide the end-users training on the RiteTrack system. In these situations, this approach can be both more efficient and cost effective. This is best identified through discussions with your project manager.

Implementing RiteTrack

Below is a table that outlines the major phases of the RiteTrack system implementation, and each section is discussed in additional detail afterward.



Staff involved during the system implementation include:

- Handel project manager: the lead of your Handel project team and involved in all aspects of the implementation.
- Handel project team: the additional staff for the implementation—incorporates people for development, quality assurance, training, and support.
- Customer project manager: the lead of your customer implementation team.
- Customer implementation team: the additional staff selected by the customer (as outlined in section above) to provide the input, guidance, and feedback to the Handel project manager and team.

Contract Development

Our contract consists of several documents. The contract itself is a legal document that includes the license agreement, maintenance agreement, and consulting agreement.

The license agreement establishes the parameters within which the customer is authorized to use RiteTrack, and the maintenance agreement outlines the general structure of Handel's unparalleled customer and system support.

The consulting agreement contains an initial scope statement based on information gathered from the customer during preliminary sales conversations with our salespeople. The consulting agreement is the most important document when it comes to system implementation. The purpose of outlining the needs for the consulting agreement is to provide an initial definition of what will be included in the project. This document summarizes the different RiteTrack modules that will be implemented, lists organization process flows, defines custom reports, and examines integrations/interfaces with existing or external systems (if included).

However, the consulting agreement does not cover every detailed aspect of the project because much of the specific functional requirements will likely be discovered during the subsequent system specifications process (see System Specifications section below). The scope of the consulting agreement should outline in general terms what the customer wants to accomplish with this project. In brief, the consulting agreement and the scope of work within serve as a general overview of how RiteTrack will be implemented.

While outlining the consulting agreement, your Handel project manager will provide you with a pre-deployment worksheet for you to complete that provides us with important project-related information and forms both the consulting scope and the following JAD session.

System Specifications

During the system specification phase, both the customer implementation team and the Handel project manager work together to develop detailed criteria describing the organization's processes, user screens, custom forms, standard/custom reports, and the data input or data conversion approaches.

Events and milestones in this phase include:

- **Project Kick-Off Call and Information Gathering:** After the contract has been signed, your Handel sales contact will schedule a project kick-off conference call to introduce project team members from both sides and to schedule an initial JAD trip. This call will also be the start of initial information gathering and sharing.

The Handel project manager will also solicit information from the customer about how they currently administer and document services. This includes forms used, reports, legacy databases (whether converted or not), and policy/procedure manuals. Obtaining and reviewing this information beforehand will allow Handel's project manager to conduct the most effective JAD session while on-site.

- **JAD Trip(s):** During this trip the Handel project manager will travel to the customer's site to meet with the department(s) where RiteTrack will be implemented. Sessions will be scheduled with different department groups, user types, and IT personnel. In these sessions the Handel project manager will provide initial project team training on RiteTrack and work with the customer's team to identify how RiteTrack will be configured and customized. The Handel project manager will have reviewed all documentation provided during the information gathering phase prior to the trip, and he

or she will be better informed to translate needs into RiteTrack when working with the customer staff on-site. Implementation decisions and tasks such as system configuration, report design, data conversion, and training will be determined during this visit.

- **Design Documentation:** After the JAD trip, the Handel project manager prepares a full statement of work (SOW) in the form of a design document. The design documentation provides a detailed and technical definition of your RiteTrack solution, in addition to the various tasks to be completed during the project. The design document will include a timeline estimate of all the project tasks as well.

The specifications in the SOW are an exact description of how the system will look and function and may include:

- User system specifications
(e.g., user screens, system reports, security requirements, business processes, etc.)
- Detailed hardware specifications
- Detailed acceptance criteria
- Documentation descriptions (if custom documentation is included in contract)
- Training requirements/recommendations
- Deployment timeline (if requested)
- Detailed cost estimates

The preparation of the design documents may take several weeks depending on the scope and complexity of your project. During this time and throughout the implementation, Handel will conduct regularly scheduled project meetings with the customer. Upon completion, your Handel project manager will submit the design documents to you for approval. It is possible that these documents will go through multiple versions before they receive final authorization. Following the signed acceptance of the design documents, the Handel project team will begin the implementation process.

- **Customer Sign-Off:** When the customer is satisfied that the system specifications are complete and correct, the customer's project manager will approve the design with his or her signature on a form sheet to indicate that the system as described in the design document(s) is correct and that Handel may begin programming. This sign-off is the final milestone in the system specifications phase.

Deployment/Quality Assurance (QA)

During the deployment/QA phase, your Handel team will assemble and configure the RiteTrack system as described in the design documentation. Handel's project manager or training specialist will train administration and staff and prepare supporting training documentation (if included in the contract) during this phase. Upon completion of this phase, the ready-to-be-implemented system is moved from our development environment to a beta (or test) environment.

During the entire deployment/QA process, Handel and the customer will engage in frequent, regularly scheduled status meetings. These meetings are an integral part of the deployment process and require the active participation of all parties to ensure a timely, efficient, and high-quality implementation of your new system.

Events and milestones in this phase include:

- **Development Planning:** Once the system specifications have been approved by the customer, the Handel project team will begin planning the specifics of programming the system.
- **Development/Programming:** During this phase the Handel project team programs and configures all forms, screens, processes, security, and reports according to the design document.
- **Data Conversion:** If converting data from an existing system, the data conversion will be performed as described in the design documents. Handel has developed a reliable approach to converting data from legacy systems which we have outlined in supplemental data conversion documentation. We have also converted from some legacy systems so frequently that we developed a standard conversion tool to simplify the process. If a part of your contract, this will be coordinated by your project manager and reviewed with you in detail.
- **Quality Assurance:** Your Handel project team and project manager perform in-house quality assurance testing to assure that the system looks and performs exactly as described in the specifications. These tests are based on the information we have gathered during the JAD sessions and development/programming phases.
- **Beta Environment Acceptance Testing:** However, since you are the expert at your processes and needs, we will ask you to access and test your RiteTrack system in the beta environment to ensure that it looks and performs exactly as described in the system specifications. Any errors should be reported to Handel's project team and will be fixed before moving to a live environment. Completion of this step marks a major milestone in the deployment/QA process.
- **Move to Live:** After the customer has accepted and approved the system setup and functionality in the beta environment, the system is migrated to the customer's operational environment. Additionally, if the customer hosts its database on-site, Handel will keep a sandbox (or mirrored) version of all system implementations in sync with the customer so you can use this version for training or future testing purposes.
- **Operational Environment Acceptance Testing:** During this segment, the customer tests the system in the operational environment, and any issues that arise are assumed to be a result of the new environment as opposed to deployment errors. This is an extremely important step to complete. Even a correctly functioning system in a beta environment may have issues within the live environment, and this step ensures those issues are identified and remedied.
- **System Documentation:** Based on the system specifications and the work your Handel project manager has done with you, he or she will develop detailed documentation of system processes for you. The types and extent of customer manuals Handel provides is based on the requirements in the contract and design documentation.

- **Training:** Handel trains end-users based on the contract requirements and system specifications. We offer several levels of training designed for employees with different roles and functions within each agency as we discussed earlier in the guide. As a quick summary Handel offers training either on-site at the client office(s) or at Handel's office. Usually it is more cost-effective to have Handel staff come to the client site for training. If there are many users to be trained, it may be more efficient and cost effective to have Handel staff provide train-the-trainer seminars for selected client staff member(s) who can then provide the end-user training. This is best identified through discussions with your project manager.
- **Final Customer Sign-off:** This milestone represents the final approval of the system and signals that the requirements in the design document have been fulfilled. Customer sign-off indicates that the system is officially live, operational, and ready for users to access. At this point, the support and maintenance agreements are in effect, and your organization has access to the best customer support available. Any additional system modifications after this are treated as new deployments and outlined and approved through the use of change orders.

Side-by-Side Operations (*if data conversion is included in contract*)

Following the completion of a data conversion and the milestones in the deployment/QA phase, we recommend using a side-by-side setup for operations with the new RiteTrack system. The setup should use live data and operate concurrently with the previous system. This step should last for a minimum of fifteen (15) days unless there are monthly or end-of-month reports. If so, this step should last at least one (1) full month. During this phase, RiteTrack is considered live because actual case and client data is entered, and the system generates reports based on the data. Although it can be time-consuming, new users are strongly encouraged to engage in the side-by-side environment because it provides many benefits including:

1. Easing into the introduction of the new system for users and user groups
2. Comparing reports and business processes to verify that the new system is functioning as stipulated
3. Creating an environment where users and admin can identify any remaining issues if missed previously
4. Seeing the systems side-by-side adds an additional layer of end-user training

You can discontinue use of your legacy system at any time. Your Handel project team need not be involved in the dismantling of the legacy system, but you should inform us of the status via a written notice indicating use of the old system has been discontinued (email is sufficient).

Finally, you can address any remaining configuration or coding issues that are identified during side-by-side operations through normal support channels.

Live Operations

Once you have discontinued the use of your legacy system, your Handel project team considers the entire deployment and testing process complete. Handel's project manager will invite your

project team to participate in a final deployment debriefing and evaluation to ensure that each item and question has been resolved to your satisfaction and to confirm that the system meets the specifications outlined in the design documentation. Any additional requests for changes or enhancements to the system after the live date are handled through your Handel project manager and documented and executed through change orders.

Once your organization is operating on a live RiteTrack system, you will receive ongoing support from your customer solution team who will address any questions or issues that may arise after deployment is complete. Whether RiteTrack is hosted on your organization's servers or in Handel's data center, Handel provides on-going support and maintenance to your system beyond the live date. We know that your success is our business and the support and maintenance for a RiteTrack solution reflects this philosophy. Standard support hours are 8 a.m.–5 p.m. MST/MDT, Monday–Friday excluding holidays. We address support requests by phone and email. Support response time is a maximum of one hour, but it is more likely that phone/email support requests are addressed immediately.

For its support processes, staff assign a ticket number for every support incident, and the ticket number is used by Handel and the customer to reference and track incidents. RiteTrack support and maintenance does not limit the number of incidents or number of hours per month. Handel believes its responsibility to our customers is to provide an error-free system that offers an intuitive user experience. Therefore, Handel is proud to offer this type of unlimited support.

Additional Notes on the System Implementation

The implementation approach described above is intended as a general overview of the process. Implementation phases and tasks may change in specific cases in order to address unique customer requirements or system needs. Precise implementation processes, tasks, timelines, stipulations, etc. will be outlined following your JAD session.

Responsibilities During System Implementation

In this guide we have identified for you multiple tasks and milestones that need to be completed during a system implementation. Some of the responsibilities belong to Handel, some to the customer, and some are shared.

It is important that you, as our customer, recognize that a successful implementation depends on our partnership and the timely completion of unique **and** shared responsibilities. We created the table below to encapsulate the major milestones.

Phase	Client Responsibilities	Handel Responsibilities	Shared Responsibilities
Contract Development	<ul style="list-style-type: none"> ✓ Complete and sign contract and related paperwork 	<ul style="list-style-type: none"> ✓ Supply summary specifications and time/cost estimates 	
System Specifications	<ul style="list-style-type: none"> ✓ Provide documents, process flows, forms, reports, etc., during the pre-JAD information gathering phase. ✓ Provide complete and correct information on forms, processes, reports, etc., during the JAD session ✓ Review all specification, timelines, and cost estimate documents. Submit changes as needed ✓ Sign-off on all specifications, etc., to ensure a timely start to work on the system 	<ul style="list-style-type: none"> ✓ Prepare design document, timeline, and cost estimates based on information gathered in the pre-JAD and JAD session(s). ✓ Integrate changes requested by the customer as needed 	<ul style="list-style-type: none"> ✓ Participate in the pre-JAD kickoff telephone call ✓ Participate in the JAD session(s)
Deployment/QA	<ul style="list-style-type: none"> ✓ Acceptance testing on Handel server ✓ Acceptance testing on hosting server ✓ Development/QA sign-off 	<ul style="list-style-type: none"> ✓ Development planning ✓ Technical specifications based on user specifications ✓ Development (configuration, scripting, reports, etc.) ✓ Data conversion ✓ Quality assurance ✓ Migrate system to live environment ✓ Complete and deliver documentation ✓ Complete and deliver training 	<ul style="list-style-type: none"> ✓ Participate in training ✓ Participate in reporting/status sessions
Side-by-Side	<ul style="list-style-type: none"> ✓ Compare and evaluate results ✓ Final sign-off when legacy system is retired 	<ul style="list-style-type: none"> ✓ Correct errors (if any) ✓ Provide support as outlined in the maintenance agreement 	
Live	<ul style="list-style-type: none"> ✓ Submit change orders ✓ Submit error information 	<ul style="list-style-type: none"> ✓ Correct errors, if any ✓ Provide support as outlined in the maintenance agreement 	<ul style="list-style-type: none"> ✓ Deployment debrief and evaluation

Contact Information



It is often best to email support directly because that delivers your support requests to your entire project team and enables your team to identify the best person to respond in the shortest amount of time. Phone support is also available, but be aware that our project managers travel frequently. If you cannot reach a specific person through a call, emailing support ensures all our support staff see the request and will address it.

Your customer solution team can be reached during business hours through the information listed below.

P.O. Box 1453

Laramie, WY 82073

Phone: (307) 742-5555

Fax: (307) 742-5554

Toll-Free Phone: (877) 742-5554

www.handelit.com

For Support Team: support@handelit.com

EXHIBIT "B"
(COMPENSATION)

The maximum consideration for the one-time software licenses, consulting services and the initial year of annual software maintenance, support and hosting in this agreement shall not exceed \$54,835.12. The provisions and costs for ongoing annual software maintenance, support and hosting can be found in Exhibit A.

This is a fixed price agreement and all payments will be made upon acceptance of project milestones as identified below and as described in the Scope of Work in Exhibit A. Contractor's fixed pricing was developed using rates of \$150 and \$175 per hour for this project. The County will reimburse Contractor for travel expenses as described below. The Whatcom County Contract Number shall be included on all billings or correspondence in connection with this Agreement. Payment will be made upon receipt of a properly prepared invoice from the Contractor subsequent to completion of the payment milestone.

Description	Qty	Rate	Unit	Amount	Payment Milestone
One Time Software Licenses					
RiteTrack Case Management Module	1	\$30,000.00	Per Server	\$30,000.00	To Be Invoiced Upon Execution of this Agreement.
Named User Licenses	6	\$1,800.00	Per User	10,800.00	
Existing Relationship with Whatcom County Discount	1	40%		-\$16,320.00	
			SubTotal	\$24,480.00	
			Sales Tax (9%)	\$2,203.20	
			Total	\$26,683.20	
One Time Professional Services					
Customization Budget	100	\$150.00	Per Hour	\$15,000.00	To Be Invoiced on a Monthly Basis as Services are Provided.
Project Management	25	\$175.00	Per Hour	\$4,375.00	
Quality Assurance	15	\$150.00	Per Hour	\$2,250.00	
			Total	\$21,625.00	
TOTAL ONE TIME COSTS					
			One Time Total Costs	\$48,308.20	
First Year Hosting and Maintenance Fees for Licensed Software					
Hosting and Maintenance Fees for Licensed Software	12	\$499.00	Per Month	\$5,988.00	To Be Invoiced for Full Year Upon System Provisioning.
			Sales Tax (9%)	\$538.92	
			Total	\$6,526.92	
TOTAL ONE TIME AND FIRST YEAR ONGOING COSTS					
			Total Costs	\$54,835.12	

For JM

Travel Expenses

The current scope of work does not include onsite work by the Contractor. If there is a need for onsite work, Contractor will receive written pre-approval from the County and travel expenses will be reimbursed as defined below.

Contractor will invoice County for Contractor's reasonable, direct costs incurred in performance of the services, within the limits set forth below. Direct expenses include, but may not be limited to: airfare, lodging, mileage, tolls and parking. Meals and incidental expenses will be reimbursed at the Federal GSA per diem rates for Bellingham, WA.

Travel expense limitations will be as follows:

- Airfare will not exceed coach rate;
- Direct mileage will be billed at the current IRS rate;
- Lodging /meals will not exceed the Federal GSA per diem rates for Bellingham, WA unless prior written approval is provided.
- Car rental will not exceed economy car rates, plus fuel costs; and
- Receipts will be provided for all airfare, car rental, fuel costs, tolls, parking and lodging.



EXHIBIT "C"

HANDINF-01

AHARRISON1

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/12/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 6024 HUB International Mountain States Limited 1620 E Pershing Blvd, Suite 100 Cheyenne, WY 82001	CONTACT NAME: Ray Gallegos PHONE (A/C, No, Ext): (307) 823-6127 FAX (A/C, No): (866) 467-3877 E-MAIL ADDRESS: Ray.Gallegos@hubinternational.com
INSURED Handel Information Technologies, Inc. PO Box 1453 Laramie, WY 82073-1453	INSURER(S) AFFORDING COVERAGE INSURER A : Sentinel Insurance Company, Ltd. 11000 INSURER B : Philadelphia Indemnity Insurance Company 18058 INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	X	34SBAPK6497	9/15/2024	9/15/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 EMPLOYMENT PRAC \$ 10,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			34SBAPK6497	9/15/2024	9/15/2025	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	Professional Liab			PHSD1852870-014	3/23/2025	3/23/2026	Per Occurrence \$ 5,000,000
B	Professional Liab			PHSD1852870-014	3/23/2025	3/23/2026	Aggregate \$ 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
SS 00 08 04 05 - Business Liability Coverage Form, Waiver of Rights of Recovery (Waiver of Subrogation), Additional Insured, Primary, Non-contributory

CERTIFICATE HOLDER

CANCELLATION

Whatcom County
311 Grand Avenue, Suite #503
Bellingham, WA 98225-4048

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section C. - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. - Liability And Medical Expenses Definitions.

A. COVERAGES

1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D. - Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (b) The "bodily injury" or "property damage" occurs during the policy period; and

- (c) Prior to the policy period, no insured listed under Paragraph 1. of Section C. - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

- c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section C. - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

BUSINESS LIABILITY COVERAGE FORM

- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
 - (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
 - (b) You are not engaged in the business or occupation of providing such services.
- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. MEDICAL EXPENSES

Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

- a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:
 - (1) All expenses we incur.
 - (2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - (5) All costs taxed against the insured in the "suit".
 - (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
- Any amounts paid under (1) through (7) above will not reduce the limits of insurance.

b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
 - (a) Agrees in writing to:
 - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
 - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (b) Provides us with written authorization to:
 - (i) Obtain records and other information related to the "suit"; and
 - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

BUSINESS LIABILITY COVERAGE FORM

(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or

released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

BUSINESS LIABILITY COVERAGE FORM

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
 - (a) Body piercing (not including ear piercing);
 - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
 - (c) Similar services;
- (10) Services in the practice of pharmacy; and
- (11) Computer consulting, design or programming services, including web site design.

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. - Coverages.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section D. - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

BUSINESS LIABILITY COVERAGE FORM

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

- (a) Copyright;
- (b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

- (8) Arising out of an offense committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of web sites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. – Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

- (12) Arising out of:

- (a) An "advertisement" for others on your web site;
- (b) Placing a link to a web site of others on your web site;
- (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or
- (d) Computer code, software or programming used to enable:
 - (i) Your web site; or
 - (ii) The presentation or functionality of an "advertisement" or other content on your web site;

- (13) Arising out of a violation of any anti-trust law;
- (14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or
- (15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Asbestos

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:

- (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";
- (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or
- (c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning or Explosion

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D. - Liability And Medical Expenses Limits Of Insurance.

BUSINESS LIABILITY COVERAGE FORM

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

- e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (b)** To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

- (d)** Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph **(d)** does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

- (a)** Owned, occupied or used by,

- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

- b. Coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

BUSINESS LIABILITY COVERAGE FORM

contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. – Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
- (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
- (a) In connection with your premises; or
- (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:
- This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
- (a) In the performance of your ongoing operations;
- (b) In connection with your premises owned by or rented to you; or
- (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
- (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
- (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

BUSINESS LIABILITY COVERAGE FORM

- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to 2.a. or 2.b. above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

BUSINESS LIABILITY COVERAGE FORM

This Paragraph f. applies separately to you and any additional insured.

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. – Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. – Coverages.

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us**a. Transfer Of Rights Of Recovery**

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

BUSINESS LIABILITY COVERAGE FORM

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

- b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision - Permits

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

BUSINESS LIABILITY COVERAGE FORM

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(1) In the performance of your ongoing operations for the additional insured(s); or

(2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

- a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
- b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication
- provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.
- 7. "Electronic data" means information, facts or programs:
 - a. Stored as or on;
 - b. Created or used on; or
 - c. Transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
 - 8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 - 9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
 - 10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
 - 11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
- b. Your fulfilling the terms of the contract or agreement.

12. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. – Liability and Medical Expenses Limits of Insurance.
- b. A sidetrack agreement;
- c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement; or
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

However, Paragraph f. does not include that part of any contract or agreement:

BUSINESS LIABILITY COVERAGE FORM

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
- (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral, written or electronic publication of material that violates a person's right of privacy;
 - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";
 - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or
 - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.
18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
19. "Products-completed operations hazard";
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

20. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.

As used in this definition, "electronic data" is not tangible property.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

23. "Volunteer worker" means a person who:

- a. Is not your "employee";

BUSINESS LIABILITY COVERAGE FORM

- b. Donates his or her work;
 - c. Acts at the direction of and within the scope of duties determined by you; and
 - d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 24. "Your product":**
- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.
- 25. "Your work":**
- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.

RITETRACK SOFTWARE HOSTING AGREEMENT

This **RITE TRACK SOFTWARE HOSTING AGREEMENT** ("**Agreement**") is entered into by Handel Information Technologies, Inc. ("**Licensor**") and the Licensee identified in the Order Quote to which this Agreement is attached ("**Licensee**"). The terms and conditions of all Exhibits attached to this Agreement and the Order Quote are incorporated herein by reference. For good and valuable consideration, the legal sufficiency and receipt of which are hereby acknowledged, Licensor and Licensee agree as follows:

1. DEFINITIONS. Capitalized terms not otherwise defined herein shall have the meanings set forth in Exhibit A.

2. LICENSE AND RESTRICTIONS.

2.1. License Grant. During the Term and subject to the terms and conditions of this Agreement and the Order Quote, including prompt payment of all Fees, Licensor grants to Licensee a non-exclusive, non-transferable right and license, either as a Per Named User, Concurrent User, or Server as identified on the Order Quote, without the right to sublicense, to use the RiteTrack Software (the "**Software**") in conformance with the Documentation on Licensor's application server(s) over the Internet.

2.2. License of Licensee Information. Licensee shall be solely responsible for providing, updating, uploading and maintaining any and all of the Licensee Information. Licensor shall provide the required space on the application server for Licensee to use for storage of data necessary for use of the Software. Licensee grants to Licensor a non-exclusive, worldwide and royalty free license to copy, display, use and transmit on and via the Internet, as applicable, the Licensee Information solely in connection with Licensor's performance or enforcement of this Agreement.

2.3. Restrictions on Use. Licensee shall not, nor shall it permit, assist or encourage any third party to: (a) copy, modify, adapt, alter, translate, or create derivative works from the Software or Documentation; (b) sublicense, distribute, sell, use for service bureau use, lease, rent, loan, or otherwise transfer the Software or the Documentation to any third party; (c) merge the Software with other software or use the Software to develop any application or program having the same primary function as the Software; (d) reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code for the Software; (e) remove the Software from the Licensed Site, (f) directly or indirectly encumber the Software, (g) transmit or share identification or password codes to persons other than authorized users, (h) permit the identification or password codes to be cached in proxy servers and access by individuals who are not authorized users, (i) permit access to the software

through a single identification or password code being made available to multiple users on a network, or (j) otherwise exercise any rights in or to the Software or the Documentation, except as expressly permitted under **Section 2.1 (License Grant)**.

2.4. Licensee Responsibilities, Password Protection.

As part of the registration and account creation process Licensee will create User Identification Names and Hosting Passwords. Licensee may not elect a User Identification Name which is in the sole opinion of Licensor offensive or inappropriate. Licensee shall be solely responsible for maintaining the confidentiality of the Hosting Passwords. Licensee is solely responsible for all usage or activity on Licensee's Licensor account, including but not limited to use of Licensee's accounts, Licensee's User Identifications, Licensee's Hosting Passwords by any third party users, or conduct by Licensee's customers. Licensee, on behalf of itself, its employees and agents, and its customers agrees not to engage in unacceptable use of the Software, which includes, without limitation, use of the Software to: (a) disseminate, store or transmit unsolicited messages, chain letters or unsolicited commercial email; (b) disseminate or transmit material that, to a reasonable person may be abusive, obscene, pornographic, defamatory, harassing, grossly offensive, vulgar, threatening or malicious; (c) disseminate, store or transmit files, graphics, software or other material that actually or potentially infringes the copyright, trademark, patent, trade secret or other intellectual property right of any person; (d) create a false identity or to otherwise attempt to mislead any person as to the identity or origin of any communication; (e) export, re-export or permit downloading of any message or content in violation of any export or import law, regulation or restriction of the United States and its agencies or authorities, or without all required approvals, licenses or exemptions; (f) interfere, disrupt or attempt to gain unauthorized access to other accounts on the Service or any other computer network; (g) disseminate, store or transmit viruses, Trojan horses, or any other malicious code or program; (h) violate any party's privacy or (i) engage in any other activity deemed by the Licensor to be in conflict with the spirit or intent of this Agreement. Any fraudulent, abusive, or otherwise illegal activity may be grounds for termination of Licensee's account, in Licensor's sole discretion, and Licensor may refer Licensee to appropriate law enforcement agencies.

3. INSTALLATION AND ACCEPTANCE. The Software will be deemed accepted ("**Live**") as of the earliest of the following dates: a) the date that Licensee begins loading data and/or b) the date that Licensee begins using the

Software in Licensee's daily operations and/or c) the date that Licensee's end-users begin using or accessing the Software for purposes other than testing.

4. MAINTENANCE.

4.1. Maintenance. Licensor shall provide system maintenance during the License Term, consisting of resolution of errors, end user support, and updates to the RiteTrack framework as described below.

4.2. Resolution of Errors. Licensor shall use commercially reasonable efforts to provide an initial response acknowledging Errors reported by Licensee. Thereafter, Licensor shall use commercially reasonable efforts to provide a Resolution to the Error in accordance with Documentation of the Software. Modifications, enhancements, or any other changes not explicitly described in the Software Documentation are specifically excluded and must be handled via a separate, written Customization agreement, the terms and conditions of which shall be mutually agreed upon by the parties.

4.3. End User Support Hours. Licensor shall provide support and assistance to Licensee's designated Contact Person during Licensor's normal business hours only, weekends and holidays excepted.

4.4. Updates to the RiteTrack Framework. Licensor will provide Updates for the Software during the License Term as and when developed for general release in Licensor's sole discretion so long as Licensee is current on its payment of Hosting Fees. Licensor shall not be obligated to provide Major Releases for the Software during the License Term unless the provision of Major Releases is specifically indicated on the Order Quote and all applicable Hosting Fees have been paid by Licensee. Only Updates that pertain to the Version of the RiteTrack Framework indicated on the Order Quote shall be provided.

4.5. Exceptions. Licensor shall have no responsibility under the Agreement to fix any Errors arising out of or related to the following causes: a) Licensee's modification or combination of the Software (in whole or in part) with hardware, software or other materials not expressly recommended for use in the Documentation; b) use of the Software in an environment other than a Supported Environment; or causes other than ordinary use. Any corrections performed by Licensor for such excepted Errors shall be made, in Licensor's reasonable discretion, at Licensor's then-current time and material charges.

4.6. Backups. Licensor shall be responsible for continuous backups of the Licensee system and data in the format as outlined below. Complete backups shall be performed daily at or around midnight. This shall be a complete backup of the licensee data and shall include SQL database as well as all related

files to maintain functionality of the solution. Daily complete backups shall be stored for fourteen (14) days on a rotating fourteen (14)-day schedule. This is defined that on the fourteenth (14th) day, the oldest complete backup shall be overwritten with the most current complete backup. Therefore, fourteen (14) days of complete backups shall be available from current date and time.

Every four (4) hours an incremental backup shall be completed on the licensee SQL database. Incremental backups shall be stored for five (5) days on a rotating five (5)-day schedule. This is defined that on the 5th day, the oldest incremental backup shall be overwritten with the most current incremental backup. Therefore, five (5) days of incremental backups at four (4)-hour intervals are available from current date and time.

All backups shall be stored within the secure hosting facility. Restoring to a complete or incremental backup shall be done upon official request from a Licensee certified representative to Licensor. Some charges may apply.

4.7. Licensee Responsibilities.

4.7.1. Supervision and Management. Licensee is responsible for undertaking the proper supervision, control and management of its use of the Software, including, but not limited to: (a) appointing a single Designated Contact Person to work directly with Licensor and to act as a point of contact between Licensee's staff and Licensor, and (b) following industry standard procedures for the security of data, accuracy of input and output in the event of hardware or software error or malfunction.

4.7.2. Training. Licensee is responsible for proper training of all appropriate personnel in the operation and use of the Software and associated equipment. If requested by Licensee, Licensor, in its discretion, may provide such training services, which shall be billed at Licensor's then current rates and prices in effect from time to time. Unless explicitly specified in the Design Document, no Training or Training materials prepared or made available by Licensor are included in the scope of this Agreement.

5. CONSULTING AND CUSTOMIZATION

5.1. Consulting and Customization. Licensor shall perform Customization as summarized in the Order Quote for the purpose of providing additional functionality to the RiteTrack Framework and Application Software, according to specifications jointly agreed upon by the parties as described in Section 5.5 and 5.6. Consulting and Customization shall consist of programming only; no equipment or

hardware is included unless explicitly described in the Design document.

5.2. Termination. Consulting and Customization may be terminated by either party with 30 days notice (which notice may be in e-mail form). If Consulting and Customization services are terminated prior to the Acceptance of the project, regardless of which party terminates or the reason for termination, the Licensor shall render a final invoice covering all Consulting and/or Customization fees and associated expenses previously approved by Licensee, completed up to and including the date of notice of termination and submit it to Licensee, and Licensee shall pay invoice in accordance with Section 6 of this Agreement.

5.3. Costs. Costs for Consulting and Customization provided under this Agreement and summarized on the Order Quote attached to this Agreement shall be charged on an hourly basis and shall be consistent with the current hourly costs in the Licensor's Consulting Price List as of the date of the Order Quote.

5.4. Scope of Work. The scope of work summarized in the Order Quote is for purposes of estimation only. The final Scope of Work shall be determined following the Joint Application Development (JAD) session at which the final specifications are defined and developed and jointly agreed to by both parties. The final Scope of Work, based on the JAD session, shall be defined completely and solely by the Design Document. No function, operation, capability, report, input, embedded data, or output not described explicitly in the Design document is included in the Scope of work.

5.5. Joint Application Development (JAD). Prior to Licensor undertaking any Customization or Consulting, Licensor and Licensee shall collaborate to define precise system specifications, including system inputs, outputs, functions, operations, capabilities, and reports in a Joint Application Development session. The result of this collaboration shall be a complete Design Document, to be jointly agreed to by both parties, containing exact and detailed specifications for the Customization and/or Consulting. The cost of the Joint Application Development, including per-hour consulting costs, travel, living, and other expenses, shall be paid by Licensee.

5.6. Licensee Responsibilities. Licensee shall provide Licensor with access to Licensee's personnel, business flow information, requirements, forms, and processes as they pertain to the Consulting and/or Customization project being undertaken, and provide other data and supporting information as needed to allow successful completion of the Consulting and/or Customization project.

5.7. Project Acceptance. Project shall be deemed "Accepted" when Licensor and Licensee jointly determine that the Consulting and/or Customization results meet the specifications set out and detailed in the Design Document plus any mutually accepted amendments to the Design Document. No functional requirements of any kind not explicitly defined in the Design Document shall be required for Project Acceptance.

6. FEES.

6.1. Fees. Licensee shall pay all Fees to Licensor in accordance with the payment schedule and payment terms set forth in the Order Quote. If at any time during the License Term, Licensee desires to modify and/or increase its licensed scope of use of the Software beyond that specified in the Order Quote, Licensee may not use the Software in connection with such modification until Licensor has consented in writing to such modification and Licensee has paid additional Fees to Licensor as mutually agreed by the parties. Licensor may modify Hosting Fees with 30 days notice to Licensee.

6.2. Payment Terms. All Fees are non-refundable except as otherwise provided by the Agreement. All payments must be made in U.S. Dollars. Any portion of the Fees that is not paid when due will accrue interest at 18% per annum or the maximum rate permitted by applicable law, whichever is less, from 15 days after the due date until paid. Licensee will be responsible for the cost of any collection activity, including reasonable attorneys' fees.

6.3. Taxes. The Fees exclude all applicable sales, use, and other taxes and all applicable export and import fees, customs, duties and similar charges, and Licensee will be responsible for payment of all such taxes (other than taxes based on Licensor's net income), fees, duties, and charges, and any related penalties and interest, arising from the payment of the Fees or the delivery or license of the Software to Licensee. Licensee will defend, indemnify, and hold harmless Licensor from all claims and liability arising from Licensee's failure to report or pay any such taxes, fees, duties or charges.

7. LIMITED WARRANTY; DISCLAIMER.

7.1. Limited Warranty. Licensor warrants that the Software will perform substantially in accordance with the functional specifications contained in the Documentation for a period of thirty (30) days from the Effective Date (the "**Warranty Period**"). In the event of a breach of the limited warranty set forth in this Section, Licensee shall promptly notify Licensor in writing specifying such breach in reasonable detail and provide Licensor with all available information regarding the Error. Licensee's exclusive remedy, and Licensor's entire liability, for any breach of the limited warranty set forth in this

Section shall be for Licensor to use commercially reasonable efforts to correct the Error at no additional charge to Licensee, provided that Licensee has given Licensor specific written notice of the Error prior to the expiration of the Warranty Period. Notwithstanding any provision of this Agreement to the contrary, if, after making commercially reasonable efforts to effect the foregoing solutions, Licensor reasonably determines that it would be commercially impractical to cause the Software to conform to the limited warranty set forth in this Section, Licensor may immediately terminate this Agreement by providing written notice to Licensee, without any liability to Licensee, and refund any Fees paid by Licensee to Licensor attributed to the license of the Software. The limited warranty set forth in this Section shall not apply to the extent that the defect or malfunction occurs because (a) the affected Software has not been used in accordance with the Documentation or Licensor's instructions; (b) or the affected Software has been altered or modified by Licensee or any third party. Licensor shall not be required to respond to a warranty claim hereunder to the extent that Licensee has not timely paid amounts due and owing to Licensor under this Agreement.

7.2. Warranty Disclaimer.

7.2.1. EXCEPT AS EXPRESSLY PROVIDED FOR IN SECTION 7.1 (LIMITED WARRANTY), THE SOFTWARE AND/OR OTHER SERVICES PROVIDED IN CONNECTION WITH THIS AGREEMENT ARE PROVIDED "AS IS". WITHOUT LIMITING THE FOREGOING, LICENSOR DOES NOT REPRESENT, WARRANT OR GUARANTEE THAT THE SOFTWARE WILL BE ERROR-FREE, UNINTERRUPTED, VIRUS-FREE OR SECURE, OR MEET LICENSEES' EXPECTATIONS. LICENSOR DOES NOT MAKE ANY WARRANTY REGARDING THE SOFTWARE'S RESULTS OF USE OR THAT LICENSOR WILL CORRECT ALL ERRORS. THE LIMITED WARRANTY SET FORTH IN **SECTION 7.1** IS EXCLUSIVE AND LICENSOR MAKES NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS WITH RESPECT TO THE SOFTWARE AND/OR OTHER SERVICES PROVIDED IN CONNECTION WITH THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT OR ANY WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE AND THE SAME ARE

HEREBY EXPRESSLY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

7.2.2. LIMITATION OF LIABILITY. EXCEPT WITH RESPECT TO (A) A BREACH OF A PARTY'S OBLIGATIONS SET FORTH IN **SECTION 10** (CONFIDENTIALITY), (B) A PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER, AND/OR (C) LICENSEE'S INFRINGEMENT OR VIOLATION OF ANY INTELLECTUAL PROPERTY OR OTHER PROPRIETARY RIGHTS OF LICENSOR, IN NO EVENT SHALL EITHER PARTY OR ITS SUPPLIERS BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, EXEMPLARY, SPECIAL, OR INCIDENTAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY LOST DATA, LOST PROFITS OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, ARISING FROM OR RELATING TO THIS AGREEMENT, HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE), EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, LICENSOR'S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT, THE SOFTWARE AND ANY OTHER SERVICES PROVIDED BY LICENSOR TO LICENSEE HEREUNDER, WHETHER IN CONTRACT OR TORT OR OTHERWISE, WILL NOT EXCEED TOTAL FEES PAID BY LICENSEE TO LICENSOR HEREUNDER. LICENSEE ACKNOWLEDGES THAT THIS ARRANGEMENT REFLECTS THE ALLOCATION OF RISK SET FORTH IN THIS AGREEMENT AND THAT LICENSOR WOULD NOT ENTER INTO THIS AGREEMENT WITHOUT THESE LIMITATIONS ON ITS LIABILITY. LICENSEE ACKNOWLEDGES THAT THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

7.2.3. WITHOUT LIMITING THE FOREGOING, LICENSEE HEREBY ACKNOWLEDGES AND AGREES THAT NEITHER THE SOFTWARE NOR ANY SERVER PROVIDED BY LICENSOR (IF APPLICABLE) IS AN ARCHIVE AND LICENSOR SHALL HAVE NO LIABILITY TO LICENSEE OR ANY OTHER PERSON FOR LOSS, DAMAGE OR DESTRUCTION

OF ANY LICENSEE INFORMATION OR DATA USED, TRANSMITTED THROUGH OR STORED ON OR IN CONNECTION WITH THE SOFTWARE. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, LICENSEE SHALL BE SOLELY RESPONSIBLE FOR: (I) UPLOADING, INPUTTING, LOADING OR OTHERWISE USING ALL OF LICENSEE'S INFORMATION OR DATA IN CONNECTION WITH THE SOFTWARE; (II) PREVENTING ANY LOSS OR DAMAGE TO SUCH INFORMATION OR DATA; (III) MAINTAINING INDEPENDENT ARCHIVAL AND BACKUP COPIES OF ALL SUCH INFORMATION OR DATA; (IV) ENSURING THE SECURITY, CONFIDENTIALITY AND INTEGRITY OF ALL SUCH INFORMATION OR DATA; AND (V) ENSURING THE CONFIDENTIALITY OF LICENSEE'S ACCESS IDS AND/OR ACCOUNTS, WHICH SHALL BE ISSUED BY LICENSOR FOR THE LIMITED PURPOSE OF USING THE SOFTWARE PURSUANT TO THE TERMS HEREIN (IF APPLICABLE).

8. INDEMNITY.

8.1. By Licensee. ~~Licensee shall, at its own expense, indemnify, defend and hold Licensor, its Affiliates and its and their or respective employees, representatives and agents harmless from and against any and all claims, costs, damages, liabilities, fees and expenses (including reasonable attorneys' fees) arising from any third-party claim, action, suit or proceeding to the extent such claim, action, suit or proceeding arises out of or relates to any (a) act or omission of Licensee, its Affiliates, or their respective employees or agents in connection with this Agreement, (b) breach of this Agreement by Licensee, its Affiliates, or their respective employees or agents, and/or (c) Licensee's use of and/or reliance on the Software.~~

8.2. IP Indemnification. Licensor warrants that the Software provided hereunder does not and will not infringe upon or violate any patent, copyright, trade secret, or other proprietary or property right of any person or entity. In the event of a claim against Licensee asserting or involving such an allegation, Licensor will defend, at Licensor's expense, and will indemnify Licensee and hold Licensee harmless against any loss, cost, expense (including attorneys' fees), or liability arising out of such claim, whether or not such claim is successful. In the event an injunction or order should be obtained against use of the Software by reason of the allegations, or if in Licensor's opinion the Software is likely to become the subject of such a claim of infringement, Licensor

will, at its option and in its expense, (i) procure for the Licensee the right to continue using the Software; (ii) replace or modify the same so that it becomes non-infringing (such as modification or replacement shall be functionally equivalent to the original); or (iii) if neither (i) or (ii) is practicable, terminate this Agreement.

8.3. Procedures. The obligation of the indemnifying party to indemnify the indemnified party hereunder is predicated upon the indemnified party: (a) providing the indemnifying party prompt written notice of any such claim; (b) allowing the indemnifying party to control the defense and any settlement of any such claim, provided that the indemnified party may, at its own expense, participate in such defense and settlement negotiations with counsel of its own choosing; and (c) reasonably cooperating with the indemnifying party, at the indemnifying party's request and expense, in the defense and settlement of such claim.

9. TERM AND TERMINATION OF LICENSE.

9.1. Term. This Agreement shall become effective as of the latest date of signature on the Order Quote and shall continue in perpetuity, unless terminated by either party as provided herein.

9.2. Termination. Either party may terminate this Agreement and the license granted hereunder if the other party breaches any material provision of this Agreement and does not cure such breach (provided that such breach is capable of cure) within 30 days after being provided with written notice thereof (unless a longer period of time is mutually agreed to by the parties). Notwithstanding anything herein to the contrary and without prejudice to any other rights available to Licensor at law or in equity, upon any breach of this Agreement by Licensee, Licensor reserves the right, in its sole discretion and upon notice (which notice may be in e-mail form), to suspend Licensee's access to or use of the Software, in which case Licensor shall have no liability of any kind for such suspension.

9.3. Effect of Termination. Upon expiration or termination of this Agreement for any reason: (a) any amounts owed to Licensor under this Agreement prior to such expiration or termination will be immediately due and payable; (b) all licensed rights granted under Section 2.1 of this Agreement will immediately terminate and revert to Licensor, and all licensed rights granted under Section 2.2 of this Agreement will immediately terminate and revert to Licensee; and (c) Licensee shall promptly discontinue use of the Software, erase all copies of the Software from the computers of Licensee, return to Licensor or, at Licensor's request, destroy all copies of the Software, Documentation and Licensor Information in the possession or control of Licensee and certify in writing to Licensor that it has fully

complied with these requirements. (d) Additionally, Licensor shall erase all copies of the Software from the computers of Licensor, return to Licensee or, at Licensee's request, destroy all copies of the database in the possession or control of Licensor and certify in writing to Licensee that it has fully complied with these requirements within 7 days. **Sections 6 (Fees), 7 (Limited Warranty; Disclaimer), 8 (Indemnity), 9.3 (Effects of Termination), 10 (Confidentiality) and 12 (General)**, together with any accrued payment obligations and any other provisions which by their nature are intended to survive, will survive expiration or termination of this Agreement for any reason.

10. CONFIDENTIALITY.

10.1. Licensor Information; Right to Disclose. Except as otherwise expressly provided in this **Section 10**, Licensee shall protect and keep confidential all Licensor Information. Licensee shall use the Licensor Information only for the purposes contemplated by this Agreement. Licensee may disclose Licensor Information only (a) as necessary for its use of the Software in accordance with this Agreement to Licensee's employees or third party contractors who have agreed in writing to maintain such information in confidence, or (b) if required to do so by subpoena, court order or legal process, provided that Licensor is provided sufficient notice to request a protective order.

10.2. Licensee Information; Right to Disclose. Except as otherwise expressly provided in this **Section 10**, Licensor shall protect and keep confidential all Licensee Information, and shall use Licensee Information only for the purposes contemplated by this Agreement and for purposes of improving and enhancing the Software. Licensor may disclose Licensee Information only (a) as necessary to support Licensee's use of the Software in accordance with this Agreement to Licensor's employees or third party contractors who have agreed in writing to maintain such information in confidence, or (b) if required to do so by subpoena, court order or legal process, provided that Licensee is provided sufficient notice to request a protective order.

10.3. Exceptions. **Sections 10.1 and 10.2** shall not apply to information of the disclosing party that (a) is or becomes generally available to the public other than through a wrongful act of the receiving party, (b) is or becomes available to the receiving party on a non-confidential basis from a source that is entitled to disclose it to the receiving party, or (c) is independently developed by the receiving party, its employees or third party contractors without access to or use of the disclosing party's confidential information.

11. Travel, Living, and Other Expenses. Training, Support Services, Consulting and Customization Services provided hereunder shall be provided at Licensor's principal place of business, or at Licensee's facility at Licensee's expense, as determined in Licensor's sole discretion. If Licensee requests that Licensor send personnel to Licensee's facility to undertake or complete any Training, Support Services, Consulting or Customization, Licensee shall pay Licensor's reasonable travel, meals and lodging expenses. Under such circumstances, Licensee shall also pay actual costs for supplies and other expenses reasonably incurred by Licensor, which are not of the sort normally provided or covered by Licensor, provided that Licensee has approved in advance the purchase of such supplies and other expenses. If Licensee so requires, Licensor shall submit written evidence of expenditures to Licensee prior to receiving reimbursement of such costs and expenses.

12. GENERAL.

12.1. Proprietary Rights. The Software including Updates and Customization is licensed, not sold. The Software and Documentation, and all Intellectual Property rights therein, are the exclusive property of Licensor and/or its licensors. All rights in and to the Software, the Documentation and Licensor's other Intellectual Property not expressly granted to Licensee in this Agreement are reserved by Licensor and nothing in this Agreement will be deemed to grant, by implication, estoppel or otherwise, a license under any of Licensor's existing or future Intellectual Property. If Licensee or any of its Affiliates is deemed to have any ownership interest or other rights in the Software or any Documentation, including any and all derivative works, enhancements or other modifications thereto, then Licensee shall assign and/or cause such Affiliate to assign, and Licensee does hereby assign, irrevocably and royalty-free, all of such ownership interest or other rights exclusively to Licensor and Licensee shall, at Licensor's reasonable request and expense, complete, execute and deliver any and all documents necessary to effect or perfect such assignments. Licensee will not remove, alter, or obscure any proprietary notices (including without limitation copyright notices) of Licensor on the Software or the Documentation or any copy thereof.

12.2. Amendments. Amendments to this Agreement must be in writing and signed by both parties.

12.3. Press Release; Licensee Reference. Licensor may issue a press release announcing the relationship between the parties, the content of which shall be subject to Licensee's prior written approval, such approval not to be unreasonably withheld, conditioned or delayed. Licensor may refer to Licensee as a licensee in sales presentations, marketing vehicles and related activities and may include Licensee's trademarks and logos on

Licensor's website(s) for the sole purpose of identifying Licensee as a customer of Licensor.

12.4. Compliance with Laws. Licensee will not export or re-export the Software without all required United States and foreign government licenses. Licensee will defend, indemnify, and hold harmless Licensor from and against any violation of Laws by Licensee or any of its agents, officers, directors, employees or Affiliates.

12.5. Audit Rights. Licensee shall permit Licensor or its representatives to review Licensee's relevant records and inspect Licensee's facilities and books or accounts and records to verify Licensee's compliance with this Agreement. Licensor will give Licensee at least ten days advance written notice of any such inspection and will conduct the same during normal business hours in a manner that does not unreasonably interfere with Licensee's normal operations. Any such audit will be conducted at Licensor's expense, unless the audit reveals that Licensee has materially breached any provision of this Agreement, in which case Licensee will (a) reimburse Licensor for all reasonable costs and expenses incurred by Licensor in connection with such audit, and (b) at Licensor's discretion, pay additional Fees to Licensor for any use of the Software outside the License Scope. The rights described in this Section shall be in addition to any other remedies available at law or in equity.

12.6. Assignment. Licensee may not assign or transfer, by operation of law or otherwise, this Agreement and/or any of its rights or obligations under the Agreement to any third party without Licensor's prior written consent. Any attempted assignment or transfer in violation of the foregoing will be null and void.

12.7. Notices. All notices, consents, and approvals under this Agreement must be delivered (a) in writing by reputable overnight courier, or certified or registered United States mail, (postage prepaid and return receipt requested) to the other party at the address set forth in the Ordering Document, or (b) by facsimile (with a copy sent by postage prepaid first-class mail) to the other party at the facsimile number set forth in the Ordering Document (or to such other address or as such Party may have specified in a written notice to the other Party) and shall be effective upon receipt or three business days after being deposited in the mail as set forth above, whichever occurs sooner. Either party may change its address and/or facsimile number by giving written notice of the new address and/or facsimile number to the other party.

12.8. Governing Law. Any controversy, claim or dispute arising out of or relating to this Agreement, or the breach thereof, shall be governed by and construed in accordance with the laws of the State of Wyoming, other than such laws, rules, regulations

and case law that would result in the application of the laws of a jurisdiction other than the State of Wyoming. The parties agree that exclusive venue for any dispute arising under or in connection with this Agreement shall be in the federal district court for the District of Wyoming or the state court for the City and County of Laramie, Wyoming. Each party hereby agrees that such courts shall have in personam jurisdiction and venue with respect to such party, and each party hereby submits to the in personam jurisdiction and venue of such courts and waives any objection based on inconvenient forum. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

12.9. Remedies. Licensee acknowledges that the Software contains valuable Intellectual Property of Licensor, that any actual or threatened breach of **Section 2 (License and Restrictions)** or **10.1 (Licensor Information)** constitutes immediate, irreparable harm to Licensor for which monetary damages would be an inadequate remedy. Therefore, in the event of any breach or threatened breach of such Sections, Licensor shall be entitled to seek equitable relief in addition to its other available legal remedies in a court of competent jurisdiction, without the necessity of posting bond or other security.

12.10. Waivers. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

12.11. Federal Acquisitions - Restricted/ Commercial Rights: This paragraph applies to all acquisitions of this Software by or for the federal government, or by any prime contractor or subcontractor, of any tier, under any contract, grant, cooperative agreement or other activity with the federal government. By accepting delivery of this Software the government hereby agrees that this software qualifies as "commercial" computer software within the meaning of the acquisition regulation(s) applicable to this procurement. The Software is a "Commercial Item" as that term is defined in 48 CFR 2.101, consisting of Commercial Computer Software and Commercial Computer Software Documentation as such terms are used in 48 CFR 12.212 and 48 CFR 227.7202-1 through 227.7202-4, as applicable (for DoD acquisitions). The Software is licensed to the government end-users only as a Commercial Item and with only those restricted rights granted all other end-users pursuant to the terms and conditions herein. The terms and conditions of this License shall pertain to the government's use and disclosure of this Software, and shall supersede any

conflicting contractual terms or conditions. If this License fails to meet the government's needs or is inconsistent in any respect with Federal law, the government agrees to return the Software, unused, to the Seller.

12.12. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions of this Agreement will continue in full force and effect. Without limiting the generality of the foregoing, Licensee acknowledges that **Sections 7.2.2 and 7.2.3 (Limitation of Liability)** will remain in effect notwithstanding the unenforceability of any provision in **Section 7 (Warranty)**.

12.13. Force Majeure. Neither party will be held responsible for any delay or failure in performance of any part of this Agreement to the extent that such delay is caused by events or circumstances beyond the delayed party's reasonable control.

12.14. Waiver and Modification. The waiver by any party of any breach of covenant will not be construed to be a waiver of any succeeding breach or any other covenant. All waivers must be in writing, and signed by the party waiving its rights. This Agreement may be modified only by a written instrument executed by authorized representatives of the parties hereto.

12.15. Entire Agreement. This Agreement constitutes the entire agreement between the parties regarding the subject hereof and supersedes all prior or contemporaneous agreements, understandings, and communication, whether written or oral. In no event will pre-printed terms and conditions of sale printed on a separate purchase order be considered part of this Agreement or be binding on either party. In the event of a conflict between this Agreement, on the one hand, and the terms of the Order Quote and/or a separate purchase order, on the other hand, the terms of this Agreement shall control to the extent of such conflict.

EXHIBIT A
TO
RITETrack SOFTWARE HOSTING AGREEMENT
DEFINITIONS

"Affiliate" means an entity that controls, is controlled by, or is under common control with Licensee, where "control" means ownership of 50% or more of the outstanding voting securities.

"Agreement" means this Software License Agreement together with the Order Quote and all Exhibits and Addenda thereto.

"Concurrent" license means a Software license purchased for a finite number of simultaneous users, and not limited by the number of computers on which the Software is installed or from which the Software is accessible, with the specific users themselves remaining undefined. For example, in a 50-user Concurrent license, after 50 users are simultaneously using the Software, the 51st user is blocked.

"Consulting" and "Customization" means additional application programming or other services provided under a separate Consulting Agreement, intended to work together and in conjunction with the RiteTrack Framework software and/or the Application Software.

"Design Document" means the Documentation that describes proposed system functions, inputs, outputs, and constraints. This document is produced and signed off on by the Licensee prior to Customization.

"Designated Contact Person" means the individual appointed by the Licensee to manage Licensee's RiteTrack application and to be the main point of contact between Handel Information Technologies and Licensee.

"Documentation" means the system specifications and/or manuals provided to Licensee with respect to the Software, in hard copy or electronic form. In the event of a conflict between various documents regarding how the system is expected to function, the System Design Specifications document will take precedence over all other documents.

"Effective Date" means the date set forth in the Order Quote as the "Effective Date."

"Error" means a reproducible defect in the RiteTrack Application Software which causes the Software not to operate substantially in accordance

with the application system Documentation or Specifications.

"Fees" means, collectively, the License Fees paid by Licensee to Licensor for the license of the Software as set forth on the Order Quote.

"Intellectual Property" means all existing and future worldwide copyrights, trademarks, service marks, trade secrets, patents, patent applications, moral rights, contract rights, and other proprietary and intellectual property rights.

"Laws" means all applicable laws, statutes, regulations, rules, ordinances, and judicial precedents.

"License Fee" means the fees paid by Licensee to Licensor for the license of the Software as set forth on the Order Quote.

"License Scope" means the specific restrictions and/or other conditions of use for the Software set forth in the Order Quote, if any.

"License Term" means the term of Licensee's license to use the Software as set forth in the Order Quote. If no term is specified for recurring Maintenance charges, the License Term is renewed monthly unless terminated by either party as provided herein.

"Licensee Information" or "Licensor Information" means the confidential and proprietary information of Licensee or Licensor, as the case may be, pertaining to such party's business or technologies that is marked "Confidential" or "Proprietary" and/or which a reasonable person would conclude is proprietary and confidential given the nature of the information and the disclosure thereof. The Licensor Information shall include, without limitation, the Software and the Documentation.

"Major Release" means a release of the Software that represents a significant change from a previous release, as evidenced by a change in the most significant digit of the release number (e.g., 6.3 to 7.0).

"Order Quote" means the document entitled "Order Quote for Software License Agreement" entered into

between Licensor and Licensee, which shall be subject to and governed by the terms and conditions of this Agreement.

“Per Concurrent User” license means a Software license purchased for a pool of defined users and not limited by the number of computers on which the Software is installed. For example, 50 Per Concurrent User licenses would mean that up to 50 individually named users can access the Software from any computer on which the Software is installed or from which the user can access the Software at any one time, although the total number of Per Concurrent Users in the pool may exceed 50. Licensee may assign an additional Per Concurrent User license at its discretion, as long as the total number of users with Per Concurrent licenses signed on to the Application Software at any time does not exceed the total available number of Per Concurrent User licenses purchased.

“Per Named User” license means a Software license purchased for a finite set of defined users and not limited by the number of computers on which the Software is installed. For example, 50 Per Named User licenses would mean that up to 50 individually named users can access the Software from any computer on which the Software is installed or from which the user can access the Software. Licensee may re-assign a Per Named User license to a different user at its discretion, as long as the total number of users does not exceed the number of Per Named User licenses purchased.

“RiteTrack Framework” means the basic application software program or programs which Licensor has indicated on the Order Quote are to be licensed to Licensee.

“Scope of Work” means a complete definition of work to be performed by Licensor under a Consulting or Customization Agreement, as specified in the Design Document. Work not explicitly defined in the Design Document, including but not limited to reports, functions, operations, data input, data conversion, or outputs of any kind, is excluded from

the Scope of Work and can only be included with an amendment to the Consulting Agreement or must be handled within a separate Consulting Agreement under hourly prices in effect at the time that the Order Quote for that Agreement is produced.

“Server” license means the RiteTrack software and databases that runs on the web and database servers.

“Software”, “Application Software” and “RiteTrack Application Software” mean the software program or programs which Licensor has indicated in the Order Quote are to be licensed to Licensee, together with any Customizations or Updates of such programs that Licensor may provide to Licensee pursuant to this Agreement during the License Term.

“Update” means any modifications, updates, enhanced versions, or subsequent releases of the Software which Licensor generally makes available for Software licensees at no additional license fee other than shipping and handling charges, provided Licensee is current in its payment of Fees. The term Update shall not include any Major Release, option or future product which Licensor licenses separately. Under no circumstances shall Licensor be obligated to provide any Updates under the terms of this Agreement.

“Version” means a major release of the RiteTrack Framework, as indicated by the first digit of the RiteTrack Framework. For example, RiteTrack 3 is a different version of the RiteTrack Framework than RiteTrack 4.