

**COUNTY OF MONTEREY STANDARD AGREEMENT
(NOT TO EXCEED \$100,000)**

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

NETRONIX INTEGRATION, INC.

(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION.

- 1.01 The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide annual security maintenance and system software support for the access control systems & CCTV systems, including on-call service and repairs, for the systems at 168 W. Alisal & 1488 Schilling Place, Salinas

2.0 PAYMENT PROVISIONS.

- 2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement is not to exceed the sum of \$ 45,000.

3.0 TERM OF AGREEMENT.

- 3.01 The term of this Agreement is from September 21, 2015 to September 30, 2016, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement.**
- 3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS.

- 4.01 The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions

5.0 PERFORMANCE STANDARDS.

- 5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.
- 5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS.

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided herein. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7.0 TERMINATION.

- 7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.
- 7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of

CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

- 7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION.

- 8.01 Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "County"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The Contractor shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor is obligated to indemnify, defend and hold harmless the County under this Agreement.

9.0 INSURANCE REQUIREMENTS.

9.01 Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

- 9.03 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.

(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

(Note: any proposed modifications to these insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of

three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall **provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds** with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that **such insurance is primary** insurance to any insurance or self-insurance maintained by the County and that the insurance of **the Additional Insureds shall not be called upon to contribute** to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY.

10.01 **Confidentiality.** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by

CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

- 10.02 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.04 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.05 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11.0 NON-DISCRIMINATION.

- 11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS.

- 12.01 If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall

be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 INDEPENDENT CONTRACTOR.

- 13.01 In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

14.0 NOTICES.

- 14.01 Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
210 SALAZAR, MAINTENANCE MGR	
Sam Laird, MATH	Terry Houk
Name and Title	Name and Title
855 E. Laurel Drive, Bldg C Salinas, CA 93905	2710 Paragon Drive San Jose, CA 95131
Address	Address
831-755-4749	408-573-1444, Ext 424
Phone	Phone

15.0 MISCELLANEOUS PROVISIONS.

- 15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.
- 15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

- 15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

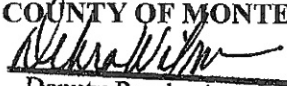
- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

-----*This section left blank intentionally*-----

16.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

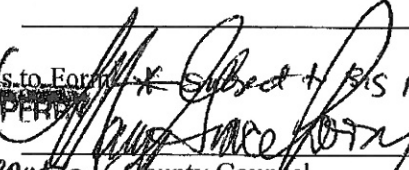
By: 
Deputy Purchasing Agent
Contracts/Purchasing Officer

Date: 25 JUN 2015

By: _____
Department Head (if applicable)

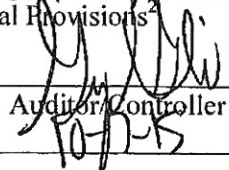
Date: _____

Approved as to Form
MARY GRACE PEREZ

By: 
Deputy County Counsel

Date: 10-7-15

* Approved Subject to signature by
Secty, Asst Secty, CFO, Treasurer, or
Asst. Treas. per CA Corp Code Sec. 313,
Approved as to Fiscal Provisions³

By: 
Auditor/Controller

Date: 10-7-15

Approved as to Liability Provisions³

By: _____
Risk Management

Date: _____

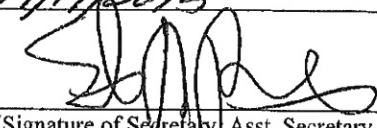
CONTRACTOR

Netronix Integration
Contractor's Business Name*

By: 
(Signature of Chair, President, or
Vice-President)*

Craig Tennant, President
Name and Title

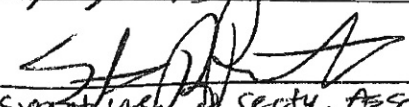
Date: 09/17/2015


(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)*

Steve Picachota, Vice-President
Name and Title

Date: 09/17/2015

* By:


* (Signature of Secty, Asst. Secty,
CFO, Treas, or Asst. Treas.)
Steve Picachota, CFO
NAME AND TITLE, &
Sec.

* Date:

10/4/15

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹Approval by County Counsel is required

²Approval by Auditor/Controller is required

³Approval by Risk Management is required only if changes are made in sections 7 or 8



EXHIBIT A

I. ANNUAL SECURITY MAINTENANCE & SYSTEM SOFTWARE SUPPORT PLAN

STANDARD WEEKDAY FULL SERVICE PROTECTION PLAN

Hours of Operation:	Business Hours 8:00am to 5:00pm, Monday through Friday.
Response Time:	Within twenty-four (24) business hours after notification of service by authorized or designated County of Monterey personnel; four (4) hour response is available for critical impact concerns. Telephone response to the County of Monterey upon receipt of service call is within one to two (1-2) hours.
Parts/Outside Repairs	All parts repaired at no charge to the County of Monterey, for any repairs required for the 168 West Alisal Street and 1488 Schilling Place buildings, subject to the exclusions listed below.
Labor Coverage:	All labor associated with this Security Maintenance & Software Support Plan for the 168 West Alisal Street and 1488 Schilling Place buildings, is provided at no additional charge to the Plan cost, subject to the exclusions listed below.
Proactive Maintenance:	Quarterly Proactive Maintenance for 168 W. Alisal, plus Twice Yearly Preventative Maintenance for 1488 Schilling Place, will be performed by Netronix technicians on site, including camera cleaning on functional –only- cameras plus test and inspect access control readers and major system components. All other access and/or video field equipment shall receive routine maintenance as required.
Special Features:	Netronix will provide renewal of the annual system software for the existing Facility Commander WNX system. We also maintain a service stock of spare components in the event field service personnel are unable to make a full repair or replacement while on site; this capacity enables County of Monterey to reduce system down time and inconvenience to other departments and employees.
Software Support Agreement:	Netronix includes the GE/Facility Commander WNX Standard System Software Support which provides manufacturers' technical support during business hours of 8:00am to 7:00pm (EST), Monday through Friday, as well as software and maintenance firmware updates. This coverage includes system server software, system photo badging workstation software, and three (3) the County of Monterey workstation software licenses – effective term for this would be 9/21/15-8/31/16.

Warranty Acknowledgment:

Netronix acknowledges that the current security system updates and improvements performed by Netronix at the 1488 Schilling Place location are under warranty from 3/2/15 – 3/1/16 and as such will receive coverage on materials installed during this time.

Netronix Integration's goal is to respond on site to service requests the same day for the Security Maintenance & System Software Support Plan at the 168 West Alisal Street and 1488 Schilling Place locations for the County of Monterey, if notified before 10:00am by designated County of Monterey personnel. All equipment, material and labor furnished during standard business hour response will be covered for the amount listed below, except computer hardware, software or peripherals, or any other items as stated under exclusions below.

After hours' emergency service calls will be charged for the differential between standard rate and the applicable overtime, double time or holiday rate (see table below). Emergency service response on site for non-standard hours is between two (2) to four (4) hours.

Security Maintenance Plan for the County of Monterey Rates		
Standard Labor Rate	Premium - Overtime Labor Rate	Premium – Double Time Labor Rate
\$125.00	\$187.50	\$250.00
Non-Security Maintenance Plan for the County of Monterey Rates (reference only)		
Standard Labor Rate	Premium - Overtime Labor Rate	Premium – Double Time Labor Rate
\$135.00	\$197.50	\$260.00

INCLUSIONS at 168 West Alisal Street

Qty	Manufacturer	Part Number	Description
1	Lenel/GE	WXL1SSA-ENTSERV	Facility Commander Server, Standard Software Support for FCWNX01122718 (Sales Order 9083501), includes phone/email/fax support 8am-7pm EST Monday-Friday plus latest software enhancements; effective term 9/21/15 – 8/31/16
3	Lenel/GE	WXL1SSASWOPT-001CLINT	Facility Commander Workstation, Standard Software Support, effective term 9/21/15 – 8/31/16
1	Lenel/GE	WXL1SSASWOPT-PHOTOID	Facility Commander Photo Badging Workstation, Standard Software Support, effective term 9/21/15 – 8/31/16
1	Lenel	SWC-IDADV	Photo Badging Station Printer (Magicard) Software License
1	Lenovo	M93p PC Jackson	Server PC w/OS, Keyboard, Mouse & Monitor
4	Dell	OptiPlex	Workstation PC w/OS, Keyboard, Mouse & Monitor (3 The County of Monterey System Admin, 1 The County of Monterey Badging)
1	Lenel/GE	#420495001	Magicard Rio Pro Single Sided Badge Printer
1	Lenel/GE	TBD	Badging Photo Equipment (Camera, Tripod, Backdrop)
1	ExacqVision	TBD	Digital Video Recorder, labor only* (*see also Exclusions)
5	Lenel/GE	M5PRMSP-DN	M5 PXN/plus FC WNX 7.6 or higher, ACU feature support, Standard M5 Panel w/Enclosure, Serial & Ethernet, 10/100Mb, Dual NIC
8	Lenel/GE	#110100501	8RP Reader Interface Module
8	Lenel/GE	#110072003	20DI Input Module
9	Lenel/GE	#110078001	16DOR Output Module
56	Lenel/GE	#430160001	WIU-4 Wiegand Interface Module
12	Altronix	AL400/600ULX	12/24 VDC Power Supply Transformer, 4-6Amp
36	Yuasa	NP712	7AH, 24VDC Battery
8	Base Electronics	LV8-RS-N	ACS Power Distribution Module
2	Von Duprin	PS873	Mini-Power Booster for Front Doors
25	GE/UTC	#3025T	Tamper Switch
56	HID	5395C5100/Equal	White ThinLine II Prox Reader/Equal

75	GE/UTC	#1076/#1078	Recessed Door Contact
52	Bosch	DS160	Request to Exit Device
2	Securitron	PB3N	Narrow Stile Push to Exit Button
15	GE/UTC	3040W	Duress Button
10	Ademco	HUB-M/Equal	Door Release Button
4	Gentex	GX91/Equal	Local Door Horn/Sounder
3	Inovonics	FA466R/EN4200	Wireless Receiver
16	Inovonics	FA203S/EN1233S	Wireless Single Button Transmitter
5	Pelco	ICS-161CRV3A or ICS-100-CRV39A	Color Minidome Surface Mounted Analog Camera
2	Altronix	R248UL	Camera Power Supply, Rack Mounted
1	Tatung/Equal	RM-KB-LCE/TM19	LED Rack Mounted Monitor
4	Netronix	Labor Only	Quarterly Preventative Maintenance Visits

INCLUSIONS at 168 West Alisal Street

2	Netronix	Labor Only	Twice Yearly Preventative Maintenance Visits
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EXCLUSIONS at 168 West Alisal Street

1	ExacqVision	TBD	Digital Video Recorder Material* - This component is currently under warranty therefore any replacement material would be required to be ordered through County of Monterey Facilities personnel and only reparation labor is included (*see also Inclusions)
Lot	Existing	Various	Electric Lock Hardware at Reader Doors, Mechanical Lock Hardware
Lot	Existing	Various	Turnstile Equipment
Lot	Existing	Various	Patching, Painting, Ceiling Tile Replacement
Lot	Rental Eqpt	Various	Scissor Lift, Knuckle Boom Truck, etc.

This agreement will not cover damage or breakdown due to fire, neglect, vandalism, theft, misuse, or Acts of God. Material so damaged will be replaced or repaired at factory list prices and labor at \$125.00 per hour, portal to portal.

II. ANNUAL SECURITY MAINTENANCE PLAN INVESTMENT – 168 W. Alisal**ITEM A: Annual Security Maintenance & System Software Support Plan Cost**

**Proposed Total Annual Security Maintenance Plan
168 West Alisal Street**

\$19,925.00**168 W. Alisal Total****\$19,925.00****Payment Provisions**

Method A: The Annual Security Maintenance & System Software Support Plan shall be invoiced bi-annually, with the first invoice issued upon approval of this proposal in the sum of \$9,962.50. The second invoice will be issued at the end of the sixth (6th) month into this Annual Security Maintenance Plan, also in the sum of \$9,962.50.

III. ANNUAL SECURITY MAINTENANCE PLAN INVESTMENT – 1488 Schilling Place**ITEM A: Annual Security Maintenance & System Software Support Plan Cost - Pro-Rated**

Netronix will provide an Annual Security Maintenance Plan for the existing and recently installed security components at the 1488 Schilling Place site, to provide parts and labor under a Standard Weekday Full Service Protection Plan, with coverage similar to the aforementioned scope of coverage for the 168 West Alisal Street location. The same processes for service calls and after hours' response and rates apply as stated above. This would reflect:

INCLUSIONS – 1488 Schilling

Qty	Manufacturer	Part Number	Description
1	Lenel (warranty half term, pro-rated half term)	SWS-ADV, 64ADV-64RUP	Lenel ADV System Software with 64-Reader Upgrade (total capacity 128 readers)
3	Lenel (warranty half term, pro-rated half term)	Lnl-2220	Intelligent Reader Controller
10	Lenel (warranty half term, pro-rated half term)	Lnl-8000	Star Multiplexer, 8-Port
3	Lenel (warranty half term, pro-rated half term)	Lnl-1100	16-Input Module
34	Lenel (warranty half term, pro-rated half term)	Lnl-1320	Dual Reader Interface Module
5	Lenel (warranty half term, pro-rated half term)	Lnl-1300	Single Reader Interface Module
6	Altronix	AL400/600ULX	12/24 VDC Power Supply Transformer, 4-6Amp
18	Yuasa	NP712	7AH, 24VDC Battery
73	HID	5395GK100/Equal	ThinLine II Prox Reader/Equal
100	GE/UTC	#1076/#1078	Recessed Door Contact
8	Bosch	DS160	Request to Exit Device
1	Pelco/Integral	DVXi	Digital Video Recorder (unit #1 only)
3	Pelco/Equal	TBD	Exterior Pan/Tilt/Zoom Camera
4	Pelco/Equal	TBD	Interior Analog Camera
9	Various (warranty half term, pro-rated half term)	Various	Electric Lock Hardware at Card Reader Doors #1, #3, #22, #32, #33, #35, #70, #71 and #121,

INCLUSIONS at 1488 Schilling Place

2	Netronix	Labor Only	Twice Yearly Preventative Maintenance Visits
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EXCLUSIONS – 1488 Schilling

1	PBO	TBD	System Server and Client Workstation Provided By Client
4	Pelco/Integral	DVXi	DVXi Units #2-#5
Lot	Pelco/Equal	TBD	Existing non-functional cameras terminated to any existing

			DVXI Units #1-#5 (reference Netronix video review report)
Lot	Axis/Equal	TBD	Existing IP cameras, connections (cables unconnected at former patch panel location within building)
Lot	Existing	Various	Electric Lock Hardware at all other Reader Doors
Lot	Existing	Various	Turnstile Equipment
Lot	Existing	Various	Low Voltage Wiring
Lot	Existing	Various	Patching, Painting, Ceiling Tile Replacement
Lot	Rental Eqpt	Various	Scissor Lift, Knuckle Boom Truck, etc.

IV. ANNUAL SECURITY MAINTENANCE PLAN INVESTMENT – 1488 Schilling Place

Proposed Total Annual Security Maintenance Plan reflecting
six (6) months Pro-Rating Cost with six (6) months warranty **\$13,510.00**

Payment Provisions – 1488 Schilling Place

The 1488 Schilling Place Annual Security Maintenance Plan shall be invoiced bi-annually, with the first invoice issued upon approval of this proposal in the sum of \$6,755.00. The second invoice will be issued at the end of the sixth (6th) month into this Annual Security Maintenance Plan, also in the sum of \$6,755.00.

V. TOTALS

ANNUAL SECURITY MAINTENANCE PLAN	\$33,435.00
ON-CALL SERVICE & REPAIRS	\$11,565.00
<u>TOTAL AGREEMENT AMOUNT</u>	<u>\$45,000.00</u>



CERTIFICATE OF LIABILITY INSURANCE

NETRO-1

OP ID: NA

DATE (MM/DD/YYYY)

05/08/2015

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 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 Archway-Micor Insurance Broker License #0602953 1731 Technology Dr., Suite 250 San Jose, CA 95110 Corwyn Foos		CONTACT NAME: Corwyn Foos PHONE (A/C, No, Ext): 408-441-2000 FAX (A/C, No): 408-441-1982 E-MAIL ADDRESS:		
INSURED Netronix Integration Inc. 2170 Paragon Drive San Jose, CA 95131		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: Travelers Indemnity Co of CT		25682
		INSURER B: Travelers Property & Casualty		25674
		INSURER C: Company of America		
		INSURER D: Hartford Fire Insurance Co.		19682
		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	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ PD Deductible 2,500 GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☐ LOC OTHER:	X		DT22CO7B313182TCT15	05/15/2015	05/15/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Emp Ben. \$ 1,000,000
B	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☒ Comp/Coll ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS Ded - 1000	X		DT8107B313182TIL15	05/15/2015	05/15/2016	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Hired Auto PD \$ ACV
B	☒ UMBRELLA LIAB ☒ EXCESS LIAB DED ☒ RETENTION \$ 10,000 ☒ OCCUR ☐ CLAIMS-MADE			DTSMCUP7B313182TIL15	05/15/2015	05/15/2016	EACH OCCURRENCE \$ 6,000,000 AGGREGATE \$ 6,000,000 Follows \$ GL-AUTO-WC
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	UB2D68360715 STATES: CA - CO - NV - TX	01/01/2015	01/01/2016	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Leased/Hired Equip			QT6802C424466TIL15	05/15/2015	05/15/2016	1,000 Ded 50,000
B	Installation			QT6802C424466TIL15	05/15/2015	05/15/2016	1,000 Ded 250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Service Maintenance Contract
The County of Monterey, Its Officers, Agents and Employees are Additional Insureds as respects to General Liability per the attached CGD247 endorsement including Primary and Non-Contributory as required by written contract; Additional Insured as respects to Auto Liability per the attached

CERTIFICATE HOLDER

COMO001

County of Monterey
Contracts/Purchasing Division
168 West Alisal Street
3rd Floor
Salinas, CA 93901

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

NOTEPAD:

HOLDER CODE **COMO001**
INSURED'S NAME **Netronix Integration Inc.**

NETRO-1
OP ID: NA

PAGE 2

Date **05/08/2015**

CAT353 endorsement, Auto Primary per policy form CA0001.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED
(CONTRACTORS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

NAME OF PERSON(S) OR ORGANIZATION(S):

The County of Monterey, Its Officers, Agents and Employees are included as additional insured under this policy, with respect to legal liability or claims caused by, arising out of, or relating to the acts or omissions, work or work product, of the named insured or of others performed on behalf of the named insured.

PROJECT/LOCATION OF COVERED OPERATIONS

Service Maintenance Contract

1. WHO IS AN INSURED – (Section II) is amended to include the person or organization shown in the Schedule above, but:
 - a) Only with respect to liability for "bodily injury", "property damage" or "personal injury"; and
 - b) If, and only to the extent that, the injury or damage is caused by acts or omissions of you or "your work" on or for the project, or at the location, shown in the Schedule. The person or organization does not qualify as an additional insured with respect to the independent acts or omission of such person or organization
2. The insurance provided to the additional insured by this endorsement is limited as follows:
 - a) In the event that the Limits of Insurance of this Coverage Part shown in the Declarations exceed the limits of liability required by a "written contract requiring insurance" for that additional insured shall be limited to the limits of liability required by that "written contract requiring insurance". This endorsement shall not increase the limits of insurance described in Section III – Limits Of Insurance.
 - b) The insurance provided to the additional insured does not apply to "bodily injury" "property damage" or "personal injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services including:
 - i. The preparing, approving or failing to prepare or approve, maps, shop drawings, opinions reports, surveys field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications; and
 - ii. Supervisory, inspection, architectural or engineering activities.
 - c) The insurance provided to the additional insured does not apply to "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless a "written contract requiring insurance" specifically requires you to provide such coverage for that additional insured, and then the insurance provided to the additional insured applies only to such "bodily injury" or "property" that occurs before the end of the policy period of time for which the "written contract requiring insurance" requires you to provide such coverage

COMMERCIAL GENERAL LIABILITY

or the end of the policy period whichever is earlier.

3. The insurance provided to the additional insured by this endorsement is excess over an valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured for a loss we cover under this endorsement. However, if a "written contract requiring insurance: for that additional insured specifically requires that this insurance apply on a primary basis or a primary and non-contributory basis, this insurance is primary to "other insurance" available to the additional insured which covers that person or organization as a named insured for such loss, and we will not share with that "other insurance". But the insurance provided to the additional insured by this endorsement still is excess over and valid and collectible "other insurance", whether primary, excess, contingent or on any other basis, that is available to the additional insured when that person or organization is an additional insured under such "other insurance".
4. As a condition of coverage provided to the additional insured by this endorsement:
 - a) The additional insured must give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:
 - i. How, when and where the "occurrence" or offense took place;
 - ii. The names and addresses of any injured persons and witnesses; and
 - iii. The nature and location of any injury or damage arising out of the "occurrence" or offense.
 - b) If a claim is made or "suit is brought against the additional insured, the additional insured must:
 - i. Immediately record the specifics of the claim or "suit" and the date received; and
 - ii. Notify us as soon as practicable.The additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable.
 - c) The additional insured must immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
 - d) The additional insured must tender the defense and indemnity of an claim of "suit" to any provider of "other insurance" which would cover the additional insured for a loss we cover under this endorsement. However, this condition does not affect whether the insurance provided to the additional insured by this endorsement is primary to the "other insurance" available to the additional insured which covers that person or organization as a named insured as described paragraph 3. above.
5. The following definition is added to SECTION V.
- DEFINITIONS:
"Written contract requiring insurance" means that part of any written contract or agreement under which you are required to include a person or organization as an additional insured on this Coverage Part, provided that the "bodily injury" and "property damage" occurs and the "personal injury" is caused by an offense committed:
 - a. After the signing and execution of the contract or agreement by you;
 - b. While that part of the contract or agreement is in effect; and
 - c. Before the end of the policy period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

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

- | | |
|---|---|
| A. BROAD FORM NAMED INSURED | H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT |
| B. BLANKET ADDITIONAL INSURED | I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT |
| C. EMPLOYEE HIRED AUTO | J. PERSONAL PROPERTY |
| D. EMPLOYEES AS INSURED | K. AIRBAGS |
| E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS | L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS |
| F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS | M. BLANKET WAIVER OF SUBROGATION |
| G. WAIVER OF DEDUCTIBLE – GLASS | N. UNINTENTIONAL ERRORS OR OMISSIONS |

PROVISIONS

A. BROAD FORM NAMED INSURED

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

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

B. BLANKET ADDITIONAL INSURED

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

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the **Who Is An Insured** provision contained in Section II.

C. EMPLOYEE HIRED AUTO

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

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.5., **Other Insurance**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

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

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

COMMERCIAL AUTO

permission, while performing duties related to the conduct of your business.

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

D. EMPLOYEES AS INSURED

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

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

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

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

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

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

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

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

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

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

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

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

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

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

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

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

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions; Puerto Rico and Canada.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE - GLASS

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

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

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

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

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

I. PHYSICAL DAMAGE - TRANSPORTATION EXPENSES - INCREASED LIMIT

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

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

J. PERSONAL PROPERTY

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

Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

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

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

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

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

- If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- The airbags are not covered under any warranty; and
- The airbags were not intentionally inflated.

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

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

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

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

- You (if you are an individual);
- A partner (if you are a partnership);
- A member (if you are a limited liability company);
- An executive officer, director or insurance manager (if you are a corporation or other organization); or
- Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

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

5. Transfer Of Rights Of Recovery Against Others To Us

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

COMMERCIAL AUTO

such contract. The waiver applies only to the person or organization designated in such contract.

N. UNINTENTIONAL ERRORS OR OMISSIONS

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

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

- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this coverage form.

2. Concealment, Misrepresentation Or Fraud

This coverage form is void in any case of fraud by you at any time as it relates to this coverage form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This coverage form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this coverage form.

3. Liberalization

If we revise this coverage form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee - Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this coverage form.

5. Other Insurance

- a. For any covered "auto" you own, this coverage form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this coverage form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this coverage form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

- c. Regardless of the provisions of Paragraph a. above, this coverage form's Liability Coverage is primary for any liability assumed under an "insured contract".

- d. When this coverage form and any other coverage form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our coverage form bears to the total of the limits of all the coverage forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this coverage form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.