EXHIBIT A

ADDITIONAL TERMS AND CONDITIONS

FUJI DIGITAL X-RAY CAPTURE SYSTEM EQUIPMENT MAINTENANCE AND REPAIR SERVICES

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ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions are applicable to, and form a part of, the Agreement. Capitalized terms not otherwise defined in this Exhibit A (Additional Terms and Conditions) (this "Exhibit"), as used herein, have the meanings given to such terms in the Section 2 (Definitions) of the Agreement.

1.0 SUBCONTRACTING

1.1 General

County has relied, in entering into the Agreement, on the reputation of, and on obtaining the personal performance of Contractor itself. Consequently, no performance of the Agreement, or any portion thereof, shall be subcontracted by Contractor except in accordance with the procedures set forth in this Section 1.0 (Subcontracting). Any attempt by Contractor to subcontract any performance, obligation, or responsibility under the Agreement, except in accordance with the procedures set forth in this Section 1.0 (Subcontracting), shall be null and void and shall constitute a material breach of the Agreement, upon which County may immediately terminate the Agreement.

1.2 Procedure for Subcontracting

If Contractor desires to subcontract any portion of its performance, obligations, or responsibilities under the Agreement to any subcontractor, Contractor shall adhere to the following procedures.

1.2.1 Contractor shall notify the County Project Director of its desire to subcontract a portion of the Work, which notice shall include the reason for the proposed subcontract, and a description of the Work to be performed under the proposed subcontract.

1.2.2 The identity of such subcontractor and why such subcontractor was selected.

1.2.3 A certificate of insurance from the proposed subcontractor which establishes that the subcontractor maintains all the programs of insurance required by the Agreement.

1.2.4 If the proposed Work is to be performed by a subcontractor, then in addition to the foregoing, Contractor shall provide:

i. A draft copy of the proposed subcontract. The material provisions of any approved subcontract between Contractor and a third party may be changed or amended, as applicable, only with the prior written approval of the County

Project Director, which approval shall not be unreasonably withheld; and

ii. Any other information and/or certifications reasonably requested by County.

The County Project Director will review Contractor's request to subcontract and determine, in his discretion, whether or not to consent to such request on an individual basis. Without limiting in any way County's prior approval rights, Contractor shall deliver to the County Project Director a fully executed copy of each subcontract entered into by Contractor pursuant to this Subparagraph 1.2.4, on or immediately after the effective date of the subcontract but in no event later than the date any Work is performed under the Agreement.

1.2.5 Contractor shall obtain an executed Exhibit E3 (Contractor Non-Employee Acknowledgment and Confidentiality Agreement), of the Agreement for each of subcontractor's employees performing Work under the Agreement. Such agreements shall be delivered to the County Project Director on or immediately after the effective date of the particular subcontract, but in no event later than the date any such employee commences performing Work under the Agreement.

1.3 <u>Contractor Responsibilities</u>

1.3.1 Notwithstanding any County consent to any subcontracting, Contractor shall remain responsible for any and all performance required of it under the Agreement, including the obligation to properly supervise, coordinate, and perform all Work required hereunder, and no subcontract shall bind or purport to bind County. Further, County approval of any subcontract shall not be construed to limit in any way Contractor's performance, obligations, or responsibilities to County.

1.3.2 In the event that County consents to any subcontracting, such consent shall be subject to County's right to reject any and all subcontractor personnel providing services under the Agreement.

1.3.3 In the event that County consents to any subcontracting, Contractor shall cause the subcontractor, on behalf of itself, its successors and administrators, to assume and be bound by, and shall be deemed to have assumed and agreed to be bound by, each and all of the provisions of the Agreement and any fully

executed Change Order or Amendment hereto as it relates to or affects the Work performed by subcontractor hereunder.

1.3.4 Contractor shall be solely liable and responsible for any and all payments and other compensation to all subcontractors and their officers, employees, and agents. County shall have no liability or responsibility whatsoever for any payment or other compensation for any subcontractors or their officers, employees, and agents.

2.0 DISPUTE RESOLUTION PROCEDURE

2.1 General

Contractor and County agree to act immediately to resolve mutually any disputes that may arise with respect to the Agreement. All such disputes shall be subject to the provisions of this Section 2.0 (Dispute Resolution Procedure). Such provisions are collectively referred to as the "Dispute Resolution Procedures". Time is of the essence in the resolution of disputes.

2.2 Continued Work

Contractor and County agree that, the existence and details of a dispute notwithstanding, both parties shall continue without delay their performance hereunder, except for any performance, other than payment by County for approved Work, which the parties mutually determine should be delayed as a result of such dispute.

2.2.1 If Contractor fails to continue without delay its performance hereunder that County, in its discretion, determines should not be delayed as a result of such dispute, then any additional costs which may be incurred by Contractor or County as a result of Contractor's failure to continue to so perform shall be borne by Contractor, and Contractor shall make no claim whatsoever against County for such costs. Contractor shall promptly reimburse County for such County costs, as determined by the County, or County may deduct or offset all such additional costs from any amounts due to Contractor from County.

2.2.2 If County fails to continue without delay to perform its responsibilities under the Agreement which County, in its discretion, determines should not be delayed as a result of such dispute, then any additional costs incurred by Contractor or County as a result of County's failure to continue to so perform shall be borne by County, and County shall make no claim whatsoever against Contractor for such costs. County shall

promptly reimburse Contractor for all such additional Contractor costs subject to the approval of such costs by County.

2.3 Dispute Resolution Procedures

In the event of any dispute between the parties with respect to the Agreement, Contractor and County shall submit the matter as follows:

2.3.1 Contractor and County shall first submit the matter to the County Project Manager and Contractor Project Manager for the purpose of endeavoring to resolve such dispute.

2.3.2 If the County Project Manager and Contractor Project Manager are unable to resolve the dispute within a reasonable time, not to exceed five (5) Business Days from the date of submission of the dispute, then the matter immediately shall be submitted to the County Project Director and Contractor Project Manager for further consideration and discussion to attempt to resolve the dispute.

2.3.3 If the County Project Director and Contractor Project Manager are unable to resolve the dispute within a reasonable time not to exceed five (5) Business Days, then the matter shall be immediately submitted to Contractor's president or chief operating officer and the Sheriff. These persons shall have five (5) Business Days to attempt to resolve the dispute.

2.3.4 In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under the Agreement and its rights and remedies as provided by law.

2.4 Documentation of Dispute Resolution Procedures

All disputes utilizing the Dispute Resolution Procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all three (3) levels described in Paragraph 2.3 (Dispute Resolution Procedure), the efforts to resolve a dispute shall be undertaken by conference between the parties' respective representatives, either orally, by face-to-face meeting or by telephone, or in writing by exchange of correspondence.

2.5 Not Applicable to County's Right to Terminate

Notwithstanding any other provision of the Agreement, County's right to terminate the Agreement pursuant to Section 4.0 (Termination for

Insolvency), Section 5.0 (Termination for Default), Section 6.0 (Termination for Convenience), or Section 7.0 (Termination for Improper Consideration), in each case, of this Exhibit, or any other termination provision under the Agreement, shall not be subject to the Dispute Resolution Procedures. The preceding sentence is intended only as a clarification of County's rights, and shall not be deemed to impair any claims that Contractor may have against County or Contractor's rights to assert such claims after any such termination or such injunctive relief has been obtained.

3.0 CONFIDENTIALITY

3.1 General

3.1.1 Contractor shall maintain the confidentiality of all records and information, events, or circumstances which occur during the course of Contractor's performance under the Agreement, in accordance with all applicable Federal, State, and local laws, rules, regulations, ordinances, guidelines, policies and procedures, and directives relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

3.1.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors to comply with this Section 3.0 (Confidentiality), as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Section 3.0 (Confidentiality) shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

3.1.3 Contractor shall inform all of its directors, officers, shareholders, employees, subcontractors and agents providing services hereunder of the confidentiality provisions of the Agreement. Contractor shall provide to County an executed Exhibit E1 (Contractor Acknowledgement and Confidentiality Agreement) of the Agreement, an executed Exhibit E2 (Contractor Employee Acknowledgment and Confidentiality Agreement) of the Agreement for each of its employees performing Work under the Agreement, and an executed Exhibit E3 (Contractor Non-Employee Acknowledgment and Confidentiality Agreement) of the Agreement for each of its non-employees performing Work under the Agreement. Notwithstanding anything herein to the contrary, Contractor acknowledges and agrees that it is responsible for any breach of the obligations of confidentiality set forth herein by any person, or entity to which Contractor discloses such confidential information.

3.2 Disclosure of Information

3.2.1 With respect to any confidential information obtained by Contractor pursuant to the Agreement, Contractor shall: (a) not use any such records or information for any purpose whatsoever other than carrying out the express terms of the Agreement; (b) promptly transmit to County all requests for disclosure of any such records or information; (c) not disclose, except as otherwise specifically permitted by the Agreement, any such records or information to any person or organization other than County without County's prior written authorization that the records are, or information is, releasable; and (d) at the expiration or termination of the Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose.

3.2.2 Without limiting the generality of Subparagraph 3.2.1 of this Exhibit, in the event Contractor receives any court or administrative agency order, service of process, or request by any person or entity (other than Contractor's professionals) for disclosure of any such details, Contractor shall immediately notify the County Project Director. Thereafter, Contractor shall comply with such order, process, or request only to the extent required by applicable law. Notwithstanding the preceding sentence, to the extent permitted by law, Contractor shall delay such compliance and cooperate with County to obtain relief from such obligations to disclose until County shall have been given a reasonable opportunity to obtain such relief.

3.3 Contractor Information

Any and all confidential or proprietary information which is developed or was originally acquired by Contractor outside the scope of the Agreement, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to the County Project Director as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "proprietary" or "confidential." County shall undertake reasonably to maintain the confidentiality of materials marked by Contractor as "proprietary" or "confidential." Notwithstanding any other provision of the Agreement, County shall not be obligated in any way under the Agreement for:

3.3.1 Any of Contractor's proprietary and/or confidential materials not plainly and prominently marked with restrictive legends;

3.3.2 Any disclosure of any materials which County is required to make under the California Public Records Act or otherwise by law; and

3.3.3 Any materials indicating the volume, frequency and type of goods and services provided by Contractor, including, but not limited to use under Section 24.0 (Resolicitation of Bids, Proposals, or Information) of this Exhibit.

3.4 Use of County Name

In recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under the Agreement within the following conditions:

3.4.1 Contractor shall develop all publicity material in a professional manner.

3.4.2 During the Term of the Agreement, Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of the County Project Director, which shall not be unreasonably withheld or delayed.

3.4.3 Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded the Agreement with County, provided that the requirements of this Paragraph 3.4 (Use of County Name), other than the requirements set forth in Subparagraph 3.4.2 above, shall apply.

3.4.4 Notwithstanding anything herein to the contrary, County reserves the right to object to any use of County's name and Contractor shall cure promptly and prospectively any use of County's name that has been objected to by County.

3.5 Injunctive Relief

Contractor acknowledges that a breach by Contractor of this Section 3.0 (Confidentiality) may result in irreparable injury to County that may not be adequately compensated by monetary damages and that, in addition to County's other rights under the Agreement and at law and in equity, County shall have the right to injunctive relief to enforce the provisions of this Section 3.0 (Confidentiality).

4.0 TERMINATION FOR INSOLVENCY

4.1 County may terminate the Agreement immediately at any time following the occurrence of any of the following:

4.1.1 Contractor has ceased to pay or has admitted in writing its inability to pay its debts for at least sixty (60) calendar days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the United States Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the United States Bankruptcy Code, provided that Contractor shall not be deemed insolvent if it has ceased in the normal course of business to pay debts that Contractor disputes in good faith;

4.1.2 The filing of a voluntary or involuntary petition (which involuntary petition is not dismissed within sixty (60) calendar days) regarding Contractor under the United States Bankruptcy Code;

4.1.3 The appointment of a receiver or trustee for Contractor; or

4.1.4 The execution by Contractor of a general assignment for the benefit of creditors other than in the course of arranging financial lines of credit.

4.2 The rights and remedies of County provided in this Section 4.0 (Termination for Insolvency) shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity, or under the Agreement.

4.3 Contractor agrees that if Contractor as a debtor-in-possession, or if a trustee in bankruptcy, rejects the Agreement, County may elect to retain its rights under the Agreement, as provided under Section 365(n) of the United States Bankruptcy Code (11 U.S.C. Section 365(n)). Upon written request

by County to Contractor or the trustee in bankruptcy, as applicable, Contractor or such trustee shall allow County to exercise all of its rights and benefits under the Agreement. The foregoing shall survive the termination or expiration of the Agreement for any reason whatsoever.

5.0 TERMINATION FOR DEFAULT

5.1 County may, by written notice to Contractor, terminate the whole or any part of the Agreement, if, in the judgment of County's Project Director:

- Contractor has materially breached the Agreement; or
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other Work required under the Agreement; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under the Agreement, or of any obligations of the Agreement, and, in either case, fails to demonstrate convincing progress toward a cure within five (5) Business Days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

5.2 In the event that County terminates the Agreement in whole or in part as provided in Paragraph 5.1 above, County may procure, upon such terms and in such manner as County may deem appropriate, goods and services similar to those so terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and services. Contractor shall continue the performance of the Agreement to the extent not terminated under the provisions of this Section 5.0 (Termination for Default).

5.3 If, after County has given notice of termination under the provisions of this Section 5.0 (Termination for Default), it is determined by County that Contractor was not in default under the provisions of this Section 5.0 (Termination for Default), then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 6.0 (Termination for Convenience) of this Exhibit.

5.4 The rights and remedies of County provided in this Section 5.0 (Termination for Default) shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Agreement.

6.0 TERMINATION FOR CONVENIENCE

6.1 Termination for Convenience

The Agreement may be terminated, in whole or in part, from time to time, by County in its sole discretion for any reason. Termination of Work hereunder shall be effected by delivery to Contractor of a notice of termination specifying the extent to which performance of Work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) calendar days after notice.

6.2 No Prejudice; Sole Remedy

Nothing in this Section 6.0 (Termination for Convenience) is deemed to prejudice any right of Contractor to make a claim against the County in accordance with the Agreement and applicable law and County procedures for payment for Work through the effective date of termination. Contractor, however, acknowledges that the rights and remedies set forth in this Paragraph 6.2 (No Prejudice; Sole Remedy) shall be the only remedy available to Contractor in the event of a termination or suspension pursuant to this Section 6.0 (Termination for Convenience) by County.

7.0 TERMINATION FOR IMPROPER CONSIDERATION

7.1 County may, upon written notice to Contractor, immediately terminate the right of Contractor to proceed under the Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment, or extension of the Agreement or the making of any determinations with respect to Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

7.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

7.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.0 EFFECT OF TERMINATION

8.1 Remedies

In the event that County terminates the Agreement in whole or in part as provided in Section 4.0 (Termination for Insolvency), Section 5.0 (Termination for Default), Section 6.0 (Termination for Convenience), and Section 7.0 (Termination for Improper Consideration), in each case, of this Exhibit, then:

8.1.1 Contractor shall (a) stop performing Work under the Agreement on the date and to the extent specified in such notice, (b) promptly transfer and deliver to County copies of all completed Work and Work that is in process, in a media reasonably requested by County, (c) promptly transfer and deliver all items previously paid for by County, and (d) complete performance of such part of the Work as shall not have been terminated by such notice;

8.1.2 Unless County has terminated the Agreement pursuant to Section 6.0 (Termination for Convenience) of this Exhibit, County shall have the right to procure, upon such terms and in such a manner as County may determine appropriate, goods, services, and other Work, similar and competitive to those so terminated, and Contractor shall be liable to County for, and shall promptly pay to County by cash payment, any and all excess costs reasonably incurred by County, as determined by County, to procure and furnish such similar goods, services, and other Work;

8.1.3 Contractor shall promptly return to County any and all of County's confidential information that relates to that portion of the Agreement or Work terminated by County;

8.1.4 Contractor shall tender promptly payment to County, and shall continue to tender payment for the duration of any liquidated damages levied pursuant to Section 11 (Liquidated Damages) of the Agreement, to the extent applicable; and

8.1.5 Contractor and County shall continue the performance of the Agreement to the extent not otherwise terminated.

8.2 Transition Services

Contractor agrees that in the event of any termination of the Agreement, as a result of the breach hereof by either party, or for any other reason, including expiration, Contractor shall fully cooperate with County in the transition by County to a new contractor, so that there shall be no interruption of the County's day-to-day operations due to the unavailability

of the Work during such transition. Contractor agrees that if County terminates the Agreement pursuant to Section 6.0 (Termination for Convenience) of this Exhibit or Paragraph 5.3 of this Exhibit, Contractor shall perform transition services, and shall invoice County for such transition services determined in accordance with the rates specified in Exhibit C1 (Rate Schedule Pricing) and Exhibit C2 (Preventative Maintenance Equipment Pricing) of the Agreement, and the agreed upon maximum amount in accordance with a transition plan to be agreed upon, in advance, by the County Project Director and the Contractor Project Manager. Contractor further agrees that in the event that County terminates the Agreement for any breach by Contractor, Contractor shall perform transition services at no cost to County. In connection with the provision of any transition services pursuant to this Paragraph 8.2 (Transition Services), Contractor shall provide to the County Project Director, upon request by the County Project Director, documentation that reasonably details the source and amount of the expenses Contractor purports to have incurred in the provision of such transition services.

8.3 Remedies Not Exclusive

The rights and remedies of County set forth in this Section 8.0 (Effect of Termination) are not exclusive of any other rights and remedies available to County at law or in equity, or under the Agreement.

9.0 WARRANTY AGAINST CONTINGENT FEES

9.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

9.2 For breach of this warranty, County shall have the right to terminate the Agreement and, in its discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

10.0 AUTHORIZATION WARRANTY

Contractor and the person executing the Agreement on behalf of Contractor hereby represent and warrant that the person executing the Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation of the Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

11.0 FURTHER WARRANTIES

In addition to the warranties elsewhere in the Agreement, Contractor represents, warrants, and further covenants and agrees to the following:

11.1 Contractor bears the full risk of loss due to total or partial destruction of all or any part of any goods acquired from Contractor, as applicable, until acceptance by the County.

11.2 At the time of delivery to and acceptance by County, all goods shall be new, in good working order, in conformity with manufacturer's published specifications and descriptions, and free from defects in workmanship and materials, as determined by County.

11.3 Contractor shall, in the performance of all Work, strictly comply with the descriptions and representations (including performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions, and requirements) as set forth in the Agreement, including Exhibit B (Statement of Work) of the Agreement.

11.4 All Work shall be performed in a timely and professional manner by qualified personnel.

11.5 Contractor and each of its employees performing Work hereunder have all permits, licenses, and certifications necessary to perform Contractor's obligations under the Agreement.

12.0 INDEMNIFICATION AND INSURANCE

12.1 Indemnification

Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents, and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to the Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

12.2 General Provisions for All Insurance Coverage

Without limiting Contractor's indemnification of County, and in the performance of the Agreement and until all of its obligations pursuant to the Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraph 12.2 (General Provisions for All Insurance Coverage) and Paragraph 12.3 (Insurance Coverage) of this Exhibit. These minimum

insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to the Agreement. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to the Agreement.

12.2.1 **Evidence of Coverage and Notice to County**

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under the Agreement.

- Renewal Certificates shall be provided to County not less than ten (10) calendar days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or subcontractor insurance policies at any time.

- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference the Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Contractor identified as the contracting party in the Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any County required endorsement forms.

- Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

- Certificates and copies of any required endorsements shall be sent to:

Los Angeles County Sheriff's Department

Contracts Unit
4700 Ramona Boulevard, Room 214
Monterey Park, California 91754
Attention: Contract Compliance Manager

- Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to the Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

12.2.2 **Additional Insured Status and Scope of Coverage**

The County of Los Angeles, its Special Districts, elected officials, officers, agents, employees, and volunteers (collectively, "County and its Agents") shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of County. County's and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

12.2.3 **Cancellation of or Changes in Insurance**

Contractor shall provide County with, or Contractor's insurance policies shall contain, a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) calendar days in advance of cancellation for non-payment of premium and thirty (30) calendar days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Agreement, in

the sole discretion of the County, upon which the County may suspend or terminate the Agreement.

12.2.4 **Failure to Maintain Insurance**

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate the Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternately, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

12.2.5 **Insurer Financial Ratings**

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

12.2.6 **Contractor's Insurance Shall Be Primary**

Contractor's insurance policies, with respect to any claims related to the Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

12.2.7 **Waivers of Subrogation**

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to the Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

12.2.8 **Subcontractor Insurance Coverage Requirements**

Contractor shall include all subcontractors as insureds under Contractor's own policies, or shall provide County with each subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall

require that each subcontractor name the County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

12.2.9 **Deductibles and Self-Insured Retentions (SIRs)**

Contractor's policies shall not obligate County to pay any portion of any Contractor deductible or SIR. County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

12.2.10 **Claims Made Coverage**

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of the Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

12.2.11 **Application of Excess Liability Coverage**

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

12.2.12 **Separation of Insureds**

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

12.2.13 **Alternative Risk Financing Programs**

County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. County and its Agents shall be designated as an Additional Covered Party under any approved program.

12.2.14 **County Review and Approval of Insurance Requirements**

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

12.3 Insurance Coverage

12.3.1 **General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	$2 million
Products/Completed Operations Aggregate:	$1 million
Personal and Advertising Injury:	$1 million
Each Occurrence:	$1 million

12.3.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to the Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

12.3.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than $1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) calendar days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

12.3.4 **Property Coverage** insurance covering Contractors given exclusive use of County owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The County and its Agents shall be named as an Additional Insured

and Loss Payee on Contractor's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

13.0 INTELLECTUAL PROPERTY INDEMNIFICATION

13.1 **Indemnification Obligation.** Contractor shall indemnify, hold harmless and defend County Indemnitees from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees and attorney's fees, as such are incurred, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure or misappropriation, arising from or related to the software or other tasks, deliverables, goods, services or other work licensed or acquired hereunder or the operation and utilization of Contractor's Work under the Agreement (collectively, in this Section 13.0 (Intellectual Property Indemnification), "Infringement Claim(s)"). Any legal defense pursuant to Contractor's indemnification obligations under this Section 13.0 (Intellectual Property Indemnification) shall be conducted by Contractor and performed by counsel selected by Contractor and approved in writing by County (which approval shall not be unreasonably withheld). Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as required by law or the Agreement, County shall be entitled to reimbursement for all such costs and expenses.

13.2 **Procedures.** County shall notify Contractor, in writing, as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure. Upon such notice, Contractor shall, at no cost to County, as remedial measures, either: (i) procure the right, by license or otherwise, for County to continue to use the software or other tasks, deliverables, goods, services or other work licensed or acquired hereunder, or part(s) or component(s) thereof, to the same extent of County's license or ownership rights under the Agreement; or (ii) to the extent Contractor is unable to procure such right, replace or modify the software or other tasks, deliverables, goods, services or other work licensed or acquired hereunder, or part(s) or component(s) thereof, with another software or product of services, or part(s) or component(s) thereof, of at least equivalent quality and performance capabilities, in County's determination, until it is determined by County that the software or other tasks, deliverables, goods, services or other work licensed or acquired hereunder and all parts and components become non-infringing, non-misappropriating and non-disclosing.

13.3 **Remedial Acts.** If Contractor fails to complete the remedial measures in Paragraph 13.2 (Procedures), above within forty-five (45) calendar days of the date of the written notice from County or County has not approved in writing (such approval not to be unreasonably withheld) Contractor's plan of completing such remediation, then, County shall have the right to take such remedial acts as County determines to be reasonable to mitigate any impairment of its use of the software or damages or other costs or expenses in this Paragraph 13.3, (Remedial Acts). Contractor shall indemnify County under Paragraph 13.1 (Indemnification Obligation), for all amounts paid and all direct and indirect costs associated with County's Remedial Acts. Failure by Contractor to pay such amounts within ten (10) calendar days of invoice by County shall, in addition to, and cumulative to all other remedies, entitle County to immediately withhold payments due to Contractor under the Agreement up to the total of the amounts paid in connection with County's Remedial Acts.

14.0 BUDGET REDUCTIONS

In the event that the Board adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year during the Term of the Agreement (including any Option Terms), and the services to be provided by Contractor under the Agreement shall also be reduced correspondingly. County's notice to Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentences, Contractor shall continue to provide all of the services set forth in the Agreement.

15.0 FORCE MAJEURE

Except with respect to defaults of any subcontractors, Contractor shall not be liable for any such excess costs, if its failure to perform the Agreement arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by Contractor or any of Contractor's subcontractors), freight embargoes, or other similar acts to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without any fault or negligence of either of them, Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. Contractor agrees to use commercially reasonable best efforts to obtain such goods or services

from other sources, and to mitigate the damages and reduce the delay caused by any of the above mentioned *force majeure* events. As used in this Section 15.0 (Force Majeure), the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

16.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

16.1 A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Agreement. It is the County's policy to conduct business only with responsible Contractors.

16.2 Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, if County acquires information concerning the performance of the Contractor on the Agreement, or other agreements, which indicates that the Contractor is not responsible, County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which will not exceed five (5) years, but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

16.3 County may debar a Contractor if the Board finds, in its discretion, that Contractor has done any of the following: (a) violated a term of a contract, including the Agreement, with County or a nonprofit corporation created by County, (b) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (c) committed an act or offense which indicated a lack of business integrity or business honesty, or (d) made or submitted a false claim against County or any other public entity.

16.4 If there is evidence that Contractor may be subject to debarment, the Sheriff's Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

16.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the

appropriate length of time of the debarment. Contractor and the Sheriff's Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.

16.6 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

16.7 If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

16.8 The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

16.9 These terms shall also apply to subcontractors of County Contractors.

17.0 COMPLIANCE WITH APPLICABLE LAW

17.1 In the performance of the Agreement, Contractor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, guidelines, directives, policies and procedures, and all provisions required thereby to be included in the Agreement are hereby incorporated herein by reference.

17.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Section 17.0 (Compliance with Applicable Law) shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

18.0 FAIR LABOR STANDARDS

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, employees and agents from any and all liability, including damages, losses, wages, overtime pay, liquidated damages, penalties, court costs, fees and other expenses (including attorneys' fees) arising under any wage and hour law, including the Federal Fair Labor Standards Act for Work performed by Contractor's employees.

19.0 NONDISCRIMINATION, AFFIRMATIVE ACTION, AND ASSURANCES

Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age,

or physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

19.1 Contractor shall certify to, and comply with, the provisions of Contractor's EEO Certification, attached as Exhibit D (Contractor's EEO Certification) of the Agreement.

19.2 Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

19.3 Contractor certifies and agrees that it will deal with its bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.

19.4 Contractor certifies and agrees that it, its affiliates, subsidiaries or holding companies, shall comply with all applicable Federal and State laws and regulations, including but not limited to:

19.4.1 Title VII, Civil Rights Act of 1964;

19.4.2 Section 504, Rehabilitation Act of 1973;

19.4.3 Age Discrimination Act of 1975;

19.4.4 Title IX, Education Amendments of 1973, as applicable; and

19.4.5 Title 43, part 17, Code of Federal Regulations, subparts a & b;

19.4.6 Fair Employment and Housing Act (California Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated hereunder (California Code of Regulations, Title 2, Section 7285 et seq.)

And that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Agreement, or under any project, program, or activity supported by the Agreement.

19.5 Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Section 19.0 (Nondiscrimination, Affirmative Action, and Assurances) when so requested by County; provided that County's access to such employment records of Contractor shall be limited to access that does not constitute an unlawful invasion of the privacy rights of any such employee. If County finds that any of the provisions of this Section 19.0 (Nondiscrimination, Affirmative Action, and Assurances) have been violated, such violation shall, at the election of County, constitute a material breach of the Agreement upon which County may immediately terminate or suspend the Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of the Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or Federal anti-discrimination laws or regulations such determination shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of the Agreement. All determinations of violations made pursuant to this Paragraph 19.5 shall be appealable by Contractor in accordance with applicable laws and regulations, and separately pursuant to Paragraph 2.3 (Dispute Resolution Procedures) of this Exhibit.

19.6 The parties agree that in the event Contractor violates any of the anti-discrimination provisions of the Agreement, County shall, at its sole option, be entitled to the sum of five hundred dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating the Agreement.

20.0 NONDISCRIMINATION IN SERVICES

Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap, in accordance with all applicable requirements of Federal and State law. For the purpose of this Section 20.0 (Nondiscrimination in Services), discrimination in the provision of services may include the following: (a) denying any person any service or benefit or the availability of the facility, (b) providing any service or benefit to any person which is not equivalent or is not provided in an equivalent manner or at an equivalent time to that provided to others, (c) subjecting any person to segregation or separate treatment in any manner related to the receipt of any service, (d) restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit, and (e) treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit.

21.0 EMPLOYMENT ELIGIBILITY VERIFICATION

21.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing Work under the Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain, from all employees performing Work hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for the period prescribed by law.

21.2 Contractor shall indemnify, defend, and hold harmless County Indemnitees pursuant to Paragraph 12.1 (Indemnification) of this Exhibit from and against any and all liability (alleged or actual), including damages, losses, fees, costs, and expenses (including defense costs and legal, accounting and other expert witness, consulting or professional fees), arising out of or in connection with any employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing Work hereunder.

22.0 HIRING OF EMPLOYEES

Contractor and County agree that, during the Term of the Agreement and for a period of one (1) year thereafter, except with the prior written consent of the other party, neither party shall in any way intentionally induce or solicit any Project Director, Project Manager or other employee, of one party to become an employee or agent of the other party. Notwithstanding the foregoing, County shall be entitled to make offers of employment to employees of Contractor necessary or desirable to perform Work described in the Agreement, in the event that: (a) County has the right to terminate the Agreement pursuant to Section 4.0 (Termination for Insolvency) of this Exhibit, (b) the Agreement is terminated by County due to Contractor's default pursuant to Section 5.0 (Termination for Default) of this Exhibit, (c) without resolution acceptable to both parties, Contractor and County have followed Paragraph 2.3 (Dispute Resolution Procedures) of this Exhibit, or (d) Contractor either announces the withdrawal of support of, or otherwise no longer provides services County deems essential to, the ongoing support of the Work as applicable.

23.0 CONFLICT OF INTEREST

23.1 No County employee whose position with County enables such employee to influence the award of the Agreement or any competing agreement, and no spouse or economic dependent of such employee, shall be employed

in any capacity by Contractor or have any other direct or indirect financial interest in the Agreement. No officer or employee of Contractor, who may financially benefit from the performance of Work hereunder, shall in any way participate in County's approval, or ongoing evaluation, of such Work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such Work.

23.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the Term of the Agreement. Contractor warrants that it is not now aware of any facts that do or could create a conflict of interest. If Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Section 23.0 (Conflict of Interest) shall be a material breach of the Agreement.

24.0 RESOLICITATION OF BIDS, PROPOSALS, OR INFORMATION

24.1 Contractor acknowledges that, prior to the expiration or earlier termination of the Agreement, County, in its discretion, may exercise its right to invite bids, request information, or request proposals for the continued provision of the goods and services delivered or contemplated under the Agreement. County shall make the determination to re-solicit bids, request information, or request proposals in accordance with applicable County policies.

24.2 Contractor acknowledges that County, in its discretion, may enter into an agreement for the future provision of goods and services, based upon the bids, information, or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids, request for information, or request for proposals by virtue of its present status as Contractor.

25.0 TERMINATION FOR NON-ADHERENCE TO COUNTY LOBBYIST ORDINANCE

Contractor and each County Lobbyist or County Lobbying Firm as defined in Los Angeles County Code Section 2.160.010 retained by Contractor, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County Lobbyist or County Lobbying Firm retained by Contractor to fully comply with County Lobbyist

Ordinance shall constitute a material breach of the Agreement upon which County may immediately terminate or suspend the Agreement.

26.0 CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS

Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in County's Department of Public Social Services' Greater Avenues for Independence (in this Paragraph, "GAIN") or General Relief Opportunity for Work (in this Paragraph, "GROW") programs who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN participants by job category to Contractor. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first opportunity. Contractors shall report all job openings with job requirements to GainGrow@dpss.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

27.0 STAFF PERFORMANCE WHILE UNDER THE INFLUENCE

Subject to all applicable laws and regulations, Contractor shall use reasonable efforts to ensure that no employee will perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance, which might reasonably, or have been observed to, impair such person's physical or mental performance.

28.0 CONTRACTOR PERFORMANCE DURING CIVIL UNREST

Contractor recognizes that County provides services essential to the residents of the communities it serves, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster or similar event. Notwithstanding any other provision of this Exhibit or the Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible without related danger to Contractor's employees or suppliers. During any such event in which the health or safety of any of Contractor's staff members would be endangered by performing their services on-site, such staff members may perform any or all of their services remotely. Failure to comply with this requirement shall be considered a material breach of the Agreement by Contractor, for which County may immediately terminate the Agreement.

29.0 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

29.1 Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support

evaders. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "L. A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. County's Child Support Services Department (CSSD) will supply Contractor with the poster to be used.

29.2 The CSSD will maintain and periodically update the "L.A.'s Most Wanted: Delinquent Parents" list on the Internet. The list may be televised before and after Board meetings.

30.0 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

30.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County agreements are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

30.2 As required by County's Child Support Compliance Program (Los Angeles County Code chapter 2.200) and without limiting Contractor's duty under the Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the Term of the Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 U.S.C. Section 653a) and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served Wage and Earnings Withholding Orders or County's CSSD Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to California Code of Civil Procedure Section 706.031 and California Family Code Section 5246(b).

30.3 Failure of Contractor to maintain compliance with the requirements set forth in this Section 30.0 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute a default under the Agreement. Without limiting the rights and remedies available to County under any other provision of the Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate the Agreement pursuant to Section 5.0 (Termination for Default), and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

31.0 RECYCLED-CONTENT PAPER

Consistent with the Board's policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the

maximum extent possible in Contractor's provision of Work pursuant to the Agreement.

32.0 COMPLIANCE WITH JURY SERVICE PROGRAM

32.1 Jury Service Program

The Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit G (Jury Service Ordinance) and incorporated by reference into and made a part of the Agreement.

32.2 Written Employee Jury Service Policy.

32.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the Los Angeles County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the Los Angeles County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employees' regular pay the fees received for jury service.

32.2.2 For purposes of this Section 32.0 (Compliance with Jury Service Program), "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: (a) the lesser number is a recognized industry standard as determined by County, or (b) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor shall also be subject to the provisions of this Section 32.0 (Compliance with Jury Service Program). The provisions of this Section 32.0

(Compliance with Jury Service Program), shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

32.2.3 If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Term and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" or that Contractor continues to qualify for an exception to the Jury Service Program.

32.2.4 Contractor's violation of this Section 32.0 (Compliance with Jury Service Program) of this Exhibit may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

33.0 BACKGROUND AND SECURITY INVESTIGATIONS

33.1 Each of Contractor's staff performing services under the Agreement shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under the Agreement. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of Contractor's staff passes or fails the background investigation.

33.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing services under the Agreement at any time during the term of the Agreement. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

33.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

33.4 Disqualification of any member of Contractor's staff pursuant to this Section 33.0 (Background and Security Investigations) shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of the Agreement.

34.0 ACCESS TO COUNTY FACILITIES

Contractor, its employees, and agents will be granted access to County facilities, subject to Contractor's prior notification to and approval by the County Project Director, for the purpose of executing Contractor's obligations hereunder in accordance with Paragraph 4.3 (Facility Access) of Exhibit B (Statement of Work) of the Agreement. Contractor shall have no tenancy, or any other property or other rights in County facilities. While present at County facilities, Contractor's personnel shall be accompanied by County personnel at all times, unless this requirement is waived in writing prior to such event by the County Project Director.

35.0 COUNTY FACILITY OFFICE SPACE

In order for Contractor to perform services hereunder and only for the performance of such services, County will to provide Contractor with office space and equipment, as determined at the discretion of the County Project Director, at County facilities, on a non-exclusive use basis. County shall also provide Contractor with reasonable telephone service and network connections in such office space for use only for purposes of the Agreement. County disclaims any and all responsibility for the loss, theft, or damage of any property or material left at such County office space by Contractor.

36.0 DAMAGE TO COUNTY FACILITIES, BUILDINGS, OR GROUNDS

36.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made promptly after Contractor has become aware of such damage, but in no event later than thirty (30) calendar days after the occurrence.

36.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand, or without limitation of all County's other rights and remedies provided at law

or equity, or under the Agreement, County may deduct such costs from any amounts due to Contractor from County under the Agreement.

37.0 PHYSICAL ALTERATIONS

Contractor shall not in any way physically alter or improve any County facility without the prior written approval of the County Project Director, and County's Director of Internal Services Department, in their discretion.

38.0 FEDERAL EARNED INCOME TAX CREDIT

Contractor shall notify its employees and shall require each subcontractor to notify its employees that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015. Copies of the Notice can be obtained by calling 1-800-829-3676 or from the IRS website at www.irs.gov.

39.0 ASSIGNMENT BY CONTRACTOR

39.1 Contractor shall not assign its rights or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of County, in–its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Paragraph 39.1, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties, and which may be executed by the Sheriff, on behalf of the County with the written concurrence of County Counsel. Any payments by County to any approved delegate or assignee on any claim under the Agreement shall be deductible, at County's discretion, against claims which Contractor may have against County.

39.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person, corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with Paragraph 39.1 of this Exhibit.

39.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or

without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

40.0 INDEPENDENT CONTRACTOR STATUS

40.1 The Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent Contractor.

40.2 Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing Work pursuant to the Agreement all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.

40.3 Contractor understands and agrees that all persons performing Work pursuant to the Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. County shall have no obligation to furnish, or liability for, workers' compensation benefits to any person as a result of any injuries arising from or connected with any Work performed by or on behalf of Contractor pursuant to the Agreement.

40.4 Contractor shall adhere to the provisions stated in Section 3.0 (Confidentiality) of this Exhibit.

41.0 RECORDS AND AUDITS

41.1 Contractor shall maintain accurate and complete financial records of its activities and operations relating to the Agreement, including any termination hereof, in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of the Agreement. Contractor agrees that County, or its authorized representatives, shall, with reasonable notice and during regular business hours, have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, or records of Contractor relating to the Agreement. Should the examination and audit be

performed by a non-County entity or should a non-County entity be requested by County to review information received pursuant to an audit or examination under this Section 41.0 (Records and Audits), Contractor may require the non-County examiner or auditor, as the case may be, to execute a nondisclosure contract prior to any disclosure. The nondisclosure Agreement shall limit the non-County entity's use of information received or reviewed in connection with the examination and audit to work performed specifically for the benefit of County. All such material, including all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets, and other time and employment records, shall be kept and maintained by Contractor and shall be made available to County during the Term of the Agreement and for a period of five (5) years thereafter unless County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then at Contractor's option, Contractor shall either (a) provide County with access to such material at a mutually agreed upon location inside Los Angeles County, or (b) pay County for travel, per diem, and other costs and expenses incurred by County to examine, audit, excerpt, copy or transcribe such material at such outside location.

41.2 If an audit is conducted of Contractor specifically regarding the Agreement by any Federal or State auditor, or by an auditor or accountant employed by Contractor or otherwise, then Contractor shall file a copy of such audit report with County's Auditor Controller and the County Project Director within thirty (30) calendar days of Contractor's receipt thereof, unless otherwise provided by applicable federal or state law or under the Agreement.

41.3 If, at any time during or after the Term of the Agreement, representatives of County conduct an audit of Contractor, as and to the extent permitted hereunder, regarding the Work performed under the Agreement, the results of such audit, including any final determination in respect of an underpayment or overpayment, if any by County under the Agreement, shall be provided in writing to Contractor. Contractor shall have thirty (30) calendar days to review the findings contained in such audit and notify County of any objection to the same. Such notice must include, in reasonable detail, the basis for Contractor's objection and any supporting documentation and analysis for Contractor's objection. If the parties cannot agree, within fifteen (15) calendar days of receipt of Contractor's objection to the findings contained in County's audit, on the amount of underpayment or overpayment, if any, by County to Contractor hereunder, then either party may submit such matter to the Dispute Resolution Procedure, provided such matter shall be submitted initially, directly to the

County Project Director and the Contractor Project Manager. If Contractor fails to notify County of any objection it has to the findings of County's audit within the thirty (30) day period set forth above, Contractor waives any right to object to the findings of such audit, including any determination of overpayment by County. If such audit, whether initially following a waiver by Contractor of its right of objection or upon final determination pursuant to the Dispute Resolution Procedure, finds that County's dollar liability for any such Work is less than payments made by County to Contractor, then the difference, together with County's reasonable costs of audit, shall be either repaid by Contractor to County by cash payment upon demand or, at the discretion of the County Project Director, deducted from any amounts due to Contractor from County. If such audit finds that County's dollar liability for such Work is more than the payments made by County to Contractor, then the difference shall be paid to Contractor by County, but in no event shall County's payments to Contractor exceed the Maximum Contract Sum.

41.4 Failure on the part of Contractor to comply with any of the provisions of this Section 41.0 (Records and Audits) of this Exhibit, shall constitute a material breach upon which County may terminate or suspend the Agreement.

42.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATION, AND CERTIFICATES

During the Term of the Agreement, Contractor shall obtain, and maintain in effect all licenses, permits, registrations, accreditation, and certificates required by all Federal, State, and local laws, ordinances, rules, and regulations, which are applicable to Contractor's services under the Agreement. During the Term of the Agreement, Contractor shall further ensure that all of its officers, employees, and agents who perform services hereunder, shall obtain, and maintain in effect all licenses, permits, registrations, accreditation, and certificates which are applicable to their performance hereunder. If and to the extent requested by County, Contractor shall provide copy of each such license, permit, registration, accreditation, and certificate, in duplicate, to:

Los Angeles County Sheriff's Department
Contracts Unit, Room 214
Attn: Contracts Manager
4700 Ramona Boulevard
Monterey Park, California 91754

43.0 NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of the Agreement, Contractor and County do not in any way intend that any person or entity shall acquire any rights as a third

party beneficiary of the Agreement, except that this Section 43.0 (No Third Party Beneficiaries) shall not be construed to diminish Contractor's indemnification obligations hereunder.

44.0 MOST FAVORED PUBLIC ENTITY

If Contractor's prices decline, or should Contractor, at any time during the Term of the Agreement, provide the same goods and/or substantially similar services under similar quantity, delivery, and other applicable terms and conditions to the State of California or any county, municipality, public agency, or district within California at prices below those set forth in the Agreement, then such lower prices shall be extended immediately to County.

45.0 COUNTY'S QUALITY ASSURANCE PLAN

County or its agent will evaluate Contractor's performance under the Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with the terms and conditions and performance standards of the Agreement. Contractor deficiencies which County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board. The report will include improvement and corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate the Agreement or impose other penalties as specified in Attachment B4 (Performance Requirement Summary (PRS) Chart) of Exhibit B (Statement of Work) of the Agreement.

46.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should Contractor require additional or replacement personnel after the effective date of the Agreement to perform the services set forth herein, Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the Term of the Agreement.

47.0 CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF MAXIMUM CONTRACT SUM (UNDER CONTRACTOR SUM PROVISION)

If applicable, Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Maximum Contract Sum. Upon occurrence of this event, Contractor shall send written notification to the County Project Director and the County Project Manager.

48.0 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor under the Agreement, after the expiration or other termination of the Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration or termination of the Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of the Agreement.

49.0 SAFELY SURRENDERED BABY LAW

49.1 Notice to Employees

Contractor shall notify and provide to its employees and shall require each subcontractor performing Work under the Agreement to notify and provide to its employees a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit F (Safely Surrendered Baby Law) of the Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

49.2 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

50.0 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Contractor and County agree that, during the Term of the Agreement and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

51.0 PUBLIC RECORDS ACT

51.1 Any documents submitted by Contractor, all information obtained in connection with County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Section 41.0 (Records and Audits) of this Exhibit, as well as those documents which were required to be submitted in response to the Invitation for Bid (IFB) used in the solicitation process for the Agreement, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "Trade Secret," "Confidential," or "Proprietary." County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

51.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a bid marked "Trade Secret," "Confidential," or "Proprietary," Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in any action or liability arising under the Public Records Act.

52.0 TRANSITIONAL JOB OPPORTUNITES PREFERENCE PROGRAM (IF APPLICABLE)

52.1 The Agreement is subject to the provisions of the County's ordinance entitled Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.

52.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.

52.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.

52.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the

information withheld was relevant to its request for certification, and which by reason of such certification has been awarded the Agreement to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the Agreement amount and what the County's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the Agreement; and
3. Be subjected to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting an Agreement award.

53.0 WAIVER

No waiver by County of any breach of any provision of the Agreement shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of the Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in the Agreement shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity, or under the Agreement.

54.0 GOVERNING LAW, JURISDICTION, AND VENUE

The Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California applicable to contracts made and to be performed within that state. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California (except with respect to claims that are subject to exclusive Federal subject matter jurisdiction, as to which Contractor agrees and consents to the exclusive jurisdiction of the United States District Court of the Central District of California) for all purposes regarding the Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the Central District of the Superior Court for the County of Los Angeles, California.

55.0 SEVERABILITY

If any provision of the Agreement is adjudged void or invalid for any reason whatsoever, but would be valid if part of the wording thereof were deleted or

changed, then such provision shall apply with such modifications as may be necessary to make it valid and effective. In the event that one or more of the provisions of the Agreement is found to be invalid, illegal or unenforceable in any respect, such provision shall be deleted here from and the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the Agreement fails of its essential purpose because of such deletion.

56.0 RIGHTS AND REMEDIES

The rights and remedies of County provided in any given Section, as well as throughout the Agreement, including throughout this Exhibit, are non-exclusive and cumulative with any and all other rights and remedies under the Agreement, at law, or in equity.

57.0 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. The Agreement shall not restrict County or the Department from acquiring similar, equal, or like goods and/or services from other entities or sources.

58.0 FACSIMILE

Except for the parties initial signatures to the Agreement, which must be provided in "original" form, and not by facsimile, County and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on change notices or in other correspondence, notices, etc. requiring signatures, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed thereto, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

59.0 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

59.1 The Agreement is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

59.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

59.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

59.4 If Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded the Agreement to which it would not otherwise have been entitled, shall:

1. Pay to County any difference between the Agreement amount and what County's costs would have been if the Agreement had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the Agreement; and

3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and Internal Services Department of this information prior to responding to a solicitation or accepting an agreement award.

60.0 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PROMPT PAYMENT PROGRAM

Certified Local SBEs will receive prompt payment for services they provide to County departments. Prompt payment is defined as fifteen (15) calendar days after receipt of an undisputed invoice.

61.0 TERMINATION FOR NON APPROPRIATION OF FUNDS

Notwithstanding any other provision of the Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of the Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for the Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for

the Agreement, then the Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

62.0 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

62.1 Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through agreement are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

62.2 Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the Term of the Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206, which is attached as Exhibit H (Defaulted Property Tax Reduction Program Ordinance) of the Agreement.

63.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Section 62.0 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) of this Exhibit shall constitute default under the Agreement. Without limiting the rights and remedies available to County under any other provision of the Agreement, failure of Contractor to cure such default within ten (10) calendar days of notice shall be grounds upon which County may terminate the Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

64.0 TIME OFF FOR VOTING

Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (California Elections Code Section 14000). Not less than ten (10) calendar days before every statewide election, every Contractor and subcontractor shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of California Elections Code Section 14000.

65.0 HEALTH INSURANCE PORTABILTY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

65.1 Contractor expressly acknowledges and agrees that the provision of services under this Agreement does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient medical records/patient information. Accordingly, Contractor shall instruct its officers, employees, and agents that they are not to pursue, or gain access to, patient medical records/patient information for any reason whatsoever.

65.2 Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records/patient information. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

65.3 Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, shall maintain the confidentiality of any information obtained and shall notify the Department that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records/patient information. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

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