

Master Contract Number 07814-001
for
Enterprise Content Management (ECM) between
Washington State Department of Enterprise Services
and
COMPULINK MANAGEMENT CENTER INC.
dba LASERFICHE

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PARTIES

This Master Contract (Master Contract) is entered into by and between the state of Washington, acting by and through the Department of Enterprise Services (DES), an Agency of Washington State government located at 1500 Jefferson Street SE, Olympia WA, 98501, and Compulink Management Center, Inc. dba Laserfiche (Contractor), a California corporation located at 3545 Long Beach Blvd., Long Beach, CA 90807 licensed to conduct business in the state of Washington under Washington State Universal Business Identifier 602792347. The purpose of this Master Contract is to provide Commercial-Off-The-Shelf (COTS) Enterprise Content Management (ECM) solution(s) products and related Services as described and identified herein.

RECITALS

The state of Washington, acting by and through DES issued Request for Proposal (RFP) Number 07814 dated December 19, 2014, for the purpose of entering into Master Contracts with multiple contractors for ECM solution(s) in accordance with its authority under Revised Code of Washington (RCW) 39.26.

Contractor submitted a timely Response to the RFP.

DES evaluated all properly submitted Responses to the above-referenced RFP and identified Contractor as one of the apparent successful bidders.

DES has determined that entering into this Master Contract with Contractor will meet Purchasers' needs and will be in the best interest of the state of Washington.

NOW THEREFORE, DES Awards to Contractor this Master Contract, the terms and conditions of which shall govern Contractor's provisioning of On-Premise ECM solution(s) which offers a perpetual license as described herein. This Master Contract is not for personal use.

IN CONSIDERATION of the mutual promises made and as hereinafter set forth, the parties agree as follows:

1 OVERVIEW

1.1 Term

1.1.1 Master Contract Initial Term

The initial term of this Master Contract shall be for five (5) years from date of last execution signature.

If the Master Contract expires or terminates, Purchaser's license(s) shall survive the Master Contract in perpetuity according to the terms of Contractor's software license agreement. Purchaser's contracts for professional Services will survive the Master Contract, on a contract-by-contract basis, until the earlier of (i) completion of the contracted Services, or (ii) termination of the Services contract. Contractor's Laserfiche Software Assurance Plan (LSAP) will survive the Master Contract, on a Purchaser's contract-by-contract basis, following expiration of the current term of the LSAP if renewed annually thereafter. Perpetual licenses survive the Master Contract. License agreements will survive the Master Contract. After termination of the Master Contract, Contractor is not authorized to provide additional Products or Services to new Purchaser(s); however, may provide additional products and services by mutually agreed upon amendment to a Purchaser's original Technology Solution Contract or applicable Statement of Work(s) when additional products and/or services substantially align with the original intended use of the Technology Solution Contract. After expiration or termination of the Master Contract, Contractor

and Purchaser will continue to perform any Statement of Work, Technology Solution Contract, or LSAP software support plan, executed before expiration or termination of the Master Contract, until each expires or is terminated on a contract-by-contract basis.

1.1.2 *Master Contract Extensions*

Extensions of the Master Contract for additional terms may be offered at the sole discretion of DES for up to three (3) additional two (2) year terms, subject to mutual agreement as to terms and conditions, including pricing. In the event extensions are offered, Contractor may be required to submit documentation which confirms that Contractor continues to meet original RFP technical requirements; specifically Department of Defense 5015.02 V3 certification or the most current version thereof.

1.2 **Purpose**

The purpose of this Master Contract is to provide Purchaser(s) with multiple options for ECM products and services based on the complexity of each Purchaser's needs and budget. The variety of products and services offered by the Contractor shall be the Core Offering of the Contractor's ECM products and services, which shall be purchased directly through the Contractor. Contractor will be the prime contractor and responsible for any ECM solution and/or products sold hereunder, including but not limited to professional services of Contractor's Subcontractors and any third-party software purchased under this Master Contract.

Under the authority of RCW 39.34.055 and 43.19.005, this Master Contract is available to all state Agencies and other governmental entities, municipalities, or public benefit non-profit organizations that may wish to benefit from entering into their own Technology Solution Contracts with Contractor subject to the terms of the Master Contract.

1.3 **Limitations**

In Contractor's RFP Response, Contractor may have proposed additional products and/or services which provided additional advanced functionality from third-party vendors which shall be referred to as "Extended Functionality." If Contractor does not have reseller agreements to sell the Extended Functionality within the boundary of this Master Contract, Purchaser may acquire Extended Functionality by various procurement methods outside of this Master Contract. Methods of procurement may include acquisitions: a) directly from an Original Equipment Manufacturer (OEM); b) by a formal solicitation from partners or software resellers; or, c) under the authority of a Sole Source Acquisition.

DES reserves the right to add functionality for additional products offered in this Master Contract.

1.4 **Definitions**

Agency or Agencies shall mean any Washington state office or activity of the executive and judicial branches of state government, including state agencies, departments, offices, divisions, boards, commissions, institutions of higher education as defined in RCW [28B.10.016](#), and correctional and other types of institutions. This term also refers generically to any organization authorized under RCW 39.34.055 and 43.19.005.

Aggrieved Party shall mean the party whose rights or interests are damaged as a result of another party's action(s).

Amendment shall mean a change to the Master Contract.

Audit Trail shall mean a chronological account of the lifecycle of a Record.

Award shall mean DES's acceptance and subsequent Award of this Master Contract to a Bidder from RFP No. 07814.

Bidder shall mean the vendor who responded to the RFP and was Awarded this Master Contract.

Business Days shall mean Monday through Friday, 8:00 AM to 5:00 PM, Pacific Time, except for holidays observed by the state of Washington.

Commercial-Off-The Shelf shall mean Software products that are ready-made and available for sale to the general public.

Confidential Information shall mean information that may be exempt from disclosure to the public or other unauthorized persons under either RCW 42.56 or other state or federal statutes. Confidential Information may include, but is not limited to, names, addresses, Social Security numbers, e-mail addresses, telephone numbers, financial profiles, credit card Information, payroll/labor data, driver's license numbers, medical data, law enforcement records, Agency source code or object code, Agency security data, and information identifiable to an individual. Purchasers may identify additional Confidential Information in a Technology Solution Contract. Confidential information also includes any personal information under the provisions of RCW 19.255.010 and RCW 42.56.590.

Contract - See Master Contract.

Contractor shall mean Compulink Management Center, Inc. dba Laserfiche (Contractor), a California corporation.

Core Offering shall mean Contractor's software products and Laserfiche Software Assurance Plans (LSAP), which are listed in Contractor's ECM Price Schedule, Exhibit A; including product updates, upgrades, and new versions.

Data shall mean any and all data within Purchaser's possession, custody, or control, including any and all data that Purchaser has disclosed to Contractor. For purposes of the Master Contract and the Technology Solution Contract, Purchaser's Data does not cease to be Purchaser's Data solely because it is transferred or transmitted beyond Purchaser's immediate possession, custody, or control.

Deliverable shall mean any tangible or intangible thing to be provided by Contractor to Purchaser as described in a Statement of Work and/or Technology Solution Contract.

Destruction shall mean the permanent disposal of a record as prescribed in the records retention schedule. An Audit Trail must document the Destruction as proof of actions taken. See Audit Trail.

Documentation shall mean the then current written user manuals or product guide specifications provided by Contractor for Products or proposed functionality offered in the Contractor's RFP Response, Exhibit E.

ECM Price Schedule shall mean the rate(s) quoted for products and/or Services by Contractor and attached as Exhibit A to this Master Contract.

End User License Agreement ("EULA") shall mean any software license agreement by which Contractor grants a licensee the right to use any Software, including, but not limited to, any such agreement made before or after execution of this Master Contract, and including without limitation any such agreement that either is affixed to (e.g., shrink-wrap), imbedded in (e.g., click-wrap), or in any way accompanies the Software upon delivery. The term "EULA" does not include this Master Contract, a Technology Solution Contract, or a Statement of Work.

Extended Functionality shall mean additional products purchased from third-parties outside of this Master Contract including but not limited to services, components, software/modules, open-source code, or interfaces which may be needed to provide Purchaser with additional functionality beyond the Contractor's Core Offering.

Interoperability shall mean the ability to interface with Microsoft products (Outlook, SharePoint, Word, etc.) as well as connect to and run from existing systems as disclosed to Contractor before execution of a Technology Solution Contract and/or Statement of Work.

LSAP means Contractor's Laserfiche Software Assurance Plan, a copy of which is attached as Exhibit E to this Master Contract and incorporated by this reference.

Management Fee shall mean a cost recovery fee associated with DES's administration of the Master Contract.

Master Contract shall mean this agreement, all incorporated schedules, exhibits, addenda, and subsequent mutually agreed upon Amendments to this Master Contract.

Master Contract Administrator shall mean the DES representative that manages the Master Contract on behalf of DES.

Mobile Standards shall mean any laws or regulations published by the Federal Trade Commission (FTC), Federal Drug Administration (FDA), U.S. and state Attorney General Offices, and other federal regulatory agencies that mandate specific practices, policies and procedures to govern the use of mobile devices, including the following FTC Staff Report, issued February 1, 2013, and the State of California Attorney General report on Privacy on the Go, Recommendations for the Mobile Ecosystem, issued January 2013.

On-Premise Software shall mean a Software solution which runs in an infrastructure on the premises of Purchaser's network environment using the Software, rather than at a remote facility such as at a server farm, cloud, or otherwise remotely hosted infrastructure or platform.

Product shall mean the On-Premise Enterprise Content Management solution or any component thereof, offered in Contractor's Response to the RFP and made available to Purchaser under this Master Contract).

Product Notice shall mean the notice received upon initial purchase or in the future that pertains to Software or hardware use rights, upgrades, warranty periods, maintenance, restrictions, or other modifications.

Public Disclosure Request shall mean a request for inspection or copying of a public record under RCW 42.56.

Public Record shall mean any paper, correspondence, completed form, bound record book, photograph, film, sound recording, map drawing, email, facsimile, machine-readable material, compact disc, or other document, regardless of its physical form or characteristics (including copies of such records), that are made by or received by any Agency of the state of Washington in connection with the transaction of public business. See RCW 40.14.010.

Purchaser shall mean any Washington State Agency, other Washington governmental entities or municipalities, boards commission, non-profit organization which are authorized by statute to acquire Products and Services under this Master Contract including, but not limited to, RCW 43.19, 39.26, and 39.34.

Record shall mean all records created, received, or edited by an individual within Washington State government, including all Data.

Request for Proposals (RFP) shall mean the Solicitation Number 07814 dated December 19, 2014, to procure the Products and Services which are the subject of this Master Contract.

Response shall mean Contractor's response to the RFP.

Revised Code of Washington or RCW shall mean the permanent laws in force, enacted by legislation, and signed by Washington State Governor, or enacted by the initiative process.

Services shall mean those activities provided by Contractor relating to this Master Contract or any Technology Solution Contract and/or Statement of Work, which Purchaser has elected to purchase from Contractor. Such Services may include, but are not limited to, project management, planning, configuration, customization, interfacing, integration, testing, training, implementation, and/or the ongoing support and maintenance of the Solution.

Software shall mean any programming code provided by Contractor to Purchaser, including Contractor-supplied third party software, application interfaces, or open-source code including micro-code, firmware, support tools, and operating system software.

Sole Source Acquisition shall mean the process by which additional Products or Services are purchased for Extended Functionality of the ECM Solution. Sole Source Acquisitions are defined in RCW 39.26.140.

Solicitation shall mean the RFP, and any Amendments or revisions thereto, which are associated with this Master Contract.

Solution shall mean Contractor's On-Premise Software and the related Services and LSAP support plans.

Specifications shall mean the explicit requirements specified in the RFP and proposed in the Response, or as modified by the Master Contract, a Technology Solution Contract, or a Statement of Work.

State shall mean the state of Washington acting by and through DES or the Purchaser.

Statement of Work or SOW shall mean the defined body of work to perform and deliver Services for a specific project or outcome. A Statement of Work may contain, among other matters, tasks, deliverables, acceptance criteria, timelines, warranties, consideration and/or payment terms, or other terms and conditions.

Subcontractor shall mean a non-employee of Contractor that has entered into a subcontract with Contractor to provide Services to Purchaser as required of Contractor under a Technology Solution Contract or a Statement of Work, pursuant to the terms and scope of the subcontract between Contractor and Subcontractor.

Technology Solution Contract shall mean the agreement that any Purchaser and Contractor enter into under the authority of this Master Contract to purchase an ECM Solution.

Usage Report (Usage) shall mean the quarterly report required by DES detailing all net collected sales amounts for the preceding quarter in accordance with the Sales and Subcontractors Report section of the Contract.

Washington Administrative Code or WAC shall mean the regulations of the executive branch agencies issued by the authority of statute.

2 MASTER CONTRACT ADMINISTRATION

2.1 Master Contract Administrator

DES shall appoint a single point of contact for this Master Contract. The Master Contract Administrator will provide oversight of the activities conducted hereunder and will be the principal contact for Contractor concerning business activities under this Master Contract.

2.2 Administration of Master Contract by DES

DES will maintain contract information and pricing, and reserves the right to make it available on DES's external website at <http://des.wa.gov> or at its option, Contractor may implement #5 below.

Contractor shall:

1. Competently and efficiently supervise and coordinate the implementation and completion of all contract requirements specified herein;
2. Identify Contractor's account manager, who will be the principal point of contact for the DES Master Contract Administrator concerning Contractor's performance under this Master Contract;
3. Immediately notify the Master Contract Administrator in writing of any change of the designated Contractor's account manager assigned to this Master Contract; and
4. Be bound by all written communications given to or received from the Contractor's designated account manager.
5. At its option the Contractor will create a pricing website which is not public facing and provide DES with a URL which DES will post to its website. Contractor shall maintain and manage access.

2.3 Master Contract Management by the Contractor

Upon Award of this Master Contract, Contractor shall:

1. Review the impact of the Award and take the necessary steps needed to ensure that contractual obligations will be fulfilled.
2. Ensure that those who endeavor to utilize this Master Contract are authorized Purchasers under this Master Contract.
3. Designate a product/service representative (may be the same as the account manager) who will be responsible for addressing any Master Contract or Purchaser issues.

2.4 Changes

Alterations to any of the terms, conditions, or requirements of this Master Contract shall only be effective upon written issuance of a mutually-agreed Amendment. However, changes to point of contact information may be updated via e-mail without the issuance of a mutually-agreed Amendment.

DES reserves the right to add products and/or Services within the original scope of this Master Contract as market conditions and Purchasers' needs change. Such modifications will be evidenced by issuance of a written and executed Amendment, which shall be negotiated and mutually agreed upon by the parties.

2.5 Statewide Payee Desk

Washington State requires the utilization of electronic payment in its transactions. Contractor shall be required to register in the Statewide Vendor Payment system prior to submitting a request for payment or invoice. The site may be found at:

<http://des.wa.gov/services/ContractingPurchasing/Business/VendorPay/Pages/default.aspx>

2.6 Fees and Reporting

2.6.1 Fees

The DES Master Contract program is required to be cost recoverable. Therefore, this Master Contract is subject to a Management Fee. Collection and remittance of this fee shall be conducted in accordance with the provisions set forth herein.

The Management Fee will be reviewed periodically to ensure that the program is self-supporting and may be adjusted accordingly by DES. DES may, at its sole discretion, increase, decrease, or eliminate the Management Fee upon thirty (30) days written notice to Contractor. For purposes of the Management Fee, the parties agree that the initial Management Fee was included in the pricing. Therefore, any increase or decrease of the Management Fee shall be reflected in contract pricing commensurate with the adjustment.

Contractor will pay the current Management Fee of 0.74 percent to DES on all State contract sales. The Management Fee must be rolled into the Contractor's current pricing, and not shown as a separate line item on an invoice.

Contractor will provide DES with a Usage Report detailing all net collected amounts for the preceding quarter according to the table listed below, in accordance with the Sales and Subcontractors Report section of the contract. DES will send an invoice each quarter, based on such report within thirty (30) days after receipt. Payment of the DES Management Fee is due one (1) month following Contractor's receipt of the invoice from DES. See Usage, Invoice, and Remittance Table below.

Taxability (if applicable): In 2013, the Washington Department of Revenue announced that if the underlying transaction requires sales tax, the DES Management Fee portion of the transaction is also subject to a sales tax. However, when the DES Management Fee that is held in trust by the Contractor is remitted to DES, it is not taxed a second time. Therefore, no sales tax is payable on the Management Fee component of the sales invoice.

DES reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced and all DES Management Fees have been paid. Failure to accurately report Usage, to submit a timely Usage report, or remit timely payment of the DES Management Fee may be cause for contract termination, the charging of interest or penalties, or the exercise of other remedies provided by law.

DES Management Fee payment from the Contractor to DES must reference the Contract number, work request number (if applicable), the name of the Contractor as known to DES, the year and quarter for which the DES Management Fee is being remitted, and the DES invoice number.

All payments must be sent to:

Washington State Dept. Enterprise Services
 Finance Department
 1500 Jefferson Street SE
 P. O. Box 41460 Olympia, WA 98501

Usage, Invoice, and Remittance Table			
Quarter Ends	Usage Report due from Contractor within one month following the end of the quarter	DES invoices the Contractor within one month following Usage reporting	Contractor remits the Management Fee to DES within one month following DES invoice.
March 31	April 30	May 31	June 30
June 30	July 31	August 31	September 30
September 30	October 31	November 30	December 31
December 31	January 31	February 28	March 31

2.6.2 Reporting

Based on Contractor’s sales, Contractor shall provide a Usage Report to DES on a quarterly basis in the electronic format provided here: [Contract Usage Reporting System Login](#).

Reports must be submitted electronically within thirty (30) days after the end of the calendar quarter, i.e., no later than April 30, July 31, October 31, and January 31.

Contractor must submit to DES a quarterly Usage Report of all purchases made by Purchasers under the authority of this Master Contract. The report must identify: (1) the Master Contract number; (2) each Purchaser making purchases during the reporting quarter; (3) the total items purchases by each Purchaser; (4) the total invoice price, excluding sales tax and excluding the DES Management Fee, for each Purchaser; (5) the sum of all invoice prices for all Purchasers, excluding sales tax and excluding the DES Management Fees; and (6) the total amount of the DES Management Fees due for the quarter.

The report and Management Fee must be received by the fifteenth calendar day of the quarter following the month in which Contractor invoiced Purchaser. Reports are required to be submitted electronically, in the format provided by DES.

Should the Contractor have no sales activity in a quarter, no Management Fee will be required; however, Contractor shall be required to report zero (0) sales.

DES shall have the right to examine Contractor’s records associated with purchases under this Master Contract in order to ensure compliance with all contract requirements.

3 PRICING

3.1 Price Protection

For the initial first year term of this Master Contract, Contractor must provide Products and Services based on rates that do not exceed the ECM Price Schedule attached as Exhibit A to this Master Contract. Such prices shall not be increased during the initial first year term of this Master Contract.

Prices are considered maximum or “ceiling” prices only. On a project by project basis, Contractor may elect to provide Products or Services to Purchasers at lower rates than those originally-established in this Master Contract.

DES acknowledges that pricing may vary for Services outlined in an SOW created under a Technology Solution Contract. Contractor acknowledges that SOW pricing based on fixed price deliverables (preferred method) shall substantially align with the hourly rates provided by Contractor’s RFP Response, Appendix E.

Volume discounts based on the number of user licenses apply only to new sales and not to Software upgrades by which Purchaser exchanges its current Software for credit against an upgraded Software suite.

Volume discounts apply on an Agency-by-Agency basis; therefore, Agency counts cannot be cumulative across the State.

Volume discount pricing for Software and support will apply only to additional user licenses purchased by any Agency or other Purchaser authorized to purchase under the Master Contract by State law. That is, an Agency that currently uses Contractor’s Software may not demand that all of its existing Software and support plans be repriced to reflect volume discount pricing that is applicable only to new sales of Products and Services under the Master Contract. However, discount pricing may be negotiated and apply at the time of renewal of annual LSAP support plans.

Contractor may provide additional Products and Services which substantially conform to the original RFP, by submitting said Product and Services to DES for approval.

3.2 Additional Charges

Unless otherwise specified in this Master Contract, no additional charges by Contractor will be allowed except when Purchaser and Contractor mutually agreed to such charges in a Technology Solution Contract, an SOW, or a signed Change Order. The rates for Services shall be in accordance with hourly rates set forth in the Contractor’s RFP Response (Appendix E); however, DES, Purchaser, and Contractor acknowledge that a mutually agreed upon SOW for integration and other Services may, upon mutual agreement, be converted to fixed price delivery and the fixed price deliverables shall substantially conform to the hourly rates offered in the Contractor’s Response to the RFP (Appendix E).

Notwithstanding the foregoing, in the event that market conditions, laws, regulations or other unforeseen factors dictate, at the Master Contract Administrator’s sole discretion, additional charges may be allowed.

3.3 Price Adjustments

Contractor must submit requests for adjustments in pricing to the Master Contract Administrator, in writing, at least sixty (60) days prior to the start of the second, third, fourth, or fifth year terms of this Master Contract. Master Contract extensions shall not be contingent upon DES’s acceptance of Contractor’s requested price increases

Price adjustments may not be considered without documentation sufficient to justify the requested adjustment. Contractor may submit documentation based on published indices including the U.S. Department of Labor’s Employment Cost Index for Professional, Scientific and Technical Workers, as adjusted for additional employment costs in the states of California and Washington, as well as

the particular employment cost data for IT workers in the Los Angeles-Long Beach-Anaheim and Seattle-Tacoma-Olympia Metropolitan areas. The grant of any price adjustment will be at the good faith discretion of DES. Price Adjustments shall be no greater than three-percent (3%) per term and may not be accumulated term after term if unused. DES will notify Contractor in writing of any price increase granted, which will be confirmed in a written Amendment to the Master Contract. Price increases granted by DES shall remain unchanged during the Master Contract annual term in which they become effective, and no additional price increase requests will be granted during that annual term.

If DES refuses Contractor's requested price increase, or the parties do not reach agreement on Contractor's request for price increases, Contractor may then terminate the Master Contract for Convenience. With respect to any Technology Solution Contract and/or SOW which survive the termination of the Master Contract, Contractor's price provisions of Section 3 will survive the termination of the Master Contract.

3.4 Adjustment for Additional Insurance Coverage

If Contractor and Purchaser agree that additional insurance coverage is required or prudent given the risk of a Technology Solution Contract, the parties will have the right to approve a price adjustment to cover the cost of the additional required coverage, subject to documented proof of cost.

4 CONTRACTOR QUALIFICATIONS AND REQUIREMENTS

4.1 RFP Requirements

The RFP requirements are essential substantive terms of this Master Contract and are incorporated herein. Products and Services provided under this Master Contract shall meet or exceed all the mandatory requirements of the RFP.

4.2 Established Business

Prior to commencing performance, or prior to that time if required by DES, Purchaser, law or regulation, Contractor must be an established business firm with all required licenses, fees, bonding and/or insurance, facilities, equipment and trained personnel necessary to meet all requirements and provide the Products or to perform the Services contemplated by the parties under this Master Contract. Contractor shall maintain compliance with these requirements throughout the life of this Master Contract or any ongoing requirement necessitated by any transaction with a Purchaser that is originally subject to this Master Contract.

4.3 Contractor Certifications

Contractor shall maintain any required certification status for the initial term and any renewals of this Master Contract.

4.4 Use of Subcontractors

Contractor will be liable for a breach of contract, breach of warranty or negligence of its Subcontractors when they are acting within the course and scope of a Purchaser's Technology Solution Contract and/or a Statement of Work.

Prior to performance of a Technology Solution Contract and/or Statement of Work, Contractor shall identify all Subcontractors who will perform Services in fulfillment of contract requirements,

including their name, the nature of Services to be performed, address, telephone, facsimile, email, and federal tax identification number (TIN).

DES acknowledges that in the past or future, Contractor or Contractor's resellers may have products and services purchased by Agencies outside of this Master Contract and any resulting Technology Solution Contract(s) which is outside of the scope of this Master Contract.

4.5 Assignments

Contractor shall not assign or otherwise transfer its obligations under this Master Contract without the prior written consent of DES, which it may withhold in its discretion. Contractor shall provide a minimum of thirty (30) calendar days advance notification of intent to assign or otherwise transfer its obligations under this Master Contract. Violation of this condition may be a material breach of this Master Contract if failure to give adequate notice causes significant harm or prejudice to Purchaser. Contractor shall communicate all requirements of the Master Contract to its assignee. Any transfer of Contractor's obligations will not release or reduce Contractor's liability for any breach in the performance of the Master Contract.

4.6 Contractor Authority

Contractor is authorized to sell under this Master Contract only those Products and Services as authorized by this Master Contract. Contractor shall not misrepresent to a Purchaser that Contractor is authorized to sell Products and/or Services using this Master Contract that are not within the scope of this Master Contract.

5 SITE SECURITY AND SAFETY

5.1 Site Security

While on DES's or any Purchaser's premises, Contractor and its agents, employees, and Subcontractors shall comply in all respects with all of Purchaser's physical, fire, safety, and other security regulations. DES must furnish all applicable regulations to Contractor in advance of executing any Technology Solution Contract or SOW.

5.2 Remote Access to Network

Contractor understands that in order to obtain remote access to Purchaser's Local Area Network (LAN), email, or supported computing environments through a remote access connection ("Remote Access"), Contractor must comply with Purchaser's Remote Access policy and any other applicable policies or procedures. Contractor shall, prior to access, complete and sign any applicable agreements or forms. Remote Access is conditioned upon an executed Technology Solution Contract. DES must furnish all applicable regulations to Contractor in advance of executing any Technology Solution Contract or SOW.

5.3 System Security

Contractor acknowledges and understands that it may be required to access Purchaser's computer networks in delivering Products to or performing Services for Purchaser under the authority of this Master Contract and that in providing such access to Contractor, Purchaser places special confidence and trust in Contractor. Contractor acknowledges and understands that any access granted by Purchaser to its computer networks shall be limited, restricted and conditioned upon Contractor's compliance with Purchaser's security policies and practices related to such access,

which Purchaser will provide to Contractor before execution of the Technology Solution Contract. Contractor warrants that it will provide all Products and/or perform all Services for or on behalf of Purchasers in full compliance with its security policies and practices as of the date of each respective Technology Solution Contract. For Washington State agencies, the Security Policy 141 - *Securing Information Technology Assets* is set forth by and through the Office of the Chief Information Officer (OCIO) and is located on the OCIO website at: <https://ocio.wa.gov/policies/141-securing-information-technology-assets> Contractor understands and agrees that the OCIO Security Policies shall serve as the standard for network security and warrants that it shall exercise its best efforts to comply with the Security Policies with respect to 1) any electronic transfer of code or; 2) prevention of unauthorized access; and 3) prevention of any and all undisclosed programs, extraneous code, Self Help code, unauthorized code, or other data that may be reasonably expected to damage data, code, software, systems or operations of any state Agency network, system or data. Contractor staff may be required by Purchaser to complete a certain minimum level of Security Awareness Training coursework depending on the skill and experience levels required by Purchaser. Purchasers may have differing security policies, which Contractor shall endeavor in good faith to meet when providing Products and/or Services to such Purchasers. Contractor's pricing may be adjusted to satisfy extreme security requirements of a Purchaser's environment as discovered prior to the execution of a Technology Solution Contract and SOW.

5.4 Data Storage, Transmission, and Archive

Any and all Data must be stored and transmitted within the contiguous United States of America only. No offshore storage or data transmission (e.g., for support services) or storage (e.g., data center, hosted site or backup, disaster recovery or other locations) will be permitted. Purchaser acknowledges that Contractor uses some off-shore technical resources to support its accounts during non-business hours, which may delay Contractor's ability to render full support during non-business hours.

6 PAYMENT

6.1 Payment, Invoicing and Discounts

Payment is the sole responsibility of Purchaser.

Contractor shall provide properly completed invoices to Purchaser. All invoices are to be delivered to the address indicated in the Purchaser's Technology Solution Contract.

Each invoice shall, at a minimum identify:

1. the associated Master Contract number;
2. Contractor's Statewide Payee Desk registration number assigned by DES,
3. the applicable Purchaser's Technology Solution Contract number, and,
4. the Product(s) and/or Services provided.

Contractor's invoices will show any applicable discount(s), including volume discounts.

Invoices will not be processed for payment, and the period of any prompt payment discount will not commence, until Purchaser receives (i) a proper invoice denominated in U.S. dollars and (ii) delivery of all invoiced items. Payment is subject to satisfactory performance by Contractor, including Services for implementation and integration of Software and/or other Deliverables, or completion of project milestones or project phases at a fixed-fee or time-and-materials basis, as set

forth in the Technology Solution Contract or SOW. Acceptance criteria will be established in the applicable Technology Solution Contract or SOW.

Payment for Services furnished by Contractor pursuant to this Master Contract will be made according to the payment terms in the applicable Technology Solution Contract or SOW. Notwithstanding the above, payments for annual support and maintenance may be invoiced and be paid in advance.

Unless the Technology Solution Contract or SOW provides for different payment terms, Purchaser's payments shall be due and payable within thirty (30) calendar days after provision and/or acceptance of Services or thirty (30) calendar days after receipt of properly prepared invoices, whichever is later. Payment will not be considered late if a check or warrant is mailed within the time specified. If no terms are specified, net thirty (30) days will automatically apply.

Any bank or transaction fees or similar costs associated with currency exchange procedures or the use of purchasing/credit cards shall be fully assumed by Contractor.

6.2 Taxes, Fees, and Licenses

Taxes

Where required by statute or law, Contractor shall pay for and maintain in current status all taxes that are necessary for Master Contract performance. Unless otherwise indicated, Purchaser agrees to pay state of Washington taxes on all applicable Products and/or Services purchased hereunder. No charge by Contractor shall be made for federal excise taxes.

Purchaser agrees to furnish Contractor with an exemption certificate where appropriate.

Collection of Retail Sales and Use Taxes

In general, Contractors engaged in retail sales activities within the state of Washington are required to collect and remit sales tax to Department of Revenue (DOR). In general, out-of-state Contractors must collect and remit "use tax" to Department of Revenue if the activity carried on by the seller in the state of Washington is significantly associated with Contractor's ability to establish or maintain a market for its products in Washington State. Examples of such activity include where the Contractor either directly or by an agent or other representative:

1. Maintains an in-state office, service enterprise, or any other in-state place of business;
2. Regularly solicits orders from Purchasers located within the state of Washington via sales representatives entering the state of Washington;
3. Sends other staff into the state of Washington (e.g. product safety engineers, etc.) to interact with Purchasers in an attempt to establish or maintain market(s); or
4. Other factors identified in [WAC 458-20](#).

Department of Revenue Registration for Out-of-State Contractors

Out-of-state Contractors meeting any of the above criteria must register and establish an account with the Department of Revenue. Refer to [WAC 458-20-193](#), and contact the Department of Revenue for additional information (see [WA State Dept. of Revenue Registration Requirements](#)). When out-of-state Contractors are not required to collect and remit "use tax," Purchasers located in the state of Washington are responsible for paying this tax, if applicable, directly to the Department of Revenue.

Fees/Licenses

After Award of Master Contract, and prior to commencing performance under the Master Contract, Contractor shall pay for and maintain in a current status any licenses, fees, assessments, permit charges, etc., which are necessary for Master Contract performance. It is the Contractor's sole responsibility to maintain licenses and to monitor and determine any changes or the enactment of any subsequent regulations for said fees, assessments, or charges and to immediately comply with said changes or regulations during the entire term of this Master Contract.

Taxes on Invoice

Contractor shall calculate and enter the appropriate Washington State and local sales tax on all invoices. Purchaser shall be responsible for sales tax and use taxes, if any, imposed on the Products and/or Services.

6.3 Minority and Women's Business Enterprise (MWBE) Participation

If Contractor or any of its Subcontractors are certified MWBE firms, with each invoice for payment and within thirty (30) days of Purchaser's request, Contractor shall provide Purchaser with an Affidavit of Amounts Paid. The Affidavit of Amounts Paid shall either state that Contractor still maintains its MWBE certification, or state that its Subcontractor(s) still maintain(s) its/their MWBE certification(s) and specify the amounts paid to each certified MWBE Subcontractor under this Master Contract. Contractor shall maintain records supporting the Affidavit of Amounts Paid in accordance with this Master Contract's [Retention of Records](#) section.

6.4 Overpayments to Contractor

Contractor shall refund to Purchaser the full amount of any erroneous payment or overpayment under this Master Contract within thirty (30) days' written notice of such payment. If Contractor fails to make timely refund, Purchaser may charge Contractor one (1) percent per month on the amount due, until paid in full.

6.5 Contractor Expenses

Purchaser will reimburse Contractor for travel and other expenses only as defined and approved in advance in a Purchaser's Technology Solution Contract, SOW, or as otherwise authorized by Purchaser in writing, in accordance with the then-current rules and regulations applicable to Purchaser. Contractor's expense reimbursement shall follow the Washington State per diem rules and regulations as set forth in the [Washington State Administrative and Accounting Manual](#). Contractor shall provide a detailed itemization of expenses, including the purpose, amounts and dates, and receipts for any individual expense of \$50.00 or more.

6.6 Audits

Contractor shall provide the right of access to its records which are directly applicable to this Master Contract to DES, or any of DES's officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Master Contract. In the event the parties are not in agreement as to the audit findings, the parties shall use the dispute resolution process set forth in the Master Contract. The parties shall make a good faith effort to resolve their dispute prior to any action at law.

7 QUALITY ASSURANCE

7.1 Contractor Commitments and Warranties

Contractor will comply with its commitments set forth in the Master Contract, Technology Solution Contract, and/or SOW. Contractor's commitments include: (i) Prices, discounts, and options that the parties agree will remain in force over a specified period of time; and (ii) Contractor's express warranties in its RFP Response, this Master Contract, a Technology Solution Contract, and/or an SOW.

Contractor warrants that its Services, including Deliverables, will be performed in a good and workmanlike manner. Unless otherwise agreed in a Technology Solution Contract or SOW, Contractor will correct any complaints about Services and/or Deliverables that are not in material compliance with this warranty and that are brought to its attention in writing within thirty (30) days after those Services and/or Deliverables are delivered to Purchaser. However, if Contractor cannot determine the cause of and/or correct the issue within 30 days following Purchaser's written notice, Contractor will provide Purchaser with a temporary fix or workaround solution within the 30-day notice period until a permanent correction or resolution is achieved. Contractor warrants that its Services and Deliverables which are original content will materially conform to their applicable specifications for a period of thirty (30) days following delivery to Purchaser.

Contractor acknowledges that if Purchaser is dissatisfied with the performance of an individual working on a Purchaser's project, Purchaser may report its dissatisfaction to Contractor in writing and may ask Contractor to replace the individual. Contractor shall work with Purchaser to provide staff who are acceptable to Purchaser.

Contractor must disclose in detail prior to execution of this Master Contract any known warranty caveats or Purchaser activities or circumstances that could potentially void warranties.

7.2 Product Warranties

The warranties provided in this section are in addition to any other warranties provided to Purchaser elsewhere in this Master Contract or in Contractor's End User License Agreement (EULA) or any other software license agreements. Contractor warrants: (a) that every item of Software, without unauthorized modification, will perform substantially in accordance with the Documentation applicable to the Software for a period of forty-five (45) days from the date the item of Software is installed unless (i) Purchaser made modifications, alterations, configurations or integrations of or to the Software without Contractor's assistance, or knowledge and approval; or (ii) Purchaser failed to follow Contractor's Documentation, EULA, Product Notices, or other information available on Contractor's website or through its Help Desk unless Contractor has not notified Purchaser of substantial changes; (iii) the defect, error, issue or complaint was caused by Purchaser's own acts or omissions or operator errors or by integration with other software not approved and performed by Contractor; or (iv) the defect, error, issue or complaint resulted from, was caused by, or was attributed to, acts or omissions of third parties who were not employees or Subcontractors of Contractor and who were not authorized, instructed or directed to engage in such conduct by Contractor, or circumstances, causes or events over which Contractor had no control or responsibility; (b) that Contractor has all necessary rights and authority to license the Software and to grant the licenses or use rights provided hereunder; and, (c) there is currently no actual or threatened legal action against Contractor by any third party based on an alleged violation of an intellectual or proprietary property right that has not been disclosed to DES and/or Purchaser and that could adversely affect Contractor's ability to license the use of the Software. Contractor agrees that it will not electronically repossess, trigger any lock, or use any device capable of halting operations or erasing or altering data or programs with regard to any Software that it has licensed to Purchaser.

7.3 Service Level Commitments

The objectives for Service Level Agreements (SLA) shall be documented in Contractor's LSAP, as attached and incorporated as Schedule A.

7.4 Cost of Remedy

Contractor, at its expense, will (a) correct any defective work or other Deliverables that do not substantially comply with Contractor's warranty; and if reasonably practicable and cost-effective, assist Purchaser in restoring and recovering lost data that resulted directly from a Software defect in breach of an express warranty by Contractor and which was not due to any acts or omissions of Purchaser or third-parties over whom Contractor had no control, management or contractual responsibility; or (b) upon inability to correct defect(s) Contractor may refund as set forth in the Limitation of Liability Section of this Master Contract upon mutual agreement.

Contractor disclaims any and all implied warranties that the Software is impenetrable, that it may not be breached by hackers or Purchaser's employees, or that Contractor will indemnify Purchaser or third parties whose data may have been lost, stolen, compromised or destroyed.

8 GENERAL LICENSE AND SUBSCRIPTION CLAUSES

8.1 License Grant

For purchases of an On-Premise Solution with a perpetual license, Contractor grants to Purchaser a non-exclusive, non-transferable, non-sublicensable and perpetual license to use, in object format, Contractor's Software solution identified in the Technology Solution Contract, subject to terms, conditions and restrictions set forth herein and therein. Purchaser may modify the Software and may combine such other programs, open-source, interfaces or materials to form a derivative work. License rights granted herein shall apply to all derivative works. Contractor will not be responsible for malfunctions, errors, lost data or other problems that are in any way attributable to or result from any such combinations or derivative works made or created by Purchaser or others at its direction without Contractor's involvement which may void Contractor's LSAP, with respect to any such combinations and derivative works or Software problems that result from them.

Unless otherwise agreed between the Contractor and Purchaser, Purchaser will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. Purchaser may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents. Purchaser may use backup or archival copies of the Software, without reinstallation or interruption of production copy(ies), for disaster recovery exercises at its disaster recovery site(s) subject to the Laserfiche End User License Agreement. Purchaser may make these backup or archival copies available to the disaster recovery site(s)' employees who require use of the Software in order to assist Purchaser with disaster recovery exercises. Purchaser agrees that production use of the Software at the disaster recovery site(s) shall be limited to times when Purchaser's facilities, or any portion thereof, are inoperable due to emergency situations.

8.2 General Terms

Purchaser shall not make the Software available to unauthorized third parties. Purchaser may not relicense, rent or lease the Software for third party training or commercial time-sharing except as expressly authorized in the Freedom of Use hereunder and defined in Purchaser's Technology Solution Contract. Purchaser shall not distribute sell, sublicense or otherwise transfer copies of the Software or any portion thereof, and shall not use the Software except as expressly permitted hereunder. No third-party software that is provided with the Software may be used independently from the ECM solution. Purchaser agrees not to translate, reverse engineer, decompile or otherwise derive the source code for the Software or allow third parties to do so.

Upon termination of the Technology Solution Contract and the non-renewal of annual maintenance and support, Purchaser may continue the use of subject products and will not be entitled to additional product upgrades or support.

Freedom of Use. Purchaser may provide information processing Services to other users that are Agencies of state government and other tax-supported entities, and not for profit organizations. Contractor acknowledges and understands that certain type of information is provided to the public. Purchaser may charge a fee for cost recovery purposes from Agencies or other tax-supported entities. If Contractor agrees in a Technology Solution Contract, Software delivered hereunder may be used in the delivery of these Services. Purchaser shall disclose intent to use the Solution in this manner and include license and maintenance and support costs in the Technology Solution

Contract. If Contractor agrees in a Technology Solution Contract, then such use of Software products is acceptable under the licensing agreements contained herein. Purchaser acknowledges that additional license(s) may need to be purchased in accordance with Contractor's product use and` licensing policies.

Purchaser may move Software from one device in Purchaser's custody and control to another in the same Agency; or to another Agency, but only if specifically authorized by Contractor in a Technology Solution Contract or amendment to an existing Technology Solution Contract. In either event, such Software must be completely removed from the first device when it is installed on the new device after Purchaser's verification of a successful installation.

8.3 License and Bankruptcy Provision

Purchaser shall have a present license right in and to the software that is used to provide an ECM Solution. The rights to the Solution provided by Contractor to Purchaser under the Technology Solution Contract constitutes "intellectual property" as defined in Section 101(35A) of the Bankruptcy Code, as amended, and the Technology Solution Contract shall be governed by Section 365(n) of the Bankruptcy Code, as applicable, in the event Technology Solution Contractor voluntarily or involuntarily becomes subject to the protection of the Bankruptcy Code and Contractor or the trustee in bankruptcy rejects the Technology Solution Contract. In the event Contractor voluntarily or involuntarily becomes subject to the protection of the Bankruptcy Code and Contractor or the trustee in bankruptcy rejects the Technology Solution Contract under Section 365 of the Bankruptcy Code, Purchaser shall have the right to: (a) treat the Technology Solution Contract as terminated; or (b) retain Purchaser's rights under the Technology Solution Contract, specifically including the right to exercise its rights granted herein to use the software (and to all work-in-progress relating thereto). Failure by Purchaser to assert its right to retain its benefits to the intellectual property embodied in the software pursuant to Section 365(n)(1)(B) of the Bankruptcy Code with respect to an executory contract rejected by Contractor or the trustee in bankruptcy shall not be construed by the courts as a termination of such contract by Purchaser under Section 365(n)(1)(A) of the Bankruptcy Code. Any attempted assignment of the Technology Solution Contract by Contractor or the trustee in bankruptcy to a third party shall be subject to such third party providing "adequate assurance of future performance" (as referenced in Section 365(f) of the Bankruptcy Code) to Purchaser. Among other requirements as may be reasonably imposed, "adequate assurance" shall include a third party's express written agreement to assume all of Contractor's obligations under the Technology Solution Contract.

8.4 Mobile Standards

To the extent the Solution has mobile features or uses a mobile platform, the mobile component of the Software will substantially comply with Mobile specifications in Contractor's Documentation and Technology Solution Contract. The terms of this section are effective upon Technology Solution Contract execution that includes mobile components and shall remain in effect with respect to particular mobile components as long as Purchaser is receiving these Services.

9 INFORMATION AND COMMUNICATIONS

9.1 Retention of Records

Contractor shall maintain all books, records, documents, data and other evidence relating to this Master Contract and the provision of Products and/or Services described herein, including, but not limited to, accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Master Contract. Contractor shall retain such records for a period of six (6) years following the date of final payment. At no additional cost, these records, including materials generated under the Master Contract, shall be subject at all

reasonable times to inspection, review, or audit at Contractor's headquarters by DES, personnel duly authorized by the DES, the Washington State Auditor's Office, and federal and state officials so authorized by law, regulation or agreement. Any audit of an Agency is at the discretion and expense of the Washington State Auditor's Office.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until final resolution of all litigation, claims, or audit findings involving the records plus one (1) additional year or until such litigated claim has been resolved.

9.2 Proprietary or Confidential Information

Contractor acknowledges that DES and Purchaser are subject to the Public Records Act, RCW 42.56 and that this Master Contract and any work shall be a public record as defined by this statute. Any specific information that is claimed by Contractor to be Proprietary Information must be clearly identified as such by Contractor.

To the extent consistent with the Public Disclosure Act, RCW 42.56, DES and/or Purchaser shall maintain the confidentiality of Contractor's information marked confidential or proprietary. If a public disclosure request is made to view Contractor's proprietary information, DES and/or Purchaser will notify Contractor of the request and of the date that the records will be released to the requester unless Contractor objects in writing to the release of confidential or proprietary records. If Contractor objects to release of proprietary or confidential records, Contractor shall obtain a court order to prohibit DES and/or Purchaser from releasing records. If Contractor fails to obtain a court order, DES and/or Purchaser will release the requested information on the date specified.

DES and/or Purchaser's sole responsibilities shall be limited to maintaining the above data in a secure area and to notify Contractor of any request(s) for disclosure for so long as DES and/or Purchaser retains Contractor's information in DES and/or Purchaser records. Failure to so label such materials or failure to timely respond after notice of request for public disclosure has been given shall be deemed a waiver by Contractor of any claim that such materials are exempt from disclosure.

9.3 Non-Endorsement and Publicity

The Award of this Master Contract is not in any way an endorsement of Contractor's Products or Services, nor does it suggest that they are the best or only solution to meet Purchaser's needs. Contractor will not refer to DES, any Purchaser or the state of Washington in any literature, promotional material, brochures, sales presentation or the like, regardless of method of distribution, without the prior review and express written consent of the DES, except and to the extent that such reference is a matter of public record.

9.4 Ownership/Rights in Work Product and Data

Contractor shall own and retain all title, copyright, patents, trademarks, trade secrets, and other proprietary rights in the Software, Documentation and Deliverables, including but not limited to bug patches, fixes, updates, upgrades, enhancements, modifications and all derivatives and all other manifestations of Contractor's intellectual property. Aside from the license granted hereunder, DES and/or Purchaser do not, nor does any third party, acquire any right, express or implied, in any Contractor's intellectual property.

Contractor warrants that it owns the Software and has title to and all rights necessary to deliver the Software to DES, and has obtained rights to deliver other software to DES from any third party software included in Contractor's Software Solution. No title, ownership or interest in Contractor's

Software or any of its parts, in any third party Software incorporated into Contractor's Solution, or applicable rights therein such as patents, copyrights and trade secrets, shall be transferred to DES.

With respect to Contractor owned intellectual property included in a Deliverable under a SOW, Contractor grants the Purchaser a non-exclusive, non-transferable, irrevocable, perpetual license for the sole purpose of allowing the Purchaser to make use of thereof for its own internal purposes in the manner contemplated in the applicable SOW. Such license is subject to the Purchaser's payment of all fees and expenses under the related SOW.

DES, Purchaser, and Contractor agree that all data and custom software developed for Purchaser (if any), (collectively called "Purchaser Product") produced pursuant to Purchaser's Technology Solution Contract under this Master Contract shall not be considered work made for hire under the U.S. Copyright Act, 17 U.S.C. §101 et seq., but shall be covered by the license provisions of this Master Contract.

DES, Purchaser, and Contractor agree that all data and Purchaser Product created pursuant to Purchaser's Technology Solution Contract under this Master Contract shall be owned by Contractor. Contractor shall provide Purchaser with non-exclusive, non-transferable, non-sub licensable perpetual license to use such Purchaser Product.

Material that is delivered under this Master Contract or Purchaser's Technology Solution Contract, but that does not originate therefrom ("Preexisting Material"), shall be owned by the party delivering such material.

Contractor shall use State data only to provide and maintain the Services provided under this Contract. Contractor will not capture, maintain, scan, index, share or use State data stored or transmitted by such Services, or otherwise use any data-mining technology, except as authorized or required by this Master Contract, a Technology Solution Contract, or SOW. Contractor shall not use State data stored or transmitted by such Services for any advertising or other commercial purpose of Contractor or any third party.

Each party is and shall remain the owner of all right, title and interest in and to any and all Data that it owned prior to the Effective Date, and in and to any Data to which it may hereafter acquire ownership. Without limiting the generality of the foregoing, Purchaser shall own all right, title and interest in and to Purchaser Data. Except as otherwise provided in the Master Contract, no party shall be obligated to convey any right, title and/or interest in any data to the other. Subject to the terms of the Master Contract, including the license rights granted to Purchaser hereunder, each party, upon request of the other, promptly shall return to the other any data owned by the other that may have been disclosed hereunder (including state Records).

9.5 Protection of Purchaser's Confidential Information

Contractor acknowledges that some of the material and information that may come into its possession or knowledge in connection with or in performance of this Master Contract or work may consist of Confidential Information. Contractor agrees to hold Confidential Information in strictest confidence and not to make use of Confidential Information for any purpose other than the performance of this Master Contract or any work, to release it only to authorized employees or Subcontractors requiring such information for the purposes of carrying out this Master Contract or any work, and not to release, divulge, publish, transfer, sell, disclose, or otherwise make the information known to any other party without Purchaser's express written consent or as provided by law. Contractor agrees to release such information or material only to employees or Subcontractors

who have signed a nondisclosure agreement, the terms of which have been previously approved by Purchaser. As set forth in the Technology Solution Contract, Contractor agrees to implement physical, electronic, and managerial safeguards (consistent with software industry best practices), including but not limited to those prescribed by the Purchaser, to prevent unauthorized access to Confidential Information.

As set forth in the Technology Solution Contract, if Contractor comes into contact with medical data or Protected Health Information, Contractor will enter into a Business Associate agreement with Purchaser, as required by federal or state laws, including HIPAA, prior to the commencement of any work.

DES and Purchasers reserve the right to monitor, audit, or investigate the use of Confidential Information collected, used, or acquired by Contractor through this Master Contract or any work. The monitoring, auditing, or investigating may include, but is not limited to, salting databases.

In the event of the unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the Purchaser ("Data Breach"), Contractor agrees to comply with all applicable state and federal statutory provisions, including but not limited to [RCW 19.255.010](#) and [RCW 42.56.590](#). If a Data Breach occurs and that is found to be the direct result of Contractor's acts or omissions, Contractor will assume complete responsibility for notification of affected parties, and will pay Purchaser's documented out of pocket costs (excluding cost of internal resources) to restore records or data from the most recent usable backup provided that Purchaser has implemented a data backup and recovery system that meets software industry best practices standards.

If Contractor is only partially responsible for a Data Breach, Contractor's obligation to compensate Purchaser will be equitably apportioned to Contractor based on Contractor's proportionate share of responsibility for the total loss suffered by Purchaser.

Violation of this section by Contractor or its Subcontractors may result in termination of this Master Contract and any work and demand for return of all Confidential Information, and/or payment of monetary damages, or penalties.

10 GENERAL PROVISIONS

10.1 Governing Law / Venue

This Master Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be exclusively in the Superior Court for Thurston County. However, if the Uniform Computer Information Transactions Act (UCITA) or any substantially similar law is enacted as part of the law of the state of Washington, said statute will not govern any aspect of this Contract or any license granted hereunder, and instead the law as it existed prior to such enactment will govern.

10.2 Severability

If any terms and conditions of this Master Contract or any terms or conditions of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other terms and conditions of this Master Contract or such other document incorporated by reference that can be given effect without the invalid term/condition, to this end the terms and conditions of this Master Contract are declared to be severable.

10.3 Survivorship

All transactions executed for Products and Services provided pursuant to the authority of this Master Contract shall be bound by all of the terms, conditions, prices and price discounts set forth herein, notwithstanding the expiration of the initial term of this Master Contract or any extension thereof. Further, the terms, conditions and warranties contained in this Master Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Master Contract shall so survive. In addition, the terms of the sections titled [Overpayments to Contractor](#); [Ownership/Rights in Work Product and Data](#); General License and Subscription Clauses, [Contractor Commitments, Warranties and Representations](#); [Protection of Purchaser's Confidential Information](#); [Audits](#); [Order of Precedence, Incorporated Documents, Conflict and Conformity](#); [Non-Endorsement and Publicity](#); [Retention of Records](#); [Patent and Copyright Indemnification](#); [Proprietary or Confidential Information](#); [Ownership/Rights in Work Product and Data](#), [Problem Resolution and Disputes](#); and [Limitation of Liability](#) shall survive the termination of this Master Contract.

10.4 Independent Status of Contractor

In the performance of this Master Contract, the parties will be acting in their corporate or governmental capacities and not as agents, employees, partners, joint ventures, or associates of one another. The parties intend that an independent contractor relationship will be created by this Master Contract. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever. Contractor shall not make any claim of right, privilege or benefit which would accrue to an employee under [RCW 41.06](#), or [RCW 51](#).

10.5 Gifts and Gratuities

Contractor shall comply with all state laws regarding gifts and gratuities, including but not limited to: [RCW 39.26.020](#) , [RCW 42.52.150](#), [RCW 42.52.160](#), and [RCW 42.52.170](#) under which it is unlawful for any person to directly or indirectly offer, give or accept gifts, gratuities, loans, trips, favors, special discounts, Services, or anything of economic value in conjunction with state business or Contract activities.

Under [RCW 39.26.020](#) and the Ethics in Public Service Law, [Chapter 42.52 RCW](#) state officers and employees are prohibited from receiving, accepting, taking or seeking gifts (except as permitted by [RCW 42.52.150](#)) if the officer or employee participates in contractual matters relating to the purchase of goods or Services.

10.6 Save Harmless/Indemnification. Contractor shall defend, indemnify, and save DES and/or Purchaser harmless from and against any claims, including reasonable attorneys' fees resulting from such claims, by third parties for any or all injuries to persons or physical damage to property of such third parties that are caused by intentional, willful or negligent acts or omissions of Contractor, its officers, employees, or agents., Contractor's Subcontractors, their officers, employees, or agents. Contractor's obligation to defend, indemnify, and save DES and/or Purchaser harmless shall not be eliminated or reduced by an alleged concurrent DES and/or Purchaser negligence.

10.6 Personal Liability

It is agreed by and between the parties hereto that in no event shall any official, officer, employee or agent of the state of Washington when executing their official duties in good faith, be in any way personally liable or responsible for any agreement herein contained whether expressed or implied,

nor for any statement or representation made herein or in any connection with this agreement. If Contractor is only partially responsible for a loss described in this section, Contractor’s obligation to compensate Purchaser will be equitably apportioned to Contractor based on Contractor’s proportionate share of responsibility for the total loss suffered by Purchaser.

10.7 Insurance

The following are general insurance provisions for the term of the Master Contract with DES. Contractor shall maintain the minimum insurance coverages in the table below. The “Department of Enterprise Services” shall be named as the “additional insureds” on the following policies:

INSURANCE TYPE	MINIMUM PER OCCURRENCE / AGGREGATE
Commercial General Liability (occurrence/aggregate)	\$1,000,000/ \$2,000,000
Personal Injury Aggregate	\$1,000,000
Professional Liability Technology (including Cyber Liability Insurance)	\$1,000,000/ \$5,000,000

Contractor shall provide DES with a copy of the Certificate of Insurance for all policies within fifteen (15) calendar days of the Master Contract execution. The Certificate must include the Master Contract reference number.

Additional insurance coverage specific to the Products and/or Services sold to Purchasers shall be required. The Agency name, the Purchaser, shall be listed as the “additional insureds.” The limits of liability insurance shall not be less than table above and may be increased based on the scope, complexity, and risk of the Solution purchased. Contractor shall provide the Purchaser with a copy of the Certificate of Insurance for all policies within fifteen (15) calendar days of Technology Solution Contract execution. The Certificate must include the affected Technology Solution Contract reference number.

a. General requirements

Contractor shall, at its own expense, obtain and keep in force insurance coverage as follows until expiration of the Master Contract and/or Technology Solution Contract. Upon request, Contractor shall furnish evidence in the form of insurance policies and endorsements satisfactory to DES and/or Purchaser that insurance, in the following kinds and minimum amounts, have been secured. Failure to provide proof of insurance, as required, may result in Master Contract and/or Technology Solution Contract cancellation.

Contractor shall include all Subcontractors as insureds under all required insurance policies, or shall furnish separate Certificates of Insurance and endorsements for each Subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor’s liability or responsibility.

b. Specific requirements

Employers Liability (Stop Gap): Contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable and will maintain Employers Liability insurance with a limit of no less than \$1,000,000.00. DES and/or Purchaser will not be held responsible in any way for claims filed by the Contractor or their employees for Services performed under the terms of this Master Contract and/or Technology Solution Contract.

Commercial General Liability Insurance: Contractor shall at all times during the term of this Contract, carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of Services provided under this Contract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or servants.

The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the Contractor's premises/operations, independent contractors working under a subcontract with Contractor, products/completed operations, personal injury and advertising injury, and contractual liability (including the tort liability of another assumed in a business contract), and contain separation of insured's (cross liability) conditions.

Professional Liability Technology Errors and Omissions (including Cyber Liability): This insurance shall provide coverage for professional Services delivery and include protections for cyber liability.

c. Business Auto Policy

Automobile liability insurance shall be required if professional Services delivered pursuant to a Technology Solution Contract involve the use of vehicles, or the transportation of clients. The coverage provided shall protect against claims for bodily injury, including illness, disease, and death, and property damage caused by an occurrence arising out of or in consequence of the performance of this service by the Contractor, Subcontractor, or anyone employed by either.

Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a combined single limit not less than \$1,000,000 per occurrence. The business auto liability shall include Hired and Non-Owned coverage.

d. Additional insurance provisions

All above insurance policies shall include, but not be limited to, the following provisions:

Additional insureds:

The "Department of Enterprise Services" and all authorized Purchasers shall be named as an additional insured with appropriate coverages on all general liability, professional liability umbrella, and excess insurance policies as applicable. Notice of policy(ies)

cancellation/Non-renewal:

For insurers subject to RCW 48.18 (admitted and regulated by the Washington State Insurance Commissioner) a written notice shall be given to the director of purchasing or designee thirty (30) calendar days prior to cancellation or any material change to the policy(ies) as it relates to this Master Contract and/or Technology Solution Contract.

e. Surplus Lines

For insurers subject to RCW 48.15 (Surplus Lines) a written notice shall be given to the director of purchasing or designee twenty (20) calendar days prior to cancellation or any material change to the policy(ies) as it relates to this Master Contract and/or Technology Solution Contract. Written notice shall include the affected contract reference number(s).

f. Cancellation for non-payment of premium:

If cancellation on any policy is due to non-payment of premium, a written notice shall be provided to the Master Contract Administrator or designee ten (10) calendar days prior to cancellation. Written notice shall include the affected contract reference number(s).

g. Identification:

Policies and/or certificates of insurance shall include the affected contract reference number(s).

h. Insurance carrier rating

The insurance required above shall be issued by an insurance company authorized to do business within the State of Washington. Insurance is to be placed with a carrier that has a rating of A- Class VII or better in the most recently published edition of Best's Reports. Any exception must be reviewed and approved by the Risk Manager for the State of Washington, by submitting a copy of the contract and evidence of insurance before Master Contract and/or Technology Solution Contract commencement. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with RCW 48.15 and [284-15 WAC](#) .

i. Excess coverage

The limits of all insurance required to be provided by the Contractor shall be no less than the minimum amounts specified. By requiring insurance herein, DES and/or Purchaser do not represent that coverage and limits will be adequate to protect Contractor. Such coverage and limits shall not limit Contractor's liability under the indemnities and reimbursement granted to DES and/or Purchaser under this Master Contract.

j. Limit adjustments

The insurance coverage requirements as set forth in this Master Contract are minimum insurance requirements. Purchaser reserves the right to request an increase to the above stated policy limits based on the scope, complexity, and risk of each purchased solution. Upon mutual agreement between Purchaser and Contractor in the Technology Solution Contract, Contractor may pass the cost of additional insurance requirements to Purchaser as set forth in the Adjustment for Additional Insurance Coverage section. Any changes shall be negotiated at the time of purchase.

k. Industrial Insurance Coverage

The Contractor shall comply with the provisions of [RCW 51](#), Industrial Insurance. If the Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, DES may terminate this Contract. This provision does not waive any of the Washington State Department of Labor and Industries (L&I) rights to collect from the Contractor.

10.8 Nondiscrimination

During the performance of this Master Contract, the Contractor shall comply with all applicable federal and state nondiscrimination laws, regulations and policies, including, but not limited to, Title VII of the Civil Rights Act, 42 U.S.C. section 12101 et. seq.; the Americans with Disabilities Act (ADA); and, [Chapter 49.60 RCW](#), Discrimination – Human Rights Commission.

10.9 Waiver

Failure or delay of any party to insist upon the strict performance of any term or condition of the Master Contract or to exercise any right or remedy provided in the Master Contract or by law; or a party's acceptance of or payment for materials, supplies, Services and/or equipment, will not release the party from any responsibilities or obligations imposed by this Master Contract or by law, and will not be deemed a waiver of any right of the party Purchaser to insist upon the strict performance of the entire agreement by the other party. If either party claims a breach of Master Contract and/or Technology Solution Contract against the other party, no provision of this Master Contract shall be construed, expressly or by implication, as a waiver by the party bringing the claim against the other party of any existing or future right and/or remedy available by law.

10.10 Treatment of Assets

Any tangible Purchaser property furnished to Contractor shall, unless otherwise provided herein or approved by Purchaser, be used only for the performance of this Master Contract or any work.

All reference to Contractor under this section shall also include Contractor's employees, agents, or Subcontractors.

10.11 Patent and Copyright Indemnification

10.11.1 Contractor, at its expense, shall defend, indemnify, and save DES and/or Purchaser harmless from and against any Service or Product that infringes any valid patent, copyright, trade secret or trade mark asserted by third party actions, suits or proceedings brought against DES and/or Purchaser (each, a "Claim") to the extent it is based on a claim that the Services or Product, used in accordance with the terms of this Contract, infringes any patent, copyright, utility model, industrial design, mask work, trade secret, or trademark of a third party (other than DES Customers) worldwide. Contractor's indemnification obligations apply only if Purchaser:

- a) Promptly notifies Contractor in writing of the claim, but Purchaser's failure to provide timely notice shall only relieve Contractor from its indemnification obligations (i) if and to the extent such late notice prejudiced the defense or resulted in increased expense or loss to Contractor, or (ii) upon obtaining knowledge of infringement Purchaser delays by more than thirty (30) days giving written notice to Contractor of the claim; and
- b) Cooperates with and agrees to use its best efforts to encourage the Office of the Attorney General of Washington to grant Contractor sole control of the defense and all related settlement negotiations.

10.11.2 If such claim has occurred, or in Contractor's opinion is likely to occur, Purchaser agrees to permit Contractor, at its option and expense either to procure for Purchaser the right to continue using the Services or Product or to replace or modify the same so that they become non-infringing and functionally equivalent. If use of the Services or Product is enjoined by a court and Contractor determines that none of these alternatives is reasonably available, Contractor may terminate the

Contract and/or any applicable Order or SOW and refund to Purchaser any prepaid, unused fees paid to Contractor for the affected Services or Product.

10.11.3 Contractor has no liability for any claim of infringement if, and to the extent that, the claim arises from:

- a) DES and/or Purchaser's Data or DES Applications;
- b) DES and/or Purchaser's breach of this Contract;
- c) Contractor's compliance with any designs, specifications or instructions of DES and/or Purchaser;
- d) Use of the Services or Product in a way not specified by Contractor;
- e) Modification of the Services or Product by DES, Purchaser or a third party without the prior knowledge and written approval of Contractor;
- f) The combination of the Services or Products with other products, services, equipment, devices, software, systems or data not supplied by Contractor to the extent such Claim is caused by such combination;
- g) Use by DES and/or Purchaser after notice by Contractor to discontinue use of all or a portion of the Services or Products;
- h) Any use of any software made available by Contractor, that is the subject of an open source license; or
- i) Any use by DES and/or Purchaser of any third-party services or software unless the claim arose against Contractor's Services or Products independently of any of these specified actions.

10.11.4 DES and/or Purchaser will, at DES' and/or Purchaser's expense, defend and/or settle any claim, suit or proceeding brought by a third-party against Contractor or Contractor's officers, directors, employees, agents and Affiliates and arising out of or related to DES and/or Purchaser's Data, DES and/or Purchaser's Applications, content, or other material breaches of the Master Contract or a Technology Solution Contract or SOW. In addition, DES and/or Purchaser will pay any judgment awarded against Contractor or any settle amount agreed to by DES and/or Purchaser.

10.11.5 The indemnifying party shall not enter into any settlement that imposes liability or obligations on the indemnified party without obtaining the indemnified party's prior written consent of the settlement.

10.11.6 If Contractor is only partially responsible for, or the cause of, a Claim, Contractor's obligation to indemnify and defend Purchaser will be based on principles of comparative equitable indemnification. Therefore, the loss will be equitably apportioned to Contractor based on Contractor's proportionate share of responsibility for the total loss suffered by the injured party.

10.11.7 The foregoing remedies are the exclusive remedies for any indemnification claim.

11 DISPUTES AND REMEDIES

11.1 Problem Resolution and Disputes

Problems arising out of the performance of this Master Contract shall be resolved in a timely manner at the lowest possible level with authority to resolve such problem. If a problem persists and cannot be resolved, it may be escalated within each organization.

If any dispute arises between DES or Purchaser and Contractor concerning the Master Contract, a Technology Solution Contract or an SOW that is not resolved by the parties by negotiations between their respective representatives, either party may initiate the dispute resolution procedure provided below.

The initiating party shall reduce its description of the dispute to writing and deliver it to the responding party. The responding party shall respond in writing within five (5) business days, without waiving the right to furnish subsequent responses to initiating party during the course of the dispute resolution. The initiating party shall have five (5) business days to review the Response. Thereafter, the parties shall have five (5) business days to negotiate in good faith to resolve the dispute.

If the dispute is not resolved within sixteen (16) business days after the initiating party delivers written notice to the responding party of the dispute, either party may elect to resolve the dispute, and all other claims and controversies arising out of or relating to this Master Contract, a Technology Solution Contract or an SOW, or the breach, termination, enforcement, interpretation or validity of any of them, including the determination of the scope or applicability of this agreement to arbitrate, by binding arbitration in Seattle, Washington before one arbitrator. The arbitration will be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

Following an election by a party to arbitrate, but before commencement of the arbitration proceeding, both parties agree to exercise good faith to settle disputes during a pre-arbitration mediation before a JAMS mediator or other neutral agreeable to the parties.

DES, Purchaser and Contractor agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Master Contract that are not affected by the dispute.

If the subject of the dispute is the amount due and payable by Purchaser for Services being provided by Contractor, Contractor shall continue providing Services pending resolution of the dispute provided Purchaser pays Contractor the amount Purchaser, in good faith, believes is due and payable, and places in escrow the difference between such amount and the amount Contractor, in good faith, believes is due and payable. Notwithstanding the foregoing, Purchaser may not withhold from Contractor more than 10% of the total contract price of the Services component of a Technology Solution Contract or SOW unless an arbitrator first authorizes that such greater amount be withheld pending resolution of the dispute.

If the parties engage in arbitration, mediation or any other alternative dispute resolution to resolve a dispute in lieu of litigation, both sides shall share equally in the cost of the alternative dispute resolution method, including cost of mediator or arbitrator. In addition, each party shall be responsible for its own attorneys' fees incurred as a result of the alternative dispute resolution method.

11.2 Force Majeure

The term “force majeure” means an occurrence that causes a delay that is beyond the control of the party affected and could not have been avoided by exercising reasonable diligence. Force majeure shall include acts of God, war, terrorism, riots, strikes, fire, floods, earthquakes, natural disasters, epidemics, or other similar occurrences.

Exceptions: Except for payment of sums due, neither party shall be liable to the other or deemed in breach under this Master Contract if, and to the extent that, such party's performance of this Master Contract is prevented by reason of force majeure.

Notification: If either party is delayed by force majeure, said party shall provide written notification within two business days following the event. The notification shall provide evidence of the force majeure to the satisfaction of the other party. Such delay shall cease as soon as practicable and written notification of same shall likewise be provided. So far as consistent with the Rights Reserved below, the time of completion shall be extended by Amendment for a period of time equal to the time that the results or effects of such delay prevented the delayed party from performing in accordance with this Master Contract.

Rights Reserved: DES reserves the right to authorize an Amendment to this Master Contract, terminate this Master Contract, and/or purchase Products and/or Services from the best available source during the time of force majeure, and neither party will have recourse against the other for non-performance caused by a force majeure.

11.3 Non-Exclusive Remedies

The remedies provided for in this Master Contract shall not be exclusive but are in addition to all other remedies available under law.

11.4 Liquidated Damages

Contractor and Purchaser may negotiate the right, if any, to Liquidated Damages in a Technology Solution Contract.

11.5 Limitation of Liability

11.5.1 CAP ON DAMAGES EXCEPT AS SET FORTH IN SECTION 11.5.2 BELOW.

A. WITH RESPECT TO CONTRACTOR'S LIABILITY TO DES AND/OR PURCHASER, CONTRACTOR'S CUMULATIVE LIABILITY FOR ANY AND ALL CAUSES OF ACTION ARISING OUT OF OR RELATING TO THE MASTER CONTRACT OR A TECHNOLOGY SOLUTION CONTRACT WILL NOT, UNDER ANY CIRCUMSTANCES, EXCEED TWO (2) TIMES OF THE FEES ACTUALLY PAID TO CONTRACTOR WITHIN THE THREE-YEAR PERIOD IMMEDIATELY PRECEDING THE CLAIM UNDER THE PARTICULAR TECHNOLOGY SOLUTION CONTRACT (INCLUDING ALL AMENDMENTS, PROJECT AGREEMENTS, STATEMENTS OF WORK, AND SUPPLEMENTS), WHICH IS THE SUBJECT OF THE LIABILITY CLAIM AGAINST CONTRACTOR; AND,

B. WITH RESPECT TO PURCHASER'S LIABILITY TO CONTRACTOR, PURCHASER SHALL BE LIABLE TO CONTRACTOR FOR ONLY UNPAID INVOICES WHICH ARE PART OF UNSETTLED DISPUTE(S) FOR SERVICES AND EXPENSES AND FEES (INCLUDING ANY INVOICES LATER DETERMINED TO BE OWED UNDER THE TERMS OF APPLICABLE CONTRACTS) AND INTEREST AT ONE

PERCENT (1%) PER MONTH AND FOR COURT ORDERED OR JAMS SETTLEMENT(S) FROM BREACH OF CONTRACT.

11.5.2 EXCLUSIONS FROM LIMITATION OF LIABILITY

The foregoing limitations shall not apply to: (a) liability for infringement of a third party's intellectual property rights; (b) claims regarding personal injury or damage to tangible property; or (c) claims arising from gross negligence or from willful or intentional misconduct.

Notwithstanding any other provision of this Master Contract, Contractor, Purchaser, and DES shall not be liable under any circumstances for (a) exemplary or punitive damages; or (b) special or consequential damages.

Contractor and Purchaser shall not be liable for personal injury to another party or damage to another party's property except for personal injury or damage to property proximately caused by such party's respective fault or negligence.

11.6 Federal Funding

In the event that federally funded acquisitions result from this Master Contract, Contractor may be required to provide additional information (free of charge) at the request of DES and/or Purchaser and additional restrictions may apply.

11.7 Federal Restrictions on Lobbying

Contractor certifies that under the requirements of Lobbying Disclosure Act, 2 U.S.C., Section 1601 et seq., no Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

11.8 Debarment and Suspension

Contractor certifies, that neither it nor its "principals" (as defined in RCW 39.26.010 (9) or other state statute, regulation or policy) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal or State department or Agency.

Contractor acknowledges that it will notify DES' Master Contract Administrator of new or pending debarment procedures against Contractor that may render it unable to perform any Services or provide any Software required by this Master Contract, a Technology Solution Contract, or an SOW.

11.9 Failure to Perform

If Contractor fails to perform any substantial obligation under this Master Contract or any Technology Solution Contract, DES and/or Purchaser, as applicable, may give Contractor written notice of such failure to perform. If after thirty (30) calendar days from the date of the written notice Contractor still has not performed, then DES and/or Purchaser may withhold all monies due and payable to Contractor for such products and Services subject to notice of failure, without penalty to

DES and/or Purchaser (other than any applicable statutory interest charges for late payment), until such failure to perform is cured or otherwise resolved.

12 CONTRACT TERMINATION

12.1 Material Breach

Contractor may be terminated for cause by DES for failing to perform a contractual requirement or for a material breach of any term or condition that is not cured timely. Material breach of a term or condition of the Master Contract may include but is not limited to:

1. Contractor's failure to substantially deliver Services or Product(s) by the date required or by an alternate date as mutually agreed in a written contract, SOW or other writing signed by the parties, provided that such failure does not result from a force majeure or from actions of Purchaser;
2. Contractor's failure to substantially honor any warranty or substantially fails to perform or comply with any mandatory provision of the Master Contract within the time to cure set by the Master Contract, a Technology Solution Contract, an SOW, or other writing signed by the parties;
3. Contractor becomes insolvent or in an unsound financial condition so as to endanger performance hereunder;
4. Contractor becomes the subject of any proceeding under any law relating to bankruptcy, insolvency or reorganization, or relief from creditors and/or debtors that endangers the Contractor's proper performance hereunder;
5. Appointment of any receiver, trustee, or similar official for Contractor or any of the Contractor's property and such appointment endangers the Contractor's proper performance hereunder;
6. A determination that the Contractor is in violation of federal, state, or local laws or regulations and that such determination renders the Contractor unable to perform any aspect of the Master Contract.

12.2 Opportunity to Cure

If Contractor materially breaches the Master Contract or a Technology Solution Contract or SOW, the Master Contract Administrator or Purchaser may issue a written notice of breach to the Contractor. Contractor will have ten (10) business days to dispute the notice of breach as set forth in the Disputes and Remedies section or, alternatively, provide a plan to cure the breach. If Contractor cannot cure the breach within thirty (30) days of notice of the breach, Contractor agrees to provide a temporary fix or workaround reasonably satisfactory to DES and Purchaser, and Contractor further agrees to provide a permanent remedy within ninety (90) days of notice of the breach. The Master Contract Administrator reserves the right to suspend, in part or in whole, the Master Contract or a Technology Solution Contract, withhold further payments, or prohibit the Contractor from incurring additional obligations pending corrective action by the Contractor: (a) if Contractor admits the breach and does not agree to take corrective action reasonably acceptable to DES; or (b) it is determined during Dispute Resolution that the Contractor is in breach. If Contractor disputes the breach, DES will refrain from taking any punitive action against Contractor pending a decision by the arbitrator that gives DES the right to exercise remedies for breach, which may include the right to terminate the Master Contract and/or withhold payment. Time allowed for

cure shall not diminish or eliminate Contractor's liability for breach, or otherwise affect any other remedies available against Contractor under the Master Contract or by law.

If the breach remains after Contractor has been provided the opportunity to cure, DES may: (1) exercise any remedy provided by law or by the Master Contract and/or the Technology Solution Contract; (2) terminate this Master Contract and any related Technology Solution Contract(s) and SOW(s) or portions thereof; or (3) procure replacements subject to the Limitations of Liability of Contractor as set forth in this Master Contract.

12.3 Termination for Default

If any party breaches any material obligation, term or condition of this Master Contract, a Technology Solution Contract, or SOW, the aggrieved party shall give the other party written notice of such failure or violation, and the failure or violation shall be corrected within thirty (30) calendar days or as otherwise agreed in writing.

If Contractor cannot reasonably effect a permanent correction of the violation within 30 days of notice, Contractor must, within such 30-day notice period, propose a temporary correction or workaround and then use its best effects to effect a permanent correction of the violation within 90 days of Purchaser's notice. If Contractor does not effect a permanent correction of the violation within the 90-day notice period, Purchaser may then either agree in writing to extend Contractor's time to correct the violation or proceed to exercise Purchaser's remedies under this Master Contract.

In the event of termination, DES shall have the right to procure, subject to the Limitations of Liability of Contractor as set forth in this Master Contract, for all Purchasers any replacement Products and/or Services that are the subject of this Master Contract on the open market.

In the event of termination for cause, Contractor shall be liable for damages as authorized by law and as specified in this Master Contract and/or in a Technology Solution Contract.

If the failure to perform is outside the defaulting party's control, fault, or negligence, the termination shall be deemed to be a Termination for Convenience.

12.4 Termination for Convenience

When, at the sole discretion of DES, it is in the best interest of DES, DES may terminate this Master Contract, in whole or in part, or a Technology Solution Contract, upon thirty (30) calendar days written notice to Contractor.

For fixed fee Services, Purchaser will be liable for (a) milestones completed and, if applicable, accepted; and, (b) for any then in-progress milestone(s) or Services. The parties shall negotiate in good faith an agreement as to the percent complete and the associated fees for then in-progress milestone(s) or Services prior to the effective date of termination.

Except for cases of Termination for Convenience in lieu of a default by Contractor, the parties may take into account the cost of shutting down the project which shall be negotiated in good faith.

12.5 Termination for Withdrawal of Authority

In the event that DES' or Purchaser's authority to perform any of their duties is withdrawn, reduced, or limited in any way after the commencement of this Master Contract or any Technology Solution Contract and prior to normal completion, DES may terminate this Master Contract, or Purchaser may terminate the Technology Solution Contract, by seven (7) calendar days written notice to

Contractor. No penalty shall accrue to DES and/or Purchaser in the event this section shall be exercised. This section shall not be construed to permit DES to terminate this Master Contract, or Purchaser to terminate any Technology Solution Contract, in order to acquire similar Services from a third party. DES and/or Purchaser will remain liable for all amounts due Contractor as stated in section 12.4.

12.6 Termination for Non-Appropriation of Funds

If funds are not appropriated to Purchaser to continue any Technology Solution Contract, in any future period, Purchaser may terminate any Technology Solution Contract by thirty (30) calendar days written notice to Contractor or work with Contractor to arrive at a mutually-acceptable resolution of the situation. Purchaser will not be obligated to pay any further charges for Services including the net remainder of agreed to consecutive periodic payments remaining unpaid beyond the end of the then-current period(s). Purchaser agrees to notify Contractor in writing of such non-appropriation at the earliest possible time. No penalty shall accrue to Purchaser in the event this section shall be exercised. This section shall not be construed to permit Purchaser to terminate any Technology Solution Contract in order to acquire similar Services from a third party. DES and/or Purchaser will remain liable for all amounts due Contractor as stated in section 12.4.

12.7 Termination for Conflict of Interest

DES may terminate this Master Contract, or Purchaser may terminate any Technology Solution Contract, by written notice to Contractor if Contractor has been found by the ethics board to be in violation of RCW [42.52](#), Ethics in Public Service, or any other laws regarding ethics in public acquisitions and procurement and performance of Contracts. In the event this Master Contract or any Technology Solution Contract is so terminated, DES or Purchaser, as applicable, shall be entitled to pursue the remedies at law and against Contractor. Termination of the contract under this section will not deprive Contractor of its entitlement to fees earned before termination.

12.8 Termination by Mutual Agreement

DES and Contractor may terminate this Master Contract in whole or in part, at any time, by mutual agreement.

12.9 Termination Procedure

Upon termination of this Master Contract or any Technology Solution Contract, DES and/or Purchaser may retain the Software licenses and Services which they have purchased and for which they have paid Contractor in full, including the Documentation that accompanies the Software and Services, in accordance with Contractor's EULA; provided however that Contractor will not be obligated to provide post-termination maintenance, support or Services without a post-termination Technology Support Contract or SOW. The section titled [Treatment of Assets](#) shall apply in such property transfer.

Unless otherwise provided herein, Purchaser shall pay to Contractor the agreed-upon price, if separately stated, for the Products and Services received by Purchaser, provided that in no event shall Purchaser pay to Contractor an amount greater than Contractor would have been entitled to if this Master Contract or Technology Solution Contract had not been terminated. Failure to agree on such determination shall be a dispute within the meaning of the section of this Master Contract entitled Disputes.

In the event of termination of any Services or the Master Contract or applicable Technology Solution Contract and SOW, Contractor will not take any action to intentionally erase any Purchaser Data that it may have in its possession for a period of 90 days after the effective date of the termination. After such 90 day period, Contractor shall have no obligation unless otherwise agreed between the parties to maintain or provide any Purchaser Data and shall thereafter, unless legally prohibited, delete all Purchaser Data in its systems or otherwise in its possession or under its control.

12.10 Post-Termination Assistance

Purchaser shall be entitled to any post-termination assistance generally made available with respect to the Products and/or Services under Contractor's Laserfiche Software Assurance Plan until its expiration, unless a unique Data retrieval arrangement has been established, subject to an SOW or other agreement to pay Contractor's standard hourly rates for Services and related out-of-pocket expenses.

13 CONTRACT EXECUTION

13.1 Entire Agreement

This Master Contract and its Amendments and Exhibits, and each Technology Solution Contract and SOW, comprise the entire agreement between DES and Contractor and between each Purchaser and Contractor. No other statements or representations, written or oral, shall be deemed a part of the Master Contract.

Except as provided herein, no alteration of any of the terms, conditions, delivery, price, quality, or Specifications of this Master Contract will be effective without the written consent of both parties.

13.2 Order of Precedence, Incorporated Documents, Conflict and Conformity

The headings used herein are inserted for convenience only and shall not control or affect the meaning or construction of any of the sections.

13.2.1 Incorporated Documents

Each of the documents listed below is, by this reference, incorporated into this Master Contract as though fully set forth herein.

1. The RFP with all attachments and appendices, and all Amendments thereto; and
2. Contractor's Response to the RFP.

13.2.2 Order of Precedence

In the event of any inconsistency between this Master Contract and any Amendment, Exhibit, Schedule, Appendix, Technology Solution Contract, SOW, or other document, the inconsistency shall be resolved in the following order of precedence:

1. Applicable federal and state of Washington statutes and regulations;
2. Mutually agreed written Amendments to this Master Contract
3. This Master Contract and all Exhibits thereto;
4. The terms and conditions contained on Technology Solution Contracts including SOW(s), if applicable;

5. Contractor's applicable software and End-User License Agreement, Exhibit D;
6. Contractor's Laserfiche Software Assurance Plan, Exhibit E;
7. Contractor's ECM Price Schedule, Exhibit A;
8. The RFP with all attachments and all Amendments, Exhibit B;
9. Contractor's Response to the RFP, Exhibit C; and,
10. Contractor's demonstration materials submitted to DES and used to evaluate and Award this Master Contract, i.e., "State of Washington EDMS RFI-Laserfiche Demo Workshop for State of Washington RFP No. 07814-April 2015-Confidential", Exhibit F.

13.2.3 Conflict

To the extent possible, the terms of this Master Contract shall be read consistently.

13.2.4 Conformity

If any provision of this Master Contract violates any Federal or state of Washington statute or rule of law, the illegal or unenforceable term will be deemed severed from the Master Contract, and the Master Contract will be equitably modified to best carry out the original intentions of the parties in a manner that complies with applicable statute or rule of law.

13.3 Legal Notices

Any notice or demand or other communication required or permitted to be given under this Master Contract or applicable law shall be effective only if it is in writing and signed by the applicable party, properly addressed, and delivered in person, or by a recognized courier service, or deposited with the United States Postal Service as first-class mail, postage prepaid certified mail, return receipt requested, to the parties at the addresses provided in this section. For purposes of complying with any provision in this Master Contract or applicable law that requires a "writing," such communication, when digitally signed with a Washington State Licensed Certificate, shall be considered to be "in writing" or "written" to an extent no less than if it were in paper form.

To Contractor at:

Compulink Management Center, Inc. dba
Laserfiche

Attn: Vice President of Finance

3545 Long Beach Blvd.
Long Beach, CA 90807

Phone: 562-988-1688

Fax: 562-988-1886

E-mail: notices@laserfiche.com

To DES at:

Washington State Department of Enterprise Services

Attn: Master Contract Administrator

If by US Postal Service	If by Courier
PO Box 41411	1500 Jefferson St SE
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