JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS

STANDARD AGREEMENT COVE[illegible]HEET

MASTER AGREEMENT NUMBER
MA 301102
FEDERAL EMPLOYER ID NUMBER
31-1504710

1. In this agreement (the "Master Agreement"), the term "Contractor" refers to CEIA-USA and the term "AOC" refers to the Judicial Council of California, Administrative Office of the Courts.

2. This Master Agreement becomes effective as of **May 1, 2011** (the "Effective Date") and expires on **April 30, 2013,** unless the AOC elects the option to extend the term, as set forth in Exhibit C, Section 2, Term, Master Agreement Terms and Conditions, or as the parties otherwise amend this Master Agreement.

3. The title of this Master Agreement is: Security Screening Equipment and Maintenance Services

   The parties agree that Contactor will furnish to the 58 Superior Courts of California, the California Appellate Courts, which includes the Supreme Court of California, and the Administrative Office of the Courts (individually referred to as a member of the "Purchasing Group" or "Customer"), services and materials as required in this Master Agreement.

   The title listed above is for administrative reference only and does not define, limit, or construe the scope or extent of the Master Agreement.

4. The purpose of this Master Agreement is to set forth the terms and conditions that apply to Contractor's furnishing of security screening equipment and related maintenance services as requested in RFP No. FIN-1010SSE to members of the Purchasing Group. This Master Agreement does not of itself encumber funds and the AOC is not obligated to encumber funds as a result of entering into this Master Agreement.

   This Master Agreement does not obligate the AOC or members of the Purchasing Group to issue orders under this Master Agreement or guarantee that Contractor will receive a specific volume of business from the AOC or members of the Purchasing Group.

5. The parties agree to the terms and conditions of this Master Agreement and acknowledge that this Master Agreement (made up of this coversheet, the following exhibits, any attachments, any and all authorized Work Orders, incorporated into this Master Agreement by reference) contains the parties' entire understanding related to the subject matter of this Master Agreement. If there are any inconsistent terms in the exhibits, the following is the descending order of precedence: Exhibit C, B, A.

Exhibit A – Statement of Work
Exhibit B – Payment Provisions
Exhibit C – Master Agreement Terms and Conditions

AOC'S SIGNATURE	CONTRACTOR'S SIGNATURE
Judicial Council of California, Administrative Office of the Courts	CONTRACTOR'S NAME *(if Contractor is not an individual person, state whether Contractor is a corporation, partnership, etc.)* CEIA-USA
BY *(Authorized Signature)* ✍ [signature]	BY *(Authorized Signature)* ✍ [signature]
PRINTED NAME AND TITLE OF PERSON SIGNING ***Grant Walker, Senior Business Services Manager***	PRINTED NAME AND TITLE OF PERSON SIGNING MARK MEYER, Director of Sales
ADDRESS 455 Golden Gate Avenue 7th Floor San Francisco, CA 94102	ADDRESS Attn: Alen Tucker 9155 Dutton Drive Twinsburg, OH 44087

EXHIBIT A
WORK TO BE PERFORMED

1. Description of Products and Services to be Performed

1.1. General Description

The Contractor shall provide statewide security screening equipment, training, installation, implementation and onsite maintenance services (known as Products and Services) as described in this Exhibit A, Work to be Performed to all Purchasing Group members. The Contractor shall provide these products and services at any time of the year, including during months with inclement weather, to all members of the Purchasing Group locations.

1.2. Magnetometers: PMD2 and HI-PNZ-0074-820

- 1.2.1 Must meet ADA requirements. All magnetometers must be of a width to permit a wheel chair to pass through it. It's an 820mm crossbar configuration which provides an ADA passage width.
- 1.2.2 Color: Grey.
- 1.2.3 Materials: non-corrosive materials. All internal components are sealed – IP20.
- 1.2.4 Power: 120 VAC
- 1.2.5 Power cord length: Six (6) feet.
- 1.2.6 The major components of the machine must meet Underwriter Laboratory requirements.
- 1.2.7 Both units (HIPE/PNZ and the PMD2/PNZPlus) provide detection of mixed alloy and magnetic objects. However, only the PMD2/PNZPlus has the capability of indicating Ferrous or Non-Ferrous metal types.
- 1.2.8 Audible warning system with volume control.
- 1.2.9 The units must have a display on both the exit and entry point that will indicate detection of metallic objects. The display should have zone detection capabilities to indicate the location of said metallic objects.
- 1.2.10 Control unit must have immediate selection of security levels and all functions must be programmable via microprocessor. Programming must be done by a built in keyboard with access secured by a mechanical lock. Keyboard or remote device must be able to be secured by a mechanical lock and/or programmable pass code.
- 1.2.11 Must meet all local, state and federal requirements, FAA regulations and be 100% safe for all health related machines and pacemakers.
- 1.2.12 Optional equipment may include (at an additional cost) metal detector divesting tables, floor anchor systems, wheel attachments, stainless steel deck dolly, infrared remote control, battery back-ups, and verification of calibration test kits.
- 1.2.13 Built in counting system for both the HI-PE/PNZ-0074 and PMD2/PNZPlus with photocells and software for transit counting and alarm statistics.
- 1.2.14 Must simulate the metallic content of a small knife or gun for use in calibrating the equipment.

1.3 Certifications and Verifications

- 1.3.1 Compliant with the applicable Standards for Enhanced Metal Detectors.
- 1.3.2 Compliant with the applicable electromagnetic Standards on Human Exposure and pacemaker safety.

1.3.3 Compliant with all Airport Security Standards worldwide.
1.3.4 Compliant with and certified to the applicable international Standards for electrical safety and EMC.
1.3.5 Harmless to magnetic media.

2.0 Services

2.1 Installation

All products ordered by the Purchasing Group members under the Master Agreement which require installation shall, as soon as possible after delivery, be completely installed and tested for functionality by the Contractor. The Contractor shall schedule installation directly with the individuals designated by the Purchasing Group member placing the order prior to delivery.

2.2 Training

2.2.1 The Contractor shall submit a training plan outlining the details of a customer training program. The program shall include training on the operations manual as well as a training manual with step by step instructions, allowing for self-guided refresher training. Copies of both the operations manual and the training manual shall be left with the Purchasing Group member. The operations manual shall be the technical manual on the systems of the product, how the basic operations work, service and maintenance. The training manual shall assist the Purchasing Group members on the operational aspects of using the product, and shall include, but not be limited to, instructions on how to operate the functions, best practices, user tips and tricks, how to read the instruments and how to set-up instruments for different uses; the technical manual shall be used by those who go through initial training and who will be providing product training to new operators.

2.2.2 The Contractor shall provide a total of four (4) hours of onsite training at Purchasing Group member's location for the HI-PE and PMD2 that was purchased by the Purchasing Group member. Two (2) hours of this training shall be provided at the time the product is installed, fully functioning and accepted by the Purchasing Group member. The remaining two (2) hours of training shall be provided upon the Purchasing Group member's request at any time after the initial two (2) hours of training, but no later than twelve (12) months following the date the product was installed, fully functioning and accepted by the Purchasing Group member. Training personnel provided by Contractor shall possess all requisite skills and knowledge to perform the training.

2.2.3 Upon request of a Purchasing Group member, the Contractor shall provide onsite training in addition to that described in paragraph 2.2 of Exhibit A Work to be Performed for the product described in paragraph 1.2 of Exhibit A Work to be Performed that was purchased by the Purchasing Group member. Hourly billing rates for additional onsite training (as described in paragraph 2.2 of Exhibit A Work to be Performed), shall be inclusive of all related costs, including, but not limited to, labor, travel and materials. Training personnel provided by Contractor shall possess all requisite skills and knowledge to perform the training.

2.3 Onsite Maintenance Services and Support

2.3.1 The Contractor shall provide five (5) continuous years of onsite maintenance services and support for the product described in paragraph 2.4 of Exhibit A Work to be Performed, which shall commence on the day the purchased product is installed, fully functioning and accepted by the Purchasing Group member that purchased it.

2.3.2 The Contractor's service representative or customer service team shall be on-site within twelve (12) hours that a Purchasing Group member or their representatives places a service call, as required by a Purchasing Group member. All calls made by a Purchasing Group member or their representative shall be returned within two (2) hours of the call to confirm time of arrival by the Contractor's service representative. Unless otherwise agreed to between Contractor and the Purchasing Group member or their representative, service shall be performed within the Purchasing Group member's business hours, which are generally 9 am to 5 pm PST, Monday through Friday. Contractor shall also provide maintenance services and support after hours, on holidays and in emergency situations if requested by the Purchasing Group member or their representative. The responding Contractor's service representative must possess the knowledge and provide all labor, tools, equipment and parts necessary to perform the requested service.

2.3.3 Onsite maintenance services and support is the primary vehicle for repair of equipment. Any manufacturer's warranty is considered ancillary to maintenance services and support.

2.3.4 The Contractor shall provide telephone and email support to handle all requests and questions related onsite maintenance services and support.

2.4 Customer Service

2.4.1 All internal service and support requests are logged. If parts must be shipped, and defective parts returned, the Purchasing Group Member will receive an RMA number prior to return. Logged request will not be closed unless the parts required under the RMA are returned.

2.4.2 Telephone support requests are also logged, and if further action is required by the Purchasing Group Member, a follow up call is issued at the agreed interval when the call is initiated (depending on Purchasing Group Member's needs).

2.4.3 All outstanding customer service issues are reviewed weekly for completion

2.5 Escalation process to resolve outstanding customer service and maintenance issues.

2.5.1 Should escalation be necessary by the Purchasing Group Member, the following people should be contacted until the proper resolution is reached:

- Alen Tucker, West Coast Regional Manager. 1-916-436-1205, 1-440-991-6842 (atucker@ceia-usa.com)
- Keith Poindexter, CEIA USA Inside Sales: 1-330-405-3190. (kpondexter@ceia-usa.com)
- Nick Belenky, Commercial Sales Manager: 1-440-655-4468 (nbelenky@ceia-usa.com)
- Jim Wardle, Technical Services Manager (jwardle@ceia-usa.com
- Mark Meyer, Director of CEIA USA Sales (mmeyer@ceia-usa.com)

2.5.2 All contacts mentioned above may be reached via phone or fax as well at the following numbers:
PHONE: 1-888-532-2342
FAX: 1-330-405-3196

2.6 Remedies for not meeting the committed response time for a member of the Purchasing Group:

2.6.1 Should it be determined that the response committed cannot be delivered, Contractor shall expedite the suspected module for Purchasing Group Members replacement at no charge. Should such module not result in a resolution, a new loaner unit may be shipped to the Purchasing Group Member.

2.6.2 Once a unit is installed and accepted, Contractor reserves the right to replace a unit with a new unit only if the on-site unit cannot be repaired.

2.6.3 Contractor Contact Information
Service and Technical Support
Telephone: (916) 436-1205 – Alen Tucker
Telephone (M): (440) 991-6842 – Alen Tucker
Email: *atucker@ceia-usa.com*
Alt Telephone: (330) 405-3190 CEIA USA Tech Dept.
Alt Email: techsupport@ceia-usa.com CEIA USA Tech Dept.

Purchase Order Submittal
Contact name: Alen Tucker
Telephone: *(916) 436-1205*
FAX: (330) 405-3196
Email: atucker@ceia-usa.com

Sales Support
Contact name: Alen Tucker
Telephone (O): (916) 436-1205
Telephone (M): (440) 991-6842
FAX: (503) 665-1951
Email: atucker@ceia-usa.com

2.7 Reports

Contractor must provide to the AOC Project Manager, in a form acceptable to the AOC, quarterly reports which include a list of products that are manufacturer discontinued within the quarter reported or are scheduled to be manufacturer discontinued within the next twelve (12) month period. The report must include a proposed replacement product for any product that is manufacturer

discontinued, as well as pricing for the proposed replacement. Additionally, the quarterly report must provide a summary, by Purchasing Group member, of the products and services ordered, including the total value ordered during the quarter reported. The quarterly report must also include serial numbers of the security screening equipment, maintenance services and support coverage or extended maintenance services and support dates for each unit. Quarterly reports must be provided to the AOC Project Manager no later than thirty (30) days after the end of each calendar quarter and must include purchases that are invoiced or paid for with a credit card.

Each quarterly report, in addition to listing the specifics of each sale (location, model, quantity, description, and sale amount) will include the following summary items:

- On-time delivery summary with percentage of on-time deliveries (based on a maximum 30 day ARO criteria)
- Explanation of any exceptions to on-time deliveries
- Summary of all customer satisfaction follow-up calls following installations, including contact person at site, along with any reported problems.
- Summary of all technical issues reported during the quarter, resolutions (including total time to resolve the issue), and any current outstanding issues.

3. Ordering Process

(a) Purchasing Group members may place individual orders for security screening equipment, training, installation, implementation and onsite maintenance services and support pursuant to this Master Agreement. An individual Purchasing Group member will place an order by issuing a Purchase Order to Contractor. A "Purchase Order" is defined as an ordering document used by a Purchasing Group member to place an order for Work under this Master Agreement. The form and format of the Purchase Order may vary. The terms and conditions of this Master Agreement No. MA301102 are applicable to all Purchase Orders, regardless of the form and format of Purchase Order and regardless of whether the Purchase Order references this Master Agreement or contains different or additional terms. In the event of a conflict or discrepancy between this Master Agreement and an individual Purchase Order, the terms and conditions of this Master Agreement will control. The Purchasing Group member placing the Purchase Order will be responsible for receipt and acceptance of any Work ordered and payment pursuant to the terms and conditions set forth in this Master Agreement.

(b) The individual Purchasing Group member will be responsible for the receipt and acceptance of all equipment and Work that the Purchasing Group member orders from Contractor and the individual Purchasing Group member will be responsible for payment pursuant to the terms and conditions set forth in this Master Agreement.

(c) Each Purchasing Group member placing a Purchase Order will include the name of a Purchasing Group member contact person in the Purchase Order ("Purchase Order Project Manager"). If the Purchasing Group member placing a Purchase Order is the AOC, the Purchase Order Project Manager for the AOC is the AOC Project Manager. Contractor must contact the Purchase Order Project Manager for the Purchasing Group member regarding questions on any Purchase Order or payment status of any Purchase Order.

(d) After a Purchase Order has been issued to Contractor by a Purchasing Group member, Contractor must provide the Purchasing Group member with an immediate acknowledgement of the Purchase Order. The acknowledgement must be submitted by facsimile or email, regardless of what method is used to place the order, and must include: the products and services ordered delivery, installation and testing dates (if such delivery, installation and testing dates are known

at the time the order is placed) and Contractor contact information. The Purchase Order is not binding until Contractor provides acknowledgement of the order, including the products and services ordered, delivery, installation and testing dates (if such dates are included in the Purchase Order), and Contractor contact information, to the Purchasing Group member placing the order. Regardless whether a Purchase Order contains delivery, installation and testing dates, it is the obligation of Contractor to confirm or reconfirm, as applicable, such dates with the Purchasing Group member that placed the order before Contractor proceeds with such delivery, installation or testing. Contractor understands and acknowledges that a Purchasing Group member may not know the delivery, installation and testing dates at the time an order is placed. Contractor further understands and acknowledges that even if a Purchase Order includes such dates, a change in circumstances beyond the reasonable control of the Purchasing Group member may require the Purchasing Group member to change the delivery, installation and/or testing dates at no extra cost to the Purchasing Group member. The time and place of delivery, installation and testing must be acceptable to the Purchasing Group member.

Contractor is required to maintain a toll-free number for ordering, inquiries and customer service.

4. Packaging

All products must be delivered in the manufacturer's standard packaging. Prices shall include all packing and/or crating charges. Cases shall be of durable construction, good condition, properly labeled and suitable in every respect for storage and handling of contents.

Each shipping carton shall be marked with the commodity, brand, quantity, item code number and the Purchasing Group member's Purchase Order number as well as the Contractor's name and phone number of who will be installing the equipment.

Each shipment shall include a packing slip showing the Purchase Order number, the ordering date, ordering department (if appropriate), ship-to location, the item number, product description, serial numbers, quantity ordered, quantity shipped and backordered items including the expected ship date.

5. Delivery Requirements and Shipping Costs

Delivery shall be made as required on an individual Purchase Order. All deliveries shall be made F.O.B. (free on board) destination as freight pre-paid. Purchasing Group members may not have a loading dock to accept deliveries. Therefore, Contractors shall assume that all deliveries will be inside deliveries to a specific location as designated by a representative of the Purchasing Group member placing the order and which there will be no additional charges for. Specific delivery instructions will be noted on the Purchase Order. Any damage to the building interior, scratched walls, damage to the freight elevator, etc., will be the responsibility of the Contractor. When damage does occur, it is the responsibility of the Contractor to immediately notify the staff of the Purchasing Group member.

The Contractor shall bear the risk of loss or damage to the ordered goods until the goods are delivered to the Purchasing Group member address indicated on the Purchase Order.

It is the responsibility of the Contractor to contact the Purchasing Group member to arrange for the installation of the ordered goods.

6. Rejection of Goods or Acceptance of Service

If a Purchasing Group member requests onsite maintenance service, a designated Purchasing Group member representative ("Representative") will review any completed maintenance or

repairs and approve by signing the Contractor's service report. The Representative must then be given a copy of this approved Contractor's service report.

The Contractor shall arrange for the return of all mis-ordered, mis-shipped, returned or damaged items at no cost to the Purchasing Group member. There will be no restocking fee for returns of items that are damaged or shipped by the Contractor in error. The Contractor shall not charge the Purchasing Group member for the return of any mis-ordered, mis-shipped or damaged items.

7. Inventory

The Purchasing Group has an ongoing requirement for the products and maintenance services and support described in this Exhibit A, Work to be Performed. The Contractor shall maintain access to a reasonable stock of such products necessary to ensure prompt delivery of orders placed by the Purchasing Group members for the term of the Master Agreement. Failure to maintain access to a reasonable stock shall be deemed a material breach of this Master Agreement

8. Estimated Volumes

No minimum delivery estimate is stated in this Master Agreement. The individual Purchasing Group members will not be required to use any Master Agreement. The Purchasing Group members will make their purchasing decision based on what is in their best interest.

9. Warranty

If the Purchasing Group member is unable to accept a delivery of equipment or parts, they will be warehoused at a Purchasing Group member's warehouse until delivery can be made. Warranty of the equipment and parts will not be voided during this period.

EXHIBIT B

PAYMENT PROVISIONS

1. Pricing – HI-PE

	MAGNETOMETER
1. MODEL NUMBER **2. LENGTHS OF IN-FEED/OUT-FEED ROLLER TABLES FOR THE TWO TYPES OF STANDARD CABINET X-RAY SYSTEMS** **3. AVAILABLE COLORS**	CEIA HI-PE Multi-zone Part Number HI-PE/PNZ-0074-820mm
UNIT PRICE The unit price shall include **all** of the following: 1. Product 2. Five (5) continuous years of onsite maintenance service and support inclusive of **all** related costs, including, but not limited to, labor, travel and replacement parts 4. Training and training materials	$ 2,775.00
Ground Shipping and Insurance	$ 125.00
Installation	$ 250.00
Total:	$ 3,150.00

2. Pricing – PMD2

	MAGNETOMETER
1. MODEL NUMBER **2. LENGTHS OF IN-FEED/OUT-FEED ROLLER TABLES FOR THE TWO TYPES OF STANDARD CABINET X-RAY SYSTEMS** **3. AVAILABLE COLORS**	CEIA PMD2 PLUS Part Number PMD2/PNZ Plus 820mm (Panel)
UNIT PRICE The unit price shall include **all** of the following: 1. Product 2. Five (5) continuous years of onsite maintenance service and support inclusive of **all** related costs, including, but not limited to, labor, travel and replacement parts 4. Training and training materials.	$ 4,775.63
Ground Shipping and Insurance	$ 125.00
Installation	$ 250.00
Total:	$ 5,150.63

3. All pricing in the schedule above shall remain fixed for at least the initial two (2) year term of this Master Agreement, as set forth in paragraph 2 (Term) of Exhibit C Master Agreement General Conditions. If the AOC elects to extend the term of this Master Agreement, the AOC will use the proposed price adjustment factors applicable during the option period(s) and the price adjustments will be set forth in a written amendment to this Master Agreement. Any agreed-upon price adjustment may not exceed during any one (1) year option period the Consumer Price Index as published by the U.S. Bureau of Labor Statistics.

4. Payment will be provided to Contractor by the Purchasing Group member as set forth in paragraph 15 (Invoices, Payment and Setoff) of Exhibit C Master Agreement General Conditions.

5. Purchasing Group members are exempt from federal excise taxes and no payment will be made for any taxes levied on Contractor's or any subcontractor employee's wages. Purchasing Group members will pay for any applicable State of California or local sales or use taxes on the products provided or the services rendered. All tax must be included as a separate line item on Contractor's invoice.

6. Contractor shall not charge nor shall the Purchasing Group members pay any overtime rate.

7. Contractor shall not request nor shall the Purchasing Group members consider any reimbursement for non-production work including but not limited to time spent traveling to and from the job site or any living expenses.

8. The fees paid by the Judicial Branch to the Contractor shall be at least as low as those fees charged by the Contractor to its other customers in local and state government that are receiving substantially comparable services at substantially comparable volumes over a similar period of time to the Services provided to the Judicial Branch Group ("Government Contract"). The foregoing comparison shall take into effect total scope, volume, geography
)to the extent that geography has a direct effect on the Contractor's actual costs), services levels (when taken as a whole), technology, and assets associated with the services provided by the Contractor in each case and any taxes and transition charges included within the charges for such services. If, during the Term, the Contractor enters into a Government Contract contradicting the foregoing sentence, the Contractor shall (a) give the Judicial Branch immediate notice of any such lower pricing, and (b) offer to the Judicial Branch an immediate adjustment to the terms of this Agreement to reflect such lower pricing. At least once each year during the Term, upon the Judicial Branch's request and officer of the Contractor shall certify to the Judicial Branch that this obligation has not been contradicted by any transaction entered into by the Contractor since the later of the (1) Effective Date and (2) date of the most recent certification provided by the Contractor pursuant to this obligation.

END OF EXHIBIT B

EXHIBIT C
MASTER AGREEMENT GENERAL CONDITIONS

This Master Agreement for Statewide Security Screening Equipment and Maintenance Services ("Master Agreement") is entered into between CEIA-USA ("Contractor") and the Administrative Office of the Courts, the staff agency to the Judicial Council of California ("AOC").

Contractor and the AOC agree as follows:

1. PURPOSE: The purpose of this Master Agreement is to set forth the terms and conditions that apply to Contractor's furnishing security screening equipment and providing maintenance, support and training services which was requested in RFP No. FIN-1010SSE. The "Purchasing Group" includes the AOC, the superior courts, the appellate courts including the Supreme Court of California (each of which may be individually referred to as a "member of the Purchasing Group" or "Purchasing Group member."

2. TERM: The initial term of this Master Agreement is two (2) years, commencing on the Effective Date set forth on the Standard Agreement Coversheet with three (3) one-year options to extend the term, which option(s) may be exercised individually or collectively by the AOC in its sole discretion any time prior to the expiration of the initial term or any option term. If the AOC elects to extend the term of this Master Agreement, the AOC may negotiate price adjustments applicable during the option period(s) and any agreed-upon price adjustments will be set forth in a written amendment to this Master Agreement. Any agreed-upon price adjustment (whether an increase or decrease in price) may not exceed during any one-year option period the previous 12 months' change in the Los Angeles Area Consumer Price Index as published by the U.S. Bureau of Labor Statistics.

3. OBLIGATION: This Master Agreement does not obligate the AOC or any other member of the Purchasing Group to place any orders under this Master Agreement and it does not guarantee Contractor a specific volume of orders under this Master Agreement. Contractor is obligated to furnish security screening equipment and provide maintenance, support and training services to members of the Purchasing Group at prices that are at least as low as those charged by Contractor for substantially comparable security screening equipment and services under its contracts with other customers that are governmental entities or agencies, whether local, state or federal ("Government Contracts"). If Contractor enters into a Government Contract to furnish security screening equipment or services that are substantially comparable to the security screening equipment or services under this Agreement and the prices charged under such Government Contract are lower than those charged under this Agreement, Contractor must immediately (a) provide written notice to the AOC of such lower pricing, and (b) offer to the AOC and the other Purchasing Group members such lower pricing. At the request of the AOC, and no more often than once in a 12-month period, an officer of Contractor must certify in writing and warrant to the AOC that the prices paid by Purchasing Group members under this Agreement are the same or lower than prices paid under other Government Contracts for substantially comparable security screening equipment and services. Any price adjustment will be set forth in a written amendment to this Master Agreement.

4. RELATIONSHIP OF PARTIES: The AOC has the authority to enter into master agreements for goods and services for it and on behalf of the other Purchasing Group members who are, and are intended to be, third party beneficiaries of this Master Agreement. Individual members of the Purchasing Group may elect to utilize this Master Agreement by placing orders, as set forth herein, in which case the terms and conditions of this Master Agreement govern such orders.

5. SCOPE OF WORK AND PRICES:

(a) Contractor must provide security screening equipment, training, and installation and maintenance services (collectively referred to as "Work") pursuant to the terms and conditions of this Master Agreement. Contractor must perform and complete all Work in compliance with the requirements of this Master Agreement and to the satisfaction of the Purchasing Group member placing the order for Work.

(b) Contractor's prices set forth in Exhibit B to this Master Agreement, are inclusive of all expenses, charges and costs (except applicable State of California or local sales or use taxes on the products provided or services performed), including but not limited to, shipping and handling, cost of labor, materials, licenses, overhead, profits, all travel and other costs or expenses related or incidental to the Work provided or performed by Contractor under this Master Agreement, including specifically five (5) years of continuous on-site maintenance service and support as described in paragraph 5(d) below. Contractor understands it is not entitled to any reimbursement and will not be reimbursed for travel expenses or time spent traveling associated with installation, maintenance, training, or any other aspect of the Work, including any Work under manufacturer's warranty or any Work subject to the continuous on-site maintenance service and support as described in paragraph 5(d) below, and acknowledges all such expenses, charges and costs are reflected in the prices set forth in Exhibit B Payment Provisions.

(c) All Work ordered by Purchasing Group members that requires installation of security screening equipment must be completely installed and tested for functionality by Contractor. Installation and testing will be completed as set forth in the ordering document or as otherwise required of Contractor pursuant to paragraph 6(e). All costs and expenses for installation and testing for products are included in the prices set forth in Exhibit B Payment Provisions to this Master Agreement.

(d) Five (5) years of continuous on-site maintenance service and support are included in the unit prices for each of the products set forth in Exhibit A Pricing Provisions to this Master Agreement. Such on-site maintenance service and support are more particularly described in RFP FIN-1010SSE and are in addition to, and not in substitution of, any manufacturer's warranty that may apply to any security screening equipment comprising the Work.

(e) Four (4) hours of on-site training as well as all training manuals and operational manuals required for the training or related to the product are included in the unit price for each product set forth in Exhibit B Payment Provisions. If a Purchasing Group member elects to purchase additional hours of training beyond the four (4) hours that are included in each of the unit prices for products, then Contractor must provide the additional hours of training together with manuals required for the training at the price for additional hours of training set forth in Exhibit A Payment Provisions.

(f) Contractor must maintain access to a stock of products sufficient to ensure prompt delivery of orders for Work placed by members of the Purchasing Group. In addition, Contractor must at all times maintain access to a supply of spare parts that is sufficient to enable Contractor to expeditiously perform any on-site maintenance and support (as described in paragraph 5(d) above) to any Purchasing Group member requesting the same. Failure to maintain access to a sufficient stock of product or spare parts will be deemed a material breach of this Agreement.

(g) If requested by a Purchasing Group member when placing an order for Work, Contractor must also remove, transport, and dispose of any x-ray or similar system that is being replaced by Contractor's product, regardless of whether the x-ray system being replaced was or was not originally purchased from or installed by Contractor. Such removal, transportation and disposal service must be (1) in strict accordance with all applicable federal, state and local laws, rules

and regulations and (2) consistent with environmental, health and safety best practices in the industry. Contractor must provide such removal, transportation and disposal service at the price set forth in Exhibit B Payment Provisions.

6. ORDERING:

(a) Purchasing Group members may place individual orders for security screening equipment, training, installation and on-site maintenance services that are components of the Work pursuant to this Master Agreement. An individual Purchasing Group member will place an order by issuing a Purchase Order to Contractor. A "Purchase Order" is defined as an ordering document used by a Purchasing Group member to place an order for Work under this Master Agreement. The form and format of the Purchase Order may vary. The terms and conditions of this Master Agreement No. MA301102 are applicable to all Purchase Orders, regardless of the form and format of ordering document and regardless of whether the Purchase Order references this Master Agreement or contains different or additional terms. In the event of a conflict or discrepancy between the Master Agreement and an individual Purchase Order, the terms and conditions of this Master Agreement will control. The Purchasing Group member placing the Purchase Order will be responsible for receipt and acceptance of any Work ordered and payment pursuant to the terms and conditions set forth in this Master Agreement.

(b) A Purchase Order placed by a Purchasing Group member constitutes and will be construed as a separate independent contract between Contractor and such Purchasing Group member for purchase and payment of the Work, subject to the following limitation. Any additional or supplemental terms contained in the Purchase Order or in any invoice or confirmation of the Purchase Order that conflict with or materially alter any term or condition of this Master Agreement as it relates to a Purchase Order will not be deemed part of such contract.

(c) The individual Purchasing Group member will be responsible for the receipt and acceptance of all Work that the Purchasing Group member orders from Contractor and the individual Purchasing Group member will be responsible for payment pursuant to the terms and conditions set forth in this Master Agreement.

(d) Each Purchasing Group member placing a Purchase Order will include the name of a Purchasing Group member contact person in the Purchase Order ("Purchase Order Project Manager"). If the Purchasing Group member placing a Purchase Order is the AOC, the Purchase Order Project Manager for the AOC is the AOC Project Manager (as set forth in paragraph 27). Contractor must contact the Purchase Order Project Manager for the Purchasing Group member regarding questions on any Purchase Order or payment status of any Purchase Order.

(e) Prior to a Purchasing Group member issuing a Purchase Order to Contractor, the Purchasing Group member will endeavor to confirm with Contractor the delivery, installation and testing dates for product and training dates so that these dates may be included on the Purchase Order that is issued to Contractor. After a Purchase Order has been issued to Contractor by a Purchasing Group member, Contractor must provide the Purchasing Group member with an immediate acknowledgement of the Purchase Order. The acknowledgement must be submitted by facsimile or e-mail, regardless of what method is used to place the order, and must include: the products and services ordered delivery, installation and testing dates (if such delivery, installation and testing dates are known at the time the order is placed) and Contractor contact information. The Purchase Order is not binding until Contractor provides acknowledgement of the order, including the products and services ordered, delivery, installation and testing dates (if such dates are included in the Purchase Order), and Contractor contact information, to the Purchasing Group member placing the order. Regardless whether a Purchase Order contains delivery, installation and testing dates, it is the obligation of Contractor to confirm or reconfirm, as applicable, such dates with the Purchasing Group member that

placed the order before Contractor proceeds with such delivery, installation or testing. Contractor understands and acknowledges that a Purchasing Group member may not know the delivery, installation and testing dates at the time an order is placed. Contractor further understands and acknowledges that even if a Purchase Order includes such dates, a change in circumstances beyond the reasonable control of the Purchasing Group member may require the Purchasing Group member to change the delivery, installation and/or testing dates at no extra cost to the Purchasing Group member. The time and place of delivery, installation and testing must be acceptable to the Purchasing Group member.

(f) Contractor must maintain a toll-free telephone number for inquiries and customer service, including requests for on-site maintenance service and support (as described in paragraph 5(d) above).

7. PACKAGING: All products must be delivered in the manufacturer's standard package. Prices include all packing and/or crating charges. Cases must be of durable construction, good condition, properly labeled and suitable in every respect for storage and handling of contents.

8. DELIVERY AND PACKING SLIPS:

(a) Each shipping carton must be marked with the commodity, brand, quantity, item code number and the Purchasing Group member's Purchase Order number. Each shipment must include a packing slip showing: the Purchase Order number; the ordering date; ordering department, if appropriate; "ship to" location; item number; product description; quantity shipped; and, for backordered items, the expected ship date. Any itemized packing slip bearing the Purchase Order must remain with the goods at the time of delivery to insure its receipt.

(b) Shipping and delivery costs are included in the prices for the Work set forth in Exhibit B Payment Provisions.

(c) Time is of the essence for delivery of product and any other performance required of Contractor. Delivery of product must be in accordance with the instructions included at the time the order is placed. All deliveries must be made F.O.B. (free on board) destination as freight pre-paid. Regardless whether specific delivery instructions are provided at the time the order is placed and noted on the Purchase Order, Contractor is responsible for confirming or re-confirming, as applicable, with the Purchasing Group member all details relevant to delivery, installation and testing so that the time and place of delivery, installation and testing are acceptable to the Purchasing Group member. Purchasing Group members may not have a loading dock to accept deliveries. Contractors should assume that all deliveries will be inside deliveries to a specific location in the interior of a building as designated by a representative of the Purchasing Group member placing the order. No charge for shipping, delivery (regardless whether delivery is to a loading dock or to a location inside a building), drayage, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or any other purpose will be incurred or paid by the Purchasing Group member.

(d) Any damage to the Purchasing Group member's premises or property, including but not limited to building interior, walls, freight elevator, etc., which was sustained during the delivery of products or performance of any services by Contractor, are the sole responsibility of Contractor. If damage does occur, Contractor must immediately notify the Purchasing Group member.

9. RISK OF LOSS: Contractor bears the risk of loss or damage to the ordered products until Contractor delivers the products as indicated on the Purchase Order or otherwise designated by the Purchasing Group member under paragraph 6(e) or 8(c) above.

10. INSPECTION AND ACCEPTANCE:

(a) Despite any prior inspection or payments, all products and services provided under this Master Agreement are subject to final inspection and acceptance or rejection by the Purchasing Group member at any time within thirty (30) days after delivery and installation. All items which are not in compliance with specifications, which are not as warranted, or which are shipped late, shipped in excess or insufficient quantities, or substituted for items ordered under this Master Agreement may be rejected in whole or in part by the Purchasing Group member and returned at Contractor's expense and risk. Payment does constitute an acceptance of noncompliant products or services, or impair the Purchasing Group member's right to any of its remedies.

(b) A designated representative of the Purchasing Group member will review any completed repairs or maintenance service and approve by signing Contractor's service report. The designated representative must then be given a copy of this approved Contractor's service report.

11. REPLACEMENT RETURN POLICY: Contractor must arrange for the return of all misordered, misshipped, returned, or damaged items at no cost to the Purchasing Group member. There will be no restocking fee for returns of items that are damaged or shipped by Contractor in error. Contractor must not charge and the Purchasing Group member will not pay for the return of any misordered, misshipped or damaged items.

12. DISPUTE RESOLUTION:

(a) Informal Resolution:

1. Contractor and the AOC or, as applicable, Contractor and a Purchasing Group member other than the AOC will attempt, in good faith, to resolve informally any disputes under this Master Agreement or a Purchase Order. If the dispute involves this Master Agreement, Contractor must meet with the AOC Contract Manager to discuss the matter and any actions necessary to resolve the dispute informally. If the dispute involves a Purchase Order, Contractor must meet with the Purchase Order Project Manager of the Purchasing Group member to discuss the matter and any actions necessary to resolve the dispute informally.

2. If the Purchase Order Project Manager for a Purchasing Group member other than the AOC and Contractor are unable to resolve a Purchase Order dispute pursuant to paragraph 12(a)(1), then the Finance Director (or equivalent) of the Purchasing Group member and Contractor will meet to discuss the matter and any actions necessary to resolve the dispute informally.

3. If a Purchasing Group member other than the AOC is one of the parties to the dispute, Contractor must inform the AOC Project Manager and AOC Contract Manager of the dispute with the Purchasing Group member and any planned meetings between Contractor and the designated representative of the Purchasing Group member (whether the designated representative is the Purchase Order Project Manager or the Finance Director, or equivalent), and provide the AOC Contract Manager an opportunity to attend any such meetings.

(b) Escalation:

1. If the dispute is not resolved informally by meeting pursuant to paragraph 12(a) (1) for a dispute under this Master Agreement or pursuant to paragraphs 12(a) (1) and 12(a) (2) for a dispute under a Purchase Order, then either party to the dispute may issue a written notice of dispute to the other party to the dispute. Following the issue of

such notice, each party's designated representative will meet to exchange information and attempt resolution within fifteen (15) days of receipt of such notice. If a Purchasing Group member other than the AOC is a party to the dispute, Contractor must also provide a copy of such notice to the AOC Contract Manager.

2. If the matter is not resolved as set forth in paragraph 12(b)(1), the aggrieved party will submit a second written notice to the other party to the dispute which will: (i) provide detailed factual information; (ii) identify the specific provisions in the Master Agreement or Purchase Order, as applicable, on which any demand is based; (iii) advise if the demand involves a cost adjustment and, if so, provide the exact amount, accompanied by all supporting records; and (iv) attach a declaration that the demand is made in good faith, the supporting data are accurate and complete, and the amount requested properly reflects the necessary adjustment. Notice must be signed by an authorized representative of the aggrieved party. If the aggrieved party is a Purchasing Group member other than the AOC, the Chief Executive Officer or another member of the executive management team will submit the second written notice to Contractor. If the aggrieved party is the AOC, the AOC Business Services Manager will submit the second written notice to Contractor. If a Purchasing Group member other than the AOC is a party to the dispute, Contractor must submit the second written notice to the Chief Executive Officer of the Purchasing Group member and also provide a copy of such second notice to the AOC Contract Manager.

3. Each party to the dispute will comply with reasonable requests for additional information. Any additional information will be provided to the requesting party within fifteen (15) days after receipt of a written request from the requesting party, unless otherwise agreed.

(c) Confidentiality During Dispute Resolution: All dispute resolution negotiations are considered confidential, and will be treated as compromise and settlement negotiations, to which California Evidence Code section 1152 applies.

(d) Performance During Dispute Resolution: Pending final resolution of any dispute, Contractor agrees to proceed diligently with the performance of the Work, including any Work under dispute, unless otherwise directed. Contractor's failure to diligently proceed with the Work will be considered a material breach of the Master Agreement.

13. FORCE MAJEURE:

(a) Force Majeure events include, but are not limited to:

1. catastrophic acts of nature, or public enemy;
2. civil disorder;
3. fire or other casualty for which a party is not responsible; and
4. quarantine or epidemic.

The party asserting a Force Majeure event will immediately provide written notice to the other party of the occurrence and nature of the Force Majeure event, and its expected impact on schedule. The party claiming Force Majeure will use best efforts to continue or resume performance, including alternate sources or means. Contractor has no right to additional payment for costs incurred as a result of a Force Majeure event.

(b) Any assertion of a Force Majeure event by Contractor's subcontractors will be attributed to Contractor.

14. PRODUCT AND SERVICES WARRANTIES:

(a) Contractor warrants that all products provided under this Master Agreement are new and will perform to the manufacturer's specifications and Contractor further warrants against defects in material and workmanship and that Contractor will expeditiously provide on-site maintenance service and support (as described in paragraph 5(d) above) to correct or repair any operational deficiencies in the products for a period of five (5) years following acceptance by the Purchasing Group member. In addition, Contractor warrants it will pass through all manufacturer-supplied end-user warranties to the Purchasing Group member on all products provided under this Master Agreement.

(b) Contractor further warrants that all services will be rendered in a good and workmanlike manner by skilled personnel in compliance with all applicable laws, regulations, and industry standards.

(c) Contractor further warrants that it has obtained from the manufacturers of all products provided under this Master Agreement, and has the authority to and will assign or pass through to the purchaser of such products, the following representations and warranties: that the manufacturers will, at their own expense, defend, indemnify and hold harmless Contractor and each Purchasing Group member from and against any claim, charge, demand, proceeding, suit, liability, loss, cost, expense, order, decree, attorneys fees, court costs, trial or appeal and judgments, including damages of any kind, resulting from, arising out of or in connection with any actual or claimed: (a) personal injury (including death), property damage or loss of any nature whatsoever alleged to have occurred as a result of the use of any of the products covered by this Master Agreement, (b) defect in material, workmanship or design or (c) infringement of any patent, trademark, trade secret, or copyright by any of the products provided under this Master Agreement.

15. INVOICES, PAYMENT AND SETOFF: A member of the Purchasing Group placing a Purchase Order under this Master Agreement has no obligation to pay for any Work until acceptance of the Work and receipt of one original and two copies of a correct invoice. The Purchasing Group members will not make any advance payments for any Work. The invoice must be sent to the address shown on the Purchase Order. Each invoice must be printed on Contractor's standard printed bill form, and must include at a minimum (a) the Purchase Order number, (b) Contractor's name and address, (c) the nature of the invoiced charge, (d) the description of Work provided, (e) the per unit amount charged, if applicable, (f) the extended price, with taxes itemized separately, (g) each item comprising the Work designated on the invoice as taxable or nontaxable and all tax must be included as a separate line item on Contractor's invoice. Payment is due Net 45 from date of receipt of a Purchasing Group member's invoice unless otherwise indicated on the Purchase Order. Amounts owed to a member of the Purchasing Group due to rejection of all or a portion of the Work or discrepancies in the invoices must be, at the Purchasing Group member's option, fully credited against future invoices payable by the Purchasing Group member, or paid by Contractor within thirty (30) days from Contractor's receipt of a debit memo or other written request for payment from the Purchasing Group member. The Purchasing Group member has the right at any time to set off any amount owing from Contractor to the Purchasing Group member against any amount payable by the Purchasing Group member pursuant to any Purchase Order or any other transaction or occurrence.

16. REPORTS: Contractor must provide to the AOC Project Manager, in a form acceptable to the AOC, quarterly reports which include a list of products that are manufacturer discontinued within the quarter reported or are scheduled to be manufacturer discontinued within the next twelve (12) month period. The report must include a proposed replacement product for any product that is manufacturer discontinued as well as pricing for the proposed replacement. Additionally, the quarterly report must provide a summary, by Purchasing Group member, of the products and

services ordered, including the total value ordered during the quarter reported as well as serial numbers, warranty coverage or extended service dates for each unit. Quarterly reports must be provided to the AOC Project Manager no later than thirty (30) days after the end of each calendar quarter and must include purchases that are invoiced or paid for with a credit card.

17. AUDIT RIGHTS: Contractor agrees to maintain records relating to the Work and billing by Contractor under this Master Agreement and any Purchase Order for a period of five (5) years after final payment of any Purchase Order issued under this Master Agreement. During the period of time that Contractor is required to retain such records, the AOC Contract Manager, any Purchasing Group member, or other authorized agent may, during normal business hours, inspect and make extracts or copies of such records and other materials for purposes of confirming the accuracy of invoices relating to the Work.

18. CHANGES AND AMENDMENTS: Changes or amendments to any component of the Master Agreement can be made only with prior written approval from the AOC Contract Manager. Requests for changes or amendments must be submitted in writing to the AOC Contract Manager and must be accompanied by a narrative description of the proposed change and the reasons for the change. Additional funds may not be encumbered under the Master Agreement or any subsequent Purchase Order due to an act of Force Majeure although the performance period of the Master Agreement or a Purchase Order, as applicable, may be amended due to an act of Force Majeure. After the AOC Contract Manager reviews the request, a written decision will be provided to Contractor. No amendment to this Master Agreement will be effective unless it is on an AOC amendment form, signed by both Contractor and the AOC.

19. WAIVER; SEVERABILITY: A party's waiver of enforcement of any of this Master Agreement's terms or conditions will be effective only if in writing. A party's specific waiver will not constitute a waiver by that party of any earlier, concurrent, or later breach or default. If any part of this Master Agreement is held unenforceable, all other parts remain enforceable.

20. TERMINATION:

(a) The AOC may terminate this Master Agreement without cause by providing Contractor with thirty (30) days prior written notice. If necessary, AOC and the affected Purchasing Group members will discuss payment and performance of any Purchase Orders outstanding at the proposed date of termination.

(b) Any Purchasing Group member may terminate a Purchase Order for cause immediately if (1) the Work is rejected as described in paragraph 10, Inspection and Acceptance, on at least two occasions, or (2) Contractor is otherwise in breach of the terms of such Purchase Order or this Master Agreement and such breach is not cured within ten (10) days of written notice, or is not capable of cure. Whether or not any breach by Contractor is capable of cure, or is cured, is within the sole discretion of the Purchasing Group member who placed the Purchase Order.

(c) The AOC may terminate this Master Agreement for cause immediately. Termination may be made for cause if any of the representations or warranties set forth in paragraph 14, Product and Services Warranties and paragraph 24, Representations and Warranties become untrue at any time during the term of this Master Agreement, or if Contractor fails or is unable to meet or perform any of its duties under this Master Agreement, and such failure is not cured within ten (10) days of written notice, or is not capable of cure. Whether or not any failure by Contractor is capable of cure, or is cured, is within the sole discretion of the AOC. If necessary, the affected Purchasing Group member, AOC, and Contractor will discuss performance of any Purchase Orders outstanding at the date of termination.

(d) Contractor may terminate a Purchase Order placed by a Purchasing Group member if such Purchasing Group member fails to pay delinquent invoices due under the Purchase Order within thirty (30) days after receipt of written notice of delinquency.

(e) A Purchasing Group member's obligations under a Purchase Order are subject to the availability of funds authorized for the purchase. Expected or actual funding may be withdrawn, reduced, or limited prior to the fulfillment of the Purchase Order. Upon written notice, a Purchasing Group member may terminate a Purchase Order, in whole or in part, without prejudice to any right or remedy of the Purchasing Group member, for lack of appropriation of funds. Upon termination, the Purchasing Group member will pay Contractor for the Work delivered or completed prior to the date of termination.

21. GENERAL INDEMNITY: Contractor will indemnify, defend (with counsel satisfactory to the AOC) and hold the AOC and the other Purchasing Group members and their respective officers, agents, and employees harmless from any and all losses, costs (including reasonable attorneys' fees), liabilities, damages and deficiencies, including interest, penalties and settlement amounts entered into, in each case, with respect to any and all third party claims caused by, arising out of, or relating in any way to, any defect, whether latent or patent, in the products or services purchased under this Master Agreement or from any act or omission by Contractor, its agents or employees, independent contractors, or subcontractors. This indemnification is in addition to any warranty or other obligations of Contractor and will apply without regard to whether the claim, damage, loss, liability, cost or expense is based on breach of warranty, negligence, strict liability, or any other legal or equitable theory. This indemnity will survive delivery and acceptance of products or services.

22. INFRINGEMENT INDEMNITY: Contractor will indemnify, defend (with counsel satisfactory to the AOC) and hold the Purchasing Group members and their respective officers, agents, and employees harmless from any and all losses (including reasonable attorneys' fees), liabilities, damages, and deficiencies, including interest, penalties and settlement amounts entered into, in each case, with respect to any third party claims which arise out of or relate in any way to any claim of infringement, misappropriation or unauthorized use of any patent, trade secret, copyright, or trademark in connection with any products or services furnished or provided by Contractor under this Master Agreement.

23. INSURANCE:

(a) General Insurance Requirements: Contractor must obtain and maintain the minimum insurance set forth in subparagraph (b), below with insurance companies that are rated A-VII or higher by A.M. Best's key rating guide and are approved to do business in the State of California. By requiring such minimum insurance, the AOC will not be deemed or construed to have assessed the risks applicable to Contractor. Contractor must assess its own risks, and if it deems appropriate and/or prudent, maintain greater limits and/or broader coverage. For full coverage, each insurance policy must be written on an "occurrence" form; excepting that insurance for professional liability, when required, may be acceptable on a "claims made" form. If coverage is approved and purchased on a "claims made" basis, Contractor warrants continuation of coverage, either through policy renewals or the purchase of an extended discovery period, for three years from the date of termination of the Master Agreement.

(b) Minimum Scope and Limits of Coverage: Contractor must maintain the following minimum coverages:

1. Workers' Compensation at statutory requirements of the state of residency.

2. Employers' Liability with minimum limits of $1,000,000 for each occurrence.

3. Commercial General Liability Insurance with minimum limits of $2,000,000 for each occurrence, and $2,000,000 aggregate. Coverage must include coverage arising out of premise, operations, independent contractors, products and completed operations, personal and advertising, injury, and liability assumed under an insured contract.

4. Business Automobile Liability Insurance with minimum limits of $2,000,000 for each accident, including owned and non-owned and hired automobile coverage, as applicable.

5. Excess or Umbrella Policies. Contractor may satisfy basic coverage limits through any combination of basic coverage and commercial excess or umbrella liability insurance.

(c) Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions will not limit or apply to Contractor's liability to the AOC or any other member of the Purchasing Group and will be the sole responsibility of Contractor. Contractor will declare to the AOC and, as applicable, any other Purchasing Group member all deductibles and self-insured retentions that exceed $100,000 per occurrence. Any increases in deductibles or self-insured retentions that exceed $100,000 per occurrence are subject to approval by the AOC.

(d) Endorsements; Additional Insureds; Terms and Conditions: The General Liability policy must contain, or be endorsed to contain, the following provisions:

1. Judicial Branch Entities, as defined in California Government Code section 900.3, and their respective officers, officials, employees and agents must be covered as additional insureds for liability arising out of activities performed by, or on behalf of, Contractor.

2. To the extent of Contractor's negligence or misconduct, Contractor's insurance coverage must be primary insurance with respect to a Judicial Branch Entity, its officers, officials, employees and agents. Any insurance and/or self-insurance maintained by a Judicial Branch Entity its officers, officials, employees or agents will not contribute with the insurance, or benefit Contractor in any way.

3. Contractor's insurance must apply separately to each insured against whom a claim is made and/or lawsuit is brought, except with respect to the limits of the insurer's liability.

4. Contractor must provide the AOC (and on request, any other Purchasing Group member) certificates of insurance satisfactory to the AOC, evidencing all required coverages before Contractor begins any Work, and provide complete copies of each policy upon the AOC's request.

5. If at any time, the foregoing policies become unsatisfactory to the AOC, as to form or substance, or if a company issuing any such policy becomes unsatisfactory to the AOC, Contractor must, upon written notice from the AOC, promptly obtain a new policy, and submit the same to the AOC, with the appropriate certificates and endorsements, for approval.

6. All of Contractor's policies must be endorsed to provide written notice to the AOC of cancellation in coverage within thirty (30) days, mailed to the AOC Contract Manager. Such notice must reference the relevant project, and Master Agreement number. Contractor must provide AOC with thirty (30) days written notice of any non-renewal or reduction in coverage with respect to these policies.

(e) Waiver of Subrogation: Contractor and its insurance carrier waive any and all rights of subrogation against a Judicial Branch Entity. This waiver will be reflected on the Certificate of Insurance provided by Contractor. If Contractor fails to obtain the appropriate waivers of subrogation, additional insured status, or certificates of insurance from carrier, Contractor will indemnify the Judicial Branch Entity from all costs and liability caused by Contractor's breach.

24. REPRESENTATIONS AND WARRANTIES:

Contractor represents and warrants that:

(a) Contractor will maintain all required licenses and observe and comply with all applicable federal, state, and local laws, rules, and regulations affecting the Work provided or performed under this Master Agreement or any Purchase Order.

(b) During the performance of this Master Agreement and any Purchase Order, Contractor and its subcontractors will not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. Contractor will ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and its subcontractors will not engage in unlawful harassment, including sexual harassment, with respect to any persons with whom Contractor or its subcontractors interact in the performance of this Master Agreement or any Purchase Order. Contractor and its subcontractors will take all reasonable steps to prevent harassment from occurring.

(c) Contractor will comply with applicable provisions of the Fair Employment and Housing Act, California Government Code section 12900 et seq., and the applicable regulations promulgated under California Code of Regulations, title 2, section 7285 et seq.

(d) Contractor will comply with applicable provisions of the Americans with Disabilities Act ("ADA") of 1990 (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as with all applicable regulations and guidelines issued pursuant to the ADA.

(e) No gratuities, in the form of entertainment, gifts, or otherwise, were offered by Contractor or any agent, director, or representative of Contractor, to any officer, official, agent, consultant, or employee of the AOC or of another Purchasing Group member, with a view toward securing this Master Agreement or any Purchase Order or securing favorable treatment with respect to any determinations concerning the performance of this Master Agreement or any Purchase Order. For breach or violation of this representation and warranty, the AOC has the right to terminate this Master Agreement, for cause, either in whole or in part, and any loss or damage sustained by the AOC or any other Purchasing Group member in procuring, on the open market, any items which Contractor agreed to supply, will be borne and paid for by Contractor. The rights and remedies of the Purchasing Group members provided for in this provision are not exclusive and are in addition to any other rights or remedies provided by law or under this Master Agreement.

(f) Any statement in a written certification provided by Contractor to the AOC relating to this Master Agreement and signed on, before or after the Effective Date of this Master Agreement was true and correct when given and will remain true and correct during the term of this Master Agreement.

25. CONFIDENTIALITY: Contractor will hold in confidence all information a Purchasing Group member discloses to Contractor and all information to which Contractor gains access while providing Work under this Master Agreement or any Purchase Order. Contractor's obligation of

confidentiality does not, however, apply to any information that Contractor can demonstrate is available to the public (other than through a breach of this Master Agreement). Contractor understands that a breach of its obligation of confidentiality may result in irreparable damage to the AOC or another member of the Purchasing Group for which no adequate remedy is available and that the AOC or such other Purchasing Group member will be entitled to injunctive or other equitable relief.

26. STATUS AS INDEPENDENT CONTRACTOR AND SUBCONTRACTS: Contractor is an independent contractor and while performing the Work on or off the premises of the Purchasing Group members, neither it nor any of its agents or employees will be considered agents or employees of such Purchasing Group members. Contractor does not have the right to subcontract or delegate its obligations under this Master Agreement without the prior written consent of the AOC. Consent may be granted or withheld in the absolute discretion of the AOC. Any attempted subcontracting without the prior written consent of the AOC is void.

27. REQUESTS; COMMUNICATION; NOTICE:

(a) All requests, communications and notices concerning this Master Agreement must be made through the AOC Contract Manager. Notice to the AOC must be in writing and be delivered to the AOC Contract Manager at the following address by depositing in the U.S. Mail or commercial express mail, first class and pre-paid with return receipt requested:

Christine Kleaver, AOC Contract Specialist
Judicial Council of California - Administrative Office of the Courts
455 Golden Gate Avenue, 7th Floor
San Francisco, CA 94102-3688
Telephone: 415-865-7947
Facsimile 415-865-4326

(b) Any notice or information that is required to be delivered to the AOC Project Manager will be delivered to the following address:

Malcolm Franklin, AOC Project Manager
Judicial Council of California
Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, California 94102-3688
Telephone: 415-865-8830
Facsimile: 415-865-8990

(c) Notice concerning this Master Agreement or any Purchase Order is effective on receipt; however, any correctly addressed written notice that is refused, unclaimed, or undeliverable because of an act or omission of the party notified will be deemed effective as of the first date that the notice was refused, unclaimed or deemed undeliverable.

(d) Except as otherwise provided in paragraph 12, Dispute Resolution, all requests, communications and notices concerning a Purchase Order between Contractor and a Purchasing Group member must be made through the Purchase Order Project Manager for the Purchasing Group member.

28. ASSIGNMENT: Contractor may not assign this Master Agreement, in whole or in part, without the prior written consent of the AOC. Consent may be granted or withheld in the absolute discretion of the AOC. Any attempted assignment without the prior written consent of the AOC is void. No assignment will release Contractor from its duties under this Master Agreement.

29. PUBLICITY: Contractor must not make any public announcement, press release, or other writing relating to this Master Agreement or any Purchase Order without the prior written approval of the AOC Business Services Manager. In no event will the AOC Business Services Manager approve any writing that could be construed as an endorsement of Contractor.

30. GOVERNING LAW, VENUE: California law, without regard to its choice-of-law provisions, governs this Master Agreement and any Purchase Order. Venue for all litigation relative to the formation, interpretation and performance of this Master Agreement will be in the City and County of San Francisco.

31. CONTRACT CONSTRUCTION: Headings or captions to the provisions of this Master Agreement are solely for the convenience of the parties, are not part of the Master Agreement, and are not to be used to interpret or determine the validity of this Master Agreement. Any ambiguity in this Master Agreement or any Purchase Order will not be construed against the drafter, but rather the terms and provisions hereof will be given a reasonable interpretation as if both parties had in fact drafted this Master Agreement or the Purchase Order.

32. SURVIVAL: Terms which survive any termination or expiration of this Master Agreement include, but are not limited to, Product and Service Warranties, General Indemnity, Infringement Indemnity, Representations and Warranties, Audit Rights, and Assignment.

33. NON-EXCLUSIVITY: This Master Agreement is a non-exclusive agreement. The AOC and the other Purchasing Group members reserve the right to perform, or have others perform the Work of this Master Agreement. The AOC and the other Purchasing Group members reserve the right to bid the Work to others or procure the Work by other means.

34. BACKGROUND CHECKS: The AOC and any Purchasing Group member has the right, but not the obligation, to conduct a background check on any person who performs Work under this Master Agreement or any Purchase Order and Contractor must cooperate with the Purchasing Group member in conducting the background check. Contractor must provide any release, waiver, or permission the Purchasing Group member may need to conduct the background check. Contractor must not assign any person to perform Work if that person refuses to undergo a background check.

35. QUALIFIED PERSONNEL: Contractor must assign to perform Work under this Master Agreement or any Purchase Order only personnel who have sufficient training and experience to successfully perform the Work. If the AOC or another Purchasing Group member is dissatisfied, for any reason or no reason, with any personnel assigned by Contractor to perform Work, Contractor must immediately replace them with qualified personnel.

36. SIGNATURE AUTHORITY: Each party warrants it has the authority to enter into this Agreement, it may perform as provided for in this Master Agreement, and its representative who signs this Master Agreement has the authority to do so.

37. ENTIRE AGREEMENT: This Master Agreement including any exhibits, schedules, or attachments constitutes the entire agreement and final understanding of the parties with respect to the subject matter hereof and supersedes and terminates any and all prior and/or contemporaneous negotiations, representations, understandings, discussions, offers, proposals, or agreements between the parties, whether written or oral, express or implied, relating in any way to the subject matter hereof. No subsequent amendment to this Master Agreement will be effective unless in writing signed by properly authorized representatives of AOC and Contractor.