

CONTRACT

DINWIDDIE COUNTY
RADIO COMMUNICATION SYSTEM MAINTENANCE

The Agreement is made this _____ day of _____ 2023, by and between **Motorola Solutions, Inc.**, of 500 West Monroe Street, Chicago, IL 60661 (party of the first part, and hereinafter known as “Contractor”), and the **County of Dinwiddie**, Virginia (party of the second part, and hereinafter known as “County”).

WHEREAS, pursuant to the Virginia Public Procurement Act, County solicited a quote to provide maintenance on our existing radio communication system for Public Safety; and

WHEREAS, Contractor submitted a quote, consistent with the County’s needs; and

WHEREAS, Contractor was selected as the Sole Source Provider; and

WHEREAS, County has selected Contractor to provide services;

NOW THEREFORE, in consideration of the mutual benefits, promises, and undertakings, the sufficiency and receipt of which are acknowledged, the following terms and conditions are agreed to by the parties to this Contract:

1. **Incorporation by Reference.** The following are made a part hereof as if the same were fully set forth herein, and if any discrepancies arise between the documents, they will prevail in the following order: (1) this Contract including the General Terms and Conditions and (2) Contractor’s quote, and Service Agreement number USC000004982 (attached). This procurement is governed by the Virginia Public Procurement Act and the Dinwiddie County Purchasing Policies and Procedures. All terms and conditions of the Act and the Policies and Procedures are hereby adopted and incorporated by reference herein.
2. **Time of Performance.** Contractor agrees to provide service for one year beginning February 1, 2023 through the earlier of January 31, 2024 or until the new Radio System goes live.
3. **Costs.** Contractor agrees to perform all work and provide all equipment pursuant to this Contract for a sum no greater than ONE HUNDRED SEVENTY-THREE THOUSAND SIXTY-FOUR AND 72/100 DOLLARS (\$173,064.72) (the “Contract Price”). The County will make equal monthly payments of FOURTEEN THOUSAND FOUR HUNDRED TWENTY-TWO AND 06/100 DOLLARS (\$14,422.06) until the new system is live. Payments will be made to Contractor within thirty (30) days after receipt of invoice.
4. **Notices.** Any notices required shall be in writing and be sent either by U.S. Mail with postage prepaid or by email to the addresses set forth below:

Notice to County shall be made to:
Procurement
Dinwiddie County
P.O. Drawer 70
Dinwiddie, Virginia 23841
(804) 469-4500
Accounting@dinwiddieva.us

Notice to Contractor shall be made to:
Judy Jean-Pierre, Sr. Counsel
Motorola Solutions, Inc.
500 West Monroe Street
Chicago, Illinois 60661
Dale Scott, CSM, Phone No. (540) 379-5853
Dale.scott@motorolasolutions.com

5. **General Terms and Conditions.** During the term of this Contract, Contractor agrees to procure and maintain insurance which meets all County's requirements in this Contract.
6. **Counterparts.** This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signed signature pages may be transmitted by facsimile or as an attachment to an email, and any such signature shall have the same legal effect as an original.
7. **Severability.** If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.
8. **Force Majeure.** Neither party hereto shall be held liable for delay or failure to perform hereunder, when such delay or failure is without its fault or negligence and due solely to events beyond its control which cannot reasonably be forecast or provided against such as fires, strikes, floods, hurricanes, tornadoes, snowstorms, acts of God, acts of war or terrorism, or legal acts of public authorities.
9. **Miscellaneous.** This Contract shall be governed by the laws of the Commonwealth of Virginia. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the County of Dinwiddie, Virginia, and such litigation shall be brought only in such courts. All pronouns used herein shall refer to every gender. Headings or titles in this Contract are only for convenience and shall have no meaning or effect upon the interpretation of the provisions of this Contract. This Contract is the entire agreement between the parties and may not be amended or modified, except by writing, signed by each party. If any provision of this Contract is determined to be unenforceable, then the remaining provisions of this Contract shall be interpreted as in effect as if such unenforceable provision were not included therein.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the day first written above.

County of Dinwiddie, Virginia

Motorola Solutions, Inc.

 W. Kevin Massengill
 County Administrator

 Print Name/Title:

Approved as to form:

Department Approval:

 Legal Counsel

 Dennis Hale, Chief of Fire & EMS

DINWIDDIE COUNTY
GENERAL TERMS AND CONDITIONS

1. **Laws, Regulations, and Courts.**
 - A. This procurement is governed by the Virginia Public Procurement Act and the Dinwiddie County Purchasing Policies and Procedures.
 - B. The Contractor shall comply with all federal, state and local laws, ordinances, rules, regulations, and lawful orders of any public authority bearing on the performance of the work and shall give all notices required thereby.
 - C. All solicitations or contracts issued by Dinwiddie County shall be governed by the laws of the Commonwealth of Virginia. Jurisdiction and venue for any litigation arising out of or involving this agreement shall lie in the Circuit Court of the County of Dinwiddie, Virginia, and such litigation shall be brought only in such courts. The County and the Contractor are encouraged to resolve any issues in controversy arising from contractual dispute using Alternative Dispute Resolution (ADR) procedures (Code of Virginia, § 2.2-4366).
2. **Taxes.** Pursuant to Virginia Code Section 58.1-609.1(4), the County is exempt from the payment of Virginia state sales and use taxes. Vendors should not include such taxes in invoices presented to the County for payment. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request.
3. **Anti-Discrimination Statement by County.** The County certifies that it shall not discriminate against any bidder, offeror or contractor because of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, status as a service disabled veteran, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the County has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If Contractor is a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).
4. **Anti-Discrimination Statement by Contractor.**
 - A. During the performance of the contract, the Contractor agrees to the following provisions.
 1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, status as a service disabled veteran, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 2. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
 3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
 - B. The Contractor also agrees to include the provisions in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or Contractor.
5. **Immigration Reform and Control Act of 1986.** Contractor certifies that it does not and will not during the performance of the contract knowingly employ unauthorized alien workers or otherwise violate the provisions of the Federal Immigration Reform and Control Act of 1986.
6. **Drug-Free Workplace.** During the performance of this contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and

applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or Contractor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

7. **Authorization to Transact Business in the Commonwealth.** In order to contract with Dinwiddie County, contractors organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Code of Virginia, Title 13.1 or Title 50 or as otherwise required by law. Pursuant to competitive sealed bidding or competitive negotiation, a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 shall include in its bid or proposal the identification number issued to it by the State Corporation Commission. Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law shall include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized. Any bidder or offeror that fails to provide the required information shall not be awarded a contract unless a waiver of this requirement is granted by the County Administrator. Any business entity as described above that enters into a contract with a public body pursuant to the Virginia Public Procurement Act shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth to be revoked or cancelled at anytime during the contract. Dinwiddie County may void any contract with a business entity if that entity fails to remain in compliance with the provisions of this section.
8. **Indemnification.** Contractor agrees to indemnify, and hold harmless the County of Dinwiddie, Virginia and their officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, for personal injury, death, or direct damage to tangible property which may accrue against County of Dinwiddie to the extent it is caused by the negligence of Contractor, its subcontractors, or their employees or agents, while performing their duties under this Agreement, if County of Dinwiddie gives Contractor prompt, written notice of any claim or suit. County of Dinwiddie will cooperate with Contractor in its defense or settlement of the claim or suit. This Section sets forth the full extent of Contractor's general indemnification of County of Dinwiddie from liabilities that are in any way related to Contractor's performance under this contract.
9. **Insurance.** Contractor certifies that it will have the following insurance coverage at the time the contract is awarded and shall provide certificate of insurance upon contract execution. If any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. Contractor further certifies that the Contractor and any subcontractors will maintain this insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission. Subcontractors, if any, will maintain similar insurance coverage during the entire term of the contract.

Insurance Coverage and Limits Required:

1. **Workers' Compensation - Statutory requirements and benefits.** Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the County of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.

2. Employer's Liability - \$1,000,000.
3. Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The "County of Dinwiddie, Virginia, its Officers, applicable agents, and employees" shall be included as additional insured on a primary basis by provision on the policy. Such additional insured status shall be primary.
4. Automobile Liability - \$1,000,000 combined single limit.
5. Professional Liability - \$1,000,000 per claim and aggregate.

10. **Debarment Status.** The Contractor certifies that it is not currently debarred from submitting proposals or bids on contracts by any department, agency or political subdivision of (i) the Commonwealth of Virginia, (ii) any other state, or (iii) the federal government, nor is it an agent of any person or entity that is currently debarred from submitting bids or proposals on contracts by the same.

11. **Payment.**

- A. Contractor shall provide the County with a complete and accurate IRS Form W-9.
- B. Invoices for products/services ordered, delivered, and accepted shall be submitted by the contractor to Dinwiddie County Accounts Payable via email to accounting@dinwiddieva.us or via postal mail to P.O. Drawer 70, Dinwiddie, VA 23841.
- C. Unless otherwise specified, any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after correct invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- D. The preferred method of payment for invoices under \$5,000 is with a VISA Credit Card. If the vendor accepts VISA payments, they must do so without any fees.
- E. Unless otherwise provided under the terms of the contract, interest shall accrue at the rate of one percent (1%) per month.
- F. Date of payment is deemed to be (1) the date of postmark in all cases where payment is made by mail, or (2) the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- G. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the County shall promptly notify the Contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve the County of its prompt payment obligations with respect to those charges which are not in dispute (Code of Virginia, § 2.2-4363).
- H. The Contractor is obligated to: (1) pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the County for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or (2) notify the County and the subcontractor(s) within seven days, in writing of the Contractor's intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.
- I. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent (1%) per month on all amounts owed by the Contractor that remain unpaid after seven days following receipt by the contractor of payments from the County, except for amounts withheld as states in Section g above.
- J. These provisions apply to each sub-tier Contractor performing under the primary contractor. A contractor's obligation to pay an interest charge to a subcontractor shall not be construed to be an obligation of the County. A contract modification shall not be made for the purpose of providing reimbursement for the interest charge. A cost reimbursement claim shall not include any amount for reimbursement for the interest charge.

12. **Availability of Funds.** It is understood and agreed between the parties that the County shall be bound hereunder

only to the extent of the funds available, or which may hereafter become available. The contract will be contingent upon annual appropriations by the Board of Supervisors of Dinwiddie County. Failure of the Board of Supervisors to appropriate adequate funds for the terms of the contract shall result in the immediate cancellation of the contract. There shall be no penalty should the Board fail to make annual appropriations for the contract. Contractor acknowledges the County's contract is subject to annual appropriations. In the event the County, or, if applicable, the County Board, fails to appropriate funds for this contract, the County may terminate this Agreement (in whole or part) at any time for any reason. To exercise this right, County must provide to Contractor formal written notice in advance of the effective date of the termination. The notice must explicitly state the effective date of the termination and whether the contract termination is in whole or in part, and if in part, which part is being terminated. If County exercises this right to terminate for convenience, it will be liable to pay Contractor for the portion of the Contract Price attributable to the Equipment, and/or Software delivered, and all services performed, on or before the effective date of the termination.

13. **Assignment of Contract.** Neither Party may assign or otherwise transfer this contract without the prior written approval of the other Party. Contractor may assign or otherwise transfer this contract or any of its rights or obligations under this contract without consent (a) for financing purposes, (b) in connection with a merger, acquisition or sale of all or substantially all of its assets, (c) as part of a corporate reorganization, or (d) to a subsidiary corporation. Subject to the foregoing, this contract will be binding upon the Parties and their respective successors and assigns..
14. **Default.** If either Party fails to perform a material obligation under this contract, the other Party may consider the non-performing Party to be in default (unless a Force Majeure causes the failure) and may assert a default claim by giving the non-performing Party a written and detailed notice of default. Except for a default by County for failing to pay any amount when due under this Agreement which must be cured immediately, the defaulting Party will have thirty (30) days after receipt of the notice of default to either cure the default or, if the default is not curable within thirty (30) days, provide a written cure plan. The defaulting Party will begin implementing the cure plan immediately after receipt of notice by the other Party that it approves the plan. If County is the defaulting Party, Contractor may stop work on the project until it approves the County's cure plan. It shall be the Contractor's responsibility to make sure that all work is adequately completed as required. In case of failure to deliver goods or services in accordance with the contract terms and conditions, the County, after five (5) days have passed from the date of delivery of written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the County may have.

If a defaulting Party fails to cure the default as provided above, unless otherwise agreed in writing, the non-defaulting Party may terminate any unfulfilled portion of this contract. In the event of termination for default, the defaulting Party will promptly return to the non-defaulting Party any of its Confidential Information. If County is the non-defaulting Party, terminates this contract as permitted by this Section, and completes the delivery through a third Party, County may as its exclusive remedy recover from Contractor reasonable costs incurred to complete the delivery to a capability not exceeding that specified in this contract less the unpaid portion of the Contract Price. County will mitigate damages and provide Contractor with detailed invoices substantiating the charges. In the event County elects to terminate this contract for any reason other than default, County shall pay Contractor for the conforming Equipment and/or Software delivered and all services performed.

15. **Changes to the Contract.** All contract modifications must be approved by the Dinwiddie County Administrator or his designee. The County will not assume responsibility for the cost of any changes made without proper consent. No fixed-price contract may be increased by more than twenty-five percent (25%) or \$50,000, whichever is greater, without advance approval of the Dinwiddie County Board of Supervisors.

Changes can be made to the contract in any of the following ways:

- A. The parties may agree in writing to modify the terms, conditions, or scope of the contract. Any additional

goods or services to be provided shall be of a sort that is ancillary to the contract goods or services, or within the same broad product or service categories as were included in the contract award. Any increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

- B. The County may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt, unless the Contractor intends to claim an adjustment to compensation, schedule, or other contractual impact that would be caused by complying with such notice, in which case the Contractor shall, in writing, promptly notify the County of the adjustment to be sought, and before proceeding to comply with the notice, shall await the County's written decision affirming, modifying, or revoking the prior written notice. If the County decides to issue a notice that requires an adjustment to compensation, the Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the County a credit for any savings. Said compensation shall be determined by one of the following methods:
1. By mutual agreement between the parties in writing; or
 2. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the County's right to audit the Contractor's records and/or to determine the correct number of units independently; or
 3. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the County with all vouchers and records of expenses incurred and savings realized. The County shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the County within thirty (30) days from the date of receipt of the written order from the County. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the County or with the performance of the contract generally.

16. Termination of Contract.

A. Termination for Cause.

1. If the Contractor should be adjudged as bankrupt, or if a receiver should be appointed on account of his insolvency, the County may terminate the contract. If Contractor violates any provision of the Virginia Governmental Fraud Act, the County may terminate the contract. If the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to supply enough properly skilled workmen or proper materials, or if he should fail to make prompt payment to subcontractors or suppliers of material or labor, or persistently disregards laws, ordinances, or the written instructions of the County, or otherwise be guilty of a substantial violation of any provision of the contract, then the County may terminate the contract. The County retains the sole discretion to determine any violation of this section.
2. Prior to termination of the contract, the County shall give the Contractor and his surety thirty (30) days written notice, during which the Contractor and/or his surety may rectify the cause of the termination. If rectified to the satisfaction of the County within said thirty (30) days, the County may rescind its notice of termination. If it does not, the termination for cause shall become effective at the end of the thirty-day (30) notice period. In the alternative, the County may postpone the effective date of the termination notice, at its sole discretion, if it should receive reassurances from the Contractor and/or its surety that the causes of termination will be remedied in a time and manner which the County finds acceptable. In no event shall termination for cause terminate the obligations of the Contractor's surety on its payment and performance bonds.

3. Notice of terminations, whether initial or given after a period of postponement, may be served upon the Contractor and the surety by mail or any other means at their last known places of business in Virginia or elsewhere, by delivery to any officer or management/supervisory employee of either wherever they may be found, or, if no such officer, employee or place of business is known or can be found by reasonable inquiry within three (3) days, by posting the notice at the job site. Failure to accept or pick up registered or certified mail addressed to the last known address shall be deemed to be delivery.
4. Upon termination of the contract, the County shall take possession of its property and of all materials, tools, and appliances thereon and finish the work by whatever method the County may deem expedient. In such case, the Contractor shall not be entitled to receive any further payment. If the expense of finishing the work, including compensation for additional managerial and administrative services shall exceed the unpaid balance of the contract price, the Contractor shall pay the difference to the County, together with any other expenses of terminating the contract and having it completed by others.
5. Termination of the contract under this section is without prejudice to any other right or remedy of the County.

B. Termination for Convenience

1. County may terminate this contract without cause, in whole or in part, upon giving the Contractor notice of such termination. To exercise this right, County must provide to Contractor formal written notice at least thirty (30) days in advance of the effective date of the termination. Upon such termination, the Contractor shall immediately cease work and remove from the project site all of its labor forces and such of its materials as County elects not to purchase or to assume in the manner hereinafter provided. After all such steps have been taken to County's satisfaction, the Contractor shall receive as full compensation for termination the following:
 - All amounts then otherwise due under the terms of this contract as of the latest request for payment,
 - Amounts due for work performed subsequent to the latest request for payment through the date of termination, and
 - Reasonable compensation for the actual cost of demobilization incurred by the Contractor as a direct result of such termination. The Contractor shall not be entitled to any compensation for lost profits or for any other type of contractual compensation or damage other than those provided by the preceding sentence. Upon payment of the foregoing, County shall have no further obligations to the Contractor of any nature.
2. In no event shall termination for the convenience of the County terminate the obligations of the Contractor's surety on its payment and performance bonds.

17. **Contractual Disputes.** Disputes and claims arising under this agreement shall be processed pursuant to the Code of Virginia Section 2.2-4363.

18. **Audit.** The contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment from the County, or until audited by the County, whichever is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period. Contractor acknowledges that County officials have the right to inspect certain Contractor books and records for the purpose of verifying performance in accordance with the terms of the contract. County's inspection is limited to the verification of shipment to invoice quantities and shipment receipts. After County provides (30) thirty days' written notice, County may send a representative to a Contractor facility during normal business hours to conduct such limited review, or at County's request Contractor will provide copies of the specific documents to County's location for its review. Contractor books and records provided to County pursuant to this provision shall not be used, duplicated or disclosed to any

other third party without the express written permission of Contractor. In no circumstances will Contractor be required to create or maintain documents not kept in the ordinary course of Contractor's business operations, nor will Contractor be required to disclose any information, including but not limited to product cost data, which it considers confidential or proprietary to Contractor.

19. **Patents, Copyright and Trademark.** The Contractor shall obtain all licenses necessary to use any invention, article, appliance, process, or technique of whatever kind and shall pay all royalties and license fees. The Contractor will defend at its expense any suit brought against County to the extent it is based on a third-party claim alleging that the Equipment manufactured by Contractor or the Contractor Software ("Contractor Product") directly infringes a United States patent or copyright ("Infringement Claim"). Contractor's duties to defend and indemnify are conditioned upon: County promptly notifying Contractor in writing of the Infringement Claim; Contractor having sole control of the defense of the suit and all negotiations for its settlement or compromise; and County providing to Contractor cooperation and, if requested by Contractor, reasonable assistance in the defense of the Infringement Claim. In addition to Contractor's obligation to defend, and subject to the same conditions, Contractor will pay all damages finally awarded against County by a court of competent jurisdiction for an Infringement Claim or agreed to, in writing, by Contractor in settlement of an Infringement Claim.

If an Infringement Claim occurs, or in Contractor's opinion is likely to occur, Contractor may at its option and expense: (a) procure for County the right to continue using the Contractor Product; (b) replace or modify the Contractor Product so that it becomes non-infringing while providing functionally equivalent performance; or (c) accept the return of the Contractor Product and grant County a credit for the Contractor Product, less a reasonable charge for depreciation. The depreciation amount will be calculated based upon generally accepted accounting standards.

Contractor will have no duty to defend or indemnify for any Infringement Claim that is based upon: (a) the combination of the Contractor Product with any software, apparatus or device not furnished by Contractor; (b) the use of ancillary equipment or software not furnished by Contractor and that is attached to or used in connection with the Contractor Product; (c) Contractor Product designed or manufactured in accordance with County's designs, specifications, guidelines or instructions, if the alleged infringement would not have occurred without such designs, specifications, guidelines or instructions; (d) a modification of the Contractor Product by a party other than Contractor; (e) use of the Contractor Product in a manner for which the Contractor Product was not designed or that is inconsistent with the terms of this contract; or (f) the failure by County to install an enhancement release to the Contractor Software that is intended to correct the claimed infringement. In no event will Contractor's liability resulting from its indemnity obligation to County extend in any way to royalties payable on a per use basis or the County's revenues, or any royalty basis other than a reasonable royalty based upon revenue derived by Contractor from County from sales or license of the infringing Contractor Product.

This Section 19 provides County's sole and exclusive remedies and Contractor's entire liability in the event of an Infringement Claim. County has no right to recover and Contractor has no obligation to provide any other or further remedies, whether under another provision of this contract or any other legal theory or principle, in connection with an Infringement Claim. In addition, the rights and remedies provided in this Section 19 are subject to and limited by the restrictions set forth in Section 11 of the Service Contract number USC000004982.