



HART VOTING SYSTEM

MASTER AGREEMENT (SIGNATURE PAGE)

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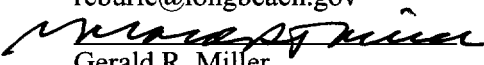
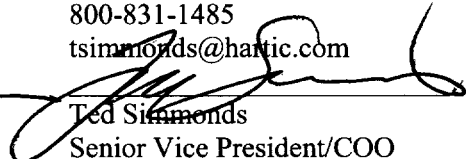
This Hart Voting System Master Agreement ("**Agreement**") is entered into by and between Hart InterCivic, Inc., a Texas corporation ("**Hart**"), and the City of Long Beach, California ("**Client**"), a municipal corporation, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on January 9, 2007. This Agreement sets forth the terms under which Client will purchase from Hart the Hart Voting System ("**Hart Voting System**"). Defined terms used in this Agreement will have the meanings specified in Section 9, Definitions, or as otherwise set forth herein.

The following Schedules and Exhibits are attached to this Agreement and made a part hereof:

Schedule A	Equipment and Pricing
Schedule B	Hart Proprietary Software
Schedule C	Non-Hart Software
Exhibit A	Hart Voting System Warranty, Support, and License Agreement
Exhibit B	City of Long Beach, California, <i>Use Tax Direct Payment Exemption Certificate</i>

This Agreement is entered into as the result of negotiations between Client and Hart. The parties acknowledge they have read and understand this Agreement (including all Schedules and Exhibits) and are entering into this Agreement only on the basis of the terms set forth in this Agreement. The Effective Date of this Agreement is February 13, 2007.

Agreed and Accepted:

	<u>Client</u>	<u>Hart</u>
Name:		Hart InterCivic, Inc.
Address:	City of Long Beach 333 West Ocean Blvd. Long Beach, California 90802 Attn: City Manager	15500 Wells Port Drive Austin, Texas 78728 Attn.: Ted Simmonds Senior Vice President/COO
Primary Phone:	562-570-7479	800-223-4278
Facsimile:	562-570-6789	800-831-1485
E-mail:	reburle@longbeach.gov	tsimmonds@hartic.com
Executed By:		
Name:	Gerald R. Miller	Ted Simmonds
Title:	City Manager	Senior Vice President/COO

APPROVED AS TO FORM

This Agreement is not effective until executed by both parties.

2/12, 2007

ROBERT E. SHANNON, City Attorney

By 
DEPUTY CITY ATTORNEY

In consideration for the agreements set forth herein, the parties agree as follows:

1. Purchase of Equipment; License of Software:

1.1 Sale. Hart agrees to sell and Client agrees to purchase the Equipment, subject to the terms and conditions set forth in this Agreement.

1.2 Licenses and Sublicenses. Simultaneously upon entering into this Agreement, Hart and Client will enter into the Hart Voting System Warranty, Support, and License Agreement (“**License Agreement**”) in the form of Exhibit A, the terms of which are incorporated herein by reference. The License Agreement sets forth additional terms applicable to Client’s ownership and use of the HVS Hardware and license of Hart Proprietary Software, including warranty, support of software and hardware, license of software, and other terms.

1.3 Delivery and Installation. Hart will cause the Equipment and Software to be delivered to Client’s premises on a date mutually agreed to by Hart and Client. A Hart representative will install the Equipment and Software at the Client’s site on a mutually agreed upon date during Hart normal working hours. If additional labor and rigging or Client-specified customization is required for installation due to Client’s special site requirements, Client will pay those costs including costs to meet union or local law requirements. Client will be deemed to have accepted the HVS Hardware upon successful completion of Acceptance Testing as defined in Schedule E of the Hart Voting System Warranty, Support, and License Agreement (Exhibit A to this Master Agreement), or ten (10) days after the delivery date of the HVS Hardware, whichever comes first.

1.4 Training and Documentation. Hart will provide standard user-level documentation in electronic form for the Software and standard operational training, which will commence no earlier than forty-five (45) days and be completed no later than thirty (30) days before the first election for which the Software will be used. Hart will provide Client a minimum of forty (40) hours of operational training and on-site support at the first election in which the Equipment and Software are used. Charges for additional training or support services will be invoiced to Client at Hart’s then-current hourly rates, plus travel, communication, and other expenses. Any additional training or support services will be mutually agreed to by Hart and Client and documented in an amendment to this Agreement.

1.5 User Documentation; Environmental Specifications. Hart will provide to Client one (1) electronic copy of the applicable then-current user documentation and operator’s manuals for the Equipment and Software and, where applicable, environmental specifications for the Equipment. Client shall not remove any trademark, copyright, or other proprietary or restrictive notices contained on any Hart user documentation, operator’s manuals, and environmental specifications, and all copies will contain such notices as are on the original electronic media.

1.6 Support. Support will be provided as set forth in the License Agreement.

2. Charges; Payments:

2.1 Total Purchase Price. The Total Purchase Price is set forth in Schedule A and includes the purchase price for the Equipment, the Initial Annual Fee under the License Agreement, state and local taxes (if applicable), and delivery and installation charges.

2.2 Payments. Client shall pay Hart the Total Purchase Price according to the payment schedule set forth on Schedule A of this Master Agreement. All payments are to be made to Hart at its

principal office in Austin, Texas, as set forth on the Signature Page or to such other location as may be designated by Hart in a notice to Client.

2.3 Late Charges. If any installment of the Total Purchase Price is not paid in full within thirty (30) days after the due date set forth on Schedule A for such installment, Hart may charge Client interest on the unpaid portion until paid, at the lesser of (a) 1% per month or (b) the maximum rate allowed by law.

2.4 Additional Charges. Additional charges may apply to services rendered outside contracted hours or beyond normal coverage at Client's request, e.g., travel expenses, and premium and minimum charges. There will be an additional charge at Hart's current technician's rate per hour for any technical work required as a result of other than Hart-recommended hardware purchased by Client for use with the Hart Voting System. Any other additional charges must be mutually agreed to by Hart and Client and documented in an amendment to this Agreement.

2.5 Payment Disputes. If any dispute exists between the parties concerning the amount due or due date of any payment, the parties shall resolve such dispute pursuant to Section 7 below. Client shall pay the undisputed portion in accordance with the payment schedule set forth on Schedule A. Such payment will not constitute a waiver by Client or Hart of any of their respective legal rights and remedies against each other.

2.6 Taxes. The City of Long Beach, California, claims an exemption from use tax pursuant to the Use Tax Direct Payment Exemption Certificate attached as Exhibit B of this Master Agreement. If Client is not tax-exempt, (a) Client will pay any tax Hart becomes obligated to pay in connection with this Agreement, exclusive of taxes based on the net income of Hart, and (b) Client will pay all personal property and similar taxes assessed after shipment.

2.7 Suspension of Performance. If any payment due to Hart under this Agreement is past due more than thirty (30) days, Hart may suspend performance under this Agreement until all amounts due are current.

3. Client Responsibilities:

3.1 Independent Determination. Client acknowledges it has independently determined that the Hart Voting System purchased under this Agreement meets its requirements based on its own independent review together with Hart's recommendations (both oral and written) and warranties in this Agreement and the License Agreement.

3.2 Cooperation. Client agrees to cooperate with Hart and promptly perform Client's responsibilities under this Agreement and the License Agreement.

4. Title; Risk of Loss:

4.1 Equipment. Subject to Section 4.3, title to Equipment will pass to Client upon delivery of the Equipment to Client. Risk of loss of, or damage to, Equipment will pass to Client upon delivery to Client.

4.2 Confidential and Proprietary Information. Title to Hart's Confidential and Proprietary Information will remain in Hart. Title to Confidential and Proprietary Information of Hart's suppliers and licensors will remain in the respective suppliers and licensors.

4.3 Proprietary Rights. Client acknowledges and agrees that the design of the Hart Voting System, design of the HVS Hardware, Hart Proprietary Software, and any and all related patents, copyrights, trademarks, service marks, trade names, documents, logos, software, microcode, information, and material are the property of Hart. Client agrees that the sale of the HVS Hardware and license of Hart Proprietary Software and other accompanying items under this Agreement does not grant to or vest in Client any right, title, or interest in such proprietary property. All patents, trademarks, copyrights, trade secrets, and other intellectual property rights, whether now owned or acquired by Hart with respect to the Hart Voting System, HVS Hardware, and Hart Proprietary Software, are the sole and absolute property of Hart and no interest therein is being vested in Client by the execution of this Agreement or the sale of the HVS Hardware or license of the Hart Proprietary Software to Client. Client shall not, under any circumstances, cause or permit the adaptation, conversion, reverse engineering, disassembly, or decompilation of any Software or Equipment. Client will have no authority or right to copy, reproduce, modify, sell, license, or otherwise transfer any rights in any proprietary property of Hart. The provisions of this Section 4.3 will survive the termination or cancellation of this Agreement and the License Agreement.

5. Warranty Terms:

THE WARRANTY TERMS APPLICABLE TO THE HART VOTING SYSTEM ARE SET FORTH IN THE HART VOTING SYSTEM WARRANTY, SUPPORT, AND LICENSE AGREEMENT. EXCEPT FOR THE EXPRESS LIMITED WARRANTIES IN THE LICENSE AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, (A) THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE UNDER THIS AGREEMENT AND THE LICENSE AGREEMENT, AND (B) HART DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY, FOR ALL EQUIPMENT, SOFTWARE, AND SERVICES. THE EXPRESS WARRANTIES EXTEND SOLELY TO CLIENT. SOME STATES (OR JURISDICTIONS) DO NOT ALLOW LIMITATIONS ON IMPLIED WARRANTIES, SO THE ABOVE LIMITATION MAY NOT APPLY TO CLIENT.

6. Limitation of Damages:

6.1 EXCLUSIVE REMEDY. HART DOES NOT ACCEPT ANY LIABILITY FOR WARRANTIES BEYOND THOSE SET FORTH IN SECTION 1 OF THE LICENSE AGREEMENT. HART'S ENTIRE LIABILITY AND CLIENT'S EXCLUSIVE REMEDY FOR ANY CLAIM CONCERNING THIS AGREEMENT AND THE EQUIPMENT, SOFTWARE, AND SERVICES PROVIDED UNDER THIS AGREEMENT ARE SET FORTH IN THIS SECTION.

6.2 DISCLAIMER. CLIENT IS RESPONSIBLE FOR ASSURING AND MAINTAINING THE BACKUP OF ALL CLIENT DATA. UNDER NO CIRCUMSTANCES WILL HART BE LIABLE TO CLIENT OR ANY THIRD PARTY FOR THE LOSS OF OR DAMAGE TO CLIENT DATA.

6.3 LIMITATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) OF THE OTHER PARTY, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, REGARDLESS OF THE FORM OF ACTION AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE. IN ADDITION, HART'S TOTAL LIABILITY TO CLIENT FOR DIRECT DAMAGES ARISING OUT OF OR RELATING TO THE EQUIPMENT, SOFTWARE, SERVICES, AND THIS AGREEMENT

WILL IN NO EVENT EXCEED THE TOTAL AMOUNT OF THIS AGREEMENT; PROVIDED, HOWEVER, THAT THIS LIMITATION SHALL NOT APPLY IN THE EVENT DAMAGES ARISE OUT OF OR ARE RELATED TO FRAUD OR INTENTIONAL WRONGDOING ON THE PART OF HART. HART IS NOT LIABLE FOR DAMAGES CAUSED ENTIRELY BY CLIENT'S NEGLIGENCE OR INTENTIONAL ACTS OR FOR ANY CLAIM AGAINST CLIENT OR ANYONE ELSE BY ANY THIRD PARTY AS A RESULT OF CLIENT'S NEGLIGENCE OR INTENTIONAL ACTS. TO THE EXTENT DAMAGES ARE DETERMINED TO BE CAUSED IN PART BY CLIENT'S NEGLIGENCE OR INTENTIONAL ACTS, HART WILL NOT BE LIABLE FOR THAT PORTION OF SUCH DAMAGES DETERMINED TO BE CAUSED BY CLIENT'S NEGLIGENCE OR INTENTIONAL ACTS.

SOME STATES (OR JURISDICTIONS) DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE EXCLUSION OR LIMITATION MAY NOT APPLY TO CLIENT.

6.4 Referrals. Hart may direct Client to third parties having products or services that may be of interest to Client for use in conjunction with the Equipment and Software. Notwithstanding any Hart recommendation, referral, or introduction, Client will independently investigate and test non-Hart products and services and will have sole responsibility for determining suitability for use of non-Hart products and services. Hart has no liability with respect to claims relating to or arising from use of non-Hart products and services, including, without limitation, claims arising from failure of non-Hart products to provide proper time and date functionality.

7. Dispute Resolution:

7.1 Disputes and Demands. The parties will attempt to resolve any claim or controversy related to or arising out of this Agreement, whether in contract or in tort ("**Dispute**"), on a confidential basis according to the following process, which either party may start by delivering to the other party a written notice describing the dispute and the amount involved ("**Demand**").

7.2 Negotiation and Mediation. After receipt of a Demand, authorized representatives of the parties will meet at a mutually agreed upon time and place to try to resolve the Dispute by negotiation. If the Dispute remains unresolved after this meeting, either party may start mandatory nonbinding mediation under the commercial mediation rules of the American Arbitration Association ("**AAA**") or such other mediation process as is mutually acceptable to the parties. To the extent the parties do not successfully resolve the Dispute through nonbinding mediation, either party may seek court intervention to resolve the Dispute.

7.3 Injunctive Relief. Notwithstanding the other provisions of this Section 7, if either party seeks injunctive relief, such relief may be sought in a court of competent jurisdiction without complying with the negotiation and mediation provisions of this Section 7.

8. Insurance:

8.1 As a condition precedent to the effectiveness of this Agreement, Hart shall procure and maintain at its expense for the duration of this Agreement from insurance companies that are admitted to write insurance in California or from authorized non-admitted insurance companies that have ratings of or equivalent to A:VIII by A.M. Best Company the following insurance:

8.1.1 Commercial general liability insurance (equivalent in scope to ISO form CG 00 01 11 85 or CG 00 01 11 88) in an amount not less than \$1,000,000 per each occurrence and \$2,000,000

general aggregate. This coverage shall include but not be limited to broad form contractual liability, cross liability, independent contractors liability, and products and completed operations liability. Client, its officials, employees, and agents shall be named as additional insureds by endorsement (on Client's endorsement form or on an endorsement equivalent in scope to ISO form CG 20 10 11 85 or to both CG 20 10 10 01 and CG 20 37 10 01), and this insurance shall contain no special limitations on the scope of protection given to Client, its officials, employees, and agents.

8.1.2 Workers' Compensation insurance as required by the California Labor Code and employer's liability insurance in an amount not less than \$1,000,000.

8.1.3 Professional liability or errors and omissions insurance in an amount not less than \$1,000,000 per claim.

8.1.4 Commercial automobile liability insurance (equivalent in scope to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an amount not less than \$500,000 combined single limit per accident.

8.2 Any self-insurance program, self-insured retention, or deductible must be separately approved in writing by Client's Risk Manager or designee and shall protect Client, its officials, employees, and agents in the same manner and to the same extent as they would have been protected had the policy or policies not contained retention or deductible provisions. Each insurance policy shall be endorsed to state that coverage shall not be reduced, non-renewed, or canceled except after thirty (30) days prior written notice to Client, and shall be primary and not contributing to any other insurance or self-insurance maintained by Client. Hart shall notify Client in writing within five (5) days after any insurance has been voided by the insurer or cancelled by the insured. If this coverage is written on a "claims made" basis, it must provide for an extended reporting period of not less than one year, commencing on the date this Agreement expires or is terminated, unless Hart guarantees that it will provide to Client evidence of uninterrupted, continuing coverage for a period of not less than three (3) years, commencing on the date this Agreement expires or is terminated.

8.3 Hart shall require that all consultants and contractors that it uses in the performance of services under this Agreement maintain insurance in compliance with this Section unless otherwise agreed in writing by Client's Risk Manager or designee.

8.4 Prior to the start of performance, Hart shall deliver to Client certificates of insurance and endorsements for approval as to sufficiency and form. In addition, Hart shall, within thirty (30) days prior to expiration of the insurance furnish to Client certificates of insurance and endorsements evidencing renewal of the insurance. Client reserves the right to require complete certified copies of all policies of Hart and Hart's consultants and contractors, at any time. Hart shall make available to Client's Risk Manager or designee all books, records, and other information relating to this insurance, during normal business hours.

8.5 Any modification or waiver of these insurance requirements shall only be made with the approval of Client's Risk Manager or designee. Not more frequently than once a year, Client's Risk Manager or designee may require that Hart, Hart's consultants and contractors change the amount, scope or types of coverages if, in his or her sole opinion, the amount, scope, or types of coverages are not adequate.

8.6 The procuring or existence of insurance shall not be construed or deemed as a limitation on liability relating to Hart's performance or as full performance of or compliance with the indemnification provisions of this Agreement.

9. General Provisions:

9.1 Entire Agreement; Amendment. This Agreement and the attachments, schedules, and exhibits hereto constitute the entire agreement between the parties relative to the subject matter hereof and supersede all prior negotiations and oral agreements. Hart has made no representations or warranties with respect to this Agreement or the Hart Voting System and its components that are not included herein. This Agreement may not be amended or waived except in writing signed by an authorized representative of the party to be bound thereby.

9.2 Preprinted Forms. The use of preprinted forms, such as purchase orders or acknowledgments, in connection with this Agreement is for convenience only and all preprinted terms and conditions stated thereon are void and of no effect. If any conflict exists between this Agreement and any terms and conditions on a purchase order, acknowledgment, or other preprinted form, the terms and conditions of this Agreement will govern. The terms and conditions of this Agreement, including, but not limited to, this Section 9.2, cannot be amended, modified, or altered by any conflicting preprinted terms or conditions in a preprinted form.

9.3 Interpretation. This Agreement will be construed according to its fair meaning and not for or against either party. Headings are for reference purposes only and are not to be used in construing the Agreement. All words and phrases in this Agreement are to be construed to include the singular or plural number and the masculine, feminine, or neuter gender as the context requires.

9.4 GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ITS CONFLICT OF LAW PROVISIONS.

9.5 Severability. Whenever possible, each provision of this Agreement will be interpreted to be effective and valid under applicable law; but if any provision is found to be invalid, illegal, or unenforceable, then such provision or portion thereof will be modified to the extent necessary to render it legal, valid, and enforceable and have the intent and economic effect as close as possible to the invalid, illegal, or unenforceable provision. If it is not possible to modify the provision to render it legal, valid, and enforceable, then the provision will be severed from the rest of the Agreement and ignored. The invalidity, illegality, or unenforceability of any provision will not affect the validity, legality, or enforceability of any other provision of this Agreement, which will remain valid and binding.

9.6 Force Majeure. "Force Majeure" means a delay encountered by a party in the performance of its obligations under this Agreement that is caused by an event beyond the reasonable control of the party. Without limiting the generality of the foregoing, "Force Majeure" will include, but is not restricted to, the following types of events: acts of God or public enemy; acts of governmental or regulatory authorities (other than, with respect to Client's performance, the Client, and its governing entities); fires, floods, epidemics, or serious accidents; unusually severe weather conditions; and strikes, lockouts, or other labor disputes. If any event constituting Force Majeure occurs, the affected party shall notify the other party in writing, disclosing the estimated length of the delay and the cause of the delay. If a Force Majeure occurs, the affected party will not be deemed to have violated its obligations under this Agreement, and time for performance of any obligations of that party will be extended by a reasonable period of time necessary to overcome the effects of the Force Majeure.

9.7 Compliance with Laws. Client and Hart shall comply with all federal, state, and local laws in the performance of this Agreement, including those governing use of the Equipment and

Software. Equipment and Software provided under this Agreement may be subject to U.S. and other government export control regulations. Client shall not export or re-export any Equipment or Software.

9.8 Assignments. Hart may not assign this Agreement or its interest in any Equipment or Software, or the right to receive payments, without Client's express written consent, such consent not to be unreasonably withheld. Any such assignment, however, will not change the obligations of Hart to Client that are outstanding at the time of assignment. Client shall not assign this Agreement without the express written consent of Hart, such consent not to be unreasonably withheld. In the event of any permitted assignment of this Agreement, the assignee shall assume the liabilities and responsibilities of the assignor, in writing.

9.9 Independent Contractors. Client and Hart are independent contractors and are not agents or partners of each other. Hart's employees, agents, and subcontractors will not be entitled to any privileges or benefits of Client employment. Client's employees, agents, and contractors will not be entitled to any privileges or benefits of Hart employment.

9.10 Notices. Any notice required or permitted to be given under this Agreement by one party to the other must be in writing and shall be given and deemed to have been given immediately if delivered in person to the address set forth on the Signature Page for the party to whom the notice is given, or on the fifth (5th) business day following mailing if placed in the United States Mail, postage prepaid, by registered or certified mail with return receipt requested, addressed to the party at the party's address set forth on the Signature Page. Each party may change its address for notice by giving written notice of the change to the other party.

9.11 Trademarks. eScan™, eSlate®, Judge's Booth Controller™, JBC™, Disabled Access Unit™, DAU™, Mobile Ballot Box™, Ballot Origination Software System™, BOSS™, Tally™, Rally™, FUSION™, and Ballot Now™ are trademarks of Hart.

9.12 Waiver. No provision of this Agreement shall be deemed waived or breach excused unless such waiver or consent shall be in writing signed by the party claimed to have waived or consented. A waiver of, or consent by any party to, a breach by the other party, shall not constitute a waiver of, or consent to, a subsequent or different breach.

9.13 Costs. If there is any legal proceeding between the parties to enforce or interpret this Agreement or to protect or establish any rights or remedies under this Agreement, the prevailing party shall be entitled to its costs, including reasonable attorneys' fees.

9.14 Non-Discrimination. In connection with performance of this Agreement and subject to applicable rules and regulations, Hart shall not discriminate against any employee or applicant for employment because of race, religion, national origin, color, age, sex, sexual orientation, AIDS, HIV status, handicap, or disability. Hart shall ensure that applicants are employed, and that employees are treated during their employment, without regard to these bases. These actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. It is the policy of Client to encourage the participation of Disadvantaged, Minority and Women-Owned Business Enterprises in Client's procurement process, and Hart agrees to use its best efforts to carry out this policy in the hiring of consultants and contractors to the fullest extent consistent with the efficient performance of this Agreement. Hart may rely on written representations by consultants and contractors regarding their status.

9.15 Advertising. Hart shall not use the name of Client, its officials or employees in any advertising or solicitation for business or as a reference, without the prior approval of the City Manager or designee.

10. Definitions:

“Acceptance Testing” means testing in accordance with the Acceptance Testing Procedure provided Client at time of delivery.

“Agreement” has the meaning set forth in the Signature Page.

“Annual Fee” means the combined annual license, sublicense, and support fees payable by Client to Hart under the Hart Voting System Warranty, Support, and License Agreement.

“Client” has the meaning set forth in the Signature Page.

“Confidential and Proprietary Information” means Software, firmware, diagnostics, documentation (including operating manuals, user documentation, and environmental specifications), designs and configurations of Equipment, Software, firmware, trade secrets and related documentation, and any other information confidential to Hart or its suppliers or licensors.

“DAU™” means the Disabled Access Unit (DAU™) created by Hart as an add-on component to an eSlate® that facilitates the performance of voting activities by disabled voters, for example, by providing an audio ballot presentation and/or accepting inputs from specialized switch mechanisms, such as head switches, breath switches, and panel switches that facilitate interaction with disabled voters, as needed.

“Effective Date” has the meaning set forth in the Signature Page and indicates the date this Agreement becomes effective.

“Equipment” means the HVS Hardware and Non-Hart Equipment listed on Schedule A.

“eScan™” means the eScan™ device created by Hart, consisting of a precinct digital ballot imaging device single-feed scanner that transports and scans both sides of a ballot simultaneously, and a base that provides for secure ballot storage and transport.

“eSlate®” means the eSlate® created by Hart and consisting of hardware including an electronically configurable, network-capable voting station that permits a voter to cast votes by direct interaction, which voting station in its present configuration created by Hart comprises an electronically configurable liquid crystal display (LCD) panel for use in displaying ballot images, a rotary input device for use in ballot navigation, and various buttons that facilitate voter options for selecting ballot choices and casting a ballot.

“Firmware” means the Hart Proprietary Software embedded in eSlate® voting devices that allows execution of the software functions, but does not allow access to or modification of the software by an end user.

“Force Majeure” has the meaning set forth in Section 9.6.

“Hart” means Hart InterCivic, Inc., a Texas corporation.

“Hart Proprietary Software” means the run-time executable code and associated support files of the Ballot Origination Software System (BOSS™) Software, Tally™ Software, Rally™ Software, Ballot Now™ Software, computer code and software resident in the HVS Hardware, and other support software utilities as specified on Schedule B, consisting of computer programs and computer code owned by Hart that are licensed to Client pursuant to the Hart Voting System Warranty, Support, and License Agreement, and all updates, upgrades, versions, new releases, derivatives, revisions, corrections, improvements, rewrites, bug fixes, enhancements, and other modifications, including any custom modifications, to such computer programs and code that are provided to Client, and all copies of the foregoing. Hart Proprietary Software also includes all documentation provided by Hart to Client with respect to these computer programs and code, and all copies of the foregoing (electronic and hard copy).

“Hart Voting System” (HVS) means the Equipment and the Software.

“Hart Voting System Warranty, Support, and License Agreement” means the Hart Voting System Warranty, Support, and License Agreement in the form of Exhibit A to be entered into by Hart and Client simultaneously upon entering into this Agreement.

“HVS Hardware” means the eSlate®, JBC™, and DAU™ in the quantities listed on Schedule A.

“Initial Annual Fee” means the first Annual Fee payable under the Hart Voting System Warranty, Support, and License Agreement, which is included in the Total Purchase Price.

“JBC™” means the Judge’s Booth Controller (JBC™) created by Hart that is a local area network controller capable of interacting with one or more eSlate® devices or DAU devices by transmitting and receiving signals that manage or control an election, e.g., by opening and closing the polls, providing or recording an audit trail of system events during an election, storing cast ballot data, and applying data security and integrity algorithms.

“Non-Hart Equipment” means the equipment listed on Schedule A that is not HVS Hardware.

“Non-Hart Software” means the run-time executable code and associated support files of computer programs owned by third parties that are identified on Schedule C and sublicensed by Hart to Client pursuant to the Hart Voting System Warranty, Support, and License Agreement or licensed directly by the third-party licensor to Client, and all updates, upgrades, versions, new releases, derivatives, revisions, corrections, improvements, rewrites, bug fixes, enhancements, and other modifications to such computer programs and code that are provided to Client, and all copies of the foregoing. Non-Hart Software also includes all documentation provided to Client with respect to these computer programs, and all copies of the foregoing.

“Software” means the Hart Proprietary Software and Firmware and Non-Hart Software.

“Sublicensed Software” means Non-Hart Software and Firmware that is identified on Schedule C as being sublicensed by Hart to Client pursuant to the Hart Voting System Warranty, Support, and License Agreement.

“VBO™” means the Verifiable Ballot Option unit used in conjunction with the eSlate® for a Voter Verifiable Paper Audit Trail.

“Total Purchase Price” is defined in Section 2.1.

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SCHEDULE A

EQUIPMENT AND PRICING

QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
Voting Hardware				
100	Additional Mobile Ballot Boxes / audio cards	Spare flash memory card and audio cards	\$ 60.00	\$ 6,000.00
10	eCM™	Electronic security key	\$ 60.00	\$ 600.00
Total Hart Hardware				\$ 6,600.00
Voting Software				
1	Election Management Software System	BOSS™, Tally™, and Ballot Now™ electronic voting system software	\$ 125,100.00	\$ 125,100.00
4	Extra Ballot Now™ Station	Additional Ballot Now™ stations	\$ 60,000.00	\$ 240,000.00
1	InFUSION™	Election management system import software	\$ 10,000.00	\$ 10,000.00
1	FUSION™	Tabulation integration software	\$ 15,000.00	\$ 15,000.00
1	SCORE™ Software	Election results reporting software	\$ 4,000.00	\$ 4,000.00
Hart Software Subtotal				\$ 394,100.00
Total Hart Hardware & Software				\$ 400,700.00
Other Hardware				
1	Personal computers	For use with InFUSION™ and BOSS™	\$ 3,000.00	\$ 3,000.00
10	Personal computers	Ballot Now™ and BNIP workstations	\$ 3,000.00	\$ 30,000.00
1	Personal computers	For use with Tally™ software	\$ 3,000.00	\$ 3,000.00
1	Personal computers	For use with FUSION™ software	\$ 3,922.10	\$ 3,922.10
1	Laptop computers	For use with SERVO™ and other utilities	\$ 3,500.00	\$ 3,500.00
System Setups Subtotal				\$ 43,422.10
7	Laser printer	Low-volume laser printer	\$ 825.00	\$ 5,775.00
1	Laser printer	High-volume laser printer	\$ 4,325.00	\$ 4,325.00
4	Scanner	Kodak i660 high-volume scanner	\$ 47,525.00	\$ 190,100.00
5	Flat Screen	24" Dell flat screen for Ballot Board	\$ 2,000.00	\$ 10,000.00
2	Scan Aid Kits	Scanner aid/maintenance kit	\$ 575.00	\$ 1,150.00
2	Scanner Replacement Lamp Unit	Replacement lamp unit	\$ 80.00	\$ 160.00
Other Hardware Subtotal				\$ 211,510.00
Total Third Party Hardware				\$ 254,932.10

Professional Services				
30 Days	Project Management	Number of project management days	\$1,500.00 per day.	\$ 45,000.00
15 Days	Training.	Number of training days	\$1,500.00 per day.	\$ 22,500.00
2 Days	Professional Engineering Services	Number of service days	\$1,750.00 per day.	\$ 3,500.00
1	Custom Ballot Template	Custom engineering services	\$ 3,000.00	\$ 3,000.00
1	Voter Education Outreach Program Management.	Package B	\$ 8,200.00	\$ 8,200.00
Total Professional Services				\$ 82,200.00
Software License and Support				
First Year	First Year License and Support.	License and support for the first year (includes 5 BN licenses)	\$ 78,020.00	\$ 78,020.00
Total Acquisition Cost				
Total Price for Equipment:				\$ 261,532.10
Total Price for Software:				\$ 394,100.00
Total Price for Services:				\$ 82,200.00
Initial Annual Fee:				\$ 78,020.00
State and Local Taxes (if any):				\$ -
California Electronic Waste Recycling Fee:				\$ 118.00
Total System Price:				\$ 815,970.10
Less Special City Discount:				\$ (5,200.00)
Purchase Price:				\$ 810,770.10

Note: After January 1, 2007, additional Project Management and Training days are \$1,750.00 per day.

***The Purchase Price above does not include any taxes. If taxes are required to be paid, those amounts will be billed to the Client at the time Hart is made aware of the taxes. Client has provided as Exhibit B to this Master Agreement, a Use Direct Tax Payment Exemption Certificate.**

Payments. Client shall pay Hart based on the following schedule:

80% of the Total Purchase Price due upon delivery and acceptance of hardware and software as defined in Section 1.3 of this Agreement.

15% of the Total Purchase Price due after completion of City of Long Beach staff training.

5% of the Total Purchase Price after completion of the City of Long Beach's first election using the Hart Voting System.

Note: Tactile input switches are not included with the Disabled Access Unit. Tactile switches must be purchased as a separate item. Wheels are not included with the eSlate® Caddy. Wheels must be purchased as a separate item. This Schedule A includes all hardware, software and services to be provided by Hart to the Customer under this Agreement.

There will be an additional charge at Hart's current technician's rate per hour for any technical work required as a result of *other than Hart-recommended hardware* purchased by the Client for use with the Hart Voting System.

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SCHEDULE B

HART PROPRIETARY SOFTWARE

QUANTITY	MODEL	DESCRIPTION	UNIT PRICE	NUMBER OF LICENSES	INITIAL LICENSE FEE
One (1).	Election Management Software.	Ballot Origination Software System (BOSS™), Tally™, Ballot Now™, and SERVO™ software	\$125,100.00	Four (4) (One license per each software title).	\$125,100.00
Four (4).	Extra Ballot Now™ Stations.	Additional Ballot Now™ stations.	\$60,000.00	Four (4) (One software license per each software title).	\$240,000.00
One (1).	InFUSION™ Software.	Election Management System import software.	\$10,000.00	One (1).	\$10,000.00
One (1).	FUSION™	Tabulation integration software.	\$15,000.00	One (1).	\$15,000.00
One (1).	SCORE™ Software.	Election results reporting software.	\$4,000.00	One (1).	\$4,000.00

Licensed Location: **City of Long Beach, California.**

NOTE: Hart and Client will update this Schedule as appropriate if Hart releases new Hart Proprietary Software that is made available to Client under the Hart Voting System Warranty, Support, and License Agreement.

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SCHEDULE C

NON-HART SOFTWARE

Non-Hart Software Sublicensed to Client:

QUANTITY	MODEL	DESCRIPTION	UNIT PRICE	NUMBER OF LICENSES	TOTAL PRICE
Eight (8).	Sybase Embedded Runtime Program.	Database Engine.	No Charge.	Eight (8) (One license per each software title).	No Charge.

NOTE: Hart and Client will update this Schedule as appropriate if Hart provides new or different Non-Hart Software to Client under the Hart Voting System Warranty, Support, and License Agreement.

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EXHIBIT A

Hart Voting System Warranty, Support, and License Agreement

(See Attached Agreement)

EXHIBIT B

City of Long Beach, California, *Use Tax Direct Payment Exemption Certificate*

(See Attached Certificate)

Use Tax Direct Payment Exemption Certificate

I hereby certify that I hold use tax direct payment permit No. SR AB 16-058589 DP issued pursuant to California Sales and Use Tax Law Section 7051.3 and that I am authorized to report and pay directly to the State the applicable use tax with respect to the property described herein which I shall purchase from:

Hart InterCivic, Inc.

(Name of Vendor)

In the event that I fail to timely report and pay the applicable tax to the State, I understand and agree that in addition to the tax liability, I will be liable for applicable interest and the amount due may be subject to penalties.

Description of property to be purchased:

Voting System to conduct Municipal Elections

Purchaser: Long Beach City Clerk Dept.

Date certificate given: February 8, 2007

Address: 333 W. Ocean Blvd., Long Beach, CA 90802

Signature and Title of Purchaser or Authorized Agent:


Jana Vargas

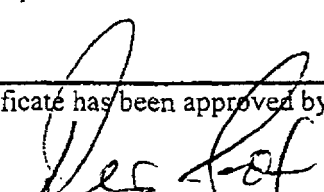
IMPORTANT NOTICE TO VENDORS

This exemption certificate when timely taken in good faith from a person who holds a use tax direct payment permit relieves a vendor from the requirement to collect and remit USE TAX on sales or leases of tangible personal property (other than leases of mobile transportation equipment or motor vehicles subject to the terms of Revenue and Taxation Code Section 7205.1) to the person who issued the certificate. It does **NOT** relieve a vendor of any SALES TAX obligations. Generally, this certificate should be accepted only by out-of-state vendors or by lessors of tangible personal property other than motor vehicle lessors. Sellers can claim a deduction on their sales and use tax returns for any sales made under this certificate.

Vendors must retain a completed copy of this certificate in their files for a period of not less than four years to substantiate the exempt status of sales made under its authority.

This Exemption Certificate has been approved by the California State Board of Equalization.

Approved By:


(Board of Equalization Representative)

Date:

9/15/98

Questions regarding this form should be directed to (916)324-2883, or write to the Board of Equalization, Audit Evaluation and Planning Section, MIC 40, P.O. Box 942879, Sacramento, CA 94279-0040.

THIS FORM MAY BE REPRODUCED

DISPLAY CONSPICUOUSLY AT PLACE OF BUSINESS FOR WHICH ISSUED

CALIFORNIA STATE BOARD OF EQUALIZATION
USE TAX DIRECT PAYMENT PERMIT



ACCOUNT NUMBER

09/15/98 SR AB 16-058589 DP

City of Long Beach
333 W. Ocean Blvd., 6th Floor
Long Beach, CA 90802

IS HEREBY AUTHORIZED PURSUANT TO SALES AND USE TAX LAW
SECTION 7051.3 TO SELF-ASSESS AND PAY USE TAX DIRECTLY TO
THE STATE OF CALIFORNIA

THIS PERMIT DOES NOT
AUTHORIZE THE HOLDER
TO ENGAGE IN ANY
BUSINESS CONTRARY TO
LAWS REGULATING THAT
BUSINESS OR TO
POSSESS OR OPERATE
ANY ILLEGAL DEVICE.

THIS PERMIT IS NOT A
SELLER'S PERMIT TO
ENGAGE IN SALES OF
TANGIBLE PERSONAL
PROPERTY

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED BUT IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS,
OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES
OWED BY THE NEW OPERATOR OF THE BUSINESS.

BOE-442-OPLZ (1-98)

NOTICE TO INDIVIDUALS REGARDING
INFORMATION FURNISHED TO THE BOARD OF EQUALIZATION

The Information Practices Act of 1977 and the Federal Privacy Act requires this agency to provide the following notice to individuals who are asked by the State Board of Equalization (Board) to supply information, including the disclosure of the individual's social security account number.

Individuals applying for permits, certificates, or licenses, or filing tax returns, statements, or other forms prescribed by this agency, are required to include their social security numbers for proper identification. [See Title 42 United States Code Section 405(c)(2)(C)(i)]. It is mandatory to furnish all the appropriate information requested by applications for registration, applications for permits or licenses, tax returns and other related data. Failure to provide all of the required information requested by an application for a permit or license could result in your not being issued a permit or license. In addition, the law provides penalties for failure to file a return, failure to furnish specific information required, failure to supply information required by law or regulations, or for furnishing fraudulent information.

Provisions contained in the following laws require persons meeting certain requirements to file applications for registration, applications for permits or licenses, and tax returns or reports in such form as prescribed by the State Board of Equalization: Alcoholic Beverage Tax, Sections 32001-32556; Childhood Lead Poisoning Prevention Fee, Sections 43001-43651; Health & Safety Code, Sections 105275-105310; Cigarette and Tobacco Products Tax, Sections 30001-30481; Diesel Fuel Tax, Sections 60001-60709; Emergency Telephone Users Surcharge, Sections 41001-41176; Energy Resources Surcharge, Sections 40001-40216; Hazardous Substances Tax, Sections 43001-43651; Integrated Waste Management Fee, Sections 45001-45984; International Fuel Tax Agreement, Sections 9401-9433; Motor Vehicle Fuel License Tax, Sections 7301-8405; Occupational Lead Poisoning Prevention Fee, Sections 43001-43651; Health & Safety Code, Sections 105175-105197; Oil Spill Response, Prevention, and Administration Fees, Sections 46001-46751; Government Code, Sections 8670.1-8670.53; Publicly Owned Property, Sections 1840-1841; Sales and Use Tax, Sections 6001-7279.6; State Assessed Property, Sections 721-868, 4876-4880, 5011-5014; Tax on Insurers, Sections 12001-13170; Timber Yield Tax, Sections 38101-38908; Tire Recycling Fee, Sections 55001-55381; Public Resources Code, Sections 42860-42895; Underground Storage Tank Maintenance Fee, Sections 50101-50161; Health & Safety Code, Sections 25280-25299.96; Use Fuel Tax, Sections 8601-9355.

The principal purpose for which the requested information will be used is to administer the laws identified in the preceding paragraph. This includes the determination and collection of the correct amount of tax. Information you furnish to the Board may be used for the purpose of collecting any outstanding tax liability.

As authorized by law, information requested by an application for a permit or license could be disclosed to other agencies, including, but not limited to, the proper officials of the following: 1) United States governmental agencies: U.S. Attorney's Office; Bureau of Alcohol, Tobacco and Firearms; Depts. of Agriculture, Defense, Justice; Federal Bureau of Investigation; General Accounting Office; Internal Revenue Service; the Interstate Commerce Commission; 2) State of California governmental agencies and officials: Air Resources Board; Dept. of Alcoholic Beverage Control; Auctioneer Commission; Employment Development Department; Energy Commission; Exposition and Fairs; Food & Agriculture; Board of Forestry; Forest Products Commission; Franchise Tax Board; Dept. of Health Services; Highway Patrol; Dept. of Housing & Community Development; California Parent Locator Service; 3) State agencies outside of California for tax enforcement purposes; and 4) city attorneys and city prosecutors; county district attorneys, sheriff departments.

As an individual, you have the right to access personal information about you in records maintained by the State Board of Equalization. Please contact your local Board office listed in the white pages of your telephone directory for assistance. If the local Board office is unable to provide the information sought, you may also contact the Disclosure Office in Sacramento by telephone at (916) 445-2918. The Board officials responsible for maintaining this information, who can be contacted by telephone at (916) 445-6464, are: Sales and Use Tax, Deputy Director, Sales and Use Tax Department, 450 N Street, MIC:43, Sacramento, CA 95814; Excise Taxes, Fuel Taxes and Environmental Fees, Deputy Director, Special Taxes Department, 450 N Street, MIC:31, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes Department, 450 N Street, MIC:63, Sacramento, CA 95814.

*All references are to the California Revenue and Taxation Code unless otherwise indicated

BOE-324-A REV 9 (8-97)



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0040)
TELEPHONE: (916) 324-2883
FACSIMILE: (916) 322-0187

September 15, 1998

JOHAN KLEHS
First District, Hayward

DEAN F. ANDAL
Second District, Stockton

ERNEST J. DRONENBURG, JR.
Third District, San Diego

KATHLEEN CONNELL
Controller, Sacramento

JOHN CHIANG
Acting Member
Fourth District, Los Angeles

E. L. SORENSEN, JR.
Executive Director

City of Long Beach
Barbara R. Hennessy, City Controller
333 W. Ocean Blvd., 6th Floor
Long Beach, CA 90802

Permit No: SR AB 16-058589 DP

Based on the information provided in your application and the proof of eligibility which you submitted, you have been approved by the Board of Equalization to hold a Use Tax Direct Payment Permit. Enclosed is your Use Tax Direct Payment Permit and a Use Tax Direct Payment Exemption Certificate. Use of this certificate is restricted to you or your authorized agent. As the holder of the document, you are liable for any unauthorized use. Therefore, you should maintain control of the attached original and only issue copies to your suppliers.

Use Tax Direct Payment Permit

The law generally requires out-of-state retailers who are registered with the Board of Equalization and all lessors of tangible personal property to collect California use tax on their sales or leases to California consumers or lessees and remit the tax to the Board. The use tax direct payment permit authorizes you to acquire property that is subject to use tax without paying the use tax to the vendor/lessor who provided the property and to self-assess and pay such use tax directly to the Board.

Use Tax Direct Payment Exemption Certificate

When you issue a copy of your exemption certificate to a vendor or lessor on a qualifying transaction, you relieve the vendor/lessor from the requirement to collect and remit the use tax. You also assume the responsibility to self-assess and pay such use tax directly to the Board. When you issues a certificate that is accepted in good faith by a vendor/lessor, you shall be the sole person liable for any taxes which are due on the transaction.

A Use Tax Direct Payment Exemption Certificate May Be Issued on the Following Types of Transactions

This certificate may only be issued on transactions which are subject to *USE TAX*. Some common transactions which are subject to use tax and for which an exception certificate may be issued are:

- Purchases of tangible personal property from out-of-state vendors that will be used or consumed by you (e.g. supplies, capital assets, etc.) provided the property is delivered directly to you from an out-of-state location by common carrier.
- Leases of tangible personal property from both instate and out-of-state lessors (excluding leases of mobile transportation equipment and leases of motor vehicles from California new vehicle dealers or from vehicle lessors who purchase their leased vehicles from California new vehicle dealers).
- Leases of motor vehicles from out-of-state dealers or lessors if the vehicles come directly from an out-of-state inventory.

A Use Tax Direct Payment Exemption Certificate May Not Be Issued on the Following Types of Transactions

The certificate may *not* be used on transactions that are subject to ***SALES TAX*** or if the property purchased is to be resold. Additionally, leases of motor vehicles are governed by Section 7205.1 of the Sales and Use Tax Law and therefore the certificate may not be used with respect to leases of motor vehicles from new vehicle dealers or from vehicle lessors who purchase their leased vehicles from California new vehicle dealers. Examples of common transactions for which this certificate may not be used are:

- Purchases of tangible personal property from California vendors.
- Purchases of property which will not be used or consumed by you (e.g. resale inventory).
- Purchases of property from out-of-state vendors when title to such property is not taken out-of-state or the property is not delivered directly to you from an out-of-state location. (e.g. delivery is made from an in-state inventory of the vendor or from an in-state inventory on behalf of the vendor.)
- Leases of mobile transportation equipment or motor vehicles from California new vehicle dealers or from lessors who purchase their leased vehicles from California new vehicle dealers.

When to Issue the Use Tax Direct Payment Exemption Certificate

If a purchase or lease is subject to use tax and you wish to self-assess and pay such use tax directly to the Board, you must issue a timely certificate to the seller/lessor in order to relieve the seller/lessor of the requirement to collect the use tax. To be timely, the certificate shall be issued anytime before the seller/lessor bills you for the property, or any time within the seller/lessor's normal billing and payment cycle, or any time at or prior to delivery of the property to you.

Multiple Business Locations

If you listed multiple business locations on your application and these locations are in different local taxing jurisdictions, you were issued a direct payment permit and an exemption certificate for each such location. When you acquire property under an exemption certificate, you should issue the exemption certificate that was issued to the location which is acquiring the property.

Reporting the Use Tax

Your application certified that you agreed to self-assess and pay directly to the Board the use taxes due on all purchases or leases for which a use tax direct payment exemption certificate was issued. Accordingly, if you acquire property under an exemption certificate you must timely report the purchase price or the rental payments for such property on line 2 of your Sales and Use Tax return or on line 1 of your Consumer Use Tax return. You should also retain worksheets identifying any property acquired under a certificate and self-assessed in the event that you are audited. If you do not properly report and pay the use tax that is due on property acquired under a certificate, you could be liable for interest and penalties in addition to any tax that is owed.

Allocating the Local Use Tax

Local and district use taxes for property acquired under an exemption certificate shall be allocated on your returns to the county, city, city and county, or redevelopment agency in which the property is first used.

Questions

If you have any questions regarding the use tax direct payment program you can call (916) 324-2883, or write to the Board of Equalization, Audit Evaluation and Planning Section, MIC-40, P.O. Box 942879, Sacramento, CA 94279-0040.

The following should be included in all contracts totaling \$100,000 or more:

Use Tax, self-accrual

Contractor shall cooperate with the City in all matters relating to taxation and the collection of taxes, particularly with respect to the self-accrual of use tax. Contractor shall cooperate as follows: (i) for all leases and purchases of materials, equipment, supplies, or other tangible personal property totaling over \$100,000 shipped from outside California, a qualified Contractor shall complete and submit to the appropriate governmental entity the form in Appendix "A" attached hereto; and (ii) for construction contracts and subcontracts totaling \$5,000,000 or more, Contractor shall obtain a sub-permit from the California Board of Equalization for the Work site. "Qualified" means that the Contractor purchased at least \$500,000 in tangible personal property that was subject to sales or use tax in the previous calendar year.

In completing the form and obtaining the permit(s), Contractor shall use the address of the Work site as its business address and may use any address for its mailing address. Copies of the form and permit(s) shall also be delivered to the Purchasing Agent. The form must be submitted and the permit(s) obtained as soon as Contractor receives a notice of award. Contractor shall not order any materials or equipment over \$100,000 from vendors outside California until the form is submitted and the permit(s) obtained and, if Contractor does so, it shall be a material breach of the Agreement. In addition, Contractor shall make all purchases from its Long Beach sales office and the Long Beach sales office of its vendors if those vendors have a Long Beach office and all purchases made by Contractor under this Agreement which are subject to use tax of \$500,000 or more shall be allocated to the City of Long Beach. Contractor shall require the same form and permit(s) from its subcontractors.

Contractor shall not be entitled to and by signing this Contract waives any claim or damages for delay against City if Contractor does not timely submit these forms to the appropriate governmental entity. Contractor may contact the City Controller, Barbara Hennessy, at (562) 570-6450 for assistance with the form.

[Link to Word™ document version to use to cut and paste into your Word™ document.](#)