

SERVICE PROVIDER AGREEMENT

THIS SERVICE PROVIDER AGREEMENT ("Agreement") is entered into this 1st day of July 2017, by and between CITY OF ALAMEDA, a municipal corporation (the "City"), and MuniServices, LLC, a Delaware Limited Liability Company, whose address is 7625 N. Palm Avenue, Suite 108, Fresno, California 93711, (the "Provider"), in reference to the following:

RECITALS:

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of the City.
- B. The City is in need of the following services: Utility Users Tax (UUT) Ordinance implementation and compliance; UUT revenue audit, collection, forecasting and management reporting; technical assistance and expertise with interpretation and application of the City's UUT Ordinance.
- C. They City conducted a survey of California Society of Municipal Financial Officers to obtain recommendations on vendors who could assist the City in administering its Utility Users Tax. MuniServices was the only vendor who provided this service.
- D. Provider possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein.
- E. City and Provider desire to enter into an agreement for Utility Users Tax (UUT) Ordinance implementation, UUT revenue monitoring and reporting, and technical assistance with interpretation and application of the City's UUT Ordinance, upon the terms and conditions herein.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM:

The term of this Agreement shall commence on the 1st day of July 2017, and shall terminate on the 30 day of June 2022, unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED:

Provider agrees to do all necessary work at its own cost and expense, to furnish all labor, tools, equipment, materials, except as otherwise specified, and to do all necessary work included in Exhibit A as requested. The Provider acknowledges that the work plan included in Exhibit A is tentative and does not commit the City to request Provider to perform all tasks included therein.

3. COMPENSATION TO PROVIDER:

a. On a quarterly basis Provider shall submit to the City an invoice for services rendered which shall be in arrears (invoiced for the immediately preceding quarter). Pricing and accounting of charges are to be according to the fee schedule as set forth in Exhibit B and

incorporated herein by this reference. Extra work must be approved in writing by the City Manager or his/her designee prior to performance and shall be paid on a Time and Material basis as set forth in Exhibit B.

b. The total compensation for the work under this Agreement is not to exceed \$375,000.

4. **TIME IS OF THE ESSENCE:**

Provider and City agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE:**

Provider agrees to perform all services hereunder in a manner commensurate with the prevailing standards of like professionals or service providers, as applicable, in the San Francisco Bay Area and agrees that all services shall be performed by qualified and experienced personnel who are not employed by the City.

6. **INDEPENDENT PARTIES:**

Provider hereby declares that Provider is engaged as an independent business and Provider agrees to perform the services as an independent contractor. The manner and means of conducting the services and tasks are under the control of Provider, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Provider's services. None of the benefits provided by City to its employees, including but not limited to unemployment insurance, workers' compensation plans, vacation and sick leave are available from City to Provider, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any compensation due to Provider. Payments of the above items, if required, are the responsibility of Provider.

7. **IMMIGRATION REFORM AND CONTROL ACT (IRCA):**

Provider assumes any and all responsibility for verifying the identity and employment authorization of all of its employees performing work hereunder, pursuant to all applicable IRCA or other federal, or state rules and regulations. Provider shall indemnify, defend, and hold City harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by Provider.

8. **NON-DISCRIMINATION:**

Consistent with City's policy and state and federal law that harassment and discrimination are unacceptable conduct, Provider agrees that harassment or discrimination directed toward a job applicant, a City employee, or a citizen by Provider or Provider's employee on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, or sexual orientation will not be tolerated. Provider agrees that any and all violations of this provision shall constitute a material breach of this Agreement.

9. HOLD HARMLESS:

a. Provider shall indemnify, defend, and hold harmless the City, its City Council, boards, commissions, officials, employees, and volunteers ("**Indemnitees**") from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys' fees ("**Claims**"), arising from or in any manner connected to Provider's negligent act or omission, whether alleged or actual, regarding performance of services or work conducted or performed pursuant to this Agreement. If Claims are filed against Indemnitees which allege negligence on behalf of the Provider, Provider shall have no right of reimbursement against Indemnitees for the costs of defense even if negligence is not found on the part of Provider. However, Provider shall not be obligated to indemnify Indemnitees from Claims arising from the sole negligence or willful misconduct of Indemnitees.

b. **Indemnification for Claims for Professional Liability Only:** As to Claims for professional liability only, Provider's obligation to defend Indemnitees (as set forth above) is limited to the extent to which its professional liability insurance policy will provide such defense costs.

c. Provider's obligation to indemnify, defend and hold harmless Indemnities shall expressly survive the expiration or early termination of this Agreement.

10. INSURANCE:

a. On or before the commencement of the terms of this Agreement, Provider shall furnish the City's Risk Manager with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with subsections 10A, B, C and D. Such certificates, which do not limit Provider's indemnification, shall also contain substantially the following statement:

"Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide ten (10) days' advance written notice to the City of Alameda. Attention: Risk Manager."

b. It is agreed that Provider shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to City and licensed to do insurance business in the State of California. Endorsements naming the City, its City Council, boards, commissions, officials, employees, and volunteers as additional insured shall be submitted with the insurance certificates.

A. COVERAGE:

Provider shall maintain the following insurance coverage:

(1) Workers' Compensation:

Statutory coverage as required by the State of California.

(2) Liability:

Commercial general liability coverage in the following minimum limits:

Bodily Injury: \$1,000,000 each occurrence
 \$2,000,000 aggregate - all other

Property Damage: \$1,000,000 each occurrence
 \$2,000,000 aggregate

If submitted, combined single limit policy with aggregate limits in the amounts of \$2,000,000 will be considered equivalent to the required minimum limits shown above.

(3) Automotive:

Comprehensive automobile liability coverage (any auto) in the following minimum limits:

Bodily injury: \$1,000,000 each occurrence
Property Damage: \$1,000,000 each occurrence

or

Combined Single Limit: \$2,000,000 each occurrence

(4) Professional Liability:

Professional liability insurance which includes coverage for the professional acts, errors and omissions of Provider in the following minimum limits:

\$1,000,000 each occurrence

B. SUBROGATION WAIVER:

Provider agrees that in the event of loss due to any of the perils for which it has agreed to provide comprehensive general and automotive liability insurance, Provider shall look solely to its insurance for recovery. Provider hereby grants to City, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Provider or City with respect to the services of Provider herein, a waiver of any right to subrogation which any such insurer of said Provider may acquire against City by virtue of the payment of any loss under such insurance.

C. FAILURE TO SECURE:

If Provider at any time during the term hereof should fail to secure or maintain the foregoing insurance, City shall be permitted to obtain such insurance in the Provider's name or as an agent of the Provider and shall be compensated by the Provider for the costs of the insurance

premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. ADDITIONAL INSURED:

City, its City Council, boards, commissions, officials, employees, and volunteers shall be named as an additional insured under all insurance coverages, except worker's compensation and professional liability insurance. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. SUFFICIENCY OF INSURANCE:

The insurance limits required by City are not represented as being sufficient to protect Provider. Provider is advised to consult Provider's insurance broker to determine adequate coverage for Provider.

11. CONFLICT OF INTEREST:

Provider warrants that it is not a conflict of interest for Provider to perform the services required by this Agreement. Provider may be required to fill out a conflict of interest form if the services provided under this Agreement requires Provider to make certain governmental decisions or serve in a staff capacity as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. PROHIBITION AGAINST TRANSFERS:

a. Provider shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of the City Manager, which consent shall not be unreasonably withheld. Provider shall submit a written request for consent to transfer to the City Manager at least thirty (30) days in advance of the desired transfer. The City Manager may consent or reject such request in his/her sole and absolute discretion. Any attempt to do so without said consent shall be null and void, and any assignee, sublessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money against the City under this Agreement may be assigned by Provider to a bank, trust company or other financial institution without prior written consent.

b. The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Provider, or of the interest of any general partner or joint venturer or syndicate member or cotenant, if Provider is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Provider, shall be construed as an assignment of this Agreement. Control means fifty percent or more of the voting power of the corporation.

13. APPROVAL OF SUB-PROVIDERS:

a. Only those persons and/or businesses whose names and resumes are attached to this Agreement shall be used in the performance of this Agreement. However, if after the start of this Agreement, Provider wishes to use sub-providers, at no additional costs to the City, then Provider shall submit a written request for consent to add sub-providers including the names of the sub-providers and the reasons for the request to the City Manager at least five (5) days in advance. The City Manager may consent or reject such requests in his/her sole and absolute discretion.

b. Each sub-provider shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance (as applicable) in reasonable conformity to the insurance carried by the Provider. In addition, any tasks or services performed by sub-providers shall be subject to each provision of this Agreement.

c. The requirements in this Section 13 shall not apply to persons who are merely providing materials, supplies, data or information which the Provider then analyzes and incorporates into its work product.

14. PERMITS AND LICENSES:

Provider, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, certificates and licenses, including a City Business License that may be required in connection with the performance of the services and tasks hereunder.

15. REPORTS:

a. Each and every report, draft, work product, map, record and other document produced, prepared or caused to be prepared by Provider pursuant to or in connection with this Agreement shall be the exclusive property of City.

b. No report, information or other data given to or prepared or assembled by Provider pursuant to this Agreement shall be made available to any individual or organization by Provider without prior approval of the City Manager or his/her designee.

c. Provider shall, at such time and in such form as City Manager or his/her designee may require, furnish reports concerning the status of services and tasks required under this Agreement.

16. RECORDS:

a. Provider shall maintain complete and accurate records with respect to the services, tasks, work, documents and data in sufficient detail to permit an evaluation of the Provider's performance under the Agreement, as well as maintain books and records related to sales, costs, expenses, receipts and other such information required by City that relate to the performance of the services and tasks under this Agreement (collectively the "**Records**").

b. All Records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Provider shall provide free access to the Records to the representatives of City or its designees during regular business hours upon

reasonable prior notice. The City has the right to examine and audit the Records, and to make copies or transcripts therefrom as necessary, and to allow inspection of all proceedings and activities related to this Agreement. Such Records, together with supporting documents, shall be kept separate from other documents and records and shall be maintained by Provider for a period of three (3) years after receipt of final payment.

c. If supplemental examination or audit of the Records is necessary due to concerns raised by City's preliminary examination or audit of records, and the City's supplemental examination or audit of the records discloses a failure to adhere to appropriate internal financial controls, or other breach of this Agreement or failure to act in good faith, then Provider shall reimburse the City for all reasonable costs and expenses associated with the supplemental examination or audit.

17. NOTICES:

a. All notices shall be in writing and delivered: (i) by hand; or (ii) sent by registered, express, or certified mail, with return receipt requested or with delivery confirmation requested from the U.S. postal service; or (iii) sent by overnight or same day courier service at the party's respective address listed in this Section.

b. Each notice shall be deemed to have been received on the earlier to occur of: (x) actual delivery or the date on which delivery is refused; or (y) three (3) days after notice is deposited in the U.S. mail or with a courier service in the manner described above (Sundays and City holidays excepted).

c. Either party may, at any time, change its notice address (other than to a post office box address) by giving the other party three (3) days prior written notice of the new address.

d. All notices, demands, requests, or approvals from Provider to City shall be addressed to City at:

City of Alameda
Finance Department
2263 Santa Clara Ave., Room 220
Alameda, CA 94501
ATTENTION: Finance Director
Ph: (510) 747-4881 / Fax: (510) 865-4045
Email: finance@alamedaca.gov

e. All notices, demands, requests, or approvals from City to Provider shall be addressed to Provider at:

MuniServices, LLC
7625 N. Palm Avenue, Suite 108
Fresno, CA 93711
ATTENTION: Contracts Department
Ph/Fax: 559.271.6852

18. SAFETY:

a. The Provider will be solely and completely responsible for conditions of all vehicles owned or operated by Provider, including the safety of all persons and property during performance of the services and tasks under this Agreement. This requirement will apply continuously and not be limited to normal working hours. In addition, Provider will comply with all safety provisions in conformance with U.S. Department of Labor Occupational Safety and Health Act, any equivalent state law, and all other applicable federal, state, county and local laws, ordinances, codes, and any regulations that may be detailed in other parts of the Agreement. Where any of these are in conflict, the more stringent requirements will be followed. The Provider's failure to thoroughly familiarize itself with the aforementioned safety provisions will not relieve it from compliance with the obligations and penalties set forth herein.

b. The Provider will immediately notify the City within 24 hours of any incident of death, serious personal injury or substantial property damage that occurs in connection with the performance of this Agreement. The Provider will promptly submit to the City a written report of all incidents that occur in connection with this Agreement. This report must include the following information: (i) name and address of injured or deceased person(s); (ii) name and address of Provider's employee(s) involved in the incident; (iii) name and address of Provider's liability insurance carrier; (iv) a detailed description of the incident; and (v) a police report.

19. TERMINATION:

a. In the event Provider fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Provider shall be deemed in default in the performance of this Agreement. If such default is not cured within ten (10) business days after receipt by Provider from City of written notice of default, specifying the nature of such default and the steps necessary to cure such default; City may thereafter immediately terminate the Agreement forthwith by giving to the Provider written notice thereof.

b. The foregoing notwithstanding, City shall have the option, at its sole discretion and without cause, of terminating this Agreement by giving thirty (30) days' prior written notice to Provider as provided herein.

c. Upon termination of this Agreement either for cause or for convenience, each party shall pay to the other party that portion of compensation specified in this Agreement that is earned and unpaid prior to the effective date of termination. The obligation of the parties under this Section 19.c. shall survive the expiration or early termination of this Agreement.

20. ATTORNEY'S FEES:

In the event of the bringing of any action or suit by a party hereto against the other party by reason of any breach of any covenants, conditions, obligation or provision arising out of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all of its costs and expenses of the action or suit, including reasonable attorneys' fees, experts' fees, all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For the purposes of this Agreement, reasonable fees of attorneys of the Alameda City Attorney shall be based on the fees

regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the Alameda City Attorney's services were rendered who practice in Alameda County in law firms with approximately the same number of attorneys as employed by the Alameda City Attorney's Office.

21. COMPLIANCE WITH ALL APPLICABLE LAWS:

During the Term of this Agreement, Provider shall keep fully informed of all existing and future state and federal laws and all municipal ordinances and regulations of the City of Alameda which affect the manner in which the services or tasks are to be performed by the Provider, as well as all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Provider shall comply with all applicable laws, state and federal and all ordinances, rules and regulations enacted or issued by City.

22. CONFLICT OF LAW:

This Agreement shall be interpreted under, and enforced by the laws of the State of California without regard to any choice of law rules which may direct the application of laws of another jurisdiction. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities.) Any suits brought pursuant to this Agreement shall be filed with the courts of the County of Alameda, State of California.

23. WAIVER:

A waiver by City of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

24. INTEGRATED CONTRACT:

The Recitals and Exhibits are a material part of this Agreement and are expressly incorporated herein. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both City and Provider.

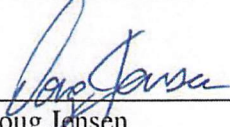
25. CAPTIONS:

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

Signatures on next page

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed on the day and year first above written.

MuniServices, LLC
A Delaware Limited Liability Company

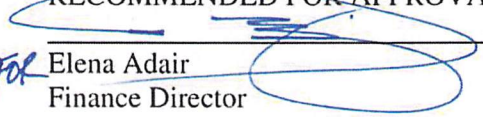


Doug Jensen
SVP Client Services

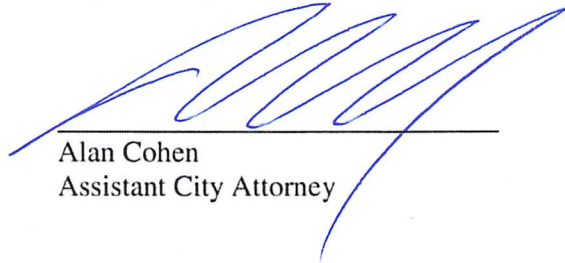
CITY OF ALAMEDA
A Municipal Corporation

Jill Keimach
City Manager

RECOMMENDED FOR APPROVAL


Fol Elena Adair
Finance Director

APPROVED AS TO FORM:
City Attorney



Alan Cohen
Assistant City Attorney

EXHIBIT A
SERVICES TO BE PERFORMED



Scope of Services

UUT Compliance, Administrative, and Revenue Protection Program

Program Objectives

An effective compliance program will assist the City in identifying and correcting errors/omissions causing revenue deficiencies, and thereby produce new or previously unrealized revenue for such participants. The Program's tax preservation services will protect the City's existing UUT revenues from erosion due to new legislation, new technologies, outdated ordinance language and inaccurate information. By offering these essential services through a comprehensive program, with widespread participation, there are the additional benefits of: i) achieving lower individual costs for such joint activities; and, ii) developing consensus-based decisions regarding ordinance interpretations and tax implementation that utility industries require of California public agencies.

MuniServices UUT Program, provides a broad range of compliance, administrative and protective services that will allow the City and other participating California public agencies to preserve, protect and enhance their UUT revenues focusing on these areas:

- Compliance
- Administrative
- Revenue Protection and Enhancement
- Ordinance Review, Administrative Rulings, and Tax Inquiries

The following utilities shall be covered under the Program: gas, electricity, telecommunications, and video (including CATV).

Overall Scope of Work

A. Compliance

1. UUT Tax Application Review: MuniServices will conduct a "focused" compliance review of the major service providers on behalf of one or more cities to assure that the provider's "tax application" matrix reflecting all of the provider's current products and service is being taxed properly, for the benefit of City and other client cities.
2. UUT Payment Review: Identification of possible gaps in payments, irregularities, calculation mistakes (*e.g.*, wrong tax rate), and other payment errors to the City, provided that the City provides MuniServices with regular UUT payment history. MuniServices will assist the City with the appropriate compliance correspondence and enforcement actions.
3. Comparative Analysis of UUT Payments: MuniServices will periodically perform a comparative analysis of a service provider's UUT payments to the City with other neighboring or comparable client cities, after adjusting for rate, population, and median household income. MuniServices will also perform a comparative analysis of the franchise and UUT payments for gas and electricity.



4. Detection:

- a. MuniServices will annually update its proprietary database of "new telecom service providers" and send out a PUC 799 notice letter to such new providers on City's behalf. The current list exceeds 1,500 providers.
- b. MuniServices will annually update its proprietary database of new "video service providers" and send out a notice letter to such new providers on City's behalf.
- c. MuniServices will annually review the SB 278 lists of the major gas and electric companies to identify new non-core gas and direct access electric customers, as well as new third party providers, and take appropriate steps to assure that the UUT is being applied to "commodity" purchases.

5. Exemption Review: MuniServices will periodically review the exemption lists of the major service providers regarding non-residential customers.

6. Optional City Specific Compliance Reviews: At City's option, MuniServices will offer "city specific" reviews on a performance fee or other negotiated basis, if the above activities or other factors (e.g., non-response by utility provider) would suggest that there is a reasonable need to do so.

B. Administrative

1. UUT Payment History: MuniServices will provide City, on a monthly or otherwise mutually agreed upon basis, with a spreadsheet reflecting the City's UUT payments by provider and utility category (based on remittance data provided by City to MuniServices).

2. Geocode Corrections: MuniServices will assist City and the utility service providers in correcting geocoding errors in response to taxpayer complaints.

3. UUT Website: Prepare and maintain an accurate copy of the City's UUT ordinance and its administrative rules and interpretations on the uutinfo.org website, including a link to the City's web page (if desired). Model forms for exemptions and remittances, administrative rulings, and other tax compliance documents will be maintained on the www.uutinfo.org website.

4. Revenue Forecasts and Management Reports: MuniServices will provide an annual report that outlines the year's activities in review, revenue forecasts, YTD Comparison charts and revenue generated from compliance activities. This report contains an analysis of UUT revenues and a five-year revenue forecast on each of the utility business segments (electric, gas, CATV, wired telecom, wireless telecom, etc.).

5. Tax Application and Geocode Inquiries: MuniServices will provide technical assistance to City staff, and provide timely analysis and draft responses to tax application inquiries from utility companies, and will assist in responding to citizens regarding their utility bills and the computation of the UUT. MuniServices will assist City and the utility service providers in correcting geocoding errors in response to taxpayer complaints.



C. Revenue Protection and Enhancement

1. Legislative Review Services: MuniServices will monitor proposed state and federal legislation to identify issues affecting the City's UUT or utility franchise revenues, and, make recommendations to client cities, their lobbyists, and other potential stakeholders or municipal advocates and otherwise assist in developing effective consensus positions and coordinated advocacy.
2. Compliance with AB 1717 (Prepaid wireless): MuniServices will assist the City in meeting the requirements of the new state law on the collection of the UUT, including establishing statutory eligibility and satisfying the requirements of the California State Board of Equalization ("BOE") per AB 1717.

AB 1717 (Ch. 885, Stat. 2014), the Prepaid Mobile Services Telephony Service Surcharge Collection Act ("AB 1717") was enacted with an effective date of January 1, 2015, and a collection date commencing January 1, 2016, and establishes a statewide method of collecting the City's UUT on prepaid wireless services;

AB 1717 imposes certain restrictions on third party consultants of the City who are designated and authorized by the City to examine certain BOE documents relating to the collection of the City's utility users tax on prepaid wireless services, as covered by AB 1717;

In order to satisfy the requirements of AB 1717, the parties agree:

- a) MuniServices is authorized to examine the BOE's records pertaining to the prepaid local charge (i.e., prepaid wireless UUT (collectively, the "Records") and to use such information only for purposes related to such collection;
 - b) MuniServices shall disclose information contained in or derived from, the Records only to an officer or employee of the City authorized by resolution to examine the information;
 - c) MuniServices shall not perform any consulting services for a "seller" (as defined in AB 1717) during the term of the Contract;
 - d) MuniServices shall not retain information contained in, or derived from, the Records after the Contract has expired;
 - e) MuniServices shall, to the same extent as the BOE, be subject to Revenue and Tax Code Section 55381, relating to unlawful disclosures;
3. Technology and Marketing Analysis. MuniServices will identify, monitor and anticipate changes in technology, services, or marketing of services, which may have an impact on future UUT revenues.
 4. Ordinance Update and Election Assistance: MuniServices will provide to the City Attorney periodic reviews and recommended updates to the UUT ordinance, administrative rulings to address new issues that may arise because of deregulation, litigation, changes in laws or regulations, the unbundling of traditional utility services, or the introduction of new technologies to provide utility services. Such recommendations will typically clarify or add procedural protections to the existing ordinance, and should not require a Proposition 218



election approval. If a major modernization of the ordinance is deemed necessary, with voter approval, MuniServices will assist the City with ordinance language, staff reports, revenue forecasts, draft ballot language, and will attend one City meeting at no additional cost.

5. Administrative Rulings: Under an updated UUT ordinance, the Tax Administrator has the authority to periodically issue administrative rulings as new tax application issues arise. MuniServices will assist City by timely identifying those issues, facilitating a thorough discussion among the client cities on an appropriate ruling, and then drafting a recommended ruling for your City's consideration.
6. Technology Reviews: MuniServices will continually research utility market information to identify potential taxable services delivered by new technologies and new providers.

D. MuniServices to Acquire its own Legal Services

In the course of providing the services to City described herein, MuniServices may require and obtain legal services from in house or outside legal counsel, which it will obtain at its own costs. MuniServices, however, shall not provide legal advice to the City; nor will it provide legal analysis or advice to citizens or service suppliers involving an interpretation or application of the City's UUT ordinance. Notwithstanding the foregoing, MuniServices will provide its technical assistance and expertise, upon request to the City Attorney, regarding an interpretation or application of the City's UUT ordinance.

City Assistance

MuniServices will need the City to provide the following:

1. A copy of the City's UUT Ordinance and any amendments thereto.
2. Letters requesting the exemption lists from the utility companies to be placed on City letterhead.
3. A Letter of Authorization for MuniServices to act on City's behalf. Place on City letterhead.
4. A sample remittance form to be provided to the utility companies.
5. Two SB278 letters requesting from utility companies to provide transportation list on City letterhead.

The City will provide MuniServices, on a timely basis, with information necessary to conduct its compliance review activities including but not limited to: monthly UUT payment histories, exemption lists, and SB 278 gas and electric lists (including names of customers refusing to pay surcharges), administrative rulings, and of any subsequent amendments to the UUT ordinance.



City-Specific Compliance Reviews (Optional)

In the course of performing the various UUT compliance activities, MuniServices may discover discrepancies or other evidence of possible significant non-compliance. MuniServices may thereupon advise the City that it may be prudent to conduct a city-specific compliance review of a particular service provider or taxpayer, or specific issue relating to such service provider or taxpayer. The City may authorize such city-specific compliance actions as provided in this Attachment C ("Optional City-Specific Compliance Actions") for utility user's tax purposes or in connection with a gas, electric, CATV, water, garbage franchise, etc., as follows:

City-Specific Overall Scope of Work

At any time during the term of this Agreement, with the prior mutual consent of the City and MuniServices, MuniServices may perform a city-specific audit of a particular utility provider related to UUT payments and/or Utility Franchise Fees (if applicable). The focus of the city-specific audit is the compliance of said utility provider with the City's UUT ordinance and/or Franchise Fee agreement. This service includes an actual request for, and review of the utility provider's books and records. The City and MuniServices shall discuss the parameters of the proposed city-specific audit and shall agree upon which of the following shall be included in the city-specific audit:

1. Documentation

- a. Submit Audit Notification Letter along with a Letter of Authorization (LOA) from the City.
- b. If necessary, attempt to obtain a waiver on the Statute of Limitations for the audit.
- c. Submit a Request for Information (RFI) outlining the information needed to complete the audit to the Provider(s). If necessary, the City may issue a subpoena to the Provider(s) to obtain the needed information to complete the audit.

2. Review and Analysis

- a. Review the work papers and supporting documentation used in the computation of the UUT and/or Franchise Fee payments.
- b. Compare the utility provider's payments, exclusions and other computations as related to the UUT and/or franchise agreement. Compare the actual payments made to the City for timeliness and accuracy.
- c. Review and analyze the provider's general ledger and financial statements. Compare and analyze the data for reasonableness, completeness and accuracy as related to the UUT and/or Franchise Fee.
- d. Review and analyze the Provider's major revenue accounts in detail to:
 - i. Determine revenues that are to be included or excluded from the UUT and/or Franchise Fee computations.
 - ii. Review the revenues excluded from the computations, if any.
 - iii. Determine whether exclusions are permitted by the City's ordinance and/or franchise agreement.
- e. Determine if a utility provider or any of its subsidiaries receives any revenues from customers or third-parties for the use of the utility provider's facilities located on the City's right-of-way authorized by the franchise agreement that are not included in the Franchise Fee calculation used to determine the payment to the City.
- f. Analyze the number of customers reported in the City by rate classification and obtain and review the utility provider's procedures to code new customers to the proper jurisdictions and the procedures used to address annexations.

**3. Exemption Review**

- a. Obtain and review the list of any exempted customers, if any, from the UUT and/or Franchise Fee computation.
- b. For a Cable TV provider's PEG Fees, if any, request the supporting documentation on the provider's payments to the City.
- c. The schedules should include a composition of the number of subscribers such as basic, non-standard and free subscribers, by month, for each of the calendar years included in the review period.

4. Geo-Code Review

- a. Sample test the geo-coding system by selecting customer accounts within the City boundaries and in the immediate vicinity to review if those accounts are properly coded as assessed. MuniServices will request that the utility provider provide the customer account information in an electronic format for all customers located in the City and surrounding areas.
- b. MuniServices will concentrate the sampling in problematic geographical areas, such as those that might overlap with a neighboring city or where multiple zip codes exist.
- c. MuniServices will also sample test heavily in the area of annexations to ensure that proper procedures are in place to identify and properly code these areas within the Franchisee's system.

5. Exit Interview

- a. Conduct an Exit Interview with the utility provider to review findings and obtain the provider's position on the issues identified during the review.
- b. Seek to obtain an agreement and/or payment of any amounts due to the City (to be sent directly to the City).

6. Reports

- a. Prepare a written report with findings that describe and explain the following:
 - i. Results of MuniServices' review
 - ii. Potential additional monies due to the City
 - iii. Provider's position of the issues
 - iv. Any applicable penalties and interest
- b. Provide any and all necessary schedules and supporting documents to assist the City in collecting any underpaid UUT and/or Franchise Fees.

City Assistance

MuniServices will need the City to provide the following:

1. Provide administrative subpoenas as needed for access to the books and records of the utility.
2. Provide a specific Letter of Authorization for MuniServices addressed to the specific utility for the specific audit.
3. Invoice the responsible party for tax deficiencies (plus interest and penalties if applicable) identified and confirmed by MuniServices within thirty (30) days following receipt of MuniServices detection report or correspondence.
4. Provide MuniServices with a copy of any settlement agreement with a taxpayer/tax collector within ten (10) days of entering into such agreement.
5. City agrees to view MuniServices as a revenue enhancement partner and allow MuniServices to assist the City in increasing compliance and increasing revenues.

**Notification**

Notify MuniServices within ten (10) days following receipt by the City of payments that are a direct result of MuniServices compliance and/or audit services (cash, installment, or other compensation directly benefitting the City) of such tax deficiencies, whether invoiced or not. Upon receipt of such notice, MuniServices will promptly invoice the City (if applicable).

City's Determination Final

Whenever the City Council or a City Officer is empowered under State or local ordinance to make a determination as to whether or not a tax assessed against a taxpayer is due, for purposes of this Agreement that determination shall be final and binding on the parties hereto. However, a City Officer's determination to waive a tax assessment shall not relieve the City of its obligation to pay MuniServices therefore.

EXHIBIT B
COMPENSATION TO PROVIDER



Compensation

UUT Compliance, Administrative, and Revenue Protection Program

The City's total annual fixed fee for participating in the Program will be the greater of six-tenths of one percent (0.6%) of the total actual UUT taxes received for the most recent fiscal year by the City (excluding UUT revenues derived from sewer, water, and trash), and a maximum cap of \$75,000 per calendar year.

Payment of Fee

The annual fee will be paid in four equal quarterly payments with due dates of: March 31, June 30, September 30, and December 31. Invoices for services rendered shall be in arrears (invoiced for the immediately preceding quarter). If the effective date of the Agreement is other than on an invoice date, the City will be invoiced for the first quarterly payment on the immediately following invoice date as set forth herein. The City will be invoiced and responsible for a prorated portion of the preceding quarter based on the effective date of the Agreement.

City-Specific Compliance Review Services (Optional)

With respect to a City-specific compliance review, MuniServices will be entitled to contingent fee compensation where MuniServices' compliance review activities result in the City receiving additional revenues from such City-specific compliance review activity. Accordingly, the City will pay MuniServices twenty-five percent (25%) of the additional revenues, including interest and penalties, that have resulted from its City-specific compliance review activities. MuniServices will seek to recover, or assist the City in recovering the revenue due the City from prior periods, if any, and MuniServices will receive 25% of any retroactive recovery. The term "additional revenues" includes the value of any other services, credits, property of every kind or nature, or other consideration received by the City in lieu of monetary payment.

Out-of-Pocket Expenses

MuniServices will absorb all expenses incurred by MuniServices in providing its services as described herein. These expenses include items such as employee salaries and benefits, insurance, airfare, auto rentals, meals, lodging, express mail, telephone, copying, directories, on-line resources, and other overhead and miscellaneous expenses.

Additional Consulting Services

The City may request that MuniServices provide additional consulting services at any time during term of the Agreement. If MuniServices and the City agree on the scope of the additional consulting services requested, then MuniServices shall provide the additional consulting services on a Time and Materials basis. Depending on the personnel assigned to perform the work, MuniServices' standard hourly rates range from \$75 per hour to \$200 per hour.

Depending on the personnel assigned to perform the work, MuniServices' standard hourly rates will apply. The following are sample hourly rates based on the job classification:



- Principal: \$200 per hour
- Project Manager: \$175 per hour
- Client Services: \$150 per hour
- Information Technology (IT) support: \$175 per hour
- Operational Support:
 - Director or Manager: \$175 per hour
 - Senior Analyst: \$125 per hour
 - Analyst: \$100 per hour
 - Administrative: \$75 per hour

These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

GOVERNMENT REVENUE SOLUTIONS HOLDINGS LLC
(Delaware Limited Liability Company)

EGOV SOLUTIONS, LLC
(Virginia Limited Liability Company)

**Written Consent of the Sole Manager of Government Revenue Solutions, LLC,
MuniServices, LLC, and eGov Solutions, LLC, and the Sole Member of Ram Ware, LLC**

Dated as of January 24, 2017

Pursuant to the Delaware Limited Liability Company Act and Virginia Limited Liability Company Act, the undersigned, Government Revenue Solutions Holdings LLC, a Delaware limited liability company ("GRS Holdings"), being the sole manager (the "Sole Manager") of Government Revenue Solutions, LLC, a Delaware limited liability company ("GRS Solutions"), MuniServices, LLC, a Delaware limited liability company ("GRS Muni"), and eGov Solutions, LLC, a Virginia limited liability company ("GRS eGov"), and GRS eGov, being the sole member (the "Sole Member") of Ram Ware, LLC ("Ram Ware") (GRS Solutions, GRS Muni, GRS eGov, and Ram Ware each, a "GRS Company" and together, the "GRS Companies"), hereby approve and consent to the following actions:

APPOINTMENT OF GRS COMPANY OFFICERS

RESOLVED, that the following officers of the GRS Companies be and they hereby are authorized and directed to take any and all actions, as they or any of them deem necessary or advisable in connection with the execution and delivery of any GRS Company client contracts or GRS Company client agreements, or proposals, renewals and/or amendments related to any GRS Company client contracts or GRS Company client agreements, including such actions related to the execution and delivery of any and all other ancillary agreements, affidavits, instruments, certificates and other documents as they or any of them deem appropriate in connection therewith:

Name	Title
Craig Adler	Chief Executive Officer
Lisa Broussard	Senior Vice President
Kennon Walthall	Senior Vice President
Douglas Jensen	Senior Vice President
Patrick Scott	Senior Vice President & Chief Technology Officer
Mike Melka	Chief Financial Officer and Assistant Secretary

APPOINTMENT OF RAM WARE OFFICER

RESOLVED, that the following officer of Ram Ware be and he hereby is authorized and directed to take any and all actions, as he deems necessary or advisable in connection with the

execution and delivery of any Ram Ware client contracts or Ram Ware client agreements, or proposals, renewals and/or amendments related to any Ram Ware client contracts or Ram Ware client agreements, including such actions related to the execution and delivery of any and all other ancillary agreements, affidavits, instruments, certificates and other documents as they or any of them deem appropriate in connection therewith:

Name

Title

Rick Mekdessie

President and Secretary

OMNIBUS RESOLUTIONS

RESOLVED, that the respective authorized officers of the GRS Companies and Ram Ware be, and hereby are, authorized, directed and empowered to make such filings and applications, to execute and deliver such agreements, certificates or other documents or instruments and to do or cause to be done such additional actions as may be deemed necessary or appropriate to carry out the purposes and intent of the above resolutions.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has signed this Written Consent as of the date first above written.

SOLE MANAGER OF GRS SOLUTIONS, GRS MUNI, AND GRS EGOV:

GOVERNMENT REVENUE SOLUTIONS HOLDINGS LLC

By: GRS HOLDINGS I LLC, its sole manager

By: 
Craig Adler, as Chief Executive Officer

SOLE MEMBER OF RAM WARE:

EGOV SOLUTIONS, LLC

By: GRS HOLDINGS LLC, its sole Manager

By: 
Craig Adler, as Chief Executive Officer



GOVEREV-01

DGUNTER

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/24/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Thompson Flanagan Executive Liability Group 626 W. Jackson Blvd. 5th Floor Chicago, IL 60661		CONTACT NAME: Daniel R. Gunter PHONE (A/C, No, Ext): (312) 239-2890 FAX (A/C, No): (312) 263-1551 E-MAIL ADDRESS: dgunter@thompsonflanagan.com	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: The Continental Insurance Company	
		INSURER B: Landmark American Insurance Company	
		INSURER C: Axis Insurance Company	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		6043362567	01/24/2017	01/24/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			6043362570	01/24/2017	01/24/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			6043362584	01/24/2017	01/24/2018	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	6043362536	01/24/2017	01/24/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Professional Liab.			LCY761747	01/24/2017	01/24/2018	Limit 5,000,000
C	Crime			MCN620510/01/2017	01/24/2017	01/24/2018	Limit 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Per the cancellation wording listed on this form, the policy provisions include at least 30 days' notice of cancellation except for non-payment of premium.

The City of Alameda, its City Council, Officers, Boards and Commissions and employees are named as additional insureds under the General Liability policy with respect to the operations and work performed by the named insured as required by contract.

CERTIFICATE HOLDER City of Alameda Attn: Risk Management 2263 Santa Clara Ave Alameda, CA 94501 <i>OK AML 7/6/17</i>	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Carbin S. Flanagan</i>
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**ADDITIONAL REMARKS SCHEDULE**Page 1 of 1

AGENCY Thompson Flanagan Executive Liability Group		NAMED INSURED Government Revenue Solutions Holdings LLC d/b/a MuniServices, LLC Attn: Ms. Patricia Dunn 7625 N Palm Ave., Ste 108 Fresno, CA 93711	
POLICY NUMBER SEE PAGE 1		EFFECTIVE DATE: SEE PAGE 1	
CARRIER SEE PAGE 1	NAIC CODE SEE P 1		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

California Workers Compensation

A separate policy number is applicable to California Workers' Compensation: 01-24-17. The same insurer (Continental Insurance Company) and effective date (01-24-17) are applicable. Policy number is WC643362553. Workers' Compensation limits are per state statute. Employer's Liability limits are as follows: Each Accident - \$1,000,000; Disease Each Employee - \$1,000,000; and Disease Policy Limit - \$1,000,000.



General Liability Extension Endorsement

1. ADDITIONAL INSUREDS

- a. **WHO IS AN INSURED** is amended to include as an **Insured** any person or organization described in paragraphs A. through K. below whom a **Named Insured** is required to add as an additional insured on this **Coverage Part** under a written contract or written agreement, provided such contract or agreement:

(1) is currently in effect or becomes effective during the term of this **Coverage Part**; and

(2) was executed prior to:

(a) the **bodily injury** or **property damage**; or

(b) the offense that caused the **personal and advertising injury**,

for which such additional insured seeks coverage.

- b. However, subject always to the terms and conditions of this policy, including the limits of insurance, the Insurer will not provide such additional insured with:

(1) a higher limit of insurance than required by such contract or agreement; or

(2) coverage broader than required by such contract or agreement, and in no event broader than that described by the applicable paragraph A. through K. below.

Any coverage granted by this endorsement shall apply only to the extent permissible by law.

A. Controlling Interest

Any person or organization with a controlling interest in a **Named Insured**, but only with respect to such person or organization's liability for **bodily injury**, **property damage** or **personal and advertising injury** arising out of:

1. such person or organization's financial control of a **Named Insured**; or

2. premises such person or organization owns, maintains or controls while a **Named Insured** leases or occupies such premises;

provided that the coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

B. Co-owner of Insured Premises

A co-owner of a premises co-owned by a **Named Insured** and covered under this insurance but only with respect to such co-owner's liability for **bodily injury**, **property damage** or **personal and advertising injury** as co-owner of such premises.

C. Grantor of Franchise

Any person or organization that has granted a franchise to a **Named Insured**, but only with respect to such person or organization's liability for **bodily injury**, **property damage** or **personal and advertising injury** as grantor of a franchise to the **Named Insured**.

D. Lessor of Equipment

Any person or organization from whom a **Named Insured** leases equipment, but only with respect to liability for **bodily injury**, **property damage** or **personal and advertising injury** caused, in whole or in part, by the **Named Insured's** maintenance, operation or use of such equipment, provided that the **occurrence** giving rise to such **bodily injury**, **property damage** or the offense giving rise to such **personal and advertising injury** takes place prior to the termination of such lease.



General Liability Extension Endorsement

E. Lessor of Land

Any person or organization from whom a **Named Insured** leases land but only with respect to liability for **bodily injury, property damage or personal and advertising injury** arising out of the ownership, maintenance or use of such land, provided that the **occurrence** giving rise to such **bodily injury or property damage**, or the offense giving rise to such **personal and advertising injury**, takes place prior to the termination of such lease. The coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

F. Lessor of Premises

An owner or lessor of premises leased to the **Named Insured**, or such owner or lessor's real estate manager, but only with respect to liability for **bodily injury, property damage or personal and advertising injury** arising out of the ownership, maintenance or use of such part of the premises leased to the **Named Insured**, and provided that the **occurrence** giving rise to such **bodily injury, property damage** or the offense giving rise to such **personal and advertising injury** takes place prior to the termination of such lease. The coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

G. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver of premises but only with respect to such mortgagee, assignee or receiver's liability for **bodily injury, property damage or personal and advertising injury** arising out of the **Named Insured's** ownership, maintenance, or use of a premises by a **Named Insured**.

The coverage granted by this paragraph does not apply to structural alterations, new construction or demolition operations performed by, on behalf of, or for such additional insured.

H. State or Governmental Agency or Subdivision or Political Subdivisions – Permits

A state or governmental agency or subdivision or political subdivision that has issued a permit or authorization, but only with respect to such state or governmental agency or subdivision or political subdivision's liability for **bodily injury, property damage or personal and advertising injury** arising out of:

1. the following hazards in connection with premises a **Named Insured** owns, rents, or controls and to which this insurance applies:
 - a. the existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - b. the construction, erection, or removal of elevators; or
 - c. the ownership, maintenance or use of any elevators covered by this insurance; or
2. the permitted or authorized operations performed by a **Named Insured** or on a **Named Insured's** behalf.

The coverage granted by this paragraph does not apply to:

 - a. **Bodily injury, property damage or personal and advertising injury** arising out of operations performed for the state or governmental agency or subdivision or political subdivision; or
 - b. **Bodily injury or property damage** included within the **products-completed operations hazard**.

With respect to this provision's requirement that additional insured status must be requested under a written contract or agreement, the Insurer will treat as a written contract any governmental permit that requires the **Named Insured** to add the governmental entity as an additional insured.





General Liability Extension Endorsement

I. Trade Show Event Lessor

1. With respect to a **Named Insured's** participation in a trade show event as an exhibitor, presenter or displayer, any person or organization whom the **Named Insured** is required to include as an additional insured, but only with respect to such person or organization's liability for **bodily injury, property damage or personal and advertising injury** caused by:
 - a. the **Named Insured's** acts or omissions; or
 - b. the acts or omissions of those acting on the **Named Insured's** behalf,in the performance of the **Named Insured's** ongoing operations at the trade show event premises during the trade show event.
2. The coverage granted by this paragraph does not apply to **bodily injury or property damage included within the products-completed operations hazard.**

J. Vendor

Any person or organization but only with respect to such person or organization's liability for **bodily injury or property damage** arising out of **your products** which are distributed or sold in the regular course of such person or organization's business, provided that:

1. The coverage granted by this paragraph does not apply to:
 - a. **bodily injury or property damage** for which such person or organization is obligated to pay **damages** by reason of the assumption of liability in a contract or agreement unless such liability exists in the absence of the contract or agreement;
 - b. any express warranty unauthorized by the **Named Insured**;
 - c. any physical or chemical change in any product made intentionally by such person or organization;
 - d. repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - e. any failure to make any inspections, adjustments, tests or servicing that such person or organization has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f. demonstration, installation, servicing or repair operations, except such operations performed at the such person or organization's premises in connection with the sale of a product;
 - g. products which, after distribution or sale by the **Named Insured**, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for such person or organization; or
 - h. **bodily injury or property damage** arising out of the sole negligence of such person or organization for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) the exceptions contained in Subparagraphs d. or f. above; or
 - (2) such inspections, adjustments, tests or servicing as such person or organization has agreed with the **Named Insured** to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This Paragraph J. does not apply to any insured person or organization, from whom the **Named Insured** has acquired such products, nor to any ingredient, part or container, entering into, accompanying or containing such products.



General Liability Extension Endorsement

3. This Paragraph J. also does not apply:

- a. to any vendor specifically scheduled as an additional insured by endorsement to this Coverage Part;
- b. to any of **your products** for which coverage is excluded by endorsement to this Coverage Part; nor
- c. if **bodily injury** or **property damage** included within the **products-completed operations hazard** is excluded by endorsement to this Coverage Part.

K. Other Person Or Organization

Any person or organization who is not an additional insured under Paragraphs A. through J. above. Such additional insured is an **Insured** solely for **bodily injury, property damage or personal and advertising injury** for which such additional insured is liable because of the **Named Insured's** acts or omissions.

The coverage granted by this paragraph does not apply to any person or organization:

1. for **bodily injury, property damage, or personal and advertising injury** arising out of the rendering or failure to render any professional service;
2. for **bodily injury or property damage** included within the **products-completed operations hazard**; nor
3. who is specifically scheduled as an additional insured on another endorsement to this Coverage Part.

2. ADDITIONAL INSURED - PRIMARY AND NON-CONTRIBUTORY TO ADDITIONAL INSURED'S INSURANCE

A. The **Other Insurance** Condition in the **COMMERCIAL GENERAL LIABILITY CONDITIONS** Section is amended to add the following paragraph:

If the **Named Insured** has agreed in writing in a contract or agreement that this insurance is primary and non-contributory relative to an additional insured's own insurance, then this insurance is primary, and the Insurer will not seek contribution from that other insurance. For the purpose of this Provision 2., the additional insured's own insurance means insurance on which the additional insured is a named insured.

B. With respect to persons or organizations that qualify as additional insureds pursuant to paragraph 1.K. of this endorsement, the following sentence is added to the paragraph above:

Otherwise, and notwithstanding anything to the contrary elsewhere in this Condition, the insurance provided to such person or organization is excess of any other insurance available to such person or organization.

3. BODILY INJURY – EXPANDED DEFINITION

Under **DEFINITIONS** the definition of **bodily injury** is deleted and replaced by the following:

Bodily injury means physical injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury sustained by that person at any time which results as a consequence of the physical injury, sickness or disease.

4. BROAD KNOWLEDGE OF OCCURRENCE/ NOTICE OF OCCURRENCE

Under **CONDITIONS**, the condition entitled **Duties in The Event of Occurrence, Offense, Claim or Suit** is amended to add the following:

A. BROAD KNOWLEDGE OF OCCURRENCE

The **Named Insured** must give the Insurer or the Insurer's authorized representative notice of an **occurrence, offense or claim** only when the **occurrence, offense or claim** is known to a natural person **Named Insured**, to a partner, executive officer, manager or member of a **Named Insured**, or to an **employee** designated by any of the above to give such notice.

B. NOTICE OF OCCURRENCE





General Liability Extension Endorsement

The **Named Insured's** rights under this **Coverage Part** will not be prejudiced if the **Named Insured** fails to give the Insurer notice of an **occurrence**, offense or **claim** and that failure is solely due to the **Named Insured's** reasonable belief that the **bodily injury** or **property damage** is not covered under this **Coverage Part**. However, the **Named Insured** shall give written notice of such **occurrence**, offense or **claim** to the Insurer as soon as the **Named Insured** is aware that this insurance may apply to such **occurrence**, offense or **claim**.

5. BROAD NAMED INSURED

WHO IS AN INSURED is amended to delete its Paragraph 3. in its entirety and replace it with the following:

3. Pursuant to the limitations described in Paragraph 4. below, any organization in which a **Named Insured** has management control:

- a. on the effective date of this **Coverage Part**; or
- b. by reason of a **Named Insured** creating or acquiring the organization during the **policy period**,

qualifies as a **Named Insured**, provided that there is no other similar liability insurance, whether primary, contributory, excess, contingent or otherwise, which provides coverage to such organization, or which would have provided coverage but for the exhaustion of its limit, and without regard to whether its coverage is broader or narrower than that provided by this insurance.

But this **BROAD NAMED INSURED** provision does not apply to:

- (a) any partnership, limited liability company or joint venture; or
- (b) any organization for which coverage is excluded by another endorsement attached to this **Coverage Part**.

For the purpose of this provision, management control means:

- A. owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of the Board of Directors of a corporation; or
 - B. having the right, pursuant to a written trust agreement, to protect, control the use of, encumber or transfer or sell property held by a trust.
4. With respect to organizations which qualify as **Named Insureds** by virtue of Paragraph 3. above, this insurance does not apply to:
- a. **bodily injury** or **property damage** that first occurred prior to the date of management control, or that first occurs after management control ceases; nor
 - b. **personal or advertising injury** caused by an offense that first occurred prior to the date of management control or that first occurs after management control ceases.
5. The insurance provided by this **Coverage Part** applies to **Named Insureds** when trading under their own names or under such other trading names or doing-business-as names (dba) as any **Named Insured** should choose to employ.

6. ESTATES, LEGAL REPRESENTATIVES, AND SPOUSES

The estates, heirs, legal representatives and **spouses** of any natural person **Insured** shall also be insured under this policy; provided, however, coverage is afforded to such estates, heirs, legal representatives, and **spouses** only for **claims** arising solely out of their capacity or status as such and, in the case of a **spouse**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such natural person **Insured** to such **spouse**. No coverage is provided for any act, error or omission of an estate, heir, legal representative, or **spouse** outside the scope of such person's capacity or status as such, provided however that the **spouse** of a natural person **Named Insured** and the **spouses** of members or partners of joint venture or partnership **Named Insureds** are **Insureds** with respect to such **spouses'** acts, errors or omissions in the conduct of the **Named Insured's** business.



General Liability Extension Endorsement

not be deemed to be damages for personal and advertising injury and will not reduce the limits of insurance.

- D. This **PERSONAL AND ADVERTISING INJURY - LIMITED CONTRACTUAL LIABILITY** Provision does not apply if **Coverage B –Personal and Advertising Injury Liability** is excluded by another endorsement attached to this **Coverage Part**.

17. PROPERTY DAMAGE – ELEVATORS

- A. Under **COVERAGES, Coverage A – Bodily Injury and Property Damage Liability**, the paragraph entitled **Exclusions** is amended such that the **Damage to Your Product** Exclusion and subparagraphs (3), (4) and (6) of the **Damage to Property** Exclusion do not apply to **property damage** that results from the use of elevators.
- B. Solely for the purpose of the coverage provided by this **PROPERTY DAMAGE – ELEVATORS** Provision, the **Other Insurance** conditions is amended to add the following paragraph:

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is Property insurance covering property of others damaged from the use of elevators.

18. SUPPLEMENTARY PAYMENTS

The section entitled **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** is amended as follows:

- A. Paragraph 1.b. is amended to delete the \$250 limit shown for the cost of bail bonds and replace it with a \$5,000. limit; and
- B. Paragraph 1.d. is amended to delete the limit of \$250 shown for daily loss of earnings and replace it with a \$1,000. limit.

19. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If the **Named Insured** unintentionally fails to disclose all existing hazards at the inception date of the **Named Insured's Coverage Part**, the Insurer will not deny coverage under this **Coverage Part** because of such failure.

20. WAIVER OF SUBROGATION - BLANKET

Under **CONDITIONS**, the **Transfer Of Rights Of Recovery Against Others To Us** Condition is amended to add the following:

The Insurer waives any right of recovery the Insurer may have against any person or organization because of payments the Insurer makes for injury or damage arising out of:

1. the **Named Insured's** ongoing operations; or
2. **your work** included in the **products-completed operations hazard**.

However, this waiver applies only when the **Named Insured** has agreed in writing to waive such rights of recovery in a written contract or written agreement, and only if such contract or agreement:

1. is in effect or becomes effective during the term of this **Coverage Part**; and
2. was executed prior to the **bodily injury, property damage or personal and advertising injury** giving rise to the claim.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

POLICY NUMBER
C 6043362570

INSURED NAME AND ADDRESS
GOVERNMENT REVENUE SOLUTIONS HOLDINGS LLC
190 N EVERGREEN AVE STE 205

WOODBURY, NJ 08096-1862

POLICY CHANGES

ENDORSEMENT EFFECTIVE 01/24/2017

This Change Endorsement changes the Policy. Please read it carefully.
This Change Endorsement is a part of your Policy and takes effect on the
effective date of your Policy, unless another effective date is shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED BLANKET

ANY PERSON OR ORGANIZATION THAT THE NAMED INSURED IS OBLIGATED TO
PROVIDE INSURANCE WHERE REQUIRED BY A WRITTEN CONTRACT OR AGREEMENT
IS AN INSURED, BUT ONLY WITH RESPECT TO LEGAL RESPONSIBILITY FOR
ACTS OR OMISSIONS OF A PERSON OR ORGANIZATION FOR WHOM LIABILITY
COVERAGE IS AFFORDED UNDER THIS POLICY.



Thomas F. Motamed
Chairman of the Board

Jonathan Kantor
Secretary

POLICY NUMBER
C 6043362570

INSURED NAME AND ADDRESS
GOVERNMENT REVENUE SOLUTIONS HOLDINGS LLC
190 N EVERGREEN AVE STE 205

WOODBURY, NJ 08096-1862

POLICY CHANGES

ENDORSEMENT EFFECTIVE 01/24/2017

This Change Endorsement changes the Policy. Please read it carefully. This Change Endorsement is a part of your Policy and takes effect on the effective date of your Policy, unless another effective date is shown.

It is agreed that the Waiver of Subrogation has been added
in favor of the following name(s):

Form #: CA0444 Title: WAIVER OF TRANSFER RIGHTS OF RECOVERY

Name: ALL PERSONS AND/OR ORGANIZATIONS THAT ARE REQUIRED BY WRITTEN
CONTACT OR AGREEMENT WITH THE INSURED, EXECUTED PRIOR TO THE
ACCIDENT OR LOSS, THAT WAIVER OF SUBROGATION BE PROVIDED UNDER
THIS POLICY.



Thomas F. Molamed
Chairman of the Board

Jonathan Kantor
Secretary



Workers Compensation And Employers Liability Insurance
Policy Endorsement

BLANKET WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS

This endorsement changes the policy to which it is attached.

It is agreed that **Part One - Workers' Compensation Insurance G. Recovery From Others** and **Part Two - Employers' Liability Insurance H. Recovery From Others** are amended by adding the following:

We will not enforce our right to recover against persons or organizations. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

PREMIUM CHARGE - Refer to the Schedule of Operations

The charge will be an amount to which you and we agree that is a percentage of the total standard premium for California exposure. The amount is 2%.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective Date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy unless another expiration date is shown below.

Form No: G-19160-B (11-1997)

Endorsement Effective Date:

Endorsement No: 2; Page: 1 of 1

Underwriting Company: American Casualty Company of Reading, Pennsylvania, 333 S Wabash Ave,
Chicago, IL 60604

Endorsement Expiration Date:

Policy No: WC 6 43362553

Policy Effective Date: 01/24/2017

Policy Page: 32 of 46