

## A G R E E M E N T

**THIS AGREEMENT** by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the “City”) and **ZONAR SYSTEMS, INC.**, a Washington corporation registered to do business in Colorado, whose address is 18200 Cascade Ave., Suite 200, Seattle, Washington 98188 (“Vendor” or “Zonar”).

**1. SERVICES TO BE PERFORMED, HARDWARE, SUPPORT AND MAINTENANCE TO BE PROVIDED:** Vendor, under the general direction of, and in coordination with, the City’s Department of Public Works or other designated supervisory personnel (the “Manager”) agrees to provide the hardware, services, maintenance and support described in attached **Exhibit B** (the “Statement of Work” or “SOW”).

**2. GRANT OF LICENSE; TERMS OF USE, RESTRICTIONS:**

**A. SEE EXHIBITS A and C** (Subscription Agreement)

**3. DELIVERY AND ACCEPTANCE:**

**A. N/A**

**B.** In the event that the services or products fail to perform to the City’s satisfaction within sixty days of activating the service the Vendor will refund to the City all fees paid, less shipping and installation labor, if any, by the City with respect to the rejected product.

**C.** If the City is not satisfied with the Vendor’s performance of the services described in the SOW, the City will so notify Vendor within thirty (30) days after Vendor’s performance thereof. Vendor will, at its own expense, re-perform the service within fifteen (15) days after receipt of City’s notice of deficiency. The foregoing procedure will be repeated until City accepts or finally rejects the service in its sole discretion. In the event that City finally rejects any service, Vendor will refund to City all fees paid by City with respect to such service, less shipping and installation labor.

**4. TERM:** The term of the Agreement is from October 1, 2013 through September 30, 2018.

**5. COMPENSATION AND PAYMENT:**

**A. Fee:** The fee for the items listed in Exhibit B is \$984,527.62 (the “Fee”). The Fee shall be paid pursuant to the City’s Prompt Payment Ordinance.

**B. Reimbursement Expenses:** The fees specified above include all expenses, and no other expenses shall be separately reimbursed hereunder.

**C. Invoicing:** Vendor must submit an invoice which shall include the City contract number, clear identification of the deliverable that has been completed, and other

information reasonably requested by the City. Payment on all uncontested amounts shall be made in accordance with the City's Prompt Payment Ordinance.

**D. Maximum Contract Liability:**

(i) Any other provision of this Agreement notwithstanding, in no event shall the City be liable for payment for services rendered and expenses incurred by Vendor under the terms of this Agreement for any amount in excess of the sum of **NINE HUNDRED EIGHTY FOUR THOUSAND FIVE HUNDRED TWENTY SEVEN DOLLARS AND SIXTY-TWO CENTS (\$984,527.62)**. Vendor acknowledges that any work performed by Vendor beyond that specifically authorized by the City is performed at Vendor's risk and without authorization under this Agreement. If City desires to equip additional vehicles, Vendor will provide hardware and service for such additional vehicles at equivalent prices. Any order submitted by the City for hardware and service for such additional vehicles using a Purchase Order will be deemed to be specifically authorized work.

(ii) It is understood and agreed that any payment obligation of the City hereunder, whether direct or contingent, shall extend only to funds appropriated by the Denver City Council for the purpose of this Agreement, encumbered for the purpose of the Agreement and paid into the Treasury of the City. Vendor acknowledges that (a) the City does not by this Agreement, irrevocably pledge present cash reserves for payments in future fiscal years, and (b) this Agreement is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City.

**6. STATUS OF VENDOR:** It is understood and agreed that the status of Vendor shall be that of an independent Vendor and a person retained on a contractual basis to perform professional or technical services for limited periods of time as described in Section 9.1.2(C) of the Charter of the City; and it is not intended, nor shall it be construed, that Vendor or its employees are employees or officers of the City under Chapter 18 of the Denver Revised Municipal Code or for any purpose whatsoever. Vendor agrees that during the term of this Agreement it shall fully coordinate all services that it has been directed to proceed upon and shall make every reasonable effort to fully coordinate all such services as directed by the Manager with any City agency, or any person or firm under contract with the City doing work which affects Vendor's work.

**7. TERMINATION:**

**A.** The City has the right to terminate this Agreement, with or without cause, on thirty (30) days written notice. However, nothing herein shall be construed as giving Vendor the right to perform services under this Agreement beyond the time when such services become unsatisfactory to the Manager.

**B.** If this Agreement is terminated by the City, Vendor shall be compensated for, and such compensation shall be limited to, (1) the sum of the amounts contained in invoices which it has submitted and which have been approved by the City; (2) the reasonable value to the City of the work which Vendor performed prior to the date of the termination notice, but which

had not yet been approved for payment; and (3) the cost of any work which the Manager approves in writing which he determines is needed to accomplish an orderly termination of the work. The City shall be entitled to an immediate prorated refund of any prepaid fees for services not provided as of the date of termination.

C. Upon termination of this Agreement by the City, Vendor shall have no claim of any kind whatsoever against the City by reason of such termination or by reason of any act incidental thereto, except for compensation for work satisfactorily performed as described herein.

**8. EXAMINATION OF RECORDS:** Vendor agrees that any duly authorized representative of the City, including the City Auditor, shall, until the expiration of three (3) years after the final payment under this Agreement, have access to and the right to examine any books, documents, papers and records of Vendor, involving transactions related to this Agreement. Such examination shall be limited to Vendor's normal business hours, at Vendor's premises, and upon reasonable prior notice to Vendor.

**9. WHEN RIGHTS AND REMEDIES NOT WAIVED:** In no event shall any action by either Party hereunder constitute or be construed to be a waiver by the other Party of any breach of covenant or default which may then exist on the part of the Party alleged to be in breach, and the non-breaching Party's action or inaction when any such breach or default shall exist shall not impair or prejudice any right or remedy available to that Party with respect to such breach or default; and no assent, expressed or implied, to any breach of any one or more covenants, provisions or conditions of the Agreement shall be deemed or taken to be a waiver of any other breach.

**10. INSURANCE:**

A. **General Conditions:** Vendor agrees to secure, at or before the time of execution of this Agreement, the following insurance covering all operations, goods or services provided pursuant to this Agreement. Vendor shall keep the required insurance coverage in force at all times during the term of the Agreement, or any extension thereof, during any warranty period, and for three (3) years after termination of the Agreement. The required insurance shall be underwritten by an insurer licensed or authorized to do business in Colorado and rated by A.M. Best Company as "A-"VIII or better. Each policy shall contain a valid provision or endorsement stating "Should any of the above-described policies be canceled or non-renewed before the expiration date thereof, the issuing company shall send written notice to Denver Risk Management, 201 West Colfax Avenue, Dept. 1105, Denver, Colorado 80202. Such written notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior." Additionally, Vendor shall provide written notice of cancellation, non-renewal and any reduction in coverage to the address above by certified mail, return receipt requested. If any policy is in excess of a deductible or self-insured retention, the City must be notified by the Vendor. Vendor shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the Vendor. The Vendor shall maintain, at its own expense,

any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement.

**B. Proof of Insurance:** Vendor shall provide a copy of this Agreement to its insurance agent or broker. Vendor may not commence services or work relating to the Agreement prior to placement of coverage. Vendor certifies that the certificate of insurance attached as **Exhibit D** preferably an ACORD certificate, complies with all insurance requirements of this Agreement. The City requests that the City's contract number be referenced on the Certificate. The City's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Agreement shall not act as a waiver of Vendor's breach of this Agreement or of any of the City's rights or remedies under this Agreement. The City's Risk Management Office may require additional proof of insurance, including but not limited to policies and endorsements.

**C. Additional Insureds:** For Commercial General Liability, Auto Liability and Excess Liability/Umbrella, Vendor and sub-contractor's insurer(s) shall name the City and County of Denver, its elected and appointed officials, employees and volunteers as additional insured.

**D. Waiver of Subrogation:** For all coverages, except worker's compensation and E&O, Vendor's insurer shall waive subrogation rights against the City.

**E. Subcontractors and Sub-consultants:** All subcontractors and sub-consultants (including independent Vendors, suppliers or other entities providing goods or services required by this Agreement) shall be subject to all of the requirements herein and shall procure and maintain the same coverages required of the Vendor. Vendor shall include all such subcontractors as additional insured under its policies (with the exception of Workers' Compensation) or shall ensure that all such subcontractors and sub-consultants maintain the required coverages. Vendor agrees to provide proof of insurance for all such subcontractors and sub-consultants upon request by the City. With respect to the subcontractor Vendor will use to install the Hardware in City vehicles, City agrees that the installation subcontractor will not be required to provide the specified Errors and Omissions coverage (see Section I, below), as such coverage is not applicable to the installation services being performed.

**F. Workers' Compensation/Employer's Liability Insurance:** Vendor shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits of \$100,000 per occurrence for each bodily injury claim, \$100,000 per occurrence for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims. Vendor expressly represents to the City, as a material representation upon which the City is relying in entering into this Agreement, that none of the Vendor's officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect such rejection during any part of the term of this Agreement, and that any such rejections previously effected, have been revoked as of the date Vendor executes this Agreement.

**G. Commercial General Liability:** Vendor shall maintain a Commercial General Liability insurance policy with limits of \$1,000,000 for each occurrence, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate.

**H. Business Automobile Liability:** Vendor shall maintain Business Automobile Liability with limits of \$1,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Agreement

**I. Technology Errors & Omissions:** Vendor shall maintain Technology Errors and Omissions insurance including network security, privacy liability and product failure coverage with limits of \$1,000,000 per occurrence and \$1,000,000 policy aggregate.

**J. Additional Provisions:**

(a) For Commercial General Liability and Excess Liability, the policies must provide the following:

- (i) That this Agreement is an Insured Contract under the policy;
- (ii) N/A;
- (iii) A severability of interests, separation of insureds or cross liability provision; and
- (iv) A provision that coverage is primary and non-contributory with other coverage or self-insurance maintained by the City.

(b) For claims-made coverage:

- (i) The retroactive date must be on or before the contract date or the first date when any goods or services were provided to the City, whichever is earlier

(c) Vendor shall advise the City in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the Vendor will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

**11. REPRESENTATION AND WARRANTY:** Vendor represents and warrants that:

**A.** The services and products will conform to applicable specifications, operate in substantial compliance with applicable documentation, and will be reasonably free from deficiencies and defects in materials, workmanship, design and/or performance;

**B.** all services will be performed by qualified personnel in a professional and workmanlike manner, consistent with industry standards;

C. all services will reasonably conform to applicable specifications and the Exhibits attached hereto;

D. it has the requisite ownership, rights and licenses to perform its obligations under this Agreement fully as contemplated hereby and to grant to the City all rights with respect to the software and services free and clear from any and all liens, adverse claims, encumbrances and interests of any third party;

E. there are no pending or threatened lawsuits, claims, disputes or actions: (i) alleging that any software or service infringes, violates or misappropriates any third party rights; or (ii) adversely affecting any software, service or supplier's ability to perform its obligations hereunder;

F. the Software will not violate, infringe, or misappropriate any patent, copyright, trademark, trade secret, or other intellectual property or proprietary right of any third party; and

G. the Software will contain no malicious or disabling code that is intended to damage, destroy or destructively alter software, hardware, systems or data.

Vendors indemnification obligations defined in detail below are the sole and exclusive remedy for any breach of the warranty defined in above in paragraphs D, E, and F.

## **12. DEFENSE AND INDEMNIFICATION:**

A. Vendor hereby agrees to defend, indemnify, and hold harmless City, its appointed and elected officials, agents and employees against all third party liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Agreement ("Claims"), where such liability arises from the Vendor or its subcontractor's negligent acts or omissions. This indemnity shall be interpreted in the broadest possible manner to indemnify City for any acts or omissions of Vendor or its sub-contractors either passive or active, irrespective of fault alleged in any claim, including City's concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of City. This indemnification obligation shall be limited in dollar amount to the extent of the insurance obligations under the Agreement plus three times the Maximum Contract Amount.

B. Vendor's duty to defend and indemnify City shall arise at the time written notice of the Claim is first provided to City regardless of whether Claimant has filed suit on the Claim. Vendor's duty to defend and indemnify City shall arise even if City is the only party sued by claimant and/or claimant alleges that City's negligence or willful misconduct was the sole cause of claimant's damages.

C. Vendor will defend any and all Claims which may be brought or threatened against City and will pay on behalf of City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such fees, costs and expenses shall be allocated in proportion to the determined liability of the Parties. Such

payments on behalf of City shall be in addition to any other legal remedies available to City and shall not be considered City's exclusive remedy.

**D.** Insurance coverage requirements specified in this Agreement shall in no way lessen or limit the liability of the Vendor under the terms of this indemnification obligation. The Vendor shall obtain, at its own expense, any additional insurance that it deems necessary for the City's protection.

**E.** This defense and indemnification obligation shall survive the expiration or termination of this Agreement.

**F.** Vendor will, at Vendor's expense, indemnify, defend and hold harmless the City, its officers, agents and employees from and against any loss, cost, expense or liability (including but not limited to attorney's fees and awarded damages) arising out of a claim that the Software, services, or their use by the City, infringe, violate or misappropriate a patent, copyright, trademark, trade secret or other intellectual property or proprietary right of any third party. The City will promptly notify Vendor in writing of any claim and cooperate with Vendor and its legal counsel in the defense thereof. Vendor may in its discretion (i) contest, (ii) settle, (iii) procure for the City the right to continue using the Software, or (iv) modify or replace the infringing Software so that it no longer infringes (as long as the functionality and performance are not degraded as reasonably determined by the City). The City may participate in the defense of such action at its own expense. If Vendor concludes in its reasonable judgment that none of the foregoing options are commercially reasonable, then Vendor will refund a pro rata portion (based on a 5 year straight line depreciation running from City's final acceptance of the Software) of the Software license fee(s) paid by the City under this Agreement and reimburse the City for all reasonable expenses for removal and replacement of the Software.

**13. COLORADO GOVERNMENTAL IMMUNITY ACT:** The parties hereto understand and agree that the City is relying upon, and has not waived, the monetary limitations and all other rights, immunities and protection provided by the Colorado Governmental Act, § 24-10-101, et seq., C.R.S. (2003).

**14. TAXES, CHARGES AND PENALTIES:** The City shall not be liable for the payment of taxes, late charges or penalties of any nature other than the compensation stated herein, except for any additional amounts which the City may be required to pay under D.R.M.C. § 20-107 to § 20-115.

**15. ASSIGNMENT:** Vendor covenants and agrees that it will not assign or transfer its rights hereunder without first obtaining the written consent of the Manager. Any attempts by Vendor to assign or transfer its rights hereunder without such prior written consent of the Manager shall, at the option of said Manager, automatically terminate this Agreement and all rights of Vendor hereunder. Such consent may be granted or denied at the sole and absolute discretion of said Manager. A change in control of Vendor shall not constitute an assignment hereunder.

**16. NO THIRD PARTY BENEFICIARY:** It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the City and Vendor, and nothing contained in

this Agreement shall give or allow any such claim or right of action by any other or third person on such Agreements. It is the express intention of the City and Vendor that any person other than the City or Vendor receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

**17. NO AUTHORITY TO BIND CITY TO CONTRACTS:** Vendor has no authority to bind the City on any contractual matters. Final approval of all contractual matters which obligate the City must be by the City, as required by Charter and ordinance.

**18. AGREEMENT AS COMPLETE INTEGRATION-AMENDMENTS:** This Agreement, including the exhibit attached hereto (each of which is specifically incorporated herein) is intended as the complete integration of all understandings between the parties. No prior contemporaneous or subsequent addition, deletion, or other amendment hereto shall have any force or effect, unless embodied herein in writing, and executed in the same manner as this Agreement.

**19. SEVERABILITY:** The parties agree that if any provision of this Agreement or any portion thereof is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity of the remaining portions or provisions shall not be affected.

**20. CONFLICT OF INTEREST:**

**A.** The parties agree that no employee of the City shall have any personal or beneficial interest whatsoever in the services or property described herein; and Vendor further agrees not to hire or contract for services any employee or officer of the City which would be in violation of the Denver Revised Municipal Code, Chapter 2, Article IV, Code of Ethics, or Denver City Charter §§ 1.2.8, 1.2.9, and 1.2.12.

**B.** Vendor agrees that it will not engage in any transaction, activity or conduct which would result in a conflict of interest under this Agreement. Vendor represents that it has disclosed any and all current or potential conflicts of interest. A conflict of interest shall include transactions, activities or conduct that would affect the judgment, actions or work of Vendor by placing Vendor's own interests, or the interests of any party with whom Vendor has a contractual arrangement, in conflict with those of the City. The City, in its sole discretion, shall determine the existence of a conflict of interest and may terminate this Agreement in the event such a conflict exists after it has given Vendor written notice which describes the conflict. Vendor shall have thirty (30) days after the notice is received to eliminate or cure the conflict of interest in a manner which is acceptable to the City.

**21.** All notices required by the terms of the Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Contractor at the address first above written, and if to the City at:

Manger of Public Works  
201 West Colfax Avenue, 3<sup>rd</sup> Floor



Denver, Colorado 80202

With a copy of any such notice to:

Denver City Attorney's Office  
1437 Bannock St., Room 353  
Denver, Colorado 80202

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

**22. DISPUTES:** All disputes of whatever nature between the City and Vendor regarding this Agreement shall be resolved by administrative hearings pursuant to the procedure established by Denver Revised Municipal Code, § 56-106(b), et seq. For the purposes of that procedure, the City official rendering a final determination shall be the City representative identified in Paragraph 1 hereof.

**23. GOVERNING LAW; VENUE:** This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado, the Charter and Revised Municipal Code of the City and County of Denver, and the ordinances, regulations and Executive Orders enacted and/or promulgated pursuant thereto, including any amendments. The Charter and Revised Municipal Code of the City and County of Denver, as the same may be amended from time to time, are hereby expressly incorporated into this Agreement as if fully set out herein by this reference. Venue for any legal action relating to this Agreement shall lie in the District Court in and for the City and County of Denver. However, no amended or new regulation that materially changes Vendor's obligations will apply.

**24. NO DISCRIMINATION IN EMPLOYMENT:** In connection with the performance of work under this Agreement, Vendor agrees not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and Vendor further agrees to insert the foregoing provision in all subcontracts hereunder.

**25. USE, POSSESSION OR SALE OF ALCOHOL OR DRUGS:** Vendor shall cooperate and comply with the provisions of Executive Order 94 and Attachment A thereto concerning the use, possession or sale of alcohol or drugs. Violation of these provisions or refusal to cooperate with implementation of the policy can result in the City barring Vendor from City facilities or participating in City operations.

**26. CONFIDENTIAL INFORMATION; OPEN RECORDS:**

**A. City Information:** Vendor acknowledges and accepts that, in performance of all work under the terms of this Agreement, Vendor may have access to Proprietary Data or confidential information that may be owned or controlled by the City, and

that the disclosure of such Proprietary Data or information may be damaging to the City or third parties. Vendor agrees that all Proprietary Data, confidential information or any other data or information provided or otherwise disclosed by the City to Vendor shall be held in confidence and used only in the performance of its obligations under this Agreement. Vendor shall exercise the same standard of care to protect such Proprietary Data and information as a reasonably prudent Vendor would to protect its own proprietary or confidential data. "Proprietary Data" shall mean any materials or information which may be designated or marked "Proprietary" or "Confidential", or which would not be documents subject to disclosure pursuant to the Colorado Open Records Act or City ordinance, and provided or made available to Vendor by the City. Such Proprietary Data may be in hardcopy, printed, digital or electronic format.

**B. Use and protection of Proprietary Data or Confidential Information:**

(i) Except as expressly provided by the terms of this Agreement, Vendor agrees that it shall not disseminate, transmit, license, sublicense, assign, lease, release, publish, post on the internet, transfer, sell, permit access to, distribute, allow interactive rights to, or otherwise make available any data, including Proprietary Data or confidential information or any part thereof to any other person, party or entity in any form of media for any purpose other than performing its obligations under this Agreement. Vendor further acknowledges that by providing data, Proprietary Data or confidential information, the City is not granting to Vendor any right or license to use such data except as provided in this Agreement. Vendor further agrees not to disclose or distribute to any other party, in whole or in part, the data, Proprietary Data or confidential information without written authorization from the Manager and will immediately notify the City if any information of the City is requested from the Vendor from a third party. Notwithstanding the above, the Vendor retains the right to collect data regarding City's use of Vendor's software and analyze, use and disclose such data in an aggregated format ("Aggregated User Data") for Vendor's business purposes; provided such Aggregated User Data does not uniquely identify the City.

(ii) Vendor agrees, with respect to the Proprietary Data and confidential information, that: (1) Vendor shall not copy, recreate, reverse engineer or decompile such data, in whole or in part, unless authorized in writing by the Manager; (2) Vendor shall retain no copies, recreations, compilations, or decompilations, in whole or in part, of such data; and (3) Vendor shall, upon the expiration or earlier termination of the Agreement, destroy (and, in writing, certify destruction) or return all such data or work products incorporating such data or information to the City.

(iii) Vendor shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all electronically maintained or transmitted data received from, or on behalf of City. It is the responsibility of the Vendor to ensure that all possible measures have been taken to secure the computers or any other storage devices used for City data. This includes industry accepted firewalls, up-to-date anti-virus software, controlled access to the physical location of the hardware itself.

**C. Employees and Sub-Contractor:** Vendor will inform its employees and officers of the obligations under this Agreement, and all requirements and obligations of Vendor under this Agreement shall survive the expiration or earlier termination of this Agreement. Vendor shall not disclose Proprietary Data or confidential information to subcontractors unless such subcontractors are bound by non-disclosure and confidentiality provisions at least as strict as those contained in this Agreement.

**D. Disclaimer:** Notwithstanding any other provision of this Agreement, the City is furnishing Proprietary Data and confidential information on an “as is” basis, without any support whatsoever, and without representation, warranty or guarantee, including but not in any manner limited to, fitness, merchantability or the accuracy and completeness of the Proprietary Data or confidential information. Vendor is hereby advised to verify its work. The City assumes no liability for any errors or omissions herein. Specifically, the City is not responsible for any costs including, but not limited to, those incurred as a result of lost revenues, loss of use of data, the costs of recovering such programs or data, the cost of any substitute program, claims by third parties, or for similar costs. If discrepancies are found, Vendor agrees to contact the City immediately.

**E. Vendor’s Information:** The City shall endeavor, to the extent provided by law, to comply with the confidentiality provisions set out in the End User License Agreement, provided, however, that The City understands and agrees that the Vendor software and documentation including, but not limited to, the Source Code, Object Code, the Interface Requirements Document(s) Acceptance Test Procedures, the Statement of Work, the software design, structure and organization, software screens, the user interface and the engineering know-how implemented in the software (collectively “Vendor Confidential Information”) constitute the valuable properties and trade secrets of Vendor, embodying substantial creative efforts which are secret, confidential, and not generally known by the public, and which secure to Vendor a competitive advantage. The City agrees during the term of this Agreement and the license granted hereunder, and thereafter, to hold the Vendor Confidential Information including any copies thereof and any documentation related thereto, in strict confidence and to not permit any person or entity to obtain access to it except as required for the City’s exercise of the license rights granted hereunder, and except as required by the parties understand that all the material provided or produced under this Agreement may be subject to the Colorado Open Records Act., § 24-72-201, et seq., C.R.S. (2003). In the event of a request to the City for disclosure of such information, the City shall advise Vendor of such request in order to give Vendor the opportunity to object to the disclosure of any of its documents which it marked as proprietary or confidential material. In the event of the filing of a lawsuit to compel such disclosure, the City will tender all such material to the court for judicial determination of the issue of disclosure and Vendor agrees to intervene in such lawsuit to protect and assert its claims of privilege against disclosure of such material or waive the same. Vendor further agrees to defend, indemnify and save and hold harmless the City, its officers, agents and employees, from any claim, damages, expense, loss or costs arising out of Vendor’s intervention to protect and assert its claim of privilege against disclosure under this Article including but not limited to, prompt reimbursement to the City of all reasonable attorney fees, costs and damages that the City may incur directly or may be ordered to pay by such court.

**27. LEGAL AUTHORITY:**

A. Vendor assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken to enter into this Agreement.

B. The person signing and executing this Agreement on behalf of Vendor does hereby warrant and guarantee that he has been fully authorized by Vendor to execute this Agreement on behalf of Vendor and to validly and legally bind Vendor to all the terms, performances and provisions herein set forth.

C. The City shall have the right, at its option, to either temporarily suspend or permanently terminate this Agreement, if there is a dispute as to the legal authority of either Vendor or the person signing the Agreement to enter into this Agreement.

**28. NO CONSTRUCTION AGAINST DRAFTING PARTY:** Each of the Parties acknowledge that they and their respective counsel have had the opportunity to review this Agreement, and that this Agreement shall not be construed against any party merely because this Agreement or any of its provisions have been prepared by a particular party.

**29. ORDER OF PRECEDENCE:** In the event of any conflicts between the language of the Agreement and the exhibits, the language of the Agreement controls.

**30. SURVIVAL OF CERTAIN PROVISIONS:** The parties understand and agree that all terms and conditions of this Agreement together with the exhibits and attachments hereto which, by reasonable implication, contemplate continued performance or compliance beyond the termination of this Agreement (by expiration of the term or otherwise) shall survive such termination and shall continue to be enforceable as provided herein. Without limiting the generality of the foregoing, the Vendor's obligations for the provision of insurance and to indemnify the City shall survive for a period equal to any and all relevant statutes of limitation, plus the time necessary to fully resolve any claims, matters, or actions begun within that period.

**31. INUREMENT:** The rights and obligations of the parties herein set forth shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns permitted under this Agreement.

**32. TIME IS OF THE ESSENCE:** The parties agree that in the performance of the terms, conditions, and requirements of this Agreement, time is of the essence.

**33. FORCE MAJEURE:** Neither party shall be responsible for failure to fulfill its obligations hereunder or liable for damages resulting from delay in performance as a result of war, fire, strike, riot or insurrection, natural disaster, unreasonable delay of carriers, governmental order or regulation, complete or partial shutdown of plant, unreasonable unavailability of equipment or software from suppliers, default of a subcontractor or vendor (if such default arises out of causes beyond their reasonable control), the actions or omissions of the other party or its officers, directors, employees, agents, Vendors or elected officials and/or other substantially similar occurrences

beyond the party's reasonable control ("Excusable Delay") herein. In the event of any such Excusable Delay, time for performance shall be extended for a period of time as may be reasonably necessary to compensate for such delay.

**34. PARAGRAPH HEADINGS:** The captions and headings set forth herein are for convenience of reference only, and shall not be construed so as to define or limit the terms and provisions hereof.

**35. CITY EXECUTION OF AGREEMENT:** This Agreement is expressly subject to and shall not be or become effective or binding on the City until it has been fully executed by all signatories of the City and County of Denver.

**36. COUNTERPARTS OF THIS AGREEMENT:** This Agreement may be executed in counterparts, each of which shall be deemed to be an original of this Agreement.

**37. ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS:** Vendor consents to the use of electronic signatures by the City. The Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of the Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of the Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

**38. OWNERSHIP OF DATA:** Vendor acknowledges the City's ownership of the data to be installed upon the Vendor's System. During the Agreement term, Vendor will provide City with access and training so the City can export some or all of the City's data for archival purposes of for use with other software. Migration of the data will be the responsibility of the City. Vendor will be available throughout the Agreement to answer questions about data schema, transformations, and other elements required to fully understand and utilize City's data file. Vendor will store data on Vendor's server for a rolling 12 months, should City want to archive such data the City will need to export that data after 12 months.

**EXHIBIT A**  
**ZONAR TERMS OF USE**

**1. DEFINITIONS.**

(a) The term “Hardware” encompasses any of: the Zonar 2010<sup>TM</sup> (EVIR<sup>TM</sup>) handheld, the 2010<sup>TM</sup> handheld vehicle mount (GPS VM), zone/asset/driver RFID tags, K12<sup>TM</sup> GPS device, V2<sup>TM</sup> GPS device, V2J<sup>TM</sup> GPS vehicle diagnostics device, VTECU<sup>TM</sup> GPS vehicle diagnostics device, V2/V2J antennas/cables & mounting bracket, Zpass<sup>TM</sup> RFID reader, Zpass<sup>TM</sup> interface box/mounts & cables, DataTrac<sup>TM</sup> RFID hub odometer, Reader Download Station (RDS), EVIRCOM<sup>TM</sup> modem, and other devices identified in a Zonar provided Quotation or Zonar provided materials.

(b) “Intellectual Property” means copyrights, trademarks and service marks (whether registered or unregistered), trade secrets, patents, patent applications, contract rights, know-how and other proprietary rights.

(c) “Software” means the firmware in the Hardware, the Ground Traffic Control<sup>TM</sup> (GTC<sup>TM</sup>) web based application, the Zonar Intelligent Navigation & Guidance (ZING<sup>TM</sup>) messaging & dispatch application, the ZTIP<sup>TM</sup> time & attendance application, the ZAlert<sup>TM</sup> missed inspection application, the RedBoard<sup>TM</sup> missed inspection application, the Zpass<sup>TM</sup> client side student tracking program, the ZonarCom<sup>TM</sup> client side program to transmit EVIR<sup>TM</sup> inspection reports to GTC<sup>TM</sup>, and any other software associated with Zonar Products (Hardware or Software), including the associated computer code.

(d) “Data” means all subscriber generated data including Electronic Vehicle Inspection Report (EVIR<sup>TM</sup>) related data, Telematics related data, ZPass<sup>TM</sup> data, ZING<sup>TM</sup> messaging and routing related data, and J3<sup>TM</sup> related data.

(e) “Subscriber Materials” means the materials designated as such and provided by Zonar to Subscriber regarding use of the Zonar Products (Hardware or Software), including but not limited to GTC<sup>TM</sup>, Zonar’s web based application for accessing subscriber Data.

(f) “Subscription Fee” means the annual service fee for the right to access and use Zonar Products (Hardware or Software) as set forth in your Zonar provided Quotation/Purchase Order.

(g) “Terms of Use” shall mean all rules, terms and conditions set forth in this Agreement or otherwise established now or hereafter by Zonar regarding permissible or impermissible uses of, or activities related to Zonar Products (Hardware or Software).

**2. SUBSCRIBER OBLIGATIONS.**

(a) Computer related obligations:

- (i) Internet access to Zonar’s web based applications through an Internet service provider;
- (ii) hardware and software to enable such connection, and
- (iii) any permissions or authorizations required for such connection.

(b) Subscriber is responsible for ensuring that only authorized persons have access to Zonar’s web based applications and for the security of Subscriber’s computer system and the connection to Zonar’s web based applications, without limitation:

(i) ensuring that Subscriber’s password and all other means and methods of access to Zonar’s web based applications are kept absolutely confidential and that all Users and Drivers comply with the terms of the ID Agreements;

(ii) ensuring that any telephone numbers or any information relating to Zonar’s web based applications, the security of Zonar’s web based applications, the encryption methods used and all or any other security features are kept absolutely confidential; and

(iii) ensuring that the use of the Zonar's web based applications by Subscriber is under the control and authority of a proper and adequately trained employee.

(c) Subscriber will install, use, maintain and remove the Hardware according to Zonar's specifications, will safeguard the Hardware from loss or damage of any kind, and will not permit anyone other than an authorized representative of Zonar to perform any work on the Hardware. Except for ordinary wear and tear covered by the limited warranty, Subscriber is responsible for all Hardware damaged, destroyed, lost or stolen while in Subscriber's possession and shall be liable for the cost of repair or replacement of the Hardware and remain responsible for the Subscription Fee during any such repair or replacement period.

(d) If Subscriber is not the owner of the property upon which Hardware and Software are to be installed, Subscriber shall obtain the written consent of the owner of the premises and/or property for Zonar personnel and/or its agents to enter the premises for the purposes of installing, maintaining and retrieving the same.

### **3. DATA STORAGE.**

Subscriber understands that unless Subscriber purchases data retention services, Zonar will have the right to purge all data submitted by Subscriber as follows:

(a) Purged on a 90 or 365 day rolling schedule – As elected by Subscriber in Subscription Agreement.

(b) Unless Subscriber has made other arrangements in writing with Zonar, all data submitted using Zonar's web based applications may be purged as provided above. The Subscriber must reaffirm this request annually during the renewal process.

(c) Subscriber shall be solely responsible for printing data and inspection reports for vehicles involved in an accident. Subscriber understands and agrees that Zonar is not required to retain records except as provided in Paragraph 3a/3b or in a separate written agreement.

### **4. WIRELESS DATA POLICIES.**

(a) Subscriber understands and agrees that Subscriber has no contractual relationship with a wireless carrier and Subscriber is not a third-party beneficiary of any agreement between Zonar or a Zonar Agent and a wireless carrier. Subscriber understands and agrees that the underlying wireless carrier shall have no legal, equitable or other liability of any kind to Subscriber.

(b) Subject to FCC Number portability rules, Subscriber has no property or other rights in any Number assigned to it and Subscriber understands that any such Number can be changed from time to time.

(c) Subscriber agrees that Zonar and/or wireless carrier shall not be responsible for interruption of service for any reason or the inability to use the service caused by Force Majeure.

(d) Subscriber understands and agrees that the liability and obligation of Zonar to Subscriber for services may be controlled and limited by a wireless carrier's tariff, if any, and the laws, rules and regulations of the Federal Communications Commission and other United States or foreign governmental authorities which from time to time have jurisdiction.

(e) In no event shall Zonar and/or wireless carrier be liable for the failure or incompatibility of any equipment utilized by Subscriber in connection with the Service.

### **5. OWNERSHIP.**

(a) Subscriber grants Zonar the right to use all data submitted to Zonar's web based applications for any and all purposes, including to purge such data as provided in Section 3 and to create compilations of such data as long as Zonar will not identify the data source as being from the Subscriber nor portray the data in such a manner as to identify the Subscriber. Subscriber agrees that Zonar shall own all compilations of the data created by or for Zonar.

(b) Certain ones of Zonar Products (Hardware and Software) and components thereof provided by Zonar for the Subscriber's use are protected by patent, copyright, trade secret, trademark, international treaties, and/or other laws. Subscriber agrees that Zonar owns all proprietary rights in Zonar Products

(Hardware or Software) and any corrections, enhancements, updates or other modifications, including custom modifications, thereto, whether made by Zonar or any third party.

(c) At all times during and after the termination or expiration of this Agreement, Subscriber and its employees and agents shall maintain the confidentiality of trade secret information. Subscriber shall not disclose any such proprietary information concerning Zonar Products (Hardware and Software), including any flow charts, logic diagrams, user manuals and screens, to persons not an employee of Subscriber without the prior written consent of Zonar.

## **6. SUBSCRIBER POLICIES.**

Subscriber understands that Zonar's web based applications record data submitted by the Operator regarding the time, date, location, type of inspection, equipment inspected, and the inspector. Zonar's web based applications do not verify that an inspection has actually been conducted or the results. Zonar SPECIFICALLY DISCLAIMS ANY AND ALL LIABILITY WITH RESPECT TO INSPECTIONS CONDUCTED BY OR FOR SUBSCRIBER.

## **7. WAIVER.**

Failure by Zonar to enforce any of its rights hereunder shall not constitute a waiver of any such rights. No waiver by either party of any breach or default shall be deemed to be a waiver of any preceding or subsequent breach or default.

## GRANT OF LICENSE.

The Software Products are licensed, not sold. This EULA grants Licensee the following rights:

DEFINITIONS: The following capitalized terms shall have the meanings ascribed to them below:

- "Agreement" means this document, including the Terms of Use and EULA, which together form a single agreement.
- "Data" means any and all files, information, data or other content generated by Customer that is collected and stored in Zonar's systems in connection with its delivery of the Services. Data does not include information that Zonar collects for relationship management purposes, such as contact, billing, customer relationship management, service delivery, performance measuring, and compliance monitoring or Aggregated User Data (defined below).
- "Hardware" means any equipment provided by Zonar or its agents to Customer under this Services Agreement.
- "Parties" means Zonar and Customer. "Party" means either of Zonar or Customer, as applicable.
- "Services" means Zonar Offerings including one or more of automated data collection from enrolled vehicles (such data includes one or more of time card data, inspection data, location data, diagnostic data, idle data, and/or driver behavior data); automated data transmission from enrolled vehicles to a secured hosted data center; monthly storage of collected data; automated exception based analysis of the data; online access to the hosted data; online access to the hosted fleet analytics software; 24/7 customer support; and/or any other services that Zonar makes available to Customer for purchase under this Agreement.
- "Software" means any computer software and associated documentation provided by Zonar or its agents to Customer or otherwise made available by Zonar or its agents (e.g., the GTC web-based portal and associated web-based software applications; i.e., the hosted fleet analytics software) to Customer under this Agreement. Software also includes any software and/or firmware loaded on, included with or otherwise provided for use with Hardware.
- "Terms of Use" means the terms and conditions applicable to use of the Services, a copy of which is incorporated into the Agreement.
- "Third Party Offerings" means any third party branded Hardware, Software or Services that Zonar, acting as a reseller, makes available to Customer for purchase, license or use under this Services Agreement (such Offerings often relate to applications for Zonar's 2020 Tablet).



- “Third Party Terms” means the additional and/or different terms and conditions (e.g., software license agreements and/or terms of service) applicable to Customer’s use of the Third Party Offerings, which shall be provided to Customer if Customer desires to utilize such Third Party Offerings. Current offerings and terms are noted in Exhibit B, though new offerings may be added from time to time.

- “Zonar Offerings” means the Zonar-branded Hardware, Software and Services that Zonar makes available to Customer for purchase, license or use under this Services Agreement.

**1. Grant.** Licensee may install and use the Software Products on computers located at Licensee’s place of business to be used in conjunction with Zonar’s web based applications for Licensee’s business, pursuant to the terms and conditions herein. This license provides no ownership interest.

**2. Description of Other Rights and Limitations on Reverse Engineering, Decompilation, Disassembly, Copying and Distribution.** Licensee may not reverse engineer, de-compile, or disassemble the Software Products.

**3. Software Transfer.** Licensee may not sub-license or otherwise transfer its rights under this EULA without prior written permission of licensor. Licensee may not copy or distribute the Software Products except as provided in paragraph 1 without Zonar’s express, written approval.

**4. Software Updates.** Zonar may from time to time, update, modify, improve or enhance the Software Products solely at its option. Zonar may make these software updates available to subscriber. Any updates made available to subscriber shall be covered by this EULA.

**5. Warranty and Disclaimer.**

5.1 Subscriber acknowledges and agrees that performance of the Software Products may vary, depending on Subscriber’s hardware and operating system, and other factors beyond Zonar’s control, and that Zonar does not warrant that the Software Products will meet Subscriber’s requirements or perform continuously without error. However, subject to the limitations set forth in Sections 6 and 7, Zonar warrants that the Software Products will perform as part of Zonar’s web based application substantially as described, provided that the Software Products are used only on the equipment and in the environment for which they were designated and configured. This limited warranty is given to Subscriber only and may not be transferred to any other person.

5.2 ZONAR DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE SOFTWARE, EXPRESS OR IMPLIED (INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTY OF COMPATIBILITY WITH OTHER SOFTWARE PRODUCTS, OR ANY WARRANTY AGAINST INTERFERENCE WITH ENJOYMENT OF THE SOFTWARE OR AGAINST INFRINGEMENT) OTHER THAN THE LIMITED WARRANTY PROVIDED UNDER PARAGRAPH 5.1 ABOVE. EXCEPT FOR THIS LIMITED WARRANTY, SUBSCRIBER WAIVES ANY AND ALL WARRANTIES WHICH MIGHT HAVE ARISEN, OR MIGHT LATER ARISE, FROM COURSE OF PERFORMANCE OR DEALING, OR USAGE OF THE TRADE AND RELEASES ZONAR FROM ALL LIABILITY FOR LOSS OR DAMAGE SUSTAINED RELATING THERETO.

5.3 Customer acknowledges that it is solely responsible for its use of Data, controlling its employees’, contractor’s and other permitted designees access to the Software, Hardware and Services, reviewing inspection reports, and taking appropriate action with respect to vehicles for which inspection reports have been submitted using the Services. Customer acknowledges that the accuracy of Data may be dependent on the accuracy of information provided by vehicle drivers or other individuals using Hardware or Software on Customer’s behalf. Customer is solely responsible for instructing such individuals in the proper use of equipment, execution of inspections and delivery of legally acceptable electronic signatures in compliance with US law regarding commercial vehicle inspection and repair records, if applicable. Zonar’s liability with respect to Data is limited to cases of gross negligence or intentional misconduct by Zonar or its employees.

**6. Exclusive Remedies.** Subscriber's exclusive remedies under the limited warranty provided under Paragraph 5 are as follows:

6.1 If notified by Subscriber in writing of a problem during the warranty period, Zonar, at its option, will either (a) at no charge repair or replace each Software Product to make the item operate as warranted, or (b) refund to Subscriber the amount actually paid by Subscriber for such item. Zonar makes no warranty and shall incur no liability for defects in the Software Products or damages resulting therefrom in the event that Subscriber (a) modifies the Software Product, (b) operates the Software Product or uses it for a purpose other than as specified by Zonar, (c) operates the Software Product on computer products or devices that do not meet the minimum system configuration as set forth in the documentation or as notified by Zonar, or (d) breaches this Agreement in any way.

6.2 THE WARRANTIES, OBLIGATIONS, AND LIABILITIES OF ZONAR AND THE RIGHTS, CLAIMS AND REMEDIES OF SUBSCRIBER SPECIFICALLY SET FORTH IN SUBSCRIBER'S SUBSCRIPTION AND LICENSE AGREEMENT WITH ZONAR ARE EXCLUSIVE. SUBSCRIBER HEREBY RELEASES ZONAR FROM ALL OTHER WARRANTIES, OBLIGATIONS, AND LIABILITIES AND HEREBY WAIVES ALL OTHER RIGHTS, CLAIMS, AND REMEDIES AGAINST ZONAR, ITS OWNERS, OFFICERS, OR EMPLOYEES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY AND ALL EQUIPMENT, SOFTWARE, OR OTHER TANGIBLE OR INTANGIBLE ITEMS OR SERVICES PROVIDED UNDER THIS AGREEMENT.

**7. Limitation of Liability.**

7.1 EXCEPT AS SET OUT ABOVE, ZONAR SHALL NOT UNDER ANY CIRCUMSTANCES BE LIABLE TO SUBSCRIBER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOSS OF USE, REVENUE, PROFIT, OR DATA), WHETHER BASED UPON A CLAIM OR ACTION OF CONTRACT, WARRANTY, OR CONTRIBUTION, OR OTHERWISE, ARISING OUT OF THIS AGREEMENT, THE SOFTWARE TO BE LICENSED THEREUNDER, AND/OR THE USE OR INABILITY TO USE THE SOFTWARE EVEN IF ZONAR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL THE LIABILITY TO SUBSCRIBER IN CONNECTION WITH THIS AGREEMENT, THE SUBSCRIBER'S SUBSCRIPTION AND LICENSE AGREEMENT WITH ZONAR, OR THE SOFTWARE, REGARDLESS OF THE FORM OF CLAIM OR ACTION OR FAILURE OF ESSENTIAL PURPOSE, EXCEED THREE TIMES THE ANNUAL SUBSCRIPTION FEE PAID BY SUBSCRIBER TO ZONAR UNDER SUBSCRIBER'S SUBSCRIPTION AND LICENSE AGREEMENT.

7.2 Subscriber acknowledges and agrees that the fees charged by Zonar for the Software Products reflect the allocation of risks provided by the foregoing limitation of liability. By using the Software Product, Subscriber acknowledges and represents that it has read and understands these allocations of risk limiting the liability of Zonar, and that it understands that a modification of the allocation of risks set forth in this Agreement would affect the fees charged by Zonar, and that Subscriber, in consideration of such fees, agrees to such allocation of risk.

**8. Termination Without Prejudice to Any Other Rights.** Zonar may terminate this EULA if Licensee fails to comply with the terms and conditions of the EULA. In such event, Licensee must destroy all copies of its Software Product and all of its component parts.

**9. Copyright and Patent.** All title and copyrights in and to the Software Products including but not limited to any images, photographs, animations, video, audio, music, text, and "applets" incorporated into the software products, the accompanied printed materials and any copies of the software products are owned by Zonar, and are protected under U.S. copyright law, as well as applicable copyright treaties. Removal or obscuring of any copyright, trademark notice or restriction legend is prohibited.

**10. N/A**

**11. Export Licensing.** Licensees shall not use or otherwise export or re-export the Software Products or any underlying information or technology except in full compliance with all United States and other applicable laws and regulations. In particular, but without limiting the generality of the foregoing, none of the Software or underlying information or technology may be downloaded or otherwise exported or re-exported (i) into (or to a national or resident of) Cuba, Iran, North Korea, Sudan, or Syria or any other country to which such export or re-export would be contrary to U.S. Department of Commerce Export Administration Regulations or (ii) to anyone on the U.S. Treasury Department's list of Specially Designated nationals or the U.S. Commerce Department's Denied Agreement, Licensee agrees to the foregoing and represents and warrants that Licensee is not located in, under control of, or a national or resident of any above-referenced country or list.

**12. Government User.**

12.1. U.S. GOVERNMENT RIGHTS. If Licensee is an agency, department, or other entity of the United States Government, or funded in whole or in part by the United States Government, then use, duplication, reproduction, release, modification, disclosure or transfer of this commercial product and accompanying documentation, is restricted in accordance with the LIMITED or RESTRICTED rights as described in DFARS 252.227- 7014(a)(1) (JUN 1995) (DOD commercial computer software definition), DFARS 227.7202-1 (DOD policy on commercial computer software), FAR 52.227-19 (JUN 1987) (commercial software clause for civilian agencies), DFARS 252.227-7015 (NOV 1995) (DOD technical data – commercial items clause); FAR 52.227-14 Alternates I, II, and III (JUN 1987) (civilian agency technical data and noncommercial computer software clause); and/or FAR 12.211 and FAR 12.212 (commercial item acquisitions), as applicable. In case of conflict between any of the FAR and DFARS provisions listed herein and this License, the construction that provides greater limitations on the Government's rights shall control. For purpose of any public disclosure provision under any federal, state or local law, it is agreed that the Licensed Products are a trade secret and a proprietary commercial product and not subject to disclosure.

12.2. If Licensee is an agency, department, or other entity of any State government, the United States Government or any other public entity or funded in whole or in part by the United States Government, the licensee hereby agrees to protect the Software Products from public disclosure and to consider the software Products exempt from any statute, law regulation, or code, including any Sunshine Act, Public Records Act, Freedom of Information Act, or equivalent, which permits public access and/or reproduction or use of the Software Products. If for any reason, the Licensee is unable to comply with this section, or if a court of competent jurisdiction determines that this clause is void and unenforceable, in whole or in part, for any reason, this EULA shall be considered terminated and null and void, in its entirety and any and all copies of the Software Products shall be immediately destroyed.

**13. Injunctive Relief.** Subscriber acknowledges that copying or unauthorized use of the software or other violations of the terms of this agreement would irreparably injure Zonar, which injury could not be adequately compensated for by money damages. Subscriber agrees that Zonar may seek and obtain injunctive relief for breach or threatened breach of any provision of this agreement. In addition to, and not in limitation of other legal remedies.

**14. INTELLECTUAL PROPERTY:** Zonar retains all right, title and interest and all related intellectual property rights in and to the Service and Zonar's Confidential Information, including any corrections, enhancements, updates or other modifications, including custom modifications, thereto, whether made by Zonar, Subscriber or any third party. Except as expressly set forth herein, no express or implied license or right of any kind is granted to Subscriber regarding the Service or any part thereof. Under no circumstances shall Subscriber sell or transfer any purchased Hardware, reconstruct or repair such Hardware, or reverse engineer or otherwise attempt to learn the trade secrets, know how or other intellectual property embodied therein. Subscriber agrees that Zonar may collect data regarding Subscriber's use of the Service and analyze, use and disclose such data in an aggregated format ("Aggregated User Data") for Zonar's business purposes; provided such Aggregated User Data is not personally identifiable or subscriber identifiable.

**15. LIMITED WARRANTY:** Please see attached warranty terms.

**16. THIRD PARTY TERMS:** Current offerings and terms are noted in below, though new offerings may be added from time to time. Zonar's licensors and suppliers shall have no liability of any kind under this Agreement and Customer shall not be a

third party beneficiary under agreements between Zonar and its licensors and suppliers. The suppliers of the Third Party Offerings shall have the right to enforce the terms of this Agreement, solely to the extent necessary to enforce applicable Third Party Terms.

**Links to Third Party Terms for 2020**  
**Tablet Apps**

**Navigation App**

ALK CoPilot Software

*Please note that these terms are controlled solely by ALK, and Zonar has no ability to negotiate these terms. From time to time ALK may change these terms. The most current version of the ALK EULA can be found at:*  
<http://www.copilotlive.com/us/eula.asp>

**Zonar Limited Warranty**

Zonar warrants that the Hardware provided under this agreement is free from all material defects in workmanship under normal use and service. Zonar's warranty period for its Hardware is as follows:

V2J™ Product Line – 5 Years  
EVIR™ – 3 Years  
All Other Hardware – 1 Year

The above warranty periods run from the date of shipment. Provided that the Hardware is used and handled as intended, Zonar will replace any failed or functionally impaired Hardware with equivalent Hardware in terms of performance and functionality.

This warranty does not apply to any Hardware that has been misused, altered, willfully abused or that has been damaged due to improper installation by the customer. Hardware installations must follow Zonar's equipment specific installation guidelines. If product returned is determined to be damaged due to any of the aforementioned circumstances, the Customer will be charged the price of a refurbished unit plus shipping and handling.

Return of any Hardware requires a Return Material Authorization (RMA) number. All RMA's must be pre-authorized by Zonar Customer Care at:

E-mail: [Customercare@zonarsystems.com](mailto:Customercare@zonarsystems.com)

Phone: 1 877 THE EVIR

THIS LIMITED WARRANTY IS MADE TO SUBSCRIBER ONLY AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. Zonar EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY WHICH MAY ARISE FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.

**EXHIBIT B**  
Statement of Work and Pricing

# V3™ HIGH-DEFINITION GPS

## TRACKING + DIAGNOSTICS



**V3™ is the next best thing to being in the driver's seat.** This easy-to-install device provides the power of next-generation GPS with the data straight from your vehicle's system to make sure you know your fleet is running smoothly.

**High-Definition GPS tells you what you need to know.** Our V3™ provides the first GPS system to capture data in four dimensions: latitude, longitude, time and odometer. Your average GPS solution won't give you sample rates this high with service this reasonable. This new level of precision will give you a real-time look at your vehicles' speed, location and activities, so that you have information you can trust to make important decisions about operations.

**Diagnostics: It's like having a mechanic in every vehicle.** With V3™'s connections to your vehicle's computer, you'll know as soon as your driver when the check engine light comes on. The fault codes will be transmitted instantly, so troubleshooting can begin while the vehicle is on the road, and not hours later in the shop, saving you time.

**Not just GPS, the V3™ provides an integration platform.** The V3™ is the hub that connects all of Zonar's in-vehicle modules. In addition to integrating with our pre- and post-trip inspection module, EVIR™, the V3™ is also the port for an optional emergency button and inputs which can be used to capture events such as safety arm use, door opening and emergency lights being turned on.

### WHAT WILL THE V3™ DO FOR YOU?

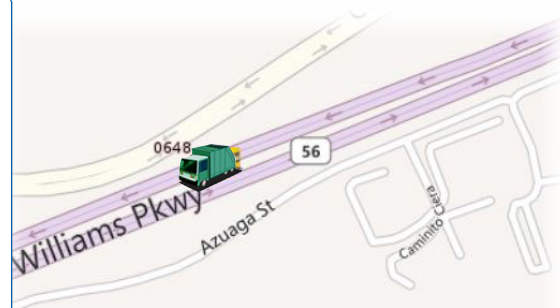
- **Integrate** tracking, diagnostics and other add-ons, including our inspection module and auxiliary inputs.
- **Monitor** dynamic geo-fencing tracking parameters and send alerts if prohibited fences are crossed.
- **Capture** every turn of the key, every stop and start, as well as speed, idle time, and odometer.
- **Supervise** drivers' speed, safety and idling.
- **Protect** your assets by alerting management when a potentially dangerous situation arises.
- **Automate** alerts to dispatch.

#### FEATURES

- True Idle, Speed and Odometer
- Internal J3 ECU Interface
- Integrated Antenna
- High Accuracy
- Peel-and-Stick Installation
- Dynamic Geo-Fencing
- EVIR™ Integration
- Data Port and 5 Discrete Inputs

#### BENEFITS

- Driver Performance and Location
- Real-Time Engine Condition Data
- Quick and Easy Install
- Enhances Route Planning Integration
- Reduces Installation Time and Cost
- Data Analytics, Exception Reports, Alerts
- Associates Driver with Vehicle
- Pinpoint Recording of Onboard Events



# GROUND TRAFFIC CONTROL™

## ELECTRONIC FLEET MANAGEMENT



**Like Air Traffic Control for your ground-based fleet.** With an unlimited number of users and 24/7 access from computers, tablets and smart phone web browsers, Ground Traffic Control™ will provide Denver users with the most accessible real-time picture of fleet operations. All this power for tracking, reporting, alerting and easy exporting of data comes free with your Zonar service.

**Monitor assets in the field from the office or anywhere.** Our web-based software allows fleet management to see all fleet activity from anywhere, anytime. Coordinating and supervising a work force that's constantly on the move over a large area is no longer an obstacle.

**Alerts Protect Your Assets.** GTC™ alerts the right people via text

message, email or popup window within the application whenever a user-created threshold is violated. This can include when a driver is putting people in danger by speeding, wasting funds by idling excessively or entering a prohibited geo-zone.

**Geo-fencing for Smart Mapping.** With unlimited geo-fencing capabilities, GTC™ will make sure assets are where they should be and alert you when they're out of place.

**From the Entire Fleet Down to a Single Asset.** GTC™ comes pre-built with macro to micro reporting capabilities to calculate overall fleet mileage or details of each asset's path, including each stop and start.

### WHAT WILL GTC™ DO FOR YOU?

- **Map** every turn of the key, every stop and start, and all activity.
- **Supervise** each driver's speed, path, safety and idling.
- **Alert** management to speeding drivers, excessive idling and prohibited geo-fence crossings.
- **Customize** reports, alerts and dashboards for each customer's ease of use.
- **Ensure** safety and accountability.
- **Automate** tasks that used to be a burden on drivers, dispatch and admin.
- **Integrate** with third-party systems via our open system that makes exporting your data easy.

#### FEATURES

- Web-Based
- Open System
- Comprehensive Reporting
- User-Friendly
- Real-Time Analytics
- Access to a Full Year of Data
- Customizable Permissions
- Alerts for Speed, Idle and More
- Unlimited Geo-fencing

#### BENEFITS

- Unlimited Users, No IT Burden
- Integrates with Third-Party Applications
- New Fleet Performance Metrics
- Exceptionally Easy to Use
- Speed Critical Decision Making
- Historical Analysis and Reporting
- Control Data Security
- Real-time Warnings of Behavior
- Organizes Asset Locations



**EVIR™ is the only way to verify that inspections are done.** Inspections are too important to be left to paper and pen. Total compliance and the highest level of safety is now possible with our EVIR™ Electronic Vehicle Inspection Report. Required pre- and post-trip inspections are automated and verified using Zonar's patented technology. As Zonar's flagship, patented product, EVIR™ is the only verified visual inspection system available. It complies with all DOT mandated pre- and post-trip vehicle inspection regulations.



**Tag once, inspect regularly, know always with EVIR™.** Now you can capture, transmit and record inspection, compliance and maintenance data automatically so you can be sure that your drivers physically inspected each component of their vehicles.

**New Level of Safety, Compliance and Performance.** EVIR™ inspections create a new kind of safety mindset and deliver gains that benefit the entire fleet. They enable repair-before-failure strategies that lower operating costs and increase compliance.

**Get a look at everyone's inspections from the yard.** Within the GTC application, reports tally all missed, unverified and incomplete inspections, so you can ensure your fleet is 100% compliant and safe.

### WHAT WILL THE EVIR™ DO FOR YOU?

- **Transform** the old paper-based inspection process into a real-time data stream.
- **Streamline** vehicle maintenance, driver performance records and regulatory compliance.
- **Ensure** safety practices are followed every time, by every driver.
- **Identify** driver with each vehicle, ensuring accountability.
- **Verify** start and end of day data to be exported for time keeping and payroll applications.
- **Create** a safety mindset and lower unplanned incidents.
- **Protect** your drivers.

### With Zonar's EVIR, inspections are as simple as 1-2-3.

- 1 : **Tag.** Zonar's radio frequency identification (RFID) tags are placed, just once, on the vehicle in critical inspection "zones." These weather-tough tags contain information about their location on the vehicle, the components to be inspected and the vehicle's identity. Tags in the back of the bus serves as a "student check."
- 2 : **Inspect.** Drivers inspect their vehicles by placing the EVIR™ reader within inches of each tag and marking the condition of the components with one-hand, push-button responses. When a defect is discovered, the driver selects a description from a list and indicates if the vehicle is safe to operate.
- 3 : **Transmit.** When the inspection is complete, drivers place the EVIR™ inspection tool into the vehicle mount. The information is then transmitted to a secure database that can be accessed from any web-browser via the Ground Traffic Control™ application, which includes a "Red Board" of vehicles with critical defects.



# ZONAR 2020 TABLET™

## REVOLUTIONARY FLEET MANAGEMENT (AVAILABLE Q4 2013)



**The next generation in efficiency and safety.** The 2020™ is an in-vehicle tablet that will provide drivers turn-by-turn directions, log hours-of-service, facilitate two-way messaging, and so much more. As with other smartphones and tablet devices, the capabilities of this 7" Android tablet are only limited by the imagination. If the City and County of Denver requires additional functionality, the 2020™ can expand by integrating with third-party apps, or one can be developed by Zonar staff or other development services.

With the familiar look and feel of Zonar's suite of award-winning productivity solutions, the 2020™ will provide the most powerful tool on the market for increasing efficiency and lowering costs.

### Features of Zonar's 2020™ Tablet:

**Navigation:** Receives destinations and creates directions based on the vehicle configuration through ALK's turn-by-turn navigation program.

**HOS:** Logs drive time and alerts management to pending or current violations.

**Messaging:** Custom template and free-form messages sent to all drivers or individual drivers.

**Driver Alerts:** Feedback to drivers from user-specified parameters, such as speeding.

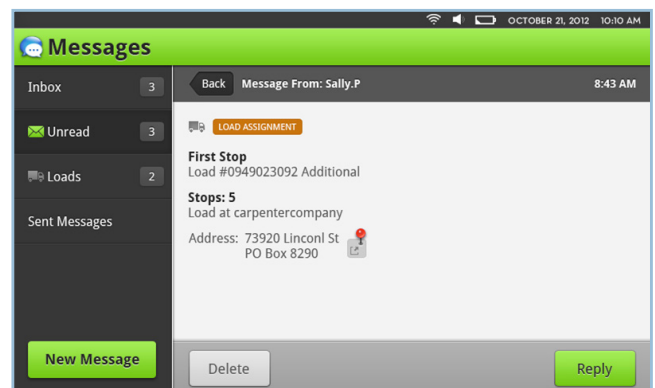
**Inspections:** With our EVIR app and built-in RFID reader, the 2020 will help your drivers perform verified visual pre- and post-trip inspections.

### WHAT WILL THE 2020™ DO FOR YOU?

- **Perform** verified electronic vehicle inspections.
- **Dispatch** and receive messages.
- **Guide** drivers with advanced navigation.
- **Improve** safety with driver performance results.
- **Provide** visual driver feedback.
- **Document** defects with photos.
- **Streamline** processes with driver-friendly applications.
- **Adapt** to your organization via the Android platform for custom applications and integration.

### Features and Capabilities of the 2020 Tablet™:

- 16 GB NAND Flash storage memory
- USB Type A and micro-USB ports
- SD/MMC card slot
- 3.5 mm stereo headphone jack
- 7" widescreen resistive-touch display with 800x480 resolution
- 5-megapixel camera with autofocus and LED flash
- Internal speaker
- Rechargeable lithium-ion battery and 3 hours of undocked operation time

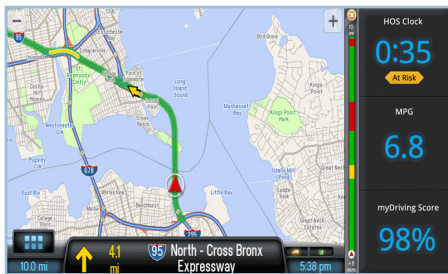


Message with address attached as a link to navigation.

# 2020 TABLET™ APPS

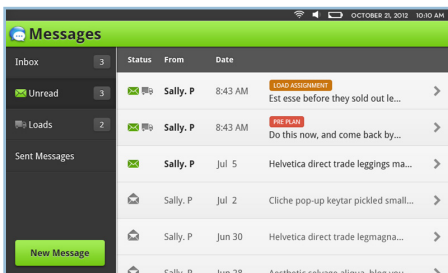
The 2020™ offers the flexibility to create custom applications and tailor the device to maximize your safety, efficiency, and cost effectiveness for your operation. With the Android platform, we are able to use pre-created apps, develop apps with our professional services, or work with a third-party developer and your needs.

The apps below are those that will come with the initial 2020™ launch. This is just the beginning and there will be many more to come.



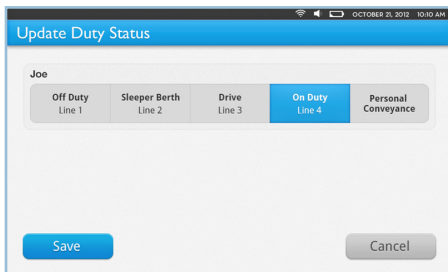
## Navigation with Integration to ALK Maps

Zonar's navigation system will help your drivers get to their destinations as quickly as possible to get more work done with fewer vehicles. With integration to ALK maps, the 2020™ will provide vehicle-specific turn-by-turn directions to your drivers. Features include a dashboard with driver feedback, HOS drive time, and message replay with text-to-speech.



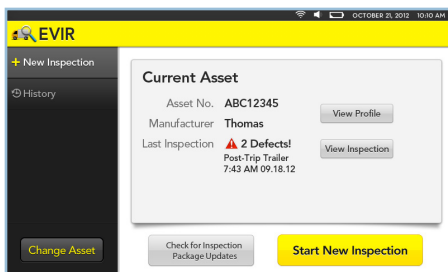
## Messaging

Zonar's messaging system will make it easy to send information without relying on hazardous cell phone texting or calls. Dispatch can send a freeform or canned message to the entire fleet or a single driver. Addresses can be attached as a link to the mapping function for navigation to the next job.



## ZLogs™

The ZLogs™ app will ensure that all your drivers are operating within the limits of safety, as well as the law, by meeting HOS regulations. ZLogs™ automatically tracks drive time and allows management to view driver logs by day, week, and month. Within the associate Ground Traffic Control™ software, users can monitor each driver's hours and easily print or export data.



## EVIR™

All the functions of our flagship product, the EVIR 2010™, are now available on the 2020™ as an app. Verified inspections are performed using RFID tags placed around the vehicles, and maintenance requests can be uploaded and tracked within the web-based system. This fully paperless option allows the driver to acknowledge critical defect repairs, fulfilling the third signature requirement.

**B.2 VENDOR PROPOSED SYSTEM / EQUIPMENT SECTION:**

Indicate description of proposed equivalent to the City’s core requirements below.  
 Attach and Reference additional materials as required.

| <b>Electronic Vehicle Inspection Report System (EVIR) OR EQUIVALENT</b> |  |   |
|---|--|---|
| Item  | Requirement Description<br>Provide the following:  | In the fields provided below, describe your proposed Equivalent to the City requirement, you may Attach and Reference additional documentation as required.   |
| 1.  | <p>EVIR™:</p> <p>A Electronic (paperless) Verified Inspection Report (EVIR®) System that is DOT (Department of Transportation) Compliant.</p>  | <p>➤ Zonar offers the only Electronic Verified Inspection Report. Our EVIR™ will revolutionize your inspection processes and make DOT compliance nearly automatic.</p>  |
| 2.  | <p>Inspections:</p> <p>System shall be capable of verifying visual Pre-Trip, Abbreviated Pre-Trip, Post Trip and Periodic Maintenance inspections by requiring vehicle operators to scan a Radio Frequency Identification (RFID) tags utilizing a handheld scanner.</p> <p>The electronic record of the verified inspection must meet legal requirements as defined by FMCSA (Federal Motor Carrier Safety Administration) and CDOT (Colorado Department of Transportation.)</p> | <p>➤ Zonar’s EVIR™ will visually verify pre-trip, abbreviated pre-trip, post-trip and periodic maintenance inspections. It requires that the vehicle operators scan an RFID tags utilizing our 2010 handheld scanner.</p> <p>The records of these inspections meet legal requirements as defined by the FMCSA and CDOT.</p>   |
| 3.  | <p>Scanner/ RFID Tag Inspection Interface:</p> <p>As inspection occurs, the operator shall be prompted by scanner to inspect each area of the vehicle.</p> <p>As the tags are scanned, the specific inspection criteria will be communicated by the RFID tag to the scanner and displayed to the operator.</p> <p>The operator will document the outcome of each specific component’s inspection with the scanner’s push button functionality.</p>                               | <p>➤ The process of the Zonar inspections prompts the operator to inspect each area of the vehicle, which are marked with RFID tags. When the driver scans the tag, the pre-loaded inspection criteria is communicated by the RFID tag to the scanner and displayed. With push-button responses, the driver will be able to easily document the outcome of each component’s inspection.</p> |

| <b>Electronic Vehicle Inspection Report System (EVIR) OR EQUIVALENT</b> |  |   |
|---|--|---|
| 4.  | <p>Post Inspection:</p> <p>Operator will place handheld device into vehicle mount where inspection information is immediately transmitted to a secure database via cellular transmission. Ground Traffic Control™</p>  | <p>➤ Post inspection, drivers will put the Zonar 2010 into the vehicle mount, where the inspection data will be immediately transmitted to a secure database via cellular transmission.</p>   |
| 5.  | <p>Proximity:</p> <p>Handheld scanner is to be operated in close proximity (within a few inches) of each inspected component's RFID tag; thereby requiring the vehicle operator to be in the specific area to perform the visual inspection prompted by the scanner.</p>                                 | <p>➤ The EVIR™ requires that drivers be in the area of the RFID tag by requiring that the handheld device be placed within 2 inches of the tag for the inspection to take place.</p>  |
| 6.  | <p>Programming:</p> <p>Each RFID tag shall be able to be programmed with the following:</p> <ul style="list-style-type: none"> <li>• Installation location on vehicle</li> <li>• Component(s) to be inspected</li> <li>• Vehicle ID</li> </ul>   | <p>➤ Our RFID tags will record the following functions: location on vehicle, components to be inspected, vehicle ID.</p>  |
| 7.  | <p>Environmental requirement:</p> <p>Each RFID tag is to be weather resistant to:</p> <ul style="list-style-type: none"> <li>• Water-Rain/ Ice</li> <li>• Road Splash</li> <li>• Mud</li> <li>• Grease</li> </ul>  | <p>➤ Zonar's RFID tags are made to be on the road and are weather-resistant to water, rain, ice, road splash, mud and grease.</p>   |
| 8.  | <p>All system events shall be date and time stamped.</p> <p>Required: Mountain Time-Zone- Updated as required for daylight savings.</p>  | <p>➤ All the inspections will be date and time stamped with Mountain Time Zone, updated for daylight savings.</p>   |
| 9.  | <p>The system must be able to accommodate up to eleven (11) Radio Frequency Identification (RFID) tags per vehicle.</p> <p>Each tag is to be capable of being programmed to display the selected vehicle/ equipment inspection criteria identified by City's Public Works Fleet Management Division.</p> | <p>➤ Our system comes with 11 RFID tags per vehicle. All the tags are easy to program so that they can display the selected vehicle or equipment inspection criteria identified by the City's Public Works Fleet Management Division.</p> |

| <b>High Definition GPS System (Hub) OR EQUIVALENT (Managerial Purposes)</b> |  |  |
|---|--|--|
| Item  | Requirement Description<br>Provide the following:  | In the fields provided below, describe your proposed Equivalent to the City requirement, you may Attach and Reference additional documentation as required.  |
| 10.   | <p>HD GPS System:</p> <p>Provide a vehicle Global Positioning System (GPS) that is reported through a web-based solution with all support provided by a sole vendor.</p>   | <p>➤ All the information gathered from our GPS system is reported through our web-based application called Ground Traffic Control™, which we design and maintain.</p>  |
| 11.   | <p>Sole Vendor:</p> <p>Vendor must be the single source of GPS hardware, GPS hardware installation, activation, in field product support, cellular / service subscription agreement, and web based hosted reporting.</p>   | <p>➤ Zonar will be the single source of the GPS hardware, activation, support, service agreement and web-based hosting. We use a third-party, Velociti, to install the units.</p>  |
| 12.   | <p>Inclusivity:</p> <p>Vendor's Service Subscription Agreement must include:</p> <ul style="list-style-type: none"> <li>• Cellular Transmission</li> <li>• Unlimited User/Site Access</li> <li>• Feature and Map Updates</li> <li>• Customer Support</li> <li>• Five (5) Year Warranty on Hardware                             <ul style="list-style-type: none"> <li>○ Paid all at once initially or in yearly installments-See Section <u>C</u>.</li> </ul> </li> </ul> <p>Vendors that do <u>not</u> include the cost of cellular communication in their service will not be considered.</p> <p>Vendors requiring a separate cellular contact with a cellular provider will <u>not</u> be considered.</p> | <p>➤ Our Service Subscription Agreement includes all of these: cellular transmission, unlimited user and site access, feature and map updates, customer support, five-year warranty on our GPS hardware. With Zonar, there is no need to shop around for a third-party cellular contract. Everything's included.</p> |

| <b>High Definition GPS System (Hub) OR EQUIVALENT (Managerial Purposes)</b> |   |   |
|---|---|---|
| 13.   | <p>Ground Traffic Control™<br/>System Integration:</p> <p>All inspection and GPS data collected shall be downloaded via cellular GSM communication and be available on a secure web-based application:</p> <p>Ground Traffic Control™</p> | <ul style="list-style-type: none"> <li>➤ All inspection data and GPS data collected by Zonar's products will be securely downloaded via cellular GSM communication and will be available on a secure web-based application called Ground Traffic Control™.</li> </ul> |
| 14.   | <p>Communication Protocols:</p> <p>The system shall supports HTTPS, UDP, and TCP communication protocols.</p>   | <ul style="list-style-type: none"> <li>➤ Zonar's system supports HTTPS, UDP and TCP communication protocols.</li> </ul>   |
| 15.   | <p>IP Address Protocol:</p> <p>Each GPS device shall have a separate, private IP address for data security.</p> <p>Devices using public IP addresses will <u>not</u> be considered acceptable.</p>  | <ul style="list-style-type: none"> <li>➤ Each of Zonar's GPS devices has a separate, private IP address for data security.</li> </ul>   |
| 16.   | <p>Four Dimensional GPS:</p> <p>GPS system shall capture data in four dimensions - latitude, longitude, time and odometer.</p>  | <ul style="list-style-type: none"> <li>➤ Zonar's GPS captures data in four dimensions: latitude, longitude, time and odometer.</li> </ul>   |
| 17.   | <p>HD GPS Logging:</p> <p>The GPS logging shall be provided using an intelligent logging algorithm that will provide high definition data and minimize cellular data communication overhead.</p>  | <ul style="list-style-type: none"> <li>➤ All GPS logging with Zonar's system uses our Intelligent Logging algorithm, which provides high-definition data and minimizes cellular data communication overhead.</li> </ul>   |
| 18.   | <p>EVIR® System Integration:</p> <p>The system shall seamlessly integrate with the EVIR ® System specified above herein.</p>  | <ul style="list-style-type: none"> <li>➤ Zonar's GPS system seamlessly integrates with our EVIR™ inspection system.</li> </ul>  |

**High Definition GPS System (Hub) OR EQUIVALENT (Managerial Purposes)**

|            |  |  |
|------------|--|--|
| <p>19.</p> | <p>GPS System Alerts:</p> <p>GPS system shall provide a platform for customizable and configurable management alerts that shall have escalating capabilities with alerts including but not limited to:</p> <ul style="list-style-type: none"> <li>• activity alert</li> <li>• battery low voltage alert</li> <li>• GPS Zone alert</li> <li>• idle alert</li> <li>• input alert</li> <li>• inspection alert</li> <li>• panic stop alert</li> <li>• speed (max speed) alert</li> <li>• Other alerts</li> </ul> <p>Alerts shall be communicated via:</p> <ul style="list-style-type: none"> <li>➤ Notification to logged on manager</li> <li>➤ Email alert</li> <li>➤ Cellular Text Message</li> </ul> <p>In addition, provides exception based alerting off inspection criteria.</p> | <ul style="list-style-type: none"> <li>➤ ZAlerts are Zonar’s answer to providing customizable and configurable management alerts, including escalating capabilities.</li> </ul> <p>ZAlerts can be created around idle, low battery, GPS Zone entrance or exit, excessive idling, inputs, inspections, panic buttons (with additional hardware, costing \$74.95, plus installation), speeding and more. Alerts are communicated via pop-up window within the Ground Traffic Control™ application, email and text message.</p> |
| <p>20.</p> | <p>The system must be capable of storing data daily for all equipment and allow for archiving and purging of historical data-90-Day Interval</p> <p>GPS will be powered from vehicle electrical system and provide power to the provided system’s additional components-EVIR™ and Vehicle and Installed Equipment Interface.</p>   | <ul style="list-style-type: none"> <li>➤ Zonar’s system is capable of storing data daily for all equipment and allows for archiving and purging of historical data for up to one year. The GPS is powered from the vehicle’s electrical system and provides power to other components.</li> </ul>  |

| <b>Vehicle EDM (Engine Diagnostic Module)/ and Installed Equipment Interface(Modbus/ J-Bus) System OR EQUIVALENT</b> |   |  |
|--|---|--|
| <b>Item</b>  | <b>Requirement Description<br/>Provide the following:</b>   | <b>In the fields provided below, describe your proposed Equivalent to the City requirement, you may Attach and Reference additional documentation as required.</b>   |
| 21.  | EDM (Engine Diagnostic Module) and Installed Equipment Interface:   | <ul style="list-style-type: none"> <li>➤ Our Ground Traffic Control™ service package includes an EDM and installed equipment interface.</li> </ul>   |
| 22.  | The Interface shall communicate through the HD GPS System specified herein above.   | <ul style="list-style-type: none"> <li>➤ Our interface communicates through our V3™ HD-GPS system.</li> </ul>  |
| 23.  | <p>Interface General Requirements:</p> <p>The interface shall at a minimum be capable of reading fault codes, mileage, fuel data and engine hours from engine computer(s), idle time, brake applications, panic stops and etcetera.</p> <p>The data collected from the interface shall be spatially encoded, that is it shall be connected to a GPS system that affixes to the fault code information the LAT and LONG positional data.</p> <p>The interface shall have on-board memory for recording performance data from/during a vehicle trip.</p> <p>The interface device shall be field updatable; this should provide the capability of the device vendor to update the program memory in the device remotely, thus providing updated software (firmware) in the device.</p> <p>The interface device shall be powered from the vendor supplied GPS system.</p> | <ul style="list-style-type: none"> <li>➤ Our diagnostics interface reads fault codes, mileage, fuel data and engine hours from your engine's computer, idle time, hard-braking and more.</li> <li>➤ The data collected from the diagnostics interface is spatially encoded and integrates seamlessly with our V3™ HD-GPS to provide latitude and longitude data along with diagnostic information.</li> <li>➤ Our diagnostics interface has an on-board memory with the ability to store more than 40 days of performance data from vehicle trips in case of signal loss.</li> <li>➤ Our interface is field updatable, meaning Zonar has the ability to update the program memory in the device remotely, providing updated software (firmware) in the device "over the air."</li> <li>➤ Our diagnostics interface is powered from our V3™ HD-GPS device.</li> </ul> |



**Vehicle EDM (Engine Diagnostic Module)/ and Installed Equipment Interface(Modbus/ J-Bus) System OR EQUIVALENT**

|            |   |  |
|------------|---|--|
| <p>24.</p> | <p>Vehicle Upfit Equipment Data Tracking (Refuse Bodies, Dump Bodies, and etcetera)</p> <p>Must include I/O system that generates a GPS point with Lat/Lon/Time when a voltage state change has been detected across a circuit that is monitored up to 5 sensing lines.</p> <p>Must be able to monitor:</p> <ul style="list-style-type: none"> <li>▪ Door: Open/Closed</li> <li>▪ Plow: Up/Down</li> <li>▪ Sweeper: On/Off</li> <li>▪ Light: On/Off</li> <li>▪ Arm: In/Out</li> <li>▪ Engine Pre-heater: On/Off<br/>(Engine does not have to be running, GPS unit can be sleeping)</li> <li>▪ Monitor PTO (Power Take Off) usage for Diesel fuel tax reclamation</li> <li>▪ Alerting</li> <li>• Additional channels available for future needs.</li> </ul> <p>Should detect voltage of 8-30VDC for active state.</p> <p>Web-based software should map points or path of I/O activation.</p> | <p>➤ Zonar's powerful I/O capabilities generate GPS points with latitude, longitude and time information when a voltage change has been detected from activity such as:</p> <ul style="list-style-type: none"> <li>• Door opening or closing</li> <li>• Plow up or down</li> <li>• Sweeper on or off</li> <li>• Light on or off</li> <li>• Arm in or out</li> <li>• Engine pre-heater on or off (while vehicle is on)</li> <li>• Power Take Off activation</li> <li>• Alerts</li> </ul> <p>Up to 5 sensors will detect voltage of 8-30 VDC for the active state, and changes will be mapped on our web-based software. These I/O events can be shown as points or paths for activation such as sweeper and plow.</p> |
| <p>25.</p> | <p>This system shall use a web-based application that decodes/ converts the fault codes and additional vehicle/equipment monitoring data into human readable form.</p>  | <p>➤ Ground Traffic Control™, our web-based application, will decode and convert the fault codes and data gathered by diagnostics into a form your employees can read easily.</p>  |

| <b>Comprehensive Web Based DATA Collection, Compiling, and Reporting System for the above OR EQUIVALENT</b> |   |  |
|---|---|--|
| <b>Item</b>   | <b>Requirement Description<br/>Provide the following:</b>   | <b>In the fields provided below, describe your proposed Equivalent to the City requirement, you may Attach and Reference additional documentation as required.</b>   |
| 26.   | <p>Ground Traffic Control™<br/>                     Provides for DATA retention, reporting and tracking for:</p> <ul style="list-style-type: none"> <li>• Managerial GPS Tracking</li> <li>• Vehicle Maintenance</li> <li>• Regulatory compliance-DOT Inspection Tracking</li> <li>• Operational efficiency</li> <li>• Information dissemination</li> <li>• XML Exchange</li> </ul> | <ul style="list-style-type: none"> <li>➤ Ground Traffic Control™ provides for data retention, reporting and tracking for managerial GPS tracking, vehicle maintenance, regulatory compliance such as DOT inspection tracking, operational efficiency, information dissemination, and XML exchange.</li> </ul>  |
| 27.   | <p>The software must be capable of accommodating and processing GPS, DOT Inspection, and Vehicle/ Equipment systems data generated by a 300+ vehicle fleet of City and County of Denver Refuse and Snow removal equipment and etcetera.</p> <p>Software also must be able to display data as it's captured/transmitted by the GPS System in real time.</p>                          | <ul style="list-style-type: none"> <li>➤ Ground Traffic Control™ will accommodate and process the GPS, DOT Inspection and vehicle and equipment systems data generated by the 300+ vehicle fleet of City and County of Denver Refuse and Snow removal equipment.</li> <li>➤ Ground Traffic Control™ will also display data as it's captured and transmitted by the GPS system in real time.</li> </ul> |

## STATEMENT REGARDING THE CCD TECHNOLOGY SERVICES DEPARTMENT REQUIREMENTS

At Zonar, we take data security very seriously and go above and beyond industry standards to keep all our customers' information safe. In the following section, there are some questions we were unable to answer due to the fact that they referred to "all applicable security standards adopted by CCD." We found that the security standards we received were not applicable to our products, and we have chosen to include instead a statement below regarding our security practices for your approval. We believe you'll find our security practices to be more than acceptable.

### Zonar's Security Practices

All data transferred to and from Zonar is encrypted. GPS data is transferred from cellular provider on a private IPSEC VPN. Application access is done over HTTPS using 128 bit encryption.

Zonar utilizes both hardware and software firewall services to restrict all network activity. Periodic network scans are performed to ensure new services do not cause security vulnerabilities. Production server access is restricted to Zonar IP addresses and to system administrators only. Direct database access is limited within the local network and to database administrators. Zonar ensures all data is stored safely and securely in an ACID compliant RDBMS database or equivalent. All data is stored on top-tier enterprise storage area network (SAN) equipment.

Each customer maintains security access to individual users and what data they can access. Customer data is stored in an individual database with a unique username and password.

Our Co-location services are provided by Savvis Communications at the SE2 Facility in Tukwila, WA.

**Technical:** Savvis operates one of the largest networks on the global Internet. Carrying more than 20 percent of the world's Internet traffic, their Public Internet service provides superior peering and interconnectivity.

- Multiple delivery options available (including SONET, ATM, fast Ethernet, gigabit Ethernet, and frame); Delivery speeds of up to 10 gigabits with OC-192 connections; Access to multiple Savvis data centers and carrier hotels.

### Security:

- On-premise security guards; Security systems on the building exterior: cameras, false entrances, vehicle

blockades, customized parking lot designs, bulletproof glass/walls and unmarked buildings; Biometric systems, including palm scanners; Numerous security cameras with digital recorders; Portals and person-traps that authenticate only one person at a time; 24/7 support from Internet connectivity specialists

**Disaster Recovery:** Savvis has installed multiple uninterruptible power source (UPS) systems in every data center to eliminate fluctuations and to provide clean, continuous power to critical systems. In addition, all of the systems contained in Savvis' Data Centers are configured to be N+1 redundant, to provide consistent infrastructure and security performance.

- **HVAC.** Savvis has configured air conditioning in each data center to allow for proper heat dissipation, permitting sites to operate within an acceptable temperature range. To maintain the flow of air conditioning to the data center infrastructure, Savvis employs redundant (N+1) HVAC units within each location. The HVAC units are powered by normal and emergency electrical systems, in order to maintain their availability.
- **Fire suppression.** Savvis employs the latest fire suppression methods. The systems utilize state-of-the-art "sniffer" systems, augmented by heat detection and dry-pipe sprinkler systems.
- **Seismic engineering.** Savvis has performed extensive seismic engineering to keep potential disasters from interrupting business operations. They've installed seismic isolation equipment to cushion facilities against movement, in addition to installing earthquake bracing on all equipment racks. And, racks at all of Savvis' data centers are anchored to the concrete slab below the site's raised floor.

For all unanswered questions in this section, please see "Statement Regarding the CCD Technology Services Department Requirements" on page 24.

| B.3 CITY AND COUNTY OF DENVER TECHNOLOGY SERVICES DEPARTMENT REQUIREMENTS   |   |
|---|---|
| Terms   | Definitions   |
| CCD   | The City and County of Denver   |
| Company   | The company providing the solution or system  |
| System  | The application, including any hardware and software that implements and provides the desired functionality   |
| ASP   | Application Service Provider – the provider of the system.  |
| Hosting (hosted)  | Generally "hosting" is a special case of "cloud" in that the system uses resources delivered over the Internet, but those resources may be dedicated to and managed by CCD. |
| Hosted Data   | Any data or electronic information that pertains to CCD and resides in any data repository either transient or permanently stored.  |
| Cloud   | A set of pooled computing resources delivered over the Internet. The cloud delivers a hosting environment that doesn't limit an application to a specific set of resources. |
| URL   | Universal Resource Locator  |
| API   | Application Programming Interface   |
| CPU   | Central Processing Unit   |
| SaaS  | Software as a Service   |
| SAML  | Security Assertion Markup Language  |
| <p><b>B.3.a System Security (Security is of critical importance to the City and County of Denver (CCD). This section includes general security requirements, identity management, adherence to various security standards.)</b></p> |   |
| 1) The system shall adhere to all applicable security standards adopted by CCD.   | Vendor will comply (initial one):<br>YES ___ NO ___<br>If "NO" provide explanation:   |
| 2) The provider shall warrant any systems hosted by provider for adherence to all applicable security standards adopted by CCD.   | Vendor will comply (initial one):<br>YES ___ NO ___<br>If "NO" provide explanation:   |
| 3) The system shall protect all data in compliance with the CCD Data Classification and Handling Policy, to include appropriate methods for when data is :  |   |
| a) At rest (in a file system, database, or other storage, whether temporary or permanent)   | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO ___<br>If "NO" provide explanation:   |

|   |   |
|---|---|
| <p>b) In flight (transmission over LAN, WAN, Internet, WiFi, or other mechanism for transporting data from one computer to another. Regulated (sensitive) information transferred to or across untrusted networks must be encrypted, to include username and password information.</p>  | <p>Vendor will comply (initial one):<br/>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br/>If "NO" provide explanation:</p> |
| <p>c) Being entered including masking data when appropriate and not displaying any sensitive data unless required.</p>  | <p>Vendor will comply (initial one):<br/>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br/>If "NO" provide explanation:</p> |
| <p>d) Any derivative cache data (e.g. database, application server, session) must follow CCD or industry accepted best practices for security controls.</p>   | <p>Vendor will comply (initial one):<br/>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br/>If "NO" provide explanation:</p> |
| <p>4) The system shall have various levels, or groups, of users with permissions assigned based on the group. At a minimum, administrative users shall be separated from non-administrative users. Ideally, the groups are customizable with permissions for each group set by CCD.</p>   | <p>Vendor will comply (initial one):<br/>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br/>If "NO" provide explanation:</p> |
| <p>5) All personnel with access to system data and application software must be authorized by the City for such access.</p>   | <p>Vendor will comply (initial one):<br/>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br/>If "NO" provide explanation:</p> |
| <p>6) The company shall provide information on the physical location of any systems housing CCD data, as well as what physical security is in place for protection of access to such systems.</p>   | <p>Vendor will comply (initial one):<br/>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br/>If "NO" provide explanation:</p> |
| <p>7) If the hosted data or application system(s) reside on a server or other physical device(s) that also host data or application services for other organizations, the architecture of that device must be designed in a manner to provide segregation and security for the City's data and application systems. That architecture must be approved by the City.</p> | <p>Vendor will comply (initial one):<br/>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br/>If "NO" provide explanation:</p> |
| <p>8) The company shall provide information on the processes for obtaining and revoking permission to physically access systems. This potentially includes background checks, user acceptance (with signature) of standards and requirements, and user adherence to standards requirements.</p>   | <p>Vendor will comply (initial one):<br/>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br/>If "NO" provide explanation:</p> |

|  |   |
|--|---|
| <p>9) The company shall provide information on frequency, type, and outcomes of external security audits performed on the applicable systems and applications.</p>   | <p>Vendor will comply (initial one):<br/>                 YES ___ NO <input checked="" type="checkbox"/><br/>                 If "NO" provide explanation:</p>  |
| <p>10) The company shall provide information on software, systems, and access that would be required of CCD in order to satisfy security requirements for the system.</p>  | <p>Vendor will comply (initial one):<br/>                 YES <input checked="" type="checkbox"/> NO ___<br/>                 If "NO" provide explanation:</p>  |
| <p>11) The company assumes full responsibility and liability for the security and integrity of CCD's data while in transmission, housed in the hosted data repositories, and manipulated by the hosted application system.</p>   | <p>Vendor will comply (initial one):<br/>                 YES <input checked="" type="checkbox"/> NO ___<br/>                 If "NO" provide explanation:</p>  |
| <p>12) All security breaches or issues involving any component of the hosted architecture will be reported immediately to CCD (Security Administrator in Technology Services). This includes, but is not limited to, security issues to the company's physical data center(s) and data transmission mechanisms.</p>  | <p>Vendor will comply (initial one):<br/>                 YES <input checked="" type="checkbox"/> NO ___<br/>                 If "NO" provide explanation:</p>  |
| <p>13) CCD retains the right to perform a periodic physical site audit to insure compliance with all architectural, security and other requirements.</p>   | <p>Vendor will comply (initial one):<br/>                 YES ___ NO <input checked="" type="checkbox"/><br/>                 If "NO" provide explanation:<br/>                 This is against our security practices.</p> |
| <p>a) All hardware and software utilized in providing hosted data and application services will be maintained at the most currently available level and stay within manufacturer support guidelines. This includes, but is not limited to, application software, database software, operating systems, device firmware, patches, etc. This information will be validated to the City upon request.</p> | <p>Vendor will comply (initial one):<br/>                 YES <input checked="" type="checkbox"/> NO ___<br/>                 If "NO" provide explanation:</p>  |
| <p>b) All devices relevant to the housing or support of the hosted data and application will be provided with a sufficient controlled environment (filtered UPS power, temperature control, fire mitigation, etc.) to support a stable operation of the system and allow a controlled shutdown in the event of power, temperature, or other related failures without data loss.</p>                    | <p>Vendor will comply (initial one):<br/>                 YES <input checked="" type="checkbox"/> NO ___<br/>                 If "NO" provide explanation:</p>  |

| <b>B.3.b Application</b>  |   |
|---|---|
| 1) Describe your solution architecture, including:  |   |
| a) The nature (e.g. browser-based or client/server) of the architecture and how it supports scalability and availability. Discuss any limitations of the proposed solution in terms of users, transactions, or database size. NOTE: CCD access to hosted applications will be via the Internet using only the City standard browsers: Internet Explorer or Google Chrome. | Description:<br>The system has been designed to scale horizontally rather than vertically; this meaning that to scale the system Zonar need only add more servers rather than upgrade to higher performance servers. Through the use of load balancing technology and data sharding the system can support the largest of fleets, all operating at the same time. |
| b) Discuss how the proposed solution supports multiple concurrent users.  | Description: We offer an unlimited number of multiple concurrent users.   |
| c) Details on the technology underlying the software architecture, such as .NET or Java, language, and database management system.  | Description:<br>Please see "Appendix A: System Architecture" on page 98.  |
| 2) Provide recommended hardware and software configuration – for which your solution is tested and certified - in sufficient detail to allow the City to identify all needed components independent of the proposal, including:   |   |
| a) Minimum and recommended workstation hardware specifications (for example, CPU, memory, and disk capacity)  | Description: Any average computer capable of running IE 6 (limited support), 7, 8 and current versions of Firefox.  |
| b) Required workstation software (including operating systems, database management systems, and other software tools needed to operate the solution)  | Description:<br>Any modern PC running windows XP or greater with all applicable Service Packs, patches, and updates.  |
| c) Third-party software (e.g. JAVA plug-ins) required   | Description: IE 6 (limited support), 7, 8 and current versions of Firefox.  |
| 3) Describe your method for authentication and authorization  |   |
| a) If hosted as SaaS application, describe how your solution supports Identity Federation and standards such as Liberty and SAML.   | Description:<br>Federated Identity is not available at this time.   |
| b) If your solution employs application-based security in any way, describe your method for securing the application and what elements of the application are secured.  | Description:<br>N/A   |
| 4) If you are proposing a hosted solution (SAAS), please indicate whether the data center that hosts the solution is SAS-70 compliant.  | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation:  |

|   |  |
|---|--|
| 5) Describe the reporting capabilities of the solution:   |  |
| a) Include information on the reporting engine, report designer, report file specification, and interoperability with other reporting solutions.  | Description:<br>Zonar offers an open API for retrieving information. This API can be used to extract data to import into other solutions.                  |
| b) Describe existing canned reports that are part of the proposed solution and discuss any ad-hoc reporting capabilities supported by your solution.  | Description: Please see the Reporting Capabilities section. Ad hoc reports can be created, but may incur a fee for developer's time, billed at \$175/hour. |
| c) Can the City use its existing reporting tools (Crystal Reports) to access the solution's data or metadata?   | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation:                   |
| d) Describe the data import/export capabilities of the proposed solution.   | Description: Please see Appendix B: Zonar's Open API.  |
| 6) Describe your upgrade process. Provide information about:  |  |
| a) Release Cycles (Major/Minor) and requirement for CCD to stay current for maintenance and support   | Description: We notify customers in a newsletter and with a banner on the web site of upcoming upgrades.   |
| b) Tools that can be used to migrate configurations and data from one release to the other  | Description:   |
| c) Availability of your technical staff during upgrade  | Description: Customer care is available 24 hours a day, 7 days a week.   |
| 7) Describe the proposed Software License and Maintenance Agreement, including:   |  |
| a) A brief description of the software license (including term and any restrictions)  | Description: Please see Appendix D.  |
| b) Provide a copy of the proposed software license and maintenance agreement for the proposed software.   | Attached: YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>  |
| c) Any third party software that is bundled with the proposed software license  | Description: None  |
| d) A description of the proposed maintenance and support program. This shall include telephone support, hours in which telephone support is available, escalation procedure, updates, upgrades, and SLAs (include service response times based on severity of the issue). | Description:<br>Please see "The Zonar Experience" on page 96.  |
| 8) Provide the release number of the proposed solution and the date on which the release was (or will be) publicly available.   | Release #: 3.8.2<br>Date: 6/28/2013  |



| B.3.c Data  |  |
|---|--|
| 1) Any hosted data stored by the ASP is wholly and solely owned by the City & County of Denver.   | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 2) No entity other than CCD may access or derive benefit of any type from the hosted data without prior written approval from CCD.                            | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 3) Any transmission of sensitive data must be encrypted in a way that satisfies CCD security and data protection requirements.                                | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 4) Storage of any sensitive data must be in an encrypted for that satisfies CCD security and data protection requirements.                                    | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 5) A complete and comprehensive data dictionary of all tables and data elements comprising the hosted data will be provided to CCD.                           | Vendor will comply (initial one):<br>YES <input type="checkbox"/> NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |
| a) This information must be refreshed (resent to CCD) prior to any upgrade impacting the data dictionary.   | Vendor will comply (initial one):<br>YES <input type="checkbox"/> NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |
| 6) Any database utilized by the ASP to contain hosted data must be approved by CCD. The current standard databases are Oracle RDBMS and Microsoft SQL Server. | Vendor will comply (initial one):<br>YES <input type="checkbox"/> NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |
| 7) The ASP shall meet all data retention requirements as defined by CCD.  | Vendor will comply (initial one):<br>YES <input type="checkbox"/> NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |

Explanations:

Item 5) The database schema and how Zonar stores the data is part of its intellectual property and cannot be disclosed. All data is available through Zonar's open API and data elements returned are documented.

Item 5 a) All changes to the API are documented on the website. API requests include version numbers, while all API updates increase the version number to avoid impacting any existing integrations using the API.

Item 6) The Zonar SaaS solution utilizes the open source PostgreSQL database. This cannot be changed.

Item 7) Data retention requirements by CCD have not been disclosed.

| B.3.d Access   |   |
|--|---|
| 1) CCD retains the right to full and unrestricted access to the hosted data for any purpose it deems reasonable, including but not limited to reporting, data mining and aggregation, statistical analysis, and access and log analysis. | Vendor will comply (initial one):<br>YES ___ NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |
| a) The access interface must be approved by CCD and meet the needs of the CCD project  | Vendor will comply (initial one):<br>YES ___ NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |
| b) Accessed data must be in a format compatible with current CCD systems and must be approved by CCD.  | Vendor will comply (initial one):<br>YES ___ NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |
| c) Generally Crystal Reports is used for reporting; the data should be in a form accessible by Crystal Reports.  | Vendor will comply (initial one):<br>YES ___ NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |
| 2) Access to data shall not impact performance of the production system. If there is a concern about production performance, then a data warehouse or other repository should be created for non-real time access to the data.           | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO ___<br>If "NO" provide explanation: |
| 3) The access method (e.g. API, JDBC, etc.) must be approved by CCD.   | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO ___<br>If "NO" provide explanation: |
| 4) CCD must have the ability to execute an extraction process, either automated or manual, against the hosted data.  | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO ___<br>If "NO" provide explanation: |
| a) This access must include all applicable data and reference information (e.g. lookup tables).  | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO ___<br>If "NO" provide explanation: |

Explanations:

Item 1) Zonar offers an open API to retrieve data from. Direct access to servers for data mining or log analysis is not possible.

Item 1a) Zonar provides an open API for retrieving information. This and the web application(s) Zonar provides are the only means of interfacing with the data collected.

Item 1b) CCD format has not yet been disclosed.

Item 1c) Crystal Reports required format unknown at this time.

| B.3.e Backup & Recovery  |  |
|--|--|
| 1) Backups of the hosted data must occur in a manner that provides CCD with sufficient data protection and recovery.                 | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| a) Data recovery SLAs must be met  | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 2) The physical storage and security of any backup must meet the CCD security requirements and must be approved by CCD.              | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 3) Data recovery procedures must be documented and provided to CCD. CCD must approve said procedures.                                | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 4) Data backup and recovery procedures will be tested through functional execution no less than once per year.                       | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| B.3.f Cloud  |  |
| 1) Is the system hosted at one or more facilities external to CCD infrastructure?  | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 2) Is the system deployed and accessible at two or more data centers, one of which is located at least 500 miles from Denver, CO?    | Vendor will comply (initial one):<br>YES <input type="checkbox"/> NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |
| 3) Can the vendor prove that each facility has redundant infrastructure including power, disk, CPU, networking, and Internet access? | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 4) Can the system scale up with respect to servers, disk, memory, and bandwidth dynamically and with zero down time?                 | Vendor will comply (initial one):<br>YES <input type="checkbox"/> NO <input checked="" type="checkbox"/><br>If "NO" provide explanation: |
| 5) Can the system scale up and down with respect to user licenses dynamically and with zero down time?                               | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |
| 6) Can the vendor demonstrate or prove successful up-time that matches the required SLAs?  | Vendor will comply (initial one):<br>YES <input checked="" type="checkbox"/> NO <input type="checkbox"/><br>If "NO" provide explanation: |

|  |  |
|--|--|
| 7) To what extent does the vendor manage the hosted application?   |  |
| a) Does the vendor automatically install updates to the latest version?  | Description: Yes. These updates are seamless to the end user.  |
| b) Does the vendor monitor all system resources (disk, CPU, database extents, memory utilization, bandwidth, etc?) | Description: Zonar has alerting software that monitors all portions of the system and sends emails and SMS alerts to appropriate staff. All server performance metrics are saved for analysis. |
| B.3.g Pricing  |  |
| 1) Does the pricing model scale, both up and down, with the number of resources (typically users) used?            | Description:<br>No, we only provide discounts for multiple year pricing.   |



# V3™ AND EVIR™ OPTION

## C.7 PROPOSAL ITEMS: As specified below OR EQUIVALENT:

Proposing vendors are to review each item's description, then propose their equivalent offering, and then the applicable pricing for the initial and subsequent years (as applicable).

TABLE #1: VEHICLE EQUIPMENT/HARDWARE/ ACTIVATION/ INSTALLATION (300 VEHICLES)

| Item | Description   | Proposed   | Quantity Required | Unit Cost (Delivered Price) | Extended Cost (QTY X Unit Cost) |
|------|---|--|-------------------|-----------------------------|---------------------------------|
| 1)   | <b>VEHICLE TRACKING AND MANAGEMENT HUB (12VDC)</b><br>Each Hub Includes the following: <ul style="list-style-type: none"> <li>➤ Internal GPS Antenna and Engine</li> <li>➤ Vehicle ECM J-Bus Module Interface</li> <li>➤ EVIR Inspection Module Interface</li> <li>➤ Mounting Bracket with Mounting Hardware</li> <li>➤ SIM Card and programming/circuitry for information compilation and transfer via Cellular Communication for interface to vendor's network</li> <li>➤ Additional Leads and/ or Connectors for                             <ul style="list-style-type: none"> <li>• Remote GPS Antenna</li> <li>• Harness/ Cradle for Handheld Device (EVIR)</li> <li>• Vehicle's ECM</li> </ul> </li> </ul> | ➤ V3™ HD-GPS<br><br>Please see item 4.<br><br>Please see item 2. | 218               | \$ 215.96                   | \$ 47,079.28                    |

| Item | Description  | Proposed  | Quantity Required | Unit Cost (Delivered Price) | Extended Cost (QTY X Unit Cost) |
|------|--|---|-------------------|-----------------------------|---------------------------------|
|      | (MODBUS-J-BUS)<br><ul style="list-style-type: none"> <li>Power Requirements</li> </ul> |   |                   |                             |                                 |
| 2)   | Remote GPS Antenna<br>(City may purchase at its option)                                | ➤ External antenna hardware included. Quote is for installation.  | 218               | \$ 10.00                    | \$ 2,180.00                     |
| 3)   | Vehicle and Installed Equipment Interface Harness                                      | ➤ Included in EVIR™ package   | 218               | \$ 0                        | \$ 0                            |
| 4)   | EVIR Handheld Device with Cradle/Charging Station                                      | ➤ EVIR™   | 218               | \$ 215.96                   | \$ 47,079.28                    |
| 5)   | RFID Tags/ Pucks   | ➤ Included in EVIR™ package   | 2,400             | \$ 0                        | \$ 0                            |
| 6)   | Activation Charge<br>(per each Vehicle Tracking and Management Hub)                    | ➤ One-time activation charge per HD-GPS   | 218               | \$ 25.00                    | \$ 5,450.00                     |
| 7)   | Vehicle Installation Charge<br>(City may purchase at its option)                       | ➤ Price for V3™ HD-GPS, EVIR™ and 1 I/O connection. Installation price for external antenna listed in item 2. | 218               | \$ 127.00                   | \$ 27,686.00                    |
| 8)   | VEHICLE EQUIPMENT/HARDWARE/ ACTIVATION/ INSTALLATION: Sum Lines 1-7 Above              |   |                   |                             | \$ 129,474.56                   |



**V3™ AND EVIR™ OPTION CONTINUED**

TABLE #2: INTERNET BASED- GROUND TRAFFIC CONTROL™ APPLICATION OR EQUIVALENT

| Item | Description   | Initial / Year One Cost  | Year Two Cost   | Year Three Cost   | Year Four Cost  | Year Five Cost  |
|------|---|--|---|---|---|---|
| 9)   | <p><b>INITIAL START UP</b></p> <p>Ground Traffic Control™ Application</p> <p>Includes but is not limited to:</p> <ul style="list-style-type: none"> <li>➤ Establish City users</li> <li>➤ Establish Reports</li> <li>➤ Interface/ Cellular Connection of Vehicle Hubs and DATA transfer to Ground Traffic Control™ Application</li> <li>➤ Set-Up City as Customer and configure system. Training</li> </ul> | <p>Start up/unit</p> <p>\$24.03 x 218</p> <p><u>\$ 5,238.54</u></p> <p>Quote is for four days of on-site training. Quote also includes estimate for installation travel and shipping. Travel and shipping are estimates, and will be billed at cost. Additional change in scope and quantity of the last year has lead to changes.</p> | N/A   | N/A   | N/A   | N/A   |
| 10)  | <p>Ground Traffic Control™ Application</p> <p>Yearly Service, Updates, and Customer Service, unlimited users</p> <p>No licensing requirements or maintenance fees</p>   | <p>Yearly Unit Cost</p> <p><u>\$ 311.88</u></p> <p>x 218</p> <p>Total: <u>\$67,989.84</u></p>  | <p>Yearly Unit Cost</p> <p><u>\$ 311.88</u></p> <p>x 218</p> <p>Total: <u>\$67,989.84</u></p> | <p>Yearly Unit Cost</p> <p><u>\$ 311.88</u></p> <p>x 218</p> <p>Total: <u>\$67,989.84</u></p> | <p>Yearly Unit Cost</p> <p><u>\$ 311.88</u></p> <p>x 218</p> <p>Total: <u>\$67,989.84</u></p> | <p>Yearly Unit Cost</p> <p><u>\$ 311.88</u></p> <p>x 218</p> <p>Total: <u>\$67,989.84</u></p> |

Quote given for three-year contract service rates.

Page 29 COMPANY NAME: Zonar Systems, Inc.

Total for all 5 years: \$339,949.20

|     |   |   |   |   |   |   |
|-----|---|---|---|---|---|---|
| 11) | <p>EVIR Electronic Verified Inspection Report (EVIR®) System Maintenance</p> <p>Includes:<br/>         Yearly Service, Updates, and Customer Service</p>  | <p>Yearly Unit Cost<br/>         \$ 84.00</p> <p>x 218</p> <p>Total: \$ 18,312.00</p>   | <p>Yearly Unit Cost<br/>         \$ 84.00</p> <p>x 218</p> <p>Total: \$ 18,312.00</p> | <p>Yearly Unit Cost<br/>         \$ 84.00</p> <p>x 218</p> <p>Total: \$ 18,312.00</p> | <p>Yearly Unit Cost<br/>         \$ 84.00</p> <p>x 218</p> <p>Total: \$ 18,312.00</p> | <p>Yearly Unit Cost<br/>         \$ 84.00</p> <p>x 218</p> <p>Total: \$ 18,312.00</p> |
| 12) | <p>Hardware Warranty</p> <p>Warranties the repair and /or replacement of the following:</p> <ul style="list-style-type: none"> <li>• Vehicle Tracking and Management Hub</li> <li>• Remote GPS Antenna</li> <li>• Vehicle and Installed Equipment Interface Harness</li> <li>• EVIR Handheld Device with Cradle/ Charging Station</li> <li>• Sundries related to the above.</li> <li>• Installation             <ul style="list-style-type: none"> <li>○ (If performed by vendor.)</li> </ul> </li> </ul> <p>No deductibles apply</p> | <p>Warranties included in your Zonar service are as follows:<br/>         V3™ HD-GPS: 5 years<br/>         EVIR™ Handheld Device: 3 years<br/>         All other hardware: 1 year</p> | <p>Yearly Unit Cost<br/>         \$ _____</p> <p>x 218</p> <p>Total: \$ _____</p>     | <p>Yearly Unit Cost<br/>         \$ _____</p> <p>x 218</p> <p>Total: \$ _____</p>     | <p>Yearly Unit Cost<br/>         \$ _____</p> <p>x 218</p> <p>Total: \$ _____</p>     | <p>Yearly Unit Cost<br/>         \$ _____</p> <p>x 218</p> <p>Total: \$ _____</p>     |

Pricing assumes tax-exempt status.  
 Shipping is estimated at \$3 per device, but billed at cost. Custom configuration for the EVIR™ is \$1,000, standard configuration no charge.





# V3™ AND 2020 TABLET™ OPTION

## C.7 PROPOSAL ITEMS: As specified below OR EQUIVALENT:

Proposing vendors are to review each item's description, then propose their equivalent offering, and then the applicable pricing for the initial and subsequent years (as applicable).

TABLE #1: VEHICLE EQUIPMENT/HARDWARE/ ACTIVATION/ INSTALLATION (300 VEHICLES)

| Item | Description   | Proposed                               | Quantity Required | Unit Cost (Delivered Price) | Extended Cost (QTY X Unit Cost) |
|------|---|--|-------------------|-----------------------------|---------------------------------|
| 1)   | <b>VEHICLE TRACKING AND MANAGEMENT HUB (12VDC)</b><br>Each Hub Includes the following: <ul style="list-style-type: none"> <li>➤ Internal GPS Antenna and Engine</li> <li>➤ Vehicle ECM J-Bus Module Interface</li> <li>➤ EVIR Inspection Module Interface</li> <li>➤ Mounting Bracket with Mounting Hardware</li> <li>➤ SIM Card and programming/circuitry for information compilation and transfer via Cellular Communication for interface to vendor's network</li> <li>➤ Additional Leads and/ or Connectors for                             <ul style="list-style-type: none"> <li>• Remote GPS Antenna</li> <li>• Harness/ Cradle for Handheld Device (EVIR)</li> <li>• Vehicle's ECM</li> </ul> </li> </ul> | ➤ V3™ HD-GPS<br><br>Please see item 4. | 94                | \$ 215.96                   | \$ 20,300.24                    |

| Item | Description  | Proposed  | Quantity Required | Unit Cost (Delivered Price) | Extended Cost (QTY X Unit Cost) |
|------|--|---|-------------------|-----------------------------|---------------------------------|
|      | (MODBUS-J-BUS)<br><ul style="list-style-type: none"> <li>Power Requirements</li> </ul> |   |                   |                             |                                 |
| 2)   | Remote GPS Antenna<br>(City may purchase at its option)                                | ➤ External antenna hardware included. Quote is for installation.  | 94                | \$ 10.00                    | \$ 940.00                       |
| 3)   | Vehicle and Installed Equipment Interface Harness                                      | ➤ Included in EVIR™ package   | 94                | \$ 0                        | \$ 0                            |
| 4)   | EVIR Handheld Device with Cradle/Charging Station                                      | ➤ 2020 Tablet™ with EVIR™ app and Cradle  | 94                | \$ 584.92                   | \$ 54,982.48                    |
| 5)   | RFID Tags/ Pucks   | ➤ Included in EVIR™ package   | 1,100             | \$ 0                        | \$ 0                            |
| 6)   | Activation Charge<br>(per each Vehicle Tracking and Management Hub)                    | ➤ One-time activation charge per HD-GPS   | 94                | \$ 25.00                    | \$ 2,350.00                     |
| 7)   | Vehicle Installation Charge<br>(City may purchase at its option)                       | ➤ Price for V3™ HD-GPS, 2020™ and 1 I/O connection. Installation price for external antenna listed in item 2. | 94                | \$ 127.00                   | \$ 11,938.00                    |
| 8)   | VEHICLE EQUIPMENT/HARDWARE/ ACTIVATION/ INSTALLATION: Sum Lines 1-7 Above              |   |                   |                             | \$ 90,510.72                    |



**V3™ AND 2020 TABLET™ OPTION CONTINUED**

TABLE #2: INTERNET BASED- GROUND TRAFFIC CONTROL™ APPLICATION OR EQUIVALENT

| Item | Description  | Initial / Year One Cost   | Year Two Cost   | Year Three Cost   | Year Four Cost  | Year Five Cost  |
|------|--|---|---|---|---|---|
| 9)   | <p>INITIAL START UP</p> <p>Ground Traffic Control™ Application</p> <p>Includes but is not limited to:</p> <ul style="list-style-type: none"> <li>➤ Establish City users</li> <li>➤ Establish Reports</li> <li>➤ Interface/ Cellular Connection of Vehicle Hubs and DATA transfer to Ground Traffic Control™ Application</li> <li>➤ Set-Up City as Customer and configure system. Training</li> </ul> | <p>\$ 2,260.00</p> <p>Quote is for four days of on-site training. Quote also includes estimate for installation travel and shipping. Travel and shipping are estimates, and will be billed at cost. Additional change in scope and quantity of the last year has lead to changes.</p> | N/A   | N/A   | N/A   | N/A   |
| 10)  | <p>Ground Traffic Control™ Application</p> <p>Yearly Service, Updates, and Customer Service, unlimited users</p> <p>No licensing requirements or maintenance fees</p>  | <p>Yearly Unit Cost \$ 311.88</p> <p>x 94</p> <p>Total: \$29,316.72</p>   | <p>Yearly Unit Cost \$ 311.88</p> <p>x 94</p> <p>Total: \$29,316.72</p> | <p>Yearly Unit Cost \$ 311.88</p> <p>x 94</p> <p>Total: \$29,316.72</p> | <p>Yearly Unit Cost \$ 311.88</p> <p>x 94</p> <p>Total: \$29,316.72</p> | <p>Yearly Unit Cost \$ 311.88</p> <p>x 94</p> <p>Total: \$29,316.72</p> |

|     |   |   |  |  |  |  |
|-----|---|---|--|--|--|--|
| 11) | <b>EVIR (CSA) Electronic Verified Inspection Report (EVIR®) System Maintenance</b><br>Includes:<br>Yearly Service, Updates, and Customer Service  | Yearly Unit Cost<br>\$ 84.00<br>x 94<br>Total: \$ 7,896.00  | Yearly Unit Cost<br>\$ 84.00<br>x 94<br>Total: \$ 7,896.00                                     | Yearly Unit Cost<br>\$ 84.00<br>x 94<br>Total: \$ 7,896.00                                     | Yearly Unit Cost<br>\$ 84.00<br>x 94<br>Total: \$ 7,896.00                                     | Yearly Unit Cost<br>\$ 84.00<br>x 94<br>Total: \$ 7,896.00                                     |
|     | Other 2020 Apps Service Costs:<br><ul style="list-style-type: none"> <li>Navigation/Messaging</li> <li>MyDriving</li> <li>Hours of Service</li> </ul>   | Yearly Unit Cost<br>\$96 x 94 = \$9,024.00<br>\$36 x 94 = \$3,384.00<br>\$96 x 94 = \$9,024.00  | Yearly Unit Cost<br>\$96 x 94 = \$9,024.00<br>\$36 x 94 = \$3,384.00<br>\$96 x 94 = \$9,024.00 | Yearly Unit Cost<br>\$96 x 94 = \$9,024.00<br>\$36 x 94 = \$3,384.00<br>\$96 x 94 = \$9,024.00 | Yearly Unit Cost<br>\$96 x 94 = \$9,024.00<br>\$36 x 94 = \$3,384.00<br>\$96 x 94 = \$9,024.00 | Yearly Unit Cost<br>\$96 x 94 = \$9,024.00<br>\$36 x 94 = \$3,384.00<br>\$96 x 94 = \$9,024.00 |
| 12) | <b>Hardware Warranty</b><br>Warranties the repair and /or replacement of the following:<br><ul style="list-style-type: none"> <li>Vehicle Tracking and Management Hub</li> <li>Remote GPS Antenna</li> <li>Vehicle and Installed Equipment Interface Harness</li> <li>EVIR Handheld Device with Cradle/ Charging Station</li> <li>Sundries related to the above.</li> <li>Installation             <ul style="list-style-type: none"> <li>(If performed by vendor.)</li> </ul> </li> </ul> No deductibles apply | Warranties included in your Zonar service are as follows:<br>V3™ HD-GPS: 5 years<br>EVIR™ Handheld Device: 3 years<br>All other hardware, including 2020™: 1 year | Yearly Unit Cost<br>\$ _____<br>x 94<br>Total: \$ _____  | Yearly Unit Cost<br>\$ _____<br>x 94<br>Total: \$ _____  | Yearly Unit Cost<br>\$ _____<br>x 94<br>Total: \$ _____  | Yearly Unit Cost<br>\$ _____<br>x 94<br>Total: \$ _____  |

# INSTALLATION ASSUMPTIONS AND PRICING CONSIDERATIONS

## Installation Assumptions:

Install: \$39,624 (\$127 per Install). Travel is included in this cost.

- Assumes install of 312 Zonar V3™ systems with EVIR® and/or 2020™ and single I/O.
- Assumes I/O is: 1. Unknown
- Assumes I/O can be terminated with no additional components required for full functionality. Zonar I/O requires +12V to trigger I/O "ON" event.
- Assumes run rate for installs is 6 per day per tech.
- Assumes minimum site access 6-days per week, 12 hours per day.
- Assumes installs are completed at a single geographic location.
- Assumes project to be completed by 2 Velociti technicians over 4.5 consecutive calendar weeks.
- Assumes Velociti is given geographic scheduling control.
- Assumes unrestricted access to sites, vehicles and Zonar hardware to complete the project during the timeframe described.
- Once techs are deployed, any delay outside of Velociti control that results in additional days of activity will be charged at \$700 per day per tech.
- Inclement weather is out of Velociti control and can result in additional days required to complete installs if covered area is not available.
- Cancellation Provision - The following fees will apply.
  - a. If the project is cancelled greater than 72 hrs in advance of the project start date, then only non-refundable travel expenses will be charged.
  - b. If project is cancelled 72 hrs or less of the project start date, then \$900 for each tech assigned plus non refundable travel expenses will be charged.
  - c. If the project is cancelled after the installation begins, full project price as quoted will be billed unless other charges are agreed upon.
- Any shipping charges are the responsibility of Zonar.
- Installation includes 365-day warranty on workmanship.
- Purchase Order commitment required 3 weeks in advance of project start date.
- Payment Terms: Velociti will invoice weekly for all tech weeks used the previous week. Due upon receipt unless other terms are agreed upon.

## Pricing Considerations:

- The pricing in the contract (SOW) will be honored for contract term.
- Custom application development priced at \$175/hr price could vary dependent upon scope and fair market value.
- 24/7 phone based tech support at no additional charge.
- Field support billed at cost and \$500/day upon customer request.

Pricing Analysis to ensure maximum contract amount is correct

| V3 and EVIR pricing                             | Exhibit              | Price update as of 7/29 |
|---|----------------------|-------------------------|
| Item 1  | 47079.28             |                         |
| Item 2  | 2180                 |                         |
| Item 3  | 0                    |                         |
| Item 4  | 47079.28             |                         |
| Item 5  | 0                    |                         |
| Item 6  | 5450                 |                         |
| Item 7  | 27686                |                         |
| Item 8 (sub total)                              | 129474.56            | 129474.56               |
| Item 9  | 5238.54              | 5238.54                 |
| Item 10 (5 years)                               | 339949.2             | 339949.2                |
| Item 11 (5 years)                               | 91560                | 91560                   |
| Item 12 (warranty)                              | 0                    | 0                       |
| Shipping /\$3 per unit                          | 654                  | 0                       |
| Custom Configuration                            | 1000                 | 0                       |
| <b>V3 and EVIR pricing Subtotal</b>             | <b>\$ 567,876.30</b> | <b>\$ 566,222.30</b>    |
|   |                      |                         |
| V3 and Tablet Option                            |                      |                         |
| Item 1  | 20300.24             |                         |
| Item 2  | 940                  |                         |
| Item 3  | 0                    |                         |
| Item 4  | 54982.48             |                         |
| Item 5  | 0                    |                         |
| Item 6  | 2350                 |                         |
| Item 7  | 11938                |                         |
| Item 8 (sub total)                              | 90510.72             | 90510.72                |
| Item 9  | 2260                 | 2260                    |
| Item 10 (5 years)                               | 146583.6             | 146583.6                |
| Item 11 (5 years)                               | 39480                | 39480                   |
| Item 12 (warranty)                              | 0                    | 0                       |
| Apps (5 years)                                  | 107160               | 0                       |
| Shipping /\$3 per unit                          | 282                  |                         |
| Custom configuration                            | 1000                 |                         |
| Custom Development (\$150/Hour) 5 year estimate | 15000                |                         |
|   |                      |                         |
| Other pricing considerations                    |                      |                         |
| Custom Application Development (\$175/hour)     | 4375                 | (estimated at 25 hours) |
| Field support (\$500 per day or at cost)        | 10000                | (estimated at 20 hours) |
|   | <b>\$ 416,651.32</b> | <b>\$ 278,834.32</b>    |
|   |                      |                         |
|   | <b>\$ 984,527.62</b> | <b>\$ 845,056.62</b>    |





SUBSCRIPTION AGREEMENT  
(Purchase)

P.O. # \_\_\_\_\_

Quotation # 134939

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**LICENSOR:** Zonar Systems, Inc. (Zonar)  
A Washington Corporation  
18200 Cascade Ave. S., Suite 200  
Seattle, WA 98188  
Telephone: 206.878.2459  
Fax: 206.878.3082  
Website: [www.zonarsystems.com](http://www.zonarsystems.com)

**SUBSCRIBER:**  
City and County of Denver  
201 W Colfax Ave, Dept 908  
Denver, CO 80202  
Telephone: 720-865-4112 Fax: 720-337-1161  
Email:  
Location: Denver, CO

Customer Type: State and Local – SL  
EVIR Data Retention:  3 Months  Annual  
GPS Data Retention:  6 Months  Annual

**SUBSCRIPTION:** Zonar grants Subscriber a limited right to access and use its fleet telematics web application and related software during the Term and at the Location(s) set forth above exclusively for Zonar’s current service offerings and as provided in the attached Terms of Use. All rights not expressly granted to Subscriber are reserved to Zonar.

**SERVICES:** Zonar will provide Subscriber with the Services including activation, 24/7 access to Zonar Ground Traffic Control™ (Fleet Management Web Application), email & phone support, software upgrades, daily account monitoring, and all associated wireless data charges, provided Subscriber is not in breach of any obligation under this Agreement.

**TERM:** This Agreement will commence upon the Effective Date and continue thereafter for three (3) years (the “Initial Term”), and shall automatically renew for additional one year terms (together with the Initial Term, the “Term”), subject to payment by Subscriber of the then current Subscription Fees, unless Subscriber provides Zonar written notice of its intent not to renew this Agreement at least thirty (30) days prior to the expiration of the then current term. The Terms of Use may be subject to modification on 30 days’ notice by Zonar.

**QUOTATION:** The attached Quotation sets forth the Hardware and Services to be delivered to Subscriber under this Agreement, the prices, and delivery terms and any additional terms applicable thereto. The Quotation shall be good for 30 days and upon execution of this Agreement by Subscriber shall constitute a binding purchase order.

**FEES:** After the Initial Term, all fees and charges (including the Subscription Fee) are subject to change on the annual anniversary date of this Agreement upon at least thirty (30) days’ written notice. All fees and charges are “net” and are not subject to set off or reduction. The initial Subscription Fee is due upon execution of this Agreement and all other fees and charges are due as provided in the attached Quotation. Thereafter, the annual Subscription Fee shall be due and payable in advance on annual anniversary date of this Agreement. Any amounts not paid when due shall bear interest at the rate of one and one half percent (1.5%) per month, or the maximum legal rate if less. Zonar shall be entitled to withhold performance and suspend the Service until all amounts due are paid in full.

**REMEDIES:** Breach by Zonar. Subscriber agrees that its sole remedy as a subscriber for defective equipment during the warranty period is the repair and replacement of the equipment. Zonar shall not be liable to Subscriber or any third party for any general, special, punitive, incidental, indirect or consequential damages, or any lost profits or business, arising out of this agreement.

Breach by Subscriber. If Subscriber fails to make any payment due or otherwise violates any term or condition of this Agreement, Subscriber may be declared in default upon notice and failure to cure for 15 days. Upon declaration of default, all amounts due under this Agreement during the entire term hereof shall become immediately due and payable including, without limitation, the cost to repair or replace damaged equipment, interest and costs and expenses of collection. Zonar shall also have the right to terminate this Agreement and recover any other remedy permitted by law.

**INDEMNIFICATION:** Subscriber shall defend, indemnify and hold Zonar harmless from and against any claim, cause of action, demand, cost, expense (including attorneys’ fees), loss suit, proceeding, damage and liability of any kind arising out of or relating to Subscriber’s use or inability to use the System or unauthorized use of the System, including, without limitation, any by the owner, operator, or insurer of any vehicle or equipment for which the System is used; and any by any person claiming injuries arising from the use of any vehicle or equipment for which the System is used.

**INTELLECTUAL PROPERTY:** Zonar retains all right, title and interest and all related intellectual property rights in and to the Service and Zonar’s Confidential Information, including any corrections, enhancements, updates or other modifications, including custom modifications, thereto, whether made by Zonar, Subscriber or any third party. Except as expressly set forth herein, no express or implied license or right of any kind is granted to Subscriber regarding the Service or any part thereof. Under no circumstances shall Subscriber sell or transfer any purchased Hardware, reconstruct or repair such Hardware, or reverse engineer or otherwise attempt to learn the trade secrets, know how or other intellectual property embodied therein. Subscriber agrees that Zonar may collect data regarding Subscriber’s use of the Service and analyze, use and disclose such data in an aggregated format (“Aggregated User Data”) for Zonar’s business purposes; provided such Aggregated User Data is not personally identifiable or subscriber identifiable.

**LIMITED WARRANTY:** Zonar warrants that the Hardware provided under this agreement is free from all material defects in workmanship under normal use and service. Zonar’s warranty period for its Hardware is as follows: V Series HD GPS Product Line – 5 Years; EVIR™ – 3 Years; All Other Hardware – 1 Year. The warranty period runs from the date of shipment, and applies to hardware purchases after January 2012 (hardware purchased before that date is covered under the previous warranty terms). Provided that the Hardware is used and handled as intended, Zonar will





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replace any failed or functionally impaired Hardware with equivalent Hardware in terms of performance and functionality. This warranty does not apply to any Hardware that has been misused, altered, willfully abused or that has been damaged due to improper installation by the customer. Hardware installations must follow Zonar's equipment specific installation guidelines. If product returned is determined to be damaged due to any of the aforementioned circumstances, the Customer will be charged the price of a refurbished unit plus shipping and handling. Return of any Hardware requires a Return Material Authorization (RMA) number. All RMA's must be pre-authorized by Zonar Customer Care at: E-mail: Customercare@zonarsystems.com. Phone: 1 877 THE EVIR. THIS LIMITED WARRANTY IS MADE TO SUBSCRIBER ONLY AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. ZONAR EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY WHICH MAY ARISE FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE.

**DISCLAIMER:** Subscriber is solely responsible for controlling access to the System, reviewing inspection reports, and taking appropriate action with respect to vehicles for which inspection reports have been submitted using the System.

**ENTIRE AGREEMENT:** This Agreement (including Terms of Use, EULA, ID Agreements (optional suggestions for Subscriber to consider in implementing a verified inspection program) and Quote) constitutes the entire agreement between Zonar and Subscriber with respect to the subject matter hereof, and supersedes all previous written agreements between Zonar and Subscriber with respect to such subject matter.

**CONTROLLING TERMS:** All products licensed or purchased by Subscriber from Zonar during the term of this Agreement shall be subject to the terms and conditions of this Agreement. Any terms or conditions appearing on the face or reverse side of any purchase order, acknowledgment, or confirmation that are different from or in addition to those required hereunder shall not be binding on the Parties, even if signed and returned, unless both Parties agree in a separate writing to be bound by such different or additional terms and conditions.

~~**GOVERNING LAW:** The parties agree that this Agreement shall be interpreted under the laws of the State of Washington, and that jurisdiction and venue shall be only in King County, Washington.~~

**ELECTRONIC COPIES:** Facsimile or scanned signatures will be deemed originals.

READ AND AGREED

Subscriber: \_\_\_\_\_ Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Rev:24Jan2013



# CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)  
08/16/2013

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 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).

|  |   |       |
|--|---|-------|
| <b>PRODUCER</b><br>Aon Risk Insurance Services West, Inc.<br>Seattle WA Office<br>1420 Fifth Avenue<br>Suite 1200<br>Seattle WA 98101-4030 USA | <b>CONTACT NAME:</b><br>PHONE (A/C. No. Ext): (206) 749-4800      FAX (A/C. No.): (206) 749-4860<br>E-MAIL ADDRESS: |       |
|  | <b>INSURER(S) AFFORDING COVERAGE</b>  |       |
| <b>INSURED</b><br>Zonar Systems, Inc<br>18200 Cascade Ave. S.<br>Seattle WA 98188 USA  | INSURER A: The Hanover Insurance Co   | 22292 |
|  | INSURER B: National Union Fire Ins Co of Pittsburgh   | 19445 |
|  | INSURER C: Hartford Casualty Insurance Co   | 29424 |
|  | INSURER D: Hartford Fire Insurance Co.  | 19682 |
|  | INSURER E: Sentinel Insurance Company, Ltd  | 11000 |
|  | INSURER F:  |       |

Holder Identifier :

COVERAGES      CERTIFICATE NUMBER: 570051017412      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. Limits shown are as requested

| INSR LTR | TYPE OF INSURANCE   | ADDL INSR | SUBR WVD | POLICY NUMBER  | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS  |
|----------|---|-----------|----------|--|-------------------------|-------------------------|---|
| D        | <b>GENERAL LIABILITY</b><br><input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br>CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><br>GENL AGGREGATE LIMIT APPLIES PER:<br><input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC |           |          | 52 UUN vk1929<br>Package (GL, Prop, Auto)  | 08/15/2013              | 08/15/2014              | EACH OCCURRENCE \$1,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000<br>MED EXP (Any one person) \$10,000<br>PERSONAL & ADV INJURY \$1,000,000<br>GENERAL AGGREGATE \$2,000,000<br>PRODUCTS - COMP/OP AGG \$2,000,000 |
| E        | <b>AUTOMOBILE LIABILITY</b><br><input checked="" type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS   |           |          | 52 UUN vk1929<br>Auto  | 08/15/2013              | 08/15/2014              | COMBINED SINGLE LIMIT (Ea accident) \$1,000,000<br>BODILY INJURY (Per person)<br>BODILY INJURY (Per accident)<br>PROPERTY DAMAGE (Per accident)   |
| C        | <input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR<br><input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE<br>DED <input checked="" type="checkbox"/> RETENTION \$10,000  |           |          | 52RHUVK0270<br>Umbrella  | 08/15/2013              | 08/15/2014              | EACH OCCURRENCE \$5,000,000<br>AGGREGATE \$5,000,000  |
| A        | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below   |           |          | WH2949848402<br>Workers Compensation   | 05/01/2013              | 05/01/2014              | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER<br>E.L. EACH ACCIDENT \$500,000<br>E.L. DISEASE-EA EMPLOYEE \$500,000<br>E.L. DISEASE-POLICY LIMIT \$500,000                                 |
| B        | E&O-PL-Primary  |           |          | 013083149<br>Professional Liability<br>SIR applies per policy terms & conditions | 08/15/2013              | 08/15/2014              | Prof. Liab. (E&O) \$1,000,000   |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
The City and County of Denver, its elected and appointed officials, employees and volunteers are included as Additional Insured in accordance with the policy provisions of the General Liability and Automobile Liability policies.

**CERTIFICATE HOLDER****CANCELLATION**

|   |  |
|---|--|
| Denver Risk Management<br>201 West Colfax Avenue, Dept. 1105<br>Denver CO 80202 USA | 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<br><br><i>Aon Risk Insurance Services West, Inc.</i>   |

Certificate No : 570051017412



**Contract Control Number:** PWADM-201312449-00

**Contractor Name:** ZONAR SYSTEMS INC

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of October 21, 2013.

SEAL



**CITY AND COUNTY OF DENVER**

ATTEST:

Debra Johnson  
Debra Johnson, Clerk and Recorder,  
Ex-Officio Clerk of the City and  
County of Denver

By Cary Kennedy  
Cary Kennedy, Deputy Mayor

APPROVED AS TO FORM:

DOUGLAS J. FRIEDNASH, Attorney  
for the City and County of Denver

REGISTERED AND COUNTERSIGNED:

By Cary Kennedy  
Cary Kennedy, Manager of Finance

By Steven J. Hahn  
Steven J. Hahn, Assistant City  
Attorney

By Dennis J. Gallagher  
Dennis J. Gallagher, Auditor



Contract Control Number: PWADM-201312449-00

Contractor Name: ZONAR SYSTEMS INC

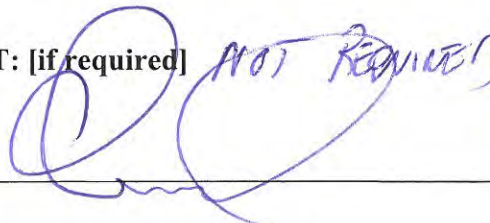
By: 

Name: CHRIS OLIVER  
(please print)

Title: CMO  
(please print)

ATTEST: [if required]

NOT REQUIRED

By: 

Name: MICHAEL KING  
(please print)

Title: GENERAL COUNSEL  
(please print)

