

## AMENDMENT 7 TO THE SOFTWARE LICENSE AGREEMENT

This Amendment 7 to the Software License Agreement for a Permit Tracking Software System, executed on April 20, 1994, and subsequently amended, is entered into by and between Snohomish County, a political subdivision of the State of Washington (the "County") and CSDC Inc. (formerly CSDC Systems Inc), a Delaware corporation located at 3500 Jefferson St, Suite 303, Austin, TX 78731, and duly registered and authorized to conduct business in Washington State ("CSDC" or the "Contractor").

### RECITALS

A. CSDC is the creator and vendor of certain software database products, commonly known as "AMANDA Software," that are used to input, store, sort, manage, track and analyze building and land use permit and development applications and related information;

B. The County originally purchased AMANDA Software pursuant to that certain Agreement dated April 20, 1994 (the "Original Agreement"), by and between the County and CSDC, as successor in interest to Sequent Computer Systems, Inc., an Oregon corporation;

C. Between the date of the Original Agreement and the date of this Amendment 7, the County and CSDC have entered in amendments modifying and/or enhancing the terms of the Original Agreement, including: (i) on or about June 22, 1998, the County upgraded its software license for the AMANDA Software from a per user license to an enterprise license; (ii) pursuant to that certain Contract for Professional Services dated May 14, 2001, the County hired CSDC to make certain enhancements to the County's installation of AMANDA Software; (iii) pursuant to that certain Master Agreement for the Purchase of AMANDA Software Modules and Related Services, dated August 13, 2007, the County purchased from CSDC certain additional modules, upgrades, enhancements and customizations for the County's installation of the AMANDA Software; (iv) pursuant to that certain Addendum to Software License Agreement dated September 28, 2009, the County purchased from CSDC a license to use the GIS Adaptor Software and related services for the County's AMANDA Software, (v) pursuant to that Software License and Services Agreement for Upgrade to AMANDA 5 dated September 27, 2012, the County hired CSDC to make certain enhancements to the County's installation of AMANDA Software and upgrade its software license for the AMANDA Software to AMANDA 5, and; (vi) pursuant to that certain Software License Agreement dated August 7, 2013, the County upgraded the software to AMANDA 6 and purchase maintenance and support to extend the life of the contract for AMANDA software. As modified by these modifications, amendments or additions, the Original Agreement shall be called the "Agreement";

D. On December 30, 2016, CSDC Systems Inc., an Ontario corporation with principal address at 1705 Tech Ave., Mississauga, ON L4W 5P4 and Tax ID 43-1843072 ("CSDC Ontario") assigned all of its rights, title, interest, and benefit in and to the Software License Agreement, as amended, to CSDC Inc., a Delaware corporation with principal address at 3500 Jefferson

Street, Suite 303, Austin, TX 78731 and Tax ID 32-0513897 ("CDSC DE"), pursuant to that certain Asset Purchase Agreement dated December 30, 2016, by and among CSDC Ontario, CSDC DE, and their related entities, and County consents to such assignment;

E. The County now desires that CSDC provide the Software License and Service Agreement upgrade to AMANDA 7, along with providing new modules as well as maintenance and support services for all modules covered under the Agreement.


AGREEMENT

NOW THEREFORE, in consideration of the covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the Contractor agree as follows:

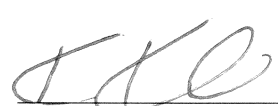
1. Section 2.14.41 of the Original Agreement allows the assignment of such agreement with County's consent, and County hereby acknowledges that it consents to the assignment of the Original Agreement by CSDC Systems Inc. to CSDC Inc.
2. All references to CSDC Systems Inc. shall hereinafter be changed to CSDC Inc. as CSDC Inc. is the contracting entity after the assignment described above, and all references to "Contractor" shall hereinafter be references to CSDC Inc.
3. Exhibit I, Statement of Work, attached hereto is added to the Original Agreement, and incorporated therein by this reference.
4. Schedule A of the Original Agreement is hereby amended to add Schedule A-7 attached hereto and incorporated herein by this reference.
5. Except as expressly amended in this Amendment 7, the terms and conditions of the Original Agreement remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment 7 to be duly executed as of the date set forth below by signature of the County Executive.

"Contractor"  
CSDC INC.


By:   
John Hanby ~~Brian Thomson~~  
Title: ~~SVP Sales, CSDC~~ CFO  
Date: 6/11/18

"County"  
SNOHOMISH COUNTY

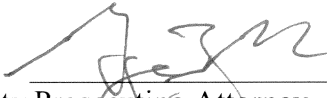
By:   
Snohomish County Executive *for*  
KEN KLEIN  
Executive Director  
Date: 7/12/18

COUNCIL USE ONLY	
Approved: <u>7-11-18</u>	
Docfile: <u>D-8</u>	

RECOMMENDED FOR APPROVAL

By:   
Director, Department of Information  
Technology  
Date: 6/15/2018

APPROVED AS TO FORM ONLY:

By:   
Deputy Prosecuting Attorney  
Date: 5/25/18

**Schedule A-7 - Costs Summary**

**Pricing Summary:**

#	Description	Pricing
1	Software	\$106,580.00
2	2018 Maintenance on Software Not To Exceed (For new modules, prorated based on number of months used)	\$24,752.00
3	Training for 2018 Upgrade/New Modules	\$28,500.00
4	Services Not To Exceed over 5 (five) years (2018-2023)	\$78,000.00
5	Maintenance over 5 (five) years (2018-2023)	\$467,090.16
	<b>Grand Total</b>	<b>\$704,922.16</b>

**Software Pricing (2018 Upgrade/New Modules):**

Description	Unit Price	Quantity	Total	2018 Maintenance *
Enterprise Authenticator Adaptor	\$5,500.00	1	\$5,500.00	\$1,045.00
AMANDA Collaboration – Server	\$16,000.00	1	\$16,000.00	\$3,040.00
AMANDA Collaboration – Users	\$1,056.00	10	\$10,560.00	\$2,006.00
AMANDA Inspector App – Server	\$16,000.00	1	\$16,000.00	\$3,040.00
AMANDA Inspector App – Users	\$1,450.67	30	\$43,520.00	\$8,269.00
EDMS Adapter	\$15,000.00	1	\$15,000.00	\$2,850.00
AMANDA Analytics	\$0.00	Unlimited	\$0.00	\$4,502.00
<b>Software Total</b>			<b>\$106,580.00</b>	<b>\$24,752.00 **</b>

\* Maintenance on new software is 19% of the Total Software cost of each module.

\*\* Price shown is for 12 months' worth of maintenance on new software. Actual cost for 2018 shall be a prorated amount based on the number of months software is used from 30 days after acceptance through November 30, 2018.

**Training Summary (2018 Upgrade/New Modules):**

The following pricing assumes 1 (one) trip by the CSDC trainer in 2018.

#	Description	Total Pricing
1	AMANDA 7 End User Course 1 (one) day course, up to 10 (ten) attendees.	\$7,500.00
2	AMANDA 7 Admin 2 (two) day course, up to 5 (five) attendees.	\$7,500.00
3	AMANDA Analytics 2 (two) day course, up to 10 (ten) attendees.	\$13,500.00
	<b>Training Total</b>	<b>\$28,500.00</b>

**5 (five) Year Services Pricing:**

<b>Description</b>	<b>4/01/2018 – 11/30/2019 Year 1</b>	<b>12/01/2019 – 11/30/2020 Year 2</b>	<b>12/01/2020 – 11/30/2021 Year 3</b>	<b>12/01/2021 – 11/30/2022 Year 4</b>	<b>12/01/2022 – 11/30/2023 Year 5</b>
AMANDA Support Services	\$0.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00
AMANDA 7 Professional Services	\$50,000.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Services Total</b>	<b>\$50,000.00</b>	<b>\$7,000.00</b>	<b>\$7,000.00</b>	<b>\$7,000.00</b>	<b>\$7,000.00</b>
<b>5 (five) Year Total</b>	<b>\$78,000.00</b>				

The above services table totals will be paid for the work accepted by the County as specified in Exhibit I AMANDA 7 Upgrade Statement of Work at a Time and Materials rate of \$175.00 dollars per hour. CSDC will invoice the County monthly in arrears for actual hours worked. The above services table costs are listed as capped pricing that CSDC is not to exceed.

**5 (five) Year Maintenance Pricing:**

<b>Description</b>	<b>12/01/2018 – 11/30/2019 Year 1</b>	<b>12/01/2019 – 11/30/2020 Year 2</b>	<b>12/01/2020 – 11/30/2021 Year 3</b>	<b>12/01/2021 – 11/30/2022 Year 4</b>	<b>12/01/2022 – 11/30/2023 Year 5</b>
AMANDA Back Office - Unlimited User	\$44,140.41	\$45,464.63	\$46,828.56	\$48,233.42	\$49,680.42
AMANDA Cashier	\$4,237.48	\$4,364.61	\$4,495.54	\$4,630.41	\$4,769.32
Enhanced Inspection (Deficiency)	\$2,448.17	\$2,521.61	\$2,597.26	\$2,675.18	\$2,755.43
GIS Adapter	\$3,410.29	\$3,512.60	\$3,617.98	\$3,726.51	\$3,838.31
AMANDA Permit	\$4,237.48	\$4,364.61	\$4,495.54	\$4,630.41	\$4,769.32
Batch Scheduler	\$3,376.53	\$3,477.82	\$3,582.16	\$3,689.62	\$3,800.31
Annual Maintenance Fee - Source Code In-Trust	\$1,376.01	\$1,417.29	\$1,459.81	\$1,503.60	\$1,548.71
Enterprise Authentication Adaptor	\$1,045.00	\$1,076.35	\$1,108.64	\$1,141.90	\$1,176.16

AMANDA Collaboration – Server	\$3,040.00	\$3,131.20	\$3,225.14	\$3,321.89	\$3,421.55
AMANDA Collaboration – Users	\$2,006.40	\$2,066.59	\$2,128.59	\$2,192.45	\$2,258.22
AMANDA Inspector App – Server	\$3,040.00	\$3,131.20	\$3,225.14	\$3,321.89	\$3,421.55
AMANDA Inspector App – Users	\$8,268.80	\$8,516.86	\$8,772.37	\$9,035.54	\$9,306.61
EDMS Adapter	\$2,850.00	\$2,935.50	\$3,023.57	\$3,114.27	\$3,207.70
AMANDA Analytics	\$4,502.00	\$4,637.06	\$4,776.17	\$4,919.46	\$5,067.04
<b>Maintenance Total</b>	<b>\$87,978.57</b>	<b>\$90,617.93</b>	<b>\$93,336.47</b>	<b>\$96,136.55</b>	<b>\$99,020.65</b>
<b>5 (five) Year Total</b>	<b>\$467,090.16</b>				

# Exhibit I

## **Included Modules:**

Enterprise Authentication Adaptor (SSO)

EDMS Adapter

AMANDA Collaboration – Server

AMANDA Collaboration – Users

AMANDA Inspector App – Server

AMANDA Inspector App – Users

AMANDA Analytics (Replaces Ex Monitor)

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## **Introduction**

Snohomish County (herein referred to as 'County') intends to upgrade to the most recent version of AMANDA (from AMANDA 6 to AMANDA 7) in 2018. Snohomish County would like to purchase additional modules available in AMANDA 7, get training for up to ten people, and extend the master contract from 1994 with maintenance for the next 5 Years. County anticipates needing some vendor support/consulting for the upgrade that is not part of annual maintenance.

## **1.0 Overview**

This Statement of Work (SOW) outlines the software and implementation services included with the upgrade and purchase of new modules from CSDC Inc. Additionally, this document describes Snohomish County's responsibilities in providing a suitable environment and facilitating a successful implementation of the CSDC modules.

All installed Amanda upgrades pursuant to this Statement of Work will be maintained and supported in accordance with the terms and conditions of the Original Agreement dated April 20, 1994.

## **2.0 Functionality**

This section details the functionality of each module included in the implementation. All functions and features are dependent upon required permitting data availability.

### **2.1 Enterprise Authentication Adapter**

AMANDA currently supports Single Sign On as well as the manual Active Directory/LDAP Authentication using the Kerberos protocol. The AMANDA Application Server communicates with the Active Directory to validate and find the user based on the Kerberos token provided by Browser. This module does not have to be implemented prior to the AMANDA 7 upgrade.

### **2.2 Electronic Document Management System (EDMS) Adaptor**

Snohomish County is in the contracting process with OpenText to implement an Electronic Content Management (ECM) system (known as the PRISM project). Part of the OpenText statement of work is integration with AMANDA. The EDMS Adaptor consists of an integrated adaptor developed by CSDC which operates as a gateway for the EDMS system developed by OpenText. The gateway provides integration for data transfers between AMANDA and the EDMS product from OpenText. The adapter will be a critical component needed for the success of the PRISM project.

### **2.3 AMANDA Collaboration (Server and Users) – AMANDA 7 ONLY**

AMANDA Collaboration Portal is a web-based application used to access, review, and track collaboration processes. It is an independent portal that displays details from folders and processes existing in AMANDA back office.

### **2.4 AMANDA Inspector App (Server and Users)**

The AMANDA Inspector App enables inspectors to access their scheduled inspection details from a tablet such as an iPad. It allows them to directly record essential information about the inspection, including process information, checklists, and deficiencies, right at the inspection site. Photos can be instantly attached and uploaded to AMANDA. Tablet features such as Voice Memos can be used to quickly input information. The Inspection App provides an efficient and organized method of immediately recording data and completing inspections on the go. AMANDA Browser is synchronized with the AMANDA Inspector App.

### **2.5 AMANDA Analytics – AMANDA 7 ONLY**

AMANDA Analytics is a business intelligence (BI) application that allows for the reporting and analysis of information stored within relational databases.

## **3.0 Deliverables and Responsibilities**

This section details the software and services included in system implementation.

### **3.1 Software and Installation**

CSDC will provide the software and modules to County so that the County's Systems Administrator can install and configure in AMANDA Development, Test, and Production servers.

CSDC will use ftp (file transfer protocol) to provide the above modules to the County. The County's Systems Administrator and DoIT will install the modules locally with telephone and remote desktop support to the server using the existing CSDC Citrix account to assist in troubleshooting installation problems per the ongoing support and maintenance agreement.

### **3.2 Training**

CSDC will provide five (5) days of training on-site as follows:

- Analytics (2 days) – up to ten (10) participants
- Administration (2 days) – up to five (5) participants
- End User Course (1 day) - - up to ten (10) participants

County and CSDC will agree upon a specific week (Mon-Fri) when CSDC will provide an onsite trainer to reduce travel expenses. CSDC will provide electronic materials to

County for use in the training and which may be replicated at County’s discretion. County will secure a training room and print the training materials for the classes at its own expense.

### 3.3 Services

CSDC or an approved subcontractor will provide consulting and technical support on an as-needed basis if the County needs it for the AMANDA upgrade and implementation of new modules and new functionality. For example, it is anticipated that technical support for EDMS adapter to connect AMANDA to the County’s new ECM. County will pay CSDC for these services on an hourly basis as set forth in the services pricing schedule. County shall not pay for routine trouble shooting and technical services normally provided by CSDC under the ongoing support and maintenance agreement.

## 4.0 Project Cost Summary:

### Products

Description	Unit Price	Quantity	Total	2018 Maintenance
Enterprise Authentication Adaptor	\$5,500	1	\$5,500	\$1,045
AMANDA Collaboration – Server	\$16,000	1	\$16,000	\$3,040
AMANDA Collaboration – Users	\$10,560	10	\$10,560	\$2,006
AMANDA Inspector App – Server	\$16,000	1	\$16,000	\$3,040
AMANDA Inspector App – Users	\$43,520	30	\$43,520	\$8,269
EDMS Adapter	\$15,000	1	\$15,000	\$2,850
AMANDA Analytics	\$0	Unlimited	\$0	\$4,502
<b>Total</b>			<b>\$106,580</b>	<b>\$24,752*</b>

\* Price shown is for 12 months maintenance on new software. Actual cost shall be a prorated amount based on the number of months the software is used from thirty (30) days after “go live” implementation through November 30, 2018.

### Services

Description	2018 + Year 1 Date of Contract - 11/30/19	Year 2 12/1/19- 11/30/20	Year 3 12/1/20- 11/30/21	Year 4 12/1/21- 11/30/22	Year 5 12/1/22- 11/30/23
AMANDA Support Services	\$-	\$7,000	\$7,000	\$7,000	\$7,000
AMANDA 7 Professional Services	\$50,000	\$-	\$-	\$-	\$-
<b>Total</b>	<b>\$50,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>
<b>5-YEAR TOTAL</b>	<b>\$78,000 *</b>				

\*The above services totals will be provided on a Time and Material basis at an hourly rate of \$175/Hour. CSDC will invoice County monthly in arrears for actual hours worked.

## Training

#	Description	Total Pricing
1	AMANDA 7 End User Course ( 1 day course, up to 10 attendees)	\$7,500
2	AMANDA 7 Admin (2 day course, up to 5 attendees)	\$7,500
3	AMANDA Analytics (2 day course, up to 10 attendees)	\$13,500
<b>Training Total</b>		<b>\$28,500 *</b>

\*Pricing assumes 1 trip by the CSDC trainer to Snohomish County Campus.

## Cost of the Products, Services, and Training **\$237,832**

Washington State Sales Tax \$ TBD

**Grand Total Cost \$237,832 + Applicable Sales Tax**

## Payment Schedule

Payment for the new modules purchased as part of the AMANDA 7 upgrade shall be made as follows:

### PRODUCTS

Software shall be paid for on a per module basis. The payment schedule for each module is as follows:

- 30% upon delivery to ftp site after requested by County;
- 20% upon satisfactory installation and once the module is configured, tested, and demonstrated to be properly working; and
- 50% at 45 days after completion of Performance Period (per section 2.14.37 of the Original Agreement).

### SERVICES

100% Invoiced Monthly based on an hourly rate of \$175/hour \$ Hourly

### TRAINING

25% Invoiced after Dates Set for Onsite Training \$ 7,125.00  
 75% Invoiced after Onsite Training \$21,375.00

### MAINTENANCE

The upgrade project will begin immediately after signing of this amendment and implementation (“go live”) with the new modules is anticipated to occur sometime in July or August 2018 as detailed in the Project Schedule below. “Go live” shall be defined to mean the date on which the software is made active in Snohomish County’s production environment. Included in this Statement of Work related to Amendment 7 is the

purchase price of new modules being implemented as part of the upgrade to AMANDA 7. Maintenance for the new modules purchased is charged beginning thirty (30) days after the County goes live with the AMANDA 7 upgrade. Pricing noted above is for 12 months maintenance. Therefore, prorated maintenance on the new modules will be due for the time period between thirty (30) days after “go live” implementation through November 30, 2018. County will receive an offsetting credit for maintenance already paid under Amendment 6 that was no longer needed as of the “go live” implementation date. This includes Executive Monitor (Server) for which County paid \$2,813.77 and Executive Monitor (5 named-user licenses) for which the County paid \$1,686.26 for the twelve months ending November 30, 2018. The credit shall be a prorated amount for the number of months those modules were not used between December 1, 2017 and November 30, 2018.

The additional amounts owing for new module maintenance and the credit for maintenance paid on modules no longer used will bridge the gap between Amendment 6 and Amendment 7 due to the upgrade in the AMANDA Permit Tracking System occurring prior to the effective date of Amendment 7.

## 5.0 Project Schedule

Below is the anticipated schedule in 2018 for the upgrade to AMANDA 7:

Task Name	Start Date	End Date
Setup Infrastructure (Development)	January 30	February 3
Run Database Scripts	February 6	February 10
Running Test Scripts	February 12	February 28
Contract / Statement of Work	January 30	February 28
Configuration	February 13	April 15
User Testing	April 16	May 30
New Module Implementation (start dates will vary depending on module)	March 31	September 30
Setup Test	May 31	June 30
Setup Prod	May 31	June 30
Training	June 11	June 15
Go Live	July 1	August 31





# CERTIFICATE OF INSURANCE


Date: June 14, 2018

The Insurer(s) hereby states that it has issued to the insured named herein a policy or policies of insurance providing the type of insurance and limits of liability set forth herein. This certificate of insurance neither affirmatively nor negatively amends, extends or alters the coverage, limits, terms or conditions of the policy it certifies.

**Certificate Holder:**  
Snohomish County Planning & Development Services  
3000 Rockefeller Ave., M/S 604, Everett, WA 98201

**Named Insured:**  
CSDC, Inc. and/or CSDC Systems Inc.  
355 Blackstock Road, Raintree Office, Park III, Building C  
Spartanburg, SC 29301

**COVERAGE PROVIDED ONLY FOR THE FOLLOWING SECTIONS: A B C D E F G H Q**

SECTION	TYPE OF POLICY	INSURER & POLICY NO.	POLICY PERIOD M / D / Y	LIMITS OF LIABILITY	
A	Commercial General Liability	Sovereign General Insurance Company Policy No. INT79848136	06/06/18 - 06/06/19	Each Occurrence	\$2,000,000
B	Products and Completed Operations			Aggregate	\$2,000,000
C	Cross Liability - Severability of Interests Clause			Tenant's Legal Liability	\$2,000,000
D	Blanket Contractual Liability			Non-Owned and Hired Automobile Liability	\$2,000,000
E	Occurrence Bodily Injury & Property Damage				
F	Personal Injury				
G	Non-Owned and Hired Automobile Liability				
H	Owners and Contractors protective				
I	Property	 Date/Sig.		Office Contents	
J	Certificate Holder Loss Payee			Building	
K	• All Risks, subject to exclusions			Equipment	
L	• Replacement Cost			Stock	
M	• Stated Amount of Co-insurance			Property of Others	
N	• Other:	Tenants Improvement			
O	Excess/Umbrella Liability (Professional Liability EXCLUDED)			Limits	
P	Professional Liability (Technology Errors & Omissions)			Limits	
Q	Snohomish County is an additional insured but only with respect to liability arising out of the operations/negligence of the Named Insured.				

Should any of the above described policies be cancelled before the expiration date thereof, the issuing insurer will endeavor to mail 30 days written notice to the holder of this certificate, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

Authorized Representative  
**THOMAS I. HULL INSURANCE LIMITED**  
220 Bay Street, Suite 600, Toronto, ON M5J 2W4





# INTELLECT GENERAL LIABILITY - COVERAGE EXTENSION ENDORSEMENT

APPLICABLE TO THE INTELLECT COMMERCIAL GENERAL LIABILITY FORM

This endorsement changes the policy. Please read it carefully.

The following schedule lists the coverage extensions provided by this endorsement. Refer to the individual provisions to determine the extent of coverage.

## SCHEDULE OF COVERAGE EXTENSIONS

1. Additional Insured - Broad Form Vendors
2. Additional Insured – by Contract, Agreement or Permit relating to:
  - Work performed by Insured
  - Premises owned, rented, leased or occupied
  - Equipment leased
3. Broadened Named Insured
4. Broadened Property Damage:
  - Borrowed Equipment
  - Customers' Goods
  - Use of Elevators
5. Non-Owned Watercraft
6. Product Recall Expense

### 1. ADDITIONAL INSURED - BROAD FORM VENDORS

**Section II - Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) with whom the Insured agreed in a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "The Named Insured's Product" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

- (a) (1) This provision 1. does not apply to:  
"Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (2) Any express warranty unauthorized by the Insured;
- (3) Any physical or chemical change in the product made intentionally by the vendor;
- (4) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (5) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (7) Products which, after distribution or sale by the Insured, have been labelled or relabelled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
- (a) The exceptions contained in Subparagraphs (4) or (6) ; or
- (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- (9) Any person or organization if the "products-completed operations hazard" is excluded either by the provisions of the Coverage Form or by endorsement.
- (b) This insurance does not apply to any insured person or organization, from whom the Insured has acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

### 2. ADDITIONAL INSURED – CONTRACT, AGREEMENT OR PERMIT

- (a) **Section II - Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) with whom the Insured agreed in a written contract, written agreement or permit to provide insurance such as is afforded under this Coverage Part, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by the Insured's acts or omissions or the acts or omissions of those acting on the Insured's behalf:
- (1) In the performance of "The Named Insured's Work" for the additional insured(s) at the location designated in the contract, agreement or permit; or
- (2) In the maintenance, operation or use of equipment leased to the Insured by such person(s) or organization(s), or
- (3) In connection with premises the Insured owns, rents, leases or occupies.  
This insurance applies on a primary or primary and non-contributory basis if that is required in writing by the contract, agreement or permit.
- (b) The insurance provided to the additional insured herein is limited. This insurance does not apply:
- (1) Unless:
- (a) The written contract, agreement or permit is currently in effect or becomes effective during the term of this policy; and
- (b) The contract or agreement was executed or permit issued prior to the "bodily injury", "property damage", or "personal and advertising injury";
- (2) To any person or organization included as an insured under the Additional Insured - Broad Form Vendors provision of this endorsement;
- (3) To any person or organization included as an insured by an endorsement issued by us and made part of this Coverage Part;

- (4) To any person or organization if the "bodily injury", "property damage", or "personal and advertising injury" arises out of the rendering of or failure to render any professional architectural, engineering or surveying services by or for the Insured including:
- (a) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Supervisory, inspection, architectural or engineering activities.
- (5) To any:
- (a) Lessor of equipment after the equipment lease expires; or
  - (b) Owners or other interests from whom land has been leased; or
  - (c) Managers or lessors of premises if:
    - (1) The "occurrence" takes place after the Insured ceases to be a tenant in the premises; or
    - (2) The "bodily injury", "property damage", "personal and advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
- (6) To "bodily injury, or "property damage" occurring after:
- (a) All work on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured at the site of the covered operations has been completed; or
  - (b) That portion of "The Named Insured's Work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project.
- (c) **Limits of Insurance** applicable to the additional insured are those specified in the contract, agreement or permit or in the Declarations Page of this policy, whichever is less, and fix the most we will pay regardless of the number of:
- (1) Insureds;
  - (2) Claims made or "suits" brought; or
  - (3) Persons or organizations making claims or bringing "suits".
- These Limits of Insurance are inclusive of and not in addition to the Limits of Insurance shown in the Declarations Page.

### 3. BROADENED NAMED INSURED

**Section II - Who Is An Insured** is amended to include as an insured the following:

Any organization which is a legally incorporated entity in which the Insured owns a financial interest of more than 50 percent of the voting stock on the effective date of this endorsement will be a Named Insured until the 180<sup>th</sup> day or the end of the policy period, whichever comes first, provided there is no other similar insurance available to that organization.

The insurance afforded herein does not apply to any entity which is also an insured under another policy or would be an insured under such policy but for its termination or the exhaustion of its limits of insurance.

### 4. BROADENED PROPERTY DAMAGE – BORROWED EQUIPMENT, CUSTOMERS' GOODS AND USE OF ELEVATORS

The insurance for "property damage" liability is subject to the following:

- (a) The **Damage To Property** exclusion under **Section I Coverage A- Bodily Injury And Property Damage Liability** is amended as follows:
- (1) The exclusion for personal property in the care, custody or control of the insured does not apply to "property damage" to equipment the Insured borrows while at a job site and provided it is not being used by anyone to perform operations at the time of loss.
  - (2) The exclusions for:
    - (a) Property loaned to the Insured;
    - (b) Personal property in the care, custody or control of the insured; and
    - (c) That particular part of any property that must be restored, repaired or replaced because "The Named Insured's Work" was incorrectly performed on it;
 do not apply to "property damage" to "customers' goods" while on the Insured's premises nor do they apply to "property damage" arising from the use of elevators at premises the Insured owns, rents, leases or occupies.

Subject to the Each Occurrence Limit, the most the Insurer will pay for "property damage" to "Customers' Goods" is \$25,000 per "occurrence".

- (b) Under **Section V – Definitions**, the following definition is added:  
**"Customers' Goods"** means goods of the Insured's customer on the Insured's premises for the purpose of being:
  - (1) Repaired; or
  - (2) Used in the Insured's manufacturing process.
- (c) The insurance afforded by this provision is excess over any other valid and collectible property insurance (including any deductible) available to the Insured whether such insurance is primary, excess, contingent or on any other basis. Any payments by us will follow the Other Insurance – Excess provisions in the INTELLECT COMMERCIAL GENERAL LIABILITY CONDITIONS.

### 5. NON-OWNED WATERCRAFT

- (a) **Section II - Who Is An Insured** is amended to include as an insured for any watercraft that is covered by this policy, any person who, with the Insureds expressed or implied consent, either uses or is responsible for the use of a watercraft. However, no person or organization is an insured with respect to:
- (1) "Bodily injury" to a co-"employee" of the person operating the watercraft; or
  - (2) "Property damage" to property owned by, rented to, in the charge of or occupied by the Insured or the employer of any person who is an insured under this provision.
- (b) In the exception to the **Watercraft** exclusion under **Coverage A- Bodily Injury And Property Damage Liability**, the limitation on the length of a watercraft is increased to 16 metres.

**6. PRODUCT RECALL EXPENSE**

The Insurer will reimburse the Insured, for those "expenses" that the Insured shall incur, during the policy period, because of the withdrawal, recall, inspection, repair, replacement, adjustment or disposal of the Insured's products caused by a "covered incident".

**Exclusions**

This policy does not apply to:

- (1) "Expenses" incurred for the withdrawal of products by reason of:
  - (i) (a) Their being kindred products of the Insured, or
  - (b) Their being of the same trade or brand name but different batches than that which has been determined to possibly or likely become a cause of loss under this policy if the Insured's products are identifiable by batch; or;
  - (ii) Loss of customer faith, or approbation or any costs incurred to regain customer approval or other consequential loss; or
  - (iii) Prior knowledge of the Insured at the inception of this policy of any pre-existing condition of the products possibly or likely to become a cause of loss under this policy; or
  - (iv) Failure of the products to accomplish their intended purpose;
  - (v) Costs or "expenses" incurred by any person or organization other than an "Insured";
  - (vi) Loss of use of any property arising from a withdrawal or recall;
  - (vii) Their contamination caused by an act of war or nuclear radiation;
  - (viii) Their having exceeded the designated shelf life;
  - (ix) Continued use of materials that have been banned or declared unsafe by any authorized governmental entity;
  - (x) Any legal expenses or fees;
  - (xi) A natural condition of the product causing it to deteriorate, decompose or its chemical structure to transform or otherwise become damaged.
- (2) This policy does not apply to the costs:
  - (i) To the Insured or its products;
  - (ii) For the redistribution or replacement of the withdrawn products by like products or substitutions therefore.

**Special Condition**

The Insured shall give immediate written notice to the Insurer upon discovery or notification that any product must be withdrawn, shall cease and desist from further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from such defects as would be cause of loss under this policy. Within sixty days after loss unless such time is extended in writing by the Insurer, the Insured shall render to the Insurer a proof of loss, signed and sworn to by the Insured, stating the knowledge of the Insured as to the time and cause of loss and actual "expenses" incurred as defined. Such expenditures shall be substantiated by submission with the proof of loss of all bills, invoices and other vouchers.

**Limits of Insurance**

Regardless of the number of:

- (i) Insureds under the policy;
- (ii) Persons or organizations who sustain "expenses"; or
- (iii) Types, classes or models of products simultaneously recalled;

the total liability of the Insurer for "expenses" to which this coverage applies shall be \$25,000 per "covered incident" subject to an Aggregate Limit of \$50,000. The Aggregate Limit is the most the insurer will pay for all "covered incidents" arising out of any one period of twelve months terminating on an anniversary of the inception date of the policy unless the policy is extended for an additional period of less than twelve months. In that case, the additional period will be deemed part of the last preceding period for the purposes of determining the Limits of Insurance.

**Deductible**

The Insurer's liability shall apply only to amounts in excess of the deductible amount, shown in the Declarations Page, for this coverage, which amount shall be borne by the Insured.

**Definitions**

When used in this endorsement:

"**Covered incident**" means the ascertainment that the use or consumption of the Insured's products has resulted or may result in bodily injury, sickness, disease or death of any person or physical injury to or destruction of tangible property which results in the necessity of recovering possession or control of the Insured's products from any distributor, purchaser or user or the destruction of such products, but only because of:

- (a) The accidental omission of a substance in the manufacture of the Insured's products, or
- (b) The accidental introduction or substitution of a deleterious substance in the manufacture of the Insured's products, or
- (c) Error in the manufacture, design, blending, mixing, compounding or labelling of the Insured's products.

"**Expenses**" means the reasonable and necessary costs incurred:

- (a) For communications, including radio and television announcements, printed advertisements, telephone and other communications, or
- (b) For the costs of shipping the Insured's products to the place or places designated by the Insured, or
- (c) For hiring additional persons, or
- (d) For overtime pay for regular employees, or
- (e) By employees, including transportation or accommodation, or
- (f) For renting or hiring additional warehouse or storage space,
- (g) For disposal of the recalled product and packaging materials that cannot be reused, but only when such costs are incurred exclusively for the purpose of recalling the Insured's products.

Except as otherwise provided in this endorsement all terms, provisions and conditions of the Policy shall have full force and effect.

