

**AGREEMENT****Taxpayer Relief Act Services  
between  
The Regents of University of California  
and  
Contractor**

THIS AGREEMENT, entered into this \_\_\_ day of \_\_\_\_\_ 1998, and hereinafter referred to as "Agreement", is by and between The Regents of the University of California, hereinafter referred to as "University" and Vendor Name, including its subcontractors at any tier, hereinafter referred to as "Contractor."

In consideration of the mutual promises set forth below, University and Contractor agree as follows:

***Article 1. Scope of Work***

- A. Contractor shall furnish all equipment, software, personnel, material, and other resources sufficient to provide the services and products expeditiously and efficiently during as many hours per shift and shifts per week and at such locations as may be required under the Agreement. Such services and products shall be furnished to University in accordance with the specifications, capabilities, and requirements set forth in the RFP and Contractor's response thereto which are incorporated herein by reference.
- B. Contractor shall perform the services required for the Hope Scholarship and the Lifetime Learning Credits, as mandated by the Taxpayer Relief Act of 1997 (TRA), and pursuant to this Agreement. The services and products shall comply fully with all provisions of applicable federal and state statutes, regulations, and guidelines, and publicly promulgated University policy. These include, but are not limited to, the TRA, the Federal Freedom of Information Act of 1974, the Family Education Rights and Privacy Act of 1974, the Federal Privacy Act, the California Information Practices Act, the American Disabilities Act, U. S. Postal Service rules and regulations, any applicable electronic record keeping rules, and Internal Revenue Code Sections 25A, 6050S, and all other relevant Internal Revenue Code sections.
- C. Contractor shall maintain accounting records, internal controls, and audit trails, process financial transactions, and generate reports in compliance with generally accepted accounting principles.
- D. Contractor shall furnish all services under the Agreement to each of the campuses of the University of California, including, but not limited to, the main campus, Summer Session, University Extension, and other continuing education programs; to the Education Abroad Program; and to the Office of the President, Student

Financial Support, hereinafter referred to as the "Office of the President," which shall act as the administrative agency. In addition, Contractor shall provide selected services, as required under this Agreement, to other University offices.

- E. At the point of termination, Contractor shall comply with reasonable requests from University for assistance, information, and services to ensure a timely, orderly, and accurate transition to another vendor, even if those requests extend beyond what is the scope and/or term of this Agreement. [Refer to Article 7, Item F "Terms of Payment" for payment of fees for services described herein.]

### ***Article 2. Service Quality And Standards Of Work***

The servicing functions provided by Contractor hereunder, and any attendant data supplied in connection with, or as a result of, those servicing functions, shall be done in accordance with the specifications and performance standards set forth in this Agreement and, where no specific standards are set forth in this Agreement, shall conform to high professional standards and be of a quality equal to the quality generally provided and accepted in the customer service, bulk mailing services, information management, and data processing industries for the type of services to be provided under this Agreement.

### ***Article 3. Conversion***

- A. If, at any time during the term of Agreement, Contractor plans to convert University's data to another system (e.g., Contractor has developed, or purchased, a new system to replace its current one), Contractor shall provide a minimum of six (6) months prior written notice to University regarding the details of its proposed plan.
- B. If University elects not to have its data converted to the system proposed by Contractor, University shall have the right to terminate the Agreement under the provisions of Article 15, Item C, of this Agreement.
- C. If University agrees to have its data converted to another system, all costs associated with such a conversion will be borne entirely by Contractor. In addition, University shall not be subject to new or increased costs for any service that was formerly performed by Contractor, unless otherwise agreed to in writing by University.
- D. All future conversions are to be scheduled with the least inconvenience to the University.

### ***Article 4. Prices***

- A. Except as otherwise provided in this Article, the prices set forth in Price Sheets 1 and 2a-c, referenced herein as Exhibits A and B1-3, respectively, shall represent

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the prices for calculating the maximum amount for the services and products that University agrees to pay during the first three (3) years of the Agreement, and if extended by mutual consent between University and Contractor, the remaining six (6) years of the Agreement. Such prices shall not include initial development or start-up costs incurred by Contractor, but, rather, shall reflect the cost of providing on-going services.

- B. Throughout the term of the Agreement, which shall include all renewal periods, Contractor shall use its best efforts to provide the best quality and highest level of products and service to University at the best possible prices. If, however, Contractor experiences general price increases in the cost of providing the services and products to University and seeks remuneration from University for that increased cost, Contractor may request a price increase to its "Schedule of Fees for Basic Services" (Price Sheet 1). The price increase shall be effective no earlier than July 1, 2001, and shall not exceed the equivalent of a two (2) percent increase over the actual annual amount University pays Contractor in 2000-01, based on the prices quoted on the "Schedule of Fees for Basic Services" (Price Sheet 1). Contractor may request an annual price increase thereafter, provided that Contractor continues to experience increases in the cost of providing the services and products to the University. Such subsequent price increases shall not exceed the equivalent of a two (2) percent increase over the actual annual amount University pays Contractor in the preceding year, based on the prices in effect on the "Schedule of Fees for Basic Services" (Price Sheet 1). At University discretion, Contractor may be required to justify in writing each price increase request.
- C. For periods subject to renewal, Contractor shall provide to the Office of the President, by March 1 of the year for which a renewal option is to be negotiated for the upcoming period beginning July 1, a proposed "Schedule of Fees for Basic Services" (Price Sheet 1) for the proposed renewal period.
- D. If Contractor avails itself of the various services to qualify and obtain the lowest possible first-class postage rate, Contractor may seek remuneration from University for all or a portion of Contractor's actual increased costs that are directly attributable to an applicable U. S. Postal rate increase that affects the cost of the mailings required under the Agreement. Such remuneration shall be in addition to the price increases provided for in this Article.
- E. Contractor warrants that the prices quoted for services and that the services provided for herein during the term of the Agreement are being furnished at no less favorable pricing than the manufacturer quotes to its most favored customer for like services and quantities and to similar institutional accounts during the term of this Agreement. Contractor shall not be obligated to charge the maximum amount allowed under this Agreement for any given service.

- F. Subject to the provisions of Article 6, University and Contractor may mutually agree to amend the Agreement such that Contractor is required to provide a reduced level of service than was originally required, or due to technological advances and/or other options available, provide a comparable or increased level of service at reduced costs. When such cost reductions occur, the net cost savings shall accrue to University. The form by which University realizes those cost savings shall be mutually agreed upon between University and Contractor, e.g., a reduction to one or more of the servicing fees or a direct credit on the invoice against the amount owed by University to Contractor. Such price reductions shall occur by a written amendment to the Agreement.
  
- G. Subject to the provisions of Article 6 and of Item I of this Article of this Agreement, if Contractor incurs increased costs in the provision of services under the Agreement, and if such increased costs result directly from the implementation of new federal and/or state statutory or regulatory amendments, University agrees to pay its pro rata share of the increased costs associated with these required amendments, or the amount Contractor charges its other most favored customers, to offset the marginal cost of complying with such changes, whichever is less. Such price increases shall occur only by amendment to the Agreement.
  
- H. Subject to the provisions of Article 6 of this Agreement, if University and Contractor mutually agree to amend the Agreement and University is the sole beneficiary of the change, and if Contractor does not make available to any other clients a service or product that is identical, or substantially similar, to the one provided to University, and if such change affects the cost of, or the time required for performance of the Agreement, an equitable adjustment in the price or delivery or both shall be made. Such changes occur as an amendment to the Agreement.

#### ***Article 5. Agreement Term***

Except as provided in Article 15 "Termination" of this Agreement, the term of this Agreement shall be from the date of execution of the Agreement through June 30, 2001. The Agreement shall be renewable for six (6) additional one-year periods, beginning July 1, 2001, by mutual written agreement. Based on mutual agreement, up to three years may be renewed at one time. Under no condition shall this Agreement renew for a period beyond nine (9) years from its initial effective date.

#### ***Article 6. Modifications to the Scope of Work***

- A. Before any amendment to the Agreement is agreed upon, Contractor shall disclose fully all costs that would be charged to University, in the event Contractor is required to provide new or enhanced services beyond the original scope of the Agreement, or cost reductions or discounts that would accrue to University, in the event Contractor is relieved of a service obligation, either in whole or in part, as a result of the proposed amendment.

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- B. Subject to Article 4 "Prices" of this Agreement, Contractor shall institute and maintain changes in services provided under the Agreement when such changes result directly or indirectly from amendments to the TRA, Internal Revenue Service guidelines, or other applicable federal or state statutes or regulations. University, at its sole discretion, may avail itself of any statutory or regulatory "relief" provisions that could reduce the amount paid to Contractor, either due to a reduction in the unit cost, e.g., a reduction in servicing requirements, or a reduction in unit volume, e.g., a smaller population of students on whom TRA reporting is required. Contractor agrees to make any changes to the scope of work as are reasonably necessary and further agrees that University shall not be liable to Contractor for any damages resulting from said changes, including, but not limited to, loss of anticipated profits.
- C. University reserves the right to change the services to be performed within the scope of work with prior written notification and consent by Contractor.

### ***Article 7. Terms of Payment***

- A. Contractor shall be paid, on a monthly basis, upon receipt by the Office of the President of a properly completed invoice. With the exception of the fees for Basic Services, Contractor shall be paid in arrears for the services rendered in accordance with the provisions of the Agreement or based upon rates that are reasonable and customary within the applicable industry, whichever is less.
- B. The monthly amount of fees for Basic Services shall be determined as follows:
1. Calculating Component Cost Figures
    - a) In general an "estimated annual cost" shall be calculated based on the prices quoted on the "Schedule of Fees for Basic Services (Price Sheet 1)" and an estimated number of original 1098-T Supplemental Notices to be generated and mailed in January to students—with and without taxpayer information. The estimated annual cost figure shall be converted to an estimated monthly cost figure.
    - b) Once an actual count of the number of original 1098-T Supplemental Notices generated and mailed in January is known, an "actual annual cost" shall be calculated, based on the actual count of Notices generated and sent to students with taxpayer information and to those without and the prices quoted on the "Schedule of Fees for Basic Services (Price Sheet 1)". The actual annual cost figure shall be converted to an actual monthly cost figure.

- c) A monthly cost adjustment shall be calculated by subtracting the actual monthly cost from the estimated monthly cost. The difference is the monthly cost adjustment.
- d) On a monthly basis, the Contractor shall determine the Basic Service cost, if any, based on the actual number of corrected 1098-T Supplemental Notices mailed to students and the prices quoted on the Schedule of Fees for Basic Services (Price Sheet 1). The amount calculated shall be referred to as the "Corrected 1098-T " cost.

## 2. Calculating a Monthly Cost Amount

- a) From the beginning of the academic year (July) until and including January, the monthly cost amount will equal the sum of the estimated monthly cost plus any corrected 1098-T cost. These two amounts will be displayed on the bill as two separate amounts and appropriately labeled.
- b) From February through June, the monthly cost amount will equal the following: estimated monthly cost, increased or decreased by the monthly adjustment amount, plus any corrected 1098-T cost. Each of these three figures will be displayed on the bill as separate amounts and appropriately labeled.

- C. University shall not be subject to a monthly or annual minimum servicing fee.
- D. Except as otherwise provided in this Article, University shall make reasonable efforts to remit payment within thirty (30) days of receipt of a properly completed invoice from Contractor. Contractor shall notify the Office of the President if payment for services has not been received forty-five (45) days after University's receipt of the invoice. Notification shall alert the Office of the President to investigate the reasons for the delay, and if necessary, to expedite the issuance of the payment check. University shall not be subject to any late or finance charges.
- E. Any charges disputed by University shall be withheld from payment until such time as the amount in dispute is resolved to the satisfaction of University. Should such a dispute arise, University shall notify Contractor promptly, in writing, as to the amount in dispute and the reason for the dispute.
- F. Upon termination, including, but not limited to, expiration of the Agreement, payment of the final monthly invoice shall be withheld by University until Contractor has satisfactorily fulfilled its responsibilities with regard to assisting University in converting University's files from Contractor's system to that of another vendor's

system. If a successful and complete conversion is delayed due to Contractor's failure to perform satisfactorily, University shall deduct, from the final payment, the costs incurred by University in securing services from another party to complete the conversion.

- G. University's obligation to pay Contractor for services rendered is conditioned upon Contractor's full compliance with its obligations hereunder. In the event Contractor fails to so comply, any monies already paid Contractor shall be refunded in an equitable amount, in addition to any other remedies that may be available."

### ***Article 8. Audit***

If University is audited externally, such as by the Internal Revenue Service, Contractor shall cooperate and assist University in complying with requests for or access to information that Contractor has in its possession that pertain to the provision of services under this Agreement.

### ***Article 9. Inspection***

- A. Contractor shall allow University representatives and/or their designees, at University expense, access to all records pertinent to this Agreement for the purposes of review and reproduction, and inspection and evaluation of the operations and facilities of the Contractor at any time during normal business hours. Such access includes, but is not limited to, non-proprietary software and documentation and records pertaining to current and former students and taxpayers.
- B. The University will give the Contractor reasonable prior notice, as determined by the circumstances, but in no case will the University be obligated to give more than thirty (30) days' advance notice.

### ***Article 10. Annual Financial Statement***

On an annual basis, Contractor shall furnish to the Office of the President two copies of its company's audited Financial Statement, including a balance sheet, profit and loss statement, and statement of cash flows for the prior year. If Contractor's company is a subsidiary of a larger organization, the Financial Statement should reflect only the subsidiary organization's financial position. The documents should be prepared by a licensed Certified Public Accountant in accordance with generally accepted auditing standards.

### ***Article 11. Ownership, Use and Treatment of Data***

- A. Ownership of Data

1. All data that pertain to University or its current or former students, including, but not limited to, data from University, its current or former students, or taxpayers claiming current or former students as dependents for tax purposes, or data developed pursuant to this Agreement, remain the property of University, irrespective of the medium on which it is stored, including data resident on the files in the possession of Contractor.
2. All right, title, and interest, including, but not limited to, copyright in written material, both in electronic and hard copy form, developed in consultation with or by University staff in connection with this Agreement, shall be held by University and, thus, is freely usable and controlled by University during the term of this Agreement and thereafter. To the extent the copyright in any written material would otherwise be considered Contractor's under the Copyright Act, Contractor hereby irrevocably assigns all right, title, and interest, including, but not limited to, copyright, to University. This provision applies, but is not limited, to notices and other publicly distributed materials, both text and format, to scripted messages, to record layouts, and to training materials used by Contractor's staff in answering telephone inquiries and requests from the public.
3. Record layouts developed in connection with this Agreement shall not be considered proprietary to or a "trade secret" of Contractor. If University does not otherwise hold the copyright to such record layouts, University may use such layouts with other vendors or for any other purpose either during or after the term of this Agreement, including all renewal periods.
4. Contractor shall be entitled to obtain a non-exclusive license from University to use the written material referenced in Paragraph 2 above on such terms as are mutually satisfactory to the parties.

## B. Use and Treatment of Data and Materials

1. Use of Data
  - a) All data collected, maintained, and/or stored by Contractor, as well as data developed pursuant to the Agreement, that pertain to University and/or its records pertaining to current or former students or taxpayers claiming current or former students as dependents for tax purposes shall be accessed by Contractor only for the purpose of providing the services under the Agreement.
  - b) Any written material in electronic or hard copy form, developed in connection with this Agreement for the purpose of providing information to the public, must be approved in writing by University prior to such public use. Such written material includes, but is not limited to, notices and forms sent to University students, scripted

messages, and information displayed on the vendor's Web site pertaining to the University, its students, and taxpayers claiming students as dependents for tax purposes.

2. Confidentiality of Data

Contractor shall hold in strict confidence, all data that are personally identifiable, including, but not limited to, records pertaining to current or former students and taxpayers claiming current or former students as dependents for tax purposes. Contractor shall be responsible for ensuring that data security procedures are maintained when processing personally identifiable and sensitive data. Contractor shall not release any data, materials, or files that pertain to, or are part of, this Agreement unless such action has been requested in writing and is approved in writing, before release, by an authorized University representative or as otherwise required by law. Contractor has ultimate responsibility for preventing the unwarranted disclosure of information pertaining to University or its records which contain personally identifiable information and shall bear all liability for the unauthorized release of information.

3. Policies Pertaining to Student Records

Contractor shall tailor the procedures for processing data provided by University or its students, or developed pursuant to the Agreement in accordance with the policies and any subsequent modification of the policies as outlined in the current edition of the "Policies Applying to Campus Activities, Organizations, and Students, Part B", (refer to Exhibit C, which is incorporated herein by reference, and which provides University's policies regarding disclosure of information from student records.)

**Article 12. Use of University's Name**

- A. Contractor shall not use University's name in any manner without the prior written approval of University. Application for approval to use University's name shall be made to University's representatives, identified in Article 24 "Notice" of this Agreement.
- B. Contractor shall use its own name when communicating with the public, irrespective of whether the communication is oral or written and whether or not it is initiated by the vendor or in response to inquiries from the public. When dealing with the public, the role of the Contractor shall be clearly differentiated from that of the University.
- C. Contractor's staff shall not represent themselves as employees of the University.

**Article 13. Warranties**

Contractor understands the services requested in Articles 1 and 2 of this Agreement and warrants that its services and products are fit for the specific purposes intended.

**Article 14. Waiver of Default**

Any failure by University at any time, or from time to time, to enforce or require the strict keeping and performance by Contractor of any of the terms or conditions of the Agreement shall not constitute a waiver by University of a breach of any such terms or conditions and shall not affect or impair such terms or conditions in any way, or the right of University at any time to avail itself of such remedies as it may have for any such breach or breaches of such terms or conditions.

**Article 15. Termination**

A. Termination for Convenience

Except as otherwise provided under this Agreement, University may, at any time on or after July 1, 2001, cancel or terminate this Agreement for the convenience of University. University shall give at least one hundred twenty (120) days' written notice to Contractor, stating the date on which this Agreement shall terminate. Except as otherwise provided under the Agreement, University shall pay Contractor for satisfactory performance provided through the date of such termination. No termination made under this provision shall preclude the University from thereafter entering into an agreement with another contractor for similar services.

B. Termination for Non-Acceptance of Assignment

If Contractor merges with, or is acquired by, another company between the present and June 30, 2001, University shall have the right to cancel or terminate the Agreement if said company does not accept an assignment of the Agreement. University shall give prior written notice to Contractor, stating the date on which the Agreement shall terminate under this section. The failure of said company to accept the assignment of the Agreement shall constitute a termination for cause, and the Contractor shall be responsible for all University costs and expenses incurred in soliciting a new vendor, obtaining interim services until a new vendor is selected, and paying the selected vendor higher prices, if any, than would have been paid by University to Contractor during the remaining term of the Agreement. Except as otherwise provided under the Agreement, University shall pay Contractor for satisfactory performance provided through the date of such termination.

C. Termination for Cause

1. In the event that University determines that Contractor has materially breached the Agreement, University shall notify Contractor in writing of the nature of the breach and shall give Contractor thirty (30) calendar days during which Contractor must effect a cure. If Contractor refuses to effect a

cure within the 30 day time frame, or if after thirty (30) calendar days of Contractor's receipt of the written notice, University determines that the breach has not been cured to University's satisfaction, whichever occurs first, University may, by written notice, terminate the Agreement. In such event, University may purchase or otherwise secure services and, except as otherwise provided herein, Contractor shall be liable to University for any excess costs occasioned University thereby.

2. In the event that Contractor determines that University has materially breached the Agreement, Contractor shall notify University in writing of the nature of the breach and shall give University up to one hundred twenty (120) calendar days to effect a cure. If the breach is not cured, Contractor may, by one hundred twenty days' prior written notice, terminate the Agreement.

D. Force Majeure

Neither party shall be liable for any failure or delay in performance hereunder due to or resulting from any cause beyond its reasonable control including, but not limited to, acts of Nature or of the public enemy, acts of Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, and delays of a subcontractor or supplier due to such causes and without the fault or negligence of the subcontractor or supplier, provided that the party so affected notifies the other promptly of the commencement, nature, and estimated duration of the cause, unless either party determines that the products and/or services covered by this Agreement were obtainable from other sources in sufficient time to meet the required performance schedule.

E. Non-Exclusive Rights and Remedies

The rights and remedies of University provided in this Article shall not be exclusive and shall be in addition to any other rights and remedies provided by law or under this Agreement.

**Article 16. Assignment and Subcontracting**

This Agreement is assignable by University. Except as to any payment due hereunder, this Agreement may not be assigned or subcontracted by Contractor without prior written approval of University. In case such consent is given, the Agreement term shall become renewable on an annual basis. In no event shall Contractor be relieved from any of the obligations of this Agreement and any transferee or subcontractor shall be considered the agent of Contractor and, as between the parties hereto, Contractor shall be and remain liable as if no such transfer or subcontracting had been made. Nothing contained in this Agreement shall create any contractual or agency relation between any subcontractor and University.

**Article 17. Cooperation with Other Vendors**

Contractor and its subcontractors, if any, shall cooperate with University and University's other vendors and contractors and shall so carry on their work that other cooperating vendors and contractors shall not be hindered, delayed, or interfered with in the progress of their work.

**Article 18. Proprietary Rights**

Contractor shall indemnify, defend, and hold harmless University, its officers, agents, and employees against all losses, damages, liabilities, costs, and expenses (including but not limited to attorneys' fees) resulting from any judgment or proceeding in which it is determined, or any settlement agreement arising out of the allegation, that Contractor's furnishing or supplying University with materials components, programs, practices, or methods under this Agreement or University's use of such materials, components, programs, practices, or methods supplied by Contractor under this Agreement constitutes an infringement of any patent, copyright, trademark, trade name, trade secret, or other proprietary or contractual right of any third party. The foregoing shall not apply unless Contractor has been informed as soon as practicable by University of the suit or action alleging such infringement, Contractor is given the opportunity as afforded by applicable laws, rules, or regulations to participate in the defense thereof, and, in the event of settlement, Contractor has consented to the settlement of the claimed infringement. Contractor's consent to settlement shall, however, not be required if a final decree or judgment of a court of competent jurisdiction does not require such.

**Article 19. Contractor's Liability and Insurance Requirements**

- A. Contractor shall defend, indemnify, and hold harmless University, its officers, employees, and agents, from and against all losses, expenses (including attorneys' fees), damages, and liabilities of any kind resulting from or arising out of this Agreement and/or Contractor's performance hereunder, provided such losses, expenses, damages and liabilities are due or claimed to be due to the negligent or willful acts or omissions of Contractor, its officers, employees, agents, subcontractors, or anyone directly or indirectly employed by them, or any person or persons under Contractor's direction and control.
- B. Contractor shall continuously maintain adequate protection of all work, materials, and equipment from damage, destruction, or loss, caused by the intentional acts or omissions or negligence of its employees or agents and shall protect University's property from damage, destruction, or loss, arising from the intentional or negligent acts or omissions of its employees in connection with this Agreement. Contractor shall be liable for any such damage, destruction, loss, or injury.
- C. University shall not be liable or responsible for any accident, loss, assault, battery, defamation, false arrest, false imprisonment, invasion of privacy, intentional or negligent infliction of emotional distress, injury (including death) or damages during the term of performance of the scope of work to persons and/or property.

- D. Contractor shall be liable for any penalties or other charges imposed by the IRS in the event and to the extent Contractor's acts or omissions resulted in the failure to meet an IRS deadline, to comply with any IRS rule or regulation, or provide correct information. In the event University's acts or omissions contributed to the failure, the parties shall in good faith determine the extent of their respective liabilities and shall bear commensurate liability.
- E. In consideration of the above, Contractor shall obtain, keep in force during the life of this Agreement, and maintain in full force and effect, the insurance coverage described in this Article, with an insurance carrier or carriers.
1. Liability- If the following insurance is written on the claims made following termination of the Agreement, coverage shall survive for a period of no less than five (5) years. Coverage shall provide for a retroactive date of placement prior to coinciding with the effective date of the Agreement.

[Types and amounts of coverage to be provided in a later addendum.]

The coverage required herein shall not in any way limit the liability of Contractor.

Contractor, upon execution of the Agreement, shall furnish University with Certificates of Insurance evidencing compliance with all requirements. Certificates shall further make provisions for thirty-day (30) advance written notice to University of any modification, change, or cancellation of any of the above insurance coverages. Premiums on all insurance policies shall be paid by Contractor and shall be deemed included in Contractor's obligations under the Agreement at no additional charge.

- F. Contractor shall at University request obtain a performance bond in amount of a penal sum to be named by University.

### ***Article 20. Equal Opportunity Clause***

During the performance of this Agreement, Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. The remaining provisions of 41CFR 60-1.4(a)(2) through (7) are hereby incorporated by reference.

**Article 21. Permits**

Contractor agrees to procure all necessary permits or licenses and abide by all applicable laws, regulations and ordinances of the United States and of the state, territory and political subdivision in which the work under this Agreement is performed. Contractor shall be liable for all damages and shall indemnify and save University harmless from and against all damages and liability which may arise out of failure of Contractor to secure and pay for any such licenses or permits or to comply fully with any and all applicable laws, ordinances and regulations.

**Article 22. Taxes**

Contractor shall pay all contributions, taxes and premiums payable under federal, state and local laws measured upon the payroll of employees engaged in the performance of work under this Agreement, and all applicable sales, use, excise, transportation, privilege, occupational and other taxes applicable to materials and supplies furnished or work performed hereunder and shall save University harmless from liability for any such contributions, premiums, and taxes.

**Article 23. Other Applicable Laws**

Any provision required to be included in a contract of this type by any applicable and valid federal, state or local law, ordinance, rule or regulations shall be deemed to be incorporated herein.

**Article 24. Notice**

All notices required under this Agreement shall either be in writing, by facsimile, or by electronic mail and shall be delivered as indicated below:

**TO UNIVERSITY:**

If by mail:                      Coordinator—Contract Administration  
Office of the President  
University of California  
1111 Franklin Street, 9<sup>th</sup> Floor  
Oakland, CA 94607

If by facsimile:                (510) 987-9546

If by electronic mail:        Jackie.Ito-Woo@ucop.edu

With a copy to:                Contract Specialist  
Procurement and Business Contracts

University of California  
Oakland, CA 94608

**TO CONTRACTOR:**

If by mail:

If by personal delivery:

If by electronic mail: Jackie.Ito-Woo@ucop.edu

With a copy to: Contract Specialist  
Procurement and Business Contracts  
University of California  
Oakland, CA 94608

***Article 25. Independent Contractor***

Contractor and its agents and employees, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the University.

***Article 26. Request for Quotation***

University's Request for Proposal No. 98-TRARFP/BC and Contractor's response thereto are incorporated herein by reference as if fully set forth.

***Article 27. Order of Precedence***

In the event of conflict or inconsistency between the general terms and conditions of this Agreement and the RFP and Contractor's response thereto, this Agreement shall prevail.

***Article 28. Severability***

If any article, term or provision of the Agreement shall be held illegal, unenforceable or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected thereby. The parties shall negotiate in good faith a replacement provision which is intended to meet the parties' original intent in a lawful manner.

***Article 29. Governing Law***

This Agreement is governed by the laws of the State of California.

***Article 30. Entire Agreement***

This Agreement, University Purchase Order No. XXXXXX, the Request for Proposal No. 98-TRARFP/BC and all Appendices and Attachments, including, but not limited to, all amendments thereto, the Contractor's proposal, including, but not limited to, all descriptions of services and exhibits, Exhibit A (Price Sheet 1 "Schedule of Fees for Basic Services "), Exhibit B1 (Price Sheet 2a "Schedule of Additional Fees - Chapter V"), Exhibit B2 (Price Sheet 2b "Schedule of Additional Fees—Basic Services"), and Exhibit B3 (Price Sheet 2c "Schedule of Additional Fees—Services Not Requested") constitute the entire Agreement between the parties regarding the subject matter of this Agreement and supersedes all prior written or oral agreements with respect to such. This Agreement may not be modified orally, and no modification shall be binding unless in writing and signed by authorized representatives of both parties.

CONTRACTOR

THE REGENTS OF  
THE UNIVERSITY OF CALIFORNIA

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_