

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 7
 to
CONTRACT NO. 071B0200325
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
CBC Innovis 4764 E Fulton Ada MI, 49301	Noreen McSorley	Noreen.McSorley@cbcinnovis.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	877-233-0752	*****5061

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	Various	See Section 2.002	Various	Various
CONTRACT ADMINISTRATOR	DTMB	Will Camp	(517) 284-7022	campw@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Legal Research/Personal Information Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2010	August 31, 2015	2 - 2 Year Options	August 31, 2017
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$ 340,472.20	\$ 0.00	\$ 340,472.20		

DESCRIPTION:
 Effective 12/28/2015 contract pricing is revised, per the attached "RPC Pricing Proposal for: State of Michigan Contract" and "Credit Reporting Pricing."

All other terms, conditions, specifications and pricing remain the same. Per CBC Innovis request and agency agreement, and DTMB Procurement approval.

December 23, 2015

RPC PRICING PROPOSAL FOR: State of Michigan Contract

PROPOSAL (STANDARD) FOR: 071B0200325

Credit Reports <small>(Include Credit Report, Score, Vendor Fraud. Additional Fees apply to Fannie Mae and Freddie Mac initiated transactions)</small>						Individual	Joint	
TransUnion Infile								
Experian Infile								
Two Vendor Infile								
Innovis Services <small>(per borrower)</small>						Individual		
RPC (Right Party Contact)						\$2.50		
Cross Check								
Other						Price		
Credit Report Ancillary Products <small>(Per borrower unless otherwise noted)</small>						Price		
Regulatory Fees <small>(per borrower, per bureau)</small>								
Identity Cross Check (OFAC+)								
Decision								
Colorado Surcharge <small>(per borrower, per bureau)</small>								
Credit Card Fee <small>(per occurrence)</small>						\$1.00		
Credit File Reissues <small>(Per occurrence unless otherwise noted)</small>								
Regular	Broker		Secondary Use <small>(per borrower, per bureau)</small>					
Tradeline Updates & Rescores								
Tradeline Updates / Supplements <small>(per tradeline)</small>			Score Plus <small>(per borrower, per bureau, per tradeline)</small>					
Electronic	Manual		With Docs	Without Docs	Add. Rush Fee	Remerge Fee <small>(per borrower, per bureau)</small>		
CreditXpert® <small>(per borrower, per bureau)</small>								
Credit Essentials			What-If Simulator			Credit Assure		
Credit Report Maintenance <small>(per occurrence, per file)</small>						Price		
Manual Split File	Separate a single report on multiple individuals into one report for each individual							
Manual File Delete	Deleting files through our portal is always free							
Technology fee								
Account Maintenance						Price		
Minimum Monthly Invoice <small>(per generated invoice)</small>						per Mod No. 6		
Annual Compliance Fee <small>(waived if customer uses CBCInnovis standard contracts with no changes)</small>						per Mod No. 6		
Application Fee <small>(waived for current government customer)</small>						per Mod No. 6		
DataVerify 4506T								
Per Month Usage:	1-5 Units	6-25 Units		26+ Units		Product Billed By DataVerify.		
Price						Minimum Bill is \$ per month from DataVerify.		
Excludes IRS Processing Fee; add \$ for each tax year. Processing fee set by IRS and is subject to change.								

Above pricing valid through 9-30-2016.



Credit Reporting Pricing

Credit Reports <i>(Include Credit Report and Score)</i>	Individual	Joint
TransUnion Infile	\$3.50	\$7.00
Experian Infile	\$4.25	\$8.50
Two Vendor Infile	\$7.75	\$15.50
Credit Report Ancillary Products <i>(Per borrower unless otherwise noted)</i>	Price	
Regulatory Fees <i>(per borrower, per bureau)</i>	\$0.25	
Identity Cross Check	\$2.00	
Regular Reissues <i>(per occurrence)</i>	\$1.00	
Account Maintenance	Price	
Minimum Monthly Invoice <i>(Per generated invoice)</i>	\$25.00	
Annual Compliance Fee	\$150.00	
Application Fee	Waived	

STATE OF MICHIGAN
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 PROCUREMENT
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CHANGE NOTICE NO. 6
 to
CONTRACT NO. 071B0200325
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
CBC Innovis 4764 E. Fulton Ada, MI 49301	Noreen McSorley	Noreen.McSorley@cbcinnovis.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	888-322-3173	5061

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	Various	See Section 2.022	Various	Various
CONTRACT ADMINISTRATOR	DTMB	William Camp	517-284-7022	campw@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Legal Research/Personal Information Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2010	August 31, 2015	2 – 2 Year options	August 31, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2 years	August 31, 2017
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$340,472.00		\$0.00	\$340,472.00	

DESCRIPTION:
 Effective 5/15/2015 the first 2-year option available on this contract is hereby exercised. The REVISED Contract expiration date is August 31, 2017. Consumer Credit Report Services including joint credit agency reports are added to the contract, pricing sheet attached. Also CBCInnovis no longer owns the PeopleFacts division that provided employment credit reports, and no longer provides these reports, so this service is removed from the contract. Furthermore, on Attachment C, Section 2, the third box (In connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status) is checked to certify the permissible purpose for which the Michigan Gaming Control Board and Michigan Bureau of the State Lottery wishes to use the consumer credit reports. All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement, and DTMP Procurement Approval.



Pricing Proposal For Michigan Gaming

Pricing valid for one year from proposal date

Credit Reports <i>(Include Credit Report and Score)</i>	Individual	Joint
TransUnion Infile	\$3.50	\$7.00
Experian Infile	\$4.25	\$8.50
Two Vendor Infile	\$7.75	\$15.50
Credit Report Ancillary Products <i>(Per borrower unless otherwise noted)</i>	Price	
Regulatory Fees <i>(per borrower, per bureau)</i>	\$0.25	
Identity Cross Check	\$2.00	
Regular Reissues <i>(per occurrence)</i>	\$1.00	
Account Maintenance	Price	
Minimum Monthly Invoice <i>(Per generated invoice)</i>	\$25.00	
Annual Compliance Fee	\$150.00	
Application Fee	Waived	

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 5
 to
CONTRACT NO. 071B0200325
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CBC Innovis 4764 E. Fulton Ada, MI 49301	Linda Thaler	Linda.thaler@cbcinnovis.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(877) 233-0752	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR		See Section 2.022		
BUYER	DTMB	Brandon Samuel	517-241-1218	samuelb@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: LEGAL RESEARCH/PERSONAL INFORMATION			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2010	August 31, 2015		August 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 30	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:			ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	
\$0.00			\$340,472.00	

Effective immediately, the following CCI changes have been made:

Karin Eirosius has been replaced by Lynn Strong, (517) 373-7791, strongl3@michigan.gov.
 Kim Laird has been replaced by Don Todaro, (517) 373-2583, todarod@michigan.gov.

All other terms, conditions, pricing and specifications remain the same. Per DTMB Procurement.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 4

to

CONTRACT NO. 071B0200325

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CBC Innovis 4764 E. Fulton Ada, MI 49301	Linda Thaler	Linda.thaler@cbcinnovis.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(877) 233-0752	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:				
BUYER:	DTMB	Brandon Samuel	(517) 241-1218	samuelb@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: LEGAL RESEARCH/PERSONAL INFORMATION			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS	CURRENT EXPIRATION DATE
September 1, 2010	August 31, 2015		August 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 30	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:		
OPTION EXERCISED: <input type="checkbox"/> NO <input type="checkbox"/> YES	IF YES, EFFECTIVE DATE OF CHANGE:	NEW EXPIRATION DATE:
Effective immediately, employment screening pricing per attachment is incorporated into the contract. This pricing is for Michigan Gaming Control only. All other terms, conditions, pricing and specifications remain the same. Per agency and DTMB Procurement.		
VALUE/COST OF CHANGE NOTICE:		\$0.00
ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		\$340,472.00

CBCInnovis Employment Screening Services

PRE-EMPLOYMENT SCREENING PRODUCTS MICHIGAN GAMING CONTROL BOARD	PACKAGE PRICING	FCRA COMPLIANT	WEB ORDERING RESULT
Trans Union Employment Credit Report ¹	\$2.75	YES	YES
Tri-Merge Employment Credit Report ¹	\$15.00	YES	YES
Canadian Credit Report ¹	\$78.30	YES	YES

¹There are additional charges for AKA names.

For your convenience, CBCInnovis offers eBilling. You may receive paper invoices via US Mail for \$5.00 per month.

Customer Name: _____

Authorized Name: _____ Title: _____
(Please Print)

Authorized Signature: _____ Date: _____

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

March 27, 2012

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B0200325
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR CBC Innovis 4764 E. Fulton Ada, MI 49301 Email: Linda.thaler@cbcinnovis.com	TELEPHONE: (877) 233-0752 Linda Thaler
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1218 Brandon Samuel
Contract Compliance Inspector: See Section 2.022	
LEGAL RESEARCH/PERSONAL INFORMATION	
CONTRACT PERIOD: From: September 1, 2010 To: August 31, 2015	
TERMS Net 30	SHIPMENT NA
F.O.B. NA	SHIPPED FROM NA

THIS CONTRACT IS HEREBY EXTENDED TO AUTHORIZED MIDEAL MEMBERS.

NATURE OF CHANGE:

This change notice serves as clarification that this contract can be used by the State of Michigan, Executive Branch.

All other terms, conditions, and specifications remain unchanged.

AUTHORITY/REASON:

Per DTMB Procurement.

ESTIMATED CONTRACT VALUE REMAINS: \$340,472.20

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

February 3, 2012

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B0200325
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR CBC Innovis 4764 E. Fulton Ada, MI 49301 Email: Linda.thaler@cbcinnovis.com	TELEPHONE: (877) 233-0752 Linda Thaler
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1218 Brandon Samuel
Contract Compliance Inspector: See Section 2.022	
LEGAL RESEARCH/PERSONAL INFORMATION	
CONTRACT PERIOD: From: September 1, 2010 To: August 31, 2015	
TERMS Net 30	SHIPMENT NA
F.O.B. NA	SHIPPED FROM NA

THIS CONTRACT IS HEREBY EXTENDED TO ALL LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE:

Effective immediately, Employment Credit Reports can be obtained . Employment Report - \$7.25 + Regulatory Fee of \$0.25 = Total price of \$7.50 per report (Note: If prospective employee has a Colorado address, an additional fee of \$1.00 is added for a total price of \$8.50).

All other terms, conditions, and specifications remain unchanged.

AUTHORITY/REASON:

Per email from CBC Innovis on 4/4/2011, phone conference dated 2/3/2012 and DTMB Procurement approval.

ESTIMATED CONTRACT VALUE REMAINS: \$340,472.20

FOR THE CONTRACTOR:

CBC Innovis

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Jeff Brownlee, Chief Procurement Officer

Name/Title

DTMB Procurement

Division

Date

ATTACHMENT C
SCHEDULE #1:
CBCINNOVIS CONSUMER INFORMATION SERVICES

CUSTOMER'S
NAME: State of Michigan

EFFECTIVE
DATE: 8/18/11

This Schedule ("Schedule") is made by and between CBCInnovis, Inc. ("CBCInnovis") and Customer under a certain Master Agreement for Services ("Agreement") and Application for Services incorporated by reference. Exhibits or other documents attached to the Agreement and this Schedule are fully incorporated into and constitute a part of the substantive provisions of this Schedule. Terms not otherwise defined in this Schedule will have the same meaning as set forth in the Agreement.

1. COMPLIANCE WITH FEDERAL AND STATE LAWS

Fair Credit Reporting Act. The parties agree to comply with the Fair Credit Reporting Act, 15 U.S.C. §1681 et. seq. and other applicable federal and state laws and regulations.

California Retail Seller Compliance. Customer will comply with all applicable provisions of the California Credit Reporting Agencies Act including the Retail Buyers provisions in California Civil Code §1785.14. Customer certifies that:

It is or is not a Retail Seller, as defined in Section 1802.3 of the California Civil Code and

It does or does not issue credit to consumers who appear in person on the basis of an application for credit submitted in person.

Before delivering a consumer report to a Retail Seller, CBCInnovis must match at least three items of a consumer's identification within the CBCInnovis file with the information that the Customer supplies in connection with the in-person credit transaction. Customer certifies that if it is a Retail Seller, it will inspect the photo identification of each consumer who applies for in-person credit.

If Customer extends credit by mail pursuant to mail solicitations, the Customer certifies that it shall mail the credit extension to same address as on the solicitations unless Customer verifies any address change by, among other methods, contacting the person to whom the extension of credit will be mailed. Customer shall also take special actions regarding a consumer's presentation of a police report regarding fraud, and Customer must acknowledge consumer's demands for reinvestigations within certain timeframes specified in the California Civil Code. If after signing this Agreement, Customer becomes a Retail Seller who issues credit in person, Customer certifies that it will provide written notice to CBCInnovis prior to using consumer reports with such transactions and shall comply with all the requirements of a Retail Seller as provided in this certification.

California Investigative Consumer Reporting Agencies Act (California Civil Code § 1786 et seq). Customer certifies that prior to obtaining an investigative consumer report as that term is defined in California Civil Code §1786.2(c), it has made the applicable disclosures to the consumer as required under California Civil Code §1786.16(a)(2) and that it will comply with §1786.16(b) including, but not limited to, providing the consumer a means by which the consumer may indicate on a written form by means of a box to check that the consumer wishes to receive a copy of any investigative consumer report that is prepared. Customer must notify CBCInnovis of any change in the permissible purpose for which the information will be used.

Vermont Certification. Customer certifies that it will comply with applicable provisions of the Vermont Fair Credit Reporting Statute, 9 V.S.A. §2480(e) and the applicable regulations in connection with obtaining consumer reporting information on Vermont consumers. Customer further certifies that it will only obtain consumer reporting information from Vermont consumers after the Customer has received prior consumer consent and will use the consumer reporting information only for the purpose consented to by the consumer.

2. CERTIFICATION OF PERMISSIBLE PURPOSE. Customer shall use a consumer report only when it has a permissible purpose as that term is defined under the Fair Credit Reporting Act 15 U.S.C. §1681b (§604 of the FCRA) and other applicable federal and state laws. Customer hereby certifies that it will only request and use a consumer report for the permissible purposes set forth below. The specific permissible purpose will be identified in each purchase order or blanket purchase agreement.

In connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer;

In connection with the underwriting of insurance involving the consumer;

In connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status;

As a potential investor or servicer, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; when it has a legitimate business need for the information (specify that purpose in the space provided) _____;

In connection with a business transaction initiated by the consumer, (Please explain) _____;

05/04/11 08:34AM

CBCINNOVIS

248-245-1821

p.02

To review an account to determine whether the consumer continues to meet the terms of the account, such as (Please explain)

In accordance with the written instructions of the consumer to whom it relates. The Customer shall include in the written request the specific reason(s) for obtaining the consumer report. If on the same form, the Customer seeks consent from the consumer to access or obtain records or items in addition to a consumer report (i.e. medical records, financial account records); the Customer must separately delineate the request for a consumer report by using a check mark or an "x" on the form next to its consumer report request. Customer will use a consumer report only for the specific reasons provided in the written consent. Customer shall maintain copies of the consumer's express written consent for five years.

For employment purposes (evaluating a consumer for employment, promotion, reassignment or retention);

Customer agrees with the following conditions for obtaining a report for employment: Only the Customer's designated representatives will request credit reports. The Customer will forbid employees from obtaining reports on themselves, associates, or any other person except in the exercise of their official duties. Each time the Customer requests a credit report for employment purposes it will comply with 15 U.S.C. §1681b (§604(b) of the FCRA), namely: 1) the consumer has been given a clear and conspicuous written notice, in advance (in a document that consists solely of the disclosure), that a consumer report may be requested for employment purposes; 2) the consumer has authorized the Customer, in writing, to procure the report; 3) the information in the consumer report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation; 4) before taking adverse action, in whole or in part based on the report, Customer will provide the consumer a copy of the report and a description of the consumer's rights under the FCRA.

Joint Use Certification. Customer certifies it will not sell, distribute or provide the information to any person or entity not a party to this Schedule other than a joint user having the same purpose. Customer may disclose information received in connection with this Schedule to the consumer when Customer takes adverse action. In the event of disclosure to the consumer by Customer, Customer shall hold CBCInnovis harmless from any liability, damages, costs or expense including reasonable attorney's fees.

3. QUALIFIED CUSTOMER CERTIFICATION. Customer certifies that it is not a pawn shop, private detective, detective agency, investigative company, bail bondsman, attorney or law firm (except collection attorneys or reports for employment purposes), credit or financial counseling firm, credit repair clinic, news agency or journalist, dating service, asset location service nor will Customer resell the credit information or the Services or seek the information for its own personal or non-business use.

4. FANNIE MAE REQUIREMENTS. Whenever Customer receives changes to information on a merged credit report from CBCInnovis and is submitting loans to Fannie Mae, Customer will communicate these changes to Fannie Mae as part of any reissue of the merged credit report. Fannie Mae shall be entitled to enforce the Fannie Mae Terms.

5. CREDIT REPORTING SCORING SERVICES. Customer will not be purchasing Scoring Services from CBCInnovis.

6. OFAC NAME MATCHING SERVICE. If Customer purchases OFAC Services, CBCInnovis will compare the characters in the consumer's name, social security number and year of birth, when available, to files maintained by the Office of Foreign Assets Control ("OFAC") on Specially Designated Nationals. The database is updated periodically by OFAC and CBCInnovis does not insure or guarantee the accuracy or reliability of the OFAC Name Matching Service nor the data contained in its file or that the OFAC Name Matching Service satisfies any of the Customer's legal obligations which may be administered by OFAC or any other governmental agency.

7. SAFESCAN AND FULL DTEC. SAFESCAN is an on-line warning system containing information that can be used to detect possible fraudulent applications for credit. Some of the information in the SAFESCAN database is provided by credit grantors. SAFESCAN is a registered trademark of Equifax. SAFESCAN is not based on information in Equifax's consumer reporting database and is not intended to be used as a consumer report. Customer will not use a SAFESCAN alert or warning message in its decision-making process for denying credit or any other FCRA permissible purpose, but will use the message as an indication that the consumer's application information should be independently verified prior to a credit or other decision. Customer understands that the information supplied by SAFESCAN may or may not apply to the consumer about whom Customer has inquired. Full DTEC is a service that uses the social security number provided by Customer to search the Equifax consumer credit database and deliver a consumer report that consists of name, AKA, or former name, current and former addresses, listed telephone number (if available), age, employment, Social Security number and a message pertaining to the Social Security number. Customer certifies that it will order a Full DTEC Report only when it has a permissible purpose to receive a consumer report, as specified in this Schedule.

8. TAX SERVICES. Customer may order tax verification services from CBCInnovis in which CBCInnovis will facilitate the return of reports containing federal tax return information ("Tax Services"). Customer will not use, duplicate, reproduce, or share with others any Tax Services, for any purpose other than that which is related to the purpose of the transaction as intended by the consumer who is the subject of the transaction and who has provided an authorization (e.g. Form 4506-T). Notwithstanding, Customer may share the information with third parties who are participating in the same transaction involving the consumer as long as the consumer has consented. Customer and any third party that jointly use the Tax Services must do so in compliance with the applicable provisions of the Fair Credit Reporting Act, the Financial Privacy Act, Gramm-Leach-Bliley Act and all other applicable laws and regulations, both state and federal.

9. OBTAINING INFORMATION UNDER FALSE PRETENSES. 15 U.S.C. §1681q (§619 of the FCRA) provides that any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18 of the United States Code, or imprisoned not more than two years, or both.

10. USING, FURNISHING AND INVESTIGATING. Customer has received and will comply with the FCRA Notices to Users and Furnishers, which are attached as Attachment C to Contract 071B0200325. Pursuant to this section Customer may furnish consumer information for use in a consumer credit report and for one or more permitted purposes under the GLB Act. If Customer furnishes consumer information to CBCInnovis, it agrees to furnish CBCInnovis with accurate and complete information on accounts. It will comply with the duties and responsibilities of Furnishers as set forth in 15 U.S.C §1681s-2 (§623 of the FCRA). Customer agrees to conduct an investigation of dispute before the end of the 30-day period within which time CBCInnovis is required to conduct the reinvestigation under the FCRA or within the period specified under applicable state law.

11. IDENTIFICATION SERVICES. Identification Services consist of nonpublic personal identification information such as name, address, social security number and telephone number to be used for one of the permitted uses under the Gramm-Leach-Bliley Act, 15 U.S.C. §6801, et. seq. ("the GLB Act"). Specifically, the Customer hereby certifies that it will only request and use Identification For settlement, billing and collections of amounts charged, debited, or otherwise paid using a debit, credit or other payment card, check, or account number or by other payment means.

Neither party will use the Identification Services for marketing or solicitations of any kind or for direct-to-consumer sales. Customer certifies that the Identification Services provided pursuant to this Schedule do not constitute consumer reports as defined by the Fair Credit Reporting Act (FCRA), 15 U.S.C. §1681a(d) and are not subject to the FCRA. The parties agree that the Identification information contained in the Identification Services does not bear on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

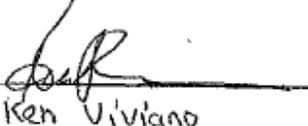
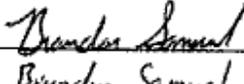
In this regard, Customer certifies that the Identification Services will not be used in whole or in part as a factor in determining a consumer's eligibility for credit or insurance to be used primarily for personal, family or household purposes, employment purposes, in connection with the underwriting of insurance involving the consumer; in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; as a potential investor or servicer, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; when it has a legitimate business need for the information; to review an account to determine whether the consumer continues to meet the terms of the account and for employment purposes. Customer will not use the Identification Services to take any "adverse action" as that term is defined in §603(k) of the FCRA [15 U.S.C. §1681a].

12. MINIMUM TERMS; TERMINATION. This Agreement and the Application for Services sets forth the minimum terms and conditions under which CBCInnovis will provide CBCInnovis Services to the Customer. Nothing herein shall obligate either party to purchase or to sell the services described herein, and either party may terminate this Agreement at any time for any reason.

13. LIMITATIONS OF LIABILITY. Because the CBCInnovis Services involve conveying information provided by other sources, including credit repositories, neither CBCInnovis nor the credit repositories will, for the fee charged for the Services, be an insurer or guarantor of the accuracy or reliability of the Services or the data contained therein. **NEITHER CBCINNOVIS NOR THE CREDIT REPOSITORIES GUARANTEE OR WARRANT THE ACCURACY, TIMELINESS, COMPLETENESS, CURRENTNESS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE SERVICES, INFORMATION IN THE SERVICES OR THE MEDIA ON OR THROUGH WHICH THE SERVICES ARE PROVIDED AND SHALL NOT BE LIABLE FOR ANY LOSS OR INJURY ARISING OUT OF OR CAUSED IN WHOLE OR IN PART BY CBCINNOVIS OR THE CREDIT REPOSITORIES' ACTS OR OMISSIONS, WHETHER NEGLIGENT OR OTHERWISE.**

14. TERRITORY. Customer may access, use and store the Services and information obtained from the Services only at or from locations within the territorial boundaries of the United States, Puerto Rico, Guam, the Virgin Islands and Canada (the "Permitted Territory"). Customer may not access, use or store the Services or information obtained from the Services at or from, or send it to any location outside of the Permitted Territory without first obtaining CBCInnovis' written permission.

IN WITNESS WHEREOF, the undersigned have executed this Schedule as of the date set forth above.

CBCInnovis, Inc.		Customer's Name:	
Signature:		Signature:	
Name:	Ken Viviano Please Print	Name:	Brandon Samuel Please Print
Title:	VP	Title:	Buyer Specialist
Date:	8-30-11	Date:	8/18/11

**EXHIBIT #1 TO ATTACHMENT C
CUSTOMER AFFILIATES**

Please mark the appropriate designation:

Only Customer and its employees will be accessing CBCInnovis Services.

Customer has processing centers, branch locations or affiliates under common ownership and control ("Customer Affiliates"), "Control" means having the ability to direct the management and policies of the entity in question, whether directly or indirectly.

See Attached

Each Customer Affiliate must be listed below in order to receive the Services. Customer may add Customer Affiliates with written notice. Customer represents and warrants that it has the full power and authority to bind each Customer Affiliate to this Schedule.

Customer Affiliate's Name	Physical Address
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	

Bay de Noc Community College	Bay-Arenac ISD
Bedford Public Schools	Beecher Community School District
Belding Area Schools	Berrien Springs Public Schools
Birch Run Area Schools	Birmingham Public Schools
Blissfield Community Schools	Bridgman Public Schools
Byron Center Public Schools	Cadillac Area Public Schools
Caledonia Community Schools	Carson City-Crystal Area Schools
Cass City Public Schools	Cassopolis Public Schools
Charlotte Public Schools	Chelsea School District
Chippewa Valley Schools	Civil Service Commission
Clare-Gladwin RESD	Clarenceville School District
Clintondale Community Schools	Clio Area Public Schools
Colon Community Schools	Comstock Park Public Schools
Comstock Public Schools	Coopersville Area Public Schools
Crestwood School District	Davison Community Schools
Dearborn Heights School District #7	Department of Technology, Management & Budget, Purchasing
Department of Agriculture	Department of Civil Rights
Department of Community Health	Department of Corrections
Department of Education	Department of Energy, Labor & Economic Growth
Department of Human Services	Department of Military & Veteran Affairs
Department of Military & Veteran Affairs, CFMO Engineering	Department of Natural Resources & Environment
Department of State	Department of Transportation, Central Warehouse
Department of Transportation, Construction	Department of Transportation, OOAS Fleet Administration
Department of Transportation, Purchasing	Department of Treasury
Dept. of Natural Res. & Environment, Environmental Quality	Dept. of Natural Resources & Environment, Land & Facilities
Dept. of Technology, Management & Budget, Financial Services	Dept. of Technology, Management & Budget, Information Tech
Dept. of Technology, Mgmt & Budget, Print & Mailing Services	Dept. of Technology, Mgmt. & Budget, Design & Construction
DeTour Area Schools	Detroit Service Learning Academy
DeWitt Public Schools	East China School District
East Detroit Public Schools	East Grand Rapids Public Schools
Eaton Intermediate School District	Edwardsburg Public Schools
Escanaba Area Public Schools	Farmington Public Schools
Fitzgerald Public Schools	Flint Community Schools

Flushing Community Schools	Forest Area Community Schools
Forest Hills Public Schools	Fraser Public Schools
Freeland Community School District	Fremont Public Schools
Fruitport Community Schools	Genesee Intermediate School District
Gibraltar School District	Glen Oaks Community College
Grand Haven Area Public Schools	Grand Ledge Public Schools
Grand Rapids Community College	Grand Rapids Public Schools
Grand Valley State University	Grandville Public Schools
Grosse Ile Township Schools	Gull Lake Community Schools
Hamilton Community Schools	Hanley International Academy
Hartland Consolidated Schools	Hastings Area School System
Hillsdale Community Schools	Holland Public Schools
Holly Area Schools	Holt Public Schools
Howell Public Schools	Hudsonville Public Schools
Inland Lakes Schools	Ithaca Public Schools
Jackson Community College	Jackson Public Schools
Jenison Public Schools	JKL Bahweting School
Kalamazoo Public Schools	Kalamazoo Regional Educational Service Agency
Kalamazoo Valley Community College	Kearsley Community Schools
Kellogg Community College	Kent Intermediate School District
Kentwood Public Schools	Lake Fenton Community Schools
Lake Michigan College	Lake Shore Public Schools
Lakeview Public Schools	Lakeville Community Schools
Lakewood Public Schools	✓Lansing Community College
Lansing School District	Lenawee Intermediate School District
Lincoln Consolidated Schools	Livingston Educational Service Agency
Madison School District	Marshall Public Schools
Mason Consolidated Schools	Mason Public Schools
McBain Rural Agricultural School	Michigan Economic Development Corporation (MEDC)
Michigan Gaming Control Board	Michigan Lottery
Michigan State Housing Development Agency	Michigan State Police
Mid Michigan Community College	Mid Peninsula School District
Midland Public Schools	Milan Area Schools
Monroe County Community College	Monroe Public Schools
Mott Community College	Mt. Morris Consolidated Schools
Mt. Pleasant Public Schools	Newaygo County RESA

NICE Community Schools	Northwestern Michigan College
Novi Community School District	Oak Park Schools
Oakland Community College	Oakridge Public Schools
Okemos Public Schools	Onsted Community Schools
Orchard View Schools	Oscoda Area Schools
Ottawa Area Intermediate School District	Oxford Community Schools
Pinckney Community Schools	Pine River Area Schools
Pittsford Area Schools	Plymouth-Canton Community Schools
Port Huron Area Public Schools	Portage Public Schools
Public Schools of Calumet, Laurium & Keweenaw	Redford Union Schools
Reed City Area Public Schools	Reese Public Schools
Rockford Public Schools	Romeo Community Schools
Romulus Community Schools	Roscommon Area Public Schools
Roseville Community Schools	Saginaw Intermediate School District
Saginaw Township Community Schools	School District for the City of Wyandotte
Schoolcraft College	Shepherd Public Schools
Shiawassee Regional Education Service District	South Lake Schools
South Lyon Community Schools	Southfield Public Schools
Southgate Community Schools	Southwestern Michigan College
St. Clair County Community College	St. Johns Public Schools
St. Joseph Public Schools	Summerfield Schools
Tecumseh Public Schools	The Grosse Pointe Public School System
The Lamphere Schools	Thronapple Kellogg Schools
Traverse Bay Area Intermediate School District	Traverse City Area Public Schools
Trenton Public Schools	Troy School District
Utica Community Schools	Van Dyke Public Schools
Warren Consolidated Schools	Warren Woods Public Schools
Wayne County Community College	Wayne-Westland Community Schools
Westwood Heights Schools	Whitehall District Schools
Yale Public School District	Zeeland Public Schools

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

October 29, 2010

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B0200325
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR CBC Innovis 4764 E. Fulton Ada, MI 49301 Email: Linda.thaler@cbcinnovis.com	TELEPHONE: (877) 233-0752 Linda Thaler
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1218 Brandon Samuel
Contract Compliance Inspector: See Section 2.022 LEGAL RESEARCH/PERSONAL INFORMATION	
CONTRACT PERIOD: From: September 1, 2010 To: August 31, 2015	
TERMS <p style="text-align: center;">Net 30</p>	SHIPMENT <p style="text-align: center;">NA</p>
F.O.B. <p style="text-align: center;">NA</p>	SHIPPED FROM <p style="text-align: center;">NA</p>

THIS CONTRACT IS HEREBY EXTENDED TO ALL LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE:

Contractor is able to acquire credit reports from Experian. The Experian report charge is \$2.95. The buyer is hereby changed to Brandon Samuel. All other terms, conditions, and specifications remain unchanged.

AUTHORITY/REASON:

Per agency (MGCB) request and DTMB/Procurement & Real Estate Services Administration approval

ESTIMATED CONTRACT VALUE: \$340,472.20

FOR THE CONTRACTOR:

CBC Innovis

 Firm Name

 Authorized Agent Signature

 Authorized Agent (Print or Type)

 Date

FOR THE STATE:

 Signature
Brandon Samuel, Buyer Specialist

 Name/Title
Services Division, Purchasing Operations

 Division

 Date

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **August 25, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B0200325
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR CBC Innovis 4764 E. Fulton Ada, MI 49301 Email: Linda.thaler@cbcinnovis.com	TELEPHONE: (616) 940-7103 Linda Thaler
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 335-6481 Adam Koenigsknecht
Contract Compliance Inspector: See Section 2.022	
LEGAL RESEARCH/PERSONAL INFORMATION	
CONTRACT PERIOD: From: September 1, 2010 To: August 31, 2015	
TERMS <p style="text-align: center;">Net 30</p>	SHIPMENT <p style="text-align: center;">NA</p>
F.O.B. <p style="text-align: center;">NA</p>	SHIPPED FROM <p style="text-align: center;">NA</p>
MINIMUM DELIVERY REQUIREMENTS	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT IS HEREBY EXTENDED TO ALL LOCAL UNITS OF GOVERNMENT.

The terms and conditions of this Contract are those of ITB #07110200095, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. This contract is part of a split award with contracts 071B0200322, 071B0200323, 071B0200324 and 071B0200325.

Estimated Contract Value: \$340,472.20

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B0200325
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR CBC Innovis 4764 E. Fulton Ada, MI 49301 Email: Linda.thaler@cbcinnovis.com	TELEPHONE: (616) 940-7103 Linda Thaler VENDOR NUMBER/MAIL CODE BUYER/CA (517) 335-6481 Adam Koenigsknecht
Contract Compliance Inspector: See Section 2.022 <p style="text-align: center;">LEGAL RESEARCH/PERSONAL INFORMATION</p>	
CONTRACT PERIOD: From: September 1, 2010 To: August 31, 2015	
TERMS <p style="text-align: center;">Net 30</p>	SHIPMENT <p style="text-align: center;">NA</p>
F.O.B. <p style="text-align: center;">NA</p>	SHIPPED FROM <p style="text-align: center;">NA</p>
MINIMUM DELIVERY REQUIREMENTS	
MISCELLANEOUS INFORMATION: THIS CONTRACT IS HEREBY EXTENDED TO ALL LOCAL UNITS OF GOVERNMENT. <p>The terms and conditions of this Contract are those of ITB #07110200095, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. This contract is part of a split award with contracts 071B0200322, 071B0200323, 071B0200324 and 071B0200325.</p>	
Estimated Contract Value: \$340,472.20	

FOR THE VENDOR: <p style="text-align: center;">CBC Innovis</p> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	FOR THE STATE: <p style="text-align: center;">Signature</p> <p style="text-align: center;">Adam Koenigsknecht, Buyer Specialist</p> <hr/> <p style="text-align: center;">Name/Title</p> <p style="text-align: center;">Commodities Division</p> <hr/> <p style="text-align: center;">Division</p> <hr/> <p style="text-align: center;">Date</p>
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Attachment A – Pricing

Attachment B – CBCInnovis Master Agreement for Services

Attachment C – Schedule #1, CBCInnovis Consumer Information Services

Attachment D – Notice to Furnishers and Users Under the FCRA

Attachment E – CBCInnovis Access Security Requirements

DEFINITIONS

24x7x365 means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

Additional Service means any Services within the scope of this Contract, but not specifically provided under any Statement of Work.

Audit Period means the seven year period following Contractor's provision of any work under this Contract.

Bidder(s) are those companies that submit a proposal in response to the RFP.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CCI means Contract Compliance Inspector.

Days means calendar days unless otherwise specified.

Deleted – Not/Applicable means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

Deliverable means physical goods and/or services required or identified in a Statement of Work.

DTMB means the Michigan Department of Technology, Management and Budget.

Environmentally Preferable Products means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to: those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

Hazardous Material means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of this Contract).

Incident means any interruption in any function performed for the benefit of a Plan Sponsor.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

New Work means any Services/Deliverables outside the scope of this Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide Contractor with additional consideration. "New Work" does not include Additional Service.

Ozone-depleting Substance means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

Post-Consumer Waste means any product generated by a business or consumer which has served its intended end use; and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

Post-Industrial Waste means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

Recycling means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

Reuse means using a product or component of municipal solid waste in its original form more than once.

RFP means a Request for Proposal designed to solicit proposals for services.

Services means any function performed for the benefit of the State.

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

State Location means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Subcontractor means a company selected by Contractor to perform a portion of the Services, but does not include independent Contractors engaged by Contractor solely in a staff augmentation role.

Unauthorized Removal means Contractor's removal of Key Personnel without the prior written consent of the State.

Waste Prevention means source reduction and reuse, but not recycling.

Pollution Prevention means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

Work in Progress means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

Work Product refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by Contractor as a result of an in furtherance of performing the services required by this Contract.

Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project

This is a Contract for access to personal information databases and incorporates terms in Attachments A, B, C D and E.

Access to databases may also need to be available, via this Contract for the following governmental entities:

- State of Michigan, Legislative Branch
- State of Michigan, Judicial Branch:
 - District Courts
 - Circuit Courts, including the Court of Claims
 - Court of Appeals
 - Supreme Court
 - State Court Administrative Offices (SCAO)
- Local Units of Government within Michigan, including:
 - Cities
 - Villages
 - Counties
 - Townships
- Institutions of higher education, including junior colleges
- Intermediate School Districts
- Non-profit hospitals

1.012 Background – Deleted/Not Applicable

1.020 Scope of Work and Deliverables

1.021 In Scope

Provide electronic access and use of various, continuously updated and current personal information databases.

1.022 Work and Deliverable

Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

A. General Online System Requirements

Contractor shall meet the following requirements for all online services in this Contract:

1. Subscription services shall be available via the internet and shall be compatible and operate at a minimum, with Microsoft Office 97 components and higher, and the PC component shall be capable of processing at a minimum, on Windows NT, 95, 98, 2000, XP, and higher. Services shall also be compatible and operate with Microsoft Internet Explorer version 6.0 and higher.
2. Contractor shall maintain a record system that documents the total number of units of service as defined in this Contract and delivered during each State fiscal term (October 1 through September 30) of this Contract. This annual usage report shall document the specific units billed to each agency/department and local unit, and be provided to the Contract Administrator by October 31 of each year.

B. Skip Tracing/People Locator Service

Contractor shall provide skip tracing/people locator services. This service shall include the ability to search for information using specific data/search fields and shall provide information for the individual or business.

1. The data fields which will be used by the State to search may include, but are not limited to:

- a. Social Security Number
 - b. First Name
 - c. Middle Name
 - d. Last Name
 - e. Address
2. The data fields provided in response to the search may include, but are not limited to:
- a. Social Security Number
 - b. First Name
 - c. Middle Name
 - d. Last Name (current and all past, including effective dates)
 - e. Telephone Numbers
 - f. Date of Birth

C. Credit Report Information

Contractor shall provide credit report information and use of credit report information. Credit reports shall be provided from TransUnion. Information required by the State includes, but is not limited to:

- Open Accounts
- Closed Accounts
- Past-due Accounts
- Credit Limits
- Tax Liens

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

- A. The Project Manager, designated as Key Personnel, to serve as central point of contact for this Contract is:

Nick Soltis
Nick.soltis@cbcinnovis.com
 412-503-9325

- B. Contractor must provide toll-free telephone helpdesk staff, available 8AM-9PM EST, Monday through Friday. Additional limited support is available 24 hours per day, seven (7) days per week, 365 days per year. The toll-free number is 800-216-3463. The toll-free helpdesk must provide:

- Internet access
- Training
- Operation assistance
- Database content
- Billing inquiries

- C. Contractor must provide the following ordering capabilities:

1. Receive requests for user additions/deletions by electronic mail (e-mail), by telephone, facsimile, and in writing from a designated agency/department Contract Compliance Inspector (CCI).
 - Requests from staff other than the agency/department CCI must not be processed. A list of agency/department CCIs is located in Section 2.022.
2. All requests for user additions/deletions for online services must be fulfilled within one business day after Contractor's receipt of request.

1.040 Project Plan – Deleted/Not Applicable

1.041 Project Plan Management – Deleted/Not Applicable

1.042 Reports – Deleted/Not Applicable

1.050 Acceptance – Deleted/Not Applicable

1.051 Criteria – Deleted/Not Applicable

1.052 Final Acceptance – Deleted/Not Applicable

1.060 Proposal Pricing

1.061 Pricing

See Attachment A for pricing.

1.062 Price Term

Prices quoted are the maximum for a period of three years from the date this Contract becomes effective.

Prices are subject to change at the end of the first three-year period. Such changes must be based on changes in actual costs incurred. Documentation of such changes must be provided with the request for price change in order to substantiate any requested change. Purchasing Operations reserves the right to consider various pertinent information sources to evaluate price increase requests (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics). Purchasing Operations also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Changes may be either increases or decreases, and may be requested by either party. Requests for price changes must be RECEIVED IN WRITING AT LEAST 60 DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, this Contract may be cancelled. Contractor remains responsible for performing according to this Contract's terms at this Contract's price for all orders received before price revisions are approved or before this Contract is cancelled.

Prices agreed to after the first three-year period must be valid through the remainder of the initial contract term.

Contractor must not bill separately for access and usage allowed to databases not included in this Contract.

1.063 Tax Excluded from Price – Deleted/Not Applicable

1.064 Holdback – Deleted/Not Applicable

1.070 Additional Requirements

1.071 Additional Terms and Conditions specific to this Contract

A. Invoicing

1. Contractor shall bill each agency/department directly for the subscription services, on a monthly basis. Invoices shall include at a minimum:
 - a. State agency/department name
 - b. State agency/department contact person
 - c. Description of service(s) used
 - d. Quantity of service(s) used
 - e. Cost per unit of service(s)

Agency/department CCIs may request usage reports including, but not limited to the above information.

Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of five (5) years beginning September 1, 2010 through August 31, 2015. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of this Contract, unless otherwise extended under this Contract.

2.002 Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. This Contract may be renewed for up to two (2) additional two (2) year periods.

2.003 Legal Effect

Contractor must show acceptance of this Contract by signing two (2) copies of this Contract and returning them to the Buyer. Contractor must not proceed with the performance of the work to be done under this Contract, including the purchase of necessary materials, until both parties have signed this Contract to show acceptance of its terms, and Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against this Contract has been issued.

2.004 Attachments & Exhibits – Deleted/Not Applicable

2.005 Ordering

The State will issue a written Purchase Order, which must be approved by the Contract Administrator or designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on a Purchase Order apply unless they are also specifically contained in that Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, Contractor must furnish all such materials and services as may be ordered during this Contract's period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

(a) This Contract, including any Purchase Orders, to the extent not contrary to this Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of this Contract and a Purchase Order, the terms of the Purchase Order will take precedence (as to that Purchase Order only); provided, however, that a Purchase Order may not modify or amend the terms of this Contract, which may be modified or amended only by a formal Contract amendment.

2.007 Headings

Captions and headings used in this Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

2.008 Form, Function & Utility

If this Contract is for use of more than one (1) State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability

Each provision of this Contract is severable from all other provisions of this Contract and, if one (1) or more of the provisions of this Contract is declared invalid, the remaining provisions of this Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in this Contract, if either party requires the consent or approval of the other party for the taking of any action under this Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of this Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of this Contract.

2.012 Survival

Any provisions of this Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of this Contract for any reason. Specific references to survival in this Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration

2.021 Issuing Office

This Contract is issued by the Department of Technology, Management and Budget, Purchasing Operations (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to this Contract. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within Purchasing Operations for this Contract is:

Adam Koenigsknecht, Buyer Specialist
Purchasing Operations
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Koenigsknecht1@michigan.gov
517-335-6481

2.022 Contract Compliance Inspector

After DTMB-Purchasing Operations receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for this Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of this Contract as that authority is retained by DTMB, Purchasing Operations.** The CCI's for this Contract are:

Attorney General:
Valerie Schmidt
517-373-8284
schmidt@michigan.gov

Department of Civil Rights:

Rebecca Powell
313-456-3832
powelln@michign.gov

Civil Service Commission:
Kim Davis
517-241-8115
Davisk5@michigan.gov

Department of Community Health:
Shirley Martin.
MartinS@michigan.gov
517-241-2305

Department of Corrections:
Christine Navarro
navarroc@michigan.gov
517-373-0450

Department of Education and State Law Library:
Kim Laird
517-373-8936
lairdk1@michigan.gov

Department of Energy, Labor, and Economic Growth:
Karin Eirosius
eirosiusk@michigan.gov
517.335.1967

Gaming Control Board:
Marina Kotsifis
Kotsifma@michigan.gov
517-241-0347

Department of Human Services:
Luttrell D. Levingston
levingston1@michigan.gov
517-373-2082

Department of Natural Resources and Environment:
Dorene Sandoval
SandovalD@michigan.gov
517-373-0295

Secretary of State:
Jennette Sawyer
sawyerj@michigan.gov
517-241-8322

Department of State Police:
Victoria Olivarez
Olivarev@michigan.gov
517-241-1064

Department of Technology, Management and Budget:
Kay Baker

bakerk@michigan.gov
517-373-8806

Department of Treasury:
Nicole Westphal
westphal1@michigan.gov
517-335-7137

2.023 Project Manager – Deleted/ Not Applicable

2.024 Change Requests

The State reserves the right to request, from time to time, any changes to the requirements and specifications of this Contract and the work to be performed by Contractor under this Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If Contractor does not so notify the State, Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept Contractor's proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the DTMB-Purchasing Operations.
- (c) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If Contractor fails to notify the State before beginning to work on the requested activities, then Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If Contractor commences performing work outside the scope of this Contract and then ceases performing that work, Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect this Contract.

2.025 Notices

Any notice given to a party under this Contract must be deemed effective, if addressed to the State contact as noted in Section 2.021 and Contractor's contact as noted on the cover page of this Contract, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in this Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be deemed to be an employee, agent or

servant of the State for any reason. Contractor is solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of this Contract.

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in this Contract, the parties must not unreasonably delay, condition, or withhold the giving of any consent, decision, or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under this Contract.

2.029 Assignments

(a) Neither party may assign this Contract, or assign or delegate any of its duties or obligations under this Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign this Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign this Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the requirements of this Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on this Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under this Contract. If the State permits an assignment, Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under this Contract that all payments must be made to one (1) entity continues.

(c) If Contractor intends to assign this Contract or any of Contractor's rights or duties under this Contract, Contractor must notify the State in writing at least 90 days before the assignment. Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions

2.031 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and this Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not bound by any content on Contractor's website, even if Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion – Deleted/Not Applicable

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor's personnel dedicated to providing Services/Deliverables under this Contract must provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Purchase Order issued under this Contract must specify the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Purchase Order issued under this Contract is subsequently reduced by the State, the parties must negotiate an equitable reduction in Contractor's charges under such Purchase Order commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State must not be obligated to pay any amounts in addition to the charges specified in this Contract.

2.044 Invoicing and Payment – In General

(a) Each Purchase Order issued under this Contract must list the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each invoice must show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis must show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and Contractor.

The specific payment schedule for this Contract entered into, as the State and Contractor must mutually agree upon. The schedule must show payment amount and must reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy, statements must be forwarded to the designated representative by the 15th day of the following month.

2.045 Pro-ration – Deleted/Not Applicable

2.046 Antitrust Assignment

Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to Contractor, toward fulfillment of this Contract.

2.047 Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under this Contract, nor will it constitute a waiver of any claims by one (1) party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this

Contract must constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State contracts. Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

Contractor is expected to collect and pay all applicable federal, state, and local employment taxes.

2.052 Sales and Use Taxes

Contractor is required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining “two (2) or more trades or businesses under common control” the term “organization” means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent Contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent Contractor relationship.

2.062 Contractor Key Personnel

Key Personnel for this Contract is:

Nick Soltis

Nick.soltis@cbcinnovis.com

412-503-9325

2.063 Re-assignment of Personnel at the State’s Request

The State reserves the right to require the removal from the Project, Contractor’s personnel found, in the judgment of the State, to be unacceptable. The State’s request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State’s request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State’s required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location – Deleted/Not Applicable

2.065 Contractor Identification

Contractor's employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor's employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor must cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, Contractor must provide to the State's agents and other Contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for this Contract is very specific and must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under this Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources – Deleted/Not Applicable

2.068 Contract Management Responsibilities

Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, this Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require Contractor to replace Subcontractors found to be unacceptable. Contractor is totally responsible for adherence by the Subcontractor to all provisions of this Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.070 Subcontracting by Contractor

2.071 Contractor Full Responsibility

Contractor has full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to Delegation

Contractor must not delegate any duties under this Contract to a Subcontractor unless the DTMB-Purchasing Operations has given written consent to such delegation. The State reserves the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor Bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for

the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract will not relieve Contractor of any obligations or performance required under this Contract.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor must flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Contract.

2.080 State Responsibilities

2.081 Equipment – Deleted/Not Applicable

2.082 Facilities – Deleted/Not Applicable

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor's personnel must agree to the State's security and acceptable use policies before Contractor's personnel will be accepted as a resource to perform work for the State. Contractor must present these documents to the prospective employee before Contractor presents the individual to the State as a proposed resource. Contractor's staff must comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If Contractor breaches this Section, Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by this Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI Data Security Requirements – Deleted/Not Applicable

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable

federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of this Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed – Deleted/Not Applicable

2.112 Examination of Records

For seven (7) years after Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with this Contract and with applicable laws and rules. The State must notify

Contractor 20 days before examining Contractor's books and records. The State does not have the right to review any information deemed confidential by Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with this Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to this Contract, and to the Services, equipment, and commodities provided under this Contract) pertaining to this Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, Contractor and the State will meet to review each audit report promptly after issuance. Contractor must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) invoices. If a balance remains after four (4) invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of this Contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.

(b) This Contract's Appendices, Attachments and Exhibits identify the services necessary for the Deliverable(s) to perform and Services to operate in compliance with this Contract's requirements and other standards of performance.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under this Contract, Contractor procures any Deliverable for the State (including Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(e) This Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither Contractor nor any affiliates, nor any employee of either, has, will have, or will acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two (2) days of learning about it.

(h) If any of the certifications, representations, or disclosures made in Contractor's original bid response change after this Contract start date, Contractor must report those changes immediately to DTMB-Purchasing Operations.

2.122 Warranty of Merchantability – Deleted/Not Applicable

2.123 Warranty of Fitness for a Particular Purpose – Deleted/Not Applicable

2.124 Warranty of Title

Contractor must, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor must be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by Contractor, under this Contract, must be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 Equipment Warranty - Deleted/Not Applicable

2.126 Equipment to be New - Deleted/Not Applicable

2.127 Prohibited Products – Deleted/Not Applicable

2.128 Consequences For Breach

In addition to any remedies available in law, if Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract.

2.130 Insurance

2.131 Liability Insurance

Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from Contractor's performance of Services under the terms of this Contract, whether the Services are performed by Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies Contractor is required to maintain under this Contract.

All insurance coverage's provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/deleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

Contractor is required to pay for and provide the type and amount of insurance below:

- 1. Commercial General Liability with the following minimum coverage:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit

Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the Commercial General Liability certificate. Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 2. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of Contractor's domicile. If a self-insurer provides the applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- 3. Employers liability insurance with the following minimum limits:
 - \$100,000 each accident
 - \$100,000 each employee by disease
 - \$500,000 aggregate disease
- 4. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).
- 5. Umbrella or Excess Liability Insurance in a minimum amount of five million dollars (\$5,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- 6. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: two million dollars (\$2,000,000.00) each occurrence and two million dollars (\$2,000,000.00) annual aggregate.

Coverage must include wrongful entry or eviction; false arrest, detention or imprisonment; malicious prosecution; libel, slander, or other defamatory or disparaging material, publication or utterance in violation of an individual's right to privacy.

Additionally the policy must include Security/Privacy Liability to include failure to prevent a party from unauthorized access to, unauthorized use of, denial of service attack to, or introduction of malicious code into

data or systems. (Including failure to handle, manage, store, destroy or control personally identifiable information or corporate confidential information.) As well as the cost of notification and credit monitoring to impacted individuals of privacy breach

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing Contractor's subcontract with other insurance provisions, Contractor must require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies **MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED** without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, DTMB. The notice must include this Contract or Purchase Order number affected. Before this Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor must maintain all required insurance coverage throughout the term of this Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due Contractor, or Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification

To the extent permitted by law, Contractor must indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

2.143 Employee Indemnification

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of Contractor or any of its Subcontractors, the

indemnification obligation under this Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for Contractor or any of its Subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by Contractor or its Subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, Contractor must at Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by Contractor under this Contract.

2.145 Continuation of Indemnification Obligations

Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of this Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146 Indemnification Procedures

The procedures set forth below must apply to all indemnity obligations under this Contract.

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify Contractor relieves Contractor of its indemnification obligations except to the extent that Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before

entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If Contractor breaches this Contract, and the State, in its sole discretion, determines that the breach is curable, then the State must provide Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 Termination for Cause

(a) The State may terminate this Contract, for cause, by notifying Contractor in writing, if Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If this Contract is terminated for cause, Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.

(c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in this Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for this Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State must pay Contractor for only the work completed to that point under this Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates this Contract for any reason, Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of this Contract and which are

resulting from this Contract (which must be provided to the State on an “As-Is” basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor’s adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State’s property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for Services and Deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 Termination by Contractor

If the State breaches this Contract, and Contractor in its sole discretion determines that the breach is curable, then Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But Contractor must discharge its obligations under **Section 2.190** before it terminates this Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this Contract, for convenience or cause, or if this Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 60 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175**.

2.172 Contractor Personnel Transition – Deleted/Not Applicable

2.173 Contractor Information Transition – Deleted/Not Applicable

2.174 Contractor Software Transition – Deleted/Not Applicable

2.175 Transition Payments – Deleted/Not Applicable

2.176 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and Contractor agree:

- (a) Reconciling all accounts between the State and Contractor;
- (b) Completing any pending post-project reviews.

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

2.182 Cancellation or Expiration of Stop Work Order

Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, this Contract's price, or both, and this Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of this Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under this Contract. Any adjustment must conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to this Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under this Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties

must meet with the Director of Purchasing Operations, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one (1) party to another for non-privileged information reasonably related to this Contract must be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor's representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between Contractor and any other entity, except state agencies, concerning responsibility for performance of work under this Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of this Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under this Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate this Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of this Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of this Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. Contractor of the State, in relation to this Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL

423.324, the State may void this Contract if, after award of this Contract, the name of Contractor as an employer or the name of a Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, Contractor must comply with Civil Service regulations and any applicable agency rules provided to Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 Prevailing Wage – Deleted/Not Applicable

2.210 Governing Law

2.211 Governing Law

This Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from this Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of this Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. Contractor must disclose in writing to the any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (i) The ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (a) Contractor and its Subcontractors must be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor must make the following notifications in writing:
 - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Purchasing Operations.
 - (2) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure – Deleted/Not Applicable

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the “Work in Process” and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) Contractor files for protection under the bankruptcy laws;
- (b) An involuntary petition is filed against Contractor and not removed within 30 days;
- (c) Contractor becomes insolvent or if a receiver is appointed due to Contractor's insolvency;
- (d) Contractor makes a general assignment for the benefit of creditors; or
- (e) Contractor or its affiliates are unable to provide reasonable assurances that Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241(a)**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations according to specified Contract time periods, Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to this Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreements (SLAs) – Deleted/Not Applicable

2.243 Liquidated Damages – Deleted/Not Applicable

2.244 Excusable Failure

Neither party will be liable for any default, damage, or delay in the performance of its obligations under this Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military, or otherwise), power failure, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail, but the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under this Contract for so long as the delay in performance continues; (b) the State may terminate any portion of this Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under this Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Approval of Deliverables

2.251 Delivery Responsibilities – Deleted/Not Applicable

2.252 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

2.253 Testing – Deleted/Not Applicable

2.254 Approval of Deliverables, In General

- (a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications.
- (b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.
- (c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.253**.
- (d) The State must approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.
- (e) If, after three (3) opportunities (the original and two (2) repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, and recover the difference between the cost to cure the deficiency and this Contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.
- (f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable. If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 Process For Approval of Written Deliverables – Deleted/Not Applicable

2.256 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to Contractor a notice of deficiencies, Contractor must correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts must be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables – Deleted/Not Applicable

2.258 Final Acceptance – Deleted/Not Applicable

2.260 Ownership

2.261 Ownership of Work Product by State – Deleted/Not Applicable

2.262 Vesting of Rights – Deleted/Not Applicable

2.263 Rights in Data

(a) The State is the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives under this Contract. Contractor must not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor. No employees of Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor must not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b) The State is the owner of all State-specific data under this Contract. The State may use the data provided by Contractor for any purpose. The State must not possess or assert any lien or other right against Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

The State and Contractor will continue to own their respective proprietary technologies developed before entering into this Contract. Any hardware bought through Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through Contractor and sold to the State, will be licensed directly to the State.

2.270 State Standards

2.271 Existing Technology Standards – Deleted/Not Applicable

2.272 Acceptable Use Policy – Deleted/Not Applicable

2.273 Systems Changes – Deleted/Not Applicable

2.280 Extended Purchasing

2.281 MIDEAL

1984 PA 431 permits DTMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: www.michigan.gov/buymichiganfirst. Unless otherwise stated, Contractor must ensure that the non-state agency is an authorized purchaser before extending this Contract pricing.

Contractor must supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. Contractor must send its invoices to, and pay the local unit of government, on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased must be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

Please Visit Mi DEAL at www.michigan.gov/buymichiganfirst under MiDeal.

State Administrative Fee

Contractor must collect an Administrative Fee on the sales transacted under this Contract. Contractor must remit the Administrative Fee in U.S. dollars within 30 days after the end of the quarterly sales reporting period. The Administrative Fee equals one percent of the total quarterly sales reported. Contractor must include the Administrative Fee in their prices.

Contractor must remit any monies due as a result of the close-out report at the time the close-out report is submitted to Purchasing Operations.

Contractor must pay the Administrative Fee by check. To ensure the payment is credited properly, Contractor must identify the check as an "Administrative Fee" and include the following information with the payment: *Applicable State BPO Number, report amount(s), and reporting period covered.*

Contractor must forward the check to the following address:

*Department of Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.
P.O. Box 30681
Lansing, MI 48909*

Please make check payable to: State of Michigan

2.282 State Employee Purchases – Deleted/Not Applicable

2.290 Environmental Provision

2.291 Environmental Provision – Deleted/Not Applicable

2.300 Other Provisions

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials

Equipment, materials, or supplies, that will be furnished to the State under this Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

“Forced or indentured child labor” means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

ATTACHMENT A – PRICING

Section	Service	Unit of Measure	Cost per Unit
1.022-B	Skip Tracing/People Locator	Per Search	\$0.25
1.022-C	Credit Report	Per Report	\$1.85

ATTACHMENT B

CBCINNOVIS - MASTER AGREEMENT FOR SERVICES

This Master Agreement for Services (“Agreement”) effective September 1, 2010 (“Effective Date”) is by and between CBCInnovis, Inc. (“CBCInnovis”), a Pennsylvania Corporation, with an address located at 250 East Town Street, Columbus, Ohio 43215, and State of Michigan (“Customer”), a governmental entity (e.g. corporation, Limited Liability Company, Partnership), with an office located at Lansing, MI.

1. **Services.** Customer will purchase and CBCInnovis or its designated affiliate (“CBCInnovis Affiliate”) will provide services as defined in each Schedule (“Services”). Only the CBCInnovis Affiliate that executes the Schedule shall be responsible for such Schedule.

2. **Fees and Invoicing.** CBCInnovis or its agent, will invoice Customer for the Services delivered and Customer agrees to pay CBCInnovis or its agent within thirty (30) days of the date of each invoice. Invoices not paid on time shall be considered past due and are subject to late charges identified in Michigan Public Act 279 of 1984.

3. **Term and Termination.** Unless otherwise stated in the Schedules, the term of this Agreement shall begin on the Effective Date and shall be in effect until terminated or until termination of any or all pending Schedule(s), whichever is later. Either party may terminate this Agreement at any time for any reason.

4. **Confidentiality.**

(a) **Definition of Confidential Information.** For purposes of this Agreement, "Confidential Information" means, but is not limited to, any non-public information that a party reasonably considers to be of a confidential, proprietary or trade secret nature. Confidential Information shall also include any and all information provided by the receiving party on behalf of the disclosing party. Confidential Information shall not include information which : (i) as of the time of its disclosure or thereafter becomes part of the public domain through no fault of the receiving party; (ii) was rightfully known to or independently developed by the receiving party prior to the time of its disclosure; (iii) is subsequently learned from a third party not under a confidentiality obligation to the disclosing party; (iv) was in the receiving party's possession before receipt from the disclosing party, (v) is disclosed by the receiving party with the disclosing party's prior written approval, and (vi) is required to be disclosed pursuant to a duly authorized subpoena, court order, or government authority, provided that the receiving party has provided prompt written notice and assistance to the disclosing party prior to such disclosure so that such party may seek a protective order or other appropriate remedy to protect against disclosure.

(b) **Protection of Confidential Information.** Both parties agree to protect Confidential Information and may only disclose such information to its employees having a need to know and who are otherwise bound by confidentiality obligations at least as restrictive as those contained in this Agreement. Both parties shall use the same care to prevent disclosure of the other party's Confidential Information as it uses with respect to its own Confidential Information. Further, both parties shall only use Confidential Information to the extent necessary to perform its obligations set forth in this Agreement. The receiving party will not reproduce the disclosing party's Confidential Information in any form except as required to accomplish the intent of this Agreement.

(c) **Gramm-Leach-Bliley Protection and Safeguarding of Information Involving Use of Nonpublic Personal Information.** Both parties shall comply with Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et. seq. (the “GLB Act”) and the implementing regulations and will not use or disclose any nonpublic personal information (“Information”) furnished to the other except in accordance with the GLB Act or the Fair Credit Reporting Act 15 U.S.C. § 1681b (“FCRA”). Both parties represent that they have established and maintain appropriate measures designed to meet the objectives outlined in either the Interagency Guidelines Establishing Standards for Safeguarding Customer Information (12 CFR Part 30) or the Federal Trade Commission Standards for Safeguarding Customer Information (16 CFR Part 314). The parties have in place programs designed to ensure the security and confidentiality of the Information, to protect against any anticipated threats or hazards to the security or integrity of the Information and to protect against unauthorized access to or use of such Information.

(d) **Security Breach of Confidential Information.** The parties shall notify the other party immediately, and agree to cooperate fully, in the event of any unauthorized access, any loss, or unauthorized disclosure of any Confidential Information, including without limitation, customer or employee information under the control of either party. Except as may be required by law, the parties agree to take no action with respect to notification of such unauthorized access to Confidential Information without the other party's express consent and according to specific instruction.

(e) **Proper Disposal of Consumer Information.** Both parties represent that in accordance with the FCRA and the FTC Final Rule, 16 CFR, Part 682 that they have implemented reasonable measures to protect against unauthorized access or use of the information in connection with the disposal of consumer information as that term is defined in the FTC Final Rule.

5. **IT/Data Security.** Customer will do nothing to alter the Services and will use the Services only as authorized in this Agreement. Customer waives all claims to any ownership right to all of the Services and intellectual property of CBCInnovis. Customer agrees not to disassemble, decompile, manipulate, or reverse engineer the Services. Customer shall maintain due diligence and information security procedures, which meet or exceed standard industry practice, to safeguard, secure and provide data back-up procedures for the Services, including but not limited to ensuring that any data Customer

receives from CBCInnovis will be securely maintained and transmitted. Customer acknowledges that it has received a copy of the CBCInnovis Access Security Requirements attached as Attachment E to Contract No. 071B02000325 between The State of Michigan and CBCInnovis dated September 1, 2010. Customer agrees to comply with such requirements, as may be modified from time to time. CBCInnovis will provide Customer with any changes to the Security Requirements. If Customer uses a third party to access the Services, Customer is responsible for the third party's use of such Services. All other rights to the Services not expressly granted herein by CBCInnovis are reserved.

6. Limitation of Liability. Unless otherwise stated in the Schedule(s), IN NO EVENT SHALL CBCINNOVIS, ANY CBCINNOVIS AFFILIATES, OR ANY OF THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS BE LIABLE FOR LOST PROFITS, OR DIMINUTION OF VALUE OF THE PROPERTY, LOSS OF USE OR INTERRUPTION OF BUSINESS, NOR FOR CONSEQUENTIAL INDIRECT, SPECIAL, PUNITIVE, OR INCIDENTAL DAMAGES UNDER THIS AGREEMENT. Unless otherwise stated in the Schedule(s), the maximum liability of CBCInnovis in connection with any Services provided shall not exceed an amount equal to the Estimated Contract Value provided for in Contract 071B0200325.

7. Right to Audit. During the term of this Agreement, either party may audit the other party's policies, procedures and records that pertain to this Agreement to ensure compliance with this Agreement upon reasonable notice and during normal business hours.

8. General Provisions.

(a) **Successors and Assigns.** Either party may assign this Agreement by obtaining prior written consent of the other party, which such consent shall not be unreasonably withheld. CBCInnovis may assign this Agreement to an affiliate upon notice to Customer so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the requirements of this Agreement.

(b) **Entire Agreement/Amendment.** This Agreement and any accompanying Schedule(s), and Contract 071B0200325t constitute the entire agreement between the parties and supersede all prior oral or written agreements or representations. No modification of this Agreement (including any additional or different terms) shall be binding unless agreed to in writing. In the event of any inconsistencies between this Agreement and any Schedule, such Schedule shall control but only to the extent of such inconsistency.

(c) **Waiver.** No course of dealing or failure by CBCInnovis to strictly enforce any term, right, or condition of this Agreement shall be construed as a waiver of such term, right, or condition.

(d) **Governing Law; Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the state of Michigan, regardless of conflict of laws principles.

(e) **Force Majeure.** Neither party to this Agreement shall be considered to be in default of its obligation under this Agreement to the extent that failure to perform any such obligation arises from causes beyond the control and without the fault or negligence of the affected party.

(f) **Severability.** If any provision of this Agreement is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable.

(g) **Counterparts/Facsimile Copies.** This Agreement may be executed via facsimile and in counterparts, and all such executed counterparts shall constitute the same Agreement.

(h) **Survival.** Sections 4, 5, 6, and 7 shall survive termination of this Agreement.

(i) **Notices.** All notices required or permitted hereunder will be in writing, to the addresses set forth above, and will be deemed to have been properly given: (i) upon delivery if delivered personally or by a courier or overnight delivery service; or (ii) five (5) business days after mailing by certified mail, postage prepaid, return receipt requested, to the parties at the following addresses (or to such other address of which either party may notify the other in a notice that complies with the provisions of this section).

IN WITNESS WHEREOF, each party has executed this Agreement effective as of the date first above written.

CBCInnovis, Inc.

Customer: State of Michigan

Signature: _____

Signature: _____

Name: _____
Please Print

Name: _____
Please Print

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT C
SCHEDULE #1:
CBCINNOVIS CONSUMER INFORMATION SERVICES

**CUSTOMER'S
NAME:**

**EFFECTIVE
DATE:**

This Schedule ("Schedule") is made by and between CBCInnovis, Inc. ("CBCInnovis") and Customer under a certain Master Agreement for Services ("Agreement") and Application for Services incorporated by reference. Exhibits or other documents attached to the Agreement and this Schedule are fully incorporated into and constitute a part of the substantive provisions of this Schedule. Terms not otherwise defined in this Schedule will have the same meaning as set forth in the Agreement.

1. COMPLIANCE WITH FEDERAL AND STATE LAWS

Fair Credit Reporting Act. The parties agree to comply with the Fair Credit Reporting Act, 15 U.S.C. §1681 et. seq. and other applicable federal and state laws and regulations.

California Retail Seller Compliance. Customer will comply with all applicable provisions of the California Credit Reporting Agencies Act including the Retail Buyers provisions in California Civil Code §1785.14. **Customer certifies that:**

it is or is not a Retail Seller, as defined in Section 1802.3 of the California Civil Code and

it does or does not issue credit to consumers who appear in person on the basis of an application for credit submitted in person.

Before delivering a consumer report to a Retail Seller, CBCInnovis must match at least three items of a consumer's identification within the CBCInnovis file with the information that the Customer supplies in connection with the in-person credit transaction. Customer certifies that if it is a Retail Seller, it will inspect the photo identification of each consumer who applies for in-person credit.

If Customer extends credit by mail pursuant to mail solicitations, the Customer certifies that it shall mail the credit extension to same address as on the solicitations unless Customer verifies any address change by, among other methods, contacting the person to whom the extension of credit will be mailed. Customer shall also take special actions regarding a consumer's presentation of a police report regarding fraud, and Customer must acknowledge consumer's demands for reinvestigations within certain timeframes specified in the California Civil Code. If after signing this Agreement, Customer becomes a Retail Seller who issues credit in person, Customer certifies that it will provide written notice to CBCInnovis prior to using consumer reports with such transactions and shall comply with all the requirements of a Retail Seller as provided in this certification.

California Investigative Consumer Reporting Agencies Act (California Civil Code § 1786 et seq). Customer certifies that prior to obtaining an investigative consumer report as that term is defined in California Civil Code §1786.2(c), it has made the applicable disclosures to the consumer as required under California Civil Code §1786.16(a)(2) and that it will comply with §1786.16(b) including, but not limited to, providing the consumer a means by which the consumer may indicate on a written form by means of a box to check that the consumer wishes to receive a copy of any investigative consumer report that is prepared. Customer must notify CBCInnovis of any change in the permissible purpose for which the information will be used.

Vermont Certification. Customer certifies that it will comply with applicable provisions of the Vermont Fair Credit Reporting Statute, 9 V.S. A. §2480(e) and the applicable regulations in connection with obtaining consumer reporting information on Vermont consumers. Customer further certifies that it will only obtain consumer reporting information from Vermont consumers after the Customer has received prior consumer consent and will use the consumer reporting information only for the purpose consented to by the consumer.

2. CERTIFICATION OF PERMISSIBLE PURPOSE. Customer shall use a consumer report only when it has a permissible purpose as that term is defined under the Fair Credit Reporting Act 15 U.S.C. §1681b (§604 of the FCRA) and other applicable federal and state laws. Customer hereby certifies that it will only request and use a consumer report for the permissible purposes set forth below. The specific permissible purpose will be identified in each purchase order or blanket purchase agreement.

In connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer;

In connection with the underwriting of insurance involving the consumer;

In connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status;

As a potential investor or servicer, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; when it has a legitimate business need for the information (specify that purpose in the space provided) _____;

In connection with a business transaction initiated by the consumer, (Please explain) _____;

To review an account to determine whether the consumer continues to meet the terms of the account, such as (Please explain) _____

In accordance with the written instructions of the consumer to whom it relates. The Customer shall include in the written request the specific reason(s) for obtaining the consumer report. If on the same form, the Customer seeks consent from the consumer to access or obtain records or items in addition to a consumer report (i.e. medical records, financial account records); the Customer must separately delineate the request for a consumer report by using a check mark or an "x" on the form next to its consumer report request. Customer will use a consumer report only for the specific reasons provided in the written consent. Customer shall maintain copies of the consumer's express written consent for five years.

For employment purposes (evaluating a consumer for employment, promotion, reassignment or retention);

Customer agrees with the following conditions for obtaining a report for employment: Only the Customer's designated representatives will request credit reports. The Customer will forbid employees from obtaining reports on themselves, associates, or any other person except in the exercise of their official duties. Each time the Customer requests a credit report for employment purposes it will comply with 15 U.S.C. §1681b (§604(b) of the FCRA), namely: 1) the consumer has been given a clear and conspicuous written notice, in advance (in a document that consists solely of the disclosure), that a consumer report may be requested for employment purposes; 2) the consumer has authorized the Customer, in writing, to procure the report; 3) the information in the consumer report will not be used in violation of any applicable federal or state equal employment opportunity law or regulation; 4) before taking adverse action, in whole or in part based on the report, Customer will provide the consumer a copy of the report and a description of the consumer's rights under the FCRA.

Joint Use Certification. Customer certifies it will not sell, distribute or provide the information to any person or entity not a party to this Schedule other than a joint user having the same purpose. Customer may disclose information received in connection with this Schedule to the consumer when Customer takes adverse action. In the event of disclosure to the consumer by Customer, Customer shall hold CBCInnovis harmless from any liability, damages, costs or expense including reasonable attorney's fees.

3. QUALIFIED CUSTOMER CERTIFICATION. Customer certifies that it is not a pawn shop, private detective, detective agency, investigative company, bail bondsman, attorney or law firm (except collection attorneys or reports for employment purposes), credit or financial counseling firm, credit repair clinic, news agency or journalist, dating service, asset location service nor will Customer resell the credit information or the Services or seek the information for its own personal or non-business use.

4. FANNIE MAE REQUIREMENTS. Whenever Customer receives changes to information on a merged credit report from CBCInnovis and is submitting loans to Fannie Mae, Customer will communicate these changes to Fannie Mae as part of any reissue of the merged credit report. Fannie Mae shall be entitled to enforce the Fannie Mae Terms.

5. CREDIT REPORTING SCORING SERVICES. Customer will not be purchasing Scoring Services from CBCInnovis.

6. OFAC NAME MATCHING SERVICE. If Customer purchases OFAC Services, CBCInnovis will compare the characters in the consumer's name, social security number and year of birth, when available, to files maintained by the Office of Foreign Assets Control ("OFAC") on Specially Designated Nationals. The database is updated periodically by OFAC and CBCInnovis does not insure or guarantee of the accuracy or reliability of the OFAC Name Matching Service nor the data contained in its file or that the OFAC Name Matching Service satisfies any of the Customer's legal obligations which may be administered by OFAC or any other governmental agency.

7. SAFESCAN AND FULL DTEC. SAFESCAN is an on-line warning system containing information that can be used to detect possible fraudulent applications for credit. Some of the information in the SAFESCAN database is provided by credit grantors. SAFESCAN is a registered trademark of Equifax. SAFESCAN is not based on information in Equifax's consumer reporting database and is not intended to be used as a consumer report. Customer will not use a SAFESCAN alert or warning message in its decision-making process for denying credit or any other FCRA permissible purpose, but will use the message as an indication that the consumer's application information should be independently verified prior to a credit or other decision. Customer understands that the information supplied by SAFESCAN may or may not apply to the consumer about whom Customer has inquired. Full DTEC is a service that uses the social security number provided by Customer to search the Equifax consumer credit database and deliver a consumer report that consists of name, AKA, or former name, current and former addresses, listed telephone number (if available), age, employment, Social Security number and a message pertaining to the Social Security number. Customer certifies that it will order a Full DTEC Report only when it has a permissible purpose to receive a consumer report, as specified in this Schedule.

8. TAX SERVICES. Customer may order tax verification services from CBCInnovis in which CBCInnovis will facilitate the return of reports containing federal tax return information ("Tax Services"). Customer will not use, duplicate, reproduce, or share with others any Tax Services, for any purpose other than that which is related to the purpose of the transaction as intended by the consumer who is the subject of the transaction and who has provided an authorization (e.g., Form 4506-T). Notwithstanding, Customer may share the information with third parties who are participating in the same transaction involving the consumer as long as the consumer has consented. Customer and any third party that jointly use the Tax Services must do so in compliance with the applicable provisions of the Fair Credit Reporting Act, the Financial Privacy Act, Gramm-Leach-Bliley Act and all other applicable laws and regulations, both state and federal

9. OBTAINING INFORMATION UNDER FALSE PRETENSES. 15 U.S.C. §1681q (§619 of the FCRA) provides that any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses shall be fined under Title 18 of the United States Code, or imprisoned not more than two years, or both.

10. USING, FURNISHING AND INVESTIGATING. Customer has received and will comply with the FCRA Notices to Users and Furnishers, which are attached as Attachment C to Contract 071B0200325. Pursuant to this section Customer may furnish consumer information for use in a consumer credit report and for one or more permitted purposes under the GLB Act. If Customer furnishes consumer information to CBCInnovis, it agrees to furnish CBCInnovis with accurate and complete information on accounts. It will comply with the duties and responsibilities of Furnishers as set forth in 15 U.S.C §1681s-2 (§623 of the FCRA). Customer agrees to conduct an investigation of dispute before the end of the 30-day period within which time CBCInnovis is required to conduct the reinvestigation under the FCRA or within the period specified under applicable state law.

11. IDENTIFICATION SERVICES. Identification Services consist of nonpublic personal identification information such as name, address, social security number and telephone number to be used for one of the permitted uses under the Gramm-Leach-Bliley Act, 15 U.S.C. §6801, et. seq. (“the GLB Act”). Specifically, the Customer hereby certifies that it will only request and use Identification For settlement, billing and collections of amounts charged, debited, or otherwise paid using a debit, credit or other payment card, check, or account number or by other payment means.

Neither party will use the Identification Services for marketing or solicitations of any kind or for direct-to-consumer sales. Customer certifies that the Identification Services provided pursuant to this Schedule do not constitute consumer reports as defined by the Fair Credit Reporting Act (FCRA), 15 U.S.C. §1681a(d) and are not subject to the FCRA. The parties agree that the identification information contained in the Identification Services does not bear on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

In this regard, Customer certifies that the Identification Services will not be used in whole or in part as a factor in determining a consumer’s eligibility for credit or insurance to be used primarily for personal, family or household purposes, employment purposes, in connection with the underwriting of insurance involving the consumer; in connection with a determination of the consumer’s eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant’s financial responsibility or status; as a potential investor or servicer, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; when it has a legitimate business need for the information; to review an account to determine whether the consumer continues to meet the terms of the account and for employment purposes. Customer will not use the Identification Services to take any “adverse action” as that term is defined in §603(k) of the FCRA [15 U.S.C. §1681a].

12. MINIMUM TERMS; TERMINATION. This Agreement and the Application for Services sets forth the minimum terms and conditions under which CBCInnovis will provide CBCInnovis Services to the Customer. Nothing herein shall obligate either party to purchase or to sell the services described herein, and either party may terminate this Agreement at *any time for any reason*.

13. LIMITATIONS OF LIABILITY. Because the CBCInnovis Services involve conveying information provided by other sources, including credit repositories, neither CBCInnovis nor the credit repositories will, for the fee charged for the Services, be an insurer or guarantor of the accuracy or reliability of the Services or the data contained therein. **NEITHER CBCINNOVIS NOR THE CREDIT REPOSITORIES GUARANTEE OR WARRANT THE ACCURACY, TIMELINESS, COMPLETENESS, CURRENTNESS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE SERVICES, INFORMATION IN THE SERVICES OR THE MEDIA ON OR THROUGH WHICH THE SERVICES ARE PROVIDED AND SHALL NOT BE LIABLE FOR ANY LOSS OR INJURY ARISING OUT OF OR CAUSED IN WHOLE OR IN PART BY CBCINNOVIS OR THE CREDIT REPOSITORIES’ ACTS OR OMISSIONS, WHETHER NEGLIGENT OR OTHERWISE.**

14. TERRITORY. Customer may access, use and store the Services and information obtained from the Services only at or from locations within the territorial boundaries of the United States, Puerto Rico, Guam, the Virgin Islands and Canada (the “Permitted Territory”). Customer may not access, use or store the Services or information obtained from the Services at or from, or send it to any location outside of the Permitted Territory without first obtaining CBCInnovis’ written permission.

IN WITNESS WHEREOF, the undersigned have executed this Schedule as of the date set forth above.

CBCInnovis, Inc.

Customer’s Name:

Signature: _____

Signature: _____

Name: _____
Please Print

Name: _____
Please Print

Title: _____

Title: _____

Date: _____

Date: _____

**EXHIBIT #1 TO ATTACHMENT C
CUSTOMER AFFILIATES**

Please mark the appropriate designation:

- Only Customer and its employees will be accessing CBCInnovis Services.
- Customer has processing centers, branch locations or affiliates under common ownership and control (“Customer Affiliates”), “Control” means having the ability to direct the management and policies of the entity in question, whether directly or indirectly.

Each Customer Affiliate must be listed below in order to receive the Services. Customer may add Customer Affiliates with written notice. Customer represents and warrants that it has the full power and authority to bind each Customer Affiliate to this Schedule.

Customer Affiliate’s Name	Physical Address
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	

ATTACHMENT D

All furnishers subject to the Federal Trade Commission's jurisdiction must comply with all applicable regulations, including regulations promulgated after this notice was prescribed in 2004. Information about applicable regulations currently in effect can be found at the Commission's Web site, www.ftc.gov/credit. Furnishers who are not subject to the Commission's jurisdiction should consult with their regulators to find any relevant regulations.

NOTICE TO FURNISHERS OF INFORMATION: OBLIGATIONS OF FURNISHERS UNDER THE FCRA

The federal Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681-1681y, imposes responsibilities on all persons who furnish information to consumer reporting agencies (CRAs). These responsibilities are found in Section 623 of the FCRA, 15 U.S.C. § 1681s-2. State law may impose additional requirements on furnishers. As to Maine consumers, please review Maine's Fair Credit Reporting Act at Me. Rev. Stat. Ann. 10 §1311 et. Seq. All furnishers of information to CRAs should become familiar with the applicable laws and may want to consult with their counsel to ensure that they are in compliance. The text of the FCRA is set forth in full at the Website of the Federal Trade Commission (FTC): www.ftc.gov/credit. A list of the sections of the FCRA cross-referenced to the U.S. Code is at the end of this document.

Section 623 imposes the following duties:

Accuracy Guidelines. The banking and credit union regulators and the FTC will promulgate guidelines and regulations dealing with the accuracy of information provided to CRAs by furnishers. The regulations and guidelines issued by the FTC will be available at www.ftc.gov/credit when they are issued. Section 623(e).

General Prohibition on Reporting Inaccurate Information. The FCRA prohibits information furnishers from providing information to a CRA that they know or have reasonable cause to believe is inaccurate. However, the furnisher is not subject to this general prohibition if it clearly and conspicuously specifies an address to which consumers may write to notify the furnisher that certain information is inaccurate. Sections 623(a)(1)(A) and (a)(1)(C).

Duty to Correct and Update Information. If at any time a person who regularly and in the ordinary course of business furnishes information to one or more CRAs determines that the information provided is not complete or accurate, the furnisher must promptly provide complete and accurate information to the CRA. In addition, the furnisher must notify all CRAs that received the information of any corrections, and must thereafter report only the complete and accurate information. Section 623(a)(2).

Duties After Notice of Dispute from Consumer. If a consumer notifies a furnisher, at an address specified by the furnisher for such notices, that specific information is inaccurate, and the information is, in fact, inaccurate, the furnisher must thereafter report the correct information to CRAs. Section 623(a)(1)(B).

If a consumer notifies a furnisher that the consumer disputes the completeness or accuracy of any information reported by the furnisher, the furnisher may not subsequently report that information to a CRA without providing notice of the dispute. Section 623(a)(3).

The federal banking and credit union regulators and the FTC will issue regulations that will identify when an information furnisher must investigate a dispute made directly to the furnisher by a consumer. Once these regulations are issued, furnishers must comply with them and complete an investigation within 30 days (or 45 days, if the consumer later provides relevant additional information) unless the dispute is frivolous or irrelevant or comes from a "credit repair organization." The FTC regulations will be available at www.ftc.gov/credit. Section 623(a)(8).

Duties After Notice of Dispute from Consumer Reporting Agency. If a CRA notifies a furnisher that a consumer disputes the completeness or accuracy of information provided by the furnisher, the furnisher has a duty to follow certain procedures. The furnisher must:

- Conduct an investigation and review all relevant information provided by the CRA, including information given to the CRA by the consumer. Sections 623(b)(1)(A) and (b)(1)(B).
- Report the results to the CRA that referred the dispute, and, if the investigation establishes that the information was, in fact, incomplete or inaccurate, report the results to all CRAs to which the furnisher provided the information that compile and maintain files on a nationwide basis. Sections 623(b)(1)(C) and (b)(1)(D).
- Complete the above steps within 30 days from the date the CRA receives the dispute (or 45 days, if the consumer later provides relevant additional information to the CRA). Section 623(b)(2). Promptly modify or delete the information, or block its reporting. Section

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623(b)(1)(E).

Duty to Report Voluntary Closing of Credit Accounts. If a consumer voluntarily closes a credit account, any person who regularly and in the ordinary course of business furnishes information to one or more CRAs must report this fact when it provides information to CRAs for the time period in which the account was closed. Section 623(a)(4).

Duty to Report Dates of Delinquencies. If a furnisher reports information concerning a delinquent account placed for collection, charged to profit or loss, or subject to any similar action, the furnisher must, within 90 days after reporting the information, provide the CRA with the month and the year of the commencement of the delinquency that immediately preceded the action, so that the agency will know how long to keep the information in the consumer's file. Section 623(a)(5).

Any person, such as a debt collector, that has acquired or is responsible for collecting delinquent accounts and that reports information to CRAs may comply with the requirements of Section 623(a)(5) (until there is a consumer dispute) by reporting the same delinquency date previously reported by the creditor. If the creditor did not report this date, they may comply with the FCRA by establishing reasonable procedures to obtain and report delinquency dates, or, if a delinquency date cannot be reasonably obtained, by following reasonable procedures to ensure that the date reported precedes the date when the account was placed for collection, charged to profit or loss, or subjected to any similar action. Section 623(a)(5).

Duties of Financial Institutions When Reporting Negative Information. Financial institutions that furnish information to "nationwide" consumer reporting agencies, as defined in Section 603(p), must notify consumers in writing if they may furnish or have furnished negative information to a CRA. Section 623(a)(7). The Federal Reserve Board has prescribed model disclosures, 12 CFR Part 222, App. B.

Duties When Furnishing Medical Information. A furnisher whose primary business is providing medical services, products, or devices (and such furnisher's agents or assignees) is a medical information furnisher for the purposes of the FCRA and must notify all CRAs to which it reports of this fact. Section 623(a)(9). This notice will enable CRAs to comply with their duties under Section 604(g) when reporting medical information.

Duties when ID Theft Occurs. All furnishers must have in place reasonable procedures to respond to notifications from CRAs that information furnished is the result of identity theft, and to prevent refurnishing the information in the future. A furnisher may not furnish information that a consumer has identified as resulting from identity theft unless the furnisher subsequently knows or is informed by the consumer that the information is correct. Section 623(a)(6). If a furnisher learns that it has furnished inaccurate information due to identity theft, it must notify each consumer reporting agency of the correct information and must thereafter report only complete and accurate information. Section 623(a)(2). When any furnisher of information is notified pursuant to the procedures set forth in Section 605B that a debt has resulted from identity theft, the furnisher may not sell, transfer, or place for collection the debt except in certain limited circumstances. Section 615(f).

The FTC's Web site www.ftc.gov/credit, has more information about the FCRA, including publications for businesses and the full text of the FCRA.

Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:

Section 602	15 U.S.C. 1681	Section 615	15 U.S.C. 1681m
Section 603	15 U.S.C. 1681a	Section 616	15 U.S.C. 1681n
Section 604	15 U.S.C. 1681b	Section 617	15 U.S.C. 1681o
Section 605	15 U.S.C. 1681c	Section 618	15 U.S.C. 1681p
Section 605A	15 U.S.C. 1681cA	Section 619	15 U.S.C. 1681q
Section 605B	15 U.S.C. 1681cB	Section 620	15 U.S.C. 1681r
Section 606	15 U.S.C. 1681d	Section 621	15 U.S.C. 1681s
Section 607	15 U.S.C. 1681e	Section 622	15 U.S.C. 1681s-1
Section 608	15 U.S.C. 1681f	Section 623	15 U.S.C. 1681s-2
Section 609	15 U.S.C. 1681g	Section 624	15 U.S.C. 1681t
Section 610	15 U.S.C. 1681h	Section 625	15 U.S.C. 1681u
Section 611	15 U.S.C. 1681i	Section 626	15 U.S.C. 1681v
Section 612	15 U.S.C. 1681j	Section 627	15 U.S.C. 1681w
Section 613	15 U.S.C. 1681k	Section 628	15 U.S.C. 1681x
Section 614	15 U.S.C. 1681l	Section 629	15 U.S.C. 1681y

All users subject to the Federal Trade Commission's jurisdiction must comply with all applicable regulations, including regulations promulgated after this notice was prescribed in 2004. Information about applicable regulations currently in effect can be found at the Commission's Web site, www.ftc.gov/credit. Persons not subject to the Commission's jurisdiction should consult with their regulators to find any relevant regulations.

NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA

The Fair Credit Reporting Act (FCRA), 15 U.S.C. §1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Federal Trade Commission's Website at www.ftc.gov/credit. At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the Commission's Web site. **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

A. Users Must Have a Permissible Purpose. Congress has limited the use of consumer reports to protect consumers privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are:

- As ordered by a court or a federal grand jury subpoena. [Section 604\(a\)\(1\)](#)
- As instructed by the consumer in writing. [Section 604\(a\)\(2\)](#)
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. [Section 604\(a\)\(3\)\(A\)](#)
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. [Sections 604\(a\)\(3\)\(B\) and 604\(b\)](#)
- For the underwriting of insurance as a result of an application from a consumer. [Section 604\(a\)\(3\)\(C\)](#)
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. [Section 604\(a\)\(3\)\(F\)\(i\)](#)
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. [Section 604\(a\)\(3\)\(F\)\(ii\)](#)
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. [Section 604\(a\)\(3\)\(D\)](#)
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. [Section 604\(a\)\(3\)\(E\)](#)
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. [Sections 604\(a\)\(4\) and 604\(a\)\(5\)](#)

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making "prescreened" unsolicited offers of credit or insurance. [Section 604\(c\)](#). The particular obligations of users of prescreened information are described in Section VII below.

B. Users Must Provide Certifications. Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

C. Users Must Notify Consumers When Adverse Actions Are Taken. The term adverse action is defined very broadly by Section 603. Adverse actions include all business, credit, and employment actions affecting consumers that can be considered to have a negative

impact as defined by Section 603(k) of the FCRA -- such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

1. Adverse Actions Based on Information Obtained From a CRA. If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer's right to obtain a free disclosure of the consumer's file from the CRA if the consumer requests the report within 60 days.
- A statement setting forth the consumer's right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer's written request.

3. Adverse Actions Based on Information Obtained From Affiliates. If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

D. Users Have Obligations When Fraud and Active Duty Military Alerts are in Files. When a consumer has placed a fraud alert, including one relating to identity theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumers; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer's alert.

E. Users Have Obligations When Notified of an Address Discrepancy. Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer's file. When this occurs, users must comply with regulations specifying the procedures to be followed, which will be issued by the Federal Trade Commission and the banking and credit union regulators. The Federal Trade Commission's regulations will be available at www.ftc.gov/credit.

F. Users Have Obligations When Disposing of Records. Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. The Federal Trade Commission, the Securities and Exchange Commission, and the banking and credit union regulators have issued regulations covering disposal. The Federal Trade Commission's regulations may be found at www.ftc.gov/credit.

II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES. If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations to be jointly prescribed by the Federal Trade Commission and the Federal Reserve Board.

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores. These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) ("Notice to the Home Loan Applicant").

III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED

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FOR EMPLOYMENT PURPOSES

A. **Employment Other Than in the Trucking Industry.** If the information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.
- Before taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer's rights. (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b)(2)

The procedures for investigative consumer report and employee misconduct investigations are set forth below.

B. **Employment in the Trucking Industry.** Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided in regulations issued by the banking and credit union regulators) – the

consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or a permitted by statute, regulation, or order).

VII. OBLIGATIONS OF USERS OF PRESCREENED LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(1), 604(c), 604(e), and 614(d). This practice is known as prescreening and typically involves obtaining a list of consumers from a CRA who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer's CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, once the Federal Trade Commission by rule has established the format, type size, and manner of the disclosure required by Section 615(d), users must be in compliance with the rule. The FTC's regulations will be at www.ftc.gov/credit.

VIII. OBLIGATIONS OF RESELLERS

A. **Disclosure and Certification Requirements.** Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identify of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
 - (1) the identify of all end-users;
 - (2) certifications from all users of each purpose for which reports will be used; and
 - (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

B. **Reinvestigations by Resellers.** Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

C. **Fraud Alerts and Resellers** Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

IX. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619.

The FTC's Web site, www.ftc.gov/credit, has more information about the FCRA, including publications for businesses and the full text of the FCRA. Citations for FCRA sections in the U.S. Codes, 15 U.S.C. § 1618 et seq.:

Section 602	15 U.S.C. 1681
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Section 603	15 U.S.C. 1681a
Section 604	15 U.S.C. 1681b
Section 605	15 U.S.C. 1681c
Section 605A	15 U.S.C. 1681cA
Section 605B	15 U.S.C. 1681cB
Section 606	15 U.S.C. 1681d
Section 607	15 U.S.C. 1681e
Section 608	15 U.S.C. 1681f
Section 609	15 U.S.C. 1681g
Section 610	15 U.S.C. 1681h
Section 611	15 U.S.C. 1681i
Section 612	15 U.S.C. 1681j
Section 613	15 U.S.C. 1681k
Section 614	15 U.S.C. 1681l
Section 615	15 U.S.C. 1681m
Section 616	15 U.S.C. 1681n
Section 617	15 U.S.C. 1681o
Section 618	15 U.S.C. 1681p
Section 619	15 U.S.C. 1681q
Section 620	15 U.S.C. 1681r
Section 621	15 U.S.C. 1681s
Section 622	15 U.S.C. 1681s-1
Section 623	15 U.S.C. 1681s-2
Section 624	15 U.S.C. 1681t
Section 625	15 U.S.C. 1681u
Section 626	15 U.S.C. 1681v
Section 627	15 U.S.C. 1681w
Section 628	15 U.S.C. 1681x
Section 629	15 U.S.C. 1681y

ATTACHMENT E



Access Security Requirements

We must work together to protect the private information of consumers. These security measures are designed to reduce unauthorized access to consumer information. It is your responsibility to implement these controls. If you do not understand these requirements or need assistance, you may employ an outside service provider to assist you. Capitalized terms used have the meaning given in the Glossary section. We reserve the right to change these Security Requirements. This information provides minimum baselines for information security.

In accessing the credit reporting services, the following security requirements apply:

1. **Implement Strong Access Control Measures**

- 1.1. Do not provide your Subscriber Codes or passwords to anyone. No one from our company will ever contact you and request your Subscriber Code number or password.
- 1.2. Proprietary or third party system access software must have the Subscriber Codes and password(s) hidden or embedded. Account numbers and passwords should be known only by supervisory personnel.
- 1.3. You must request your Subscriber Code password be changed immediately when any system access software is replaced by other system access software or is no longer used; or the hardware on which the software resides is upgraded, changed or disposed of.
- 1.4. Protect Subscriber Code(s) and password(s) so that only key personnel know this sensitive information. Unauthorized personnel should not have knowledge of your Subscriber Code(s) and password(s).
- 1.5. Create a separate, unique user ID for each user to enable individual authentication and accountability for access to our system. Each user of the system access software must also have a unique logon password.
- 1.6. Ensure that user IDs are not shared and that no Peer-to-Peer file sharing is enabled on users' profiles.
- 1.7. Keep user passwords Confidential.
- 1.8. Develop strong passwords that are: not easily guessable (i.e. your name or company name, repeating numbers and letters or consecutive numbers and letters) and that contain a minimum of seven (7) alpha/numeric characters for standard user accounts.
- 1.9. Implement password protected screensavers with a maximum fifteen (15) minute timeout to protect unattended workstations.
- 1.10. Active logins to credit information systems must be configured with a 30 minute inactive session, timeout.
- 1.11. Restrict the number of key personnel who have access to credit information.
- 1.12. Ensure that personnel who are authorized access to credit information have a business need to access such information and understand these requirements to access such information are only for the permissible purposes listed in your Contract.
- 1.13. Ensure that you and your employees do not access your own credit reports or those reports of any family member(s) or friend(s) unless it is in connection with a credit transaction or for another permissible purpose.
- 1.14. Implement a process to terminate access rights immediately for users who access credit reporting information when those users are terminated or when they have a change in their job tasks and no longer require access to that credit information.
- 1.15. After normal business hours, turn off and lock all devices or systems used to obtain credit information.
- 1.16. Implement physical security controls to prevent unauthorized entry to your facility and access to systems used to obtain credit information.

2. **Maintain a Vulnerability Management Program**

- 2.1. Keep operating system(s), Firewalls, Routers, servers, personal computers (laptop and desktop) and all other systems current with appropriate system patches and updates.
- 2.2. Configure infrastructure such as Firewalls, Routers, personal computers, and similar components to industry best security practices, including disabling unnecessary services or features, removing or changing default passwords, IDs and sample files/programs, and enabling the most secure configuration features to avoid unnecessary risks.
- 2.3. Implement and follow current best security practices for Computer Virus detection scanning services and procedures:
 - Use, implement and maintain a current, commercially available Computer Virus detection/scanning product on all computers, systems and networks.
 - If you suspect an actual or potential virus, immediately cease accessing the system and do not resume the inquiry process until the virus has been eliminated.
 - On a weekly basis at a minimum, keep anti-virus software up-to-date by vigilantly checking or configuring auto updates and installing new virus definition files.
 - Implement and follow current best security practices for computer anti-Spyware scanning services and procedures:
 - Use, implement and maintain a current, commercially available computer anti- Spyware scanning product on all computers, systems and networks.
 - If you suspect actual or potential Spyware, immediately cease accessing the system and do not resume the inquiry process until the problem has been resolved and eliminated.
 - Run a secondary anti-Spyware scan upon completion of the first scan to ensure all Spyware has been removed from your computers.
 - Keep anti-Spyware software up-to-date by vigilantly checking or configuring auto updates and installing new anti-Spyware definition files weekly, at a minimum. If your company's computers have unfiltered or unblocked access to the Internet (which prevents access to some known problematic sites), then it is recommended that anti-Spyware scans be completed more frequently than weekly.

3. **Protect Data**

- 3.1. Develop and follow procedures to ensure that data is protected throughout its entire information lifecycle (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.)
- 3.2. All credit reporting data is classified as Confidential and must be secured to this requirement at a minimum.
- 3.3. Procedures for transmission, disclosure, storage, destruction and any other information modalities or media should address all aspects of the lifecycle of the information.

- 3.4. Encrypt all credit reporting data and information when stored on any laptop computer and in the database using AES or 3DES with 128-bit key encryption at a minimum.
- 3.5. Only open email attachments and links from trusted sources and after verifying legitimacy.
4. **Maintain an Information Security Policy**
 - 4.1. Develop and follow a security plan to protect the Confidentiality and integrity of personal consumer information as required under the GLB Safeguard Rule.
 - 4.2. Establish processes and procedures for responding to security violations, unusual or suspicious events and similar incidents to limit damage or unauthorized access to information and to permit identification and prosecution of violators.
 - 4.3. The FACTA Disposal Rules requires that you implement appropriate measures to dispose of any sensitive information related to consumer credit reports and records that will protect against unauthorized access or use of that information.
 - 4.4. Implement and maintain ongoing mandatory security training and awareness sessions for all staff to underscore the importance of security within your organization.
5. **Build and Maintain a Secure Network**
 - 5.1. Protect Internet connections with dedicated, industry-recognized Firewalls that are configured and managed using industry best security practices.
 - 5.2. Internal private Internet Protocol (IP) addresses must not be publicly accessible or natively routed to the Internet. Network address translation (NAT) technology should be used.
 - 5.3. Administrative access to Firewalls and servers must be performed through a secure internal wired connection only.
 - 5.4. Any stand alone computers that directly access the Internet must have a desktop Firewall deployed that is installed and configured to block unnecessary/unused ports, services, and network traffic.
 - 5.5. Encrypt Wireless access points with a minimum of WEP 128 bit encryption, WPA encryption where available.
 - 5.6. Disable vendor default passwords, SSIDs and IP Addresses on Wireless access points and restrict authentication on the configuration of the access point.
6. **Regularly Monitor and Test Networks**
 - 6.1. Perform regular tests on information systems (port scanning, virus scanning, vulnerability scanning).
 - 6.2. Use current best practices to protect your telecommunications systems and any computer system or network device(s) you use to provide Services hereunder to access credit reporting agency systems and networks. These controls should be selected and implemented to reduce the risk of infiltration, hacking, access penetration or exposure to an unauthorized third party by protecting against intrusions; securing the computer systems and network devices; and protecting against intrusions of operating systems or software.

Record Retention: *The Equal Credit Opportunity Act states that a creditor must preserve all written or recorded information connected with an application for 25 months. In keeping with the ECOA, you are required to retain the credit application and, if applicable, a purchase agreement for a period of not less than 25 months. When conducting an investigation, particularly following a breach or a consumer complaint that your company impermissibly accessed their credit report, we will contact you and will request a copy of the original application signed by the consumer or, if applicable, a copy of the sales contract.*

Under Section 621 (a) (2) (A) of the FCRA, any person that violates any of the provisions of the FCRA may be liable for a civil penalty of not more than \$2,500 per violation.

Glossary

Computer Virus: A self-replicating computer program that alters the way a computer operates, without the knowledge of the user. A true virus replicates and executes itself. While viruses can be destructive by destroying data, for example, some viruses are benign or merely annoying.

Confidential: Very sensitive information. Disclosure could adversely impact your company.

Encryption: The process of obscuring information to make it unreadable without special knowledge.

Firewall: A piece of hardware and/or software that functions in a networked environment to prevent unauthorized external access and some communications forbidden by the security policy, analogous to the function of Firewalls in building construction. The ultimate goal is to provide controlled connectivity between zones of differing trust levels through the enforcement of a security policy and connectivity model based on the least privilege principle.

Information Lifecycle (Or Data Lifecycle): is a management program that considers the value of the information being stored over a period of time, the cost of its storage, its need for availability for use by authorized users, and the period of time for which it must be retained.

IP Address: A unique number that devices use in order to identify and communicate with each other on a computer network utilizing the Internet Protocol standard (IP). Any All participating network devices - including routers, computers, time-servers, printers, Internet fax machines, and some telephones - must have a unique IP address. Just as each street address and phone number uniquely identifies a building or telephone, an IP address can uniquely identify a specific computer or other network device on a network. It is important to keep your IP address secure as hackers can gain control of your devices and possibly launch an attack on other devices.

Peer-to-Peer: A type of communication found in a system that uses layered protocols. Peer-to-Peer networking is the protocol often used for reproducing and distributing music without permission.

Router: A Router is a computer networking device that forwards data packets across a network via routing. A Router acts as a junction between two or more networks transferring data packets.

Spyware: A broad category of malicious software designed to intercept or take partial control of a computer's operation without the consent of that machine's owner or user. In simpler terms, spyware is a type of program that watches what users do with their computer and then sends that information over the internet.

SSID: Part of the Wi-Fi Wireless LAN, it is a code that identifies each packet as part of that network. Wireless devices that communicate with each other share the same SSID.

Subscriber Code: Your seven digit credit reporting agency account number.

WEP Encryption (Wired Equivalent Privacy): A part of the wireless networking standard intended to provide secure communication. The longer the key used, the stronger the encryption will be. This is older technology reaching its end of life.

WPA (Wi-Fi Protected Access) A part of the wireless networking standard that provides stronger authentication and more secure communications. Replaces WEP and uses dynamic key encryption verses static as in WEP (key is constantly changing and thus more difficult to break than WEP).