

CONTRACTUAL SERVICE AGREEMENT Digital Radio System

This CONTRACTUAL SERVICE AGREEMENT ("Agreement") is made and entered into between WHATCOM TRANSPORTATION AUTHORITY (WTA), a Washington municipal corporation, and WIZTRONICS, INC, a Washington corporation (CONTRACTOR) for the use of the CONTRACTOR owned and operated radio network and frequencies. The Agreement term is for five (5) years with an option for WTA to extend the term for one (1) additional five (5) year term as set out below (collectively "Term").

WTA and CONTRACTOR agree as follows:

1. In addition to this document, the Agreement documents in order of precedence, and the terms and conditions that will govern this Agreement, are set out herein, and in the following documents, which are incorporated by reference:
 - Request for Proposal 2016-212
 - Addenda #1, Issued May 9, 2016
 - Addenda #2, Issued May 26, 2016
 - CONTRACTOR Price and Proposal Submission
 - CONTRACTOR interview responses and subsequent follow up responses
 - Technical Statement of Work to be mutually agreed to by the parties
 - Federal Communications Commission Licenses WNAR349 and WNPS655 (Exhibit A)
 - Purchase Orders issued by WTA
 - Any written and executed Change Orders
2. CONTRACTOR shall perform all the work required by the Technical Statement of Work
3. Contract price is firm fixed for Thirty and No/100 Dollars (\$30.00) per unit per month with a Thirty Five and No/00 Dollars (\$35) per unit configuration and implementation fee plus sales tax for the first five (5) years. A UNIT for this contract is any portable radio, mobile radio, base station, or console. Each unit will be identified with a unique number (UNIT ID).
4. No alterations or variation of any of the terms, conditions, prices, quantities, or specifications of this Agreement shall be effective without prior written consent of WTA's Procurement & Grants Coordinator. Oral changes, amendments or agreements are not permitted and shall not be paid for by WTA. Prior to becoming a contract modification, all changes must be prepared in writing and executed by the Parties. Only WTA's Procurement & Grants Coordinator shall have the express, implied, or apparent authority to alter, amend, modify, add, or waive any section or condition of this Contract on behalf of WTA.
5. WTA shall pay CONTRACTOR in US funds for goods & services provided to the address below.
6. CONTRACTOR confirms that it currently has exclusive permissions to utilize two Federal Communications Commission ("FCC") licenses: (1) License WNAR349 with a current expiration of 10/31/20 and (2) WNPS655 with a current expiration of 9/8/19 (collectively "Licenses"). A copy of the Licenses as of contract execution date are attached and incorporated by reference as Exhibit A. CONTRACTOR shall maintain the Licenses in good standing, and shall take all actions to obtain extensions and/or continuations of the Licenses to fulfill the obligations under the Agreement. CONTRACTOR shall provide WTA with notice of any information it becomes aware of that relates to any changes or potential changes in the status of the Licenses. WTA will confirm all extensions and/or continuations through the Federal Communications Commission Universal Licensing System.
7. WTA reserves the right to add or delete services from this Agreement, and will make appropriate adjustments to the contract price.
8. In addition to all other rights under the Agreement and notwithstanding the stated Term of the Agreement, WTA may immediately terminate this Agreement pursuant to Part 7(17) of the Request for

Proposal 2016-212, if any of the Licenses expire or are terminated by the FCC based upon the actions, inactions or fault of CONTRACTOR, or should CONTRACTOR repurpose, lease or share the License with a third party. In such case, the Term of the Agreement shall be considered the term of the expired or terminated License. If any of the Licenses expires or is otherwise terminated, and WTA does not terminate, then CONTRACTOR shall take all reasonable actions to provide the services called for under the Agreement through any Licenses that remain in effect, and shall take all other reasonable actions to obtain additional licenses that it may need to provide the services called for under the Agreement. Notwithstanding the above, should the FCC terminate any of the Licenses for any other reason, then the Agreement will terminate as to that License, WTA shall have the right to terminate the Contract for cause under Part 7 Appendix A(17) of the RFP, but CONTRACTOR shall not be liable to WTA for any damages.

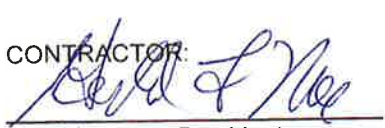
9. CONTRACTOR warrants and represents that the Licenses are not currently pledged as a security interest nor subject to any claim or lien, nor otherwise the subject of any option, first right of refusal, purchase and sale agreement, Spectrum Leasing Arrangement, or other transferring agreement.
10. CONTRACTOR warrants and represents that it shall not assign, pledge, transfer, lease or sell the Licenses, or enter any Spectrum Leasing Arrangement without requiring that the acquiring party accept an assignment of CONTRACTOR's obligations under this Agreement pursuant to Part 7, Appendix A(13) of the RFP. CONTRACTOR shall give written notice to WTA of any future transfer, lease, Spectrum Licensing Arrangement or assignment of the License at least sixty (60) days prior to the effective date of such transfer.
11. WTA may exercise its right to extend the Term for an additional five (5) years by providing CONTRACTOR with written notice of such extension by at least thirty (30) days before expiration of the initial five (5) year term. The terms and conditions for such extended period shall be those conditions on this Agreement. If the Agreement is extended, CONTRACTOR is permitted to request an Economic Price Adjustment to the service fee as outlined in Section 5.G of the RFP.
12. The parties agree that this Agreement is the complete expression of the terms. Any oral representation or understandings not incorporated is excluded. Failure to comply with any of the provisions shall constitute material breach of the Agreement and be cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. The forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of all provisions.
13. Nothing contained herein shall be deemed to be CONTRACTOR's guarantee of the propagation of any radio signal which may be affected by weather, terrain and other factors outside of CONTRACTOR's control. Nothing contained herein shall be deemed CONTRACTOR's guarantee against power outages, lightning strikes, or other circumstances outside of CONTRACTOR's control. Accordingly, WTA agrees to hold harmless, but not indemnify nor defend, CONTRACTOR for any incident when a wireless communication is not received or transmitted due to any cause outside of CONTRACTOR's control.

EXECUTED this 31 day of October, 2016

WTA:


Peter L. Stark, General Manager
Whatcom Transportation Authority
4111 Bakerview Spur
Bellingham, WA 98226

CONTRACTOR:


Gerald L. Noe, President
Wiztronics, Inc.
1800 Ellis Street
Bellingham, WA 98225