



**ZONAR TERMS & LICENSE AGREEMENT FOR HARDWARE USE,  
DATA TRANSMISSION, & DATA STORAGE SERVICES**

**CUSTOMER INFO:**

Name: Scottsdale Unified School District  
 Address: 9288 E San Salvador Drive  
 Market Segment: Pupil Transportation

P.O. #: \_\_\_\_\_  
 Quote #: \_\_\_\_\_  
 Contract #: \_\_\_\_\_

This Zonar Terms and License Agreement is effective as of July 1st, 2021 (“Effective Date”) and entered into between Scottsdale Unified School District (“Customer”) and Zonar Systems, Inc., a Washington Corporation (“Zonar”). The Parties agree that the following terms and conditions shall apply to Customer’s purchase of equipment and services from Zonar, whether procured directly from Zonar or from a Zonar authorized reseller, and Customer’s access to and use of Zonar’s service and software offerings.

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

- “Agreement” means this Terms & License Agreement (including any Orders submitted by Customer and accepted by Zonar under this Agreement, any Quotes, including Quick Quotes, included or referenced in such Order), which together form a single agreement.
- “Data” means any and all files, information, data or other content generated by Customer that is collected, transmitted, and/or stored in Zonar’s systems in connection with its delivery of the Services. Data does not include information that Zonar collects for relationship management purposes, such as contact, billing, customer relationship management, service delivery, performance measuring, and compliance monitoring or Aggregated User Data (defined in Section 13 below). Data can include one or more of Inspection Data (for Customer’s using Zonar’s verified inspection service (EVIR)), GPS Data (location data for reviewing the historical path of a vehicle), Z PASS Data (student bus ridership data), and/or Zonar Logs Data (driver log data).
- “Hardware” means any equipment provided by Zonar to Customer under this Agreement.
- “Parties” means Zonar and Customer. “Party” means either of Zonar or Customer, as applicable.
- “Services” means Zonar Offerings including one or more of automated data collection from enrolled vehicles (such data includes one or more of time card data, inspection data, location data, diagnostic data, idle data, and/or driver behavior data); automated data transmission from enrolled vehicles to a secured hosted data center; monthly storage of collected data; customer support for hardware and data transmission issues; and/or any other services that Zonar or its authorized resellers makes to available to Customer under this Agreement.
- “Service Packages” refer to one or more of the Services Zonar will provide to a Customer under a particular Quote or Order. Access to different Zonar Offerings and Services is based on the selected Service Package. Not all Service Packages receive access to all Zonar Offerings.
- “Software” means any Zonar sourced computer software and associated documentation made available to Customer under this Agreement. Such Software includes any software and/or firmware loaded on, included with or otherwise provided for use with Hardware.
- “Terms of Use” means the terms and conditions applicable to use of the Services, a copy of which is incorporated herein (see Section 8 below).
- “Zonar Offerings” means the Zonar-branded Hardware, Software and Services that Zonar, a Zonar authorized reseller, or a Zonar authorized agent makes available to Customer for purchase, license or use under this Agreement. Pricing for Zonar Offerings will be defined in one or more of a Quote, Quick Quote, or Sales Order.

**2. HARDWARE.** Title to Purchased Hardware provided under this Agreement will be transferred to Customer. Hardware may be used only with the Services, in accordance with specifications applicable to such Hardware and all applicable laws. All Purchased Hardware to be delivered by Zonar or its agents to Customer under this Agreement shall be shipped FOB origin, such that title transfers to Customer when such Hardware is made available to Customer at Zonar’s premises. Without affecting the transfer of title, Zonar shall, as an additional Service included in the Quote as shipping charges, arrange for insured shipment of such Hardware to Customer via a common carrier of Zonar’s choosing, and will assist Customer with any claims against such a carrier for lost or damaged shipments. Unless Customer has purchased Hardware installation Services from Zonar or its agents under, Customer shall be solely responsible for the proper installation of all such Hardware. Unless specifically noted otherwise in a Quotation, GPS units are subject to a \$50 activation fee (which also applies to any reactivation after a unit has been turned off).

**3. BUNDLED SERVICES/LEASED HARDWARE.** Where a Zonar quote refers to a bundled service, this references that some or all of the Hardware cost has been incorporated into a monthly Service fee, to reduce up front capital expenditures. Unless otherwise noted, GPS units provided as part of a bundled Service are leased Hardware and Zonar retains title (the warranty terms of Exhibit A apply). If a quote does not provide a Hardware price for EVIR, ZPASS, or Zonar branded tablet Hardware, such Hardware will be considered leased Hardware and Zonar retains title (the warranty terms of Exhibit A apply). Zonar bundled Services are based on Customer’s commitment to make 36 monthly payments for the leased Hardware. In the event that Customer terminates this Agreement, in addition to the obligations defined in the Service Term section below, any leased or promotional hardware (where customer did not pay for such Hardware upfront) must be returned to Zonar at Customer expense, or Customer will be charged the then current list price for such Hardware.

**4. SERVICES AND FEES.** Subject to Customer’s timely payment of all applicable fees and expenses and compliance with all material terms of this Agreement, Zonar and/or its agents shall provide the Services to Customer during the Service Term as defined below. The following services are included with each Service subscription: Service activation, 24/7 access to the GTC web-based portal and associated web-based Software applications, email & phone support, Software upgrades made generally available to Service Customers, daily account monitoring, and all associated wireless data charges. Customer acknowledges that Zonar in its sole discretion may update and change the features and functionality of the Services from time to time, with or without notice, so long as such changes do not materially diminish the value of the services based on a standard of commercial reasonableness. Access to different Zonar Offerings and Services is based on the selected Service Package. Not all Service Packages receive access to all Zonar Offerings. Service Packages are defined on the Quote, Quick Quote, or Sales Order, as applicable. Zonar reserves the right to assess a \$50 per asset Transfer Fee for any asset transferred to a different Zonar Customer’s account. In the event of a discrepancy between the Quote and Sales Order, the stated pricing will be controlled by the Quote, and the Hardware quantity will be controlled by the Sales Order.

**5. CUSTOM SERVICES.** Unless otherwise provided in a separate Statement of Work (“SOW”) or Quote specifically referencing or attached to this Agreement, Zonar will not provide any custom Services, including but not limited to, integration services, bulk data export services, or other non-standard Services (“Custom Services”) not specifically identified in the relevant SOW, Quote or Sales Order. Any Custom Services must be agreed upon by the Parties in a signed SOW.

**6. SERVICE TERM/TERMINATION.** The Service Term shall be for a period of three (3) years following commencement of service billing. Service billing shall commence as follows: (a) For Hardware that is shipped to Customer by Zonar or its agents on or before the 15th day of a month, Service billing shall commence on the first of the month following Hardware shipment; (b) For Hardware that is shipped to Customer by Zonar or its agents after the 15th day of a month, Service billing shall commence on the fifteenth day of the following month, following Hardware shipment. If, for any reason, the billing for Services is deferred beyond the above defined commencement date, the Service billing commencement date shall be the date of the first invoice for Service that the Customer pays in full. The Term shall automatically renew for additional one-year periods, unless a Party provides written notice of its intent not to renew at least thirty (30) days prior to the expiration of the then-current Term. Upon renewal of any Term, the fees and charges are subject to change provided Zonar provides 30 days’ written notice by Zonar, and Customer will have 30 days after receiving such notice to cancel. If Customer attempts to terminate early, or fails to make any payment when due or otherwise violates any material term or condition of this Agreement, Customer may be declared in default by Zonar upon written notice and failure to cure for 15 days following delivery of such notice. Upon declaration of default, all amounts due under this Agreement during the entire Term, including with respect to unexpired portions of the Term, shall accelerate and



become immediately due and payable, and also including, without limitation, the cost to repair or replace damaged Hardware (if such Hardware was not purchased outright), interest, and costs/expenses of collection. Zonar shall also have the right to terminate this Agreement and seek any other remedy permitted under law. Upon termination of the Term, Customer shall immediately cease use of the Software, Services, Data (unless Customer has purchased continuing Data retention Services) and any Zonar Confidential Information. If Zonar provided customer any No Cap Ex hardware (where Zonar gave hardware to Customer as part of the deal, with the expectation of Zonar receiving service fees for the Service Term) or if the cost of the hardware was covered by the award of a National Association for Pupil Transportation ("NAPT") grant, then in the event of any early termination, Customer will be required to return all Zonar provided Hardware.

**7. SUBSEQUENT HARDWARE/SERVICE ORDERS.** Customer may, from time to time, request additional Hardware and Services orders pursuant to this Agreement by contacting Zonar. Each submitted order shall be considered an offer, and shall be binding on the Parties only when accepted in writing by Zonar. Each accepted order shall have its own Service Term, as described in §6 above, and will be subject to the terms and conditions of this Agreement, except to the extent specifically described in Zonar's confirming Quote or Sales Order. For the avoidance of doubt, for each order of bundled Services/leased Hardware, Customer agrees to pay the equivalent of 36 monthly payments based on the rates expressed in the associated Quote/Sales Order, even if that payment period would extend beyond the initial Term of this Agreement. In such an event, the Term of this Agreement shall be considered to be extended to the end of the 36-month payment period for the last accepted order of leased Services/bundled Hardware placed by Customer.

**8. PAYMENT TERMS AND TAXES.** Customer shall pay (in U.S dollars) all invoices issued under this Agreement by wire transfer to Zonar's designated bank, by check, or by any other method acceptable to Zonar within 30 days from the date of Zonar's invoice. Payments are not subject to set off or reduction. Any amounts not paid when due shall bear interest at the rate of one and one half percent (1.5%) per month, or the maximum legal rate if less, and Customer shall be responsible for all costs and expenses, including attorney's fees, incurred by Zonar in connection with the collection of any delinquent amounts. Zonar shall be entitled to withhold performance and suspend the Services until all amounts due are paid in full. **TAXES.** All payments to Zonar exclude taxes unless specifically stated. The Customer is responsible for payment of all applicable taxes, (including sales tax, use tax, and property tax on leased or purchased Hardware, excepting taxes on Zonar's income or Zonar's employment taxes) however designated or incurred in connection with the transactions under this agreement, and agrees to reimburse Zonar for any taxes paid on their behalf.

**9. SOFTWARE LICENSE/GRANT.** All Software is licensed, not sold. Subject to Customer's timely payment of all applicable fees and expenses, and compliance with all material terms of this Agreement and, if applicable, any 3<sup>rd</sup> Party Terms, Zonar grants to Customer during the Term a limited, non-transferable license, without rights to sublicense, to access and use the Software solely in connection with Customer's use of the Services and solely for Customer's internal business purposes. Except for the limited license conveyed Customer under this Agreement, Zonar and its suppliers shall retain all right, title, and interest in and to all copyrights, trademarks, service marks, trade secrets, patents, patent applications, mask works, moral rights, contract rights, and all other proprietary rights embodied in the Zonar Offerings and 3<sup>rd</sup> Party Offerings, including, without limitation, any improvements or derivatives of such offerings. Customer acknowledges that the Software is of United States origin, is provided subject to the U.S. Export Administration Regulations, may be subject to the export control laws of the applicable territory, and that diversion contrary to applicable export control laws is prohibited. Customer represents that it will not permit the Software to be used for, any purposes prohibited by law. The Software and accompanying documentation are deemed to be "commercial computer software" and "commercial computer software documentation", respectively, pursuant to DFAR Section 227.7202 and FAR Section 12.212(b), as applicable. Any use, modification, reproduction, release, performing, displaying or disclosing of the Software and documentation by the U.S. Government shall be governed solely by the terms and conditions of this Agreement. Except as otherwise expressly provided in this Agreement, Customer shall have no right, title or interest in or to any intellectual property relating to the Zonar Offerings and/or 3<sup>rd</sup> Party Offerings and shall not (a) modify or create derivative works from any Software, (b) merge or otherwise combine any Software with other software not expressly approved in writing by Zonar, or (c) copy, reproduce, modify, reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code or algorithms of any Software. Customer will not violate or contest Zonar's or its suppliers' proprietary rights related to any Zonar Offering and/or 3<sup>rd</sup> Party Offering. Additional terms may apply to 3<sup>rd</sup> Party Offerings, which shall be presented to Customer either prior to or at the time of delivery of such 3<sup>rd</sup> Party Offerings. Customer acknowledges use of a 3<sup>rd</sup> Party Offering requires acceptance of the 3<sup>rd</sup> Party Terms, which are not controlled by Zonar.

**10. LINKS TO THIRD PARTY TERMS FOR ZONAR TABLET APPS.** Zonar may make available certain third party applications, products, or services to its customers (collectively, "Third Party Apps"). Any purchase, installation or enablement of, subscription to, or use by Customer of Third Party Apps, as well as any exchange of data between Customer and any Third Party App provider, is solely between Customer and the applicable third party. Please note any Third Party App terms and conditions are controlled solely by the Third Party App Provider, furthermore, Zonar cannot negotiate and has no control over Third Party Apps or the providers thereof, and, unless otherwise provided in this Agreement or the relevant Sales Order, Zonar does not warrant or support, and has no responsibility for, Third Party Apps and/or any other non-Zonar products or services. It is Customer's responsibility to review and comply with all relevant terms governing the use of Third Party Apps, whether attached to this Agreement or otherwise made available by the Third Party App provider. Use of Third Party Apps may require the purchase of a Monthly Data Plan as further described in Section 22. Zonar may change the availability of these Third Party Apps at its sole discretion, and Zonar reserves the right to suspend or terminate the provision or use of any Third Party App (including the removal of any Third Party App from Zonar-sourced tablets) at any time without entitling Customer to any refund, credit or other compensation, other than the termination of ongoing billing for the terminated App.

Navigation App/ALK CoPilot Software. The most current version of the ALK EULA can be found at: <http://copilotgps.com/en-us/copilot-eula>

**11. TERMS OF USE/CUSTOMER OBLIGATIONS.** Customer shall be solely responsible for obtaining and maintaining Internet access to Zonar's web based applications through an Internet service provider and the hardware and software necessary to enable such a connection. Customer is responsible for ensuring that only authorized Customer personnel (noting that a competitor of Zonar can never be an authorized user) have access to Zonar's web based services and for the security of Customer's computer system and the connection to Zonar's systems. At all times during and after the termination or expiration of this Agreement, Customer and its employees and agents shall maintain the confidentiality of trade secret information. Customer shall not disclose any such proprietary information concerning Zonar Products (Hardware and Software), including any flow charts, logic diagrams, user manuals and screens, to persons not an employee of Customer without Zonar's prior written consent.

**12. DATA RETENTION.** Customer acknowledges: (1) that unless it purchases additional Data Retention services, Zonar will have the right to purge all Data as follows: Subject to purge after 3 months, 6 months, or 12 months, as elected by Customer in the check boxes below. If no boxes are checked, Zonar will have the right to purge Inspection Data after 3 months and GPS Data after 6 months. (2) Regulations may mandate specific Data Retention requirements for Inspection Data and/or GPS Data, and it is Customer's sole responsibility to understand those requirements, and to export and archive its Data if the Data Retention period offered by Zonar is not sufficient. (3) Customer is solely responsible for printing data and inspection reports for vehicles involved in an accident. (4) Unless Zonar specifically agrees in writing otherwise, all Data other than Inspection/EVIR Data (including but not limited to I/O Data, ZAlert Data, Z PASS card scan Data, Diagnostic Data, Fault Code Data, and Message Data), can be purged by Zonar according to the Retention period selected for GPS Data. From time to time, Zonar may offer new types of Data services, and such new Data services may have different Data Retention periods, to be defined in a corresponding service specification for that offering. If no data retention period is defined, the retention period for GPS data will apply. (5) Zonar is not required to retain Data except as provided in this Section or in a separate written agreement. Unless other arrangements are made in writing with Zonar, all Data submitted using Zonar's web based applications may be purged as provided herein. (6) Zonar Logs and Zonar Coach Data Retention is limited to 6 months, regardless of the check box selections made below.

Data Retention:

CSA - EVIR Data Retention –

Rolling Period:  3 Months  12 Months

GTC - GPS &amp; Other Data Retention –

Rolling Period:  6 Months  12 Months

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

**14. LIMITED HARDWARE WARRANTY FOR PURCHASED HARDWARE.** Zonar warrants that the serialized Hardware elements of any Zonar Offerings delivered by Zonar or its agents to Customer under this Agreement shall be free from all material defects in workmanship under normal use and service. Zonar's warranty period for such serialized Hardware (V series GPS units, ZTrak GPS units, EVIR 2010 handheld's, Zonar branded Tablets, Z PASS readers) is as follows: V4 and V3 Series HD GPS Product Line – 3 Years; EVIR and all Other Serialized Hardware, including third-party Hardware– 1 Year. The warranty period runs from the date of shipment, and any replacement hardware provided under warranty will be covered under warranty for the remainder of the warranty term based on the shipment date for the original equipment. Provided that such Hardware is used and handled as intended and in accordance with this Agreement, and that Customer provides Zonar with notice within the applicable warranty coverage period, as Customer's sole and exclusive remedy, Zonar will replace any failed or functionally impaired Hardware with equivalent Hardware in terms of performance and functionality. This warranty does not apply to any Hardware that has been misused, altered, willfully abused or that has been subject to water or other environmental damage or that has been damaged due to improper installation by Customer or its agents. Hardware installations must follow Zonar's equipment-specific installation guidelines to qualify for the foregoing warranty. If Hardware is determined by Zonar to be damaged due to any of the aforementioned causes, or if Hardware is otherwise deemed ineligible for Warranty coverage, Customer will be charged the price of a refurbished unit plus shipping and handling, and restocking fees. Return of any Hardware requires a Return Material Authorization ("RMA") number. All RMA's must be pre-authorized by Zonar Customer Care at: E-mail: [Customercare@zonarsystems.com](mailto:Customercare@zonarsystems.com). Phone: 1(877) THE-EVIR. Ancillary hardware such as mounts, brackets, and cables are excluded from the above warranty.

**15. WARRANTY LIMITATIONS.** THE LIMITED WARRANTIES SET FORTH ABOVE ARE APPLICABLE SOLELY TO THE ZONAR OFFERINGS AND ARE MADE PERSONALLY TO CUSTOMER IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. CUSTOMER ACKNOWLEDGES THAT IT IS SOLELY RESPONSIBLE FOR ITS USE OF DATA AND ZONAR EXPRESSLY DISCLAIMS ANY WARRANTY AS TO THE ACCURACY, COMPLETENESS OR SUFFICIENCY OF SUCH DATA. EXCEPT FOR THE LIMITED WARRANTIES SET FORTH ABOVE, ZONAR MAKES NO WARRANTY THAT THE HARDWARE, SOFTWARE OR SERVICES WILL BE AVAILABLE, ACCESSIBLE, UNINTERRUPTED, TIMELY, SECURE, OR ERROR FREE; OR OTHERWISE MEET CUSTOMER'S EXPECTATIONS. ZONAR ALSO EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTIES THAT MAY ARISE FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE. INSTALLED HARDWARE REQUIRES CONTINUAL ACCESS TO AN ON-VEHICLE POWER SOURCE, AND MAY REQUIRE CONNECTIVITY TO ONBOARD DIAGNOSTIC PORT(S), VEHICLE BUSES, AND/OR OTHER VEHICLE SENSORS, COMPUTING SYSTEMS, AND ANCILLARY COMPONENTS (COLLECTIVELY "COMPONENTS") TO PROVIDE THE SERVICES. FAILURE TO PROVIDE EXCLUSIVE ACCESS TO THESE COMPONENTS, USE OF A SPLITTER OR OTHER DEVICE THAT CONNECTS MULTIPLE DEVICES TO A SINGULAR COMPONENT, OR SIMULTANEOUS OPERATION OF THIRD PARTY HARDWARE OR SERVICES, MAY IMPACT PERFORMANCE OF THE HARDWARE, THE ACCURACY AND DELIVERY OF THE SERVICES, AS WELL AS THE PERFORMANCE OF THE VEHICLE AND THIRD PARTY DEVICES. ZONAR MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING HARDWARE INSTALLED AND/OR USED IN CONTRAVENTION OF THIS PARAGRAPH, AND ZONAR SHALL HAVE NO LIABILITY WHATSOEVER TO CUSTOMER OR ANY THIRD PARTY WITH RESPECT TO THE HARDWARE, SERVICES, VEHICLE, OR ANY THIRD PARTY DEVICE.

**16. LIMITATION OF LIABILITY.** EXCEPT WITH RESPECT TO EITHER PARTY'S OBLIGATIONS APPLICABLE TO CONFIDENTIAL INFORMATION, CUSTOMER'S DELIBERATE MISUSE OR MISAPPROPRIATION OF ZONAR'S INTELLECTUAL PROPERTY RIGHTS, AND ANY INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY, OR TO ANY THIRD PARTY, FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL OR EXEMPLARY DAMAGES, WHETHER FORESEEABLE OR UNFORESEEABLE (INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF DATA, GOODWILL, PROFITS, INVESTMENTS, USE OF MONEY OR USE OF FACILITIES; INTERRUPTION IN USE OR AVAILABILITY OF DATA; STOPPAGE OF OTHER WORK OR IMPAIRMENT OF OTHER ASSETS), EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF (i) THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, USE OF THE ZONAR OFFERINGS, OR (ii) ANY CLAIM, CAUSE OF ACTION, BREACH OF CONTRACT OR ANY EXPRESS OR IMPLIED WARRANTY, UNDER THIS AGREEMENT OR OTHERWISE, MISREPRESENTATION, NEGLIGENCE, STRICT LIABILITY, OR OTHER TORT. ZONAR'S AGGREGATE LIABILITY UNDER THIS AGREEMENT WILL NOT, IN ANY EVENT, REGARDLESS OF WHETHER THE CLAIM IS BASED IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, EXCEED THE FEES PAID BY CUSTOMER UNDER THIS SUBSCRIPTION AGREEMENT IN THE PRIOR TWELVE (12) MONTHS, IF ANY. THE FOREGOING LIMITATIONS SHALL APPLY REGARDLESS OF WHETHER ZONAR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

**17. CONTROLLING TERMS.** All Zonar Offerings licensed or purchased by Customer from Zonar during the term of this Agreement shall be subject to the terms and conditions of this Agreement. Terms related to Order submission, delivery, pricing, or payment shall be established between Customer and Zonar or the authorized reseller. Any terms or conditions appearing on the face or reverse side of any Customer purchase order, acknowledgment, or confirmation that are different from or in addition to those required hereunder shall not be binding on the Parties, even if signed and returned, unless both Parties agree in a separate writing to be bound by such different or additional terms and conditions.

**18. OTHER LIMITATIONS.** Zonar's licensors and suppliers shall have no liability of any kind under this Agreement and Customer shall not be a third party beneficiary under agreements between Zonar and its licensors/suppliers. Customer acknowledges: (1) it is solely responsible for its use of Data, controlling its employees/authorized users access to the Software, Hardware and Services, reviewing inspection reports, and taking appropriate action with respect to vehicles for which inspection reports have been submitted using the Services; (2) the accuracy of Data may be dependent on the accuracy of information provided by individuals using Hardware or Software on Customer's behalf; and (3) Customer is solely responsible for instructing such individuals in the proper use of equipment, execution of inspections and delivery of legally acceptable electronic signatures in compliance with US law regarding commercial vehicle inspection and repair records, if applicable. Zonar shall have no liability whatsoever with respect to Data, except in the case of gross negligence or intentional misconduct by Zonar or its employees. Zonar shall have no liability for any nonperformance/delay caused by any event reasonably beyond its control, including, but not limited to labor disputes, natural disasters and other acts of God, and war.

**19. HOLD HARMLESS AND INJUNCTIVE RELIEF.** To the extent allowed by law, Customer shall hold Zonar harmless from and against any claim, cost, or expense ("collectively, Claims") asserted or initiated by a third party arising out of or relating to Customer's use of the Data provided by the Service for employment decisions. For copying or unauthorized use of the software, or other violations of the terms of this agreement, Zonar may seek and obtain injunctive relief for such breaches or threatened breaches, in addition to, and not in limitation of other legal remedies.

**20. CONFIDENTIALITY.** To the extent allowed by law, each Party shall retain in confidence all information received from the other Party that the disclosing Party identifies as being proprietary and/or confidential or that, by the nature of the circumstances surrounding the disclosure, ought in good faith to be treated as such ("Confidential Information"), except that Zonar may disclose Customer's Confidential Information (where such data is collected from a Customer vehicle/asset) to (a)



the manufacturer of Customer's vehicle or engine; (b) the lessor or owner of the vehicle (where Customer has leased vehicle from a third party) or any maintenance provider/company identified by the Customer; (c) the provider of any Third Party App that Customer chooses to download, install, or use; and/or (d) any third party to whom the Customer authorizes access to such data via Zonar's API, for the purpose of providing Customer products or services including data analysis. In no event shall either Party employ less than a reasonable degree of care in protecting the Confidential Information, which includes, but shall not be limited to: the terms of this Agreement, pricing, business plans, customer lists, operational and technical data and product plans. Customer shall not share or provide access to Zonar's web based software or device firmware with any competitor of Zonar. The receiving Party's obligations under this Section shall extend for two (2) years following the disclosure of the Confidential Information.

**21. ELECTRONIC SIGNATURES FOR ZONAR'S EVIR SYSTEM.** Customer acknowledges that implementing a federally compliant electronic inspection system requires adherence to standards for electronic signatures. It is Customer's responsibility to understand and comply with those requirements. Zonar will provide recommendation for implementing a compliant electronic signature program upon request.

**22. WIRELESS DATA POLICIES.** Customer understands and agrees that (a) Customer has no contractual relationship with a wireless carrier and is not a third-party beneficiary of any agreement between Zonar and a wireless carrier, nor does the underlying wireless carrier have any legal, equitable or other liability to Customer. (b) Subject to FCC Number portability rules, Customer has no property or other rights in any Number assigned to it and any such Number can be changed. (c) Zonar and/or wireless carrier shall not be responsible for interruption of service for any reason or the inability to use the service caused by Force Majeure. (d) The liability and obligation of Zonar to Customer for services may be controlled and limited by a wireless carrier's tariff, if any, and the laws, rules and regulations of the FCC and other United States or foreign governmental authorities. (e) In no event shall Zonar and/or wireless carrier be liable for the failure or incompatibility of any equipment utilized by Customer (and not provided by Zonar).

**23. MISCELLANEOUS.** The failure of either Party to exercise in any respect any right provided for herein will not be deemed a waiver of any provision of this Agreement or of any subsequent breach of the same and no waiver of any provision of this Agreement will be effective unless made in writing. If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable. This Agreement shall be interpreted under the laws of the State of Washington, and, in the event of any controversy or claim arising out of or relating to this Agreement or the breach or interpretation thereof, the Parties shall submit to the exclusive jurisdiction of and venue in the Superior Court of King County, Washington, or the Federal District Court for the Western District of Washington, and their respective appellate courts. Facsimile or scanned signatures will be deemed originals. By executing this Agreement, Customer authorizes Zonar and/or its affiliates to request and obtain credit reports and/or bank and trade references ("Credit Reports"). Customer may request, and Zonar will provide, information regarding any Credit Reports obtained pursuant to this section.

**24. Z PASS™ SPECIFIC TERMS.** Customer (or "District") acknowledges and agrees to the following: (a) The District will manage the disbursement of Z PASS RFID cards to their students. (b) Other than student name and RFID card number, the District will not upload any student personally identifiable information (PII), such as social security numbers, home addresses, parent names, or telephone numbers, into Zonar's Z PASS database. Such information is not required for the deployment or operation of Z PASS, and such information should reside in the District's Student Information System.

**25. SCHOOL DISTRICT ACKNOWLEDGMENT & PERMISSION FOR STUDENT BUS RIDERSHIP TRACKING (Z PASS).** If Customer is a public school district in the United States ("District") and has purchased the Z PASS Service, then District acknowledges and agrees to the following: (a) District is subject to the Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99), a federal law that protects the privacy of student education records ("FERPA"); (b) District collects, uses, maintains, and discloses student education records, including school bus usage and location data ("FERPA Data") in accordance with FERPA; (c) District has outsourced certain services/functions with regard to FERPA Data that would otherwise be performed by District personnel to Zonar, including collecting FERPA Data regarding school bus usage data, school bus location data, and student ridership data, and disclosing that FERPA Data to a student's parent or guardian upon request (collectively, the "Z PASS Service"), and (d) Zonar's Privacy Policy is consistent with the District's own policies for protection of FERPA Data.

Zonar Systems, Inc. ("Zonar") acknowledges and agrees to the following: (a) Zonar is acting as a contractor to the District in performing the Function, either directly, under the terms of a contract between the District and Zonar, or indirectly, through another District contractor such as a school bus contractor; (b) Zonar's maintenance, use, and disclosure of FERPA Data which it collects or has access to is performed in accordance with Zonar's Privacy Policy. (c) Zonar uses reasonable methods to ensure that only individuals with a legitimate educational interest (as to a particular student, such individuals include that student, that student's parent/guardian, and the District (collectively, "Permitted Recipients")) have access to that student's FERPA Data in Zonar's possession or control. (d) Zonar uses reasonable methods to ensure that no third parties, with the limited exception of third parties expressly authorized by a student's parent/guardian (each an "Authorized Third-Party Recipient"), have access to that student's FERPA Data in Zonar's possession or control. District hereby grants Zonar express permission, in accordance with the above, to collect, access, use, and disclose to Permitted Recipients and Authorized Third-Party Recipients, the FERPA Data described above.

**26. ADDITIONAL DATA COSTS.** Enabling any of the following Services on a Zonar provided tablet (or a tablet or device that consumes data using a Zonar controlled SIM) requires the purchase of a Monthly Data Plan: ZDOCS or other document capture application, Web browsing, and/or any 3rd party app that transmits or consumes data. **Monthly Data Plans.** As of the Effective Date of this Agreement, Zonar offers the following Monthly Data Plans and fees: (1) \$5/vehicle per month for 100MB; (2) \$10/vehicle per month for 250MB; (3) \$15/vehicle per month for 500MB; (4) \$25/vehicle per month for 1GB (5) \$45/vehicle per month for 2G. Overages to the selected Monthly Data Plan will be billed at \$0.05 per MB. All data allowances, including overages, must be used in the billing period in which the allowance is provided. Unused data allowances will not roll over to subsequent billing periods. Zonar reserves the right to modify or change these Monthly Data Plans and fees at its discretion, which changes will be reflected in a Quote and shall impact only Services subscribed to or renewed after the effective date of such changes. In the event of a discrepancy between these data fees and any fees stated on a Quote, the Quoted data fees will control.

**27. CUMMINS CONNECTED DIAGNOSTICS:** If Customer subscribes to Cummins Connected Diagnostic service, Customer is obligated to register separately with Cummins in order to activate and use such service, and Zonar shall have no liability for Customer's failure to register with Cummins Inc. ("Cummins"). Customer agrees to contact Cummins to complete registration. Customer acknowledges that Zonar provides a data stream to Cummins (and authorizes Zonar to share with Cummins the data required to enable the Cummins Connected Diagnostic service), and any vehicle service recommendations and other services are provided by Cummins, independent of Zonar. Zonar is not responsible for the provision of Cummins Diagnostic Services.

Zonar Version 23March2020



READ AND AGREED

**CUSTOMER**

Signature: \_\_\_\_\_ Print Name: Brendan Wagner Title: \_\_\_\_\_ Date: \_\_\_\_\_

**ZONAR**

Signature: \_\_\_\_\_ Print Name: Michael C. King Title: General Counsel Date: \_\_\_\_\_



## **EXHIBIT A: Additional Terms and Conditions Applicable to Leased Hardware**

- 1. Lease Term.** The Term for any Agreement including Leased Hardware shall be for a period of three (3) years following commencement of Service billing (also as described in Section 6 above). Upon expiration, the Term shall automatically renew for additional one-year periods, unless otherwise terminated as described in Section 6 above. This lease is an operating lease (similar to a rental agreement, Customer will not own the hardware at the end of the lease).
- 2. Title.** Title in the leased Hardware shall at all times remain with Zonar. Zonar may enter Customer's property to repossess the leased Hardware if Service Fees are not received in full by their due dates.
- 3. Lease Payments.** Unless otherwise specified in an applicable Order, lease payments for use of the Leased Hardware shall be included in the Service Fees (whether separately stated or included as a component of a lump sum). Service for Leased Hardware cannot be turned on and off during the Term, but Leased Hardware can be moved from one vehicle to a different vehicle. Customer must notify Zonar when such movement occurs.
- 4. Return of Hardware.** Upon expiration or termination of the Term for any Agreement including Leased Hardware, Customer shall be solely responsible, at its own expense, for the de-installation, packing, rigging and delivery of the Leased Hardware, in an unencumbered state, back to Zonar, at a location specified by Zonar (if no such location is specified, then Zonar's headquarters location as of the date of termination, as identified on Zonar's public facing website, [www.zonarsystems.com](http://www.zonarsystems.com), which currently is 18200 Cascade Ave, Seattle, WA 98188). Should Customer not return the Leased Hardware at the end of the Term, the Term shall be extended for successive three (3) month periods, and Customer shall continue to pay Service Fees with respect to such Leased Hardware, subject to the right of either Party during each such extension to terminate the extended Lease Term upon thirty (30) days' written notice. Upon such a termination, Customer shall promptly deliver the Leased Hardware to Zonar or its agents. If Customer fails to return the Leased Hardware upon Zonar's demand, Customer shall pay Zonar, as the reasonable measure of Zonar's damages and not as a penalty, the then current list price for functionally equivalent Zonar Hardware. Any Leased Hardware that is returned in inoperable condition, or which exhibits more than ordinary wear and tear, will be subject to the Stipulated Loss Value defined below.
- 5. Net Lease.** Each lease of Leased Hardware under an Order is a "net lease." Therefore, Customer's obligation to pay all Service Fees and/or other sums due and payable, with respect to the Leased Hardware and Zonar's rights to such payments, shall be absolute and unconditional and not subject to any abatement, reduction, setoff, counterclaim or other defense for any reason whatsoever, including, but not limited to, any claims which Customer may have against any third party or Zonar. It is a primary purpose of Zonar in entering into such lease(s) to claim all available tax benefits of ownership with respect to the Leased Hardware under the pricing and term of this Agreement. Therefore, Customer acknowledges and agrees that (i) no right, title or interest in the Leased Hardware has been or is intended to be passed to Customer, other than the right to maintain possession and use of the Leased Hardware for the Term and any extensions thereto under the terms and conditions of the Agreement; (ii) Customer has not taken and shall not take at any time during the Term and any extensions thereto any action which shall cause Zonar to lose any tax benefits of ownership; and (iii) the Stipulated Loss Values (defined below) are intended to provide recovery by Zonar of any such lost tax benefits of ownership.
- 6. Loss of Leased Hardware.** Customer shall bear the entire risk of the Leased Hardware being lost, destroyed or otherwise rendered permanently unfit or unavailable for use from any cause whatsoever (an "Event of Loss") after such Leased Hardware has been shipped by Zonar or its agents. If an Event of Loss shall occur with respect to any Leased Hardware, Customer shall promptly and fully notify Zonar thereof. On the Service Fee payment date following such notice, Customer shall pay to Zonar an amount equal to the Service Fee or other payments applicable to such Leased Hardware then due and payable, plus a sum equal to the Stipulated Loss Value of such Leased Hardware as of that date. "Stipulated Loss Value" shall be determined by the then current list price for functionally equivalent Zonar Hardware. Upon payment of the Stipulated Loss Value, Zonar will provide Customer with replacement units of the Leased Hardware, at no additional charge other than the remaining Service Fees and or lease or rental fees applicable to the replaced Leased Hardware.
- 7. Insurance.** Customer at its own election can self-insure the Leased Hardware, or can obtain and maintain, at its own expense, property damage and liability insurance and insurance against loss or damage to the Leased Hardware including, without limitation, loss by fire (including so-called extended coverage), theft and such other risks of loss as are required on the type of Leased Hardware leased hereunder and by the businesses in Customer is engaged. Regardless of whether Customer purchases such insurance, Customer will be liable to Zonar for any Leased Hardware losses, including any losses in transit when such Leased Hardware is being returned to Zonar after termination of the Term, based on the Stipulated Loss Value defined above.
- 8. Possession, Pledge.** Without the prior written consent of Zonar, Customer shall not (i) sublease the Leased Hardware, provided that Customer may, without such consent permit, any parent or subsidiary of Customer to use the Leased Hardware in the ordinary course of business; (ii) create or incur any lien or encumbrance with respect to the Leased Hardware; or (iii) permit the Leased Hardware to be removed outside of the United States or Canada.
- 9. Limited Hardware Warranty for Leased Hardware.** Zonar warrants that the serialized Hardware elements of any Zonar Offerings delivered by Zonar or its agents to Customer as a leased item under the Agreement shall be free from all material defects in workmanship under normal use and service. Zonar's warranty period for such serialized Leased Hardware is as follows: (a) V3 and V4 Series HD GPS product line – 3 Years; and (b) 2010 Handheld Devices and all other serialized Hardware, including third-party Hardware – 1 Year. The warranty period runs from the date of shipment, and any replacement hardware provided under warranty will be covered under warranty for the remainder of the warranty term based on the shipment date for the original equipment. Provided that such Leased Hardware is used and handled as intended and in accordance with this Agreement, and that Customer provides Zonar with notice within the applicable warranty coverage period, as Customer's sole and exclusive remedy, Zonar will replace any failed or functionally impaired Leased Hardware with equivalent Leased Hardware in terms of performance and functionality. This warranty does not apply to any Leased Hardware that has been misused, altered, willfully abused or that has been subject to water or other environmental damage or that has been damaged due to improper installation by Customer or its agents. All Hardware installations must follow Zonar's equipment-specific installation guidelines to qualify for the foregoing warranty. If Leased Hardware is determined by Zonar to be damaged due to any of the aforementioned causes, or if Leased Hardware is otherwise deemed ineligible for warranty coverage, Customer will be charged the price of a refurbished unit plus shipping and handling, and restocking fees. Return of any Leased Hardware requires a Return Material Authorization ("RMA") number. All RMA's must be pre-authorized by Zonar Customer Care at: E-mail: [Customercare@zonarsystems.com](mailto:Customercare@zonarsystems.com). Phone: 1(877) THE-EVIR. Ancillary hardware such as mounts, brackets, and cables are excluded from the above warranty.
- 10. Installation.** Zonar will work with Customer to develop an efficient installation schedule. Should Customer fail to make a vehicle for which Hardware has been ordered available at the agreed upon schedule, Zonar's obligation to install such Hardware shall expire, and any installation costs thereafter shall be at Customer's expense, using a Zonar approved installer. Any failure to install ordered Hardware within 45 days shall not relieve Customer of its obligation to pay the corresponding Service Fees for such Hardware. For installations of less than 10 vehicle installations per location, Customer will be charged the actual cost of travel. Three Simple I/O's are included (Simple I/O includes wire runs less than 10 feet, power sources available in the fuse panel, wire runs remain within cab of equipment, and/or does not require additional hardware). Each additional I/O over three will result in a \$25 charge. Each I/O that is not a Simple I/O will result in a \$45 charge. De-installs of existing hardware is not included. Removal of existing hardware will be charged an additional fee at then current standard pricing. De-installation of existing GPS hardware is not included, and such de-installation will incur a \$35 per vehicle charge. For vehicles equipped with a kill switch, if Customer desires the hardware installation to be routed around the kill switch, an additional fee of \$75 per vehicle will apply.
- 11. Hardware Upgrades after Initial Term.** To be eligible for hardware upgrades to a new generation of functionally equivalent hardware due to obsolescence after the initial three year term, Zonar reserves the right to require the customer to enter into a new three (3) year lease agreement. Obsolescence is defined as equipment that no longer functions in conformance with its initial intended use due to technological reasons.



## SALES ESTIMATE

Estimate #: OPP59905\_E01  
 Customer ID: SCO5389  
 Estimate Date: 6/7/2021

## Zonar Systems Inc.

18200 Cascade Ave S  
 Seattle, WA 98188

[www.zonarsystems.com](http://www.zonarsystems.com)

Phone No. (206) 878-2459

Fax No. (206) 878-3082

## Bill To Address

Scottsdale Unified School District  
 9288 E San Salvador Dr  
 Scottsdale, AZ 85258

## Ship To Address

Scottsdale Unified School District  
 9288 E San Salvador Dr  
 Scottsdale, AZ 85258

## Salesperson

Eric Trench

## Estimate Good Thru

7/7/2021

## Billing Frequency

Annually

## Payment Terms

Net 30

Description	Billing Frequency	Quantity	Unit Price	Discount	Extended Amount
<b>Hardware</b>					
V4 <b>Essential</b> GPS Kit 3 yr Upgrade	One-Time	180	\$120.00		\$21,600.00
Promo Samsung Tab Active2 Certified Kit ZPASS Kit	One-Time	150	\$675.00	23%	\$77,962.50
	One-Time	150	\$100.00	23%	\$11,550.00
<b>Services</b>					
Zonar Essentials	Annually	180	\$252.00	10%	\$40,824.00
ZPASS Service	Annually	150	\$72.00	10%	\$9,720.00
Samsung Tablet EVIR CSA Insp Service	Annually	150	\$96.00	10%	\$12,960.00
Samsung Tab Active2 Zonar Mobile Shield	Annually	150	\$48.00	50%	\$3,600.00
Samsung Tablet Zonar - Transfinder	Annually	150	\$84.00	75%	\$3,150.00
Increased GPS Logging Service	Annually	150	\$24.00	0%	\$3,600.00
ByteCurve 360 w/ Zonar Access and Payroll	Annually	150	\$192.00	20%	\$23,040.00
Samsung Tablet Zonar - ByteCurve	Annually	150	\$84.00	75%	\$3,150.00
<b>Transfinder API Charge</b>	<b>Annually</b>	<b>150</b>	<b>\$48.00</b>	<b>0%</b>	<b>\$7,200.00</b>
<b>Other: Professional Services, Training, Implementation, Setup Fees</b>					
GSM Activation	One-Time	180	\$25.00	100%	\$0.00
Installation	One-Time	1	\$39,000.00		\$39,000.00

Shipping and Handling is not included on this estimate and will be invoiced seperately.

One-Time \$150,112.50  
 Recurring \$100,044.00

Three Year Contract Required  
 Early Termination Fees Will Apply  
 24x7x365 US Based Support

**Total First Invoice \$250,156.50**

## Terms &amp; Conditions

1. The above pricing is a good faith estimate issued in USD. Prices may be adjusted once a complete Asset List is provided to Zonar.
2. Prices for Services are based on a three-year Service Agreement unless otherwise negotiated.
3. No Hardware or Services will be provided by Zonar until Parties have executed a Service Agreement.
4. Any shipment dates identified are estimates only, and are subject to change. Actual shipment dates are subject to inventory and supply availability, and will be separately confirmed by Zonar
5. Installation, Taxes, Travel and expenses and shipping costs will be additional charges.
6. All Leased/Bundled Hardware must be returned to Zonar after termination of Service Agreement.
7. Early termination of Service Agreement will result in early termination fees.