ECONOMIC DEVELOPMENT AND SALES TAX SHARING AGREEMENT

This Economic Development and Sales Tax Sharing Agreement ("Agreement") is entered into as of __________, 2026 ("Effective Date"), by and between the City of Cupertino, a California general law city ("City"), and Insight Direct Worldwide, Inc., an Arizona corporation, or such other Insight entity as is the tenant under the Lease described below ("Company"). City and Company are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

A. City is a general law city duly organized and existing under the laws of the State of California.

B. Company and/or its affiliated entities, including without limitation Insight Direct USA, Inc., Insight Public Sector, Inc., and other Insight affiliates identified to City from time to time and approved by the City Manager for purposes of this Agreement, conduct transactions involving tangible personal property that may be subject to California sales and use taxes.

C. City and Company or related Insight entities previously entered into agreements relating to the assessment, creation, retention, and allocation of local sales and use tax revenues derived from Insight-related taxable transactions. The Parties desire to replace the prior form of agreement with this new stand-alone Agreement.

D. Company has represented that Insight desires to continue maintaining a business location in the City at 10050 N. Wolfe Road, Ste. 281, Cupertino, CA 95014 ("Cupertino Facility") pursuant to a new lease or lease extension with a term of approximately three years commencing on or about December 1, 2026 and expiring on or about December 31, 2029 ("Lease").

E. City desires to encourage Company and its approved Insight affiliates to maintain the Cupertino Facility, continue business activities within the City that lawfully support the allocation of local sales and use tax revenues to the City, and generate economic and fiscal benefits for the City without a commensurate burden on City services.

F. The City Council has considered this Agreement at a duly noticed public meeting. Before approving this Agreement, City prepared and made available the information required by Government Code section 53083, provided public notice, and held a public hearing regarding the economic development subsidy contemplated by this Agreement.

G. City finds that this Agreement promotes the public health, safety, and welfare by encouraging lease retention, preserving and potentially increasing local sales and use tax revenues, supporting employment and business activity within the City, and advancing the City's economic development objectives.

H. Payments under this Agreement are intended to be made solely from Eligible Local Tax Revenues actually allocated, distributed, and paid to City by State of California Department of Tax and Fee Administration ("CDTFA") as a result of Taxable Transactions involving Company and its Approved Insight Affiliates for which the Cupertino Facility is the CDTFA-determined place of sale, or for which allocation to City is otherwise lawful under applicable CDTFA rules, guidance, and determinations.

I. This Agreement is not intended to require or encourage any unlawful allocation, reallocation, diversion, or reporting of sales or use tax revenues. All transactions shall be reported in accordance with applicable law, including the Bradley-Burns Uniform Local Sales and Use Tax Law, applicable CDTFA regulations, and any final CDTFA determination.

J. The Parties intend that this Agreement comply with Government Code sections 53083, 53083.1 to the extent applicable, and 53084.5; Revenue and Taxation Code section 7213; CDTFA Regulation 1802; and all other applicable laws.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, City and Company agree as follows.

Section 1. Definitions

For purposes of this Agreement, the following terms have the meanings set forth below.

1.1 Agreement

"Agreement" means this Economic Development and Sales Tax Sharing Agreement, including any exhibits and any written amendments approved by the Parties.

1.2 Approved Insight Affiliates

"Approved Insight Affiliates" means Insight Direct USA, Inc., Insight Public Sector, Inc., and any other affiliated Insight entity that City approves in writing for inclusion in this Agreement. City approval may be given by the City Manager or designee and shall not require amendment of this Agreement unless the City Manager determines that an amendment is legally required.

1.3 Bradley-Burns Local Tax

"Bradley-Burns Local Tax" means the City's local sales and use tax revenues imposed and distributed under the Bradley-Burns Uniform Local Sales and Use Tax Law, Revenue and Taxation Code section 7200 et seq., and allocated to City by CDTFA.

1.4 Cupertino Facility

"Cupertino Facility" means the business location maintained by Company or an Approved Insight Affiliate within the City at 10050 N. Wolfe Road, Ste. 281, Cupertino, CA 95014, or such replacement location within the City as may be approved in writing by the City Manager.

1.5 Eligible Local Tax Revenues

"Eligible Local Tax Revenues" means the Bradley-Burns Local Tax revenues actually allocated, distributed, and paid to City by CDTFA during a Fiscal Year as a result of Taxable Transactions involving Company or Approved Insight Affiliates for which the Cupertino Facility is the CDTFA-determined place of sale, or for which allocation to City is otherwise lawful under applicable CDTFA rules, guidance, and determinations.

Eligible Local Tax Revenues shall exclude all of the following:

(a) any transactions and use tax revenues, district taxes, county pool allocations not specifically attributable to Company or Approved Insight Affiliates, public safety allocations, or other taxes not constituting the City's Bradley-Burns Local Tax revenues;

(b) any revenues that are refunded, reversed, reallocated, offset, deducted, or otherwise determined by CDTFA or any court or administrative body not to be payable to City;

(c) any revenues attributable to transactions not lawfully reportable or allocable to the City;

(d) any penalties, interest, or similar charges;

(e) any revenues received by City before the Effective Date or after the expiration or termination of this Agreement, except as expressly provided in Section 6.4.

(f) any tax revenue resulting from the imposition of a sales or use tax under the Bradley-Burns Uniform Local Sales and Use Tax Law on the sale or purchase of a digital product transferred electronically or accessed remotely, to the extent that payment, transfer, diversion, rebate or sharing of such revenue is prohibited by Government Code Section 53084.5, as amended by SB 122 (2026), or any successor statute.

1.6 Fiscal Year

"Fiscal Year" means the City fiscal year beginning July 1 and ending June 30.

1.7 Lease

"Lease" means the new lease, lease extension, amendment, or other legally binding occupancy agreement pursuant to which Company or an Approved Insight Affiliate maintains the Cupertino Facility for the Term of this Agreement.

1.8 Revenue Sharing Payment

"Revenue Sharing Payment" means the payment, if any, payable by City to Company under Section 4 of this Agreement.

1.9 Taxable Transactions

"Taxable Transactions" means sales or use tax transactions involving Company or Approved Insight Affiliates that are subject to California sales or use tax and that generate Eligible Local Tax Revenues for City.

1.10 Term

"Term" means the period described in Section 3.

Section 2. Purpose and Nature of Agreement

2.1 Economic Development and Lease Retention

This Agreement is an economic development and lease retention agreement. Its purpose is to encourage Company and Approved Insight Affiliates to maintain the Cupertino Facility and continue business activities within the City that support the lawful allocation of Eligible Local Tax Revenues to City, including maintaining the facts and operations supporting CDTFA's determination that the Cupertino Facility is the place of sale for the Taxable Transactions covered by this Agreement

2.2 No Consulting Services Characterization

The Parties acknowledge that prior agreements may have described the arrangement as an agreement for consultation services. This Agreement is not intended to compensate Company for consulting services. Rather, this Agreement provides for a limited sharing of Eligible Local Tax Revenues as an economic development and lease retention incentive on, subject to all terms and limitations set forth herein and contingent on receipt of Eligible Local Tax Revenues as provided herein.

2.3 No Guarantee of Tax Allocation

City does not guarantee that any Taxable Transactions will be allocated to City or that CDTFA will allocate or continue to allocate any revenues to City. Company is solely responsible for its tax reporting and for causing its Approved Insight Affiliates to report transactions in accordance with applicable law and any applicable CDTFA determination. This Agreement does not require Company or any Approved Insight Affiliate to take any tax reporting position that is not supported by applicable law, facts, and CDTFA determinations.

2.4 No Obligation to Make Payments From Other Funds

City's payment obligations under this Agreement are limited solely to Eligible Local Tax Revenues actually received by City. City shall have no obligation to make any payment from the General Fund or any source other than Eligible Local Tax Revenues.

Section 3. Term

3.1 Initial Term

The Term of this Agreement shall commence on the Effective Date and shall expire on December 31, 2029, unless earlier terminated under this Agreement.

3.2 Three-Year Lease Requirement

Company shall maintain, or shall cause an Approved Insight Affiliate to maintain, the Lease for the Cupertino Facility throughout the initial Term, subject to ordinary lease rights, casualty, condemnation, force majeure, and relocation to another location within the City approved by the City Manager. For any extension period under Section 3.3, Company shall maintain, or shall cause an Approved Insight Affiliate to maintain, a lease, lease amendment, or lease extension for the Cupertino Facility covering the full applicable extension period.

3.3 No Automatic Renewal; Successive Annual Extensions

This Agreement shall not automatically renew. After expiration of the initial Term, this Agreement may be extended for up to eight (8) successive one-year extension periods, but only if all of the following conditions are satisfied for each extension period:

(a) Company or an Approved Insight Affiliate has executed and delivered to City evidence reasonably satisfactory to the City Manager of a binding lease, lease amendment, or lease extension for the Cupertino Facility covering the full applicable one-year extension period;

(b) Company is not in material default under this Agreement;

(c) the City Council has approved the extension by written amendment or other written action legally sufficient to extend this Agreement; and

(d) City has completed any public notice, hearing, reporting, posting, or other legal requirements then applicable to the extension, including Government Code section 53083 and Revenue and Taxation Code section 7213, to the extent applicable.

Each extension shall be for one (1) year only. No extension shall be effective unless approved in writing before the expiration of the then-current Term or extension period, unless otherwise permitted by applicable law. The same terms and conditions of this Agreement shall apply during any extension period, unless the Parties expressly agree otherwise in the written amendment or extension approval.

3.4 Condition Precedent to Effectiveness and Payment

Notwithstanding the Effective Date or any other provision of this Agreement, City's obligations under this Agreement, including any obligation to calculate, accrue, or make any Revenue Sharing Payment, are expressly conditioned upon Company or an Approved Insight Affiliate executing and delivering to City evidence reasonably satisfactory to the City Manager of a binding lease, lease amendment, or lease extension for the Cupertino Facility with a term of not less than three (3) years commencing on or about December 1, 2026 and expiring no earlier than December 31, 2029 ("Lease Condition").

If the Lease Condition is satisfied on or before December 1, 2026, then Eligible Local Tax Revenues received by City for the period beginning July 1, 2026 may be included in calculating Revenue Sharing Payments under this Agreement, subject to all limitations, exclusions, offset rights, reconciliation rights, and repayment obligations set forth herein.

If the Lease Condition is not satisfied on or before December 1, 2026, then this Agreement shall automatically be null and void without further action by either Party, City shall have no obligation to calculate, accrue, or make any Revenue Sharing Payment, and Company shall have no right to receive any payment or other compensation under this Agreement for any period, including the period beginning July 1, 2026.

No Revenue Sharing Payment shall be due or payable unless and until the Lease Condition has been satisfied.

Section 4. Revenue Sharing Payments

4.1 Threshold

For each Fiscal Year during the Term, Company shall not be entitled to any Revenue Sharing Payment unless and until Eligible Local Tax Revenues for that Fiscal Year exceed Two Hundred Fifty Thousand Dollars ($250,000).

4.2 Payment Formula

If Eligible Local Tax Revenues for a Fiscal Year exceed Two Hundred Fifty Thousand Dollars ($250,000), City shall pay Company a Revenue Sharing Payment calculated as follows:

(a) If Eligible Local Tax Revenues exceed $250,000 but are less than $500,000, the Revenue Sharing Payment shall equal $62,500 plus twenty-five percent (25%) of Eligible Local Tax Revenues between $250,000 and $500,000.

(b) If Eligible Local Tax Revenues equal or exceed $500,000 but are less than $1,000,000, the Revenue Sharing Payment shall equal $125,000 plus forty percent (40%) of Eligible Local Tax Revenues between $500,000 and $1,000,000.

(c) If Eligible Local Tax Revenues equal or exceed $1,000,000, the Revenue Sharing Payment shall equal $500,000 plus thirty-five percent (35%) of Eligible Local Tax Revenues in excess of $1,000,000.

4.3 Annual Calculation; Quarterly Advances

City may make quarterly payments as advances against the estimated annual Revenue Sharing Payment, provided that:

(a) City has received the applicable quarterly allocation information from CDTFA;

(b) City has determined, in its reasonable discretion, that the relevant revenues constitute Eligible Local Tax Revenues;

(c) Company consents in writing to receive the applicable quarterly payment;

(d) Company is not in material default under this Agreement; and

(e) City may withhold a reasonable reserve for potential CDTFA adjustments, reallocation claims, reporting issues, or other uncertainties.

Quarterly payments, if any, shall be made within thirty (30) days after City receives sufficient CDTFA allocation information, written consent from Company, and any information reasonably required from Company to verify the amount payable.

4.4 Annual Reconciliation

Within a reasonable time after the end of each Fiscal Year and after City has received sufficient CDTFA information, City shall reconcile the Revenue Sharing Payment for that Fiscal Year. If City has underpaid Company, City shall pay the additional amount due within thirty (30) days after completing the reconciliation. If City has overpaid Company, City may offset the overpayment against future payments or require Company to refund the overpayment within thirty (30) days after written demand.

4.5 No Payment on Disputed, Conditional, or Reallocated Revenues

City may withhold, offset, or defer any Revenue Sharing Payment to the extent the underlying Eligible Local Tax Revenues are or may become subject to refund, reversal, reallocation, audit, challenge, CDTFA adjustment, court order, administrative order, or claim by another jurisdiction. City may withhold, exclude, offset, or recover any Revenue Sharing Payment to the extent the payment was calculated based on revenues that may not lawfully be shared under Government Code section 53084.5, as amended by SB 122 (2026), or any successor statute.

4.6 Risk of Loss

The Parties intend that any risk of loss, reduction, reversal, refund, or reallocation of Eligible Local Tax Revenues shall be borne by Company and not by City. If City is required to repay, refund, or lose the benefit of any revenues that were included in calculating a Revenue Sharing Payment, Company shall promptly reimburse City for the corresponding portion of the Revenue Sharing Payment received by the Company.

4.7 No Reimbursement of Costs

Company shall not be entitled to reimbursement for any costs, expenses, overhead, taxes, lease costs, employee costs, legal costs, accounting costs, or other amounts except the Revenue Sharing Payment expressly provided in this Agreement.

4.8 No Payment After Expiration or Termination

Except for payments attributable to Eligible Local Tax Revenues received by City for completed Fiscal Year quarters ending before expiration or termination, Company shall not be entitled to any Revenue Sharing Payment after this Agreement expires or is terminated.

Section 5. Company Obligations

5.1 Maintain Cupertino Facility

During the Term, Company shall maintain, or cause an Approved Insight Affiliate to maintain, the Cupertino Facility pursuant to the Lease.

5.2 Lawful Business Activities

Company shall conduct, and shall cause Approved Insight Affiliates to conduct, business activities in a manner consistent with applicable law and sufficient to support any lawful allocation of Eligible Local Tax Revenues to City. Nothing in this Agreement requires Company or any Approved Insight Affiliate to report any transaction to City if doing so would be inconsistent with applicable law.

5.3 Tax Reporting Compliance

Company shall be solely responsible for its tax reporting and the tax reporting of Approved Insight Affiliates. Company shall not, and shall not cause any Approved Insight Affiliate to, report sales or use taxes based on an artificial or unlawful allocation methodology. The Parties acknowledge that, under applicable CDTFA rules, the lawful allocation of local sales tax may depend on the place of sale, including whether a California place of business participates in a sale and, if more than one California place of business participates, where the principal negotiations are carried on. Based on Company's representations and the applicable CDTFA determination, the Cupertino Facility is the place of sale for the Taxable Transactions covered by this Agreement, subject to the facts, operations, and reporting practices on which that determination is based.

5.4 No Unlawful Diversion

Company represents that, to the best of its knowledge after reasonable inquiry, this Agreement is not intended to reduce Bradley-Burns Local Tax revenues that, in the absence of this Agreement, would be received by another California local agency while Company or the applicable retailer continues to maintain a physical presence in that other local agency's jurisdiction, except to the extent permitted by Government Code section 53084.5.

5.5 Notice of Other California Locations

Upon request by City, Company shall provide a list of Company's and Approved Insight Affiliates' California business locations relevant to the Taxable Transactions covered by this Agreement. Company shall update the list if there is a material change that may affect lawful allocation of Eligible Local Tax Revenues to City.

5.6 Annual Certification

Within forty-five (45) days after the end of each Fiscal Year during the Term, Company shall provide City with a written certification, signed by an authorized representative, stating to the best of Company's knowledge after reasonable inquiry:

(a) whether Company or an Approved Insight Affiliate maintained the Cupertino Facility during the Fiscal Year;

(b) whether the Lease remains in effect;

(c) whether Company is aware of any material tax reporting issue, CDTFA inquiry, reallocation claim, or other matter that may affect Eligible Local Tax Revenues;

(d) whether Company is aware of any fact that would make the Agreement noncompliant with Government Code Section 53084.5;

(e) whether there has been any material change in Company's or any Approved Insight Affiliate's California locations, sales functions, sales participation, tax reporting practices, or other facts or operations that may affect CDTFA's determination that the Cupertino Facility is the place of sale for the Taxable Transactions covered by this Agreement;

(f) whether Company is aware of any fact, CDTFA inquiry, audit, claim, or determination that would call into question the allocation of Eligible Local Tax Revenues to City; and

(g) whether, to the best of the Company's knowledge after reasonable inquiry, any revenues included in the calculation of Eligible Local Tax Revenues include tax revenue from digital products transferred electronically or accessed remotely for which revenue sharing, prohibited by Government Code section 53084.5, as amended by SB 122 (2026), or any successor statute.

5.7 Cooperation With City Reporting

Company shall reasonably cooperate with City in preparing any legally required reports, public postings, or notices regarding this Agreement, including reports required by Government Code sections 53083 and 53083.1, if applicable, and Revenue and Taxation Code section 7213.

5.8 No Employee-Level Disclosure Unless Required

Company shall not be required to disclose personally identifiable employee information unless required by law. Aggregated job, wage, temporary worker, or benefit information shall be sufficient unless more detailed information is legally required.

5.9 Change in Point of Sale or Reporting

If, during the Term, Company or an Approved Insight Affiliate voluntarily changes its California business locations, sales functions, sales participation, tax reporting practices, allocation methodology, or other facts or operations in a manner that causes Taxable Transactions previously included in Eligible Local Tax Revenues to no longer be treated as having the Cupertino Facility as the place of sale, and such change is not required by a final CDTFA determination or applicable law, Company shall repay to City the Revenue Sharing Payments made for the two (2) fiscal quarters immediately preceding such change. Repayment shall be made within thirty (30) days after written demand from City.

Section 6. City Obligations

6.1 Payment Obligation

City shall make Revenue Sharing Payments only in accordance with this Agreement and only from Eligible Local Tax Revenues.

6.2 Public Reporting and Posting

City shall be responsible for preparing and posting City reports, notices, and website disclosures required by law. Company shall cooperate as provided in this Agreement.

6.3 Use of Tax Consultant

City may use its sales tax consultant, auditor, or other professional advisor to review CDTFA data, assist in calculating Eligible Local Tax Revenues, and assist in administering this Agreement.

6.4 Payments After Term for Prior Quarters

If this Agreement expires or terminates, Company shall remain eligible to receive any Revenue Sharing Payment attributable to Eligible Local Tax Revenues received by City for completed fiscal quarters ending before the effective date of expiration or termination, subject to all offset, reconciliation, withholding, and refund rights under this Agreement.

Section 7. Public Disclosure; Confidentiality

7.1 Required Public Disclosure

Company acknowledges that this Agreement and information regarding payments under this Agreement may be subject to public disclosure, including disclosure under Government Code sections 53083 and 53083.1, if applicable; Revenue and Taxation Code section 7213; the California Public Records Act; the Brown Act; and other applicable laws.

7.2 Consent to Statutory Reporting

Company consents to City's publication and reporting of all information required by law, including the Parties to this Agreement, execution date, termination date, payment amounts, percentage formulas, public purpose, projected tax revenues, estimated jobs, and other information legally required to be disclosed.

7.3 Confidential Tax Information

City shall maintain the confidentiality of confidential taxpayer information to the extent required by law. Nothing in this Agreement authorizes City to disclose confidential taxpayer information except as permitted or required by law.

7.4 No Nondisclosure Agreement

This Agreement is not a nondisclosure agreement. No provision of this Agreement shall be interpreted to prevent City from complying with any disclosure, reporting, posting, hearing, or public records obligation.

7.5 Public Records Requests

If City receives a public records request for records provided by Company and marked confidential, City may, but is not required to, notify Company. Company shall be solely responsible for seeking any protective order or other relief. City shall not be liable to Company for any disclosure made in good faith compliance with applicable law.

Section 8. Compliance With Economic Development Subsidy Laws

8.1 Government Code Section 53083

City has prepared and made available the information required by Government Code section 53083 before approval of this Agreement. Company shall provide reasonable assistance necessary for City to maintain and update such information during the Term.

8.2 Five-Year Report and Hearing

If required by Government Code section 53083, City shall issue the required report and conduct the required hearing within the Term and not later than five years after approval of this Agreement. Company shall reasonably cooperate in providing information necessary for the report.

8.3 Warehouse Distribution Center Compliance

If City determines that the Cupertino Facility or any beneficiary of this Agreement is a warehouse distribution center within the meaning of Government Code section 53083.1, Company shall provide the information reasonably necessary for City to comply with that section, including applicable annual reporting and hearing requirements. If City determines that compliance is not legally possible or that continuation of this Agreement would violate Government Code section 53083.1, City may suspend payments until compliance is achieved or may terminate this Agreement.

8.4 Revenue and Taxation Code Section 7213

Company acknowledges that this Agreement may constitute a sales and use tax sharing agreement for purposes of Revenue and Taxation Code section 7213. Company shall provide information reasonably necessary for City to report and publish the information required by Revenue and Taxation Code section 7213 and any implementing regulation.

If CDTFA imposes any penalty on City for failure to report or publish information required under Revenue and Taxation Code section 7213, City shall be responsible for such penalty except to the extent the penalty results from Company's failure to timely provide information reasonably requested by City, Company's material misstatement or omission in information provided to City, or Company's written request that City not report or publish information that City determines is legally required to be reported or published. In such event, Company shall reimburse City for the portion of the penalty and related reasonable costs attributable to Company's act or omission.

8.5 Government Code Section 53084.5

If City determines that this Agreement would violate Government Code section 53084.5, City may suspend payments and terminate this Agreement unless the violation can be cured in a manner acceptable to City and consistent with applicable law.

Section 9. CDTFA Adjustments; Reallocation; Proceedings

9.1 Cooperation

The Parties shall reasonably cooperate in responding to any CDTFA inquiry, audit, proposed adjustment, reallocation claim, or proceeding relating to Eligible Local Tax Revenues.

9.2 Control of Tax Reporting

Company shall retain responsibility for its tax reporting and the tax reporting of Approved Insight Affiliates. City shall not direct Company to take any reporting position inconsistent with applicable law.

9.3 Reallocation or Final Decision

If CDTFA, a court, or an administrative body issues a final decision reallocating revenues included in Eligible Local Tax Revenues to another jurisdiction, City may terminate this Agreement upon ninety (90) days' written notice.

9.4 Remediation Period

Within thirty (30) days after City issues a termination notice under Section 9.3, Company may provide documentation showing that the reallocation has been remediated, reversed, stayed, appealed, or otherwise resolved. City may, in its sole discretion, withdraw the termination notice if City determines that the documentation is sufficient and that continuation of the Agreement is lawful and in the City's interest.

9.5 Refund of Prior Payments

If any Revenue Sharing Payment was calculated based on revenues later refunded, reallocated, reversed, or determined not to constitute Eligible Local Tax Revenues, Company shall repay the corresponding amount to City within thirty (30) days after written demand.

Section 10. Default and Termination

10.1 Company Default

Company shall be in default if:

(a) Company fails to maintain, or cause an Approved Insight Affiliate to maintain, the Cupertino Facility as required by this Agreement;

(b) Company fails to provide a required certification or materially misstates a certification;

(c) Company fails to repay an amount owed to City;

(d) Company materially breaches any representation, covenant, or obligation under this Agreement;

(e) Company or an Approved Insight Affiliate voluntarily changes reporting or business operations in a manner that materially reduces or eliminates Eligible Local Tax Revenues, unless required by law or CDTFA;

(f) the Lease expires or terminates before the expiration of the Term, unless Company or an Approved Insight Affiliate relocates to a replacement location in the City approved by the City Manager; or

(g) continuation of the Agreement would violate applicable law.

10.2 Cure Period

Except for payment obligations, legal violations, or matters not reasonably capable of cure, City shall provide Company written notice of default and thirty (30) days to cure. If the default cannot reasonably be cured within thirty (30) days, Company shall not be in default if it begins cure within that period and diligently completes cure within a reasonable time acceptable to City.

10.3 City Remedies

Upon Company default, City may suspend payments, offset amounts owed, demand repayment, terminate this Agreement, or pursue any other remedy available at law or in equity.

10.4 Termination for Legal Change

Either party may terminate this Agreement upon ninety (90) days' written notice if a change in law, regulation, binding administrative interpretation, CDTFA policy or determination, court decision, or other legal requirement materially impairs the lawful performance of this Agreement or makes the calculation, payment, receipt, reporting, or retention of Revenue Sharing Payments unlawful or legally prohibited.

Before termination becomes effective, the Parties shall meet and confer in good faith to determine whether the Agreement can be amended or administered in a manner that preserves the economic intent of the Agreement while complying with applicable law. Neither Party shall be required to agree to any amendment that increases its obligations, reduces its legal protections, or causes it to violate applicable law.

Termination under this Section shall not affect any repayment, offset, indemnity, audit, public disclosure, reporting, or refund obligation that accrued before the effective date of termination, all of which shall survive termination.

10.5 Mutual Termination

The Parties may terminate this Agreement at any time by mutual written agreement.

10.6 Survival

Sections relating to repayment, offset, indemnity, audit, public disclosure, confidentiality, records, and any accrued payment or refund obligations shall survive expiration or termination.

Section 11. Records; Audit

11.1 Records

Company shall maintain records reasonably necessary to verify compliance with this Agreement for at least four (4) years after the end of the Fiscal Year to which the records relate, or longer if required by law or if a dispute, audit, CDTFA inquiry, or reallocation proceeding is pending.

11.2 City Review

Upon reasonable notice, City may request records reasonably necessary to verify Company's compliance with this Agreement and to calculate Revenue Sharing Payments. City shall not request customer-level or transaction-level information unless reasonably necessary and legally permissible.

11.3 Confidentiality of Records

City shall maintain records received from Company as confidential to the extent permitted by law, but City shall not be required to withhold records that City determines must be disclosed under applicable law.

Section 12. Indemnification

12.1 Indemnity

Company shall indemnify, defend, and hold harmless City, its City Council, officers, officials, employees, agents, representatives, and volunteers from and against any and all claims, demands, actions, proceedings, damages, losses, liabilities, costs, and expenses, including reasonable attorneys' fees, arising out of or related to:

(a) Company's or an Approved Insight Affiliate's breach of this Agreement;

(b) Company's or an Approved Insight Affiliate's tax reporting, business operations, representations, or certifications;

(c) any challenge to payments made to Company, except to the extent caused by City's gross negligence or willful misconduct;

(d) any claim that Company must refund, return, or repay amounts received under this Agreement;

(e) any claim by another jurisdiction arising from Company's or an Approved Insight Affiliate's conduct, reporting, or voluntary allocation decisions; and

(f) any legal challenge to the validity of this Agreement, except to the extent caused by City's gross negligence or willful misconduct.

(g) any CDTFA penalty, cost, or expense described in Section 8.4, but only to the extent caused by Company's failure to provide required information, Company's material misstatement or omission, or Company's written request that City withhold information that City determines is legally required to be reported or published.

(h) related to any claim, action, lawsuit or other proceeding, whether administrative, at law or in equity, brought or maintained by or on behalf of any person or entity (other than the Company) as a result of any conduct of the Company, an Insight affiliate, an Approved Insight Affiliate, or any person or entity connected to Insight, or the City in performing, observing or administering any obligation or provision arising under or pursuant to this Agreement, except to the extent that any such claim, action, lawsuit or other proceeding caused by any of the City's negligence or the willful misconduct of the City.

12.2 Defense

City may require Company to defend City with counsel reasonably acceptable to the City Attorney. City may participate in the defense with counsel of its own choosing at City's expense, unless separate counsel is required due to a conflict caused by Company.

12.3 Repayment Orders

If any court or administrative body orders City to recover, return, repay, disgorge, or cease paying amounts under this Agreement, Company shall not assert any claim against City for reimbursement, damages, or contribution with respect to such amounts.

Section 13. Representations and Warranties

13.1 Company Authority

Company represents that it has full power and authority to enter into this Agreement and to perform its obligations.

13.2 Affiliate Authority

Company represents that it has authority to provide the certifications and information required under this Agreement for Approved Insight Affiliates, or that it will cause Approved Insight Affiliates to provide such certifications and information directly to City.

13.3 No Conflict

Company represents that entering into and performing this Agreement does not violate any material agreement, law, or obligation binding on Company.

13.4 City Authority

City represents that this Agreement has been approved by the City Council at a duly noticed public meeting and executed by duly authorized City officials.

Section 14. Assignment

Company may not assign this Agreement without City's prior written consent, which may be granted or withheld in City's reasonable discretion. Notwithstanding the foregoing, Company may assign this Agreement to a successor by merger, corporate reorganization, or internal Insight affiliate restructuring if:

(a) the successor assumes all obligations under this Agreement in writing;

(b) the Lease or replacement lease for the Cupertino Facility remains in effect;

(c) the assignment does not impair lawful allocation of Eligible Local Tax Revenues to City;

(d) the assignment does not create a violation of Government Code section 53084.5 or any other applicable law; and

(e) Company provides City at least thirty (30) days' prior written notice.

Section 15. Notices

All notices required or permitted under this Agreement shall be in writing and delivered personally, by overnight courier, by certified mail, or by email with confirmation of receipt, to the following addresses:

City:

City of Cupertino
Attn: City Manager
10300 Torre Avenue
Cupertino, CA 95014
Email: ______________________

With a copy to:
City Attorney
____
Email: ______________________

Company:

Insight Direct Worldwide, Inc.
Attn: ______________________
Address: 10050 N. Wolfe Road, Ste. 281,
Cupertino, CA 95014
Email: ______________________

With a copy to:

Insight Direct Worldwide, Inc.
Attn: Tax Department
Address: 2701 E. Insight Way, Chandler,
AZ 85286
Email: taxhelp@insight.com

A Party may change its notice address by written notice to the other Party.

Section 16. Miscellaneous

16.1 Entire Agreement

This Agreement constitutes the entire agreement between the Parties regarding the subject matter of this Agreement and supersedes all prior agreements, amendments, negotiations, representations, and understandings regarding the same subject matter, except for any accrued payment, refund, indemnity, or audit rights that expressly survive under prior agreements.

16.2 Amendment

Other than as provided in Section 3.3 hereof, this Agreement may be amended only by a written instrument approved and executed by both Parties. Any amendment shall be subject to any legally required notice, hearing, posting, or reporting requirement.

16.3 Governing Law and Venue

This Agreement shall be governed by California law. Venue for any action arising out of this Agreement shall be in Santa Clara County, California.

16.4 No Third-Party Beneficiaries

This Agreement is for the sole benefit of City and Company and does not create rights in any third party.

16.5 Severability

If any provision of this Agreement is held invalid or unenforceable, the remaining provisions shall remain in effect unless the invalid provision is material to the Agreement's purpose.

16.6 No Waiver

No waiver of any provision shall be effective unless in writing. No waiver shall constitute a continuing waiver or waiver of any other provision.

16.7 Counterparts; Electronic Signatures

This Agreement may be executed in counterparts and by electronic signature, each of which shall be deemed an original and all of which together shall constitute one instrument.

16.8 Interpretation

The headings in this Agreement are for convenience only. The Agreement shall be interpreted according to its fair meaning and not for or against either Party.

16.9 Relationship of Parties

Company is an independent contracting party and not an employee, agent, partner, or joint venturer of City.

16.10 Non-Discrimination

Company shall comply with applicable federal, state, and local laws prohibiting discrimination.

16.11 No Gift of Public Funds

The Parties acknowledge that this Agreement serves valid public purposes and is supported by consideration, including lease retention, economic development, preservation and generation of local revenues, and Company's obligations under this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CITY OF CUPERTINO,
a California general law city

By: ______________________________
Name: Tina Kapoor
Title: City Manager
Date: ____________________________

APPROVED AS TO FORM:

By: ______________________________
Name: Floy Andrews
Title: Interim City Attorney
Date: ____________________________

ATTEST:

By: ______________________________
Name: Lauren Sapudar
Title: City Clerk
Date: ____________________________

INSIGHT DIRECT WORLDWIDE, INC.,
an Arizona corporation

By: ______________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________

APPROVED INSIGHT AFFILIATE ACKNOWLEDGMENT

The undersigned Approved Insight Affiliate acknowledges and agrees to comply with Sections 5, 7, 8, 9, 11, and 12 of this Agreement to the extent applicable to its Taxable Transactions, Cupertino Facility activities, records, certifications, and reporting cooperation obligations.

INSIGHT DIRECT USA, INC.

By: ______________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________

INSIGHT PUBLIC SECTOR, INC.

By: ______________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________