



AGENDA ITEM

Breezy Point City Council

Prepared By: <i>Janette Rust, Finance Specialist</i>	Meeting Date: <i>12/02/2024</i>	<input checked="" type="checkbox"/> Regular Agenda Item <input type="checkbox"/> Consent Agenda Item	Item No. Click or tap here to enter text.
Item Description: <i>ERP System Acquisition</i>		Reviewed By: <i>Jerry Bohnsack, Interim City Administrator</i>	

ACTION REQUESTED

Motion to approve the Civic Systems, LLC Contract for the purchase of new Enterprise Resource Planning System (ERP), contingent upon City Attorney review and recommended changes.

BACKGROUND/DISCUSSION

As discussed at the 8/19/24 workshop, the City's ERP system needs replacement. Banyon, the current software used by the City, is Microsoft Access based, has reliability issues, and does not have online capabilities; requiring server upgrades every time data storage runs out.

Staff researched ERP companies that could provide the City with a robust software at an affordable price. After narrowing down a list of companies, Staff invited (3) providers to come to City Hall and demonstrate their ERP software. Demonstrations included financial recording, payroll, timecard, budgeting, building permits, utility billing as well as the customer portal.

Staff unanimously chose Civic Systems/Caselle as the software that will best meet the needs of the City. Civic Systems/Caselle will provide the ability to email sewer bills, accept online payments, streamline processes, and enhanced paperless records management through the software Workflow programs that are buildable in each module. The program language and database are written in Microsoft's latest programming language and allows for SQL database. Civic Systems/Caselle also has *software for life* that assures the City will never be using outdated software and being that it is web-hosted allows Staff to remain functional in the event of an emergency that would prohibit Staff from working from City Hall.

FINANCIAL IMPACT

The total project cost of \$92,213 is included in the Equipment Capital Plan for 2025. Future budgets will reflect the annual support fee of \$16,080 which includes *software for life*.

STAFF RECOMMENDATION

Approve contract with Civic Systems, LLC for new ERP software contingent upon City Attorney review and recommended changes.

ATTACHMENTS

Computer software and service contract with Civic Systems, LLC.

Computer Software and Services Contract

City of Breezy Point

Prepared by Civic Systems, LLC



civicsystems

strong software, strong community

A SUBSIDIARY OF BAKER TILLY US, LLP

Civic Systems, LLC
4807 Innovate Ln
P.O. Box 7398
Madison, WI 53707-7398
Phone: 888.241.1517
Fax: 608.249.1050
mlaesch@civicsystems.com
www.civicsystems.com

July 12, 2024

Contract Agreement

This "Contract Agreement" is made this _____ day of _____ 2024 ("Effective Date") by and between the **City of Breezy Point**, 8319 Co. Rd 11 , Breezy Point, MN 56472 and **Civic Systems, LLC**, 4807 Innovate Ln, Madison, Wisconsin 53707-7398.

1. Definitions

For purposes of this Contract Agreement, the subsequent capitalized terms will have the following meanings:

- A. "Client" - Will denote the City of Breezy Point, IL.
- B. "Civic" - Will denote Civic Systems, LLC.
- C. "Services" – Will denote services related to software training, onsite implementation assistance, and conversion services, as more specifically set forth in the "Conversion Services" attached hereto as Attachment "B".
- D. "Software" –Will denote end user computer programs and modules purchased by the Client from Civic, as more specifically set forth in the "Cost Detail" attached hereto as Attachment "A".
- E. "Product" – Will denote any goods or services produced by a third-party entity other than Civic.
- F. "Accident" – Will denote an unexpected happening at the Client's premises causing loss or injury which is not due to any fault or misconduct on the part of the person injured.

2. Contract Agreement

The following Attachments are a part of this Contract Agreement:

- A. Cost Detail
- B. Conversion Services
- C. Hardware Requirements
- D. Caselle Software License Agreement
- E. Civic Support Agreement

3. Scope of Agreement

Client agrees to license the Software and receive the Services and Civic agrees to provide same subject to the terms and conditions stated in this Contract Agreement, the Caselle Software License Agreement attached hereto as Attachment D, and the Civic Support Agreement attached hereto as Attachment E.

4. General Conditions

- A. This is not a Contract Agreement of partnership or employment of Civic or any of Civic's employees by Client. Civic is an independent contractor for all purposes under this Contract Agreement.
- B. Civic shall perform its services in a professional and workmanlike manner and shall only use qualified and experienced personnel.
- C. Civic agrees at all times to maintain an adequate staff of experienced and qualified employees for efficient performance under this Contract Agreement. Civic agrees that, at all times, the employees of Civic furnishing or performing any services shall do so in a proper, workmanlike, and dignified manner.
- D. Civic agrees that all persons working for or on behalf of Civic whose duties bring them upon Client's premise shall obey the rules and regulations that are established by Client and shall comply with the reasonable directions of Client personnel.
- E. Civic shall be responsible for the acts of its employees and agents while on Client's premises. Accordingly, Civic agrees to take all necessary measures to prevent injury and loss to persons or property located on Client premises. Civic shall be responsible for all damages to persons or property caused by Civic or any of its agents or employees. Civic shall promptly repair any damage that it, or its employees or agents may cause to Client's premises or equipment; on Civic's failure to do so, Client may repair such damage and Civic shall reimburse Client promptly for the cost of repair.

Contract Agreement

- F. Civic agrees that, in the event of an Accident of any kind, Civic will immediately notify Client's contact person and thereafter, if requested, furnish a full written report of such accident.
- G. Civic shall perform the services contemplated in this Contract Agreement without interfering in any way with the activities of Client's staff or visitors.
- H. Civic and its employees or agents shall have the right to use only those facilities of Client that are necessary to perform services under this Contract Agreement and shall have no right to access any other facilities of Client.

5. Entire Agreement Clause

This Contract Agreement, including other referenced documents, constitutes the entire Contract Agreement between Client and Civic and supersedes all proposals, presentations, representations, and communications, whether oral or in writing, between the parties on this subject.

6. Non-Assignment; Non-Delegation; Binding Effect

Both Civic and Client shall be clearly identified by name. Neither of the identified parties to this Contract Agreement shall assign or encumber any of its rights, or delegate or any of its duties defined in this Contract Agreement, in whole or in part, to other third parties unless the other party to this Contract Agreement gives prior written consent. Subject to the foregoing covenant against assignment and delegation, the rights created by this Contract Agreement shall pass to the benefit of the identified party and the duties and obligations resulting from this Contract Agreement shall bind the identified party and their respective successors and assignees.

7. Assignments

Civic shall not assign, transfer or pledge this Contract Agreement and/or the services to be performed, whether in whole or in part, nor assign any monies due or to become due to it without the prior written consent of Client. A consent to assign shall be subject to such conditions and provisions as Client may deem necessary, accomplished by execution of a form signed by Client, Civic, and the assignee.

8. Subcontractors

Civic shall not subcontract this Contract Agreement and/or the services to be performed, whether in whole or in part, without the prior written consent of Client. Permission to subcontract, however, shall under no circumstances relieve, Civic of its liabilities and obligations under this Contract Agreement. Further, Civic shall be fully responsible for the acts, omissions, and failure of its subcontractors in the performance of the specified contractual services, and of person(s) directly employed by subcontractors. Contracts between Civic and each subcontractor shall require that the subcontractor's services be performed in accordance with the terms and conditions specified. Civic shall make contracts between Civic and subcontractors available upon request.

9. Agreement Extensions and Modification Clause

This Contract Agreement may be modified or extended in accordance with the following procedures. In the event that all parties to this Contract Agreement agree that such changes would be of a minor and non-material nature, such changes may be effected by a written statement that describes the situation and is signed, prior to the effectiveness, by all parties. In the event that the changes are determined by either or all parties to this Contract Agreement to be of a major or complex nature, then the change shall be by formal amendment of this Contract Agreement signed by the parties and made a permanent part of this Contract Agreement.

Under no circumstances, however, shall any parties to this Contract Agreement forfeit or cancel any right presented in this Contract Agreement by delaying or failing to exercise the right or by not immediately and promptly notifying the other party in the event of a default. In the event that a party to this Contract Agreement waives a right, this does not indicate a waiver of the ability of the party to, at a subsequent time, enforce the right.

10. Termination

- A. This Contract Agreement may be terminated for cause in the event Civic does not cure a material breach of this Contract Agreement within thirty (30) days' of receiving written notice of such breach from Client.
- B. This Contract Agreement may be terminated by either party effective immediately and without notice, upon: (i) the dissolution, termination of existence, liquidation or insolvency of the other party, (ii) the appointment of a custodian or receiver for the other party, (iii) the institution by or against the other party of any proceeding under the United States Bankruptcy Code or any other foreign, federal or state bankruptcy, receivership, insolvency or other similar law affecting the rights of creditors generally, or (iv) the making by the other party of any assignment for the benefit of creditors.
- C. Client shall pay Civic for all Services rendered, Software delivered or incurred, and expenses incurred prior to the date of termination, and shall reimburse Civic for all reasonable costs associated with any termination.
- D. Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Contract Agreement as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation, or termination of this Contract Agreement shall be resolved as set forth in this Section using the following procedure: In the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. Further, in the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement or mediation, both parties agree to waive a jury trial to facilitate judicial resolution and save time and expense of both parties.
- E. Because a breach of any of the provisions of this Contract Agreement concerning confidentiality or intellectual property rights will irreparably harm the non-breaching party, Client and Civic agree that if a party breaches any of its obligations thereunder, the non-breaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the procedures set forth in Section 10(d) in order to seek injunctive or declaratory relief.
- F. Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Contract Agreement, including but not limited to, limitation of liability, confidentiality, ownership of work product, and survival of obligations, any accrued rights to payment and remedies for breach of this Contract Agreement shall survive the expiration or termination of this Contract Agreement or any Statement of Work.

11. Applicable and Governing Law Clause

The validity, construction and enforcement of this Contract Agreement shall be determined in accordance with the laws of the State of Minnesota, without reference to its conflicts of laws principles, and any action (whether by arbitration or in court) arising under this Contract Agreement shall be brought exclusively in the State of Minnesota. Both parties consent to the personal jurisdiction of the state and federal courts located in Minnesota.

12. Title and Confidentiality

- A. Both parties recognize that their respective employees and agents, in the course of performance of this Contract Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein shall survive the termination or cancellation of this Contract Agreement. This obligation of confidentiality shall not apply to (a) information that at the time of the disclosure is in the public domain; (b) information that, after disclosure, becomes part of the public domain by publication or otherwise, except by breach of this Contract Agreement by a party; (c) information that a party can establish by reasonable proof was in that party's possession at the time of disclosure; (d) information that a party receives from a third party who has a right to disclose it to that party; or (e) information that is subject to FOIA requests and data practices requests.
- B. Client shall take all reasonable steps necessary to protect the confidential nature of the Software, as Client would take to protect its own confidential information. Client further agrees that it shall not make any disclosure of any or all such Software (including methods or concepts utilized therein) to anyone, except to employees working for Client to whom such disclosure is necessary to the use for which rights are granted hereunder. Client shall appropriately notify all employees to whom any such disclosure is made that such disclosure is made in confidence and shall be kept in confidence by them. The obligations imposed by this section upon Client, its employees, agents, and subcontractors, shall survive and continue after any termination of rights under this Contract Agreement. It shall not be a breach of this Contract Agreement if Client is required to disclose or make the Software available to a third party or to a court if the Software is required to be disclosed pursuant to a state's "open records" law, or is subpoenaed or otherwise ordered by an administrative agency or court of competent jurisdiction to be produced.

13. Notices

All notices or communications required or permitted as a part of this Contract Agreement shall be in writing (unless another verifiable medium is expressly authorized) and shall be deemed received (i) on the date personally delivered; or (ii) the date of confirmed receipt if sent by Federal Express, DHL, UPS or any other reputable carrier service, to applicable party (sending it to the attention of the title of the person signing this Contract Agreement) at the address specified below.

Civic Systems, LLC
4807 Innovate Ln
P.O. Box 7398
Madison, WI 53707-7398

City of Breezy Point
8319 Co. Rd 11
Breezy Point, MN 56472

14. Survival Clause

All duties and responsibilities of any party that, either expressly or by their nature, extend into the future, shall extend beyond and survive the end of the contract term or cancellation of this Contract Agreement.

15. Force Majeure Clause

In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Contract Agreement due to any act of God, fire, casualty, flood, war, strike, lock out, failure of public utilities, injunction or any act, exercise, assertion or requirement of any governmental authority, epidemic, destruction of production facilities, insurrection, inability to obtain labor, materials, equipment, transportation or energy sufficient to meet needs, or any other cause beyond the reasonable control of the party invoking this provision ("Force Majeure Event"), and if such party shall have used reasonable efforts to avoid such occurrence and minimize its duration and has given prompt written notice to the other party, then the affected party's failure to perform shall be excused and the period of performance shall be deemed extended to reflect such delay as agreed upon by the parties.

16. Nondiscrimination by Civic or Agents of Civic

Neither Civic nor anyone with whom Civic shall contract shall discriminate against any person employed or applying for employment concerning the performance of Civic responsibilities under this Contract Agreement. This discrimination prohibition shall apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. A breach of this covenant may be regarded as a default by Civic of this Contract Agreement.

17. Replication of Software

Client shall not copy Software for any purposes other than for backup or disaster recovery.

18. Non-Collusion

Civic hereby represents and agrees that it has in no way entered into any contingent fee arrangement with any firm, employee of Client, or other person or entity concerning the obtaining of this Contract Agreement. In addition, Civic agrees that a duly authorized Civic representative will sign a non-collusion affidavit, in a form acceptable to Client, that Civic has received from Client no incentive or special payments, or considerations not related to the provision of the system described in this Contract Agreement.

19. Warranty

- A. Each party represents and warrants to the other that it has full power and authority to enter into and perform this Contract Agreement and the person signing this Contract Agreement on behalf of each party hereto has been properly authorized and empowered to enter into this Contract Agreement.
- B. Client warrants that it has the legal right and authority, and will continue to have the legal right and authority during the term of this Contract Agreement, to operate, configure, provide, place, install, upgrade, add, maintain and repair (and authorize Civic to do any of the foregoing to the extent the same are included in the Services) the hardware, software and data that comprises any of Client's information technology system upon which or related to which Civic provides Services under this Contract Agreement.
- C. Civic represents and warrants that materials produced or used under this contract, including but not limited to software, hardware, documentation, and/or any other item, do not and will not infringe upon any intellectual property rights of another, including without limitation patents, copyrights, trade secrets, trade names, and service marks and names.

- D. Civic warrants that any Services that it provides to Client under this Contract Agreement will be performed in accordance with generally accepted industry standards of care and competence. Client's sole and exclusive remedy for a breach of Civic's warranty will be for Civic, in its sole discretion, to either: (i) use its reasonable commercial efforts to re-perform or correct the Services, or (ii) refund the fee Client paid for the Services that are in breach of Civic's warranty. Client must make a claim for breach of warranty in writing within thirty (30) days of the date that the Services that do not comply with Civic's warranty are performed. This warranty is voided in the event that Client makes alterations to the Services provided by Civic or to the environment in which Services are used (including the physical, network and systems environments). If Client does not notify Civic of a breach of Civic's warranty during that 30-day period, Client will be deemed to have irrevocably accepted the Services.
- E. Civic does not warrant any third-party product (each, a "Product"). All Products are provided to Client by Civic "AS IS." Civic will, to the extent it is allowed to by its vendors, pass through any warranties and indemnifications provided by the manufacturer of the Product. Client expressly waives any claim that Client may have against Civic based upon any product liability or infringement or alleged infringement of any patent, copyright, trade secret or other intellectual property right with respect to any Product and also waives any right to indemnification from Civic against any such Claim made against Client by another. Client acknowledges that no employee of Civic or any other party is authorized to make any representation or warranty on behalf of Civic that is not in this Contract Agreement.

20. Limitation on Damages and Indemnification

- A. Except as specifically stated in the Warranty section of this Contract Agreement, the Software is Licensed "AS IS", but not limited to implied warranties of merchantability. The maximum liability of Civic for all damages from any claims shall not exceed the license, services, and support fees paid to date by Client to Civic, unless as otherwise stated herein. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. In no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays, interruptions, or viruses arising out of or related to this Contract Agreement.
- B. As Civic is performing Services solely for the benefit of Client, Client will indemnify Civic, its subsidiaries and their present or former owners, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorneys' fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the Services of this Contract Agreement.
- C. Because of the importance of the information that Client provides to Civic with respect to Civic's ability to perform the Services, Client hereby releases Civic and its present and former owners, employees, officers and agents from any liability, damages, fees, expenses and costs, including attorney fees, relating to the Services, that arise from or related to any information, including representations by management, provided by Client, its personnel or agents, that is not complete, accurate or current.
- D. Civic will indemnify Client against any damage or expense relating to bodily injury or death of any person or tangible damage to real and/or personal property incurred while Civic is performing Services to the extent such damage is caused solely by the negligent acts or willful misconduct of Civic's personnel or agents in performing the Services.
- E. Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Contract Agreement are material bargained for basis of this Contract Agreement and that they have been taken into account and reflected in determining the consideration to be given by each party under this Contract Agreement and in the decision by each party to enter into this Contract Agreement.
- F. The terms of this Section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort, or any form of negligence, whether of Client, Civic, or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Contract Agreement.

- G. Client accepts and acknowledges that any legal proceedings arising from or in conjunction with the services provided under this Contract Agreement must be commenced within twelve (12) months after the performance of the Services for which the action is brought, without consideration as the time of discovery of any claim.
- H. In the event that the parties are unable to resolve differences that may arise relating to this Contract Agreement, all disputes arising from this Contract Agreement shall be resolved through the courts of the State of Minnesota, unless both parties agree to binding arbitration. If arbitration is agreed to, the arbitration shall be governed by the most recently published Commercial Arbitration Rules of the American Arbitration Association. Both parties agree to submit disputes to a single arbitrator acceptable to both parties. The arbitrator will be selected from a list compiled by the parties' respective legal counsels. Every person named on the list of potential arbitrators must be a neutral and impartial lawyer who has at least ten (10) years specializing in the field of general commercial litigation and is knowledgeable about software. The arbitrator shall base its award on applicable law and judicial precedent and unless both parties agree, otherwise shall include in such award the finding of fact and conclusions of law upon which the award is based. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

21. Standards of Performance

Civic shall perform its Services in conformity with the terms expressly set forth in this Contract Agreement, including all applicable professional standards. Accordingly, Civic's Services shall be evaluated on its substantial conformance with such terms and standards. Any claim of nonconformance (and applicability of such standards) must be clearly and convincingly shown.

22. Personnel

During the term of this Contract Agreement, and for a period of six (6) months following the expiration or termination thereof, neither party will actively solicit the employment of the personnel of the other party involved directly with providing Services hereunder. Both parties acknowledge that the fee for hiring personnel from the other party, during the project term and within six months following completion, will be a fee equal to the hired person's annual salary at the time of the violation so as to reimburse the party for the costs of hiring and training a replacement.

23. Email Communication

Client acknowledges that: (i) Civic and Client may correspond or convey documentation via Internet e-mail unless Client expressly requests otherwise, (ii) neither party has control over the performance, reliability, availability, or security of Internet e-mail, and (iii) Civic shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail.

24. Business License

In the event a local business license is required for Civic to perform services hereunder, Client will notify Civic prior to the Effective Date and will provide Civic with the necessary paperwork and/or contact information.

25. Taxes

The fees set forth in Section 27 – Investment Summary do not include any taxes, including, without limitation, sales, use or excise tax. All applicable taxes shall be paid by Client. In the event Client fails to pay any Taxes when due, Client shall defend, indemnify, and hold harmless Civic from and against any and all fines, penalties, damages, and claims.

Contract Agreement

26. Payment Terms

The total fees for Software and Services are estimated to be **\$86,050** as set forth in following section. The Client agrees to the following Payment Terms.

- A. Civic shall invoice Client **\$0** upon the effective date.
- B. Civic shall invoice Client **\$23,025** in January of 2025.
- C. Civic shall invoice Client **\$20,000** in April of 2025.
- D. Civic shall invoice Client **\$43,025** after training in 2025.
- E. Civic shall invoice Client fees for all other Services, plus all expenses, if and as provided/incurred.

27. Investment Summary

The following Investment Summary reflects an estimated range of costs related to the Software and Services. Detailed costs are provided in Attachment A – Cost Detail

	<u>Investment</u>
Connect License Fees (6 Concurrent)	\$ 60,100
Less: Population and User Discount	(14,550)
Setup/Conversion Estimate	21,300
Training	<u>19,200</u>
Sub-total	<u>86,050</u>
ANNUAL SUPPORT TOTAL (Software For Life)	<u>\$ 11,040</u>
ANNUAL HOSTING FEES (6 Named Users)	<u>\$ 5,040</u>

*Above amounts do not include travel costs. Travel costs will be invoiced as incurred and are estimated below. Mileage will be invoiced at the federally mandated mileage rate currently at \$0.68 per mile for round trip travel. Hotel will be invoiced for the amount incurred by Civic staff. Civic's staff stays at a Holiday Inn or equivalent. Hotel rates vary; we estimate those rates to be \$170 nightly. Meals are invoiced as actual with a daily maximum of \$35.

Travel cost estimates are based on five (5) round trips and 16 overnights.

Mileage (Five 848 mile round trips @ \$0.68/mile)	\$ 2,883
Hotel (16 nights at \$170/night)	2,720
Meals (16 days at \$35/day)	<u>560</u>
TOTAL INVESTMENT	<u>\$ 6,163</u>

28. Additional Service Fees

Training and/or consulting services utilized in excess of those set forth in the Investment Summary and additional related services not set forth in the Investment Summary will be billed at Civic's then-current rates.

29. Optional Items

Pricing for optional Products and services shall be valid for ninety (90) days from the Effective Date.

30. Contract Agreement Execution

The parties hereto have executed this Contract Agreement and any applicable attachments as specified in Section 2 of this Contract Agreement as of the dates set forth below.

CITY OF BREEZY POINT

Signature: _____

Print Name: _____

Title: _____

Date: _____

CIVIC SYSTEMS, LLC

Signature: _____

Print Name: Chad Jarvi

Title: _____

Date: _____

Attachment A – Cost Detail

SELECTED MODULES (Included in the agreement)

Selected Product Descriptions	License Fee Purchase Price	One-Time conversion / setup	Training and Onsite Assistance Cost/Days	Year one Total w/o Support	Annual Fees*
6 Concurrent User Licenses	\$ 0	\$ 0	\$ 0	\$ 0	0
Accounts Payable with AP ACH	5,500	1,200	1,200	7,900	1,100
miExcel AP	Included	Included	Included	Included	Included
Accounts Receivable	3,500	900	900	5,300	875
Cash Receipting	4,500	600	1,200	6,300	900
Community Development Application					
Building permits	4,500	1,800	1,800	8,100	1,125
Community Portal (5 Permit Types)	--	2,400	1,200	3,600	900
Field Review Mobile app (Unlimited)	2,500	600	300	3,400	625
Fixed Assets	2,500	600	600	3,700	625
General Ledger	7,000	1,800	2,400	11,200	1,400
Activity Reporting	Included	Included	Included	Included	Included
Bank Rec	Included	Included	Included	Included	Included
Budgeting	Included	Included	Included	Included	Included
miExcel GL (Unlimited)	Included	Included	Included	Included	Included
miViewPoint (Unlimited)	4,500	1,800	1,800	8,100	900
miAP Workflow (Unlimited)	Included	Included	Included	Included	Included
miBudget (Unlimited)	Included	Included	Included	Included	Included
miUtility (Unlimited)	Included	Included	Included	Included	Included
Payroll w/ Direct Deposit	10,200	3,600	3,600	17,400	2,040
Electronic Submittals	Included	Included	Included	Included	Included
miPay Online (Unlimited)	Included	Included	Included	Included	Included
miOpen Enrollment	Included	Included	Included	Included	Included
miTime (Remote Time Entry) (Unlimited)	4,500	1,200	600	6,300	900
miExcel PR (Unlimited)	Included	Included	Included	Included	Included
Utility Billing	10,900	4,800	3,600	19,300	2,180
Direct Pay	Included	Included	Included	Included	Included
Splitter	Included	Included	Included	Included	Included
Online Bill Pay Interface to Preferred Vendor	Included	Included	Included	Included	Included
Hosted (Up to 6 Named Users)	--	--	--	--	5,040
Less: Population and User Discount	<u>(14,550)</u>	<u>--</u>	<u>--</u>	<u>(14,550)</u>	<u>(2,530)</u>
TOTALS COSTS	<u>45,550</u>	<u>21,300</u>	<u>19,200</u>	<u>86,050</u>	<u>16,080</u>

*First Year Annual Support Fees are prorated based on your Go-Live date.

**If a Credit Card Interface is chosen there could be additional setup costs from the Online Bill pay company along with transactional credit card fees. Please contact one of our preferred vendors for that information.

***Conversion will be estimated at a later date when we can verify the reports that can provide. See next page for an estimate.

Attachment A – Cost Detail

OPTIONAL MODULES (Not Included in the agreement)

Optional Product Descriptions (Not Selected)	License Fee Purchase Price (6 Concurrent Users)	One-Time conversion/ setup	Training Cost @ \$1,200/Day	Year one Total w/o Support	Annual Fees
Additional Concurrent Users above 6 (each)	2,000	--	--	2,000	600
Animal Licenses	2,500	900	600	4,000	625
Business Licenses	2,500	900	600	4,000	625
Cemetery Management	2,000	600	600	3,200	500
Code Enforcements	2,500	600	300	3,400	625
Hosted Named Users above 6 (each)	--	--	--	--	720

*Above amounts include the discount provided.

Attachment B - Conversion Services

The following outlines the conversion services to be provided for the core modules included as a part of this Agreement. Depending on the data integrity in the legacy system, below is our typical data conversion when converting from a legacy system.

Accounts Payable

- > Vendor Information
- > 3 years of invoice and check history (**More Years Available**)
- > Report preparation
- > AP check formatting

Cash Receipting

- > Setup receipt categories and corresponding GL accounts
- > Report preparation

General Ledger

- > Chart of Accounts
- > Financial statements
- > Report preparation
- > 3 years detail information (**More Years Available**)
- > 3 years of budget information (**More Years Available**)

Payroll

- > Employee information
- > Pay code setup
- > Current Year to Date Totals
- > Recalculate payroll to ensure data accuracy
- > Report preparation
- > Leave time balances
- > Paycheck formatting

Utility Billing

- > Customer information
- > Customer balances by service
- > Meter information
- > Location information
- > 13 months consumption History
- > Report preparation
- > Utility billing formatting
- > Recalculate bill run to ensure data accuracy
- > Setup rates and services

Attachment C - Hardware Requirements

HARDWARE REQUIREMENTS (ONLY NEEDED IF ON PREMISE)

Network System Requirements – Caselle® Connect – Network

Important! Using servers or workstations that do NOT meet the specified network system requirements may result in unsatisfactory performance and response times. This document lists the minimum hardware and software requirements for installing Connect.

Network Server Operating System	Microsoft® Windows 2016 Server (64-bit), 2019 (64-bit), or 2022 (64-bit)
Network Server Equipment	Intel® Xeon® Quad-Core Processor 3.0 Ghz or higher Minimum 16 GB of available RAM 30 GB available disk space for Caselle Connect applications (1 GB) and data Enterprise SSD Color SVGA .28 Monitor 1 GB Ethernet Network Card 1 GB Ethernet Switch <small>All hardware must be Microsoft® certified (request printed certification documents). Intel® Core™ i3, Intel® Celeron®, and AMD Sempron™, and Intel® Pentium processors are NOT recommended.</small>
Database Server Equipment and Operating System	<ul style="list-style-type: none">• Use the Recommended Network Server. For better performance, increase memory on network server or, use a separate Database Server (same specifications as the Network Server).• Networks with more than ten workstations may require faster processors and/or more memory than the recommended.
Database Software	Microsoft® SQL Server 2016 (64-bit), 2019, or 2022 (64-bit)
Network Server and Database Server Power Protection	True On-Line UPS, 600 Voltamps minimum with UPS Monitoring card, cable, and software.
Workstation Computer	Intel Core 2 Duo, i5, or i7 (3 GHz or higher) 8 GB of available RAM 30 GB available disk space for Caselle Connect applications (180 MB) and data Color SVGA .28 Monitor LCD Monitor <small>All hardware must be Microsoft® certified (request printed certification documents). Intel® Core™ i3, Intel® Celeron®, and AMD Sempron™, and Intel® Pentium processors are NOT recommended.</small>
Workstation Operating System	Windows 10 or 11™ Professional (64-bit).
Workstation Power Protection	UPS/Battery backup unit
Backup System	Network quality system to back up fileserver hard drive on one tape and provide tape read after write verification. Make sure the backup system supports backing up MSSQL Databases. Example: Backup Exec with SQL Agent.
Printer	HP Laser Printer or Canon Copiers with PCL or Postscript Drivers
Receipt Printer	Ithaca 9000 and 1500 Series Printers Star TSP100 Epson TM – U325, TM-U675, and Epson TM – H6000IV
Internet Access	10 Mbps minimum available connection speed Explanation: Caselle® Applications require Internet access to download program updates.
Email	Email that is compatible with Microsoft® Windows.
Network Installer	Microsoft® Authorized and Certified

Attachment D – Caselle Software License Agreement

Caselle
1656 S East Bay Blvd, Ste 100
Provo, UT 84606
CASELLE, INC.
SOFTWARE LICENSE AGREEMENT

Caselle Agrees to provide the software to you, subject to the following terms and conditions.

1. GRANT OF LICENSE

Caselle, Inc. and its Licensors agrees to grant, and You agree to accept a limited, non-transferable, non-exclusive license ("License") to use the computer programs, with the accompanying manuals, literature and other materials ("Software") as detailed under Items, subject to the terms and conditions of this Software License Agreement and subject to termination as provided herein. The term Software shall also include all revisions, updates, enhancements and new modules or add-ons to the existing Software as detailed under Items.

2. TITLE AND CONFIDENTIALITY

Title and full ownership rights to the Software licensed under this agreement, including, without limitation, all intellectual property rights therein and thereto, and any copies You make, remain with Caselle. It is agreed the Software is the proprietary, confidential, trade secret property of Caselle, whether or not any portions thereof are or may be copyrighted and You shall take all reasonable steps necessary to protect the confidential nature of the Software as You would take to protect Your own confidential and trade secret information. You further agree that You shall not make any disclosure of any or all such Software (including methods or concepts utilized therein) to anyone, except to employees, agents, or contractors working for You to whom such disclosure is necessary to the use for which rights are granted hereunder. You shall appropriately notify all employees, agents, and contractors to whom any such disclosure is made that such disclosure is made in confidence and shall be kept in confidence by them. Upon Caselle's request, such employees, agents, and contractors shall enter into an appropriate confidentiality agreement for secrecy and nonuse of such information which by its terms shall be enforceable by injunctive relief at the request of Caselle. If Caselle makes such a request, it shall provide You with the appropriate confidentiality agreements. The obligations imposed by this section upon You, Your employees, agents, and contractors, shall survive and continue after any termination of rights under this Agreement. It shall not be a breach of this agreement if you are required to disclose or make the Software available to a third party or to a court if the Software is required to be disclosed pursuant to a state's "open records" law, or is subpoenaed or otherwise ordered by an administrative agency or court of competent jurisdiction to be produced.

3. LICENSE

You may:

- A. Use the Software on a single CPU or network ("System") for the appropriate number of users. The Software may be moved to and used on another System, but shall under no circumstances be used on more than one System at a time.
- B. Make System readable copies of the software media provided with the Software as required for backup protection. Such copies may only be used in support of Your use of the Software on the System and may not be used for any other purpose. Each of these copies must have a label placed on the media indicating the Software is a proprietary product of Caselle.

You may not:

- A. Rent, lease, sublicense, assign, sell, loan or otherwise transfer this Software, in whole or in part, except as expressly permitted by this Agreement.
- B. Inspect, disassemble, decompile, reverse engineer or in any way attempt to determine the internal methods of the Software.
- C. Modify the Software or merge it into any other product without the express written consent of Caselle.
- D. Reproduce, prepare derivative works based upon, transmit or distribute the Software, or any part of it, in any form or by any means except as expressly permitted in this Agreement.
- E. Permanently transfer or assign the Software and the rights under this License to another party without the express written consent of Caselle.
- F. Use the Software to provide accounting services to multiple government agencies other than Your own.

Any attempt to do any of the above (A to F) shall void and terminate this Agreement.

4. TERM

This Software License Agreement is and shall be effective from the date of full execution and shall remain in force until terminated. You may terminate this Agreement at any time by notifying Caselle in writing and returning all copies and modifications of the Software within 30 days of such notification. Your License terminates automatically if you materially fail to comply with any terms or conditions of this Agreement and You must return all copies and modifications of the Software to Caselle or its agent within 30 days of receipt of written notification of such termination. For each day You retain the Software without a valid License You agree to pay Caselle \$100.

Attachment D – Caselle Software License Agreement

5. WARRANTY

Caselle warrants that it has sufficient right and title to the Software to grant You this License. For one (1) year from the date of receipt of the Software ("Warranty Period"), Caselle also warrants the Software media to be free from defects in materials and workmanship under normal use, and Software operation will substantially conform to the specification published by Caselle. If an error or a defect in the Software or its media becomes apparent within the Warranty Period, You must promptly notify Caselle, in writing, describing the defect. Upon confirming the error or defect Caselle will, at its exclusive option, repair or replace the item or refund the price paid for the defective item. Caselle does not warrant that the functions contained in the Software will meet Your requirements or that the operation of the Software will be uninterrupted or error free. The entire risk as to the results and performance of the Software is assumed by You. The warranty does not cover Software modified by anyone other than Caselle and problems with, or caused by, computer hardware or non-Caselle software.

6. DISCLAIMERS AND LIMITATIONS OF REMEDIES

Except as specifically stated in this Agreement, the Software is Licensed "as is" without warranty of any kind, either express or implied, including, but not limited to implied warranties of merchantability and fitness for a particular purpose. In no event shall Caselle be liable for any indirect, special or consequential damages, including, but not limited to, loss of anticipated profits, revenue or savings, business interruption or loss of business information arising from the use of or inability to use the Software or breach of any expressed or implied warranty, even if Caselle or its agent has been advised of the possibility of such damages. These limitations shall apply notwithstanding the failure of an essential purpose of any limited remedy. Caselle's aggregate liability under this agreement for damage will not, in any event, whether based upon contract, negligence, strict liability in tort, warranty or any other basis, exceed the License fees paid by You for the Software.

7. ADDITIONAL SERVICES

Support, Training and Data Conversion for the Software will be provided directly by Caselle, or its authorized agent, and are subject to separate agreements.

8. GENERAL

- A. The Warranty and Limitation of Remedies gives You specific legal rights. You may also have other rights, which vary from state to state, in which case the greater right will apply.
- B. This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota and You hereby consent to the jurisdiction of State and Federal courts in Minnesota. If any part of this Agreement violates applicable law, that part shall be deemed to be amended to the extent necessary to comply with the law.
- C. This Agreement constitutes the entire Agreement between Caselle and You and supersedes any prior Agreement or understanding, written or oral. Except as provided herein, this Agreement may not be amended or supplemented except in writing and properly executed by both parties.
- D. If any provision of this Agreement shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity or the enforceability of this Agreement.
- E. All rights and remedies provided herein are cumulative and are in addition to all other rights and remedies available at law or equity.
- F. In the event that either party successfully takes legal action to enforce any provision of this Agreement the unsuccessful party shall pay full costs and expenses of such action, including reasonable attorney's fees.
- G. Any notice required by this Agreement shall be deemed to have been properly given if sent by registered or certified mail.
- H. The waiver of any breach or default of this Agreement shall constitute a waiver only as to such particular breach or default and shall not constitute a waiver of any other breach or default. Failure to act by either party in exercising any right, power, or remedy under this Agreement, except as specifically provided herein, shall not operate as a waiver of any such right, power or remedy, and will not affect the validity of the whole or any part of this Agreement, or prejudice such party's right to take subsequent action.
- I. Neither party shall be held liable for delays in any of its performance resulting from acts of God, war, civil disturbance, court order, labor dispute or any other cause beyond its control.
- J. The relationship of the Parties shall be solely that of independent contractors. No partnership, joint venture, employment, agency or other relationship is formed, intended or to be inferred under this Agreement. Neither party to this Agreement shall attempt to bind the other, incur liabilities on behalf of the other, act as agent of the other, or authorize any representation contrary to the foregoing.
- K. This Agreement is binding upon and shall inure to the benefit of the parties, their successors and assigns. However, this Agreement is not assignable by you. This Agreement is personal to you and neither the Agreement, nor the rights or duties hereunder, may be voluntarily or involuntarily, directly or indirectly, assigned or otherwise transferred without the prior written consent of Caselle. Any unauthorized assignment or transfer shall constitute a breach hereof and shall be voidable by Caselle.

Attachment E – Civic Support Agreement

CIVIC SUPPORT AGREEMENT

This Support Agreement is made by and between the **City of Breezy Point**, 8319 Co. Rd 11 , Breezy Point, MN 54868 and **Civic Systems, LLC**, 4807 Innovate Ln, Madison, Wisconsin 53707-7398.

TERMS AND CONDITIONS

1. DEFINITIONS

For purposes of this Civic Support Agreement, the subsequent capitalized terms will have the following meanings:

- A. "Client" – Will denote the City of Breezy Point, IL.
- B. "Civic" – Will denote Civic Systems, LLC.
- C. "Services" – Will denote services related to software training, onsite implementation assistance, and conversion services, as more specifically set forth in the "Conversion Services" attached hereto as Attachment "B".
- D. "Software" – Will denote end user computer programs and modules purchased by the Client from Civic, as more specifically set forth in the "Cost Detail" attached hereto as Attachment "A".
- E. "Product" – Will denote any goods or services produced by a third-party entity other than Civic.

2. TERM

The initial term of this Support Agreement is for a period of 1 year(s) from the date of use. The date of use is defined as the date the first module is implemented and considered "live". Upon expiration of the initial term of the Support Agreement, it shall be deemed renewed with the same terms and conditions for further successive periods of one (1) year(s) unless either party has given the other party written notice not less than thirty (30) days prior to the expiration of the initial term or subsequent renewal term(s).

3. CHARGES

Civic will invoice Client on the effective date and semi-annually thereafter. Invoices are sent in December for Support services rendered in the subsequent six (6) months for January through June. Invoices are sent in June for Support services rendered in the subsequent six (6) months for July through December. All invoices are due within 30 days of the invoice date. Invoices not paid within 30 days are subject to 1.5% interest per month or an annual interest rate of 18% per year. Civic will cease any and all Support services for any invoice not paid within 90 days until payment is made in full. Civic has the right to increase support charges at each anniversary or the effective date. Written notice of such increases shall be given to Client not less than thirty (30) days before the anniversary of the effective date.

Initial support fees are billed and prorated for that six-month period based upon the specific modules "go-live" date.

4. SERVICE HOURS

Civic will provide telephone and web support service five business days a week, from 7 AM to 5 PM Central Standard Time, excluding nationally recognized holidays. Annual support charges do not cover on-site support.

5. SERVICE NOTIFICATION

Client shall notify Civic of support tickets, by contacting Civic support and identifying the issue and symptoms. Notification may be made to Civic via telephone, web, e-mail or fax, as outlined below and in any of the methods outlined in the **SOFTWARE SUPPORT** section below.

Telephone: 608 240 2600
Toll-Free: 800 241 1517
Fax: 608 249 1050
E-mail: support@civicsystems.com
Website: <http://www.civicsystems.com>

Attachment E – Civic Support Agreement

6. TERMINATION OF AGREEMENT

This Support Agreement may be terminated as outlined under the **TERM** section above. In addition, Civic or Client shall terminate this agreement immediately upon written notice thereof to the other party, in the event the other party shall have breached a material provision of this Support Agreement, which breach shall not have been cured within a thirty (30) day period. If breach is not capable of being cured within such thirty (30) day period, this Support Agreement shall not be terminable so long as the party committing such breach shall have established to the reasonable satisfaction of the other party that it is using all diligent efforts to effect such cure.

This Support Agreement may be terminated by either party effective immediately and without notice, upon: (i) the dissolution, termination of existence, liquidation or insolvency of the other party, (ii) the appointment of a custodian or receiver for the other party, (iii) the institution by or against the other party of any proceeding under the United States Bankruptcy Code or any other foreign, federal or state bankruptcy, receivership, insolvency or other similar law affecting the rights of creditors generally, or (iv) the making by the other party of any assignment for the benefit of creditors.

7. ASSIGNMENTS

Civic shall not assign, transfer or pledge this Support Agreement and/or the services to be performed, whether in whole or in part, nor assign any monies due or to become due to it without the prior written consent of Client. A consent to assign shall be subject to such conditions and provisions as Client may deem necessary, accomplished by execution of a form signed by Client, Civic, and the assignee.

8. PLACE OF USE

The Customer shall provide a suitable, clean location for the installation and operation of the Product, including adequate surge protection on the electrical supply source.

9. RISK OF LOSS

This Support Agreement does not cover service, maintenance or repair necessitated by loss or damage resulting from any cause beyond the control of Civic, including, but not limited to loss or damage due to fire, water, lightning, earthquake, riot, unauthorized service or modifications, theft, or any other cause originating outside the Product.

10. PERFORMANCE

Civic shall exercise its best efforts in performing services covered under this Support Agreement, but shall not be liable for damages, direct or otherwise, for failure to perform services at a location deemed hazardous to health or safety or arising out of delays or failure in furnishing parts or services caused by Acts of God, Acts of Government, labor disputes or difficulties, failure of transportation or other causes beyond its control, or for any consequential damage whatsoever.

11. LIABILITY

Civic is only obligated to provide software support services for the most currently released version of the Software, and the immediately preceding version. Civic shall not be responsible, nor incur liability of any kind, nature or description to Client, its agents or employees or any other firm or corporation, whether direct or consequential, in event of failure or fault in condition or operation of the Product or for errors of omission in the transmission or display of information arising from the actual or alleged use of operation of the Product.

Attachment E – Civic Support Agreement

12. Warranty

- A. Each party represents and warrants to the other that it has full power and authority to enter into and perform this Agreement and the person signing this Agreement on behalf of each party hereto has been properly authorized and empowered to enter into this Agreement.
- B. Client warrants that it has the legal right and authority, and will continue to have the legal right and authority during the term of this Agreement, to operate, configure, provide, place, install, upgrade, add, maintain and repair (and authorize Civic to do any of the foregoing to the extent the same are included in the Services) the hardware, software and data that comprises any of Client's information technology system upon which or related to which Civic provides Services under this Agreement.
- C. Civic represents and warrants that materials produced or used under this contract, including but not limited to software, hardware, documentation, and/or any other item, do not and will not infringe upon any intellectual property rights of another, including without limitation patents, copyrights, trade secrets, trade names, and service marks and names.
- D. If a third party claim that the Software infringes upon any intellectual property rights of another which causes Client's reasonable use of the software or other material supplied under this contract to be seriously endangered or disrupted, Civic shall promptly, without additional charge to Client either procure for Client the right to continue using the software or other material, or replace or modify that software or material so that it becomes non-infringing, provided that such replacement or modified software or material has the same functional characteristics as the infringing software or material. If none of the foregoing alternatives are possible even after Civic's best efforts, Client shall have the right at its election, to terminate the license to the infringing software and Civic shall promptly refund to Client all fees, costs, and charges paid by Client to Civic for that software or material and any other software or material reasonably rendered ineffective as the result of said infringement.
- E. Civic warrants that any Services that it provides to Client under this Agreement will be performed in accordance with generally accepted industry standards of care and competence. Client's sole and exclusive remedy for a breach of Civic's warranty will be for Civic, in its sole discretion, to either: (i) use its reasonable commercial efforts to re-perform or correct the Services, or (ii) refund the fee Client paid for the Services that are in breach of Civic's warranty. Client must make a claim for breach of warranty in writing within thirty (30) days of the date that the Services that do not comply with Civic's warranty are performed. This warranty is voided in the event that Client makes alterations to the Services provided by Civic or to the environment in which Services are used (including the physical, network and systems environments). If Client does not notify Civic of a breach of Civic's warranty during that 30-day period, Client will be deemed to have irrevocably accepted the Services.
- F. Civic does not warrant any third-party product (each, a "Product"). All Products are provided to Client by Civic "AS IS." Civic will, to the extent it is allowed to by its vendors, pass through any warranties and indemnifications provided by the manufacturer of the Product. Client acknowledges that no employee of Civic or any other party is authorized to make any representation or warranty on behalf of Civic that is not in this Agreement.

Attachment E – Civic Support Agreement

13. LIMITATION ON LIABILITY

In no event will Civic's liability exceed the support fees paid to date by the Customer to Civic. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. In no event shall either party be liable for ANY lost profits, LOST Business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages arising out of or related to this Agreement.

Customer will indemnify Civic, its parent company (Baker Tilly US, LLP) and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorney's fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the Services of this Agreement.

In the event Civic is requested by the Customer; or required by government regulation, subpoena, or other legal process to produce its engagement working papers or its personnel as witnesses with respect to its Services rendered for the Customer, so long as Civic is not a party to the proceeding in which the information is sought, Customer will reimburse Civic for its professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

Civic will indemnify Customer against any damage or expense relating to bodily injury or death of any person or tangible damage to real and/or personal property incurred while Civic is performing the Services to the extent such damage is caused solely by the negligent acts or willful misconduct of Civic's personnel or agents in performing the Services.

Customer accepts and acknowledges that any legal proceedings arising from or in connection with the services provided under this Agreement must be commenced within twelve (12) months after the performance of the Services for which the action is brought, without consideration as to the time of discovery of any claim.

14. DEFAULT

In the event of payment default by Client, Civic shall be entitled to collect interest and collection costs, including court costs and reasonable attorney fees. In the event of default by the Customer in any term or condition herein, Civic may, at its option, refuse service or terminate its obligations under this Agreement.

15. FORCE MAJEURE

In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any act of God, fire, casualty, flood, war, strike, lock out, failure of public utilities, injunction or any act, exercise, assertion or requirement of any governmental authority, epidemic, destruction of production facilities, insurrection, inability to obtain labor, materials, equipment, transportation or energy sufficient to meet needs, or any other cause beyond the reasonable control of the party invoking this provision ("Force Majeure Event"), and if such party shall have used reasonable efforts to avoid such occurrence and minimize its duration and has given prompt written notice to the other party, then the affected party's failure to perform shall be excused and the period of performance shall be deemed extended to reflect such delay as agreed upon by the parties.

16. NOTIFICATION

All notices or communications required or permitted as a part of the Support Agreement shall be in writing (unless another verifiable medium is expressly authorized) and shall be deemed received (i) on the date personally delivered; or (ii) the date of confirmed receipt if sent by Federal Express, DHL, UPS or any other reputable carrier service, to applicable party (sending it to the attention of the title of the person signing this Agreement) at the address specified below.

Civic Systems, LLC
4807 Innovate Ln
P.O. Box 7398
Madison, WI 53707-7398

City of Breezy Point
8319 Co. Rd 11
Breezy Point, MN 56472

Attachment E – Civic Support Agreement

17. WAIVER

This instrument contains the entire Agreement for support of the parties. It cannot be changed, altered or modified orally. All changes or modifications must be in writing by the parties hereto.

18. SOFTWARE SUPPORT

The Client will supply the conditions and data which caused the malfunction and help reproduce the failure. The following services are part of the Support Agreement:

- A. Telephone and Internet Support – Unlimited and reasonable telephone technical support is provided during the hours specified in the **Service Hours** section above. In addition, Client has the ability to log support issues and search a knowledge base utilizing Civic's customer support portal over the internet twenty-four (24) hours a day, seven (7) days a week. Technical support history, including issue and resolution, shall be available to Client via the customer support portal over the internet for a period of three (3) years. Civic shall, on occasion, employ software tools that utilize the internet to troubleshoot technical support issues.
- B. Bug fixes and Updates – Civic shall provide Client with all bug fixes and updates within twenty (20) days of receiving bug fixes and updates upon satisfactory software testing by Civic. Documentation communicating bug fixes, updates, and changes to the database schema shall be sent to Client.
- C. Software Upgrades – Civic shall provide Client with upgrades to the current platform when available. Civic shall provide Client with all upgrades within thirty (30) days of satisfactory software testing by Civic. All relevant documentation communicating enhancements, changes to user manuals, changes to the database schema, etc. shall be sent to Client.
- D. Trained Employees – Support will be provided to any employee that has completed formal training with Civic. Client shall notify Civic of any new employees requiring software support. New employees must schedule formal training with Civic at the current daily rate before support services are provided under the Support Agreement. If software support is required before training takes place, Civic will provide support as long as training has been scheduled with Civic.

19. MISCELLANEOUS

This Support Agreement covers those Services rendered for post "go-live". Post "go-live" will be defined as the first time that the Software is used in a production environment to perform the Client's daily processing.

Attachment F – Hosted Agreement

This Hosted Services Agreement (the “Hosted Agreement”) is between Ontech Systems, Inc., a Wisconsin corporation (“ONTECH”), 11800 W. Park Place, Milwaukee, WI 53224, (262) 522-8560 and “CLIENT”.

“CLIENT” Organization/DBA: City of Breezy Point

Street: 8319 Co. Rd 11

City: Breezy Point

State: MN

Zip Code: 56472

Phone: 218.562.4441

Date: 6/27/24

Minimum # of Committed Named User for 36 Months: 6

1. PURPOSE

The purpose of this Hosted Agreement is to detail the understandings under which ONTECH will provide Hosted IT services (“Services”) to you. Additional Services to be provided will be mutually defined by ONTECH and you based upon your current need. Client desires to hire ONTECH and ONTECH agrees to provide CLIENT with certain Hosted Services within Microsoft Azure Data Centers. .

2. TERMS CONFIDENTIAL

The terms and conditions in this Hosted Agreement, the attachments hereto and Addendums are confidential, and shall not be used or disclosed, in whole or in part, for any purpose other than evaluation within your organization.

Attachment F – Hosted Agreement

EXHIBIT A

Terms, Conditions and Definitions

1) **General Terms. Exclusions, and Responsibilities.**

a) **General Responsibilities; ONTECH** will provide:

- i) Qualified personnel to perform all activities identified in this Statement of Work.
- ii) Detailed time reporting and related expense information to support its billings in electronic documentation.
- iii) Services in a professional manner and abide by the CLIENT's code of business conduct.
- iv) Recommendations based upon its reasonable opinion, industry standards, and supported by manufacturer information that certain equipment, software or security systems are obsolete, defective or incapable of meeting CLIENT's needs.

b) **General Responsibilities: Client** will provide:

- i) Reliable Internet access. Intermittent dropping of connection will cause approval of reconnection through MFA. For optimum performance, a 100/100 fiber (or higher) internet connection is recommended.
- ii) ONTECH with remote access to its computer systems and equipment.
- iii) ONTECH with convenient and timely access to the computer systems and equipment covered under any Services Agreement,
- iv) ONTECH with adequate workspace and facilities within a reasonable distance of the computer systems and equipment, access to and use of all information, internal resources, and facilities determined necessary by ONTECH to provide Services.
- v) ONTECH with the results of preliminary diagnostic steps or additional information as requested by ONTECH related to any requested Services.
- vi) An assigned employee to be a liaison or contact person in order to make communications between both parties effective.
- vii) ONTECH with any network documentation updates made by CLIENT such as password changes, network reconfigurations that will affect ONTECH ability to support CLIENT network

c) **General Responsibilities: Client** will agree:

- i) To follow ONTECH's recommendations in respect to updates or upgrades of the security systems supporting Client's computer systems and equipment to protect against hacking, malware, and other unauthorized entries into CLIENT's computer systems.

d) **Exclusions.** Client understands and agrees that Services required in order to recover from failures and/or incidents caused by any of the following circumstances may not be considered normal maintenance CLIENT further understands and agrees that ONTECH shall have no liability for the failures, incidents or work performed.

- i) Service made necessary by the alteration or modification of hardware or software other than as authorized or recommended by ONTECH
- ii) Service made necessary by hardware or software operation problems caused by neglect, malicious activity, or misuse including, without limitation, use of the system(s) for a purpose other than which it was designed, by Client, its employees, or third-party contractors.
- iii) Service made necessary by failure to follow ONTECH recommendations in regard to equipment, software or security modifications or updates.
- iv) Service made necessary due to acts of God, damage from fire originating outside of equipment, water, wind, earthquakes, lightning, terrorism, transporting equipment, vandalism, or burglary.
- v) Service made necessary due to electrical damage caused by electrical wiring at the system location or resulting from electrical surges, sags, or spikes.
- vi) Service made necessary by bugs or malware released by software installed by 3rd parties, adverse effects from CLIENT installing 3rd party software updates or CLIENT's industry specific software.
- vii) Service made necessary by Internet or telephone service provider outages.
- viii) Service made necessary due to outdated, out of support data backup solution(s) causing loss of data and/or slow data restore times.

Attachment F – Hosted Agreement

2) **Definitions.** The following definitions apply to this Agreement:

“Addendum” are attachments to this Agreement that contain the specific scope of services that the Client has requested and ONTECH has agreed to provide in exchange for the payment of fees described therein. An Addendum that has been signed by the parties is incorporated into and subject to the terms of this Agreement.

“Affiliate” is any legal entity owned by one of the parties, that owns one of the parties, or is under common ownership with one of the parties.

“Confidential Information” is information marked or otherwise identified in writing by a party to this Agreement as proprietary or confidential or that, under the circumstances surrounding the disclosure, ought in good faith to be treated as proprietary or confidential. Confidential Information includes non-public information regarding either party’s products, features, marketing and promotions, and the negotiated terms of our agreements, except as otherwise required by action of law. All beta products are confidential unless accepted in the section regarding Confidential Information later in this Agreement. Confidential information does not include information which: (i) the recipient developed independently; (ii) the recipient knew before receiving it under the relevant agreement; or (iii) is or subsequently becomes publicly available or is received from another source, in both cases other than by a breach of an obligation of confidentiality.

“Client” is defined as the company, organization, board, or agency that has signed this Agreement with ONTECH. “Client” also refers to any subdivision or parent of the signatory to this Agreement.

“Delivery” or “Delivered” means by hand, U.S. mail properly addressed and bearing adequate postage, courier service, including expedited courier service, or by electronic transmission by email addressed to the party that signed this Agreement at the last known address or email address of the other party.

“ONTECH” refers to the Corporation that has agreed to provide Services under this Agreement.

“You” means the CLIENT and **“Your”** means the request, facilities or operations of the CLIENT.

“Receipt” in the case of hand delivery means actual receipt, in the case of delivery by mail, means the date 3 days after the date of mailing, in the case of electronic mail shall mean the date of transmission, and in all other cases, shall mean the date of actual receipt by the party to which delivery was intended.

“Services” are the professional services provided by ONTECH under this Agreement which may include development, product support, or consulting services.

“Scope of Services” is the description of the Services to be provided by ONTECH to the CLIENT under the terms of this Agreement and is included in an Addendum entered into by ONTECH and CLIENT.

“Signed” means the insertion of an original signature, a scanned original signature, or electronic signature into a Quote or Proposal, an Agreement, Addendum or an Amendment and the delivery of the signed document to the other party by hand, via U.S. mail, by courier service, or by electronic mail (e-mail”).

“Subscription” means service, licensing, software, or hosted solutions in which CLIENT pays a monthly, annual, or multi year subscription fee for those products and solutions.

Certain other terms are defined as set forth elsewhere in this Agreement.

Attachment F – Hosted Agreement

3) Fees. As compensation for the Hourly Services provided by ONTECH, CLIENT agrees to pay ONTECH the fees and charges for the Services selected by CLIENT under an Hourly Services Addendum entered into by and between ONTECH and CLIENT (together with any sales or use tax that may be applicable). ONTECH reserves the right to raise its hourly fees and charges upon forty-five (45) days written notice of amended terms delivered to CLIENT; provided however fees and charges shall not be increased during the first one year from the date of this Agreement or the date of any subsequent Hourly Services Addendum. CLIENT understands and agrees that the following third-party costs are not covered by the fees set forth in ONTECH Services Agreements and shall be charged by ONTECH to CLIENT:

- Parts, hardware, and software not covered by warranties
- Software licenses, subscription, or upgrade fees
- Manufacturer or vendor support fees, whether by annual contract or per incident
- Consumable materials, such as printer cartridges and removable storage tapes/disks
- Shipping costs

CLIENT shall also pay ONTECH for the one-way travel time between ONTECH's office and the CLIENT's location at one hundred percent (100%) of the applicable rates. Emergency Services rates shall be as agreed upon under an Hourly Services Addendum. There shall be a fifteen minute minimum charge for any Service request.

CLIENT further agrees to reimburse ONTECH for all direct costs incurred by ONTECH in providing Services including, without limitation, travel expenses from ONTECH's office to CLIENT's location. Upon CLIENT's request, ONTECH shall provide CLIENT with itemization and documentation concerning such direct costs. Travel in excess of 1.5 hours is subject to an additional charge which will be included within proposals approved by CLIENT.

4) Invoices. Client will be invoiced on the effective date and semi-annually thereafter. Invoices are sent in December for services rendered in the subsequent six (6) months for January through June. Invoices are sent in June for Hosted services rendered in the subsequent six (6) months for July through December. New clients added in the middle of the semi annual billing cycle will have a prorated fee for the remaining months of that billing cycle.

All invoices are due within 30 days of the invoice date. Invoices not paid within 30 days are subject to 1.5% interest per month or an annual interest rate of 18% per year. ONTECH has the right to increase Hosted charges at each anniversary or the effective date. Written notice of such increases shall be given to Client not less than thirty (30) days before the anniversary of the effective date.

5) Suspension/Termination of Services. ONTECH reserves the right to suspend the delivery of Services if the CLIENT's account becomes 60 days or more past due effective upon CLIENT's receipt of written notice of Suspension. Services will not be resumed until the CLIENT's past due balance is paid in full. ONTECH further reserves the right to terminate Services for non-payment effective upon CLIENT's receipt of written notice of termination for non-payment. In the event that ONTECH elects to terminate the delivery of Services due to non-payment ONTECH's engagement will be deemed to have been completed even if ONTECH has not completed the services described in the Scope of Services referred to in any Addendum and this Hosted Agreement. In such event CLIENT remains obligated to compensate ONTECH for all time expended and to reimburse ONTECH for all out-of-pocket expenditures through the effective date of termination. CLIENT shall still be financially responsible for any remaining contracted services and subscriptions.

6) Hosted Agreement Term. This Agreement shall be effective as of the go live date and shall continue in effect for a period of thirty-six (36) months (the "initial term") from the hosted go live date unless canceled by either party upon sixty (60) days' written notice. Early termination by CLIENT will result in full payment of the monthly contracted hosted services as defined in the signed Hosted Agreement.

Attachment F – Hosted Agreement

7) Relationship. The relationship of ONTECH and CLIENT shall be that of independent contractors, not that of employer/employee, partnership or joint venture. ONTECH shall be free to exercise independent judgment as to the time, place and manner of performing the Services under this Agreement subject to the mutual agreement of CLIENT.

8) Limited Warranties; Disclaimers. ONTECH represents and warrants that any Services that it provides to CLIENT under this Agreement will be performed in accordance with generally accepted industry standards of care and competence. CLIENT's sole and exclusive remedy for a breach of ONTECH's warranty relating to Services shall be that ONTECH will, in its sole discretion, either (i) use reasonable efforts to re-perform the Services, or (ii) refund the fee CLIENT paid for the Services that are alleged to be in breach of ONTECH's warranty. A claim for breach of ONTECH's warranty relating to Services must be made by CLIENT in writing delivered to ONTECH within fifteen (15) days of CLIENT's discovery of the alleged breach. If CLIENT does not notify ONTECH of a breach of ONTECH's warranty relating to Services during such period, CLIENT shall be deemed to have irrevocably accepted the Services.

ONTECH does not provide any warranty relating to any Products sold to CLIENT pursuant to this Agreement. CLIENT shall pursue any warranty claim under such warranty as may be available from the manufacturer of the Product. All Products are provided to CLIENT by ONTECH "AS IS." ONTECH shall, to the extent it is allowed by its vendors, pass through any warranties provided by the manufacturer of the Product. In the event such warranties are not assignable to CLIENT, ONTECH agrees to take commercially reasonable efforts to assist CLIENT's efforts to obtain warranty coverage. ONTECH is not compensated by manufacturers for Services performed as they relate to the Manufacturer's Warranty. Those services will be billed to the CLIENT in accordance with the Hourly Services Addendum agreed upon rates. CLIENT acknowledges that no employee of ONTECH or any other party is authorized to make any representations or warranties on behalf of ONTECH that are not in this Agreement. **ONTECH EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES RELATED TO THE SERVICES AND/OR PRODUCTS, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF ACCURACY, TITLE, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, OR OTHER PERFORMANCE.**

9) Insurance. ONTECH shall, at its sole expense, maintain in effect at all times during the performance of Services, insurance coverage as set forth below:

- (a) Worker's Compensation in accordance with the law in the State of Wisconsin.
- (b) Commercial General Liability, Professional Liability (Errors and Omissions) and Automobile Liability Insurance.
- (c) Evidences of Insurance – Upon execution of this Agreement, ONTECH will, if requested by CLIENT, provide CLIENT with a certificate of insurance confirming the existence of the above described coverages.

Attachment F – Hosted Agreement

10) Limitations of Liability; Indemnification. IN RECOGNITION OF THE RELATIVE RISKS AND BENEFITS OF THE SERVICES TO BE PERFORMED BY ONTECH THE RISKS HAVE BEEN ALLOCATED SUCH THAT THE CLIENT AGREES TO LIMIT THE LIABILITY OF ONTECH FOR ANY AND ALL CLAIMS, LOSSES, COSTS, OR DAMAGES OF ANY NATURE SUCH THAT THE TOTAL AGGREGATE LIABILITY OF ONTECH ON ANY CLAIM SHALL NOT EXCEED THE GREATER OF: (a) THE TOTAL FEE PAID BY CLIENT TO ONTECH FOR THE SERVICES RENDERED TO CLIENT THAT ARE ALLEGED TO BE THE CAUSE OF THE EVENT OR OCCURRENCE GIVING RISE TO CLIENT'S CLAIM; OR (b) THE TOTAL FEE PAID BY CLIENT TO ONTECH FOR SERVICES RENDERED TO CLIENT OVER THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT OR OCCURRENCE GIVING RISE TO CLIENT'S CLAIM. IT IS INTENDED THAT THIS LIMITATION SHALL APPLY TO ANY AND ALL LIABILITY OR CAUSE OF ACTION HOWEVER ALLEGED OR ARISING. NOTWITHSTANDING THE FOREGOING LIMITATIONS ONTECH SHALL IN NO EVENT BE LIABLE FOR DAMAGES IN EXCESS OF PAYMENTS, IF ANY, MADE BY ONTECH'S INSURANCE CARRIER TO CLIENT.

EXCEPT AS PROVIDED IN PARAGRAPH EIGHT (8) IT IS FURTHER AGREED THAT ONTECH SHALL NOT BE LIABLE FOR CLAIMS ASSERTING OR ARISING OUT OF AN ALLEGED BREACH OF EXPRESS OR IMPLIED WARRANTY OR FOR DAMAGES RELATING TO INTERRUPTION OF BUSINESS, CONSEQUENTIAL DAMAGES OR PUNITIVE DAMAGES. CLIENT WILL INDEMNIFY, DEFEND AND HOLD ONTECH HARMLESS FROM AND AGAINST ANY CLAIM, LOSS, COST AND DAMAGE OF ANY NATURE, INCLUDING CLAIMS OF THIRD PARTIES, THAT WOULD BE ABOVE, BEYOND OR OUTSIDE THE SCOPE OF THE TERMS OF THE "LIMITATIONS OF LIABILITY" OR THE "LIMITED WARRANTIES DISCLAIMERS" PROVISIONS SET FORTH IN THE AGREEMENT BY AND BETWEEN ONTECH AND CLIENT.

11) Confidentiality. The Parties acknowledge and agree that during the course of the performance of the parties' respective obligations under this Agreement, each party may make available to the other Confidential Information that is of value to the party disclosing the information. Each party agrees to maintain the confidentiality of the Confidential Information of the other party and not to disclose or disseminate such Confidential Information to third parties. The party receiving Confidential Information agrees to use the same standard of care in maintaining the confidentiality of the Confidential Information as it uses to avoid disclosure of its most sensitive Confidential Information. Nothing in this Section shall preclude a party from disclosing Confidential Information to the extent that the disclosure thereof is required by law. Upon termination or expiration of this Agreement, the parties shall destroy or return all Confidential Information of the other and shall not use any Confidential Information of the other in its business. ONTECH further acknowledges that CLIENT owns all proprietary data, files and information maintained, within the files, records and electronic data systems of CLIENT (other than software copyright protected or software licensed by third parties). ONTECH will protect and not release any of CLIENT's data, files or information to any party except upon the express written direction of CLIENT.

12) Non-solicitation of Ontech employees. CLIENT recognizes that ONTECH has invested valuable time and resources in the selection, hiring, training and retention of employees that will be assigned to perform Services on behalf of CLIENT. As a result, CLIENT agrees that it will not, during the term of this Agreement or for a period of one (1) year following the termination of this Agreement, solicit for employment or offer employment to any employee of ONTECH. If CLIENT violates this provision ONTECH may immediately terminate this Agreement irrespective of any notice otherwise required herein and CLIENT agrees to pay ONTECH a fee equal to 100% of the yearly wages of the employee or employees that CLIENT hires or attempts to hire as liquidated damages, which amount CLIENT agrees to be a fair and reasonable amount.

13) Integration; merger. This Agreement, and the Addendums attached hereto and incorporated herein, supersede all previous agreements whether oral or written between the parties with respect to the subject matter hereof. This Agreement is expressly agreed to contain all of the terms, conditions and understandings of the parties. This Agreement further contains all of the terms, conditions and understandings of the parties as may be subsequently provided by ONTECH to CLIENT in a written notice of "amendment" electronically delivered to CLIENT provided no written objection to any amended term is received by ONTECH within 45 days from the date of the delivery of the notice of amendment to CLIENT.

Attachment F – Hosted Agreement

14) Binding effect. This Agreement shall be binding upon the parties, their respective successors, merger partners, assigns, subsidiaries, affiliates, legal representatives and administrators. This Agreement is also binding by and between the parties if CLIENT requests ONTECH to provide services to a third party as a sub-contractor of CLIENT.

15) Governing law. This Agreement shall be governed by the laws of the state of Wisconsin and any claims or actions arising under this Agreement shall be filed and heard in the Circuit Court of Washington County, Wisconsin.

16) No modifications. Except as provided in paragraph 13, no modification, amendment or waiver of any provision of this Agreement shall be effective unless approved in writing by both parties. The failure of either party at any time to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions.

17) No assignments without consent. This Agreement may not be assigned without the written consent of the other party.

18) Counter-parts. This Agreement may be executed by the parties hereto in counter-parts provided it shall not be effective if not signed by both parties with an executed copy provided to the other party. Signatures on a copy of this Agreement or on copies of any other documents provided pursuant to this Agreement delivered by hand, U.S. Mail, courier service or by electronic mail shall be binding upon the parties and of the same legal effect as original signatures.

19) Authority. The person executing and attesting to this Agreement on behalf of CLIENT hereby personally represents and warrants that: they have full power, authority and right to execute this Agreement; the execution and delivery of this Agreement has been duly authorized by all Managers, Members or owners of CLIENT whose consent or approval may be required; and the execution of this Agreement by the below signatory is sufficient and legally binding on CLIENT without the signature of any other Manager, Member, owner or party.

Upon receipt of this fully executed document, ONTECH will be available to schedule Services and will proceed in a manner consistent with both organizations' needs. If this meets with your approval, please return a signed copy of this Hosted Agreement and all applicable Addendums. We look forward to being of service to your organization (CLIENT).

Ontech Systems, Inc.

Signature: _____

Mark P. Dohnal

President

Date: _____

City of Breezy Point, MN

Signature: _____

Name: _____

Title: _____

Date: _____