

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “**MOU**”), dated as of _____, 2024, sets forth certain nonbinding understandings and binding agreements between Grand Rapids Public Utilities Commission, a public utilities commission created under Minnesota Statutes, sections 412.321 to 412.391 (the “**GRPUC**”), and City of Grand Rapids, a Minnesota municipal corporation (the “**City**”), relating to City’s Public Sector Agreement for Oracle Cloud Services, and documents referred to therein or entered into thereunder (collectively, “**Oracle Agreement**”), with Oracle America, Inc. (“**Oracle**”), relating to Oracle-provided Software (as defined in the Oracle Agreement) (“**Software**”) and Oracle’s provision of Services (as defined in the Oracle Agreement) (“**Services**”). GRPUC and City are sometimes referred to individually as a “**Party**” and collectively as the “**Parties**”.

1. MOU Subject to Definitive Agreement. This MOU is for discussion purposes only and is not intended to constitute a legally binding or enforceable agreement or commitment on either Party, except for Section 3 which shall be binding on the Parties in accordance with its terms.

2. Nonbinding Understandings. This Section 2 sets forth the nonbinding understandings of the Parties with respect to the Oracle Agreement. It is the present intention of the Parties that City will enter into the Oracle Agreement with Oracle for use of the Software and Services, and City and GRPUC will have a Parent-Child relationship in relation to the Software and Services, which will allow GRPUC to use the Software and Services for its business needs, all on the terms and conditions set forth in this Section 2. The Parties intend to negotiate a formal written agreement (“**Definitive Agreement**”) that would govern their relationship in relation to the Software and Services and the Oracle Agreement. Binding obligations with respect to the Software and Services and the Oracle Agreement shall only arise upon the execution of the Definitive Agreement by both Parties. Following are the parameters of the Definitive Agreement:

(a) The Definitive Agreement will define the roles and responsibilities of GRPUC and City in relation to the implementation, enforcement, maintenance, use, control, and operation of the Software, Services, and Oracle Agreement.

(b) The Parties will commit to a Parent-Child relationship in relation to the Software, Services, and Oracle Agreement for the term of the Definitive Agreement and the Parties will take such action as is reasonably necessary to ensure that both Parties have the full right to access and use the Software and Services in accordance with the Oracle Agreement as the needs of that organization dictate.

(c) The Definitive Agreement will be binding on the Parties for five (5) to seven (7) years after the date of the Definitive Agreement, subject to standard early termination provisions.

(d) The Definitive Agreement will contain such covenants, conditions, indemnities, representations and warranties as are customary for this type of transaction and as the Parties mutually agree.

3. Binding Agreements. This Section 3 shall constitute a legally binding and enforceable agreement between the Parties. In consideration of the significant expenses that the Parties will incur in pursuing the Oracle Agreement and drafting and negotiating the Definitive Agreement, the Parties agree as follows:

(a) Good Faith Negotiations. The Parties shall negotiate in good faith and use their best efforts to bring about the execution and delivery of the Definitive Agreement at the earliest practicable time, but no later than six (6) months from the date of this MOU.

(b) Costs and Expenses. Each Party shall be responsible for all of its costs and expenses associated with pursuing the Definitive Agreement, including without limitation, the performance of its obligations under this MOU and drafting and negotiating the Definitive Agreement.

(c) Governing Law. This MOU shall be governed by and construed in accordance with the internal laws of the state of Minnesota.

(d) Counterparts. This MOU may be executed in separate counterparts with the same effect as if all signatures were on the same MOU. For purposes of this MOU, a telecopy, electronic, or facsimile MOU and signature shall be deemed as, and shall serve as, an original MOU and signature.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the date set forth above.

Grand Rapids Public Utilities Commission

City of Grand Rapids

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____