AKTIVOV PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Services Agreement", or "Agreement") is between AKTIVOV LLC ("SERVICE PROVIDER"), a Washington corporation, with its principal place of business at 24919 SE 41st Dr, Issaquah, WA, 98029, and the City of McCleary, a Washington corporation, with its principal place of business at 100 S 3rd Street, McCleary, WA 98557 (CLIENT) (individually a "Party" and collectively the "Parties").

WITNESSETH:

WHEREAS, the CLIENT desires to have certain services and/or tasks performed as set forth in Appendix A (Scope of Work in excel files), below requiring specialized skills and other supportive capabilities; and

WHEREAS, the SERVICE PROVIDER represents that the SERVICE PROVIDER is qualified and possesses sufficient skills and the necessary capabilities, including technical and professional expertise, where required, to perform the services and/or tasks set forth in this Agreement; and

WHEREAS, the Parties have entered into this professional services agreement related to Information Technology, Software, Hardware, Technical, Resources and other associated services e.g. cloud, mobility, cyber security, assessments and recommendations, strategic plans, migration of systems and data, integration with other systems, projects based on certain scopes etc.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, the parties hereto agree as follows:

1. SCOPE OF SERVICES

This Agreement covers only the professional services scope of work as mentioned in the scope and quotation attached herewith. The SERVICE PROVIDER shall perform such services and accomplish such tasks, as identified and designated as SERVICE PROVIDER responsibilities throughout this Agreement and as detailed in the attached quotation and Appendix A, attached hereto and incorporated herein. The CLIENT will help the SERVICE PROVIDER by furnishing all required materials, equipment, remote and onsite access to CLIENT's infrastructure, appropriate staff, and anything else as necessary for full performance of services mentioned in attached quotation. This Agreement can be amended in writing with added scope of work and budget with mutual agreement from both Parties.

2. TERM

Work shall begin no earlier than the effective date (signed date) referenced below, and shall be completed per schedule as negotiated between the SERVICE PROVIDER and the CLIENT. Note that the schedule may be adjusted in consultation with both parties during the course of the work to account for lags, delays, and resource availability of both Parties.

3. COMPENSATION AND METHOD OF PAYMENT

A. Invoices will be raised at the end of each month according to the various work done in that month (may include components of both Fixed Price, and Time and Materials work), including any applicable State sales tax, in accordance with the scope of work, copy attached hereto and incorporated herein in full by this reference.

B. The SERVICE PROVIDER shall submit invoices to the CLIENT's supervising Project Manager. The CLIENT shall initiate authorization for payment after receipt of said invoice and shall make payment to the SERVICE PROVIDER within thirty (30) calendar days from the date of the invoice.

C. Non-payment of any invoices: Invoices will be raised according to the payment schedule as mentioned in the attached quotation. If payment is not received for any invoice within thirty (30) calendar days from the date of invoice, the SERVICE PROVIDER will notify the CLIENT of payment oversight and allow additional fifteen (15) calendar days for payment. The SERVICE PROVIDER will charge six percent (6%) penalty if payment is not made by the end of the additional fifteen (15) calendar days and thereafter will charge two percent (2%) per month interest in addition to any legal procedures costs that may be incurred to recover pending payments including penalties and interest. The SERVICE PROVIDER also reserves the right to terminate this Agreement and discontinue any remaining components of any remaining tasks of the professional services due to non-payment.

4. INDEPENDENT CONTRACTOR RELATIONSHIP

A. Both parties intend that an independent contractor relationship will be created by this Agreement.

B. No agent, employee, servant or representative of the CLIENT shall be deemed to be an employee, servant or representative of the SERVICE PROVIDER for any purpose, and vice versa. The employees of the CLIENT are not entitled to any of the benefits the SERVICE PROVIDER provides for its employees, and vice versa.

C. In the performance of the services herein contemplated the SERVICE PROVIDER is an independent contractor with the authority to control and direct the performance of

the details of the work and tasks in order to meet the desired outcomes. The CLIENT will help the SERVICE PROVIDER to achieve implementation or services or project goals in all reasonable ways.

5. HOLD HARMLESS AND INDEMNIFICATION

A. The SERVICE PROVIDER shall indemnify and hold the CLIENT and its agents, employees, and/or officers, harmless from any and all claims, demands, suits, at law or equity, actions, penalties, loss, damages, or costs, of whatsoever kind or nature including reasonable attorney fees and costs, brought against the CLIENT arising out of, or in connection with, or incident to, the SERVICE PROVIDER'S performance or failure to perform any aspect of this Agreement;

B. The CLIENT shall indemnify and hold the SERVICE PROVIDER and its agents, employees, and/or officers, contractors harmless from any and all claims, demands, suits, at law or equity, actions, penalties, loss, damages, or costs, of whatsoever kind or nature including reasonable attorney fees and costs, brought against the SERVICE PROVIDER arising out of, or in connection with, or incident to, the CLIENT's performance or failure to perform any aspect of this Agreement;

C. If such claims are caused by or result from the concurrent negligence of the CLIENT and the SERVICE PROVIDER and its agents, employees, and/or officers, the indemnity provisions provided by the SERVICE PROVIDER shall be valid and enforceable only to the extent of the negligence of the SERVICE PROVIDER;

D. Nothing herein shall require either Party to hold harmless or defend the other Party (Party at fault), its agents, employees, and/or officers for damages or loss caused by the Party at fault's negligence or errors or mistakes.

E. The provisions of this section shall survive the expiration or termination of this Agreement. No liability shall attach to the SERVICE PROVIDER by reason of entering into this Agreement except as expressly provided herein.

F. This Services Agreement is made entirely for the benefit of the CLIENT and the SERVICE PROVIDER and their successors in interest, and no third party or person shall have any rights hereunder whether by agency, as a third party beneficiary, or otherwise.

6. COMPLIANCE WITH LAWS

A. Both Parties in the performance of this Agreement, shall comply with all applicable (applicable to own organization) federal, state or local laws and ordinances, and is solely

responsible for the payment of such taxes applicable to the services performed under this Agreement, including regulations for licensing, certification and operation of facilities, maintenance of insurance and records, programs and accreditation, licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services. The SERVICE PROVIDER shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance or unemployment compensation programs or otherwise assuming the duties of an employer with respect to CLIENT or any of the CLIENT's employees or the CLIENT's other independent contractors, and vice versa.

B. This Agreement shall be construed and enforced in accordance with, and be governed by, the laws of the State of Washington without reference to conflict of laws principles. Both Parties hereby consent to pursue any legal procedures at the Superior Court of King County, State of Washington, and waive their rights to change venue.

7. NONDISCRIMINATION

A. Nondiscrimination in Employment: In the performance of this Agreement, both Parties will not discriminate against any employee or applicant for employment on the grounds of race, creed, color, national origin, sex, marital status, age, sexual orientation, religion, veteran's status, or the presence of any sensory, mental or physical handicap or any other bases prohibited by applicable Federal, State, or local law; provided that the prohibition against discrimination in employment is because of the particular work involved. Both parties shall ensure that own employees are treated during employment without discrimination because of their race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap.

B. Nondiscrimination in Services: Both Parties will not discriminate against any recipient of any services, or benefits provided for in this Agreement of the grounds of race, creed, color, national origin, sex, marital status, age or the presence of any sensory, mental or physical handicap.

8. SUBCONTRACTING

The SERVICE PROVIDER may subcontract its performance or any portion of its performance or tasks under this Agreement or any portion of the scopes attached or any portion of this Agreement as deemed necessary at the SERVICE PROVIDER's discretion for the execution and implementation of the scope of work, and shall inform the CLIENT about it in writing and obtain consent from the CLIENT. It is already known and agreed between the parties that the SERVICE PROVIDER will use teams globally as needed as sub-contractor(s) for the projects, implementations, and support at the sole discretion of the SERVICE PROVIDER to perform services. The SERVICE PROVIDER shall be held responsible for all performance related to the SERVICE PROVIDER pursuant to this agreement.

However, the SERVICE PROVIDER is not responsible for any performance pursuant to this agreement that is related to the CLIENT and is the responsibility of the CLIENT.

9. CHANGES

Either Party may request additions to the scope of services to be provided hereunder with additional scope, budget, timeline as appropriate; however, no change or addition to this Agreement shall be valid or binding upon either Party unless such change or addition be in writing and signed by both Parties. Such amendments (scope and associated budget) shall be attached to and made a part of this Agreement.

10. PROHIBITED INTEREST

No member, officer, or employee of the CLIENT shall have any unlawful interest, direct or indirect, in this Agreement or in the SERVICE PROVIDER or the proceeds thereof.

11. TERMINATION

If this Agreement is terminated by the CLIENT for any reason, the SERVICE PROVIDER shall be paid all associated costs, including but not limited to, close-out costs due to this Agreement, and costs on task performed up to the time of termination of this Agreement. The SERVICE PROVIDER shall promptly submit a termination claim to the CLIENT within (30) calendar days of such termination. If this Agreement is terminated by the SERVICE PROVIDER for any reason, the CLIENT shall promptly pay SERVICE PROVIDER for all services provided up to the date of termination. If either Party has any property in its possession belonging to the other Party, then each Party will hand over or dispose of the property in the manner reasonably directed by the concerned Party.

12. NOTICE

Notice provided for in this Agreement shall be sent by certified mail or email to the addresses designated for the parties as below. Each Party will update the notice contact information below in writing (mail or email) if anything changes within 10 business days of such change.

Arnab Bhowmick	**Chad Bedlington**
AKTIVOV LLC	City Manager,
24919 SE 41st Dr,	City of McCleary, WA,
Sammamish, WA 98029	100 S 3rd Street, McCleary, WA 98557
Email: arnab@aakavs.com	Email: chadb@cityofmccleary.com

13. DISPUTE RESOLUTION

Both Parties will attempt to settle any claim or controversy arising out of this Agreement through consultation and negotiation in good faith and a spirit of mutual cooperation. If those attempts fail, then the dispute will be mediated by a mutually acceptable mediator to be chosen by both Parties within thirty (30) calendar days after written notice by one of the Parties demanding non-binding mediation. Neither Party may unreasonably withhold consent to the selection of a mediator. By mutual agreement, however, the SERVICE PROVIDER and the CLIENT or Licensee may postpone arbitration until both parties have completed reasonable discovery about the dispute. If the Parties are unable to agree upon a mediator, then a mediator shall be assigned by the presiding judge of the Superior Court of Grays Harbor, State of Washington. Each Party shall pay its own attorney fees and costs incurred in the mediation. Any dispute which cannot be resolved by the Parties through mediation within ninety (90) calendar days of the initial demand for it by one of the Parties, may be submitted to the Superior Court of Grays Harbor, State of Washington, for resolution. Both Parties consent to jurisdiction by such court. Both Parties confirm that any such litigation may be subject to the applicable rules for arbitration of matters in Superior Court of Grays Harbor, State of Washington. Both Parties agree that this dispute shall be decided either by an arbitrator pursuant to said rules or by a judge, and both Parties knowingly and fully and forever waive the right to have any dispute between the Parties resolved by a jury. Nothing shall prevent either of the parties from resorting to the judicial proceedings mentioned in this paragraph if (a) good faith efforts to attempt resolution of the dispute under these procedures have been unsuccessful; or (b) interim relief from the court is necessary to prevent serious and irreparable injury to one of the parties or others.

14. ATTORNEY'S FEES AND COSTS

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing Party shall be entitled to recover from the other Party, in addition to any other relief to which such Party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding, including any such fees and costs incurred on appeal.

15. SEVERABILITY

If, for any reason, any part, term or provision of this Agreement is held by the Superior Court of Grays Harbor, State of Washington to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations

of the Parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

If it should appear that any provision hereof is in conflict with any statutory provision of the State of Washington, said provision which may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provisions.

16. ENTIRE AGREEMENT

Both parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modifications of this Agreement shall be in writing and signed by both Parties. It is also agreed by the parties that the forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of any other provisions of this Agreement, or the waiver of the same provision thereafter.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective, valid, and binding upon the Parties as of the date set forth below as executed by their duly authorized representatives ("Effective Date").

Accepted and Agreed:

AKTIVOV LLC   **City of McCleary, WA**

Name:___Arnab Bhowmick_____   Name:_____

Title:_____Founder_____   Title:_____

Date:_____11/21/2022_____   Date:_____

Signature:_____   Signature:_____

Budgetary Estimate

Aktivov LLC

Attn: Chad Bedlington
City Manager
City of McCleary, WA

ITEM DESCRIPTION	Start Price for Year 1

A.   **Initial IT Assessment:**
    a. Please refer to the Initial Assessment Workshop file attached
    b. Please refer to Task #1 in the Proposal Summary file for scope of work
	$6,600 one time fee, fixed price

B. **Monthly IT and Infrastructure Maintenance :** a. Please refer to Task #2 and #3 in the Proposal Summary file for scope of work	$2,500-$3,000 per month, we will try to keep it to the lower end of the budget. This will be billed as Time and Materials price according to hours used per month @ $125 per hour in 2023.
C. **Applications and Data Migration to the Cloud :** a. Please refer to Task #4 in the Proposal Summary file for scope of work	Exact Scope and Budget will be developed based on Task 1 outcomes
D. **Cyber Security Monitoring and Compliance :** a. Please refer to Task #5 in the Proposal Summary file for scope of work	Exact Scope and Budget will be developed based on Task 1 outcomes
E. **Strategic Planning and Overall Reporting/ Ad Hoc IT Consulting :** a. Please refer to Task #6 in the Proposal Summary Excel file for scope of work	$150/hr in 2023

Applicable State taxes will be applied to the price in all invoices.

Thank you for your business. Please contact me if you have any questions. We are looking forward to get you started.

Thanks and Best Regards,

Arnab Bhowmick,
Aktivov LLC.
arnab@aakavs.com
425.245.3569

Task 1: Initial IT Assessment:
Scope of Work

Activity 1: Inventory of IT at the City

We will take inventory of all systems, software, hardware, ISPs, applications, databases etc. to understand what needs to move to the cloud and what may stay local. We will produce a final list of inventoried items for the City.

Activity 2: Facilitate 3 Workshops

We will facilitate 3 workshops as identified in the Initial Assessment Planner to understand and document the current IT scenario at the City. These workshops will provide us with a deeper understanding of gaps and deficiencies. We will work with the City Project Manager (PM) to schedule the workshops. The PM will identify and invite appropriate participants to these workshops.

Activity 3: Develop Network Architecture Diagram

The city doesn't have an existing network architecture diagram. This is a vital document to understand IT infrastructure deployment within the City. We will develop this important document that will reflect the desired future of the City's IT infrastructure. It may include cloud based and local on-premises systems.

Activity 4: Cyber Security Deep Dive

All cyber security related issues and gaps will be identified, and recommendations will be developed around the issues how to bridge the gap and what to address on the cloud vs. on premises systems. Details will be included in Activity 5.

Activity 5: Overall IT Assessment Report

From the outcomes of all of the above activities, an overall IT assessment report will be produced covering Applications, Data, Process, Technology, IT Infrastructure, & Cyber Security. The report will identify major findings, issues, gaps, and recommendations on each of the topics above. What needs to be moved to the cloud and how, what remains on premises, what does the maintenance and infrastructure support plan look like moving forward, etc. - all of these will be covered in this report.

Activity 6: Develop Budget and Scope for 2023 and ongoing

Two major things will be done in this activity as below:

- Refinement of the Scope and Budget for Task 2: Desktop, Laptop, End User Support and Task 3: IT Infrastructure Support - Network and Server admin will be done. The ballpark estimate now is approximately $2500 - $3000 per month, spending 20 -24 hours per month @ $125/ hr. Please refer to the Proposal Summary file for details.
- Develop Scope and Budget for Task 4: Application and Data Migration to the Cloud and Task 5: Cyber Security Monitoring and Compliance. Please refer to the Proposal Summary file for details.

Task #	Areas of Engagement	Scope of Work	Out of Scope	Service Coverage	Price (US$)	Remarks
1	Initial Assessment	**Consultancy** • Inventory of systems, applications, ISPs, main hardware etc. • 3 workshops as mentioned in the Initial Assessment Planner • Develop Network Architecture Diagram • Overall Assessment of Applications, Data, Process, Technology, and IT & Security Infrastructure - what needs to be moved to the cloud and how, what remains on premises, whats the maintenance and infrastructure support plan moving forward • Cyber Security issues, and how to address them in the future - cloud vs. on premises depending on what remains where • Overall Findings and Gap Identification • Report with Final Reccommendations • Refine Scope and Budget for Task 2 and 3 • Develop Scope and Budget for Task 4 and 5	Any dept. other than IT	One Time	$6,600 one time initial assessment fee	This is the first task we are going to do, and accordingly we will plan the rest of the items below.
2	Desktop, Laptop, End User Support	**End User Support** - Software and Hardware Inventory - Software & Standard Application Installation like Office 365 (Not specialized application like Springbrook, Accoutning, Cameras etc. The City has appropriate vendor support for such things, but we can help coordiante with them) - Patch and Security Management - End User Support - Remote Trouble Shooting using remote meeting tools	We will work with the City to identify local resrouces for anything onsite or physical installation of any equipment like PDAs, desktops, laptops, printers, scanners, network devices, etc.	City work hours daytime e.g. 8am to 4pm (On-going)	###############################	Incident Management through Ticketing System for 32 to 36 City users. The plan is to move towards terminal end points so that no user is machine dependent. Applications, Microsoft Office tools, storage etc. will be moved over to the cloud so that everything can be monitored and managed remotely and in a much affordable way. Desktops and laptops can be serviced easily either locally or with the City's DELL service agreement. The City will eventually become independent of the machine, so any machine can be swapped for any user because most things will be accessed from the cloud.
3	IT Infrastructure Support - Network and Server admin etc.	**Network Support** • **Network Inventory Management** - Router, Firewalls, Switches, IDS/IPS • **Network Management** - Configuration Management - Change Management (to be dicsussed) - Patch Management - Backup Management • **Network Monitoring** - Uptime - Capacity - Utilization • **Network Troubleshooting** • **Network Incident Management** - SLA Management **Server Support** • **O365 Management including inTune** • **Server Inventory Management** - Software. OS and Hardware • **Server Management** - Configuration Management - Change Management (to be dicsussed) - Patch Management - Backup Management • **Server Monitoring** - Uptime - HDD Capacity, Memory and CPU usage	We will work with the City to identify local resrouces for anything onsite or physical installation of any equipment like PDAs, desktops, laptops, printers, scanners, network devices, etc.	24x7 (On-going)	###############################	Incident Management thru' Ticketing System. Azure cloud space, Office 365, VPN, cyber security software, and all required licenses to be purchased by the CIty. The plan is to migrate most things as much as possible to the cloud (Microsoft Azure preferred as the CIty is a predominantly a Microsoft user) so that local network and infrastructure management becomes minimal. The CIty has internet services provided by ISP vendor, we need to plan for primary, secondary, tertiary vendors on that end for business continuity. Microsoft Azure cloud is inherently compliant with business continuity protocols. We will also make sure all things done are following the overall goal of business continuity and least amount of downtime. We need to discuss with the ISP for the bandwidth and physical network services at the City.

S. No.	Activity	Duration	Discussion Points / Expectations
			Discovery Workshop – Cyber Security
1	**Perimter Security**	30 mins	• Firewall • IDS / IPS • DDoS • Proxy/Web Filtering
2	**Data Security**	30 mins	• Data Classification • Data Ownership • Data Integrity • Data Backup
3	**Authentication, Authorization & Accounting**	30 mins	• Domain and Authentication Strategy • Access Management Policy • Logging & Monitoring
4	**Cyber Security Policy**	30 mins	• Risk Management Process • Physical Security Policy (Man Management) • Secure Software Life Cycle • Cyber Security Incident Management • Cloud Security • Mobile Device Security • OT & IoT Security