

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Mary Rogren, General Manager

Agenda: October 13, 2020

Report

Date: October 9, 2020

Subject: Approval of Laserfiche Software Lease and Support Agreement with Ray Morgan Company

Recommendation:

Authorize the General Manager to enter into a Laserfiche Software Lease and Support Agreement with Ray Morgan Company for five years in the amount of \$839/month or \$50,340 in total over five years (plus applicable sales taxes.)

Background:

Currently the District stores documents physically in file cabinets and/or electronically on a shared server, however electronic file setups and naming formats are inconsistent at the user level; documents are often duplicated or are difficult to locate; and content cannot be easily queried.

The District would like to implement a Document Management System to manage the District's documents and records electronically in a centralized and unified repository.

Features of a Document Management System and Laserfiche include:

- Allows for digitizing documents within a structured digital storage environment that allows for each search and retrieval (and going paperless!)
- Provides for structured workflows for naming and cataloging of documents and connecting related records while ensuring version control
- Utilizes OCR Scanning to allow for document searches by keyword and other identifying information
- Configurable security and ability to securely send/route files electronically
- Can be integrated with other software including the District's enterprise software
- Provides for ongoing implementation of the District's retention policy

Laserfiche is an established software company (since 1987) and specializes in the local government document management space. Note that the City of Half Moon Bay utilizes Laserfiche. The District looked at other options including Tyler Technology's content manager option (the District's enterprise system used for financials and utility billing)

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and also consulted with an expert who works with local public agencies on document management. Staff concluded that Laserfiche will best suit the District's priorities.

The agreement includes 12 user licenses for the software, software updates, ongoing support, and initially 60 hours of setup and workflow design services. The District "owns" the software at the end of the (5) years (but would likely need to consider an ongoing support agreement.) Initially, the District may also incur consulting costs to update the District's retention policy; costs for integration with the District's enterprise system (Accounts Payable); and costs for scanning historical documents (including Board meeting minutes, resolutions, etc.) The District will ultimately see savings with reduction in "paper" offsite storage costs.

Fiscal Impact: \$10,068 (plus applicable taxes) annually, or \$50,340 over five years.



Equipment Lease Agreement

Ray Morgan Company

APPLICATION NO.

AGREEMENT NO.

3131 Esplanade • Chico, CA 95973 • Phone: 530.343.6065 • Fax: 530.343.9470

The words "User," "Lessee," "you" and "your" refer to **Customer**. The words "Owner," "Lessor," "we," "us" and "our" refer to **Ray A. Morgan Company**.

CUSTOMER INFORMATION

FULL LEGAL NAME

Coastside County Water District

STREET ADDRESS

766 Main St

CITY

Half Moon Bay

STATE

CA

ZIP

94019-1995

PHONE

(650) 726-4405

FAX

BILLING NAME (IF DIFFERENT FROM ABOVE)

BILLING STREET ADDRESS

CITY

STATE

ZIP

E-MAIL

EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE)

EQUIPMENT DESCRIPTION

MAKE/MODEL/ACCESSORIES

SERIAL NO.

1 Laserfiche Avante Server Solution with SQL Express Standard Workflow & Web Access

12 Laserfiche Full User Licenses

1 Laserfiche Import Agent

5 Laserfiche Annual Laserfiche Software Assurance Plan (LSAP)

Payment below includes 5 years of LSAP based on # of users and Laserfiche Modules.

Lease based on \$1 Out Software Lease

☐ See attached Schedule A

TERM AND PAYMENT INFORMATION

60 Payments* of \$ \$839.00

If you are exempt from sales tax, attach your certificate.

*plus applicable taxes

The payment ("Payment") period is monthly unless otherwise indicated.

Upon acceptance of the Equipment, THIS AGREEMENT IS NONCANCELABLE, IRREVOCABLE AND CANNOT BE TERMINATED.

OWNER ACCEPTANCE

Ray A. Morgan Company

OWNER

SIGNATURE

TITLE

DATED

CUSTOMER ACCEPTANCE

BY SIGNING BELOW OR AUTHENTICATING AN ELECTRONIC RECORD HEREOF, YOU CERTIFY THAT YOU HAVE REVIEWED AND DO AGREE TO ALL TERMS AND CONDITIONS OF THIS AGREEMENT ON THIS PAGE AND ON PAGE 2 ATTACHED HERETO.

Coastside County Water District

X

CUSTOMER (as referenced above)

SIGNATURE

TITLE

DATED

FEDERAL TAX I.D. #

PRINT NAME

29885 (2017)

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Rev. 05/08/2020

1. AGREEMENT: You agree to rent from us the goods, together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries ("Equipment") and, if applicable, finance certain software, software license(s), software components and/or professional services in connection with software (collectively, the "Financed Items," which are included in the word "Equipment" unless separately stated) from software licensor(s) and/or supplier(s) (collectively, the "Supplier"), all as described in this Agreement and in any attached schedule, addendum or amendment hereto ("Agreement"). You represent and warrant that you will use the Equipment for business purposes only. You agree to all of the terms and conditions contained in this Agreement, which, with the acceptance certification, is the entire agreement between you and us regarding the Equipment and which supersedes any purchase order, invoice, request for proposal, response or other related document. This Agreement becomes valid upon execution by us. The term shall start on the date we pay Supplier. The first Payment is due 30 days after the start of this Agreement and each Payment thereafter shall be due on the same day of each month (the "Scheduled Due Date") unless a different due date is mutually agreed to by us and you. If the parties agree to adjust the Payment due date (an "Adjusted Due Date"), in addition to all Payments and other amounts due hereunder, you will pay an interim payment in an amount equal to 1/30th of the Payment, multiplied by the number of days between the Scheduled Due Date and the Adjusted Due Date. In addition, should this Agreement replace a previous Ray A. Morgan Company generated equipment lease, a CLOSING BILL on the agreement being replaced, up to the installation date of the new equipment, will be sent approximately (10) days after delivery of the new equipment. You agree to pay this CLOSING BILL charges as they represent valid charges for product and services provided under the prior agreement up to the installation date of the new equipment. If any provision of this Agreement is declared unenforceable, the other provisions herein shall remain in full force and effect to the fullest extent permitted by law.

2. OWNERSHIP; PAYMENTS; TAXES AND FEES: We own the Equipment, excluding any Financed Items. Ownership of any Financed Items shall remain with Supplier thereof. You will pay all Payments, as adjusted, when due, without notice or demand and without abatement, set-off, counterclaim or deduction of any amount whatsoever. If any part of a Payment is more than 5 days late, you agree to pay a late charge of 10% of the Payment which is late or, if less, the maximum charge allowed by law. The Payment may be adjusted proportionately upward or downward: (i) if the shipping charges or taxes differ from the estimate given to you; and/or (ii) to comply with the tax laws of the state in which the Equipment is located. You shall pay all applicable taxes, assessments and penalties related to this Agreement, whether levied or assessed on this Agreement, on us (except on our income) or you, or on the Equipment, its rental, sale, ownership, possession, use or operation. If we pay any taxes or other expenses that are owed hereunder, you agree to reimburse us when we request. You agree to pay us a yearly processing fee of up to \$50 for personal property taxes we pay related to the Equipment. You agree to pay us a fee of up to \$50 for filing and/or searching costs required under the Uniform Commercial Code ("UCC") or other laws. You agree to pay us an origination fee of \$125 for all closing costs. We may apply all sums received from you to any amounts due and owed to us under the terms of this Agreement. If for any reason your check is returned for insufficient funds, you will pay us a service charge of \$30 or, if less, the maximum charge allowed by law. We may make a profit on any fees, estimated tax payments and other charges paid under this Agreement.

3. EQUIPMENT; SECURITY INTEREST: At your expense, you shall keep the Equipment: (i) in good repair, condition and working order, in compliance with applicable laws, ordinances and manufacturers' and regulatory standards; (ii) free and clear of all liens and claims; and (iii) at your address shown on page 1, and you agree not to move it unless we agree in writing. You grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement or any other agreement with us ("Other Agreements"), except amounts under Other Agreements which are secured by land and/or buildings. You authorize and ratify our filing of any financing statement(s) to show our interest. You will not change your name, state of organization, headquarters or residence without providing prior written notice to us. You will notify us within 30 days if your state of organization revokes or terminates your existence.

4. INSURANCE; COLLATERAL PROTECTION; INDEMNITY; LOSS OR DAMAGE: You agree to keep the Equipment fully insured against all risk, with us named as lender's loss payee, in an amount not less than the full replacement value of the Equipment until this Agreement is terminated. You also agree to maintain commercial general liability insurance with such coverage and from such insurance carrier as shall be satisfactory to us and to include us as an additional insured on the policy. You will provide written notice to us within 10 days of any modification or cancellation of your insurance policy(s). You agree to provide us certificates or other evidence of insurance acceptable to us. If you do not provide us with acceptable evidence of property insurance within 30 days after the start of this Agreement, we may, at our sole discretion, to do so as provided in either (A) or (B) below, as determined in our discretion: (A) We may obtain insurance covering our interest (and only our interest) in the Equipment for the Agreement term and renewals. Any insurance we obtain will not insure you against third party or liability claims and may be cancelled by us at any time. You may be required to pay us an additional amount each month for the insurance premium and an administrative fee. The cost may be more than the cost of obtaining your own insurance; or (B) We may charge you a monthly property damage surcharge of up to .0035 of the Equipment cost as a result of our credit risk and administrative and other costs, as would be further described on a letter from us to you. We may make a profit on this program. **NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF RESPONSIBILITY FOR LIABILITY INSURANCE ON THE EQUIPMENT.** We are not responsible for, and you agree to hold us harmless and reimburse us for and to defend on our behalf against, any claim for any loss, expense, liability or injury caused by or in any way related to delivery, installation, possession, ownership, renting, manufacture, use, condition, inspection, removal, return or storage of the Equipment. All indemnities will survive the expiration or termination of this Agreement. You are responsible for any loss, theft, destruction or damage to the Equipment ("Loss"), regardless of cause, whether or not insured. You agree to promptly notify us in writing of any Loss. If a Loss occurs and we have not otherwise agreed in writing, you will promptly pay to us the unpaid balance of this Agreement, including any future Payments to the end of the term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. Any proceeds of insurance will be paid to us and credited against the Loss. You authorize us to sign on your behalf and appoint us as your attorney-in-fact to endorse in your name any insurance drafts or checks issued due to a Loss.

5. ASSIGNMENT: YOU SHALL NOT SELL, TRANSFER, ASSIGN, ENCUMBER, PLEDGE OR SUBRENT THE EQUIPMENT OR THIS AGREEMENT, without our prior written consent which will not be unreasonably withheld. You shall not consolidate or merge with or into any other entity, distribute, sell or dispose of all or any substantial portion of your assets other than in the ordinary course of business, without our prior written consent, and the surviving, or successor entity or the transferee of such assets, as the case may be, shall assume all of your obligations under this Agreement by a written instrument acceptable to us. No event shall occur which causes or results in a transfer of majority ownership of you while any obligations are outstanding hereunder. We may sell, assign, or transfer this Agreement without notice to or consent from you. You agree that if we sell, assign or transfer this Agreement, our assignee will have the same rights and benefits that we have now and will not have to perform any of our obligations. **You agree that our assignee will not be subject to any claims, defenses, or offsets that you may have against us.** This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

6. DEFAULT AND REMEDIES: You will be in default if: (i) you do not pay any Payment or other sum due to us or you fail to perform in accordance with the covenants, terms and conditions of this Agreement or any other agreement with us or any of our affiliates or fail to perform or pay under any material agreement with any other entity; (ii) you make or have made any false statement or misrepresentation to us; (iii) you or any guarantor dies, dissolves, liquidates, terminates existence or is in bankruptcy; (iv) you or any guarantor suffers a material adverse change in its financial, business or operating condition; or (v) any guarantor defaults under any guaranty for this Agreement. If you are ever in default, at our option, we can cancel this Agreement and require that you pay the unpaid balance of this Agreement, including any future Payments to the end of term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. We may recover default interest on any unpaid amount at the rate of 12% per year. Concurrently and cumulatively, we may also use any remedies available to us under the UCC and any other law and we may require that you immediately stop using any Financed Items. If we take possession of the Equipment, you agree to pay the costs of repossession, moving, storage, repair and sale. The net proceeds of the sale of any Equipment will be credited against what you owe us under this Agreement and you will be responsible for any deficiency. In the event of any dispute or enforcement of our rights under this Agreement or any related agreement, you agree to pay our reasonable attorneys' fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee. **WE SHALL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES FOR ANY DEFAULT, ACT OR OMISSION BY ANYONE.** Any delay or failure to enforce our rights under this Agreement will not prevent us from enforcing any rights at a later time. You agree that this Agreement is a "Finance Lease" as defined by Article 2A of the UCC and your rights and remedies are governed exclusively by this Agreement. You waive all rights under sections 2A-508 through 522 of the UCC. If interest is charged or collected in excess of the maximum lawful rate, we will refund such excess to you, which will be your sole remedy.

7. INSPECTIONS AND REPORTS: We have the right, at any reasonable time, to inspect the Equipment and any documents relating to its installation, use, maintenance and repair. Within 30 days after our request (or such longer period as provided herein), you will deliver all requested information (including tax returns) which we deem reasonably necessary to determine your current financial condition and faithful performance of the terms hereof. This may include: (i) compiled, reviewed or audited annual financial statements (including, without limitation, a balance sheet, a statement of income, a statement of cash flow, a statement of changes in equity and notes to financial statements) within 120 days after your fiscal year end, and (ii) management-prepared interim financial statements within 45 days after the requested reporting period(s). Annual statements shall set forth the corresponding figures for the prior fiscal year in comparative form, all in reasonable detail without any qualification or exception deemed material by us. Unless otherwise accepted by us, each financial statement shall be prepared in accordance with generally accepted accounting principles consistently applied and shall fairly and accurately present your financial condition and results of operations for the period to which it pertains. You authorize us to obtain credit bureau reports for credit and collection purposes and to share them with our affiliates and agents.

8. END OF TERM: At the end of the initial term, this Agreement shall renew for successive 12-month renewal term(s) under the same terms hereof unless you send us written notice between 90 and 150 days before the end of the initial term or at least 30 days before the end of any renewal term that you want to return the Equipment, and you timely return the Equipment. You shall continue making Payments and paying all other amounts due until the Equipment is returned. As long as you have given us the required written notice, you will return all of the Equipment to a location we specify, at your expense, in retail re-saleable condition, full working order and complete repair. **YOU ARE SOLELY RESPONSIBLE FOR REMOVING ANY DATA THAT MAY RESIDE IN THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO HARD DRIVES, DISK DRIVES OR ANY OTHER FORM OF MEMORY.**

9. USA PATRIOT ACT NOTICE; ANTI-TERRORISM AND ANTI-CORRUPTION COMPLIANCE: To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each customer who opens an account. When you enter into a transaction with us, we ask for your business name, address and other information that will allow us to identify you. We may also ask to see other documents that substantiate your business identity. You and any other person who you control, own a controlling interest in, or who owns a controlling interest in or otherwise controls you in any manner ("Representatives") are and will remain in full compliance with all laws, regulations and government guidance concerning foreign asset control, trade sanctions, embargoes, and the prevention and detection of money laundering, bribery, corruption, and terrorism, and neither you nor any of your Representatives is or will be listed in any Sanctions-related list of designated persons maintained by the U.S. Department of Treasury's Office of Foreign Assets Control or successor or the U.S. Department of State. You shall, and shall cause any Representative to, provide such information and take such actions as are reasonably requested by us in order to assist us in maintaining compliance with anti-money laundering laws and regulations.

10. MISCELLANEOUS: Unless otherwise stated in an addendum hereto, the parties agree that: (i) this Agreement and any related documents hereto may be authenticated by electronic means; (ii) the "original" of this Agreement shall be the copy that bears your manual, facsimile, scanned or electronic signature and that also bears our manually or electronically signed signature and is held or controlled by us; and (iii) to the extent this Agreement constitutes chattel paper (as defined by the UCC), a security interest may only be created in the original. You agree not to raise as a defense to the enforcement of this Agreement or any related documents that you or we executed or authenticated such documents by electronic or digital means or that you used facsimile or other electronic means to transmit your signature on such documents. Notwithstanding anything to the contrary herein, we reserve the right to require you to sign this Agreement or any related documents hereto manually and to send to us the manually signed, duly executed documents via overnight courier on the same day that you send us the facsimile, scanned or electronic transmission of the documents. You agree to execute any further documents that we may request to carry out the intents and purposes of this Agreement. Whenever our consent is required, we may withhold or condition such consent in our sole discretion, except as otherwise expressly stated herein. From time to time, Supplier may extend to us payment terms for Equipment financed under this Agreement that are more favorable than what has been quoted to you or the general public, and we may provide Supplier information regarding this Agreement if Supplier has assigned or referred it to us. All notices shall be mailed or delivered by facsimile transmission or overnight courier to the respective parties at the addresses shown on this Agreement or such other address as a party may provide in writing from time to time. By providing us with a telephone number for a cellular phone or other wireless device, including a number that you later convert to a cellular number, you are expressly consenting to receiving communications, including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system, from us and our affiliates and agents at that number. This express consent applies to each such telephone number that you provide to us now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from your cellular provider. You authorize us to make non-material amendments (including completing and conforming the description of the Equipment) on any document in connection with this Agreement. Unless stated otherwise herein, all other modifications to this Agreement must be in writing and signed by each party or in a duly authenticated electronic record. This Agreement may not be modified by course of performance.

11. WARRANTY DISCLAIMERS: WE ARE RENTING THE EQUIPMENT TO YOU "AS-IS." YOU HAVE SELECTED SUPPLIER AND THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. IN THE EVENT WE ASSIGN THIS AGREEMENT, OUR ASSIGNEE DOES NOT TAKE RESPONSIBILITIES FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. SUPPLIER IS NOT AN AGENT OF OURS AND WE ARE NOT AN AGENT OF SUPPLIER, AND NOTHING SUPPLIER STATES OR DOES CAN AFFECT YOUR OBLIGATIONS HEREUNDER. **YOU WILL MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST ANY SUPPLIER, LICENSOR OR MANUFACTURER, AND ANY FAILURE OF A SERVICE PROVIDER TO PROVIDE SERVICES WILL NOT EXCUSE YOUR OBLIGATIONS TO US UNDER THIS AGREEMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, OF, AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, QUALITY, ADEQUACY, TITLE, DATA ACCURACY, SYSTEM INTEGRATION, FUNCTION, DEFECTS, INFRINGEMENT OR ANY OTHER ISSUE IN REGARD TO THE EQUIPMENT, ANY ASSOCIATED SOFTWARE AND ANY FINANCED ITEMS.** SO LONG AS YOU ARE NOT IN DEFAULT UNDER THIS AGREEMENT, WE ASSIGN TO YOU ANY WARRANTIES IN THE EQUIPMENT GIVEN TO US.

12. LAW; JURY WAIVER: LAW; JURY WAIVER: This Agreement will be governed by and construed in accordance with the law of the principal place of business of Owner or, if assigned, its assignee. You consent to jurisdiction and venue of any state or federal court in the state the Owner or, if assigned, its assignee has its principal place of business and waive the defense of inconvenient forum. For any action arising out of or relating to this Agreement or the Equipment, **BOTH PARTIES WAIVE ALL RIGHTS TO A TRIAL BY JURY.**



ProIT

PROFESSIONAL IT SOLUTIONS

A DIVISION OF
THE RAY MORGAN COMPANY

3131 Esplanade, Chico CA 95973

Phone: (530) 343-6065

Email: info@raymorgan.com

Bill To:

Coastside County Water

766 Main Street

Half Moon Bay, CA 94019

QUOTE

Date: 8/18/2020

Expires on: 9/18/2020

Order Type: Lease

Sales Rep: Kristen Sparkes

Phone: 925-984-9256

Email: ksparkes@raymorgan.com

Proposed Software

Quantity	Product Name	Product Description
1	MSE10 - Laserfiche Avante Server for SQL Express with Workflow	MSE10 - Laserfiche Avante Server for SQL Express with Workflow
12	MNF16 - Laserfiche Named Full User with Web Client, Mobile, Snapshot and Email	MNF16 - Laserfiche Named Full User with Web Client, Mobile, Snapshot and Email
1	MCA01 Laserfiche Import Agent	MCA01 Laserfiche Import Agent

Laserfiche Software Assurance Plan - 5 Years Support

Quantity	Product Name	Product Description
1	LSAP - MSE10 - Laserfiche Avante Server for SQL Express with Workflow	LSAP - MSE10 - Laserfiche Avante Server for SQL Express with Workflow
12	LSAP - MNF16 - Laserfiche Named Full User with Web Client, Mobile, Snapshot and Email	LSAP - MNF16 - Laserfiche Named Full User with Web Client, Mobile, Snapshot and Email
1	LSAP - MCA01 Laserfiche Import Agent	LSAP - MCA01 Laserfiche Import Agent

Professional IT Services

Quantity	Product Name	Product Description
10	LF User Install and setup	LF User Install and setup
50	Labor Project	Laserfiche Project. Block of time as Scope has not been created.

60 Month Lease - Monthly Payment: \$839.00

**Plus Applicable Taxes*

This quote is valid for 30 days post issue. 100% of all licensing, software, hardware and/or Block Time to be invoiced and due upon signed Scope of Work. LSAP coverage starts upon signed Scope of Work. The commencement of your lease and the invoicing thereof will begin ten (10) days from the "Date" below.

Payment terms for this order are NET10. _____ Initial here

Signature: _____

Date: _____

Name (Print): _____

Title: _____

RMC SOFTWARE ORDER-TERMS AND CONDITIONS / PROIT SOFTWARE ORDER-TERMS AND CONDITIONS

The terms on this Software Order Form constitute the software purchase agreement between the purchaser and the seller. This is a binding order, not subject to cancellation. The Buyer grants to PROIT a security interest in the above described goods to secure payment of the purchase price. Buyer authorizes PROIT to file a UCC-1 Financing Statement, and authorizes PROIT, as Buyer's attorney-in-fact, to execute and file the financing statement. Buyer agrees to pay all of Professional IT Solutions (PROIT) costs in the collection of any amount due hereunder in the recovery of any property, pursuant hereto or in the enforcement of its right against Buyer, including reasonable attorney's fees, whether or not suit be brought. Customer agrees that in the event of any default of this agreement, PROIT may remove products affected by the default from customer's premises with or without process of law.

Payment terms are upon receipt of invoice (URI) unless otherwise specified. Late charges of 1.5% per month on the outstanding balance will be added if payments are not received within 15 days of the invoice date. The minimum late charge is \$9.50. Late charges will not exceed the maximum permitted by law. Buyer agrees to pay seller a returned check charge of \$25.00 per occurrence if any of buyer's checks are returned to seller unpaid. Upon default of any payment or any other aspect of this agreement, seller may, at its option, declare the entire outstanding balance immediately due and payable. Other than the obligations set forth herein, PROIT disclaims all warranties, express or implied, including any implied warranties of merchantability, fitness for use, or fitness for a particular purpose. PROIT shall not be responsible for direct, incidental, or consequential damages, including but not limited to damages arising out of the use or performance of the equipment or the loss of use of the equipment. PROIT shall be temporarily relieved of its obligation in the event that labor disturbance, acts of God, unavailability of product, or other circumstances beyond PROIT's control prevent PROIT from fulfilling the terms of this agreement. No goods may be returned without PROIT's approval or prior written consent. A) Only consumable goods invoiced within 60 days will be considered for return. B) On authorized returns, buyer agrees to pay a restocking charge equivalent to 30% of the purchase price. C) Merchandise returned without authorization may not be accepted at the receiving dock, and is the sole responsibility of the buyer. D) All non-saleable merchandise (that has been partially used or opened) will be deducted from any credit amount due the buyer. All claims regarding shipments and receipt of goods must be made within 7 days of delivery. Applicable taxes shall be added to the purchase price unless the customer has supplied a tax exemption or resale certificate (prior to shipment) acceptable to the proper taxing authorities.

I acknowledge the above stated Terms & Conditions: _____ Date: _____



ProIT Laserfiche Service Agreement

1. Terms of Agreement

This Agreement between the above stated purchasing party, herein referred to as Client, and Ray Morgan ProIT, herein referred to as Consultant is effective upon the date signed, shall remain in force for the terms specified on the attached quote.

- a) This Agreement may be terminated by either party upon ninety (90) day's written notice if the other Party:
 - I. Fails to fulfill in any material respect its obligations under this agreement and does not cure such failure within ninety (90) days of receipt of such written notice.
 - II. Breaches any material term or condition of this agreement and fails to remedy such breach within ninety (90) days of receipt of such written notice.
 - III. Terminates or suspends its business operations, unless it is succeeded by a permitted assignee under this agreement.

2. Coverage

During the term of the Client's Laserfiche Support Agreement, the Consultant will provide the following:

- Remote helpdesk and regular updates of Client's Laserfiche Software installation will be provided to the Client by Consultant through remote means between the hours of 8:00 am – 5:00 pm Monday through Friday, excluding public holidays. Details about SLA response times and the escalation process can be found in *Appendix A*.
- The Client is entitled to two (2) hours of remote Laserfiche Administrator training per contractual year. An outline of the training topics and video recording of the training session will be provided after each training session. This training time cannot be accrued, and will reset upon the annual renewal date.
- All benefits of the Laserfiche Software Assurance Program (LSAP) are included in the ProIT Laserfiche Support Agreement including patches, updates and version upgrades as well as access to the Laserfiche knowledgebase and certified technicians. RMC ProIT will be the primary agent of support. All services qualifying under these conditions, as well as services that fall outside this scope will fall under the provisions of *Appendix B*.

Support and Escalation

Consultant will respond to Client's trouble tickets under the provisions of *Appendix A*, and with best effort after hours or on holidays. Trouble tickets must be submitted by email to helpdesk@raymorgan.com or by phone if internet is unavailable. Each call will be assigned a trouble ticket number for tracking. Our escalation process is detailed in *Appendix A*.

Service outside Normal Working Hours

Emergency services performed outside of the hours of 8:00 am – 5:00 pm Monday through Friday, excluding public holidays, shall be subject to provisions of *Appendix B*.

Exclusions

The following services are not included in this agreement, and would be considered billable services and/or subject to provisions of *Appendix B*:

- Additional training sessions (beyond included 2 hours per year)
- Customizations, such as custom workflows, custom Quick Fields sessions, and data migrations -
- Customizations will require a Statement of Work from our engineer that must be signed by the client and will be scheduled based off hours scoped. This work will be treated as a new project.
- Parts, equipment or software for Client's network, computing or telecommunications systems which are not covered by Consultant warranty or support.
- The cost of any software or licensing.
- The cost of any 3rd party vendor outside of Laserfiche, or manufacturer support or incident fees of any kind.
- The cost to bring Client's environment up to minimum standards required for services.
- Failure due to acts of God, building modifications, power failures or other adverse environmental conditions or factors.
- Service and repair made necessary by the alteration or modification of equipment other than that authorized by Consultant, including alterations, software installations or modifications of equipment made by Client's employees or anyone other than Consultant

Limitation of Liability

In no event shall Consultant be held liable for indirect, special, incidental or consequential damages arising under this contract, including but not limited to loss of profits or revenue, loss of use of equipment, lost data, costs of substitute equipment, or any other costs.

Consultant or its suppliers shall not be liable for any indirect, incidental, consequential, punitive, economic or property damages whatsoever (including any damages for loss of business profits, business interruption, loss of data or other pecuniary loss) arising out of this Agreement.

Use of Subcontractors

Client agrees to allow Consultant to assign, delegate, and subcontract services to third party competent contractors approved by Consultant.

Service Disclaimer

Client grants Consultant authorization to view any data within the regular routine of the repair or system improvement. Client also authorizes Consultant to reasonably delete, change, and/or rewrite any necessary information to complete the system repair or improvement that is consistent with the standards and practices in the industry.

3. Limitations of Technology

The Client acknowledges that technologies are not universally compatible, and that there may be particular services or devices that the Consultant may be unable to manage or patch. The Consultant agrees to inform the Client when such a situation arises. The Client agrees to correct the situation if applicable, and to hold the Consultant harmless in any case.

Patches and updates are distributed by their respective software vendors, and as such, the Consultant has no direct control over the effectiveness or lack thereof of the software being applied. The Consultant shall not be held responsible for interruptions in service due to patches released by software vendors.

The performance and suitability of any hardware and software products are the responsibility of the manufacturer or vendor, in any case the consultant shall not be held responsible for the performance or suitability of such third party products.

4. Minimum Standards Required for Services

In order for Client's existing environment to qualify for Consultant's ProIT Laserfiche Agreement, the following requirements must be met:

1. All servers must have vendor-supported versions of Microsoft Windows Operating Systems and have all of the latest Microsoft Service Packs and critical updates installed.
2. All desktop and notebooks/laptops must have vendor supported versions of Microsoft Windows Operating Systems and have all of the latest Microsoft Service Packs and critical updates installed.
3. All server and desktop software must be genuine, licensed and vendor supported.
4. Laserfiche LSAP contract must be current and paid.
5. Any changes that are made to the covered equipment must be approved by both parties.

5. Access

Client agrees to maintain, where required, a full time, dedicated internet connection and to allow the Consultant access to the Client's network via that internet connection. Client agrees to allow the Consultant employees or subcontractors access to its facilities in order to perform services under this agreement. Client agrees to allow the Consultant access to the covered equipment. Facility access may be denied for any reason at any time, however if access to facilities is denied, the Client understands the Consultant may be unable to perform their duties adequately and if such a situation should exist, the Consultant will be held harmless.

In the case of the Client residing in a facility with access controlled by a third party, the Client is responsible for obtaining proper and adequate permissions for the Consultant to enter and operate on the premises designated as the Client's work area. Client agrees to allow the Consultant to load any necessary management software on their systems. Client agrees to furnish the Consultant with administrator-level password access for all covered equipment and servers, where necessary.

6. Price Adjustments

Consultant shall have the right to propose an adjustment to the rate specified on the attached quote in the event of additional purchases, substantial changes in the demand for IT services initiated by Client, or material increases in costs to Consultant. If an adjustment occurs, an addendum detailing the adjustment will be signed by both parties and attached to this contract.

It is understood that any and all Services requested by Client that fall outside of the terms of this Agreement will be considered Projects and/or Time and Materials Labor, and will be billed outside of this contract.

7. Taxes

It is understood that any Federal, State, Local, or Property Taxes applicable shall be added to each invoice for services or materials rendered under this Agreement. Client shall pay any such taxes unless a valid exemption certificate is furnished to Consultant for the state of use.

8. Contract Termination

If either party terminates this Agreement, Consultant will assist Client in the orderly termination of services, including timely transfer of the services to another designated provider. Client agrees to pay

Consultant the actual costs of rendering such assistance. Actual costs could include but are not limited to: training, data transfer, and license transfers.

9. Non-Diversion

Client agrees that during the term of this agreement and for a period of five years following the termination of this agreement, Client will not recruit or hire any employee, agent, representative or subcontractor of the Consultant ("Consultant personnel"), nor will Client directly or indirectly contact or communicate with Consultant personnel for the purpose of soliciting or inducing such Consultant personnel (a) to accept employment with, or perform work for any person, firm, or entity other than Consultant; or (b) to provide services to Client or any other person, firm or entity except as an employee or representative of the Consultant. Client agrees that, in the event of a breach or threatened breach of this provision, in addition to any remedies at law, Consultant, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available.

10. Confidentiality

It is understood and agreed to that the Client may provide certain information that is and must be kept confidential. Consultant and its agents may use Client information, as necessary to or consistent with providing the contracted services, and will use best efforts to protect against unauthorized use. The Consultant agrees not to disclose the confidential information obtained from the discloser to anyone unless required to do so by law.

11. Authority:

Client signatory represents and warrants that it has full corporate power and authority to execute this Agreement to bind their company. Only individuals with title of Chief Executive, Chief Financial Officer, Owner or any person designated by any of those individuals shall have power and authority to bind Client.

12. Miscellaneous

This agreement shall be governed by, construed, and enforced in accordance with the laws of the State of California. Jurisdiction and venue shall exclusively lie in the County of Butte. It constitutes the entire agreement between Client and Consultant for monitoring/maintenance/service of Laserfiche software. This agreement can be modified by a signed written Addendum by both parties.

If any collection action litigated or otherwise, is necessary to enforce the terms of this agreement, Consultant shall be entitled to reasonable attorneys' fees and costs in addition to any other relief to which it may be entitled.

If any provision in this agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

13. Acceptance of Service Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their duly authorized representatives as of the date set forth below.

Authorized
Signature

Client

Date

Authorized
Signature

Consultant

Date